

Business, Consumer Services and Housing Agency (BCSH) Reorganization

## California Housing and Homelessness Agency (CHHA) Overview

To enhance focus, accelerate progress, and meet the needs of Californians, the Governor proposes splitting the Business, Consumer Services, and Housing Agency (BCSH) into two separate agencies:

- **California Housing and Homelessness Agency (CHHA)** – Oversees housing production, preservation, homelessness solutions, and safeguards civil rights.
- **Business and Consumer Services Agency (BCSA)** – Oversees consumer affairs, licensing, and regulatory enforcement.

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### The creation of California Housing and Homelessness Agency (CHHA) builds on the momentum from the past several years.

The Governor has made addressing housing and homelessness his top priorities. An integrated Housing and Homelessness Agency is the transformational change California needs to accelerate progress on housing, homelessness and civil rights.

CHHA will be responsible for coordinating state housing and homelessness efforts. This includes addressing the full spectrum of Californians' housing needs, from efforts to prevent and end homelessness to support low-income renters and first-time homebuyers. The agency will also be responsible for advancing all civil rights laws and protections, including efforts to advance and enforce fair housing and equal employment protections.

### California Housing and Homelessness Agency (CHHA)

- Department of Housing and Community Development (HCD)
- California Interagency Council on Homelessness (Cal ICH)
- California Housing Finance Agency (CalHFA)
- Civil Rights Department (CRD)
- Housing Development and Finance Committee - *New* (HDFC)

Within CHHA, a new Housing Development and Finance Committee (HDFC) will be created to focus on integrating affordable rental housing finance. HDFC will be responsible for:

- Creating and operating a single application and award process for affordable rental housing funding across CHHA.
- Coordinating and operating aligned asset management across CHHA.
- Collaborating and integrating with other State affordable housing and homelessness funding sources.

HDFC will promote transparency, coordination, and alignment of state affordable housing resources, and will have staff that includes an Executive Director to oversee and manage program operations. Over time, HDFC will be responsible for the following programs:

- Multifamily Housing Program (MHP)
- Joe Serna, Jr. Farmworker Housing Grant Program (SERNA)
- Veterans Housing and Homelessness Prevention Program (VHHP)
- Infill Infrastructure Grant Program (IIG)
- Mixed Income Program (MIP)
- Implementation of the Affordable Housing and Sustainable Communities Program (AHSC)

## CHHA Overview

**Creating CHHA provides targeted focus and dedicated coordination with other cabinet-level agencies to foster strategic alignment across related issue areas, consistent with the Governor's commitment to building more housing and addressing the continuum of California's housing needs.**

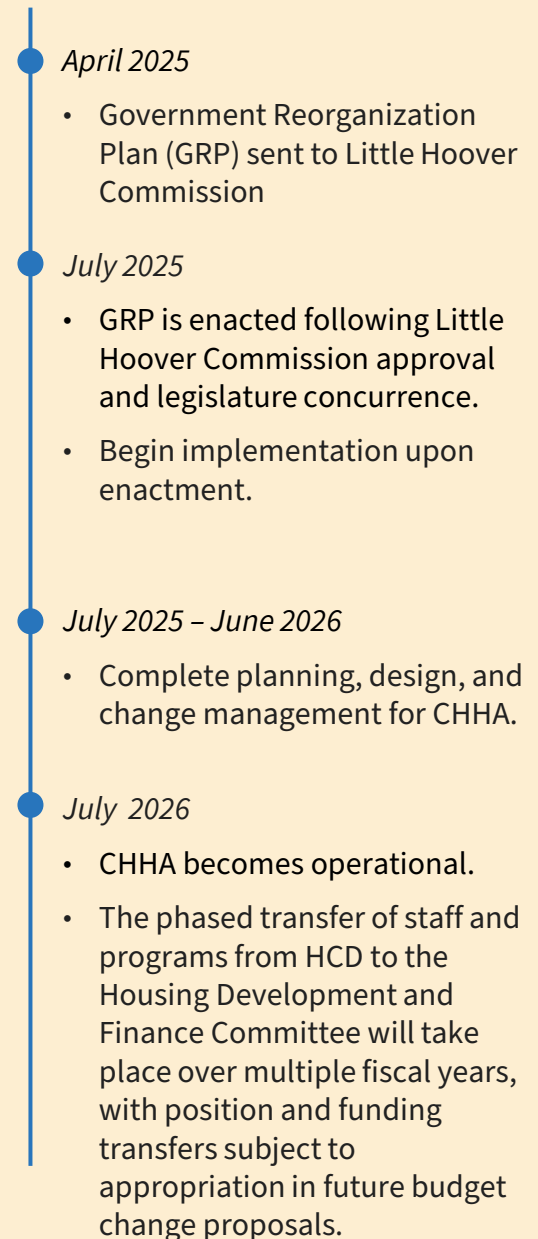
Now is the moment to establish CHHA because it:

- Provides centralized, coordinated guidance to state housing policy and funding decisions.
- Aligns compliance requirements for properties funded by the state so that constituents need only to comply with one set of aligned requirements.
- Establishes an integrated housing finance committee – HDFC – that brings affordable rental housing finance programs together in CHHA.
- Creates a public and transparent decision-making process for affordable rental housing finance programs including the development of a single application and award process.
- These changes could save up to \$6,400\* per unit per state financing source — reducing cost of developing affordable housing by millions of dollars annually.

\*Terner Center for Housing Innovation. *The Costs of Affordable Housing Production: Insights from California's 9% Low-Income Housing Tax Credit Program*. 2020

## Transition Timeline

The creation of CHHA will proceed with a phased and carefully planned approach that will engage agency leaders, staff and stakeholders throughout the process.



Further details on the timing and scope of the implementation of the Government Reorganization Plan (GRP) will be provided through future budget proposals.