

**THIRD READING**

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Bill No: AB 736  
Author: Wicks (D), Haney (D) and Quirk-Silva (D), et al.  
Amended: 4/10/25 in Assembly  
Vote: 27 - Urgency

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SENATE HOUSING COMMITTEE: 8-1, 4/21/26  
AYES: Arreguín, Cabaldon, Caballero, Cortese, Durazo, Gonzalez, Grayson,  
Padilla  
NOES: Seyarto  
NO VOTE RECORDED: Ochoa Bogh

SENATE APPROPRIATIONS COMMITTEE: 5-0, 5/14/26  
AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab  
NO VOTE RECORDED: Seyarto, Dahle

ASSEMBLY FLOOR: 65-11, 6/3/25 - See last page for vote

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**SUBJECT:** The Affordable Housing Bond Act of 2026

**SOURCE:** Author

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**DIGEST:** This urgency bill authorizes the Affordable Housing Bond Act of 2026 to place a \$10 billion housing bond on the June 2, 2026 primary election ballot to fund production of affordable housing and supportive housing.

**ANALYSIS:**

Existing law:

- 1) Authorized the Veterans and Affordable Housing Bond Act of 2018, which provided \$4 billion in funding, including \$1 billion for the Department of Veterans Affairs (CalVet) program and \$3 billion for various affordable housing programs.

- 2) Establishes the Multifamily Housing Program (MHP) at the California Department of Housing and Community Development (HCD) to assist the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower income households through loans to local governments and non- and for-profit developers.
- 3) Establishes the Portfolio Reinvestment Program to provide loans or grants to rehabilitate, capitalize operating subsidy or replacement reserves for, and extend the long-term affordability of HCD-funded housing projects that have an affordability restriction that has expired, that have an affordability restriction with a remaining term of less than 10 years, or are otherwise at-risk for conversion to market-rate housing.
- 4) Establishes the Joe Serna, Jr. Farmworker Housing Grant Program (Serna Program) at HCD to finance the new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households.
- 5) Establishes CalHome at HCD to provide grants to local public agencies and non-profit developers to assist individuals and households through deferred-payment loans. The funds provide direct, forgivable loans to assist development projects involving multiple ownership units, including single-family subdivisions.
- 6) Authorizes CalHFA to provide first time homebuyer assistance, including but not limited to a deferred-payment, low-interest, subordinate mortgage loan, including down payment assistance, closing cost assistance, or both, to make financing affordable to low- and moderate-income households.

This bill:

- 1) Authorizes \$10 billion in general obligation bonds to fund the following programs:
  - a) \$5 billion to MHP. At least 10% of units in a MHP development must be available for extremely low-income households;
  - b) \$1.7 billion to supportive housing administered through the MHP program. Requires HCD to offer capitalized operating subsidy reserves for supportive housing developments receiving funding;

- c) \$800 million for the Portfolio Reinvestment Program, which provides funding to rehabilitate, fund short-term capitalized operating subsidy reserve, and extend the long-term affordability of HCD-funded rental multifamily housing projects that are at-risk of conversion to market-rate housing;
  - d) \$250 million for the Tribal Housing Grant Program;
  - e) \$500 million for a program to be created by the Legislature that funds acquisition and rehabilitation of unrestricted housing units (*i.e.*, unsubsidized housing that may naturally be affordable) and the attachment of long-term affordability restrictions to the units;
  - f) \$1 billion to the CalHOME Program and the My Home down payment assistance program administered by the California Housing Finance Agency (CalHFA);
  - g) \$350 million to the Joe Serna, Jr. Farmworker Housing (Serna) Program; and
  - h) \$400 million to the Infill Infrastructure Grant Program of 2019, which promotes infill housing development by providing financial assistance for the infrastructure and adaptive reuse that is an integral part of, or necessary to facilitate the development of affordable and mixed-income housing.
- 2) Authorizes the Legislature to amend any law related to programs, which have been allocated funds by the bond, to further improve the efficacy and effectiveness of those programs.
  - 3) Authorizes the Legislature to reallocate funds authorized by the bond to effectively promote affordable housing in the state.
  - 4) Authorizes HCD to disperse funds made available through the bond to housing developments during the construction period.

## **Background**

*Affordable housing finance generally.* California has the largest concentration of severely unaffordable housing markets in the nation, with the average home value in California at \$877,285. To keep up with demand, the state Department of Housing and Community Development (HCD) estimates that California must plan for the development of more than 2.5 million homes by 2031, and no less than one

million of those homes must meet the needs of lower-income households (more than 640,000 very low-income and 385,000 low-income units are needed).

