

AMENDED IN SENATE APRIL 2, 2008

SENATE BILL

No. 1226

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 amended, 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~~ *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 *owner*.

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

1 application with a mobilehome park *owner*, or nonprofit
2 corporations ~~as either~~ *for any* of the following:

3 (1) Grants for programs that assist individual households.
4 (2) Loans that assist development projects involving multiple
5 homeownership units, including single-family subdivisions.
6 (3) *Loans for infrastructure improvements and repairs in*
7 *mobilehome parks.*

8 (b) Grant funds may be used for first-time homebuyer
9 downpayment assistance, home rehabilitation, homebuyer
10 counseling, home acquisition and rehabilitation, or self-help
11 mortgage assistance programs, or for technical assistance for
12 self-help and shared housing homeownership. Loan funds may be
13 used for purchase of real property, site development,
14 predevelopment, and construction period expenses incurred on
15 homeownership development projects, permanent financing for
16 mutual housing or cooperative developments, and the improvement
17 of infrastructure related to mobilehome parks. Upon completion
18 of construction, the department may convert project loans into
19 grants for programs of assistance to individual homeowners,
20 *mobilehome park owners, or nonprofit corporations.* Financial
21 assistance provided to individual households, *mobilehome park*
22 *owners, or nonprofit corporations* shall be in the form of deferred
23 payment loans, repayable upon sale or transfer of the homes, when
24 they cease to be owner-occupied, or upon the loan maturity date.
25 *A recorded affordability restriction or a jurisdiction's rent control*
26 *ordinance shall ensure that the financial assistance will continue*
27 *to benefit low- and very low income households for not less than*
28 *55 years.* Financial assistance may be provided in the form of a
29 secured forgivable loan to an individual household, *a mobilehome*
30 *park owner, or a nonprofit corporation* to rehabilitate, repair, or
31 replace manufactured housing located in a mobilehome park and
32 not permanently affixed to a foundation. The loan shall be due and
33 payable in 20 years, with 10 percent of the original principle to be
34 forgiven annually for each additional year beyond the 10th year
35 that the home is owned and continuously occupied by the borrower.
36 Not more than 10 percent of the funds available for the purposes
37 of this chapter in a fiscal year shall be used for financial assistance
38 in the form of secured forgivable loans. Loan funds may *also* be
39 used for the improvement of infrastructure for mobilehome parks
40 if the park owner can demonstrate both financial need and that 50

1 percent or more of the ~~residents~~ *mobilehome owners* are lower
2 income, *as defined in Section 50079.5. Loans to mobilehome park*
3 *owners or nonprofit corporations for infrastructure shall be*
4 *allocated based on the proportional percentage of lower income*
5 *persons residing in the mobilehome park who are seeking funding.*

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

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

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

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