

Proposition 46

[Proposition 46](#) also called the *Housing and Emergency Shelter Trust Fund Act of 2002* is a California-approved, \$2.1 billion dollar bond measure. It provides funds for the construction, rehabilitation and preservation of affordable rental housing, emergency shelters and homeless facilities. Funds can be used to provide down payment assistance to low and moderate-income first-time homebuyers. Seniors, families with children, teachers, disabled persons, veterans and working people will benefit from the bond.

The [Legislative Analyst Office](#) accurately outlines the use of Proposition 46 funds according to the four types of programs it fund as follows:

Multifamily Housing Programs (\$1.11 Billion). This measure funds a variety of housing programs aimed at the construction of rental housing projects, such as apartment buildings. These programs generally provide local governments, non-profit organizations, and private developers with low-interest (3 percent) loans to fund part of the construction cost. In exchange, a project must reserve a portion of its units for low-income households for a period of 55 years. This measure gives funding priority to projects in already developed areas and near existing public services (such as public transportation).

Homeownership Programs (\$405 Million). A number of the programs funded by this measure encourages homeownership for low- and moderate-income homebuyers. Most of the funds can be used to provide downpayment assistance to homebuyers through low-interest loans or grants. Typically, eligibility for this assistance are based on the household's income, the cost of the home being purchased, and whether it is the household's first home purchase.

Farmworker Housing (\$200 Million). These funds are be used to provide loans and grants to the developers of housing for farmworkers. Program funds are used for both rental and owner-occupied housing.

Other Programs (\$385 Million). Additional funds are allocated for the construction of homeless shelters, payments to cities and counties based on their approval of housing units, provision of mortgage insurance for high-risk homebuyers, and capital needs of local code enforcement departments.