

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 90

Introduced by Assembly ~~Member~~ Members *Chau and Atkins*

January 7, 2015

An act to *amend Section 50408 of, and to add Chapter 6.8 (commencing with Section 50676) to Part 2 of Division 31* ~~of of,~~ the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 90, as amended, ~~Atkins~~ *Chau*. Federal Housing Trust Fund.

~~Existing law establishes the multifamily housing program under the administration of the Department of Housing and Community Development to provide a standardized set of program rules and features applicable to all housing types based on the department's California Housing Rehabilitation Program. Existing law also establishes the CalHome Program under the administration of the department to provide grants and loans to enable low- and very low income households to become or remain homeowners.~~

Existing law establishes the Department of Housing and Community Development in the Business, Consumer Services, and Housing Agency. The department is responsible for administering various housing and home loan programs throughout the state. Existing law also establishes the California Housing Finance Agency within the department, and provides that the primary purpose of the agency is to meet the housing needs of persons and families of low to moderate income.

Existing federal law requires the Secretary of the Department of Housing and Urban Development to establish a Housing Trust Fund to provide grants to states to increase the supply of rental housing for

extremely low- and very low income families, including homeless families, and homeownership for extremely low- and very low income families.

This bill would designate the Department of Housing and Community Development as the state agency responsible for administering *funds received by the state from the federal Housing Trust Fund*. ~~The bill would require the department to administer the federal funds pursuant to the multifamily housing program, except that up to 10% of the funds may be appropriated by the Legislature to the CalHome Program. The bill would require the department to submit notifications with specified information relating to the distribution, awarding, and expenditure of the federal funds, as prescribed. This bill would require the department to administer the funds through programs that produce, preserve, rehabilitate, or support the operation of rental housing for extremely low income and very low income households, except that up to 10% of funding may be used to support first-time homeownership for extremely low income and very low income households. The bill would require any project funded from the federal Housing Trust Fund to restrict affordability for 55 years.~~

This bill would require the department to collaborate with the California Housing Finance Agency to develop an allocation plan to demonstrate how the funds will be distributed, based on the priority housing needs identified in the state's consolidated plan, and to convene a stakeholder process to inform the development of the plan. The bill would require the allocation plan to give priority to projects based on specified factors. The bill would require the department to submit the plan to the Assembly Committee on Housing and Community Development and the Senate Transportation and Housing Committee 30 days after receipt of the federal funds.

Existing law requires, on or before December 31 of each year, the department to submit an annual report, containing specified information, to the Governor and both houses of the Legislature on the operations and accomplishments during the previous fiscal year of the housing programs administered by the department.

This bill would require that annual report to also include an evaluation of any program established by the department to meet the Federal Housing Trust Fund program guidelines.

Vote: majority. Appropriation: no. Fiscal committee: 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 programs
7 administered by the department, including, but not limited to, the
8 Emergency Housing and Assistance Program and Community
9 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) An evaluation, in collaboration with the Department of
23 Veterans Affairs, of any program established by the department
24 pursuant to Article 3.2 (commencing with Section 987.001) of
25 Chapter 6 of Division 4 of the Military and Veterans Code.

26 (8) *An evaluation of any program established by the department*
27 *to meet the Federal Housing Trust Fund program guidelines.*

28 ~~SECTION 1.~~

29 **SEC. 2.** Chapter 6.8 (commencing with Section 50676) is added
30 to Part 2 of Division 31 of the Health and Safety Code, to read:

31

32 CHAPTER 6.8. FEDERAL HOUSING TRUST FUND

33

34 50676. (a) The department is hereby designated as the state
35 agency responsible for administering funds received by the state
36 from the federal Housing Trust Fund pursuant to the Housing and
37 Economic Recovery Act of 2008 (Public Law 110-289), and
38 implementing federal regulations.

1 ~~(b) The department shall administer the funds specified in~~
2 ~~subdivision (a) pursuant to the state multifamily housing program~~
3 ~~established in Chapter 6.7 (commencing with Section 50675);~~
4 ~~except that up to 10 percent of the funds may be appropriated by~~
5 ~~the Legislature to the CalHome Program established in Chapter 6~~
6 ~~(commencing with Section 50650).~~

7 ~~(e) The department shall amend its regulations, as needed, to~~
8 ~~comply with federal law.~~

9 ~~(d) The department shall submit both of the following to the~~
10 ~~Legislature:~~

11 ~~(1) A notification describing the department's plan for~~
12 ~~distributing the funds, including a schedule for the release of all~~
13 ~~funds, no later than 30 days after receipt of the federal funds.~~

14 ~~(2) A notification detailing the cumulative amounts of funds~~
15 ~~awarded and expended, no later than 180 days after receipt of the~~
16 ~~federal funds and on or before December 31 of each year thereafter.~~

17 ~~(b) The department shall administer the funds through programs~~
18 ~~that produce, preserve, rehabilitate, or support the operation of~~
19 ~~rental housing for extremely low income and very low income~~
20 ~~households, except that up to 10 percent of funding may be used~~
21 ~~to support first-time homeownership for extremely low income and~~
22 ~~very low income households. Any project funded from the federal~~
23 ~~Housing Trust Fund shall restrict affordability for 55 years.~~

24 ~~(c) The department shall collaborate with the California~~
25 ~~Housing Finance Agency to develop an allocation plan to~~
26 ~~demonstrate how the funds shall be distributed, based on the~~
27 ~~priority housing needs identified in the state's consolidated plan~~
28 ~~prepared in accordance with Part 91 (commencing with Section~~
29 ~~91.1) of Subtitle A of Title 24 of the Code of Federal Regulations.~~
30 ~~The department shall submit the plan to the Assembly Committee~~
31 ~~on Housing and Community Development and the Senate~~
32 ~~Transportation and Housing Committee 30 days after receipt of~~
33 ~~the federal funds.~~

34 ~~(d) The allocation plan shall give priority to projects based on:~~

35 ~~(1) Geographic diversity.~~

36 ~~(2) The extent to which rents are affordable, especially to~~
37 ~~extremely low income households.~~

38 ~~(3) The merits of a project.~~

39 ~~(4) Applicants readiness.~~

40 ~~(5) The extent to which projects will use nonfederal funds.~~

1 50676.1. *The departments shall convene a stakeholder process*
2 *to inform the development of the allocation plan. Stakeholders*
3 *represented shall include, but not be limited to, organizations that*
4 *provide rental housing for extremely low income households and*
5 *very low income households or assist extremely low income*
6 *households and very low income households to become*
7 *homeowners.*

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