



Legislative Fiscal Office
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Bill Title: Relating to housing.

Government Unit(s) Affected: Housing and Community Services Department, Counties, Cities

Summary of Fiscal Impact

Costs related to the measure are indeterminate at this time - see explanatory analysis.

Measure Description

The measure directs the Housing and Community Services Department (HCSD) to develop and implement a program to provide below-market, short-term loans for the construction of mixed income housing and the acquisition of market projects to be converted, within three years of acquisition, to housing for lower income persons and families. HCSD shall establish through rulemaking the method by which interest rates and terms are set; eligibility criteria; the proportion of housing units that must be affordable to tenants whose income is no greater than 80% of the area median income; and how a project that receives a loan may ensure affordability for at least 90 years. Loans made by HCSD under the proposed program must be made subordinate to any existing or concurrently made private loan on the property. The measure establishes the Mixed Income Public Development Loan Fund, which is continuously appropriated to HCSD to implement the proposed loan program. Loan repayments must be deposited in the Mixed Income Public Development Loan Fund.

The measure also directs HCSD to develop and implement, through rulemaking, lending strategies that can be used to provide permanent long-term financing for residential housing; and to report to interim legislative committees related to housing on the progress of the rulemaking, lending strategies, and recommendations for funding the program. HCSD may use moneys in the Mixed Income Public Development Loan Fund to develop and implement lending strategies and to provide the report to the Legislature.

Fiscal Analysis

The fiscal impact of the measure is indeterminate. The measure establishes a new program and continuously appropriated fund from which to administer the new mixed income loan program, but it does not include funding to capitalize and implement the program. HCSD would need additional staffing to develop and administer the direct lending program, though the level of resources needed for administration will be impacted by the total size of the program. HCSD typically uses local service providers or contracts with nonprofit organizations and institutions for its revolving loan and home mortgage programs; and provides gap financing that constitutes a portion of a project's overall costs. Besides program rules and application materials, HCSD would need staffing resources to develop underwriting, market analysis, inspection, compliance, debt management, and reporting functions for the program.

The measure is not anticipated to have a fiscal impact on cities and counties.

Relevant Dates

The measure takes effect on January 1, 2026.