

.Date of Hearing: March 20, 2024

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Christopher M. Ward, Chair

AB 2396 (Reyes) – As Introduced February 12, 2024

SUBJECT: State Partnership for Affordable Housing Registries in California Grant Program

SUMMARY: Establishes the State Partnership for Affordable Housing Registries in California Grant Program (the program) at the Department of Housing and Community Development (HCD). Specifically, **this bill:**

1) Includes the following definitions:

- a) “Affordable housing” means any units developed pursuant to either of the following:
 - i) A locally adopted inclusionary housing program; or
 - ii) A multifamily deed-restricted rental housing accommodation that was constructed with financing from one or more of the following sources:
 - I) State or federal low-income housing tax credits;
 - II) Project-based housing choice vouchers;
 - III) Funding awarded by a state housing agency; and
 - IV) Local government funding.
- b) “Eligible entity” means a city, county, city and county, regional housing finance agency, or council of government that has a population of not less than 60,000, according to data from the 2020 census;
- c) “Functioning platform” means any platform in operation that meets minimum standards;
- d) “Platform” means any online portal of affordable housing listings, information, and applications created pursuant to this Act;
- e) “Program” means the State Partnership for Affordable Housing Registries in California Grant Program established pursuant to this bill.
- f) “Program administrator” means any eligible entity selected for grant funding.
- g) “State affordable housing funding program” means any program administered by a state housing agency.

2) Requires, upon appropriation, HCD to do all of the following:

- a) Solicit participation among eligible entities through a notice of funding availability no later than January 1, 2026;
 - b) On or before January 1, 2027, disburse funds to awarded eligible entities;
 - c) On or before January 1, 2028, require program administrators to launch Phase 1 of the platforms; and
 - d) Require managers of housing units that receive funding from state affordable housing funding programs to share data and information requested by the operator of any functional platform.
- 3) Allows a program administrator to contract with one or more vendors to create and maintain a rental platform.
 - 4) Requires HCD to allocate grants as follows:
 - a) Disburse funds to applicants in geographically diverse communities; and
 - b) Incentivize, but not require, applicants whose platform includes broad geographic coverage of affordable housing units, especially at the regional level.
 - 5) Requires HCD to allocate the first round of grants as follows:
 - a) According to the criteria in subdivision 4);
 - b) Only for the purpose of implementing Phase 1 platform functions; and
 - a) Incentivize, but not require, applicants that demonstrate willingness to implement Phase 2 platform functions;
 - 6) Provides that future rounds of grant funding may be allocated to applicants to carry out Phase 1 and Phase 2 activities.
 - 7) Requires a platform to be capable of all of the following:
 - a) For Phase 1, functions must include the capability to view affordable housing listings and information, including the ability for prospective affordable housing applicants to do the following:
 - i) View listings for all affordable housing units in the geography covered by the platform. To develop a complete registry of affordable housing units, the program administrator may, and is encouraged to, work with the California Tax Credit Allocation Committee.
 - ii) Readily view up-to-date affordable housing listing characteristics, including, but not limited to, unit availability, location, qualifying income range, rent, and occupancy limit.

- b) In Phase 2 functions must include the capability to apply to affordable housing units, including the following:
 - i) The ability for prospective affordable housing applicants to identify affordable housing listings for which they qualify, as indicated by their responses to a completed short housing preapplication within the platform. The preapplication must request information from the prospective tenant typically required of all affordable housing applicants, including, but not limited to, income and household size. An affordable housing applicant must not be assessed any fee to complete and submit a housing preapplication; and
 - ii) Submit electronic applications for affordable housing listings.
 - c) The ability for affordable housing operators to do all of the following:
 - i) Access the database through a user account;
 - ii) Create and update current listings of affordable housing units;
 - iii) View applications submitted by household; and
 - iv) Manage non-English text translations.
 - d) Provides that a platform may, but is not required to, include the following additional capabilities in Phase 2 functions:
 - i) Store information online for reuse in applying for other available listings;
 - ii) Request automatic notification by email of new affordable housing vacancy listings; and
 - iii) Obtain an updated status of their place on eligibility lists for affordable housing units.
- 8) Provides that if a functioning platform is operating within the geography of a program administrator at the time that grant funds are received, the program administrator must do the following:
- a) Exclude from its platform all affordable housing units in the geography of the functioning platform;
 - b) Include a link to the functioning platform on its internet website;
 - c) Utilize open-source code, so platforms are replicable in other jurisdictions;
 - d) Have the capacity to handle the volume of expected use without disruption; and
 - e) Be accessible in multiple languages, including, but not limited to, English and Spanish.

- 9) Requires a platform to meet all of the following minimum requirements:
 - a) Compliance with all state and federal fair housing laws and regulations; and
 - b) Compliance with all state protections related to the use of personally identifiable information, including providing any necessary disclosures and assuring the secure storage of any personally identifiable information generated, as part of the application process.
- 10) Provides that any personally identifiable information collected by the platform or shared between eligible entities and the department in administering this chapter is confidential and exempt from disclosure under the California Public Records Act and may be used or disclosed only for purposes of administering the program.
- 11) Provides that this bill becomes operative upon appropriation by the Legislature of sufficient funds, and allows HCD and program administrators to augment funds appropriated by the Legislature for this bill with moneys from other government sources, private or philanthropic donations, and any recoveries or reversions from other housing activities.

