

**Introduced by Senator Beall**

January 15, 2016

---

*An act to add Section 65589.9 to the Government Code, and to add Part 14 (commencing with Section 53570) to Division 31 of the Health and Safety Code, relating to ~~housing~~, housing, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 879, as amended, Beall. ~~Housing bond act.~~ *Affordable Housing Bond Act of 2016.*

*(1) The Planning and Zoning Law requires a city or county to prepare and adopt a comprehensive, long-term general plan, and requires the general plan to include specified, mandatory elements, including a housing element. That law authorizes cities and counties to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, business, residences, and open space, including agriculture, recreation, enjoyment of scenic beauty, use of natural resources, and other purposes. That law also establishes the Office of Planning and Research in the Governor's Office to, among other things, serve the Governor and his or her Cabinet as staff for long-range planning and research, and to constitute the comprehensive state planning agency, as provided.*

*This bill would require a person wishing to develop or use his or her property for a nonconforming commercial lodging use to apply for and*

*obtain a nonconforming commercial lodging use permit from the office. The bill would require the office to grant the permit upon payment of a fee in an unspecified amount. The bill would define “nonconforming commercial lodging use” as offering any portion of land or premises, designated for residential use pursuant to a local agency’s general plan for occupancy, for tourist or transient use for compensation to the offeror of the land or premises.*

~~Under~~

*(2) Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, ~~homeownership~~ home ownership for very low and low-income households, and downpayment assistance for first-time ~~homebuyers~~ home buyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law and requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.*

~~This bill would state the intent of the Legislature to enact legislation that would authorize the issuance of bonds and would require the proceeds from the sale of these bonds to be used to finance housing related programs that serve the homeless and extremely low income and very low income Californians.~~

*This bill would enact the Affordable Housing Bond Act of 2016, which, if adopted, would authorize the issuance of bonds in the amount of \$3,000,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, as provided.*

*The bill would provide for submission of the bond act to the voters at the November 8, 2016, statewide general election in accordance with specified law.*

*(3) This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

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

1     *SECTION 1. Section 65589.9 is added to the Government Code,*  
2     *to read:*

3     65589.9. (a) *As used in this section, “nonconforming*  
4     *commercial lodging use” means offering any portion of land or*  
5     *premises, designated for residential use pursuant to a local*  
6     *agency’s general plan, for occupancy for tourist or transient use*  
7     *for compensation to the offeror of the land or premises.*

8     (b) *In addition to obtaining any other permit required by law*  
9     *from any local government or from any state, regional, or local*  
10    *agency, a person wishing to develop or use his or her property for*  
11    *a nonconforming commercial lodging use shall apply for and*  
12    *obtain a nonconforming commercial lodging use permit from the*  
13    *Office of Planning and Research, which shall grant the permit*  
14    *upon payment of the fee established in subdivision (c).*

15    (c) *An applicant for a nonconforming commercial lodging use*  
16    *permit shall pay a fee in the amount of \_\_\_\_ dollars (\$\_\_\_\_). Fees*  
17    *collected pursuant to this section shall be deposited in the General*  
18    *Fund.*

19    *SEC. 2. Part 14 (commencing with Section 53570) is added to*  
20    *Division 31 of the Health and Safety Code, to read:*

21  
22     *PART 14. AFFORDABLE HOUSING BOND ACT OF 2016*

23  
24             *CHAPTER 1. GENERAL PROVISIONS*

25  
26     53570. *This part shall be known, and may be cited as, the*  
27     *Affordable Housing Bond Act of 2016.*

28     53571. *As used in this part, the following terms have the*  
29     *following meanings:*

30     (a) *“Board” means the Department of Housing and Community*  
31     *Development for programs administered by the department, and*  
32     *the California Housing Finance Agency for programs administered*  
33     *by the agency.*

34     (b) *“Committee” means the Housing Finance Committee created*  
35     *pursuant to Section 53524 and continued in existence pursuant to*  
36     *Sections 53548 and 53582.*

37     (c) *“Fund” means the Affordable Housing Bond Act Trust Fund*  
38     *of 2016 created pursuant to Section 53575.*

