

AMENDED IN ASSEMBLY APRIL 6, 2016
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 51451.5 of the Health and Safety Code, relating to housing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1969, as amended, Steinorth. 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 appropriate an unspecified amount from the General Fund to the California Homebuyer's Downpayment Assistance Program of 2002. The bill would condition the program's the application of these funds to the 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.~~ *program.* 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.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
 State-mandated local program: 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
- 9 Shelter Trust Fund Act of 2002 (Part 11 (commencing with Section
- 10 53500)), provide the following assistance:

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

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

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

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

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

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

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

39 ~~(A) Local design review requirements.~~

40 ~~(B) Land use controls.~~

- 1 ~~(C) Building codes and enforcement.~~
- 2 ~~(D) Onsite or offsite improvement requirements.~~
- 3 ~~(E) Project design.~~
- 4 ~~(F) Permit processing.~~
- 5 ~~(G) (i) A 30 percent reduction in the schedule of local fees,~~
- 6 ~~charges, and other exactions on local developers within the local~~
- 7 ~~agency’s jurisdiction within 12 months or more prior to the~~
- 8 ~~submission of the application for assistance pursuant to this~~
- 9 ~~subdivision. The local agency shall provide verification of the~~
- 10 ~~reduction with supporting documents showing successive annual~~
- 11 ~~fee schedules to the agency.~~
- 12 ~~(ii) For the purposes of this subparagraph, “local fees, charges,~~
- 13 ~~and other exactions” includes, but is not limited to, all of the~~
- 14 ~~following:~~
- 15 ~~(I) Planning and zoning fees.~~
- 16 ~~(II) Environmental documentation fees.~~
- 17 ~~(III) Building permit fees.~~
- 18 ~~(IV) Plan check fees.~~
- 19 ~~(V) School fees.~~
- 20 ~~(VI) School mitigation fees.~~
- 21 ~~(VII) Highway, road, traffic, and transit fees.~~
- 22 ~~(VIII) Water, wastewater, sewer, and drainage fees.~~
- 23 ~~(IX) Utility or water connection fees.~~
- 24 ~~(X) Public safety fees.~~
- 25 ~~(XI) Capital facilities fees.~~
- 26 ~~(XII) Affordable housing fees and assessments.~~
- 27 ~~(XIII) Parks and recreation fees.~~
- 28 ~~(XIV) Any other fee that may substitute for the requirements~~
- 29 ~~described in subparagraph (D):~~
- 30 ~~(b) Downpayment assistance to the purchaser of any newly~~
- 31 ~~constructed residential structure in a development project in the~~
- 32 ~~aggregate amount of school facility fees paid pursuant to one, all,~~
- 33 ~~or any combination of subdivision (b) of Section 65995, Section~~
- 34 ~~65995.5, or Section 65995.7 of the Government Code for the~~
- 35 ~~eligible residential structure if all of the following conditions are~~
- 36 ~~met:~~
- 37 ~~(1) The assistance is provided to a qualified first-time~~
- 38 ~~homebuyer pursuant to Section 50068.5.~~
- 39 ~~(2) The qualified first-time homebuyer does not exceed the~~
- 40 ~~lower or moderate-income requirements in Section 50093.~~

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

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

9 *(c) Downpayment assistance from funds appropriated by the*
10 *act adding this subdivision to provide assistance in the amount of*
11 *the applicable school facility fee on affordable housing shall be*
12 *available to the purchaser of any newly constructed residential*
13 *structure in a development project in an economically distressed*
14 *area if the following requirements are met:*

15 *(1) The downpayment assistance is in the amount of school*
16 *facility fees paid pursuant to Section 65995.5 or 65995.7 of the*
17 *Government Code, less the amount that would be required pursuant*
18 *to subdivision (b) of Section 65995 of the Government Code,*
19 *notwithstanding Sections 65995.5 and 65995.7 of the Government*
20 *Code.*

21 *(2) The downpayment assistance is for a residential structure*
22 *that satisfies the conditions described in paragraphs (1) to (5),*
23 *inclusive, of subdivision (a).*

24 *(3) The development project is located in a city, county, or city*
25 *and county that reduces developer or impact fees or reduces or*
26 *removes regulatory barriers to housing construction for the*
27 *development project. The agency shall identify and shall objectively*
28 *measure the types of local agency actions or incentives that the*
29 *agency determines appropriately reduce developer or impact fees*
30 *or reduce or remove regulatory barriers to housing construction.*
31 *These actions or incentives may include, but are not limited to,*
32 *modifications to any or all of the following:*

33 *(A) Local design review requirements.*

34 *(B) Land use controls.*

35 *(C) Building codes and enforcement.*

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

37 *(E) Project design.*

38 *(F) Permit processing.*

39 *(G) (i) A 30 percent reduction in the schedule of local fees,*
40 *charges, and other exactions on local developers within the local*

1 agency’s jurisdiction within 12 months or more prior to the
 2 submission of the application for assistance pursuant to this
 3 subdivision. The local agency shall provide verification of the
 4 reduction with supporting documents showing successive annual
 5 fee schedules to the agency.

