

AMENDED IN ASSEMBLY APRIL 6, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 1512

Introduced by Assembly Member Garcia

February 22, 2005

An act to amend ~~Section 50911~~ Sections 50911, 50953, and 53533 of the Health and Safety Code, relating to housing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1512, as amended, Garcia. California Housing ~~and Infrastructure~~ Finance Agency.

Existing law authorizes the Executive Director of the California Housing ~~and Infrastructure~~ Finance Agency to employ as general counsel for the agency an attorney at law licensed in this state to advise the board of the agency, the chairperson, and the executive director when so requested, with regard to all matters in connection with the powers and duties of the agency and its board members and officers.

This bill would authorize the general counsel, in his or her absence, to designate someone else to act in his or her behalf.

Existing law requires the California Housing Finance Agency, among other things, to adopt regulations for review of construction contracts for that construction or rehabilitation of housing developments and residential structures financed by bonds issued by the agency and requires that on construction so financed, except as specified, all workers employed in that construction, except in maintenance work, shall be paid not less than the general prevailing wage or per diem wages for work of a similar nature.

This bill would delete residential structures from this provision.

Existing law establishes an expenditure allocation schedule of housing bond revenues in the Housing and Emergency Shelter Trust Fund. One of those allocations is the transfer of \$85,000,000 to the California Housing Loan Insurance Fund for bond and loan insurance purposes, as specified. The schedule provides that funds not utilized for those purposes within 30 months shall revert for general use in the California Homebuyer's Downpayment Assistance Program. Under existing law, the agency is authorized to make development loans, construction loans, property improvement loans, mortgage loans, and advances in anticipation of these loans to housing sponsors to finance housing developments and residential structures.

This bill would appropriate, from the funds reverted pursuant to the above described provisions, an unspecified amount to the agency, for use at its discretion to finance the construction and development of residential structures.

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

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

1 SECTION 1. Section 50911 of the Health and Safety Code is
 2 amended to read:
 3 50911. (a) Notwithstanding Sections 11042 and 11043 of the
 4 Government Code, the executive director may employ as general
 5 counsel for the agency an attorney at law licensed in this state.
 6 The general counsel, or in his or her absence, the general
 7 counsel's designee, shall advise the board, the chairperson, and
 8 the executive director, when so requested, with regard to all
 9 matters in connection with the powers and duties of the agency
 10 and the board members and officers thereof. The general counsel
 11 shall serve as secretary to the board and shall perform all duties
 12 and services as general counsel to the agency that the agency
 13 may require of that person.
 14 (b) Except as provided in Section 11040 of the Government
 15 Code, the Attorney General shall represent and appear for the
 16 people of the state and the agency in all court proceedings
 17 involving any question under this division or any order or act of
 18 the agency. However, the agency may also employ private
 19 counsel to assist in any court proceeding.

1 (c) Notwithstanding Sections 11042 and 11043 of the
2 Government Code, the executive director may appoint as bond
3 counsel for the agency an attorney or attorneys. Nothing in this
4 section or any other provision of law shall preclude the
5 appointment of more than one attorney to serve as bond counsel.
6 However, at all times at least one attorney shall be licensed to
7 practice law in this state. If the agency appoints more than one
8 bond counsel for a bond issue, the combined fees paid to all bond
9 counsel shall not exceed those fees that would have been paid
10 had only one bond counsel been appointed.

11 (d) Under the authority of this section, the executive director
12 may appoint or retain an attorney or attorneys to undertake other
13 appropriate legal studies and assignments not in conflict with this
14 section.

15 *SEC. 2. Section 50953 of the Health and Safety Code is*
16 *amended to read:*

17 50953. No provision of this division shall be construed as a
18 restriction or limitation upon any powers which the agency or
19 any local public entity might otherwise have under any laws of
20 this state, and this part is cumulative with respect to these
21 powers. This division shall be deemed to provide a complete,
22 additional, and alternative method for doing the things authorized
23 thereby, and shall be regarded as supplemental and additional to
24 powers conferred by other laws. The issuance of bonds and
25 refunding bonds under this part need not comply with the
26 requirements of any other law applicable to the issuance of
27 bonds, and in the construction or acquisition of a housing
28 development or a residential structure pursuant to this division,
29 the agency need not comply with the requirements of any other
30 law applicable to construction or acquisition of public works,
31 except as specifically provided in this division. The agency shall
32 adopt regulations for review of construction contracts for the
33 construction or rehabilitation of housing developments—~~and~~
34 ~~residential structures~~ financed under this division and shall
35 require that on construction of this housing which is financed by
36 a construction loan from the agency, other than mutual self-help
37 housing developments, all workers employed in the construction,
38 exclusive of maintenance work, shall be paid not less than the
39 general prevailing rate or per diem wages for work of a similar
40 character in the locality in which the construction is performed,

