

Assembly Bill No. 2188

Passed the Assembly April 21, 2008

Chief Clerk of the Assembly

Passed the Senate June 26, 2008

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend and repeal Sections 50832 and 50833 of the Health and Safety Code, relating to community development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2188, Arambula. Community Development Block Grant Program: funds.

Existing law requires the Department of Housing and Community Development to allocate funds under the federal Community Development Block Grant Program to cities and counties. Existing law requires the department, until January 1, 2009, to determine, and announce in the applicable Notice of Funding Availability, the maximum amount of grant funds that may be used for economic development projects and programs, housing for persons and families of low or moderate income or for purposes directly related to the provision or improvement of housing opportunities for these persons and families, and for cities and counties that apply on behalf of certain Indian tribes. Existing law requires the department, until January 1, 2009, to specify the percentage of the total funds available for, and the maximum amount for grants that may be awarded to, small cities and counties for specified purposes.

This bill would delete the repeal date specified in existing law.

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

SECTION 1. Section 50832 of the Health and Safety Code, as amended by Section 3 of Chapter 197 of the Statutes of 2005, is amended to read:

50832. (a) In order to ensure that a city or county may apply for both economic development and general program grants pursuant to this chapter in the same year, each applicant shall have a maximum grant request limitation as determined by the department and announced in the applicable NOFA, excluding general allocation planning and technical assistance grants and economic development allocation planning and technical assistance grants made available under Section 50833, of which a maximum amount as determined by the department and announced in the

applicable NOFA, per year may be used for either general program or economic development applications. These limitations may be waived for the economic development allocation based upon available economic development funds after September 1 of each year. The department shall aggressively inform eligible cities and counties of the eligibility criteria and requirements under this section and in Section 50833.

(b) Except for applications specified in Section 50832.1, applications for all activities or set-asides under this section and Section 50833 shall be evaluated on a first-in, first-served basis.

(c) For all economic development applications under this section or Section 50833, including economic development assistance grants, the department shall develop project standards and rating factors which meet the minimum requirements of federal statutes, including a jobs-for-dollars test of thirty-five thousand dollars (\$35,000) per job created or retained. In addition to the low- and moderate-income persons or families criteria established in subdivision (b) of Section 50826 and Sections 50827 and 50828, the department shall also utilize as criteria for the economic development allocation the federal standards of “blight” and “urgent need” under this section, Section 50832.1, and Section 50833.

(d) A jurisdiction may submit multiyear proposals for a period not exceeding three years in duration.

SEC. 2. Section 50832 of the Health and Safety Code, as added by Section 4 of Chapter 197 of the Statutes of 2005, is repealed.

SEC. 3. Section 50833 of the Health and Safety Code, as amended by Section 5 of Chapter 197 of the Statutes of 2005, is amended to read:

50833. (a) The department shall determine and announce in the applicable NOFA the percentage of the total amount of the State Block Grant Program funds set aside for economic development that shall be allocated to make economic development planning and technical assistance grants to eligible small cities or counties for business attraction, retention, and expansion programs for the development of local economic development strategies, predevelopment grant feasibility studies, and downtown revitalization programs. Eligible small cities or counties may contract with public agencies or nonprofit economic development corporations and other eligible subgrantees or for-profit

corporations or entities to provide these services. Each applicant shall be required to provide a cash match of up to 25 percent of the total amount requested. A technical assistance grant received under this set-aside is in addition to the city or county ceiling, under Section 50832, or its ability to apply under the economic development or general program set-asides. The department shall determine and announce in the applicable NOFA the maximum per year grant amount. Each applicant shall not receive more than two grants per year and shall be eligible to apply each year, although no applicant shall receive grants in excess of the maximum amount determined by the department and announced in the applicable NOFA in any one year. Funds not applied for or allocated under this section may be used for other economic development purposes under Sections 50832 and 50832.1.

(b) The department shall determine and announce in the applicable NOFA the percentage of the total amount of the State Block Grant Program funds not used for economic development that shall be set aside to make technical assistance grants to eligible small cities or counties for purposes including, but not limited to: inventory of housing needing rehabilitation in the district, income surveys of area residents, and any general studies of housing needs in the district. Each applicant shall be required to provide a cash match of up to 25 percent of the total amount requested. A technical assistance grant received under this set-aside is in addition to the city or county ceiling or its ability to apply under the economic development or general program set-asides. Unexpended funds allocated under this section shall revert to the general program, but not to the economic development set-aside. The department shall determine and announce in the applicable NOFA the maximum grant amount per application. Each applicant shall not receive more than two grants per year and shall be eligible to apply each year, although no applicant shall receive grants in excess of the maximum amount determined by the department and announced in the applicable NOFA in any one year.

(c) If, under federal law, the economic development planning and technical assistance grants and the general allocation planning and assistance grants are considered to be administrative expenditures, the department may reduce the percentages of the set-asides by up to the amount necessary to remain within the allowable limits for administrative expenditures.

(d) Two or more jurisdictions may pool their funds and make a joint application for the same project.

(e) General administrative activity planning studies shall not be counted against allocations under this section.

SEC. 4. Section 50833 of the Health and Safety Code, as added by Section 6 of Chapter 197 of the Statutes of 2005, is repealed.

Approved _____, 2008

Governor