

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2270 (Arambula) – As Amended April 30, 2026

Policy Committee:	Revenue and Taxation	Vote:	5 - 1
	Housing and Community Development		11 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the California Tax Credit Allocation Committee (TCAC) to consider amending the low-income housing tax credit (LIHTC) regulatory scoring system to establish a housing type for farmworker housing projects.

This bill also requires TCAC to consider using the same point allocations as provided for rural set-aside projects for the purpose of assigning points based on the proximity of amenities to an eligible farmworker housing project.

FISCAL EFFECT:

- 1) One-time costs of approximately \$750,000 to \$2.5 million to TCAC to commission a study to produce recommendations for establishing a farmworker housing type and appropriate site amenities (General Fund (GF)). TCAC notes that the study would analyze farmworker demographics, wages, and existing needs and identify barriers and opportunities for housing development in the LIHTC program and the magnitude of costs would depend on the study’s scope, methodology, and depth of fieldwork. Additionally, ongoing costs of approximately \$150,000 annually to TCAC for an additional staff position to oversee the consultants responsible for developing the study and incorporate the study’s recommendations into LIHTC program regulations (GF).
- 2) GF cost pressures of an unknown amount, potentially in the tens of millions of dollars annually, to the extent these LIHTC scoring system changes result in more farmworker housing LIHTC projects approved at the expense of other projects, thus increasing demand for additional LIHTC funding in the annual Budget Act. The LIHTC program is currently oversubscribed.

The Legislative Analyst’s Office recently warned of GF structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** According to the author:

Farmworkers are an essential part of our state’s economy helping the state’s agricultural sector generate more than \$100 billion in economic activity each year...Yet, they are often forced to live in aging or

substandard housing. The state must do something to provide them with the dignity and respect that they earn through their work. AB 2270 is a modest proposal to further this purpose by ensuring a source of funding that can be used to incentivize the construction of adequate farmworker housing.

This bill is sponsored by La Cooperativa Campesina de California and supported by various worker rights and economic development groups.

- 2) **Background. *Farmworker Housing Set-aside in the LIHTC Program.*** Existing state law allows an LIHTC that generally conforms to a federal LIHTC credit, administered by TCAC. A taxpayer must qualify for the federal credit to receive the state credit. AB 101 (Committee on Budget), Chapter 159, Statutes of 2019, allocated an additional \$500 million in state LIHTCs, on top of the state's previous annual allocation, for the 2020 calendar year and every year thereafter, if authorized in the annual Budget Act.

The state LIHTC program also includes a specific set-aside for farmworker housing, with any unused funds rolling over to the next year. AB 571 (E. Garcia), Chapter 372, Statutes of 2017, modified the set-aside rules to make farmworker housing projects more competitive for the credit. AB 1654 (Robert Rivas), Chapter 638, Statutes of 2022, required an additional \$25 million or 5% of the amount available in each year's state budget, whichever is less, to be set aside for projects providing farmworker housing. This additional funding is to be provided each year, for the next 10 years, with any unspent set-aside funding reverting to the larger pool of generally allocated credit funding after three years.

Most recently, AB 1439 (E. Garcia), Chapter 369, Statutes of 2023, required TCAC to consider granting farmworker housing maximum points under the housing needs category and an initial five points for site amenities beyond those required. TCAC subsequently amended its regulations in December 2025 to give farmworker housing an automatic five points for site amenities. However, TCAC has not yet had a round of funding to see what impact this change may have to support farmworker housing projects. This bill requires TCAC to consider amending the LIHTC scoring system to establish a housing type for farmworker housing projects.

Rural Set-aside. While all projects applying for LIHTC are subject to the same scoring criteria for being proximate to certain amenities, a project that qualifies for the LIHTC's rural set-aside is awarded the same consideration as a non-rural project if the rural project is located further away from those amenities. This consideration accounts for the often greater distances between locations in rural settings. This bill requires TCAC to consider that a farmworker housing project benefit from the same point allocation methodology utilized for being proximate to certain amenities as a rural set-aside project.

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