

CONCURRENCE IN SENATE AMENDMENTS

AB 797 (Harabedian)

As Amended August 29, 2025

2/3 vote. Urgency

SUMMARY

The Community Stabilization Act creates a program to stabilize property values in disaster-affected areas. Administered by GO-Biz and IBank, it allows qualified investors to buy tradable securities, with funds going to entities that manage and resell residential land. Profits are shared between the state and investors. The bill establishes a Community Stabilization Fund, offers tax incentives, and takes effect immediately as an urgency statute.

Senate Amendments

- 1) Extend the program's authority to issue securities from January 1, 2030, to January 1, 2035.
- 2) Expand language to include properties affected by the 2025 LA and Ventura wildfires and other disasters declared by the Governor.
- 3) Add provisions ensuring property owners have the right to decline purchase offers from QIEs.
- 4) Establish timelines for payment to property owners (within 30 days of application approval).
- 5) Clarify that redevelopment efforts by QIEs should preserve the socioeconomic composition of the affected communities as much as possible.

COMMENTS

The California Infrastructure and Economic Development Bank (IBank), part of GO-Biz, finances public infrastructure and private development to support economic growth and quality of life. Its programs include loans, credit enhancements, and bond financing for public and private projects. California continues to face severe climate-driven disasters, such as the 2025 wildfires that destroyed over 18,000 structures in Los Angeles and Ventura Counties, worsening the state's housing crisis. The California Housing Finance Agency (CalHFA), the state's affordable housing bank, supports low- and moderate-income homebuyers and developers through below-market loans and down payment assistance funded by tax-exempt bonds.

According to the Author

The author states, "AB 797 helps stabilize property values in disaster-affected areas, giving homeowners a fair chance to recover without being forced to sell at a loss. It prevents displacement, supports long-term recovery, and ensures communities can rebuild stronger."

Arguments in Support

Alpha Kappa Alpha writes in support of this bill stating, Altadena residents, business owners, and community leaders express strong support for AB 797, the Community Stabilization Act, as a vital response to the devastation caused by the 2025 Los Angeles wildfires. With over 18,000 structures lost and billions in damages, the bill helps protect homeowners from predatory

investors by allowing nonprofits to acquire and manage properties through a state-administered program. AB 797 aims to stabilize property values, preserve community integrity, and support long-term recovery in disaster-impacted areas.

Arguments in Opposition

None.

FISCAL COMMENTS

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

VOTES:

ASM ECONOMIC DEVELOPMENT, GROWTH, AND HOUSEHOLD IMPACT: 7-0-1

YES: Solache, Bonta, Patel, Petrie-Norris, Soria, Stefani, Wallis

ABS, ABST OR NV: Castillo

ASM APPROPRIATIONS: 11-1-3

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

NO: Tangipa

ABS, ABST OR NV: Sanchez, Dixon, Ta

ASSEMBLY FLOOR: 69-3-7

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Elhawary, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, 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, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO: DeMaio, Macedo, Tangipa

ABS, ABST OR NV: Castillo, Chen, Dixon, Ellis, Hadwick, Lackey, Sanchez

UPDATED

VERSION: August 29, 2025

CONSULTANT: Carla Castilla / E.D., G., & H.I. / (916) 319-2090

FN: 0001894