
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 797 (Harabedian) - Community Stabilization Act

Version: July 17, 2025

Policy Vote: B., P. & E.D. 8 - 3, JUD. 10 -
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Urgency: Yes

Mandate: No

Hearing Date: August 29, 2025

Consultant: Janelle Miyashiro

Bill Summary: AB 797 requires the California Infrastructure and Economic Development Bank (IBank) to develop and administer a program to issue securities to fund qualifying investment entities' purchase of residential properties for redevelopment in a specific region of the state that is covered by a state of disaster, as specified.

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

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

Fiscal Impact: The Governor's Office of Business and Economic Development (GO-Biz) reports one-time costs of approximately \$12.7 million and \$2.7 million ongoing for IBank to develop and administer the program (General Fund). GO-Biz also notes potential cost pressures in the millions of dollars depending on program demand.

Committee Amendments:

- Lower, from 10 to seven years, the liquidity event timeframe.
- Narrow the program to only residential property that has been damaged or destroyed by the January 7, 2025 wildfires in Los Angeles and Ventura Counties.
- Delete capital gains deferment provisions.
- Require IBank to submit a final report on the program to the Legislature, Governor, and the Department of Finance by January 1, 2034. Requires the report to include:
 - The total number of properties acquired, held, and sold under the program.
 - The total amount of capital invested and distributed.
 - An assessment of the program's effectiveness in stabilizing disaster-impacted property value.
- Sunset the program on January 1, 2030.

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