

This bill:

- 1) Establishes the VHHP Bond Act of 2022 (the Act).
- 2) Provides that funds under the Act would be used for acquisition, construction, rehabilitation, and preservation of affordable multifamily supportive housing, affordable transitional housing, affordable rental housing or related facilities for veterans and their families.
- 3) Authorizes the issuance and sale of \$600 million in general obligation bonds to provide a fund to be used for carrying out specified VHHP efforts and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to existing law.
- 4) Specifies that the bonds, when sold, issued, and delivered, will be a valid and binding obligation of the State of California, and pledges the state to make punctual payments related to the bonds.
- 5) Submits a portion of the Act to voters at the March 5, 2024, statewide primary election in accordance with provisions governing the submission of a statewide measure to the voters.
- 6) Provides that the Legislature may, by majority vote, amend the provisions of the act for the purpose of improving program efficiency, effectiveness, and accountability, or to further its overall program goals.

COMMENTS:

- 1) *Author's statement.* "There are an estimated 12,000 homeless veterans in California, and even more experiencing housing insecurity, or struggling to make ends meet in transition. According to the Department of Housing and Community Development (HCD), approximately 79% of California veterans who rent are spending more than 50% of their income on housing. AB 411 will assist veterans who are homeless or who need affordable rental housing to secure housing for themselves and their families."
- 2) *Homeless veterans.* A majority of California's veterans are considered cost-burdened and pay more than 30% of their income towards housing-related costs. Additionally, veterans face higher risks of homelessness than the general population and the homeless point-in-time count for 2019 estimated that there are 10,980 veterans of the 151,278 total experiencing homelessness in California. Historically the state has primarily supported veteran housing needs

through the CalVet Home Loan Program. Established a century ago in 1921, the CalVet Home Loan program provides financing for qualified veterans to purchase homes, farms, and mobilehomes. Over time, the CalVet Home Loan Program saw a marked decline in demand and, in 2014, the state pivoted to meet the changing needs of the veteran population when California voters approved Proposition 41 at the June 3, 2014 election.

- 3) *VHHP*. Proposition 41 created the VHHP Program and allowed for the issuance of \$600 million in bonds to provide funding for multifamily affordable housing, transitional housing, and supportive housing to veterans. To date, the VHHP Program has provided six rounds of funding, administered by the Department of Housing and Community Development (HCD) in collaboration with the California Housing Finance Agency (CalHFA) and California Department of Veterans Affairs (CalVet).

The latest award information shows that 88 funding awards have been made using about \$500 million in VHHP resources, with about \$100 million remaining for the last funding round in 2022. The current awards are expected to result in a total of 3,058 VHHP housing units for veterans, with the projects awarded with VHHP funds totaling 5,664 units. Sixty-eight percent of the housing units developed with VHHP funds are restricted to veterans experiencing homelessness. While the VHHP funds are helping to create much-needed affordable housing, transitional housing, and supportive housing for California's veterans, the program will run out of funding unless additional resources are approved for the VHHP program.

This bill proposes to submit to California voters a ballot proposition that would provide for the issuance of \$600 million in general obligation bonds to continue the VHHP program. If approved at the March 5, 2024 election, it would allow for several years of continued funding for the development of affordable, supportive, and transitional housing for the state's low-income veterans and their families.

- 4) *Making Choices*. As with all General Obligation bonds, the bond repayment comes from the general fund. Therefore, approving this bond means there will be less general fund monies available for other state purposes.
- 5) *Triple referral*. This bill was also referred to the Committee on Governance and Finance and Committee on Military and Veteran's Affairs. Due to the COVID-19 Pandemic and the unprecedented nature of the 2022 Legislative Session, all Senate Policy Committees are working under a compressed timeline. This timeline does not allow this bill to be referred and heard by more than two committees as a typical timeline would allow. In order to fully vet the

contents of this measure for the benefit of Senators and the public, this analysis includes information from the other committees included in the original referral.

RELATED LEGISLATION:

SB 3 (Beall, Chapter 365, Statutes of 2017) — authorized the issuance of \$4 billion in general obligation bonds for several affordable housing programs under the Veterans and Affordable Housing Bond Act of 2018. Approved by voters at the November 6, 2018 election, this included a \$1 billion increase in the bond authority allowed under the CalVet Home Loan Program.

AB 639 (Pérez, Chapter 727, Statutes of 2013) — authorized the Veterans Housing and Homeless Prevention Act of 2014, which voters approved through Proposition 41. Additionally, restructured the Veterans' Bond Act of 2008 (Proposition 12) and provided for the issuance of \$600 million in general obligation bonds to support affordable, supportive, and transition multifamily housing for veterans and their families.

SB 1572 (Wyland, Chapter 122, Statutes of 2008) — established the Veterans' Bond Act of 2008, which California voters approved as Proposition 12. Authorized \$900 million in general obligation bonds intended to help veterans purchase single-family homes, farms, and mobilehomes through CalVet Home Loan Program.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, May 25, 2022.)

SUPPORT:

Associated Builders and Contractors of California
California Builders Alliance
City of Thousand Oaks
NextGen California
Sacramento Regional Builders Exchange

OPPOSITION:

None received.