6 (ii) For the purposes of this subparagraph, “local fees, charges,
 7 and other exactions” includes, but is not limited to, all of the
 8 following:

- 9 (I) Planning and zoning fees.
- 10 (II) Environmental documentation fees.
- 11 (III) Building permit fees.
- 12 (IV) Plan check fees.
- 13 (V) School fees.
- 14 (VI) School mitigation fees.
- 15 (VII) Highway, road, traffic, and transit fees.
- 16 (VIII) Water, wastewater, sewer, and drainage fees.
- 17 (IX) Utility or water connection fees.
- 18 (X) Public safety fees.
- 19 (XI) Capital facilities fees.
- 20 (XII) Affordable housing fees and assessments.
- 21 (XIII) Parks and recreation fees.
- 22 (XIV) Any other fee that may substitute for the requirements
 23 described in subparagraph (D).

24 SEC. 2. Section 51451.5 of the Health and Safety Code, as
 25 amended by Section 2 of Chapter 553 of the Statutes of 2003, is
 26 amended to read:

27 51451.5. The Homebuyer Down Payment Assistance Program
 28 of 2002 is hereby established, to provide assistance in the amount
 29 of the applicable school facility fee on affordable housing. The
 30 Homebuyer Down Payment Assistance Program of 2002 shall,
 31 with funds provided by the Kindergarten-University Public
 32 Education Facilities Bond Acts of 2002 and 2004 (Part 68.1
 33 (commencing with Section 100600) of the Education Code; Code,
 34 and Part 68.2 (commencing with Section 100800) of the Education
 35 Code), provide the following assistance:

36 (a) Downpayment assistance to the purchaser of any newly
 37 constructed residential structure in a development project in an
 38 economically distressed area in the amount of school facility fees
 39 paid pursuant to Section 65995.5 or 65995.7 of the Government
 40 Code, less the amount that would be required pursuant to

1 subdivision (b) of Section 65995 of the Government Code,
2 notwithstanding Sections 65995.5 and 65995.7 of the Government
3 Code, if all of the following conditions are met:

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

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

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

11 (4) The eligible residential structure is to be owner occupied
12 for at least five years. If a structure is owner occupied for fewer
13 than five years, the recipient of the assistance shall repay the School
14 Facilities Fee Assistance Fund the amount of the assistance, on a
15 prorated basis.

16 (5) The sales price of the eligible residential structure does not
17 exceed 175 percent of the median sales price of residential
18 structures in the county during the average of the previous five
19 years. However, if the five-year average exceeds the
20 Governmental-Sponsored Enterprises conforming loan limit, the
21 sales price in that county shall not exceed 100 percent of the
22 median sales price of residential structures in the county during
23 the average of the previous five years.

24 ~~(6) The development project is located in a city, county, or city
25 and county that reduces developer or impact fees or reduces or
26 removes regulatory barriers to housing construction for the
27 development project. The agency shall identify and shall
28 objectively measure the types of local agency actions or incentives
29 that the agency determines appropriately reduce developer or
30 impact fees or reduce or remove regulatory barriers to housing
31 construction. These actions or incentives may include, but are not
32 limited to, modifications to any or all of the following:~~

- 33 ~~(A) Local design review requirements.~~
- 34 ~~(B) Land use controls.~~
- 35 ~~(C) Building codes and enforcement.~~
- 36 ~~(D) Onsite or offsite improvement requirements.~~
- 37 ~~(E) Project design.~~
- 38 ~~(F) Permit processing.~~
- 39 ~~(G) (i) A 30 percent reduction in the schedule of local fees,
40 charges, and other exactions on local developers within the local~~

1 agency's jurisdiction within 12 months or more prior to the
2 submission of the application for assistance pursuant to this
3 subdivision. The local agency shall provide verification of the
4 reduction with supporting documents showing successive annual
5 fee schedules to the agency.

