

AMENDED IN ASSEMBLY MAY 2, 2013

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1109**

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**Introduced by Assembly Member Bonilla**  
*(Coauthors: Assembly Members Atkins and Brown)*

February 22, 2013

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An act to amend Section 50802 of the Health and Safety Code, relating to housing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1109, as amended, Bonilla. Emergency housing and assistance.

Existing law requires the Department of Housing and Community Development to administer the Emergency Housing and Assistance Program. Under the program, moneys from the continuously appropriated Emergency Housing and Assistance Fund are available for the purposes of providing shelter, as specified, to homeless persons at as low a cost and as quickly as possible, without compromising the health and safety of shelter occupants, to encourage the move of homeless persons from shelters to a self-supporting environment as soon as possible, to encourage provision of services for as many persons at risk of homelessness as possible, to encourage compatible and effective funding of homeless services, and to encourage coordination among public agencies that fund or provide services to homeless individuals, as well as agencies that discharge people from their institutions.

Existing law requires the department to distribute funds appropriated for activities providing for capital development programs, including

acquisition, leasing, construction, and rehabilitation of sites for emergency shelter and transitional housing for homeless persons, as grants in the form of forgivable deferred loans, as prescribed. Existing law requires the department to terminate the grant and require the repayment of the deferred loan in full, if a transfer or conveyance of the project property that results in the property no longer being used as an emergency shelter or transitional housing occurs before the term of the loan expires.

This bill would provide that when property is transitioned from an emergency shelter or transitional housing to permanent affordable housing, as specified, and serves people who are homeless or at risk of homelessness, an existing loan may be deferred and forgiven, as if the property had remained an emergency shelter or transitional housing. By authorizing the use of continuously appropriated funds for a new purpose, this bill would make an appropriation.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
 State-mandated local program: no.

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

- 1 SECTION 1. Section 50802 of the Health and Safety Code is
- 2 amended to read:
- 3 50802. (a) The department shall ensure that not less than 20
- 4 percent of the moneys in the Emergency Housing and Assistance
- 5 Fund shall be allocated to nonurban counties during any given
- 6 fiscal year. If the funds designated for facilities operation that are
- 7 allocated to nonurban counties are not awarded by the end of that
- 8 fiscal year, then those unencumbered funds shall be allocated in
- 9 the next fiscal year to urban counties. Funds for capital
- 10 development that are not awarded by the end of the second fiscal
- 11 year shall be awarded in the subsequent fiscal year to urban
- 12 counties.
- 13 (b) The amount of funds that the department allocates from the
- 14 Emergency Housing and Assistance Fund to each region, excluding
- 15 funds allocated pursuant to subdivision (a), shall be based upon a
- 16 formula that accords at least 20 percent weight to each of the
- 17 following factors:
- 18 (1) The relative number of persons in the region below the
- 19 poverty line according to the most recent federal census, updated,

1 if possible, with an estimate by the Department of Finance,  
2 compared to the total of the urban counties.

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

6 (c) Grant funds shall be disbursed as expeditiously as possible  
7 by the department.

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

11 (e) Notwithstanding any other provision of this chapter, the  
12 department shall distribute funds appropriated for purposes of the  
13 activities specified in paragraph (2) of subdivision (a) of Section  
14 50803 as grants in the form of forgivable deferred loans, subject  
15 to all of the following:

16 (1) (A) Funding shall be made available to each project as a  
17 loan with a term of five years for rehabilitation, seven years for  
18 substantial rehabilitation, or 10 years for acquisition and  
19 rehabilitation or new construction. Each deferred loan shall be  
20 secured by a deed of trust and promissory note. Repayment of the  
21 loan shall be deferred as long as the project is used as an emergency  
22 shelter or transitional housing. At the completion of the specified  
23 year term, the loan shall be forgiven. If a transfer or conveyance  
24 of the project property, however, occurs prior to that time that  
25 results in the property no longer being used as an emergency shelter  
26 or transitional housing, the department shall terminate the grant  
27 and require the repayment of the deferred loan in full.

28 (B) If the property is transitioned from an emergency shelter or  
29 transitional housing to permanent affordable housing, including,  
30 but not limited to, permanent supportive housing ~~and rapid~~  
31 ~~rehousing~~, and serves people who are homeless or at risk of  
32 homelessness, the loan may also be deferred and forgiven according  
33 to subparagraph (A), as if it had remained an emergency shelter  
34 or transitional housing.

35 (i) For purposes of this subparagraph, "permanent supportive  
36 housing" has the same meaning as the term "supportive housing,"  
37 as defined in paragraph (2) of subdivision (b) of Section 50675.14.

38 ~~(ii) For purposes of this subparagraph, "rapid rehousing" means~~  
39 ~~housing that focuses on moving homeless individuals and families~~  
40 ~~into appropriate housing as quickly as possible.~~

1 (iii)

2 (ii) For purposes of this subparagraph, “people who are  
3 homeless” includes individuals described in Section 11302 of Title  
4 42 of the United States Code, and paragraph (2) of subdivision (e)  
5 of Section 11139.3 of the Government Code.

6 (2) Applications for funding shall be made pursuant to  
7 department-issued statewide “Notices of Funding Availability”  
8 without the need for additional regulations.

9 (3) The department shall set forth the criteria for evaluating  
10 applications in the “Notices of Funding Availability” and shall  
11 make deferred loans based on those applications that best meet the  
12 criteria.

13 (4) The department shall specify in the “Notice of Funding  
14 Availability” both maximum and minimum grant amounts that  
15 may be varied for urban and nonurban counties.

16 (5) Contracts for projects that have not begun construction  
17 within the initial 12-month period shall be terminated and funds  
18 reallocated. The department, however, may extend this period by  
19 a period not to exceed 12 months.