Developing housing that is affordable to very low- and low-income families almost always requires some amount of public investment. Unlike market-rate housing, tenants in affordable housing are only required to pay 30% of their income toward rent, so the state provides enough long-term subsidy to reduce the overall debt service on a development. The high cost of land and construction, as well as regulatory barriers, in California generally makes it economically impossible to build new housing that can be sold or rented at prices affordable to such households. The private sector sometimes provides financial subsidies or land donations mandatorily through inclusionary zoning policies or voluntarily through density bonus ordinances, described below. In most cases, however, some amount of public financial subsidy is needed from federal, state, and/or local governments.

### **Comments**

- 1) *Publicly available funds for affordable housing.* Prior to 1974, the federal government invested heavily in affordable housing construction. When those units began to deteriorate, the Housing Community and Development Act ended most new construction of public housing and the Housing Choice Voucher Program (Section 8) was created in its place. This new program allowed eligible tenants to pay only a portion of their rent (based on their income) and shifted funds from public housing authorities to the private sector. The goal was to eliminate concentrations of low-income people in housing developments. In 1981, the Reagan administration dismantled federal affordable housing funding. From 1978 to 1983, the funding for low- to moderate-income housing decreased by 77%. In 1970, there were 300,000 more low-cost rental units (6.5 million) than low-income renter households (6.2 million). By 1985, however, the number of low-cost units had fallen to 5.6 million, and the number of low-income renter households had grown to 8.9 million, a disparity of 3.3 million units. Federal investments have not gone back up to pre-1978 levels, and measures like the Faircloth amendment hamstringing federal investments in new publicly-funded affordable units.

At the state level, California has invested significantly in affordable housing construction and rehabilitation in recent years through the passage of one-time discretionary actions in the budget and the passage of voter approved bonds.

Only in the last few years have the Legislature and Governor allocated General Fund dollars to affordable housing programs. Beginning in 2019, an unprecedented \$8 billion from the General Fund has gone to a variety of

affordable housing programs. The Veterans and Affordable Housing Bond Act of 2018 (Proposition 1), authorized \$3 billion to fund state affordable housing programs and \$1 billion for the CalVet program, which provides advantageous mortgages to veterans. All of the funding from the bond will be fully allocated by the end of 2023. Proposition 2 of 2018 authorized the state to issue \$2 billion in General Obligations bonds against revenues from the Mental Health Services Act for purposes of funding the No Place Like Home Program (NPLH). Those funds supported the construction of over 7,000 supportive housing units and the funds are now exhausted.

It should be noted that of these investments, only funds from the Affordable Housing and Sustainable Communities program (AHSC), federal and state low income housing tax credits, and funds from SB 2 (Atkins, Chapter 364, Statutes of 2017), are ongoing sources of funding.

These investments, while critical, have not made up for decades of disinvestment from the federal level, resulting in a supply-side shortage of affordable housing to meet the growing demand. Significant ongoing investments are necessary to meet the current undersupply of housing affordable to lower-income families. According to the bill sponsors, California has nearly 45,000 shovel-ready affordable homes that cannot move forward due to lack of gap financing.

- 2) *Who benefits from affordable housing?* Most subsidized affordable housing developments are built for families and individuals with incomes of 60% or less than AMI; as noted above, AMI is set regionally and means different things in different areas of the state. While these income limits may seem low, many “middle-class” and working families fall into low-income categories due to the high cost of housing. For example, a renter earning minimum wage (such as a pre-school teacher, janitor, or retail employee) needs to earn 2.8 times the state minimum wage to afford the average asking rent in California. The average beginning elementary school teacher in California makes between \$55,000 - \$62,000 per year and a beginning high school teacher makes between \$55,000 and \$67,000 per year<sup>1</sup>, which in some areas of the state falls into the low- or even very low-income categories.
- 3) *A renewed GO Bond for Housing.* According to the sponsors, this new bond could produce more than 40,000 new affordable homes for lower-income

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<sup>1</sup> Statewide Average Salaries and Expenditure Percentages: 2023-24. California Department of Education. Accessible here: [Average Salaries & Expenditure Percentage - CalEdFacts \(CA Dept of Education\)](#)

households, preserve more than 5,500 existing units, create more than 53,000 construction jobs, and generate \$1.3 billion in state and local tax revenue. This bill would provide \$1.75 billion to supportive housing for people at-risk or experiencing homelessness. In addition, the bond would require that 10% of any units created through MHP go to people who are extremely low-income (at or below 30% of area median income), who may be at greater risk of homelessness. It would also reinvest in the Serna Program and CalHOME. These three programs benefited from funding through Proposition 1.

The bond would also fund a new program contemplated by SB 1091 (Caballero, 2026). That program would support the acquisition and rehabilitation of unrestricted housing units and attach long-term affordability restrictions to the units.

