

Date of Hearing: April 26, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1719 (Ward) – As Amended April 18, 2022

SUBJECT: Housing: Community College Faculty and Employee Housing Act of 2022.

SUMMARY: Establishes the Community College Faculty and Employee Housing Act of 2022. Specifically, **this bill:**

- 1) Specifies that the Act, in part, is to facilitate the acquisition, construction, rehabilitation, and preservation of affordable rental housing for faculty and community college district (CCD) employees to allow them to access and maintain housing stability.
- 2) Restricts a program established under the Act to “faculty or CCD employees,” except that a CCD allows local public employees or other members of the public to occupy housing created through this Act, subject to applicable laws and regulations.
- 3) Stipulates that a CCD retains the right to prioritize CCD employees over local public employees or other members of the public to occupy housing.
- 4) Defines, for purposes of this Act, the following terms:
 - a) “Affordable rental housing” means a rental housing development, as specified, with a majority of its rents restricted to levels that are affordable to persons and families of low or moderate income, specified, but neither definition is restrictive to only projects with five or more units;
 - b) “Faculty or CCD employee” means any person employed by a community college district, including, but not limited to, certificated and classified staff; and,
 - c) “Local public employees” includes employees of a city, county, city and county, charter city, charter county, charter city and county, special district, or any combination thereof.
- 5) Authorizes a CCD to establish and implement programs that address the housing needs of faculty and CCD employees who face challenges in securing affordable housing. To the extent feasible, the CCD may establish and implement programs that, among other things, do the following:
 - a) Leverage federal, state, and local public, private, and nonprofit programs and fiscal resources available to housing developers;
 - b) Promote public and private partnerships; and,
 - c) Foster innovative financing opportunities.
- 6) Specifies that this Act creates a state policy supporting housing for faculty and CCD employees as described in Section 42(g)(9) of the Internal Revenue Code, and, further, permits CCD and developers in receipt of local or state funds or tax credits designated for affordable rental housing to restrict occupancy to faculty and CCD employees on land owned

by CCD, including permitting CCD and developers in receipt of tax credits designated for affordable rental housing to retain the right to prioritize and restrict occupancy on land owned by CCD to faculty and CCD employees of the community college district that owns the land, so long as that housing does not violate any other applicable laws.

- 7) Stipulates that the provisions of this Act are severable. If any provision of this Act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

EXISTING LAW:

- 1) Establishes the Teacher Housing Act of 2016:
 - a) Facilitate the acquisition, construction, rehabilitation, and preservation of affordable rental housing for teachers and school district employees and to allow teachers or school district employees to access and maintain housing stability;
 - b) Provide that a program developed under the Teacher Housing Act of 2016 must be limited to teachers and school district employees;
 - c) Defines “affordable rental housing” to mean housing of five or more units in which a majority of the rents are restricted to levels that are affordable to persons and families of low or moderate income;
 - d) Defines “teacher or school district employee” to mean a person employed by a unified school district, an elementary school district, or a high school, including, but not limited to, certificated or classified staff;
 - e) Allows a school district to establish and implement a program that address housing needs of teachers and school district employees who face challenges securing affordable housing, by:
 - i) Leveraging federal, state, and local public, private, nonprofit programs and fiscal resources available to housing developers;
 - ii) Promoting public and private partnerships; and,
 - iii) Fostering innovative financing options.
 - f) Creates a state policy supporting housing for teachers and school district employees as described in Section 42 (g) (9) of the Internal Revenue Code and permits school districts and developers in receipt of local or state funds or tax credits for affordable housing to restrict occupancy to teachers and school district employees on land owned by school districts, provided that no other laws are violated (Health and Safety Code Section 53571, et seq.).

FISCAL EFFECT: Unknown

COMMENTS: *Quasi gut and amend.* This measure was substantially amended on April 18, 2022.