1     53572. *This part shall only become operative upon adoption*  
2 *by the voters at the November 8, 2016, statewide general election.*

3  
4     *CHAPTER 2. AFFORDABLE HOUSING BOND ACT TRUST FUND*  
5     *OF 2016 AND PROGRAM*  
6

7     53575. *The Affordable Housing Bond Act Trust Fund of 2016*  
8 *is hereby created within the State Treasury. It is the intent of the*  
9 *Legislature that the proceeds of bonds deposited in the fund shall*  
10 *be used to fund the housing-related programs described in this*  
11 *chapter. The proceeds of bonds issued and sold pursuant to this*  
12 *part for the purposes specified in this chapter shall be allocated*  
13 *in the following manner:*

14     (a) *One billion five hundred million dollars (\$1,500,000,000)*  
15 *to be deposited in the Multifamily Housing Account, which is*  
16 *hereby created in the fund. Notwithstanding Section 13340 of the*  
17 *Government Code, the moneys in the account are continuously*  
18 *appropriated for the Multifamily Housing Program authorized by*  
19 *Chapter 6.7 (commencing with Section 50675) of Part 2, to be*  
20 *expended to assist in the new construction, rehabilitation, and*  
21 *preservation of permanent and transitional rental housing for*  
22 *persons with incomes of up to 60 percent of the area median*  
23 *income (AMI).*

24     (b) *Six hundred million dollars (\$600,000,000) to be deposited*  
25 *in the Transit-Oriented Development and Infill Infrastructure*  
26 *Account, which is hereby created within the fund. The moneys in*  
27 *the account shall be used for the following purposes:*

28     (1) *Three hundred million dollars (\$300,000,000) to be*  
29 *transferred to the Transit-Oriented Development Implementation*  
30 *Fund, established pursuant to Section 53561, for expenditure,*  
31 *upon appropriation by the Legislature, pursuant to the*  
32 *Transit-Oriented Development Implementation Program authorized*  
33 *by Part 13 (commencing with Section 50560).*

34     (2) *Three hundred million dollars (\$300,000,000) to be*  
35 *deposited in the Infill Infrastructure Financing Account, which is*  
36 *hereby created within the fund. Moneys in the account shall be*  
37 *available, upon appropriation by the Legislature and subject to*  
38 *any other conditions and criteria that the Legislature provides for*  
39 *by statute, for infill incentive grants to assist in the new*  
40 *construction and rehabilitation of infrastructure that supports*

1 *high-density affordable and mixed-income housing in locations*  
2 *designated as infill.*

3 *(c) Six hundred million dollars (\$600,000,000) to be deposited*  
4 *in the Special Populations Housing Account, which is hereby*  
5 *created within the fund. The moneys in the account shall be used*  
6 *for the following purposes:*

7 *(1) Three hundred million dollars (\$300,000,000) which,*  
8 *notwithstanding Section 13340 of the Government Code, shall be*  
9 *continuously appropriated for transfer to the Joe Serna, Jr.*  
10 *Farmworker Housing Grant Fund, established pursuant to Section*  
11 *50517.5.*

12 *(2) Three hundred million dollars (\$300,000,000) to be*  
13 *deposited in the Local Housing Trust Matching Grant Program*  
14 *Account, which is hereby created within the fund. Moneys in the*  
15 *account shall be available, upon appropriation by the Legislature*  
16 *and subject to any other conditions and criteria that the Legislature*  
17 *provides for by statute, to provide matching grants to local public*  
18 *agencies and nonprofit organizations that raise money for*  
19 *affordable housing.*

20 *(d) Three hundred million dollars (\$300,000,000) to be*  
21 *deposited in the Home Ownership Development Account, which*  
22 *is hereby created within the fund. Notwithstanding Section 13340*  
23 *of the Government Code, the moneys in the account shall be*  
24 *continuously appropriated for the CalHome Program authorized*  
25 *by Chapter 6 (commencing with Section 50650) of Part 2, to*  
26 *provide direct, forgivable loans to assist development projects*  
27 *involving multiple home ownership units, including single-family*  
28 *subdivisions, for self-help mortgage assistance programs, and for*  
29 *manufactured homes.*

