

# SENATE BILL SB-62

Introduced by Senator Tim Grayson (D-9)

**An act relating to California affordable Housing Development and infrastructure Act.**

## LEGISLATIVE COUNSEL'S DIGEST

**SB-62, Tim Grayson (D-9). California affordable Housing Development and infrastructure Act.**

Existing law provides various programs intended to support the development and preservation of affordable housing in California and authorizes state and local agencies to impose fees and requirements on housing developments.

This bill would establish the California Affordable Housing Development and Infrastructure Program, administered by the Department of Housing and Community Development (HCD). The program would provide grants to local governments and eligible housing developers for infrastructure costs associated with affordable housing projects, including roads, water systems, sewer systems, and other necessary public improvements. The bill would prioritize projects that include affordable units and projects that can begin construction within a specified period.

The bill would appropriate \$150,000,000 from the General Fund to HCD for the program and would require HCD to report annually on the use of the funds and the number of affordable housing units supported.

**Vote:** Majority. **Appropriations/fiscal:** yes. **Local program:** yes.

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### SECTION 1:

The Legislature finds and declares all of the following:

- (a) California continues to face significant challenges related to the availability and affordability of housing.
- (b) The cost of developing housing can be increased by infrastructure expenses, including water, sewer, roads, and other public improvements.
- (c) Reducing unnecessary development costs can help make it possible for more housing projects to move forward.
- (d) State assistance for infrastructure can help local governments and housing developers complete affordable housing projects while maintaining appropriate local planning and environmental requirements.
- (e) It is the intent of the Legislature to support the development of affordable housing while encouraging responsible and timely use of state funds.

## **SECTION 2:**

The California Affordable Housing Development and Infrastructure Program is here by established within the Department of Housing and Community Development.

(a) The department shall administer the program and provide grants to eligible local governments and housing developers for infrastructure costs associated with affordable housing projects.

(b) Eligible infrastructure costs may include, but are not limited to, the following:

(1) Water and wastewater systems.

(2) Streets, sidewalks, and other transportation infrastructure necessary to support the development.

(3) Stormwater infrastructure.

(4) Utility connections.

(5) Other infrastructure costs approved by the department that are necessary for the completion of an eligible housing project.

## **SECTION 3:**

(a) To qualify for funding under this act, a housing project shall meet all of the following requirements:

(1) The project shall include affordable housing units.

(2) The project shall comply with applicable state and local housing and building requirements.

(3) The applicant shall demonstrate that the requested infrastructure funding will assist the project in moving toward construction.

(b) In awarding grants, the department shall give consideration to projects that:

(1) Provide a significant number of affordable housing units.

(2) Serve lower-income households.

(3) Demonstrate a need for state assistance to complete necessary infrastructure.

(4) Are prepared to begin construction within a reasonable period established by the department.

## **SECTION 4:**

(a) The sum of one hundred fifty million dollars (\$150,000,000) is hereby appropriated from the General Fund to the Department of Housing and Community Development for purposes of this act.

(b) The department may use up to 5 percent of the funds appropriated under this section for administrative costs, application review, monitoring, and reporting.

(c) All remaining funds shall be awarded as grants pursuant to this act.

#### **SECTION 5:**

(a) The Department of Housing and Community Development shall publish an annual report regarding the California Affordable Housing Development and Infrastructure Program.

(b) The report shall include, at a minimum, all of the following:

(1) The number of projects receiving funding.

(2) The amount of funding awarded.

(3) The number of affordable housing units expected to be created or supported.

(4) The geographic distribution of funded projects.

(5) The amount of funding used for administrative purposes.

(6) The status of projects that received funding.

(c) The report shall be made publicly available on the department's internet website.

#### **SECTION 6:**

The Department of Housing and Community Development may adopt regulations, guidelines, or procedures necessary to implement this act.

#### **SECTION 7:**

This act shall take effect on January 1, 2027.