

Assembly Bill 736

Affordable Housing Bond of 2026

Assemblymember Buffy Wicks (AD-14)

SUMMARY

AB 736 is the Affordable Housing Bond Act of 2026. It would place a \$10 billion bond on the June 2026 ballot to fund the state's affordable housing programs, including, affordable rental housing for lower income families, homeownership opportunities, and, supportive housing for people experiencing homelessness.

ISSUE

California is in the midst of a housing crisis. Only 17 percent of households can afford to purchase the median priced single-family home – less than half of the national average, and also less than half of the rate at the start of the pandemic. In California, over half of renters – and approximately 65 percent of low-income renters – are “rent burdened,” in households paying more than 30 percent of their income toward housing, which means they have less to pay for other essentials such as food, transportation, and health care. In 2024, over 187,000 Californians experienced homelessness on a given night. Californians rank housing affordability and homelessness as the two most important issues for the state to address.

A major cause of our housing crisis is the mismatch between the supply of housing and the need for housing. The Statewide Housing Plan states that, in order to address this mismatch, California needs approximately 300,000 units of housing annually, including 125,000 units annually that are affordable to lower income households. By contrast, on average, housing production in the past decade has been under 100,000 units per year – including an average of approximately 13,000 affordable housing units per year from 2014-2023.

Historically, the state has used voter-approved General Obligation bonds to fund the construction and rehabilitation of affordable housing and support homeownership. The Veterans and Affordable Housing Bond Act of 2018 authorized \$3 billion funding for various affordable housing programs. These funds were fully allocated by the end of 2024.

SOLUTION

AB 736 authorizes \$10 billion in general obligation bond funds to support the construction, rehabilitation, and preservation of affordable housing and permanent supportive housing. An analysis found that a new bond could result in over 35,000 new homes affordable to very-low income, extremely-low income and homeless families for at least 55 years, including set asides for farmworker and tribal housing. It will also preserve and/or rehabilitate nearly 42,000 existing affordable homes. And it will assist over 13,000 families to become homeowners. Collectively, these projects will result in tens of thousands of high-paying construction jobs.

The Affordable Housing Bond of 2026 is a smart investment. Every \$1 spent by the state is matched by \$4 from federal tax credits, local grants, and rent payments from the residents. This includes billions of dollars in federal tax credits that the state will leave on the table if we do not contribute our own share.

The Affordable Housing Bond of 2026 is also fiscally prudent. The bond has no impact on the 2025-26 budget. The state would not issue bonds until 2027 at the earliest.

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