

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1969

Introduced by Assembly Member Steinorth

February 16, 2016

An act to amend Section ~~33334.4~~ 51451.5 of the Health and Safety Code, relating to ~~redevelopment~~ *housing, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1969, as amended, Steinorth. ~~Redevelopment~~. *Affordable housing: home purchase assistance.*

Existing law establishes the Homebuyer Down Payment Assistance Program of 2002 to provide assistance in the amount of the applicable school facility fee on affordable housing developments. Existing law requires the program to provide purchasers of newly constructed residential structures in development projects with assistance if the development project is located in an economically distressed area and other specified requirements are met, or if the purchaser is a qualified first-time home buyer and other specified requirements are met. Under existing law, the program is funded by bonds sold pursuant to the Housing and Emergency Shelter Trust Fund Act of 2002, which was approved by the voters at the November 5, 2002, statewide general election.

This bill would condition the program's assistance to purchasers of residential structures in development projects located in economically distressed areas, as described above, on an additional requirement that the development project be located in a city, county, or city and county that reduces developer or impact fees or reduces or removes regulatory

barriers to housing construction for the development project, as specified. As part of this additional requirement, the bill would require a local agency to provide verification of the local agency’s schedule of local fees, charges, and other exactions to the California Housing Finance Agency, and would thereby impose a state-mandated local program.

This bill would appropriate an unspecified amount from the General Fund to the California Homebuyer’s Downpayment Assistance Program for the Extra Credit Teacher Home Purchase Program and certain other school personnel home ownership assistance programs. The bill would make these moneys available for the general use of the California Housing Finance Agency for the purposes of the California Homebuyer’s Downpayment Assistance Program, if specified requirements are met.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~Existing law sets forth provisions relating to the requirements for expending moneys in a Low and Moderate Income Housing Fund to assist housing for specified persons.~~

~~This bill would make technical, nonsubstantive changes to these provisions.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~-yes.

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

- 1 **SECTION 1.** *Section 51451.5 of the Health and Safety Code,*
- 2 *as amended by Section 1 of Chapter 553 of the Statutes of 2003,*
- 3 *is amended to read:*
- 4 51451.5. The Homebuyer Down Payment Assistance Program
- 5 of 2002 is hereby established, to provide assistance in the amount
- 6 of the applicable school facility fee on affordable housing
- 7 developments. The Homebuyer Down Payment Assistance Program
- 8 of 2002 shall, with funds provided by the Housing and Emergency

1 Shelter Trust Fund Act of 2002 (Part 11 (commencing with Section
2 53500)), provide the following assistance:

3 (a) Downpayment assistance to the purchaser of any newly
4 constructed residential structure in a development project in an
5 economically distressed area in the amount of school facility fees
6 paid pursuant to Section 65995.5 or 65995.7 of the Government
7 Code, less the amount that would be required pursuant to
8 subdivision (b) of Section 65995 of the Government Code,
9 notwithstanding Sections 65995.5 and 65995.7 of the Government
10 Code, if all of the following conditions are met:

11 (1) The development project is located in a county with an
12 unemployment rate that equals or exceeds 125 percent of the state
13 unemployment rate.

14 (2) Five hundred or more residential structures have been
15 constructed in the county during 2001.

16 (3) A building permit for an eligible residential structure in the
17 development project is issued by the local agency on or after
18 January 1, 2002.

19 (4) The eligible residential structure is to be owner occupied
20 for at least five years. If a structure is owner occupied for fewer
21 than five years, the recipient of the assistance shall repay the School
22 Facilities Fee Assistance Fund the amount of the assistance, on a
23 prorated basis.

24 (5) The sales price of the eligible residential structure does not
25 exceed 175 percent of the median sales price of residential
26 structures in the county during the average of the previous five
27 years. However, if the five-year average exceeds the
28 Governmental-Sponsored Enterprises conforming loan limit, the
29 sales price in that county shall not exceed 100 percent of the
30 median sales price of residential structures in the county during
31 the average of the previous five years.