1 and not less than the prevailing rate of per diem wages for
2 holiday and overtime work. The agency shall determine or
3 require determination of the general prevailing rate of per diem
4 wages in accordance with the standards set forth in Section 1773
5 of the Labor Code. Apprentices shall be employed in the
6 construction of housing developments in accordance with the
7 regulations of the agency, which shall impose the same
8 requirements as contained in Section 1777.5 of the Labor Code,
9 except as to differences necessitated by the methods of awarding
10 construction contracts for housing developments financed under
11 this division.

12 *SEC. 3. Section 53533 of the Health and Safety Code is*
13 *amended to read:*

14 53533. (a) Money deposited in the fund from the sale of
15 bonds pursuant to this part shall be allocated for expenditure in
16 accordance with the following schedule:

17 (1) Nine hundred ten million dollars (\$910,000,000) shall be
18 transferred to the Housing Rehabilitation Loan Fund to be
19 expended for the Multifamily Housing Program authorized by
20 Chapter 6.7 (commencing with Section 50675) of Part 2, except
21 for the following:

22 (A) Fifty million dollars (\$50,000,000) shall be transferred to
23 the Preservation Opportunity Fund and, notwithstanding Section
24 13340 of the Government Code, is continuously appropriated
25 without regard to fiscal years for the preservation of at-risk
26 housing pursuant to Chapter 5 (commencing with Section 50600)
27 of Part 2.

28 (B) Twenty million dollars (\$20,000,000) shall be used for
29 nonresidential space for supportive services, including, but not
30 limited to, job training, health services, and child care within, or
31 immediately proximate to, projects to be funded under the
32 Multifamily Housing Program. This funding shall be in addition
33 to any applicable per-unit or project loan limits and may be in the
34 form of a grant. Service providers shall ensure that services are
35 available to project residents on a priority basis over the general
36 public.

37 (C) Twenty-five million dollars (\$25,000,000) shall be used
38 for matching grants to local housing trust funds pursuant to
39 Section 50843.

1 (D) Fifteen million dollars (\$15,000,000) shall be used for
2 student housing through the Multifamily Housing Program,
3 subject to the following provisions:

4 (i) The department shall give first priority for projects on land
5 owned by a University of California or California State
6 University campus. Second priority shall be given to projects
7 located within one mile of a University of California or
8 California State University campus that is suffering from a severe
9 shortage of housing and limited availability of developable land
10 as determined by the department. Those determinations shall be
11 set forth in the Notice of Funding Availability and shall not be
12 subject to the requirements of Chapter 3.5 (commencing with
13 Section 11340) of Part 1 of Title 2 of the Government Code.

14 (ii) All funds shall be matched on a one-to-one basis from
15 private sources or by the University of California or California
16 State University. For the purposes of this subparagraph,
17 “University of California” includes the Hastings College of the
18 Law.

19 (iii) Occupancy for the units shall be restricted to students
20 enrolled on a full-time basis in the University of California or
21 California State University.

22 (iv) Income eligibility pursuant to the Multifamily Housing
23 Program shall be established by verification of the combined
24 income of the student and his or her family.

25 (v) Any funds not used for this purpose within 24 months of
26 the date that the funds are made available shall be awarded
27 pursuant to subdivision (a) for the Downtown Rebound Program
28 as set forth in paragraph (1) of subdivision (c) of Section
29 50898.2.

30 (E) Any funds not encumbered for the purposes set forth in
31 this paragraph, except subparagraph (D), within 30 months of
32 availability shall revert to the Housing Rehabilitation Loan Fund
33 created by Section 50661 for general use in the Multifamily
34 Housing Program.

35 (2) One hundred ninety-five million dollars (\$195,000,000)
36 shall be transferred to the Emergency Housing and Assistance
37 Fund to be expended for the Emergency Housing and Assistance
38 Program authorized by Chapter 11.5 (commencing with Section
39 50800 of Part 2).

1 (3) One hundred ninety-five million dollars (\$195,000,000)
2 shall be transferred to the Housing Rehabilitation Loan Fund to
3 be expended for supportive housing projects under the
4 Multifamily Housing Program authorized by Chapter 6.7
5 (commencing with Section 50675) of Part 2, to serve individuals
6 and households moving from emergency shelters or transitional
7 housing or those at risk of homelessness.

