

Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee

May 13, 2022

Agenda Item 3b

Assembly Constitutional Amendment 14 (Wicks): Housing Opportunities for Everyone Act

Subject:

Assembly Constitutional Amendment (ACA) 14 would dedicate five percent each year from the state's General Fund over a ten-year period to address California's affordable housing and homelessness crisis.

Overview:

For ten years starting with the 2024–25 fiscal year (FY), ACA 14 would appropriate a sum equal to five percent of estimated General Fund revenues for that fiscal year to the California Business, Consumer Services, and Housing Agency (BCSH) to invest in solutions to address homelessness and to support affordable housing production. This amendment explicitly protects existing constitutional budget commitments including funding for schools and the state's Rainy Day Fund; the bill would provide that those existing General Fund commitments come "off the top" and the BCSH appropriation would equal five percent of the remaining estimated General Fund revenues. Based on the Governor's January budget proposal's estimated FY 2022 revenues of roughly \$200 billion less existing funding commitments, ACA 14 would provide approximately \$9 billion annually to combat the affordable housing and homelessness crises. Funds would be reserved for the following uses:

1. Housing and services to prevent and end homelessness;
2. Development, acquisition, rehabilitation, and preservation of rental housing affordable to extremely low, very low, and low-income households; and
3. Affordable home ownership opportunities for low- and moderate-income households.

With input from stakeholders, BCSH would be required to develop a 10-year investment strategy with specific performance measures and benchmarks to demonstrate how the funding will be used to reduced homelessness and expand affordable housing options. ACA 14 would also require BCSH submit an annual report to the Legislature on its progress in meeting the performance measures and benchmarks.

Recommendation: Support /ABAG Executive Board and MTC

Discussion:

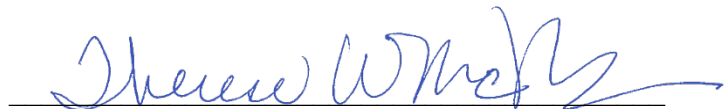
California is facing an affordable housing and homelessness crisis. As of January 2020, approximately 161,000 Californians were experiencing homelessness on any given day and 71 percent of homeless Californians—the highest rate in the nation—were unsheltered, meaning they were living in streets, parks, or other locations not meant for human habitation. According to the [Bay Area Equity Atlas](#), one in four Bay Area residents is a renter and nearly half of those renters are rent-burdened, paying over 30 percent of their income toward housing costs. One small financial setback can push these individuals and families into homelessness. Recent data from the National Low Income Housing Association found the statewide housing shortage for extremely low-income renters exceeds one million homes. Meeting this demand will require substantial new investment and an ongoing financial commitment to doing so by the state, as proposed by ACA 14, would provide a significant contribution towards addressing this need. Although the state has in recent years significantly increased funding for affordable housing and homelessness assistance, the state does not have a multiyear funding strategy. ACA 14 would enable the state to develop and implement a long-term strategy of investments to move people off the streets and into housing and prevent future homelessness by creating more affordable housing. The author's office estimates that ACA 14 would house at least 50,000 people who are homeless and build an additional 40,000 affordable housing units each year.

For these reasons, staff recommends a “support” position on ACA 14.

Known Positions: See Attachment A

Attachments:

- Attachment A: Assembly Constitutional Amendment 14 Known Positions



Therese W. McMillan

Bill Positions on Assembly Constitutional Amendment 14 (Wicks)

Support:

- Abundant Housing LA
- Bring California Home Coalition
- California Housing Consortium
- California Housing Partnership
- Corporation for Supportive Housing
- Council of Infill Builders
- Housing California
- Los Angeles Homelessness Services Authority
- Mayor Libby Schaaf, City of Oakland
- Mayor Sam Liccardo, City of San Jose
- Mayor Patricia Lock Dawson, City of Riverside
- New Livable California
- Non-profit Housing Association of Northern California

Oppose:

- None on file