30 *53576. The Legislature may, from time to time, amend any law*  
31 *related to programs to which funds are, or have been, allocated*  
32 *pursuant to this chapter for the purposes of improving the efficiency*  
33 *and effectiveness of those programs or to further the goals of those*  
34 *programs.*

### 35 36 *CHAPTER 3. FISCAL PROVISIONS*

37  
38 *53580. Bonds in the total amount of three billion dollars*  
39 *(\$3,000,000,000), exclusive of refunding bonds, or so much thereof*  
40 *as is necessary, are hereby authorized to be issued and sold for*

1 carrying out the purposes expressed in this part and to reimburse  
2 the General Obligation Bond Expense Revolving Fund pursuant  
3 to Section 16724.5 of the Government Code. All bonds herein  
4 authorized which have been duly sold and delivered as provided  
5 herein shall constitute valid and legally binding general obligations  
6 of the state, and the full faith and credit of the state is hereby  
7 pledged for the punctual payment of both principal and interest  
8 of those bonds.

9 53581. The bonds authorized by this part shall be prepared,  
10 executed, issued, sold, paid, and redeemed as provided in the State  
11 General Obligation Bond Law (Chapter 4 (commencing with  
12 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
13 Code), except subdivision (a) of Section 16727 to the extent that  
14 it is inconsistent with this part, and all of the other provisions of  
15 that law as amended from time to time which apply to the bonds  
16 and to this part and are hereby incorporated in this part as though  
17 set forth in full in this part.

18 53582. (a) Solely for the purpose of authorizing the issuance  
19 and sale, pursuant to the State General Obligation Bond Law, of  
20 the bonds authorized by this part, the committee is continued in  
21 existence. For the purposes of this part, the Housing Finance  
22 Committee is “the committee” as that term is used in the State  
23 General Obligation Bond Law.

24 (b) The committee may adopt guidelines establishing  
25 requirements for administration of its financing programs to the  
26 extent necessary to protect the validity of, and tax exemption for,  
27 interest on the bonds. The guidelines shall not constitute rules,  
28 regulations, orders, or standards of general application and are  
29 not subject to Chapter 3.5 (commencing with Section 11340) of  
30 Part 1 of Division 3 of Title 2 of the Government Code.

31 (c) For the purposes of the State General Obligation Bond Law,  
32 the Department of Housing and Community Development is  
33 designated the “board” for programs administered by the  
34 department, and the California Housing Finance Agency is the  
35 “board” for programs administered by the agency.

36 53583. Upon request of the board stating that funds are needed  
37 for purposes of this part, the committee shall determine whether  
38 or not it is necessary or desirable to issue bonds authorized  
39 pursuant to this part in order to carry out the actions specified in  
40 Section 53575, and, if so, the amount of bonds to be issued and

1 *sold. Successive issues of bonds may be authorized and sold to*  
2 *carry out those actions progressively, and are not required to be*  
3 *sold at any one time. Bonds may bear interest subject to federal*  
4 *income tax.*

5 *53584. There shall be collected annually, in the same manner*  
6 *and at the same time as other state revenue is collected, a sum of*  
7 *money in addition to the ordinary revenues of the state, sufficient*  
8 *to pay the principal of, and interest on, the bonds as provided*  
9 *herein, and all officers required by law to perform any duty in*  
10 *regard to the collections of state revenues shall collect that*  
11 *additional sum.*

12 *53585. Notwithstanding Section 13340 of the Government*  
13 *Code, there is hereby appropriated from the General Fund in the*  
14 *State Treasury, for the purposes of this part, an amount that will*  
15 *equal the total of the following:*

16 *(a) The sum annually necessary to pay the principal of, and*  
17 *interest on, bonds issued and sold pursuant to this part, as the*  
18 *principal and interest become due and payable.*

19 *(b) The sum which is necessary to carry out Section 53587,*  
20 *appropriated without regard to fiscal years.*