8 (4) Two hundred million dollars (\$200,000,000) shall be
9 transferred to the Joe Serna, Jr. Farmworker Housing Grant Fund
10 to be expended for farmworker housing programs authorized by
11 Chapter 3.2 (commencing with Section 50517.5) of Part 2,
12 except for the following:

13 (A) Twenty-five million dollars (\$25,000,000) shall be used
14 for projects that serve migratory agricultural workers as defined
15 in subdivision (i) of Section 7602 of Title 25 of the California
16 Code of Regulations. If, after July 1, 2003, funds remain after the
17 approval of all feasible applications, the department shall be
18 deemed an eligible recipient for the purposes of reconstructing
19 migrant centers operated through the Office of Migrant Services
20 pursuant to Chapter 8.5 (commencing with Section 50710) that
21 would otherwise be scheduled for closure due to health or safety
22 considerations or are in need of significant repairs to ensure the
23 health and safety of the residents. Of the dollars allocated by this
24 section, the department shall receive five million five hundred
25 thousand dollars (\$5,500,000) for these purposes.

26 (B) Twenty million dollars (\$20,000,000) shall be used for
27 developments that also provide health services to the residents.
28 Recipients of these funds shall be required to provide ongoing
29 monitoring of funded developments to ensure compliance with
30 the requirements of the Joe Serna, Jr. Farmworker Housing Grant
31 Program. Projects receiving funds through this allocation shall be
32 ineligible for funding through the Joe Serna, Jr. Farmworker
33 Housing Grant Program.

34 (C) Any funds not encumbered for the purposes set forth in
35 this paragraph within 30 months of availability shall revert for
36 general use in the Joe Serna, Jr. Farmworker Housing Grant
37 Program.

38 (5) Two hundred five million dollars (\$205,000,000) shall be
39 transferred to the Self-Help Housing Fund. Notwithstanding
40 Section 13340 of the Government Code and Section 50697.1,

1 these funds are hereby continuously appropriated without regard
2 to fiscal years to the department to be expended for the purposes
3 of the CalHome Program authorized by Chapter 6 (commencing
4 with Section 50650) of Part 2, except for the following:

5 (A) Seventy-five million dollars (\$75,000,000) shall be
6 transferred to the Building Equity and Growth in Neighborhoods
7 Fund to be used for the Building Equity and Growth in
8 Neighborhoods (BEGIN) Program pursuant to Chapter 4.5
9 (commencing with Section 50860) of Part 1.

10 (B) Five million dollars (\$5,000,000) shall be used to provide
11 grants to cities, counties, cities and counties, and nonprofit
12 organizations to provide grants for lower income tenants with
13 disabilities for the purpose of making exterior modifications to
14 rental housing in order to make that housing accessible to
15 persons with disabilities. For the purposes of this subparagraph,
16 “exterior modifications” includes modifications that are made to
17 entryways or to common areas of the structure or property. The
18 program provided for under this subparagraph shall not be
19 subject to the requirements of Chapter 3.5 (commencing with
20 Section 11340) of Part 1 of Title 2 of the Government Code.

21 (C) Ten million dollars (\$10,000,000) shall be expended for
22 construction management under the California Self-Help
23 Housing Program pursuant to subdivision (b) of Section 50696.

24 (D) Any funds not encumbered for the purposes set forth in
25 this paragraph within 30 months of availability shall revert for
26 general use in the CalHome Program.

27 (6) Five million dollars (\$5,000,000) shall be transferred to the
28 Housing Rehabilitation Loan Fund to be expended for capital
29 expenditures in support of local code enforcement and
30 compliance programs. This allocation shall not be subject to the
31 requirements of Chapter 3.5 (commencing with Section 11340)
32 of Part 1 of Title 2 of the Government Code. If the moneys
33 allocated pursuant to this paragraph are not expended within
34 three years after being transferred, the department may, in its
35 discretion, transfer the moneys to the Housing Rehabilitation
36 Loan Fund to be expended for the Multifamily Housing Program.

37 (7) Two hundred ninety million dollars (\$290,000,000) shall
38 be transferred to the Self-Help Housing Fund. Notwithstanding
39 Section 50697.1, these funds are hereby continuously
40 appropriated to the agency to be expended for the purposes of the

1 California Homebuyer's Downpayment Assistance Program
2 authorized by Chapter 11 (commencing with Section 51500) of
3 Part 3, except for the following:

4 (A) Fifty million dollars (\$50,000,000) shall be transferred to
5 the School Facilities Fee Assistance Fund as provided by
6 subdivision (a) of Section 51453 to be used for the Homebuyer
7 Down Payment Assistance Program of 2002 established by
8 Section 51451.5.

