

AMENDED IN ASSEMBLY JANUARY 7, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 269

Introduced by Assembly Member Mullin

February 4, 2003

An act to amend Section 33334.25 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 269, as amended, Mullin. ~~Downtown Rebound Program report.~~ *Redevelopment: affordable housing: San Mateo County.*

Under the Community Redevelopment Law, one of the fundamental purposes of redevelopment is to expand the supply of low- and moderate-income housing. Existing law also authorizes the Department of Housing and Community Development to make grants to nonprofit housing sponsors and local public entities in constructing, rehabilitating, and operating assisted housing for low- and moderate-income households.

Existing law, until January 1, 2010, authorizes contiguous agencies located within adjoining cities in a Metropolitan Statistical Area to create and participate in a joint powers authority in order to pool their housing funds to pay for the direct costs of constructing, substantially rehabilitating, or preserving the affordability of housing units that are affordable to very low or low income households.

This bill would authorize contiguous agencies located within adjoining cities in San Mateo County to similarly create and participate in a joint powers authority to pool housing funds for purposes of low income housing in accordance with the above provisions.

~~Existing law requires the Department of Housing and Community Development to make grants and loans for specified downtown rebound projects and related planning from funds appropriated in a specified item of the Budget Act of 2000.~~

~~This bill would require the department to provide a report regarding the Downtown Rebound Program to the Legislature on or before July 1, 2004.~~

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

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

1 ~~SECTION 1.—The Department of Housing and Community~~
2 *SECTION 1. Section 33334.25 of the Health and Safety Code*
3 *is amended to read:*

4 33334.25. (a) The Legislature finds and declares all of the
5 following:

6 (1) The transfer of funds to a joint powers authority and the use
7 of pooled funds within the housing market area of the participating
8 agencies for the purpose of providing affordable housing is of
9 benefit to the project area producing the tax increment.

10 (2) The cost and availability of land, geophysical and
11 environmental limitations, community patterns, and the lack of
12 financing make the availability of affordable housing more
13 difficult in some communities.

14 (3) The cooperation of local agencies and the use of pooled
15 funds will result in more resources than would otherwise be
16 available for affordable housing.

17 (b) Notwithstanding any other provision of law, contiguous
18 agencies located within adjoining cities within a single
19 Metropolitan Statistical Area (MSA) *or San Mateo County* may
20 create and participate in a joint powers authority for the purpose
21 of pooling their low- and moderate-income housing funds for
22 affordable housing uses. Agencies may transfer a portion of their
23 housing funds to a joint powers authority for use by the joint
24 powers authority pursuant to this section. The joint powers
25 authority may determine the kinds of housing projects or activities
26 to be assisted, consistent with this section. The joint powers
27 authority may loan, grant, or advance transferred housing funds
28 from participating agencies to a receiving entity for any eligible



1 housing development within the participating agency's
2 jurisdiction, subject to the requirements of this section. In
3 addition, the agreement may authorize the joint powers authority
4 to issue bonds and to use the pooled funds to leverage other funds
5 to assist eligible developments, including loans from private
6 institutions and assistance provided by other governmental
7 agencies.

8 (c) Each of the following conditions shall be met and described
9 in a mutually binding agreement between the joint powers
10 authority and each participating agency:

11 (1) The community of each participating agency shall have
12 adopted up-to-date housing elements pursuant to Article 10.6
13 (commencing with Section 65580) of Division 1 of Title 7 of the
14 Government Code, and the housing elements have been
15 determined to be in compliance with the law by the Department of
16 Housing and Community Development.

17 (2) The community of each participating agency shall have
18 met, in its current or previous housing element cycle, 50 percent
19 or more of its share of the region's affordable housing needs, as
20 defined in Section 65584 of the Government Code, in the very low
21 and lower income categories of income groups defined in Section
22 50025.5.

23 (3) Each participating agency shall hold, at least 45 days prior
24 to the transfer of funds to the joint powers authority, a public
25 hearing, after providing notice pursuant to Section 6062 of the
26 Government Code to solicit public comments on the draft
27 agreement.

28 (4) No housing funds shall be transferred from a project area
29 that has an indebtedness to its low- and moderate-income housing
30 fund pursuant to Section 33334.6.

31 (5) No housing funds shall be transferred from an agency that
32 has not met its need for replacement housing pursuant to Section
33 33413, unless the agency has encumbered and contractually
34 committed sufficient funds to meet those requirements.

35 (6) Pooled funds shall be used within the participating
36 agencies' jurisdictions.

37 (7) The agreement shall require compliance by the joint powers
38 authority with the provisions of this section.