This bill is substantially similar to SB 417 (Cabaldon, 2026), which is pending in the Assembly Housing and Community Development Committee. Below is a chart comparing the funding proposed in both bills.

| <b>Program Funded</b>                       | <b>AB 736 (Wicks) Housing Bond (\$10 BN)</b> | <b>SB 417 (Cabaldon) Housing Bond (\$10 BN)</b>            |
|---|--|--|
| Multifamily Housing Program (MHP)           | \$5 BN (at least 10% to ELI)                 | \$5.25 BN <sup>2</sup> (at least 10% for ELI)              |
| MHP Supportive Housing                      | \$1.7 BN                                     | \$1.75 BN  |
| CalHome                                     | \$1 BN combined for both                     | \$1 BN combined for both                                   |
| Downpayment Assistance Program (CalHFA)     |  |  |
| Portfolio Reinvestment Program (PRP)        | \$800 MN                                     | \$800 MN   |
| Infill Infrastructure Grant Program of 2019 | \$400 MN                                     | Funds for this program included in \$5.25 BN for MHP above |

<sup>2</sup> This also includes funds for the Infill Infrastructure Grant Program of 2019.

|  |          |          |
|--|----------|----------|
| Tribal Housing Grant Program (SB 1187, McGuire, 2024)  | \$250 MN | \$250 MN |
| Joe Serna Jr., Farmworker Housing Program  | \$350 MN | \$250 MN |
| <b>NEW</b> Community Anti-Displacement and Preservation Program (contemplates SB 225, Caballero, 2024) | \$500 MN | \$500 MN |
| <b>NEW</b> Wildfire Prevention, rental assistance, and affordable housing construction program         | \$0      | \$200 MN |

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- **Bond costs:** Total principal and interest costs to pay off the bonds would be approximately \$17.88 billion (\$10 billion in principal and \$7.88 billion in interest), with average annual debt service payments of \$596 million (General Fund), when all bonds are sold, and assuming a 30-year maturity and an interest rate of 4.25% (the all-in true interest rate secured by the State Treasurer at recent \$2.4 billion general obligation bond sale). If interest rates increase to 5% in the near future, annual debt service would be approximately \$651 million (General Fund) and total principal and interest costs over the repayment period would be approximately \$19.5 billion. Staff notes that this bill explicitly authorizes a maturity date of up to 35 years from the date of issuance of each bond. The estimated annual debt service costs would be lower, but total interest costs would be higher over the repayment period, if the bonds are sold with a 35-year maturity date.
- **Administrative costs:** The Department of Housing and Community Development (HCD) would incur significant increased staffing and operations costs to administer the various housing programs funded by this Bond Act (Affordable Housing Bond Act Trust Fund of 2026). HCD expects to utilize up to 5% of bond proceeds dedicated to the programs it administers, or up to \$465 million in total, for administrative costs. See staff comments.

The California Housing Finance Agency (CalHFA), which administers the Downpayment Assistance Program, does not anticipate significant additional administrative costs as a result of this measure.

- Ballot costs: One-time Secretary of State (SOS) costs, likely in the range of \$4 million in the current fiscal year (General Fund), to generate and mail a supplemental pamphlet to voters for the June 2, 2026 primary election, due to the compressed timeline and deadlines in the Elections Code for measures to be included in the main Voter Information Guide pamphlet that is mailed to voters. Staff notes that this timeline is infeasible. See Recommended Amendments below.

**SUPPORT:** (Verified 5/17/26)

A Community of Friends

Abode Housing Development

Acce Action (alliance of Californians for Community Empowerment)

All Home

Alliance for Housing and Healing

Allied Framers LLC

Alta Housing

Amazon.com

Architects Fora

Asian Americans Advancing Justice Southern California

Associated Builders and Contractors of California

Berkeley City Councilmember Igor Tregub

Better Opportunities Builder, INC.

Bolinas Community Land Trust

Brilliant Corners

Brooks + Scarpa

Buen Vecino

CAA Consultants

Cabrillo Economic Development Corporation

California Apartment Association

California Association of Councils of Governments

California Building Industry Association

California Center for Cooperative Development

California Coalition for Community Investment

California Coalition for Rural Housing

California Community Land Trust Network

California Council for Affordable Housing  
California Department of Education  
California Housing Consortium  
California Housing Partnership  
California National Organization for Women  
California Rural Legal Assistance Foundation  
California-hawaii State Conference of the NAACP  
Care Clt (a Division of Care Assn, Inc)  
Champions for Progress INC.  
Chelro Care Institute  
Chinatown Community Development Center  
Christian Church Homes  
City of Anaheim  
City of Culver City  
City of Norwalk  
City of Riverside  
City of Santa Ana Councilwoman Jessie Lopez  
City of Soledad  
City of Woodland  
Coachella Valley Housing Coalition  
Collective Operation  
Community Corp. of Santa Monica  
Corporation for Supportive Housing  
Council of Community Housing Organizations  
Courage California  
Destination: Home  
Disability Rights California  
Drug Policy Alliance  
Eah Housing  
East Bay Housing Organization - Ebho  
East Bay Yimby  
Eden Housing  
Eden I&r, INC.  
Endangered Habitats League  
Enterprise Community Loan Fund  
Enterprise Community Partners, INC.  
Episcopal Community Services of San Francisco  
Equal Rights Advocates  
Eviction Defense Network  
Fantastic Calculator

