

AMENDED IN SENATE AUGUST 15, 2024  
AMENDED IN ASSEMBLY APRIL 18, 2024  
AMENDED IN ASSEMBLY FEBRUARY 28, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1840**

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**Introduced by Assembly Member Arambula**

January 16, 2024

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An act to ~~amend Sections 51523 and 51524 of~~ *add Section 51344* to the Health and Safety Code, relating to housing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1840, as amended, Arambula. ~~California Dream for All Program:~~ *Home Purchase Assistance Program: eligibility.*

Existing law establishes the California Housing Finance Agency in the Department of Housing and Community Development, and authorizes the agency to, among other things, make loans to finance affordable housing, including residential structures, housing developments, multifamily rental housing, special needs housing, and other forms of housing, as specified. Existing law ~~establishes the California Dream for All Program to provide shared appreciation loans to qualified first-time homebuyers,~~ *requires the agency to administer a home purchase assistance program for the purpose of assisting low- and moderate-income home buyers to qualify for the purchase of owner-occupied homes,* as specified. Existing law establishes the ~~California Dream for All Home Purchase Assistance Fund,~~ which is continuously appropriated for expenditure pursuant to the program and defraying the administrative costs for the agency. Existing law ~~authorizes~~

~~moneys deposited into the fund to include, among other moneys, appropriations from the Legislature from the General Fund or other state fund. requires, on and after July 1, 2016, unobligated amounts remaining in any fund established for specified purposes to be transferred to the fund for expenditure by the agency for the purposes of the program.~~

This bill would specify that an applicant ~~under the program~~ who meets all other requirements for a loan under the program, including, but not limited to, any requirements imposed ~~by the Federal National Mortgage Association or other loan servicer, on the agency in administering the program by specified entities, and who is otherwise eligible under applicable federal and state law,~~ shall not be disqualified solely based on the applicant’s immigration status. By expanding the persons eligible to receive moneys from a continuously appropriated fund, this bill would make an appropriation. ~~The bill would recast the fund so that appropriations from the Legislature from the General Fund or other state fund are deposited into the California Dream for All Subaccount, which the bill would create and make available upon appropriation by the Legislature for specified purposes.~~

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 51344 is added to the Health and Safety
- 2     Code, to read:
- 3     51344. (a) An applicant who meets the requirements for a
- 4     loan under the home purchase assistance program, including, but
- 5     not limited to, any requirements imposed on the agency in
- 6     administering the program by the Federal National Mortgage
- 7     Association, a government-sponsored enterprise, a loan servicer,
- 8     an investor, or a guarantor, and who is otherwise eligible under
- 9     applicable federal and state law, shall not be disqualified by the
- 10    agency solely based on the applicant’s immigration status.
- 11    (b) The Legislature finds and declares that this chapter is a
- 12    state law within the meaning of Section 1621(d) of Title 8 of the
- 13    United States Code.
- 14    SECTION 1. ~~Section 51523 of the Health and Safety Code is~~
- 15    ~~amended to read:~~

1 51523. ~~(a) The California Dream for All Program is hereby~~  
2 ~~established to provide shared appreciation loans to qualified~~  
3 ~~first-time homebuyers. The program shall be limited to providing~~  
4 ~~assistance to low- and moderate-income homebuyers in the~~  
5 ~~purchase of owner-occupied homes. The agency, subject to the~~  
6 ~~availability of funds for the purposes of this chapter, shall~~  
7 ~~implement and administer the California Dream for All Program~~  
8 ~~in accordance with this chapter.~~

9 ~~(b) (1) In implementing this part, the agency shall adopt~~  
10 ~~policies, rules, and regulations by resolution of the board of~~  
11 ~~directors of the agency and consistent with this part to achieve all~~  
12 ~~of the following:~~

13 ~~(A) Provide assistance to meaningfully expand access to~~  
14 ~~homeownership.~~

15 ~~(B) Expand opportunities for California households to~~  
16 ~~accumulate wealth for themselves and their families. The agency~~  
17 ~~shall make any necessary program adjustments consistent with the~~  
18 ~~requirements of this chapter, which may include limiting the~~  
19 ~~percentage of appreciation payable under the program, to ensure~~  
20 ~~that design of the loan product is not an unreasonable impediment~~  
21 ~~to homeowner wealth creation.~~

22 ~~(C) Maximize the number of households assisted over time by~~  
23 ~~exploring and implementing methods for selling subordinate second~~  
24 ~~mortgages originated pursuant to this chapter to investors in order~~  
25 ~~to generate additional funding for the program.~~

26 ~~(D) Establish a revolving, shared appreciation first-time~~  
27 ~~homebuyer program with the goal of eventually providing up to~~  
28 ~~one billion dollars (\$1,000,000,000) per year for first-time~~  
29 ~~homebuyers.~~

30 ~~(E) The amount of assistance shall only be made available in~~  
31 ~~conjunction with first mortgage loan financing provided by the~~  
32 ~~agency, and funds available pursuant to this chapter shall also be~~  
33 ~~available for interest rate buydowns and closing cost assistance~~  
34 ~~for that first mortgage loan financing. Any funds made available~~  
35 ~~for interest rate buydowns shall be made in conjunction with a~~  
36 ~~shared appreciation loan.~~

37 ~~(F) All repayments shall be deposited into the fund for ongoing~~  
38 ~~use in the program.~~

1 (G) Sustainability for the agency without significantly adversely  
2 affecting its borrowing capacity or ability to meet other affordable  
3 housing or agency needs.

4 (H) Adequate consumer protection and consumer disclosure  
5 protections:

6 (2) Policies, rules, and regulations adopted pursuant to this part  
7 shall not be subject to Chapter 3.5 (commencing with Section  
8 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

9 (e) (1) An applicant under the program who meets all other  
10 requirements for a loan under the program, including, but not  
11 limited to, any requirements imposed by the Federal National  
12 Mortgage Association or other loan servicer, shall not be  
13 disqualified solely based on the applicant's immigration status.

14 (2) The Legislature finds and declares that this chapter is a state  
15 law within the meaning of Section 1621(d) of Title 8 of the United  
16 State Code.

17 SEC. 2. Section 51524 of the Health and Safety Code is  
18 amended to read:

19 51524. (a) (1) There is hereby established in the State Treasury  
20 the California Dream for All Fund.

21 (2) Notwithstanding Section 13340 of the Government Code,  
22 except as provided in subdivision (c), all moneys in the fund are  
23 continuously appropriated to the agency, without regard to fiscal  
24 years, for expenditure pursuant to this chapter and defraying  
25 administrative costs of the agency.

26 (3) Notwithstanding Section 16305.7 of the Government Code,  
27 any interest earned or other increment derived from investments  
28 made from moneys in the fund shall be deposited in the fund.

29 (b) Moneys deposited in the fund may include proceeds from  
30 the agency issuing revenue bonds for the purposes set forth in this  
31 chapter pursuant to Section 51350, the sale or issuance of any debt  
32 instrument secured by repayment of loans originated pursuant to  
33 this chapter, and repayments from the program.

34 (e) (1) There is hereby established in the fund the California  
35 Dream for All Subaccount.

36 (2) Moneys in the California Dream for All Subaccount shall  
37 include any appropriation from the Legislature from the General  
38 Fund or other state fund. Moneys from any other source shall not  
39 be deposited into the California Dream for All Subaccount.

1     ~~(3) Notwithstanding subdivision (a), moneys in the California~~  
2     ~~Dream for All Subaccount shall be available upon appropriation~~  
3     ~~by the Legislature for expenditure pursuant to this chapter and~~  
4     ~~defraying administrative costs of the agency.~~

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