32 (6) *The development project is located in a city, county, or city*
33 *and county that reduces developer or impact fees or reduces or*
34 *removes regulatory barriers to housing construction for the*
35 *development project. The agency shall identify and shall objectively*
36 *measure the types of local agency actions or incentives that the*
37 *agency determines appropriately reduce developer or impact fees*
38 *or reduce or remove regulatory barriers to housing construction.*
39 *These actions or incentives may include, but are not limited to,*
40 *modifications to any or all of the following:*

- 1 (A) *Local design review requirements.*
2 (B) *Land use controls.*
3 (C) *Building codes and enforcement.*
4 (D) *Onsite or offsite improvement requirements.*
5 (E) *Project design.*
6 (F) *Permit processing.*
7 (G) (i) *A 30 percent reduction in the schedule of local fees,*
8 *charges, and other exactions on local developers within the local*
9 *agency's jurisdiction within 12 months or more prior to the*
10 *submission of the application for assistance pursuant to this*
11 *subdivision. The local agency shall provide verification of the*
12 *reduction with supporting documents showing successive annual*
13 *fee schedules to the agency.*
14 (ii) *For the purposes of this subparagraph, "local fees, charges,*
15 *and other exactions" includes, but is not limited to, all of the*
16 *following:*
17 (I) *Planning and zoning fees.*
18 (II) *Environmental documentation fees.*
19 (III) *Building permit fees.*
20 (IV) *Plan check fees.*
21 (V) *School fees.*
22 (VI) *School mitigation fees.*
23 (VII) *Highway, road, traffic, and transit fees.*
24 (VIII) *Water, wastewater, sewer, and drainage fees.*
25 (IX) *Utility or water connection fees.*
26 (X) *Public safety fees.*
27 (XI) *Capital facilities fees.*
28 (XII) *Affordable housing fees and assessments.*
29 (XIII) *Parks and recreation fees.*
30 (XIV) *Any other fee that may substitute for the requirements*
31 *described in subparagraph (D).*
32 (b) *Downpayment assistance to the purchaser of any newly*
33 *constructed residential structure in a development project in the*
34 *aggregate amount of school facility fees paid pursuant to one, all,*
35 *or any combination of subdivision (b) of Section 65995, Section*
36 *65995.5, or Section 65995.7 of the Government Code for the*
37 *eligible residential structure if all of the following conditions are*
38 *met:*
39 (1) *The assistance is provided to a qualified first-time*
40 *homebuyer pursuant to Section 50068.5.*

1 (2) The qualified first-time homebuyer does not exceed the
2 lower or moderate-income requirements in Section 50093.

3 (3) A building permit for an eligible residential structure in the
4 development project is issued by the local agency on or after
5 January 1, 2002.

6 (4) The eligible residential structure is to be owner occupied
7 for at least five years. If a structure is owner occupied for fewer
8 than five years, the recipient of the assistance shall repay the School
9 Facilities Fee Assistance Fund the amount of the assistance, on a
10 prorated basis.

11 *SEC. 2. Section 51451.5 of the Health and Safety Code, as*
12 *amended by Section 2 of Chapter 553 of the Statutes of 2003, is*
13 *amended to read:*

14 51451.5. The Homebuyer Down Payment Assistance Program
15 of 2002 is hereby established, to provide assistance in the amount
16 of the applicable school facility fee on affordable housing. The
17 Homebuyer Down Payment Assistance Program of 2002 shall,
18 with funds provided by the Kindergarten-University Public
19 Education Facilities Bond Acts of 2002 and 2004 (Part 68.1
20 (commencing with Section 100600) of the Education Code; and
21 Part 68.2 (commencing with Section 100800) of the Education
22 Code), provide the following assistance:

23 (a) Downpayment assistance to the purchaser of any newly
24 constructed residential structure in a development project in an
25 economically distressed area in the amount of school facility fees
26 paid pursuant to Section 65995.5 or 65995.7 of the Government
27 Code, less the amount that would be required pursuant to
28 subdivision (b) of Section 65995 of the Government Code,
29 notwithstanding Sections 65995.5 and 65995.7 of the Government
30 Code, if all of the following conditions are met:

31 (1) The development project is located in a county with an
32 unemployment rate that equals or exceeds 125 percent of the state
33 unemployment rate.

