

AMENDED IN ASSEMBLY APRIL 30, 2012

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 housing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2447, as amended, Skinner. ~~The~~ California Neighborhood 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 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. 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: 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 comprehensive focus to
- 7 address the effects that the record number of foreclosures have
- 8 had on home values throughout the state, the public health and
- 9 safety of California neighborhoods, and the economic stability of
- 10 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 to
- 14 help 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 REVITALIZATION PARTNERSHIP ACT OF 2012

3
4 53565. This act shall be known and cited as the California
5 Neighborhood Revitalization Partnership Act of 2012.

6 53566. There is hereby established the California Neighborhood
7 Revitalization Partnership Act of 2012, to be administered by the
8 California Housing Finance Agency in consultation with the
9 Department of Housing and Community Development, to finance
10 affordable housing for low- to moderate-income households and
11 to revitalize neighborhoods damaged by the foreclosure crisis.

12 53567. For purposes of this part, the following definitions have
13 the following meanings:

14 (a) "Agency" means the California Housing Finance Agency.

15 (b) "Applicant" means a local governmental entity, a housing
16 nonprofit organization, or a consortium of nonprofit entities, or a
17 combination thereof. An "applicant" also includes a for-profit
18 developer that may jointly apply for grants with a local government
19 or a nonprofit entity or consortium of nonprofit entities.

20 (c) "Executive director" means the ~~executive director~~ *Executive*
21 *Director* of the California Housing Finance Agency.

22 (d) "Foreclosed property" means a home or residential property
23 which title has been acquired by the foreclosing entity at a trustee
24 sale.

25 (e) "Fund" means the California Neighborhood Revitalization
26 Fund as created pursuant to Section 53569.

27 53568. The executive director or his or her designee shall carry
28 out the following duties and responsibilities under the act:

29 (a) Facilitate the interaction and negotiation between financial
30 institutions, private investors, local governments, nonprofits, or a
31 consortium of nonprofit entities in the identification and acquisition
32 of foreclosed properties for resale, rental, or lease-to-own structures
33 for low- and moderate-income families.

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

36 (c) Develop strategies with the ~~California Energy~~ *State Energy*
37 *Resources Conservation and Development* Commission and the
38 ~~California~~ Public Utilities Commission to leverage investments in
39 the rehabilitation of foreclosed properties to improve energy
40 efficiency.

1 (d) Maximize job and apprenticeship opportunities by
2 coordinating multiple program investments.

3 53569. (a) There is hereby established the California
4 Neighborhood Revitalization Fund for purposes of this act.

5 (b) From bond moneys made available to the California
6 Homebuyer’s Downpayment Assistance Program pursuant to
7 subparagraph (E) of paragraph (1) of subdivision (a) of Section
8 53545, twenty-five million dollars (\$25,000,000) shall be
9 transferred from the Self-Help Housing Fund to the fund,
10 notwithstanding Section 50697.1.

11 (c) For purposes of implementing this part, ___ dollars (\$___)
12 shall be appropriated to the agency on a one-time basis. The further
13 expenditure of the balance of the fund shall be subject to
14 appropriation by the Legislature.

15 (d) Administrative costs of the agency, including audit and
16 program oversight costs of the agency, shall not exceed 5 percent
17 of the program’s costs.

18 (e) The agency may accept and receive gifts, grants, or donations
19 from any agency of the United States, any agency of the state, or
20 any municipality, county, or other political subdivision of the state.

21 53570. Funding to applicants pursuant to this part shall be
22 awarded in the form of grants or loans pursuant to Sections 53571
23 and 53572. The agency shall allocate funds on a competitive basis.

24 53571. Eligible uses for funding shall include, but shall not be
25 limited to, the following purposes:

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

28 (b) Purchase homes and residential properties abandoned or
29 foreclosed.

30 (c) Establish land banks for foreclosed homes.

31 (d) Demolish blighted structures.

32 (e) Redevelop demolished or vacant properties.

33 53572. (a) The agency shall develop guidelines by March 14,
34 2013, in consultation with the Department of Housing and
35 Community and Development, the ~~California Energy State Energy~~
36 *Resources Conservation and Development* Commission, the
37 ~~California~~ Public Utilities Commission, local governments,
38 nonprofit housing entities, and financial institutions. Guidelines
39 adopted by the agency shall include, but shall not be limited to,
40 the following:

- 1 (1) An application process for the funds.
- 2 (2) A requirement for a contribution of a specified percentage
- 3 of funds leveraged from other sources.
- 4 (3) Project selection criteria.
- 5 (4) Accountability and auditing requirements.
- 6 (5) Ranges for grant and loan amounts.
- 7 (6) *A requirement for affordability covenants of at least 55 years*
- 8 *on rental units funded by the act.*
- 9 (b) (1) Prior to the adoption of the guidelines, the agency shall
- 10 hold not less than one public hearing.
- 11 (2) The guidelines shall be adopted at a public hearing.
- 12 (c) The guidelines shall not be subject to the requirements of
- 13 the Administrative Procedure Act (Chapter 3.5 (commencing with
- 14 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
- 15 Code).

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