

affordable transitional housing, affordable rental housing or related facilities for veterans and their families.

- 3) Defines terms for the purpose of the Act as follows:
 - a) “Board” means the Department of Veterans Affairs (CalVet);
 - b) “Bond” means a veterans’ bond, a state general obligation bond, issued pursuant to this article adopting the provisions of the State General Obligation Bond Law;
- 4) Authorizes the issuance and sale of \$600 million in GO bonds to provide a fund to be used for carrying out various VHHP efforts and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to existing law.
- 5) 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.
- 6) 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.
- 7) 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.* “California accounts for the 32 percent of all veterans experiencing homelessness in the United States, totaling over 10,000 veterans. This is the largest percentage from any one state in the country. Our state has in recent years made great inroads into this total; within the last two years, California reduced the number of veterans experiencing homelessness by over 1000. A large factor in this reduction has been the success of the Veterans Housing and Homeless Prevention Program (VHHP). VHHP has funded 88 projects and a total of 5665 units, with just over half of these units being designated VHHP units. These units have been imperative in reducing the amount of veterans in California experiencing homelessness. As VHHP comes closer to running out of funding, it is crucial that we pass AB 531 to ensure that this successful program can continue to help California’s veterans find housing.”

- 2) *Background.* A majority of California's veterans are considered cost-burdened and pay more than 30 percent 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 2022 estimated that there were 10,395 veterans experiencing homelessness in California.

Until 2014, 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. However, 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 Program.* Proposition 41 created the VHHP Program and authorized \$600 million in GO bonds to fund 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 CalVet

No funding remains from the bond. The program funded 3,058 VHHP housing units for veterans and their families with 2,026 of those reserved for extremely low-income veterans, 813 for very low-income veterans, and 219 for low-income veterans. Additionally, 80% 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. The 2022-23 budget included \$100 million in one-time general fund dollars for the program (\$50 million in 2022-23 and \$50 million in 2023-24).

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) *Double referral.* This bill was also referred to the Military and Veterans Affairs Committee.

RELATED LEGISLATION:

AB 1657 (Wicks, 2023) — includes intent language authorizing the issuance of bonds to be used to finance housing-related homeless programs and funding for affordable housing for extremely low income and very low income Californians. *This bill is also being heard at this hearing.*

SB 222 (Hill, Chapter 601, Statutes of 2019) — prohibited housing discrimination on account of military or veteran status under the Fair Employment and Housing Act (FEHA). Also defined a Veterans Affairs Supportive Housing (VASH) voucher as a source of income for purposes of FEHA, and in so doing, prohibited landlords from discriminating against a tenant based on their use of a VASH voucher to pay rent.

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, June 14, 2023.)

SUPPORT:

Aids Healthcare Foundation
American Legion, Department of California
AMVETS, Department of California
California Apartment Association
California Association of Veteran Service Agencies

California Builders Alliance
California Housing Partnership Corporation
California State Commanders Veterans Council
City of Thousand Oaks
Housing California
Livable California
Military Officers Association of America, California Council of Chapters
Mission Street Neighbors
NextGen California
Sacramento Regional Builders Exchange
Vietnam Veterans of America, California State Council

OPPOSITION:

None received.

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