9 (B) Eighty-five million dollars (\$85,000,000) shall be
10 transferred to the California Housing Loan Insurance Fund to be
11 used for purposes of Part 4 (commencing with Section 51600).
12 The agency may transfer these moneys as often as quarterly in
13 amounts that shall not exceed the dollar amount of new insurance
14 written by the agency during the preceding quarter for loans for
15 the purchase of homes made to owner-occupant borrowers with
16 incomes not exceeding 120 percent of the area median income,
17 divided by the risk-to-capital ratio required for the maintenance
18 of satisfactory credit ratings from nationally recognized credit
19 rating services.

20 (C) (i) Twelve million five hundred thousand dollars
21 (\$12,500,000) shall be reserved for downpayment assistance to
22 low-income first-time home buyers who, as documented to the
23 agency by a nonprofit organization certified and funded to
24 provide home ownership counseling by a federally funded
25 national nonprofit corporation, are purchasing a residence in a
26 community revitalization area targeted by the nonprofit
27 organization and who has received home ownership counseling
28 from the nonprofit organization. Community revitalization areas
29 shall be limited to targeted neighborhoods identified by qualified
30 nonprofit organizations as those neighborhoods in need of
31 economic stimulation, renovation, and rehabilitation through
32 efforts that include increased home ownership opportunities for
33 low-income families.

34 (ii) Effective January 1, 2004, 50 percent of the funds
35 available pursuant to clause (i) shall be available for
36 downpayment assistance in an amount not to exceed 6 percent of
37 the home sales price.

38 (iii) After 12 months of availability, if more than 50 percent of
39 the funds set aside pursuant to clause (ii) have been encumbered,
40 the agency shall discontinue that program and make all

1 remaining funds available for downpayment assistance pursuant
2 to clause (i). If, however, less than 50 percent of the funds
3 allocated pursuant to clause (ii) are encumbered after that
4 12-month period, the agency may, at its sole discretion, either
5 make all remaining funds provided pursuant to clause (i)
6 available for the purpose of clause (ii), or may continue to
7 implement clause (ii) until all of the funds allocated for that
8 purpose as of January 1, 2004, have been encumbered.

9 (D) Twenty-five million dollars (\$25,000,000) shall be used
10 for downpayment assistance pursuant to Section 51505. After 18
11 months of availability, if the agency determines that the funds set
12 aside pursuant to this section will not be utilized for purposes of
13 Section 51505, these funds shall be available for the general use
14 of the agency for the purposes of the California Homebuyer's
15 Downpayment Assistance Program, but may also continue to be
16 available for the purposes of Section 51505.

17 (E) (i) Funds not utilized for the purposes set forth in
18 subparagraphs (B) and (C) within 30 months shall revert for
19 general use in the California Homebuyer's Downpayment
20 Assistance Program.

21 (ii) *From the funds reverted pursuant to clause (i) the sum of*
22 *_____ dollars (\$_____)* *is hereby appropriated to the agency for*
23 *use, at its discretion, to finance the construction and development*
24 *of residential structures pursuant to its authority under Section*
25 *51100.*

26 (8) One hundred million dollars (\$100,000,000) shall be
27 transferred to the Jobs Housing Improvement Account to be
28 expended as capital grants to local governments for increasing
29 housing pursuant to enabling legislation. If the enabling
30 legislation fails to become law in the 2001–02 Regular Session of
31 the Legislature, the specified allocation for this program shall be
32 void and the funds shall revert for general use in the Multifamily
33 Housing Program as specified in paragraph (1) of subdivision (a).

34 (b) No portion of the money allocated pursuant to this section
35 may be expended for project operating costs, except that this
36 section does not preclude expenditures for operating costs from
37 reserves required to be maintained by or on behalf of the project
38 sponsor.

39 (c) The Legislature may, from time to time, amend the
40 provisions of law related to programs to which funds are, or have

1 been, allocated pursuant to this section for the purpose of
2 improving the efficiency and effectiveness of the program, or for
3 the purpose of furthering the goals of the program.

4 (d) The Bureau of State Audits shall conduct periodic audits to
5 ensure that bond proceeds are awarded in a timely fashion and in
6 a manner consistent with the requirements of this part, and that
7 awardees of bond proceeds are using funds in compliance with
8 applicable provisions of this part.