

AMENDED IN ASSEMBLY APRIL 17, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2447

Introduced by Assembly Members Skinner and John A. Pérez

February 24, 2012

An act to add Part 14 (commencing with Section 53565) to Division 31 of the Health and Safety Code, relating to ~~bonds~~ *housing, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2447, as amended, Skinner. The California Neighborhood ~~Stabilization~~ *Revitalization* Partnership Act of 2012.

The Housing and Emergency Shelter Trust Fund Act of 2006 authorizes the issuance of bonds to finance various housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, housing-related parks, and transit-oriented development programs. *Existing law transfers bond moneys to the Self-Help Housing Fund to be expended for purposes of the California Homebuyer's Downpayment Assistance Program, as specified.*

This bill would establish the California Neighborhood ~~Stabilization~~ *Revitalization* Partnership Act of 2012, to be administered by the California Housing Finance Agency in consultation with the Department of Housing and Community Development, to finance affordable housing for low- to moderate-income households ~~and to further advance the will of the voters, as specified.~~ *The bill would authorize specified applicants, as defined, to apply for grant or loan moneys from the agency on a competitive basis for purposes of financing, among other things, the*

purchase of foreclosed homes, the establishment of land banks for foreclosed homes, the demolition of blighted structures, and the redevelopment of demolished or vacant properties. The bill would transfer \$25,000,000 from bond moneys made available to the California Homebuyer's Downpayment Assistance Program from the Self-Help Housing Fund to a newly created fund, the California Neighborhood Revitalization Fund, for these purposes, as specified, and would make an appropriation to fund the program in an unspecified amount. The bill would require the agency to issue guidelines for purposes of implementation by a specified date.

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

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

1 SECTION 1. The Legislature finds and declares the following:

2 (a) At a time when the housing challenges facing California are
3 extraordinary, it is incumbent upon the Legislature to evaluate and
4 make changes, *where necessary*, in underperforming housing bond
5 programs.

6 (b) The Legislature must act with a ~~clear intention and~~
7 comprehensive focus to address the effects ~~these~~ *that the* record
8 number of foreclosures have *had* on home values throughout the
9 state, the public health and safety of California neighborhoods,
10 and the economic stability of our communities.

11 (c) It is the goal of the Legislature to harness the innovation of
12 the business community, nonprofit organizations, private investors,
13 and governmental entities to create investment opportunities ~~that~~
14 ~~will to help to~~ address the various aspects of the foreclosure crisis.

15 (d) The collaboration of financial institutions and government
16 is key to designing a scalable program that rehabilitates foreclosed
17 properties and reintegrates them into the housing market as
18 properties for rent or repurchase.

19 SEC. 2. The heading of Part 14 (commencing with Section
20 53565) is added to Division 31 of the Health and Safety Code, to
21 read:

1 PART 14. THE CALIFORNIA NEIGHBORHOOD
2 ~~STABILIZATION-REVITALIZATION PARTNERSHIP ACT OF~~
3 2012
4

5 53565. This act shall be known and cited as the California
6 ~~Neighborhood Stabilization~~ *Revitalization Partnership Act of 2012.*

7 53566. There is hereby established the California Neighborhood
8 ~~Stabilization~~ *Revitalization Partnership Act of 2012*, to be
9 administered by the California Housing Finance Agency in
10 consultation with the Department of Housing and Community
11 Development, to finance affordable housing for low- to
12 moderate-income households and ~~to further advance the will of~~
13 ~~the voters, who approved the Housing and Emergency Shelter~~
14 ~~Trust Fund Act of 2006 (Part 12 (commencing with Section 53540)~~
15 ~~of Division 31 of the Health and Safety Code), by ensuring housing~~
16 ~~bond funds are used in the most efficient manner~~ *revitalize*
17 *neighborhoods damaged by the foreclosure crisis.*

18 53567. *For purposes of this part, the following definitions have*
19 *the following meanings:*

