

AMENDED IN ASSEMBLY APRIL 22, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 90

Introduced by Assembly 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, the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 90, as amended, Chau. Federal Housing Trust Fund.

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. 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 *rental* project funded from the federal Housing Trust Fund to restrict affordability for 55 years *and require any homeownership program funded from the federal Housing Trust Fund to restrict affordability for 30 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

1 Emergency Housing and Assistance Program and Community
2 Development Block Grant activity.

3 (b) The report shall include all of the following information:

4 (1) The number of units assisted by those programs.

5 (2) The number of individuals and households served and their
6 income levels.

7 (3) The distribution of units among various areas of the state.

8 (4) The amount of other public and private funds leveraged by
9 the assistance provided by those programs.

10 (5) Information detailing the assistance provided to various
11 groups of persons by programs that are targeted to assist those
12 groups.

13 (6) The information required to be reported pursuant to Section
14 17031.8.

15 (7) An evaluation, in collaboration with the Department of
16 Veterans Affairs, of any program established by the department
17 pursuant to Article 3.2 (commencing with Section 987.001) of
18 Chapter 6 of Division 4 of the Military and Veterans Code.

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

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

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CHAPTER 6.8. FEDERAL HOUSING TRUST FUND

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26 50676. (a) The department is hereby designated as the state
27 agency responsible for administering funds received by the state
28 from the federal Housing Trust Fund pursuant to the Housing and
29 Economic Recovery Act of 2008 (Public Law 110-289), and
30 implementing federal regulations.

31 (b) The department shall administer the funds through programs
32 that produce, preserve, rehabilitate, or support the operation of
33 rental housing for extremely low income and very low income
34 households, except that up to 10 percent of funding may be used
35 to support ~~first-time~~ homeownership for extremely low income
36 and very low income households. Any *rental* project funded from
37 the federal Housing Trust Fund shall restrict affordability for 55
38 years. Any *homeownership program funded from the federal*
39 *Housing Trust Fund shall restrict affordability for 30 years.*

1 (c) The department shall collaborate with the California Housing
2 Finance Agency to develop an allocation plan to demonstrate how
3 the funds shall be distributed, based on the priority housing needs
4 identified in the state’s consolidated plan prepared in accordance
5 with Part 91 (commencing with Section 91.1) of Subtitle A of Title
6 24 of the Code of Federal Regulations. The department shall submit
7 the plan to the Assembly Committee on Housing and Community
8 Development and the Senate Transportation and Housing
9 Committee 30 days after receipt of the federal funds.

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

- 11 (1) Geographic diversity.
- 12 (2) The extent to which rents are affordable, especially to
13 extremely low income households.
- 14 (3) The merits of a project.
- 15 (4) Applicants readiness.
- 16 (5) The extent to which projects will use nonfederal funds.

17 50676.1. The departments shall convene a stakeholder process
18 to inform the development of the allocation plan. Stakeholders
19 represented shall include, but not be limited to, organizations that
20 provide rental housing for extremely low income households and
21 very low income households or assist extremely low income
22 households and very low income households to become
23 homeowners.