6 (ii) ~~For the purposes of this subparagraph, "local fees, charges,~~
7 ~~and other exactions" includes, but is not limited to, all of the~~
8 ~~following:~~

9 ~~(I) Planning and zoning fees;~~

10 ~~(II) Environmental documentation fees;~~

11 ~~(III) Building permit fees;~~

12 ~~(IV) Plan check fees;~~

13 ~~(V) School fees;~~

14 ~~(VI) School mitigation fees;~~

15 ~~(VII) Highway, road, traffic, and transit fees;~~

16 ~~(VIII) Water, wastewater, sewer, and drainage fees;~~

17 ~~(IX) Utility or water connection fees;~~

18 ~~(X) Public safety fees;~~

19 ~~(XI) Capital facilities fees;~~

20 ~~(XII) Affordable housing fees and assessments;~~

21 ~~(XIII) Parks and recreation fees;~~

22 ~~(XIV) Any other fee that may substitute for the requirements~~
23 ~~described in subparagraph (D):~~

24 (b) Downpayment assistance to the purchaser of any newly
25 constructed residential structure in a development project in the
26 aggregate amount of school facility fees paid pursuant to one, all,
27 or any combination of subdivision (b) of Section 65995, Section
28 65995.5, or Section 65995.7 of the Government Code for the
29 eligible residential structure if all of the following conditions are
30 met:

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

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

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

37 (4) The eligible residential structure is to be owner occupied
38 for at least five years. If a structure is owner occupied for fewer
39 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 *(c) Downpayment assistance from funds appropriated by the*
4 *act adding this subdivision to provide assistance in the amount of*
5 *the applicable school facility fee on affordable housing shall be*
6 *available to the purchaser of any newly constructed residential*
7 *structure in a development project in an economically distressed*
8 *area if the following requirements are met:*

9 *(1) The downpayment assistance is in the amount of school*
10 *facility fees paid pursuant to Section 65995.5 or 65995.7 of the*
11 *Government Code, less the amount that would be required pursuant*
12 *to subdivision (b) of Section 65995 of the Government Code,*
13 *notwithstanding Sections 65995.5 and 65995.7 of the Government*
14 *Code.*

15 *(2) The downpayment assistance is for a residential structure*
16 *that satisfies the conditions described in paragraphs (1) to (5),*
17 *inclusive, of subdivision (a).*

18 *(3) The development project is located in a city, county, or city*
19 *and county that reduces developer or impact fees or reduces or*
20 *removes regulatory barriers to housing construction for the*
21 *development project. The agency shall identify and shall objectively*
22 *measure the types of local agency actions or incentives that the*
23 *agency determines appropriately reduce developer or impact fees*
24 *or reduce or remove regulatory barriers to housing construction.*
25 *These actions or incentives may include, but are not limited to,*
26 *modifications to any or all of the following:*

27 *(A) Local design review requirements.*

28 *(B) Land use controls.*

29 *(C) Building codes and enforcement.*

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

31 *(E) Project design.*

32 *(F) Permit processing.*

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

- 1 (ii) For the purposes of this subparagraph, “local fees, charges,
- 2 and other exactions” includes, but is not limited to, all of the
- 3 following:
- 4 (I) Planning and zoning fees.
- 5 (II) Environmental documentation fees.
- 6 (III) Building permit fees.
- 7 (IV) Plan check fees.
- 8 (V) School fees.
- 9 (VI) School mitigation fees.
- 10 (VII) Highway, road, traffic, and transit fees.
- 11 (VIII) Water, wastewater, sewer, and drainage fees.
- 12 (IX) Utility or water connection fees.
- 13 (X) Public safety fees.
- 14 (XI) Capital facilities fees.
- 15 (XII) Affordable housing fees and assessments.
- 16 (XIII) Parks and recreation fees.
- 17 (XIV) Any other fee that may substitute for the requirements
- 18 described in subparagraph (D).

19 SEC. 3. If the Commission on State Mandates determines that
 20 this act contains costs mandated by the state, reimbursement to
 21 local agencies and school districts for those costs shall be made
 22 pursuant to Part 7 (commencing with Section 17500) of Division
 23 4 of Title 2 of the Government Code.

24 SEC. 4. The sum of ____ dollars (\$____) is hereby appropriated
 25 from the General Fund to the California Homebuyer’s
 26 Downpayment Assistance Program for the purposes set forth in
 27 Section ~~51505~~ 51451.5 of the Health and Safety ~~Code~~. *Code that*
 28 *satisfy the requirements of subdivision (c) of that section.* After
 29 48 months of availability, if the California Housing Finance
 30 Agency determines that these moneys will not be utilized for the
 31 purposes set forth in Section ~~51505~~ 51451.5 of the Health and
 32 Safety ~~Code~~, *Code that satisfy the requirements of subdivision (c)*
 33 *of that section,* the moneys shall be available for the general use
 34 of the California Housing Finance Agency for the purposes of the
 35 California Homebuyer’s Downpayment Assistance Program, but
 36 may also continue to be available for the purposes set forth in
 37 Section 51505 of the Health and Safety Code.

O