34 (2) Five hundred or more residential structures have been
35 constructed in the county during 2001.

36 (3) A building permit for an eligible residential structure in the
37 project is issued by the local agency on or after January 1, 2002.

38 (4) The eligible residential structure is to be owner occupied
39 for at least five years. If a structure is owner occupied for fewer
40 than five years, the recipient of the assistance shall repay the School

1 Facilities Fee Assistance Fund the amount of the assistance, on a
2 prorated basis.

3 (5) The sales price of the eligible residential structure does not
4 exceed 175 percent of the median sales price of residential
5 structures in the county during the average of the previous five
6 years. However, if the five-year average exceeds the
7 Governmental-Sponsored Enterprises conforming loan limit, the
8 sales price in that county shall not exceed 100 percent of the
9 median sales price of residential structures in the county during
10 the average of the previous five years.

11 (6) *The development project is located in a city, county, or city
12 and county that reduces developer or impact fees or reduces or
13 removes regulatory barriers to housing construction for the
14 development project. The agency shall identify and shall objectively
15 measure the types of local agency actions or incentives that the
16 agency determines appropriately reduce developer or impact fees
17 or reduce or remove regulatory barriers to housing construction.
18 These actions or incentives may include, but are not limited to,
19 modifications to any or all of the following:*

20 (A) *Local design review requirements.*

21 (B) *Land use controls.*

22 (C) *Building codes and enforcement.*

23 (D) *Onsite or offsite improvement requirements.*

24 (E) *Project design.*

25 (F) *Permit processing.*

26 (G) (i) *A 30 percent reduction in the schedule of local fees,
27 charges, and other exactions on local developers within the local
28 agency's jurisdiction within 12 months or more prior to the
29 submission of the application for assistance pursuant to this
30 subdivision. The local agency shall provide verification of the
31 reduction with supporting documents showing successive annual
32 fee schedules to the agency.*

33 (ii) *For the purposes of this subparagraph, "local fees, charges,
34 and other exactions" includes, but is not limited to, all of the
35 following:*

36 (I) *Planning and zoning fees.*

37 (II) *Environmental documentation fees.*

38 (III) *Building permit fees.*

39 (IV) *Plan check fees.*

40 (V) *School fees.*

- 1 (VI) *School mitigation fees.*
- 2 (VII) *Highway, road, traffic, and transit fees.*
- 3 (VIII) *Water, wastewater, sewer, and drainage fees.*
- 4 (IX) *Utility or water connection fees.*
- 5 (X) *Public safety fees.*
- 6 (XI) *Capital facilities fees.*
- 7 (XII) *Affordable housing fees and assessments.*
- 8 (XIII) *Parks and recreation fees.*
- 9 (XIV) *Any other fee that may substitute for the requirements*

10 *described in subparagraph (D).*

11 (b) Downpayment assistance to the purchaser of any newly
12 constructed residential structure in a development project in the
13 aggregate amount of school facility fees paid pursuant to one, all,
14 or any combination of subdivision (b) of Section 65995, Section
15 65995.5, or Section 65995.7 of the Government Code for the
16 eligible residential structure if all of the following conditions are
17 met:

18 (1) The assistance is provided to a qualified first-time home
19 buyer pursuant to Section 50068.5.

20 (2) The qualified first-time home buyer does not exceed the
21 lower or moderate-income requirements in Section 50093.

22 (3) A building permit for an eligible residential structure in the
23 project is issued by the local agency on or after January 1, 2002.

24 (4) The eligible residential structure is to be owner occupied
25 for at least five years. If a structure is owner occupied for fewer
26 than five years, the recipient of the assistance shall repay the School
27 Facilities Fee Assistance Fund the amount of the assistance, on a
28 prorated basis.