20 (a) *“Agency” means the California Housing Finance Agency.*

21 (b) *“Applicant” means a local governmental entity, a housing*
22 *nonprofit organization, or a consortium of nonprofit entities, or*
23 *a combination thereof. An “applicant” also includes a for-profit*
24 *developer that may jointly apply for grants with a local government*
25 *or a nonprofit entity or consortium of nonprofit entities.*

26 (c) *“Executive director” means the executive director of the*
27 *California Housing Finance Agency.*

28 (d) *“Foreclosed property” means a home or residential property*
29 *which title has been acquired by the foreclosing entity at a trustee*
30 *sale.*

31 (e) *“Fund” means the California Neighborhood Revitalization*
32 *Fund as created pursuant to Section 53569.*

33 53568. *The executive director or his or her designee shall carry*
34 *out the following duties and responsibilities under the act:*

35 (a) *Facilitate the interaction and negotiation between financial*
36 *institutions, private investors, local governments, nonprofits, or*
37 *a consortium of nonprofit entities in the identification and*
38 *acquisition of foreclosed properties for resale, rental, or*
39 *lease-to-own structures for low- and moderate-income families.*

1 (b) Award grants or loans from the California Neighborhood
2 Revitalization Fund to applicants.

3 (c) Develop strategies with the California Energy Commission
4 and the California Public Utilities Commission to leverage
5 investments in the rehabilitation of foreclosed properties to improve
6 energy efficiency.

7 (d) Maximize job and apprenticeship opportunities by
8 coordinating multiple program investments.

9 53569. (a) There is hereby established the California
10 Neighborhood Revitalization Fund for purposes of this act.

11 (b) From bond moneys made available to the California
12 Homebuyer's Downpayment Assistance Program pursuant to
13 subparagraph (E) of paragraph (1) of subdivision (a) of Section
14 53545, twenty-five million dollars (\$25,000,000) shall be
15 transferred from the Self-Help Housing Fund to the fund,
16 notwithstanding Section 50697.1.

17 (c) For purposes of implementing this part, ____ dollars (\$____)
18 shall be appropriated to the agency on a one-time basis. The
19 further expenditure of the balance of the fund shall be subject to
20 appropriation by the Legislature.

21 (d) Administrative costs of the agency, including audit and
22 program oversight costs of the agency, shall not exceed 5 percent
23 of the program's costs.

24 (e) The agency may accept and receive gifts, grants, or
25 donations from any agency of the United States, any agency of the
26 state, or any municipality, county, or other political subdivision
27 of the state.

28 53570. Funding to applicants pursuant to this part shall be
29 awarded in the form of grants or loans pursuant to Sections 53571
30 and 53572. The agency shall allocate funds on a competitive basis.

31 53571. Eligible uses for funding shall include, but shall not be
32 limited to, the following purposes:

33 (a) Establish financing mechanisms for purchase and
34 rehabilitation of foreclosed homes and residential properties.

35 (b) Purchase homes and residential properties abandoned or
36 foreclosed.

37 (c) Establish land banks for foreclosed homes.

38 (d) Demolish blighted structures.

39 (e) Redevelop demolished or vacant properties.

1 53572. (a) *The agency shall develop guidelines by March 14,*
2 *2013, in consultation with the Department of Housing and*
3 *Community and Development, the California Energy Commission,*
4 *the California Public Utilities Commission, local governments,*
5 *nonprofit housing entities, and financial institutions. Guidelines*
6 *adopted by the agency shall include, but shall not be limited to,*
7 *the following:*

8 (1) *An application process for the funds.*

9 (2) *A requirement for a contribution of a specified percentage*
10 *of funds leveraged from other sources.*

11 (3) *Project selection criteria.*

12 (4) *Accountability and auditing requirements.*

13 (5) *Ranges for grant and loan amounts.*

14 (b) (1) *Prior to the adoption of the guidelines, the agency shall*
15 *hold not less than one public hearing.*

16 (2) *The guidelines shall be adopted at a public hearing.*

17 (c) *The guidelines shall not be subject to the requirements of*
18 *the Administrative Procedure Act (Chapter 3.5 (commencing with*
19 *Section 11340) of Part 1 of Division 3 of Title 2 of the Government*
20 *Code).*