

AMENDED IN ASSEMBLY MAY 13, 2015

AMENDED IN ASSEMBLY APRIL 16, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 325**

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**Introduced by Assembly Member Wood**

February 13, 2015

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An act to *amend Section 50860 of, and to add Section 50832.2 to to, the Health and Safety Code, relating to economic—development. development, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

AB 325, as amended, Wood. Community Development Block Grant Program: *Begin Equity and Growth in Neighborhoods Fund*: funds.

Existing law requires the Department of Housing and Community Development to allocate funds under the federal Community Development Block Grant Program to cities and counties. Existing law requires the department to determine, and announce in the applicable Notice of Funding Availability, the maximum amount of grant funds that may be used for economic development projects and programs, housing for persons and families of low or moderate income or for purposes directly related to the provision or improvement of housing opportunities for these persons and families, and for cities and counties that apply on behalf of certain Indian tribes. Existing law requires the department to develop and use certain eligibility criteria and requirements for certain economic development fund applications.

This bill would require the department, no later than 60 days after the department notifies an applicant that the department has approved

the applicant’s application for those grant funds, to enter into a grant agreement with the applicant. The bill would require the department, when the department enters into a grant agreement with an applicant, to provide the applicant with a complete and final list of activities the applicant must complete in order to receive a disbursement of funds pursuant to the agreement. The bill would also require the department, no later than 30 days after receiving a grantee’s request for disbursement of funds, to notify the grantee that the department has approved disbursement or to provide the grantee with a complete and final list of all of the remaining activities the grantee must complete, as specified.

*Existing law creates the Building Equity and Growth in Neighborhoods (BEGIN) Program and the BEGIN Fund. Moneys in the fund are made available, upon appropriation, to the department for grants to cities, counties, and cities and counties for assistance for downpayment purposes to qualifying new home buyers in those cities, counties, and cities and counties that have taken prescribed actions to remove barriers to affordable housing. Existing law appropriates moneys to the department from the BEGIN fund and specifies the periods to liquidate the encumbrances.*

*This bill would, notwithstanding any other law, extend the period to liquidate the encumbrances of certain appropriations from the BEGIN fund to the department until June 30, 2017, or June 30, 2018.*

*This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: no.

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

- 1     SECTION 1. *It is the intent of the Legislature to assist cities*
- 2     *including, but not limited to, the City of Santa Rosa by extending*
- 3     *the period to liquidate certain encumbrances associated with the*
- 4     *Building Equity and Growth in Neighborhoods (BEGIN) Fund.*
- 5     ~~SECTION 1.~~
- 6     SEC. 2. Section 50832.2 is added to the Health and Safety
- 7     Code, to read:
- 8     50832.2. (a) (1) No later than 60 days after the department
- 9     notifies an applicant that the department has approved the
- 10    applicant’s application for funds pursuant to this chapter, the
- 11    department shall enter into a grant agreement with the applicant.

1 (2) When the department enters into a grant agreement with an  
2 applicant, the department shall provide the applicant with a  
3 complete and final list of all of the activities the applicant must  
4 complete in order to receive a disbursement of funds pursuant to  
5 the agreement.

6 (b) No later than 30 days after the department receives a request  
7 for the disbursement of funds from a grantee, the department shall  
8 take either of the following actions:

9 (1) Notify the grantee that the department has approved  
10 disbursement of the funds.

11 (2) Provide the applicant with a complete and final list of all of  
12 the remaining activities the applicant must complete in order for  
13 the department to approve disbursement of the funds.

14 *SEC. 3. Section 50860 of the Health and Safety Code is*  
15 *amended to read:*

16 50860. (a) The Building Equity and Growth in Neighborhoods  
17 (BEGIN) Program and the Building Equity and Growth in  
18 Neighborhoods (BEGIN) Fund are hereby created.

19 (b) Except as otherwise provided in this chapter, moneys in the  
20 BEGIN Fund shall be made available upon appropriation by the  
21 Legislature to the department and administered by the department  
22 pursuant to the CalHome Program (Chapter 6 (commencing with  
23 Section 50650), to make grants to qualifying cities, counties, or  
24 cities and counties that provide incentives or reduce or remove  
25 regulatory barriers as set forth in this chapter. These grants shall,  
26 except as otherwise provided by this chapter, be used for  
27 downpayment assistance to qualifying first-time home buyers of  
28 low- and moderate-incomes purchasing newly constructed homes  
29 in a BEGIN project.

30 (c) Any loan repayments shall be retained by the qualifying  
31 city, county, or city and county and reused for first-time home  
32 buyer downpayment assistance, home rehabilitation, home buyer  
33 counseling, home acquisition and rehabilitation, or self-help  
34 mortgage assistance for persons and families of low- or  
35 moderate-income, as defined in Section 50093.

36 (d) *Notwithstanding any other law, the period to liquidate the*  
37 *encumbrances set forth in Items 2240-491 and 2240-102-6038 of*  
38 *the Budget Act of 2010 is hereby extended to June 30, 2017.*

1     (e) *Notwithstanding any other law, the periods to liquidate the*  
2 *encumbrances set forth in Item 2240-490 of the Budget Act of 2011*  
3 *are hereby extended until June 30, 2018.*

4     *SEC. 4. This act is a bill providing for appropriations related*  
5 *to the Budget Bill within the meaning of subdivision (e) of Section*  
6 *12 of Article IV of the California Constitution, has been identified*  
7 *as related to the budget in the Budget Bill, and shall take effect*  
8 *immediately.*