Firm Foundation Community Housing  
Fresno Housing Authority  
Friends Committee on Legislation of California  
Fsy Architects, INC  
Generation Housing  
Grow the Richmond  
Heavin Helps  
Homes & Hope  
Hope Solutions  
Housing Accelerator Fund  
Housing Action Coalition  
Housing Authority of City of Santa Paula  
Housing Authority of the City of San Buenaventura  
Housing Authority of the City of San Luis Obispo  
Housing California  
Housing El Dorado  
Housing Leadership Council of San Mateo County  
Housing Now!  
Housing Trust Silicon Valley  
Human Good  
Human Impact Partners  
Indivisible Ca: Statestrong  
Initiate Justice  
Inland Abundant Housing & Housing and Homeless Collaborative of Claremont  
Inland Empire Health Plan Foundation  
Inland So Cal Housing Collective  
Inner City Law Center  
League of Women Voters of California  
Legal Aid of Sonoma County  
Let Spirit Lead, INC.  
Lifehouse, INC  
Lifesteps  
Lift to Rise  
Lighthouse Silicon Valley  
Lisc San Diego  
Making Housing and Community Happen  
Mayor Daniel Lurie, City and County of San Francisco  
Midpen Housing Corporation  
Mission Economic Development Agency  
Mithun

Monterey Bay Economic Partnership  
Monterey Peninsula Yimby  
Mountain View Yimby  
Move California  
Napa-solano for Everyone  
National Alliance to End Homelessness  
National Housing Law Project  
Neighborhood Partnership Housing Services INC  
Nonprofit Housing Association of Northern California  
Northern Circle Indian Housing Authority  
Northern Dreamcatcher  
Northern Neighbors  
Oxnard Union High School District  
Path Ventures  
Peninsula for Everyone  
People for Housing Orange County  
People's Self-help Housing  
Pep Housing  
Pico California  
Public Interest Law Project  
Public Counsel  
Redwood Community Services  
Related California  
Resources for Community Development  
Sacramento Area Congregation Together  
Sacramento Community Land Trust  
Sacramento Housing Alliance  
Sacramento Transit Advocates and Riders STAR  
Saida + Sullivan Design Partners  
San Francisco Community Land Trust  
San Francisco Department of Homelessness and Supportive Housing  
San Francisco Yimby  
San Jose Yimby  
San Mateo Forward  
Santa Clara County Housing Authority  
Santa Cruz Yimby  
Santa Rosa Yimby  
Self Help Enterprises  
Self-help Enterprises  
Self-help for the Elderly

Serving Seniors  
Sf Yimby  
Sierra Business Council  
Sloco Yimby  
South Bay Yimby  
Southern California Association of Non-profit Housing  
Supportive Housing Alliance  
Supportive Housing Community Land Alliance  
Tenderloin Neighborhood Development Corporation  
The Unity Council  
Two Valleys Community Land Trust  
United Way Bay Area  
University of California  
Ventura County Yimby  
Ventura Homeless Prevention  
Victor Valley Family Resource Center  
Visalia; City of  
Women's Empowerment  
Yes! in Redwood City  
Yimby Action  
Yimby Los Angeles  
Yimby Monterey Peninsula  
Yimby Oceanside  
Yimby Slo  
Yolo Yimby  
Young Community Developers  
Zillow Group

**OPPOSITION:** (Verified 5/17/26)

Habitat for Humanity California

**ARGUMENTS IN SUPPORT:** According to the author, “Housing affordability is the number one issue for lower income Californians. The Affordable Housing Bond of 2026 will help produce and preserve tens of thousands of affordable housing units over several years, serving hundreds of thousands of lower income households over the following decades. And because every \$1 spent by the state is matched by \$4 from federal tax credits, local grants, and rent payments from the residents, the Affordable Housing Bond of 2026 is a smart investment.”

**ARGUMENTS IN OPPOSITION:** Habitat for Humanity California is opposed to this bill unless it is amended “to designate a \$1 billion appropriation specifically to the CalHome Program to increase the production of affordable homes for ownership in our state.”

ASSEMBLY FLOOR: 65-11, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Fariás, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Castillo, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Macedo, Sanchez, Tangipa

NO VOTE RECORDED: Chen, Hoover, Ta

Prepared by: Alison Hughes / HOUSING / (916) 651-4124  
5/17/26 9:09:05

\*\*\*\* END \*\*\*\*