

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011—12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 826**

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**Introduced by Assembly Member Atkins**

February 17, 2011

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~~An act to amend Section 50802 of the Health and Safety Code, relating to emergency housing.~~ *An act to amend Section 50408 of the Health and Safety Code, relating to housing.*

LEGISLATIVE COUNSEL'S DIGEST

AB 826, as amended, Atkins. ~~Emergency Housing and Assistance Fund.~~ *Department of Housing and Community Development: annual report.*

*Existing law requires the Department of Housing and Community Development, on or before December 31 of each year, to submit an annual report to the Governor and both houses of the Legislature containing specified information relating to the operations and accomplishments of the housing programs administered by the department.*

*This bill would additionally require the department to include in its annual report specified cumulative totals for each program funded under the Housing and Emergency Shelter Trust Fund Acts of 2002 and 2006.*

~~Existing law establishes the Emergency Housing and Assistance Fund, which is continuously appropriated to the Department of Housing and Community Development, to carry out the purposes of the Emergency Housing and Assistance Program. The department is required to ensure that not less than 20% of the moneys in the fund be allocated to~~

nonurban counties and provides for the allocation of funds in the event funds allocated to nonurban counties are not awarded, as prescribed.

~~This bill would make technical, nonsubstantive changes to these provisions of law.~~

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

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

1     SECTION 1. *Section 50408 of the Health and Safety Code is*  
2 *amended to read:*

3     50408. (a) On or before December 31 of each year, the  
4 department shall submit an annual report to the Governor and both  
5 houses of the Legislature on the operations and accomplishments  
6 during the previous fiscal year of the housing *and infrastructure*  
7 programs administered by the department, including, but not  
8 limited to, the Emergency Housing and Assistance Program and  
9 Community Development Block Grant activity.

10    (b) The report shall include all of the following information:

11    (1) The number of units assisted by those programs.

12    (2) The number of individuals and households served and their  
13 income levels.

14    (3) The distribution of units among various areas of the state.

15    (4) The amount of other public and private funds leveraged by  
16 the assistance provided by those programs.

17    (5) Information detailing the assistance provided to various  
18 groups of persons by programs that are targeted to assist those  
19 groups.

20    (6) The information required to be reported pursuant to Section  
21 17031.8.

22    (7) *The cumulative total for each item of information required*  
23 *under paragraphs (1) to (6), inclusive, for each program funded*  
24 *under the Housing and Emergency Shelter Trust Fund Act of 2002.*

25    (8) *The cumulative total for each item of information required*  
26 *under paragraphs (1) to (6), inclusive, for each program funded*  
27 *under the Housing and Emergency Shelter Trust Fund Act of 2006.*

28     ~~SECTION 1. Section 50802 of the Health and Safety Code is~~  
29 ~~amended to read:~~

30     ~~50802. (a) The department shall make certain that not less~~  
31 ~~than 20 percent of the moneys in the Emergency Housing and~~

1 Assistance Fund shall be allocated to nonurban counties during  
2 any given fiscal year. If the funds designated for facilities operation  
3 that are allocated to nonurban counties are not awarded by the end  
4 of that fiscal year, then those unencumbered funds shall be  
5 allocated in the subsequent fiscal year to urban counties. Funds  
6 for capital development that are not awarded by the end of the  
7 second fiscal year shall be awarded in the next fiscal year to urban  
8 counties.

9 (b) The amount of funds that the department allocates from the  
10 Emergency Housing and Assistance Fund to each region, excluding  
11 funds allocated pursuant to subdivision (a), shall be based upon a  
12 formula that accords at least 20 percent weight to each of the  
13 following factors:

14 (1) The relative number of persons in the region below the  
15 poverty line according to the most recent federal census, updated,  
16 if possible, with an estimate by the Department of Finance,  
17 compared to the total of the urban counties.

18 (2) The relative number of persons unemployed within each  
19 region, based on the most recent one-year period for which data  
20 is available, compared to the total of the urban counties.

21 (c) Grant funds shall be disbursed as expeditiously as possible  
22 by the department.

23 (d) The department shall use not more than 5 percent of the  
24 amount available for funds pursuant to this chapter to defray the  
25 department's administrative costs pursuant to this chapter.

26 (e) Notwithstanding any other provision of this chapter, the  
27 department shall distribute funds appropriated for purposes of the  
28 activities specified in paragraph (2) of subdivision (a) of Section  
29 50803 as grants in the form of forgivable deferred loans, subject  
30 to all of the following:

31 (1) Funding shall be made available to each project as a loan  
32 with a term of five years for rehabilitation, seven years for  
33 substantial rehabilitation, or 10 years for acquisition and  
34 rehabilitation or new construction. Each deferred loan shall be  
35 secured by a deed of trust and promissory note. Repayment of the  
36 loan shall be deferred as long as the project is used as an emergency  
37 shelter or transitional housing. At the completion of the specified  
38 year term, the loan shall be forgiven. If a transfer or conveyance  
39 of the project property, however, occurs prior to that time that  
40 results in the property no longer being used as an emergency shelter

- 1 or transitional housing, the department shall terminate the grant  
2 and require the repayment of the deferred loan in full.
- 3 (2) Applications for funding shall be made pursuant to  
4 department-issued statewide “Notices of Funding Availability”  
5 without the need for additional regulations.
- 6 (3) The department shall set forth the criteria for evaluating  
7 applications in the “Notices of Funding Availability” and shall  
8 make deferred loans based on those applications that best meet the  
9 criteria.
- 10 (4) The department shall specify in the “Notice of Funding  
11 Availability” both maximum and minimum grant amounts that  
12 may be varied for urban and nonurban counties.
- 13 (5) Contracts for projects that have not begun construction  
14 within the initial 12-month period shall be terminated and funds  
15 reallocated. The department, however, may extend this period by  
16 a period not to exceed 12 months.