
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

SB 417 (Cabaldon) - The Affordable Housing Bond Act of 2026

Version: February 18, 2025

Urgency: Yes

Hearing Date: January 22, 2026

Policy Vote: HOUSING 8 - 1

Mandate: No

Consultant: Mark McKenzie

Bill Summary: SB 417, an urgency measure, would enact the Affordable Housing Bond Act of 2026, and authorize the sale of \$10 billion in general obligation bonds for specified affordable housing programs, upon approval by voters at the June 2, 2026 statewide primary election.

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

**The following information is revised to reflect amendments
adopted by the committee on January 22, 2026**

Fiscal Impact:

- **Bond costs:** Total principal and interest costs to pay off the bonds would be approximately \$17.39 billion (\$10 billion in principal and \$7.39 billion in interest), with average annual debt service payments of \$580 million (General Fund), when all bonds are sold, and assuming a 30-year maturity and an interest rate of 4.02% (the average weighted interest rate secured by the State Treasurer over several general obligation bond sales in 2025). 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 new and existing 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 overall administrative costs, with some immediate personnel needs and others added over a subsequent decade. The department does not anticipate a General Fund impact related to its administrative costs.

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 \$784,000 to \$984,000 in the 2026-27 fiscal year (General Fund), assuming this Bond Act would add 6-8 additional pages to the Voter Information Guide ballot pamphlet for the November 3, 2026 statewide general election. Actual costs would

depend upon the length of the title and summary, analysis by the Legislative Analyst's Office, proponent and opponent arguments, and text of the proposal.

Author Amendments:

- Place the Bond Act before the voters at the November 3, 2026 statewide general election, rather than the June 2, 2026 statewide primary election.
- Add co-authors.

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