

Assembly Bill No. 2293

Passed the Assembly August 26, 2010

Chief Clerk of the Assembly

Passed the Senate August 24, 2010

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2010, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act relating to housing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2293, Torres. Housing: construction loans.

Existing law establishes the Multifamily Housing Program, the Joe Serna, Jr. Farmworker Housing Grant Program, and the Transit-Oriented Development Implementation Program, administered by the Department of Housing and Community Development, which provide assistance for multifamily housing, farmworker housing, and development of high density uses within close proximity to transit stations, respectively.

This bill would, until June 30, 2013, require the department, upon request of a program award recipient unable to secure a construction loan on the private market, to contract with a construction lender to make permanent loan funds available and to escrow, reserve, or set aside permanent loan funds for a project as of the date of closing of the construction loan. The bill would require the department, within 3 months of its effective date, to comply with specified procedures and standards relating to the above requirements.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. (a) This section shall apply to loan awards made pursuant to all of the following programs:

(1) The Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code.

(2) The Joe Serna, Jr. Farmworker Housing Grant Program authorized by Section 50517.5 of the Health and Safety Code, including, but not limited to, subdivision (c) of Section 50517.10 of the Health and Safety Code.

(3) The Transit-Oriented Development Implementation Program authorized by Part 13 (commencing with Section 53560) of Division 31 of the Health and Safety Code.

(b) For each award recipient unable to secure a construction loan on the private market, the Department of Housing and Community Development shall, upon request and until June 30, 2013, offer to place into escrow, reserve, or set aside permanent loan funds for the project as of the date of closing of the construction loan.

(c) On or before three months of the date this section takes effect, the department shall do both of the following:

(1) Establish and publish online, standards and requirements for award recipients and procedures for implementing subdivision (b).

(2) Begin offering the option specified in subdivision (b). The department shall establish an initial application deadline and, for recipients who submit an application prior to that deadline and meet the department's threshold requirements, give priority to recipients in the order in which they received their awards. Thereafter, the department shall accept applications on an over-the-counter basis. The department may work with more than one recipient at a time.

(d) The department may not exercise its authority pursuant to this section for any project that received an award after December 18, 2008, until the department has received or obtained access to bond funds sufficient to fund all projects within the same class of tax-exempt or taxable bond projects that received an award prior to December 18, 2008.

(e) The department may exercise its authority pursuant to this section only until it has reserved fifty million dollars (\$50,000,000).

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to expedite the construction of housing projects funded with housing bond funds and stimulate the creation of construction and permanent jobs, it is necessary that this act take immediate effect.

Approved _____, 2010

Governor