

## Excerpts from Affordable Housing Provisions in Governor's Proposed 2022-23 Budget

### HOUSING AS A CLIMATE STRATEGY

The Budget proposes \$1 billion one-time General Fund over two years (**\$375 million in 2022-23**), primarily focused on accelerated development in downtown-oriented areas across California. This investment will foster targeted development in infill areas and create sustainable and affordable housing, as well as fund state tax credit and bond financing programs, as follows:

- **Infill Infrastructure Grant Program**—\$500 million one-time General Fund (\$225 million in 2022-23, and \$275 million in 2023-24) for the Infill Infrastructure Grant program, which prioritizes prime infill parcels in downtown-oriented areas and brownfields.
- **Affordable Housing and Sustainable Communities**—\$300 million one-time General Fund (\$75 million in 2022-23, and \$225 million in 2023-24) for the Affordable Housing and Sustainable Communities program to support land-use, housing, transportation, and land preservation projects for infill and compact development that reduce greenhouse gas emissions. This supplements the existing annual Cap and Trade auction proceeds available for this program.
- **State Excess Sites Development**—\$100 million one-time General Fund (\$25 million in 2022-23, and \$75 million in 2023-24) to expand affordable housing development and adaptive reuse opportunities on state excess land sites. This will leverage state land as an asset to expedite housing opportunities by offering low-cost, long-term ground leases in exchange for affordable and mixed-income housing.
- **Adaptive Reuse**—\$100 million one-time General Fund (\$50 million in 2022-23, and \$50 million in 2023-24) for adaptive reuse incentive grants through a new program. These grants will help remove cost impediments to adaptive reuse (e.g., structural improvements, plumbing/electrical design, exiting) and help accelerate residential conversions, with a priority on projects located in downtown-oriented areas. These per-unit grants will be paired with other HCD awards to remove impediments in delivering adaptive reuse projects.

### INCREASING AFFORDABLE HOUSING OPTIONS

The Budget also includes \$1 billion one-time General Fund investments over two years (**\$625 million for 2022-23**) to increase affordable housing options and help local governments meet their RHNA goals, as follows:

- **State Low Income Housing Tax Credits**—\$500 million to expand the state LIHTC program.
- **Mixed-Income Housing**—\$200 million one-time General Fund (\$50 million in 2022-23, and \$150 million in 2023-24) for the California Housing Finance Agency to provide loans to developers for mixed-income rental housing, specifically for households with incomes between 30 percent and 120 percent of the Area Median Income.
- **Portfolio Reinvestment Program**—\$200 million one-time General Fund (\$50 million in 2022-23, and \$150 million in 2023-24) for the Portfolio Reinvestment Program to further preserve targeted units in downtown-oriented areas and continue increasing the state's affordable housing stock.
- **Mobilehome Park Rehabilitation and Resident Ownership Program**—\$100 million one-time General Fund (\$25 million in 2022-23, and \$75 million in 2023-24) for HCD's Mobilehome Park Rehabilitation and Resident Ownership Program. These funds will finance the preservation and development of affordable mobilehome parks, assisting one of the communities disproportionately and negatively impacted by the state's affordability and climate challenges.