
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 1296 (Bonta) - Local educational agencies: reserve funds

Version: May 23, 2025

Urgency: No

Hearing Date: August 29, 2025

Policy Vote: HOUSING 7 - 2

Mandate: No

Consultant: Mark McKenzie

Bill Summary: AB 1296 would require the Department of Housing and Community Development (HCD) to provide a form on its website that enables a local educational agency (LEA) to notify the department of its interest in using its property for housing development. The bill would also require HCD to provide technical assistance to an LEA to support predevelopment activities related to a housing project on LEA property, as specified.

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

The following information is revised to reflect amendments
adopted by the committee on August 29, 2025

Fiscal Impact:

- HCD estimates one-time IT costs of approximately \$750,000 in 2026-27 to support data collection, outreach, and program administration. HCD would also incur ongoing costs of approximately \$1.74 - \$1.97 million annually, beginning in 2026-27, which includes approximately \$1 million in annual contract costs for consulting services to provide expert support in real estate finance and development advising, as well as state operations costs in the range of \$740,000 to \$970,000 annually for a dedicated technical assistance team of 3.0 - 4.0 PY of permanent staff. (General Fund)

Author Amendments: Limit the requirement for HCD to provide technical assistance to only those LEAs that submit a notice to the department requesting technical assistance to support predevelopment activities, as specified.

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