1 (8) The joint powers authority shall ensure that the funds it
2 receives are used in accordance with the requirements of this
3 section.

4 (9) Funds transferred by an agency to a joint powers authority
5 pursuant to this section shall be expended or encumbered by the
6 joint powers authority for the purposes of this section within two
7 years of the transfer. Transferred funds not so expended or
8 encumbered by the joint powers authority within two years after
9 the transfer shall be returned to the original agency and shall be
10 deemed excess surplus funds as provided in, and subject to, the
11 requirements of Sections 33334.10 and 33334.12. Excess surplus
12 funds held by an agency may not be transferred to a joint powers
13 authority.

14 (10) The joint powers authority shall prepare and submit an
15 annual report to the department that documents the amount of
16 housing funds received and expended or allocated for specific
17 housing assistance activities consistent with Sections 33080.4.

18 (d) Each of the following conditions shall be met and described
19 in a mutually binding contract between the joint powers authority
20 and a receiving entity:

21 (1) Pooled housing funds may only be used to pay for the direct
22 costs of constructing, substantially rehabilitating, or preserving
23 the affordability of housing units that are affordable to very low or
24 low income households. Units assisted with pooled funds shall
25 remain available at affordable housing costs in accordance with
26 subdivision (f) of Section 33334.3.

27 (2) Except as provided in this section, pooled housing funds
28 may not be used in any way that is inconsistent with the
29 requirements of Section 33334.3. Pooled housing funds may not
30 be used to pay for planning and administrative costs, offsite
31 improvements associated with a housing project, or fees or
32 exactions levied solely for development projects constructed,
33 substantially rehabilitated, or preserved with pooled funds. The
34 receiving entity shall be subject to the same replacement
35 requirements provided in Section 33413 and any relocation
36 requirements applicable pursuant to Section 7260 of the
37 Government Code.

38 (3) The joint powers authority shall make findings, based on
39 substantial evidence on the record, that each proposed use of
40 pooled funds will not exacerbate racial or economic segregation.



1 (4) The Department of Housing and Community Development
2 has evaluated each proposed use of pooled funds to construct,
3 substantially rehabilitate, or preserve the affordability of housing
4 and determined that the proposed use is in compliance with this
5 section. In considering whether a proposed use of funds will
6 exacerbate racial or economic segregation, the department shall
7 consider all of the following:

8 (A) The record of participating jurisdictions in meeting their
9 share of the regional need for low and very low income households
10 allocated to the jurisdiction pursuant to Section 65584 of the
11 Government Code.

12 (B) The distance of the proposed housing from a
13 redevelopment area from which pooled funds originated.

14 (C) The income and ethnicity of the residents of the census tract
15 from which the pooled funds originated and in which the housing
16 will be located.

17 (D) The housing need and availability of sufficient site for
18 housing within jurisdictions from which pooled funds originated.

19 (e) As used in this section, the following terms shall apply:

20 (1) “Housing funds” mean funds in or from the low- and
21 moderate-income housing fund established by an agency pursuant
22 to Section 33334.3.

23 (2) “Joint powers authority” means a joint powers authority
24 created pursuant to Chapter 5 (commencing with Section 6500) of
25 Division 7 of Title 1 of the Government Code for the purposes of
26 receiving and using housing funds pursuant to this section.

27 (3) “Receiving entity” means any person, partnership, joint
28 venture, corporation, governmental body, or other organization
29 receiving housing funds from a joint powers authority for the
30 purpose of providing housing pursuant to this section.

31 (f) On or after January 1, 2008, no participating agency shall
32 create a new joint powers authority or transfer funds to an existing
33 joint powers authority pursuant to this section, unless a later
34 enacted statute, which is enacted before January 1, 2008, deletes
35 or extends that date.

36 (g) This section shall remain in effect only until January 1,
37 2010, and as of that date is repealed, unless a later enacted statute,
38 that is enacted on or before January 1, 2010, deletes or extends that
39 date.



1 *SEC. 2. Due to the unique circumstances concerning the*
2 *County of San Mateo, the Legislature finds and declares that a*
3 *general statute cannot be made applicable within the meaning of*
4 *Section 16 of Article IV of the California Constitution. Therefore,*
5 *this act is necessarily applicable only to the County of San Mateo.*
6 ~~Development shall provide a report regarding the Downtown~~
7 ~~Rebound Program provided for pursuant to Section 50898.2 of the~~
8 ~~Health and Safety Code to the Legislature on or before July 1,~~
9 ~~2004, indicating the number of loans and levels of rental units~~
10 ~~established, the number of jurisdictions that access the program,~~
11 ~~and the success of the additional incentives in achieving state~~
12 ~~housing policies.~~

