

Introduced by Senator Alquist

February 14, 2008

An act to amend Sections 50650.3 and 50650.4 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1226, as introduced, Alquist. CalHome Program: mobilehome parks.

Existing law establishes the CalHome Program under the administration of the Department of Housing and Community Development and authorizes funds appropriated for purposes of the program to be used to enable low-income and very low-income households to become or remain homeowners.

This bill would authorize program funds to be used for the improvement of infrastructure related to mobilehome parks by local public agencies in joint application with a mobilehome park.

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

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

- 1 SECTION 1. Section 50650.3 of the Health and Safety Code
2 is amended to read:
3 50650.3. (a) Funds appropriated for purposes of this chapter
4 shall be used to enable low- and very low income households to
5 become or remain homeowners. Funds shall be provided by the
6 department to local public agencies, *local public agencies in joint*
7 *application with a mobilehome park*, or nonprofit corporations as
8 either of the following:

1 (1) Grants for programs that assist individual households.

2 (2) Loans that assist development projects involving multiple
3 homeownership units, including single-family subdivisions.

4 (b) Grant funds may be used for first-time homebuyer
5 downpayment assistance, home rehabilitation, homebuyer
6 counseling, home acquisition and rehabilitation, or self-help
7 mortgage assistance programs, or for technical assistance for
8 self-help and shared housing homeownership. Loan funds may be
9 used for purchase of real property, site development,
10 predevelopment, and construction period expenses incurred on
11 homeownership development projects, ~~and~~ permanent financing
12 for mutual housing or cooperative developments, *and the*
13 *improvement of infrastructure related to mobilehome parks*. Upon
14 completion of construction, the department may convert project
15 loans into grants for programs of assistance to individual
16 homeowners. Financial assistance provided to individual
17 households shall be in the form of deferred payment loans,
18 repayable upon sale or transfer of the homes, when they cease to
19 be owner-occupied, or upon the loan maturity date. Financial
20 assistance may be provided in the form of a secured forgivable
21 loan to an individual household to rehabilitate, repair, or replace
22 manufactured housing located in a mobilehome park and not
23 permanently affixed to a foundation. The loan shall be due and
24 payable in 20 years, with 10 percent of the original principle to be
25 forgiven annually for each additional year beyond the 10th year
26 that the home is owned and continuously occupied by the borrower.
27 Not more than 10 percent of the funds available for the purposes
28 of this chapter in a fiscal year shall be used for financial assistance
29 in the form of secured forgivable loans. *Loan funds may be used*
30 *for the improvement of infrastructure for mobilehome parks if the*
31 *park owner can demonstrate both financial need and that 50*
32 *percent or more of the residents are lower income.*

33 (c) All loan repayments shall be used for activities allowed
34 under this section, and shall be governed by a reuse plan approved
35 by the department. Those reuse plans may provide for loan
36 servicing by the grant recipient or a third-party local government
37 agency or nonprofit corporation.

38 SEC. 2. Section 50650.4 of the Health and Safety Code is
39 amended to read:

1 50650.4. To be eligible to receive a grant or loan, local public
2 agencies ~~or~~, nonprofit corporations, *or local public agencies in*
3 *joint application with a mobilehome park*, shall demonstrate
4 sufficient organizational stability and capacity to carry out the
5 activity for which they are requesting funds, including, where
6 applicable, the capacity to manage a portfolio of individual loans
7 over an extended time period. Capacity may be demonstrated by
8 substantial successful experience performing similar activities, or
9 through other means acceptable to the department. In administering
10 the CalHome program, the department may permit local agencies
11 and nonprofit corporations to apply their own underwriting
12 guidelines when evaluating CalHome rehabilitation loan
13 applications, following prior review and approval of those
14 guidelines by the department. The local agency or nonprofit
15 corporation may not subsequently alter its underwriting guidelines
16 with respect to the use of CalHome funds without review and
17 approval by the department. In allocating funds, the department
18 shall utilize a competitive application process, using weighted
19 evaluation criteria, including, but not limited to, the extent that the
20 program or project utilizes volunteer or self-help labor, trains youth
21 and young adults in construction skills, creates balanced
22 communities, involves community participation, or whether the
23 program or project contributes toward community revitalization.
24 To the extent feasible, the application process shall ensure a
25 reasonable geographic distribution of funds.