EXISTING LAW:

- 1) Specifies that when a landlord or their agent receives a request to rent a residential property from an applicant, the landlord or agent may charge that applicant an application screening fee to cover the costs of obtaining information about the applicant which may include personal reference checks and consumer credit reports. (Civil Code Section 1950.6(a))
- 2) Provides that rental application screening fees cannot be greater than the actual out-of-pocket costs of gathering information concerning the applicant. Specifies that in no case can the amount of the application screening fee be greater than thirty dollars (\$30) per applicant, which may be adjusted annually commensurate with an increase in the Consumer Price Index, beginning on January 1, 1998. (Civil Code Section 1950.6(b))

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "AB 2396 will ensure California renters have access to regional platforms to search for deed-restricted affordable housing. Searching for affordable housing is already a daunting task, and there should be support for our renters to find housing efficiently and effectively. Renters currently face the challenge of finding affordable housing options that meet their specific needs, particularly renters such as seniors, veterans, and people with disabilities. Due to the absence of regional platforms, renters often apply for multiple listing options they do not qualify for or have already applied for on another posting site - leading to a delay in the renter's path to housing. The housing crisis we find ourselves in is dire, and while we find ways to create more affordable housing, the state needs to prepare methods to make current affordable housing options more accessible to all Californians. AB 2396 is a step in the right direction and will help creating clear pathways to affordable housing."

Background on Affordable Housing: According to the California Housing Partnership Corporation, there are an estimated 1.638 million units of multifamily affordable rental housing in the state. Out of these, 504,872 units include deed restrictions on affordability which require the housing to be offered only to low-income households at an affordable rent, defined as a rent which is no more than 30% of household income. Deed-restricted affordable units generally receive one or more forms of government subsidy, including through the California Housing Finance Agency, HCD, the U.S. Department of Agriculture (USDA), the federal Department of Housing and Urban Development (HUD), or state or federal low-income housing tax credits (LIHTCs).

Currently there is no centralized platform for low-income Californians to learn about or apply to vacancies in deed-restricted affordable rental housing. As a result, low-income households seeking rental housing accommodations are generally forced to search across a number of rental housing listing services that may include a mix of non-subsidized housing and deed-restricted affordable housing. To complicate matters further, many deed-restricted affordable units are only available to certain sub-populations of low-income renters. For example, units can be specified for use only by seniors, veterans, or households considered very low income. However, prospective tenants lack an easy way to identify which deed-restricted affordable units have vacancies for which they meet eligibility criteria.

Recognizing this challenge, the city and county of San Francisco created DAHLIA (Database of Affordable Housing Listings, Information, and Applications), a centralized web-based housing portal for finding and applying to government-subsidized affordable rental and ownership housing vacancies in the jurisdiction. Prior to building the portal, each building with deed-restricted affordable housing in San Francisco required a different paper application. According to Exygy, the developer of DAHLIA, “97 percent of applications [are] completed online in ~15 minutes replacing an in-person, paper-based process that often required 10+ pages and took hours to complete.” The DAHLIA platform was built using open source code and supports a number of different user languages including Spanish and Chinese. It also allows prospective tenants to receive email notifications when new vacancies for affordable units become available.

Local Affordable Housing Databases: This bill would create a program, administered by HCD, to award grants to local or regional agencies to develop online portals of affordable housing listings, information, and applications. HCD would fund local or regional agencies to create online platforms of affordable housing listings, information, and applications. This bill would set platform standards based on the success of existing portals and require developers to share up-to-date information with the agency that operates the platform.

Arguments in Support: According to one of the sponsors, Housing California, “this bill will enable the Department of Housing and Community Development to award grants to local or regional agencies to develop online portals of affordable housing listings, information, and applications. The standards for SPAHRC platforms will be based on the success of existing portals in San Francisco and the Bay Area. Platforms will be user-friendly, accessible in multiple languages, and be developed in open-source code to enable their replication in other jurisdictions”

Arguments in Opposition: None on file.

Committee amendments: For clarity, the committee may wish to add a definition of “Phase 1” and “Phase 2” to the bill, as follows:

“Phase 1” means the stage of platform implementation that establishes the capability for prospective tenants to view affordable housing listings and information.

“Phase 2” means the stage of platform implementation that establishes the capability for prospective tenants to apply to affordable housing units.

Related Legislation:

AB 312 (Reyes) of 2023 would have required HCD to coordinate with state and local partners to create an online database with affordable housing listings, information, and tenant applications. This bill died in the Assembly Committee on Appropriations.

AB 1961 (Gabriel) of 2022 would have required HCD to coordinate with state and local partners to create an online database with affordable housing listings, information, and tenant applications. This bill died in the Senate Committee on Appropriations.

REGISTERED SUPPORT / OPPOSITION:

Support

Housing California (Co-Sponsor)
All Home
Brilliant Corners
California Housing Partnership
Corporation for Supportive Housing
East Bay Housing Organizations
LeadingAge California
Lift To Rise
National Alliance to End Homelessness
National Housing Law Project
San Francisco Bay Area Planning and Urban Research Association
The People Concern
The United Way of Greater Los Angeles
United Ways of California

Opposition

None on file.

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