

**ASSEMBLY BILL**

**No. 792**

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**Introduced by Assembly Member Garcia**

February 22, 2007

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An act to add Chapter 11.6 (commencing with Section 50810) to Part 2 of Division 31 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 792, as introduced, Garcia. Environmentally Sustainable Affordable Housing Program.

Existing law, the Housing and Emergency Shelter Trust Fund Act of 2006, authorizes the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. The act establishes the Housing and Emergency Shelter Trust Fund of 2006 in the State Treasury and requires the sum of \$1,500,000,000 to be deposited in the Affordable Housing Account, which the act establishes in the fund. The act continuously appropriates the money in the account in accordance with a specified schedule that requires, among other things, the transfer of the sum of \$100,000,000 to the Affordable Housing Innovation Fund, which the act establishes in the State Treasury, to be administered by the Department of Housing and Community Development and expended for competitive grants or loans to sponsoring entities that develop, own, lend, or invest in affordable housing, and to create pilot programs to demonstrate

innovative, cost-saving approaches to creating or preserving affordable housing.

This bill would establish the Environmentally Sustainable Affordable Housing Program under the administration of the department, consisting of the Construction Liability Insurance Reform Pilot Program; the Green Building, Energy Efficiency, and Building Design Program; and the Affordable Housing for Teachers Program, all of which would be under the administration of the department.

The bill would require the department to fund these programs, with bond funds transferred to the Affordable Housing Innovation Fund that are made available to the department for that purpose.

The bill would establish the Construction Liability Insurance Reform Pilot Program under the administration of the department for the purpose of promoting best practices for residential construction quality control in housing programs sponsored by the department or by the California Housing Finance Agency, as a means of reducing insurance rates for condominium developers in California.

The bill would establish the Green Building, Energy Efficiency, and Building Design Program under the administration of the department for the purpose of promoting the use of green building to assist in the implementation of the goals established by the Climate Action Team Report to the Governor and Legislature, which identified strategies to reduce greenhouse gas emissions, including continued implementation of the Green Building Initiative.

The bill would establish the Affordable Housing for Teachers Program under the administration of the department for the purpose of establishing a pilot program of assistance to school districts and community college districts attempting to attract and retain district employees, including teachers, through provision of on-campus housing.

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

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

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

- 1 SECTION 1. Chapter 11.6 (commencing with Section 50810)
- 2 is added to Part 2 of Division 31 of the Health and Safety Code,
- 3 to read:

1 CHAPTER 11.6. ENVIRONMENTALLY SUSTAINABLE AFFORDABLE  
2 HOUSING PROGRAM

3  
4 50810. This chapter shall be known and may be cited as the  
5 Environmentally Sustainable Affordable Housing Act.

6 50812. The Environmentally Sustainable Affordable Housing  
7 Program is hereby established under the administration of the  
8 department, and shall consist of the Construction Liability  
9 Insurance Reform Pilot Program established under Section 50816,  
10 the Green Building, Energy Efficiency, and Building Design  
11 Program established under Section 50818, and the Affordable  
12 Housing for Teachers Program established under Section 50820,  
13 all of which shall be administered by the department.

14 50814. (a) The department shall fund the programs established  
15 under this chapter with any funds that are made available to the  
16 department for that purpose under subparagraph (F) of paragraph  
17 (1) of subdivision (a) of Section 53545.

18 (b) The department shall issue a periodic notice of funding  
19 availability specifying the funds that are available for each program  
20 established under this chapter, the per-project limit for each  
21 program, and the competitive criteria upon which projects will be  
22 selected.

23 (c) From the funds made available to the department as described  
24 in subdivision (a), the department shall make the following  
25 allocations:

26 (1) The total initial allocation to be distributed among the  
27 programs established under this chapter shall be equal to 25 percent  
28 of the total made available to the department as described in  
29 subdivision (a).

30 (2) An additional amount equal to the initial allocation made  
31 under paragraph (1) shall be distributed among the programs under  
32 the initial notice of funding availability process.

33 (3) Funds remaining after the allocations made under paragraphs  
34 (1) and (2) shall be distributed among the programs under  
35 subsequent notice of funding availability processes. In the  
36 aggregate, distributions made under this paragraph shall be based  
37 on relative demand for program funds and expenditure rates.

38 50816. (a) The Construction Liability Insurance Reform Pilot  
39 Program is hereby established under the administration of the  
40 department.

1 (b) The purpose of the program is to promote best practices for  
2 residential construction quality control in housing programs  
3 sponsored by the department or the California Housing Finance  
4 Agency, as a means of reducing insurance rates for condominium  
5 developers in this state.

6 (c) Funds shall be made available in the form of grants for  
7 predevelopment costs of condominium projects funded by the  
8 department or the California Housing Finance Agency that utilize  
9 enhanced construction oversight and monitoring programs and  
10 processes including, but not limited to, video recording of the  
11 construction process, use of quality control manuals, and increased  
12 quality control inspections.

13 50818. (a) The Green Building, Energy Efficiency, and  
14 Building Design Program is hereby established under the  
15 administration of the department.

16 (b) The purpose of the program is to encourage the use of green  
17 building to assist in the implementation of the goals established  
18 by the Climate Action Team Report to the Governor and  
19 Legislature, which identified strategies to reduce greenhouse gas  
20 emissions, including continued implementation of the Green  
21 Building Initiative.

22 (c) Funds shall be made available in the form of grants to finance  
23 a portion of the costs of incorporating additional energy-efficiency,  
24 green building, and universal design accessibility features in  
25 projects funded by the department or the California Housing  
26 Finance Agency.

27 50820. (a) The Affordable Housing for Teachers Program is  
28 hereby established under the administration of the department.

29 (b) The purpose of the program is to establish a pilot program  
30 of assistance to school districts and community college districts  
31 attempting to attract and retain district employees, including  
32 teachers, through provision of on-campus housing.

33 (c) Funds shall be made available in the form of grants to school  
34 districts or community college districts for predevelopment costs  
35 associated with creating housing for district employees, including  
36 teachers, located on campus.

37 SEC. 2. This act is an urgency statute necessary for the  
38 immediate preservation of the public peace, health, or safety within  
39 the meaning of Article IV of the Constitution and shall go into  
40 immediate effect. The facts constituting the necessity are:

1 In order to ensure that available funds for needed housing  
2 programs are distributed as quickly as possible, it is necessary that  
3 this act take effect immediately.

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