Dual referral. This measure, per Assembly Rule 96, was re-referred to this Committee on April 21, 2022. Prior to the re-referral, this bill was heard by the Assembly Committee on Housing and Community Development (HCD), and passed out of that Committee with a vote of 6 – 1 on April 5, 2022. The HCD heard this measure as it pertained to matters that were germane to the HCD jurisdiction.

Low Income Housing Tax Credits (LIHTC). Most affordable housing created in the state is funded in part by federal and state LIHTC. LIHTC are used to develop housing for households that make up to 80% of the area median income. California receives an allocation of federal tax credits each year based on a per-resident formula. In 1987, the Legislature authorized the creation of a state LIHTC program to augment the federal tax credit program. The state tax credit program has an ongoing statutory authorization of \$70 million. The 2019-20, 2020-21, and 2021-22 budgets authorized an additional \$500 million for state tax credits and the Governor’s current budget proposal continues this allocation for the 2022-23 budget year.

Generally, under federal IRS rules, if a residential unit is provided for only a member of a social organization or provided by an employer for its employees, the unit is not for use by the general public and is not eligible for federal LIHTC. However, federal IRS law also states that a qualified LIHTC project does not fail to meet the general public use requirement solely because of occupancy restrictions or preferences that favor tenants (1) with special needs, (2) who are members of a specified group under a federal program or a state program or policy that supports housing for such a specified group, or (3) who are involved in artistic or literary activities.

Teacher Housing Act of 2016. In 2016, SB 1413 (Leno), Chapter 732, Statutes of 2016, established the Teacher Housing Act of 2016 to facilitate the acquisition, construction, rehabilitation, and preservation of affordable housing for teachers and school employees. School districts are authorized to establish and implement programs that address the housing needs of teachers and school district employees by leveraging funding sources including state, federal, local, public, private and resources available to housing developers, promoting public and private partnerships, and fostering innovative financing opportunities. SB 1413 also created a state policy supporting the use of federal and state LIHTC to fund housing for teachers and school district employees on land owned by the school district and permitting school districts to restrict occupancy to teachers and school district employees.

The intent of SB 1413 was to provide express state statutory authority to permit school districts to construct housing on their property and limit the occupancy to teachers and school districts employees. By declaring a state policy supporting housing for teachers/school district employees, these housing projects could qualify under federal law as general public housing and therefore be eligible for both federal and state LIHTCs.

In 2021, AB 3308 (Gabriel), Chapter 199, Statutes of 2021, further amended the Act to make clear that school districts could still access LIHTC if the school district restricts occupancy of housing constructed on their land to their own employees, but at their discretion offers the housing to other public employees.

Need for the measure. According to the author, “A 2019 study found that of the California Community College students, 60% were housing insecure, and 19% were unhoused in the previous year. In addition, community college staff continue to struggle with the skyrocketing cost of housing. Community College Districts need new authority to provide affordable housing to those who work and study in their district.”

The author states that, “AB 1719 extends the flexibility afforded to K-12 school districts under current law to community college districts seeking to provide affordable housing options to district faculty, staff, and foster youth.”

Further, the author contends that, “This bill will allow community college districts with the appropriate existing land and resources to be active members in addressing California’s exasperated housing crisis.”

Committee comments. Housing affordability remains a huge crisis in this state, especially for many of our faculty and staff who cannot afford to live in the general communities where their campuses reside.

As currently drafted, this measure creates an innovative way to provide affordable housing for CCD faculty and staff, but not faculty and staff of the California State University or the University of California systems.

Moving forward, the author may wish to explore the feasibility of amending the Act, as created by this measure, to include all faculty and staff of all three of the State’s public higher education segments.

Arguments in support. The San Diego and Peralta Community College Districts, state that, “Community college districts employ significant numbers of part-time faculty and service employees that often struggle to access affordable housing. AB 1719 would enable districts to provide affordable housing for these faculty and employees by providing access to LIHTC for housing built on community college land.”

REGISTERED SUPPORT / OPPOSITION:

Support

California School Employees Association
Community College Facility Coalition
Community College League of California
Peralta Community College District
San Diego Community College District
San José-Evergreen Community College District

Opposition

None on file.

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