

AMENDED IN ASSEMBLY APRIL 4, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2060

**Introduced by Assembly Members ~~Steinberg and Shelley~~
Member Steinberg
(Principal coauthor: Assembly Member Bock)
(Principal coauthor: Senator Murray)
(Coauthors: Assembly Members Calderon, Corbett, Havice,
Longville, Lowenthal, Mazzoni, and Washington)**

February 22, 2000

An act to amend ~~Section 8869.80~~ Sections 8869.80 and 8869.84 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2060, as amended, Steinberg. Federal tax credits: housing: teachers.

Existing law sets forth various findings and declarations of the Legislature in respect to the substantial public benefit served by assistance for housing for lower income families and individuals. *Existing law also establishes the California Debt Limit Allocation Committee for the purpose of implementing the unified volume limit for the state on private activity bonds established pursuant to federal law.*

This bill would further declare that a substantial public benefit is served by providing federal tax credits *or reduced interest rate mortgages* to assist teachers who are willing to serve in low performing schools to purchase a home. *The bill*

would require the California Debt Limit Allocation Committee to establish a Teacher Home Purchase Program to provide federal mortgage credit certificates and reduced interest rate loans funded by mortgage revenue bonds to eligible teachers, principals, and assistant principals who agree to teach or provide administration in a low performing school. It would also make various technical, nonsubstantive changes.

Vote: majority. 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 8869.80 of the Government
2 Code is amended to read:
3 8869.80. The Legislature hereby finds and declares all
4 of the following:
5 (a) The Tax Reform Act of 1986 (Public Law 99-514)
6 establishes a unified volume ceiling on the aggregate
7 amount of private activity bonds that can be issued in
8 each state. The unified volume ceiling is the product of
9 seventy-five dollars (\$75) multiplied by the state
10 population in 1987 and fifty dollars (\$50) multiplied by
11 the state population in each succeeding calendar year.
12 (b) The federal act requires each state to allocate its
13 volume ceiling according to a specified formula unless a
14 different procedure is established by Governor's
15 proclamation or state legislation.
16 (c) Therefore, it is necessary to designate a state
17 agency and create an allocation system to administer the
18 state unified volume ceiling.
19 (d) A substantial public benefit is served by promoting
20 housing for lower income families and individuals.
21 (e) A substantial public benefit is served by preserving
22 and rehabilitating existing governmental assisted housing
23 for lower income families and individuals.
24 (f) A substantial public benefit is served by providing
25 federal tax credits *or reduced interest rate mortgages* to
26 assist teachers who are willing to serve in low performing
27 schools to purchase a home.



1 SEC. 2. Section 8869.84 of the Government Code is
2 amended to read:

3 8869.84. (a) The committee shall, as soon as is
4 practicable after the start of each calendar year,
5 determine and announce the state ceiling for the
6 calendar year.

7 (b) The entire state ceiling for each calendar year is
8 hereby allocated to the committee to further allocate to
9 state and local agencies as provided in this chapter.

10 (c) The committee shall prepare application forms
11 and announce procedures for receipt and review of
12 applications from state and local agencies desiring to issue
13 private activity bonds.

14 (d) The committee may at any time, before or after
15 granting any allocations in any calendar year to any state
16 agencies or local agencies, announce priorities or
17 reservations of any part of the state ceiling not
18 theretofore allocated either for certain categories of
19 bonds or categories of issuers.

20 (e) The committee may require any issuer making an
21 application to the committee or MBTCAC for allocation
22 of a portion of the state ceiling to make a deposit, as
23 determined by the committee, of up to 1 percent of the
24 portion requested. If an allocation is not given, the deposit
25 shall be returned. If an allocation is given, the deposit
26 shall be kept (in proportion to the amount of allocation
27 given) until bonds are issued. Upon that issuance, the
28 deposit shall be returned to the issuer in an amount equal
29 to the product of (1) the amount of the deposit retained
30 times (2) the ratio between the amount of bonds issued
31 divided by the amount of allocation granted. If no bonds
32 are issued prior to the expiration of the allocation, the
33 deposit shall be kept, unless the committee determines
34 there is good cause to return all or part of the deposit. Any
35 portion of a deposit kept shall be deposited in the fund.

36 (f) The committee may transfer part of the state
37 ceiling to the MBTCAC, to be used for qualified mortgage
38 bonds and exempt facility bonds, as those terms are used
39 in the Internal Revenue Code, for qualified residential
40 rental projects, as those terms are used in the Internal



1 Revenue Code, (together referred to as “housing
 2 bonds”), with directions and conditions pursuant to
 3 which MBTCAC may allocate those amounts to issuers of
 4 housing bonds at both the state and local level. In carrying
 5 out these functions, MBTCAC shall act solely as directed
 6 or authorized by the committee. If the committee makes
 7 the transfer to MBTCAC authorized by this subdivision,
 8 the references in Sections 8869.85, 8869.86, 8869.87, and
 9 8869.88 to the “committee” shall, for purposes of any
 10 housing bonds, be deemed to mean MBTCAC.

11 *(g) The committee shall establish the Teacher Home*
 12 *Purchase Program to provide federal mortgage credit*
 13 *certificates and reduced interest rate loans funded by*
 14 *mortgage revenue bonds to eligible teachers, principals,*
 15 *and assistant principals who agree to teach or provide*
 16 *administration in a low performing school. The*
 17 *committee may make future allocations of the state*
 18 *ceiling for up to five years for any issuer under that*
 19 *program for which the committee also makes an*
 20 *allocation of the state ceiling for the current year. Any*
 21 *future allocation made by the committee shall constitute*
 22 *an allocation of the state ceiling for a future year specified*
 23 *by the committee and shall be deemed to have been*
 24 *made on the first day of the future year so specified. The*
 25 *committee may condition allocations under the Teacher*
 26 *Home Purchase Program on any terms and conditions*
 27 *that the committee deems necessary or appropriate,*
 28 *including, but not limited to, the execution of a contract*
 29 *between the teacher, principal, or assistant principal and*
 30 *the issuer whereby the teacher, principal, or assistant*
 31 *principal agrees to comply with the terms and conditions*
 32 *of the program. The contract may include, among other*
 33 *things, an agreement by the teacher, principal, or*
 34 *assistant principal to teach or provide administration in*
 35 *a low performing school for a minimum number of years,*
 36 *and provisions for enforcing the contract that the*
 37 *committee deems necessary or appropriate.*

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