

AMENDED IN SENATE MARCH 29, 2011

SENATE BILL

No. 447

Introduced by Senator DeSaulnier

February 16, 2011

~~An act to repeal Section 33334.29 of the Health and Safety Code, relating to redevelopment. An act to add Section 12322 to the Government Code, relating to state government.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 447, as amended, DeSaulnier. ~~Redevelopment agency of the City of Redding: veterans home property acquisition. Treasurer: banking deposits and contracts.~~

Existing law requires the Treasurer to receive and keep in the vaults of the State Treasury or deposit in banks or credit unions all moneys belonging to the state. Existing law requires the Treasurer to keep an account of all money received and disbursed. Existing law requires the Treasurer to report daily to the Controller the amounts disbursed during the preceding day and the funds out of which the disbursements were paid.

This bill would prohibit the Treasurer from depositing any money of the state in, or from entering into any contracts with, a financial institution unless the financial institution has provided to the Treasurer, and the Treasurer has considered, specified information relating to, among other things, the location of branches of the financial institution in California, the lending and investment practices of the financial institution, including community reinvestment activities, and participation of the financial institution in certain mortgage assistance programs. The bill would provide that the Treasurer would not be

required to receive this information from financial institutions that have assets totaling less than \$10 billion.

~~Existing law authorizes the redevelopment agency of the City of Redding to borrow and use a specified amount from its Low and Moderate Income Housing Fund to provide financial assistance for the acquisition of property for a veterans home.~~

~~This bill would repeal this provision 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 12322 is added to the Government Code,
 2 to read:
 3 12322. (a) Except as provided in subdivision (g), the Treasurer
 4 shall not deposit any money belonging to the state in, or enter into
 5 any contracts with, a financial institution unless the financial
 6 institution has provided the Treasurer with, and the Treasurer has
 7 considered, all of the following information:
 8 (1) Percentage of California branches of the financial institution
 9 in low- and moderate-income census tracts.
 10 (2) Percentage of California branches of the financial institution
 11 in low-income census tracts.
 12 (3) Percentage of multifamily loans in low- and
 13 moderate-income census tracts in the state.
 14 (4) Total community development lending in the state, expressed
 15 as a percentage of total banking deposits.
 16 (5) Percentage of California community development loans to
 17 nonprofit borrowers.
 18 (6) Percentage of California home purchase loans to low- and
 19 moderate-income borrowers.
 20 (7) Percentage of total deposits reserved for philanthropic or
 21 charitable donations in the state.
 22 (8) Participation in CalFHA's Unemployment Mortgage
 23 Assistance Program, as expressed by the total number of borrowers
 24 participating in the state and total number of borrowers who have
 25 applied for assistance in the state.
 26 (9) Participation in CalFHA's Mortgage Reinstatement
 27 Assistance Program, as expressed by the total number of borrowers

1 *participating in the state and total number of borrowers who have*
2 *applied for assistance in the state.*

3 *(10) Participation in CalFHA’s Principal Reduction Program,*
4 *as expressed by the total number of borrowers participating in the*
5 *state and total number of borrowers who have applied for*
6 *assistance in the state.*

7 *(11) Participation in CalFHA’s Transition Assistance Program,*
8 *as expressed by the total number of borrowers participating in the*
9 *state and total number of borrowers who have applied for*
10 *assistance in the state.*

11 *(12) Participation in the federal Home Affordable Modification*
12 *Program, administered by Fannie Mae, as expressed by the total*
13 *number of borrowers participating in the state and total number*
14 *of borrowers who have applied for assistance in the state.*

15 *(b) For purposes of subdivision (a), the Treasurer may request*
16 *additional information from a financial institution related to its*
17 *lending, investing, or community reinvestment activities.*

18 *(c) To the extent that competing financial institutions offer*
19 *investment instruments and banking services of substantially*
20 *equivalent safety, liquidity, yield, and reliability, the Treasurer*
21 *may consider the information required under this section to*
22 *differentiate between financial institutions when making investment*
23 *decisions on behalf of the state.*

24 *(d) A financial institution reporting participation in any*
25 *mortgage modification program shall provide the Treasurer with*
26 *information on both the number of trial modifications and*
27 *permanent modifications whenever applicable.*

28 *(e) A financial institution reporting a percentage under this*
29 *section shall also indicate the absolute value of the numerator and*
30 *denominator used in calculating the percentage.*

31 *(f) All data reported on lending pursuant to this section shall*
32 *be reported using the book value of loans.*

33 *(g) The Treasurer shall not be required to receive information*
34 *pursuant to this section from a financial institution that has assets*
35 *totaling less than ten billion dollars (\$10,000,000,000).*

36 *(h) For purposes of this section:*

37 *(1) “CalFHA” means the California Housing Finance Agency.*

38 *(2) “Community development loans” means loans made for*
39 *affordable housing, including multifamily rental housing, for low-*
40 *or moderate-income individuals, community services targeted to*

1 *low- or moderate-income individuals, activities that promote*
2 *economic development by financing businesses or farms that meet*
3 *the size eligibility standards of the United States Small Business*
4 *Administration’s Certified Development Company or Small*
5 *Business Investment Company programs (13 CFR 121.301) or*
6 *have gross annual revenues of one million dollars (\$1,000,000)*
7 *or less, and activities that revitalize or stabilize low- or*
8 *moderate-income geographies or designated disaster areas.*
9 SECTION 1. ~~Section 33334.29 of the Health and Safety Code~~
10 ~~is repealed.~~

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