
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

AB 1654 (Robert Rivas) - Low-income housing: insurance tax: income tax: credits: farmworker housing

Version: May 2, 2022

Policy Vote: HOUSING 9 - 0, GOV. & F. 5
- 0

Urgency: No

Mandate: No

Hearing Date: August 11, 2022

Consultant: Mark McKenzie

Bill Summary: AB 1654 would set aside \$25 million, or 5% of the overall amount, of state low-income housing tax credits (LIHTCs) made available each year in the state budget, whichever is less, farmworker housing projects. The bill would also require the Department of Housing and Community Development (HCD) to commission a statewide study to inform a comprehensive strategy for meeting farmworker needs.

******* ANALYSIS ADDENDUM – SUSPENSE FILE *******

**The following information is revised to reflect amendments
adopted by the committee on August 11, 2022**

Fiscal Impact:

- HCD estimates one-time contract costs of approximately \$400,000 to conduct a specified statewide study of farmworker conditions, needs, and solutions, and assist in the development of a comprehensive strategy. HCD would incur an additional \$250,000 in contract every five years thereafter to update the study and strategy. (General Fund)
- HCD estimates ongoing costs of approximately \$194,000 annually for 1.0 PY of staff to hire and oversee the consultant contract, develop the report, incorporate strategies into the Statewide Housing Plan, ensure recommendations are implemented across various programs, and update the study, strategy, and report every five years. (General Fund)
- Unknown annual cost pressures to provide additional General Fund augmentations to the LIHTC program, to the extent the bill results in a significant increase in LIHTC allocations for farmworker housing projects that would otherwise be used for other affordable housing projects. As noted below, recent budget actions have provided an additional \$500 million each year to augment the program, which remains oversubscribed. Staff notes, however, that the bill provides that amounts that are not allocated for farmworker projects within three years would revert to the larger pot of credits for general allocations.
- The California Tax Credit Allocation Committee (TCAC) indicates that costs to increase the set aside for farmworker housing projects would be minor and absorbable.

Author Amendments:

- Delete a provision requiring the reversion of unallocated farmworker housing project credits that remain after three years.
- Require any farmworker credits that remain unallocated following conclusion of the first funding round in a calendar year to roll over to consecutive subsequent funding rounds in that calendar year, except that any credits that remain unallocated prior to the final funding round in that calendar year must be added to the general additional allocation amount, as specified.
- Clarify that the additional LIHTC set aside for farmworker housing projects would apply for the calendar years of 2024 to 2034, rather than through 2034.

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