



### Fact Sheet: AB 671 CalHome Program Grant and Accessory Dwelling Units

#### PROPOSED BILL

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Assembly Bill (AB) 671 would expressly allow Community Land Trusts (CLTs) to use the CalHome Program funds for Accessory Dwelling Units (ADU) development.

#### BACKGROUND

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California continues to face a devastating housing crisis across the state. Communities are utilizing all available resources to develop units to add to the housing stock.

CLTs are nonprofit organizations whose primary mission is to provide and steward land and properties for the benefit of low to moderate income community members typically through the use of a ground lease that ensures permanent affordability and allows residents to own or rent their unit on top of the land owned by the CLT.

CLTs are beginning to utilize recent state and local policies that encourage the construction of ADUs on single family parcels. As a result, CLTs are purchasing single family properties and constructing ADUs on the land. On each lot, residents either own their building or rent it from the CLT, and in either case, the CLT owns the underlying land to ensure the property remains affordable housing in perpetuity. CLTs constructing ADUs on single family lots doubles the affordable housing on a single lot. In some circumstances where greater density is appropriate, a single family lot can become three or even four affordable homes.

To create affordable housing, CLTs often use grant funds, including the CalHome Program. CalHome provides local agencies and

nonprofit corporations support with ADU development costs including predevelopment, site development, and acquisition expenses.

Recently, CLTs have attempted to use allocations of CalHome funding to do just that. However, they have been informed that CalHome guidelines do not allow a nonprofit organization such as a CLT to use program funds for the development of ADUs. Rather, an individual homeowner would have to be the ADU developer. This has deterred CLTs from pursuing CalHome Program funding for ADU development.

#### SOLUTION

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AB 671 will give HCD the explicit authority to allow CLTs to build ADUs with CalHome funds.

This clarification will allow organizations to better use CalHome funds and further apply ADU policies to develop more affordable housing.

#### SUPPORT

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California Community Land Trust Network (Sponsor)

#### OPPOSITION

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None at this time.

#### FOR MORE INFORMATION

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