29 *SEC. 3. If the Commission on State Mandates determines that*
30 *this act contains costs mandated by the state, reimbursement to*
31 *local agencies and school districts for those costs shall be made*
32 *pursuant to Part 7 (commencing with Section 17500) of Division*
33 *4 of Title 2 of the Government Code.*

34 *SEC. 4. The sum of _____ dollars (\$_____) is hereby*
35 *appropriated from the General Fund to the California*
36 *Homebuyer’s Downpayment Assistance Program for the purposes*
37 *set forth in Section 51505 of the Health and Safety Code. After 48*
38 *months of availability, if the California Housing Finance Agency*
39 *determines that these moneys will not be utilized for the purposes*
40 *set forth in Section 51505 of the Health and Safety Code, the*

1 *moneys shall be available for the general use of the California*
2 *Housing Finance Agency for the purposes of the California*
3 *Homebuyer's Downpayment Assistance Program, but may also*
4 *continue to be available for the purposes set forth in Section 51505*
5 *of the Health and Safety Code.*

6 ~~SECTION 1. Section 33334.4 of the Health and Safety Code~~
7 ~~is amended to read:~~

8 ~~33334.4. (a) Except as specified in subdivision (d), each~~
9 ~~agency shall expend over each 10-year period of the~~
10 ~~implementation plan, as specified in clause (iii) of subparagraph~~
11 ~~(A) of paragraph (2) of subdivision (a) of Section 33490, the~~
12 ~~moneys in the Low and Moderate Income Housing Fund to assist~~
13 ~~housing for persons of low income and housing for persons of very~~
14 ~~low income in at least the same proportion as the total number of~~
15 ~~housing units needed for each of those income groups bears to the~~
16 ~~total number of units needed for persons of moderate, low, and~~
17 ~~very low income within the community, as those needs have been~~
18 ~~determined for the community pursuant to Section 65584 of the~~
19 ~~Government Code. In determining compliance with this obligation,~~
20 ~~the agency may adjust the proportion by subtracting from the need~~
21 ~~identified for each income category, the number of units for persons~~
22 ~~of that income category that are newly constructed over the~~
23 ~~duration of the implementation plan with other locally controlled~~
24 ~~government assistance and without agency assistance and that are~~
25 ~~required to be affordable to, and occupied by, persons of the income~~
26 ~~category for at least 55 years for rental housing and 45 years for~~
27 ~~ownership housing, except that in making an adjustment the agency~~
28 ~~may not subtract units developed pursuant to a replacement housing~~
29 ~~obligation under state or federal law.~~

30 ~~(b) Each agency shall expend over the duration of each~~
31 ~~redevelopment implementation plan, the moneys in the Low and~~
32 ~~Moderate Income Housing Fund to assist housing that is available~~
33 ~~to all persons regardless of age in at least the same proportion as~~
34 ~~the number of low-income households with a member under age~~
35 ~~65 years bears to the total number of low-income households of~~
36 ~~the community as reported in the most recent census of the United~~
37 ~~States Census Bureau.~~

38 ~~(c) An agency that has deposited in the Low and Moderate~~
39 ~~Income Housing Fund over the first five years of the period of an~~
40 ~~implementation plan an aggregate that is less than two million~~

1 dollars (\$2,000,000) shall have an extra five years to meet the
2 requirements of this section.

3 (d) For the purposes of this section, “locally controlled” means
4 government assistance where the community or other local
5 government entity has the discretion and the authority to determine
6 the recipient and the amount of the assistance, whether or not the
7 source of the funds or other assistance is from the state or federal
8 government. Examples of locally controlled government assistance
9 include, but are not limited to, Community Development Block
10 Grant Program (42 U.S.C. Sec. 5301 et seq.) funds allocated to a
11 city or county, HOME Investment Partnerships Program (42 U.S.C.
12 Sec. 12721 et seq.) funds allocated to a city or county, fees or funds
13 received by a city or county pursuant to a city or county authorized
14 program, and the waiver or deferral of city or other charges.

O