

## SB 417 – Affordable Housing Bond Act of 2026

### IN BRIEF

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SB 417 is the Affordable Housing Bond Act of 2026, which 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.

### BACKGROUND

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California is facing a housing crisis, with only 17% of households able to afford the median-priced home, less than half the national average. Over half of renters, including 65% of low-income renters, are "rent burdened," spending over 30% of their income on housing, leaving less for essentials like food, transportation, and healthcare.

In addition, the housing crisis has been exacerbated in areas impacted by wildfires. These disasters have destroyed homes vital to many families and the state. Nearly 15,000 homes were destroyed or significantly damaged from the Eaton and Palisade fires. It is crucial that we secure funding to rebuild housing in these devastated regions.

### THE ISSUE

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A major cause of our housing crisis is the imbalance between the supply and demand 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.

The state has historically used similar voter-approved bonds to fund the construction and rehabilitation of affordable housing and support homeownership across the state. California's last housing bond, the Veterans and Affordable Housing Bond Act of 2018, authorized \$3 billion for various

affordable housing programs. These funds were fully allocated by the end of 2024.

### THE SOLUTION

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This bill authorizes \$10 billion in general obligation bond funds to support the construction, rehabilitation, and preservation of affordable housing and permanent supportive housing.

Specially, the bond would fund the following programs:

- \$5.25 billion for the Multifamily Housing Program, the omnibus affordable rental housing program, and the Infill Infrastructure Grant Program.
- \$1.75 billion for supportive housing for persons experiencing homelessness through the Multifamily Housing Program.
- \$800 million for the Portfolio Reinvestment Program which rehabilitates existing affordable housing.
- \$500 million for the Community Anti-Displacement and Preservation Program as envisioned in last year's SB 225 to acquire and ensure long-term affordability of existing unsubsidized housing.
- \$1 billion for homeownership assistance, with funding directed to the CalHome Program for grants to local governments and nonprofits, and the CalHFA's Down Payment Assistance Program for direct assistance to first-time homebuyers.
- \$250 million for tribal housing through the new Tribal Housing Grant Program.
- \$250 million for farmworker housing through the Joe Serna, Jr. Farmworker Housing Grant Program.
- \$200 million to provide rental assistance and additional funding in rental markets impacted by wildfires.

An analysis found that a new bond such as this one, 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 while assisting over 13,000 families in becoming 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.

### **FOR MORE INFORMATION**

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