

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
Buffy Wicks, Chair  
SB 417 (Cabaldon) – As Amended January 22, 2026

Policy Committee: Housing and Community Development      Vote: 10 - 2

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

**SUMMARY:**

This bill, an urgency measure, enacts the Affordable Housing Bond Act of 2026, which authorizes the sale of \$10 billion in general obligation bonds for specified affordable housing programs, upon approval by voters at the November 3, 2026, statewide general election.

Specifically, this bill:

- 1) Places a \$10 billion general obligation bond before voters in the November 2026 statewide general election to finance the following programs:
  - a) \$5.25 billion to Multifamily Housing Program (MHP). At least 10% of units in a MHP development must be available for extremely low-income households.
  - b) \$1.75 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.
  - d) \$250 million for the Tribal Housing Grant Program.
  - e) \$500 million for a new program to fund the acquisition and rehabilitation of unrestricted housing units and attach long-term affordability restrictions to the units.
  - f) \$1 billion to the CalHOME Program and the My Home down payment assistance program.
  - g) \$250 million to the Joe Serna, Jr. Farmworker Housing (Serna) Program and a dedicated program for tribes to finance housing and housing related activities that will enable tribes to rebuild and reconstitute their communities.
  - h) \$200 million for a new program to fund wildfire prevention, rental assistance, and affordable housing construction.
- 2) Authorizes the Legislature to amend any of the statutes related to programs funded by this measure to improve the efficiency and effectiveness of those programs, and to reallocate proceeds of bonds among those programs as necessary to effectively promote the development of affordable housing in this state.

- 3) Authorizes the Department of Housing and Community Development (HCD) to disburse funds made available to housing development projects funded by this measure during the construction period.

**FISCAL EFFECT:**

- 1) **Bond Costs.** Estimated total principal and interest costs to pay off the bonds of approximately \$17.39 billion (\$10 billion in principal and \$7.39 billion in interest), with General Fund (GF) debt service payments of approximately \$580 million annually when all bonds are sold. This assumes an interest rate of 4.02% (the rate secured by the State Treasurer over several general obligation bond sales in 2025) and a 30-year maturity. Actual costs would depend on the interest rate and the timing of the sales.
- 2) **Administrative Costs.** HCD would incur significant increased staffing and operating costs to administer the various housing programs funded by the bond act. Consistent with previous housing bond measures, HCD expects to utilize up to 5% of bond proceeds for administrative purposes. HCD indicates final staffing estimates would fall within these parameters and it does not anticipate a GF impact.

The California Housing Finance Agency (CalHFA), which administers the downpayment assistance program, does not anticipate significant additional administrative costs.

- 3) **Ballot Costs.** Estimated one-time GF costs to the Secretary of State (SOS) in the range of \$984,000 to \$1.23 million for printing and mailing costs to place the measure on the ballot in the November 3, 2026, statewide election. This estimate assumes an average per-page cost of \$123,000 and the addition of eight to ten pages in the Voter Information Guide.

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

**COMMENTS:**

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

California has provided affordable housing developers with new tools to streamline permitting for affordable housing on hundreds of thousands of parcels throughout the state. Unlocking the promise of the state's landmark housing policies requires cash to move to construction. This bill proposes placing the \$10 billion Affordable Housing Bond Act of 2026 on the November ballot, allowing voters to decide whether to make a critical investment in expanding the state's affordable housing stock.

- 2) **Background.** According to the 2022 Statewide Housing Plan, to meet California's unmet housing needs, the state needs an additional 2.5 million housing units, including 1.2 million for lower-income households. Decades of underbuilding have led to a lack of housing overall, particularly housing that is affordable to lower-income households. The state needs an additional 180,000 new units of housing a year to keep up with demand – including about 80,000 units of housing affordable to lower-income households. By contrast, production in

the past decade has been under 100,000 units per year, including less than 20,000 units of affordable housing per year.

The state provides public subsidy to non-profit and for-profit developers to build affordable housing that is deed restricted for 55 years. Historically the state has funded affordable housing production through voter-approved bonds and low-income housing tax credits (LIHTC). Only in the last few years have the Legislature and Governor allocated GF dollars to affordable housing programs. Since 2019, an unprecedented \$8 billion in GF has gone to a variety of affordable housing programs. The last voter-approved bond, the Veterans and Affordable Housing Bond Act of 2018, authorized \$3 billion to fund state affordable housing programs and \$1 billion for the CalVet program providing mortgages to veterans. All of the funding from the bond, including \$1.5 billion for MHP, was fully allocated by the end of 2023.

In addition to bond proceeds and the GF, the federal and state government both subsidize affordable housing through LIHTC. The federal government offers two forms of tax credits, a 9% credit and a 4 % credit. The 9% credit equates to approximately \$109 million in subsidy. The 4% credit is unlimited but must be paired with private activity bonds (PABs), which are capped. Since 1986, the state has offered a state LIHTC that generally equates to about \$100 million each year. In 2019, AB 101 (Budget Committee) provided an additional \$500 million in “enhanced” state LIHTCs in 2020 and future years, subject to appropriation. \$25 million of the \$500 million in enhanced LIHTC is available for farmworker housing developments.

This bill submits to California voters a ballot proposition to provide \$10 billion in general obligation bonds to continue affordable housing programs. If approved at the November 3, 2026, election, it would allow for several years of continued funding for the development of affordable, supportive, and transitional housing.

**Related Legislation:** AB 736 (Wicks), of this legislative session, authorizes the sale of \$10 billion in general obligation bonds to fund various affordable housing programs, upon approval of the voters at the statewide primary election on June 2, 2026. AB 736 is substantially similar to this bill but has an additional \$25 million in MHP; includes the Infill Infrastructure Grant Program of 2109 in the MHP funding for the bond but does not specify how much goes to the program, includes \$100 million less for the Serna program, and includes \$200 million for a new wildfire prevention, rental assistance, and affordable housing construction program.

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