21 *53586. The board may request the Pooled Money Investment*  
22 *Board to make a loan from the Pooled Money Investment Account,*  
23 *in accordance with Section 16312 of the Government Code, for*  
24 *purposes of this part. The amount of the request shall not exceed*  
25 *the amount of the unsold bonds which the committee has, by*  
26 *resolution, authorized to be sold for purposes of this part, less any*  
27 *amount withdrawn pursuant to Section 53587. The board shall*  
28 *execute any documents as required by the Pooled Money*  
29 *Investment Board to obtain and repay the loan. Any amount loaned*  
30 *shall be deposited in the fund to be allocated in accordance with*  
31 *this part.*

32 *53587. For purposes of carrying out this part, the Director of*  
33 *Finance may, by executive order, authorize the withdrawal from*  
34 *the General Fund of any amount or amounts not to exceed the*  
35 *amount of the unsold bonds which the committee has, by resolution,*  
36 *authorized to be sold. Any amounts withdrawn shall be deposited*  
37 *in the fund. Any moneys made available under this section shall*  
38 *be returned to the General Fund, plus the interest that the amounts*  
39 *would have earned in the Pooled Money Investment Account, from*

1 moneys received from the sale of bonds which would otherwise be  
2 deposited in that fund.

3 53588. The bonds may be refunded in accordance with Article  
4 6 (commencing with Section 16780) of Chapter 4 of Part 3 of  
5 Division 4 of Title 2 of the Government Code. Approval by the  
6 electors of this act shall constitute approval of any refunding bonds  
7 issued pursuant to the State General Obligation Bond Law.

8 53589. Notwithstanding any provisions in the State General  
9 Obligation Bond Law, the maximum maturity of any bonds  
10 authorized by this part shall not exceed 30 years from the date of  
11 each respective series. The maturity of each series shall be  
12 calculated from the date of each series.

13 53590. The Legislature hereby finds and declares that,  
14 inasmuch as the proceeds from the sale of bonds authorized by  
15 this part are not “proceeds of taxes” as that term is used in Article  
16 XIII B of the California Constitution, the disbursement of these  
17 proceeds is not subject to the limitations imposed by that article.

18 53591. Notwithstanding any provision of the State General  
19 Obligation Bond Law with regard to the proceeds from the sale  
20 of bonds authorized by this part that are subject to investment  
21 under Article 4 (commencing with Section 16470) of Chapter 3 of  
22 Part 2 of Division 4 of Title 2 of the Government Code, the  
23 Treasurer may maintain a separate account for investment  
24 earnings, may order the payment of those earnings to comply with  
25 any rebate requirement applicable under federal law, and may  
26 otherwise direct the use and investment of those proceeds so as to  
27 maintain the tax-exempt status of those bonds and to obtain any  
28 other advantage under federal law on behalf of the funds of this  
29 state.

30 53592. All moneys derived from premiums and accrued interest  
31 on bonds sold pursuant to this chapter shall be transferred to the  
32 General Fund as a credit to expenditures for bond interest.

33 SEC. 3. Section 2 of this act shall become operative upon the  
34 adoption by the voters of the Affordable Housing Bond Act of 2016.

35 SEC. 4. Section 2 of this act shall be submitted by the Secretary  
36 of State to the voters at the November 8, 2016, statewide general  
37 election, notwithstanding the requirements of Sections 9040, 9043,  
38 9044, and 9061 of the Elections Code or any other law.

39 SEC. 5. This act is an urgency statute necessary for the  
40 immediate preservation of the public peace, health, or safety within



1 *the meaning of Article IV of the Constitution and shall go into*  
2 *immediate effect. The facts constituting the necessity are:*

3 *In order to ensure that the general obligation bond measure*  
4 *proposed by Section 2 of this act is submitted to the voters for the*  
5 *November 8, 2016, statewide general election, it is necessary that*  
6 *this act take effect immediately.*

7 ~~SECTION 1.—It is the intent of the Legislature to enact~~  
8 ~~legislation that would authorize the issuance of bonds, and would~~  
9 ~~require the proceeds from the sale of these bonds to be used to~~  
10 ~~finance housing related programs that serve the homeless and~~  
11 ~~extremely low income and very low income Californians over the~~  
12 ~~course of the next decade.~~

13  
14  
15 CORRECTIONS:

16 Text—Page 6.  
17