

- 5) Enacts the Unruh Civil Rights Act, which specifically outlaws discrimination in California based on sex, race, color, religion, ancestry, national origin, age, disability, medical condition, genetic information, marital status, or sexual orientation.
- 6) Enacts the Fair Employment and Housing Act, which prohibits the existence of a restrictive covenant that makes housing opportunities unavailable based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income or ancestry.

This bill:

- 1) Establishes the CSU Faculty and Employee Housing Act of 2024, which provides that a CSU campus may allow local public employees or other members of the public to occupy housing created by this Act. Also provides that a CSU campus may prioritize CSU employees over other public employees for housing created by this Act.
- 2) Authorizes CSU to establish and implement programs to address the housing needs of CSU faculty or employees who face challenges in securing affordable housing that, among other things, leverage federal, state, and local public, private, and nonprofit programs and resources available to housing developers; promote public and private partnerships; and foster innovative financing opportunities.
- 3) Creates a state policy supporting housing for CSU faculty or employees as described in Section 42(g)(9) of the Internal Revenue Code to allow the following:
 - a) CSU and a developer in receipt of local or state funds or tax credits designated for affordable rental housing to restrict occupancy to CSU faculty or employees on land owned by CSU or a CSU auxiliary organization; and
 - b) A developer in receipt of tax credits designated for affordable rental housing to retain the right to prioritize and restrict occupancy on land owned by CSU or a CSU auxiliary organization to CSU faculty or employees so long as that housing does not violate any other applicable laws.

COMMENTS:

- 1) *Author's statement.* "AB 2005 protects the diversity and quality of our education system by ensuring that access to housing is not a detracting aspect of

our Universities. This measure intends to address the California housing crisis' impact on California State University (CSU) staff and faculty. According to the California Department of Housing and Community Development, only 16% of residents in California can afford to buy a home, and many of our CSU staff and faculty struggle with financial insecurity making them unable to afford adequate housing. AB 2005 would ensure California State Universities are equipped to provide such housing, and are able to retain quality staff and faculty that reflect the diversity of California. Lack of access to affordable housing has resulted in a greater difficulty in recruitment and retention of diverse, quality staff who may be considering other career opportunities, or leaving California altogether. This bill provides CSU campuses with the authority to provide affordable housing to those that educate and prepare California's future leaders."

- 2) *Teacher Housing Act background.* In 2016, SB 1413 (Leno, Chapter 732, Statutes of 2016) established the Teacher Housing Act of 2016 to facilitate the acquisition, construction, rehabilitation, and preservation of affordable housing for teachers and school employees. School districts are authorized to establish and implement programs that address the housing needs of teachers and school district employees by leveraging funding sources including state, federal, local, public, private and resources available to housing developers, promoting public and private partnerships, and fostering innovative financing opportunities. SB 1413 also created a state policy supporting the use of federal and state Low Income Housing Tax Credits (LIHTC) to fund housing for teachers and school district employees on land owned by the school district and permitting school districts to restrict occupancy to teachers and school district employees.

The intent of SB 1413 was to provide express state statutory authority to permit school districts to construct housing on their property and limit the occupancy to teachers and school districts employees. Federal law creates an exemption to the "general use" requirement that allows the use of federal and state tax credits if a state establishes a policy or program that supports housing for such a specified group. SB 1413 established this policy by allowing school districts to restrict occupancy of affordable housing on school district land constructed with federal or state LIHTC to the teachers and school district employees.

By declaring a state policy supporting housing for teachers/school district employees, these housing projects could qualify under federal law as general public housing and therefore be eligible for both federal and state LIHTCs.

AB 3308 (Gabriel, Chapter 199, Statutes of 2020) further amended the Act to make clear that school districts could still access LIHTC if the school district

restricts occupancy of housing constructed on their land to their own employees, but at their discretion offers the housing to other public employees.

- 3) *Expanding the Teacher Housing Act to higher education.* In 2022, AB 1719 (Ward, Chapter 640) gave community college faculty and employees the same benefits as allowed for school districts under the Teacher Housing Act, allowing a community college district and a developer to use state or local funds or LIHTC to construct affordable rental housing on land owned by the community college district and restrict occupancy to community college district employees or faculty. This bill seeks to provide these benefits to CSU faculty and employees.
- 4) *Opposition arguments.* The California Association of Realtors opposes the bill, stating that it should be amended to limit the acquisition of housing developments to parcels of five or more units, “to preserve homeownership opportunities for our state’s working families.”

RELATED LEGISLATION:

AB 2967 (Ting, 2024) — expands the Teacher Housing Act to cover specified nonprofit organization employees. *This bill is pending on the Senate Floor.*

AB 1719 (Ward, Chapter 640, 2022) — established the Community College Faculty and Employee Housing Act of 2022, which provides that a community college district may establish and implement programs that address the housing needs of community college district employees and faculty who face challenges in securing affordable housing.

AB 3308 (Gabriel, Chapter 199, Statutes of 2020) — allowed school districts to restrict occupancy of affordable housing on school district-owned land, funded with LIHTC, to teachers and school district employees of the school district that owns the land. It further allows public employees to also occupy the housing constructed under this provision.

SB 1413 (Leno, Chapter 732, Statutes of 2016) — established the Teacher Housing Act of 2016 to facilitate the acquisition, construction, rehabilitation, and preservation of affordable housing for teachers and school employees.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, June 12, 2024.)

SUPPORT:

California State University (Sponsor)
American Federation of State, County and Municipal Employees, AFL-CIO
Bakersfield, California State University
California Apartment Association
California Faculty Association
California Polytechnic State University, San Luis Obispo
California State Polytechnic University, Pomona
California State University Maritime Academy
Channel Islands, California State University
Chico, California State University
Dominguez Hills, California State University
Fresno, California State University
Fullerton, California State University
Long Beach, California State University
Los Angeles, California State University
Monterey Bay, California State University
Northridge, California State University
Sacramento, California State University
San Bernardino, California State University
San Diego State University
San Francisco State University
San José State University
San Marcos, California State University
Sonoma State University
Stanislaus, California State University
YIMBY Action

OPPOSITION:

California Association of Realtors

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