

ASSEMBLY BILL

No. 1017

Introduced by Assembly Member Ma

February 22, 2007

An act to amend Section 53545 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1017, as introduced, Ma. Housing and Emergency Shelter Trust Fund Act of 2006.

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.

This bill would require that funds made available under the bond act for certain purposes be allocated in conformance with certain requirements, including (1) that a funded project be consistent with the general plan of the jurisdiction in which the project is located, (2) that not less than an unspecified percent of the funds allocated to the project be used to assist families of low income in achieving first-time home ownership, and (3) that priority be assigned to grant applicants who match grants with funds not made available under the bond act.

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. Section 53545 of the Health and Safety Code is
2 amended to read:

3 53545. The Housing and Emergency Shelter Trust Fund of
4 2006 is hereby created in the State Treasury. The Legislature
5 intends that the proceeds of bonds deposited in the fund shall be
6 used to fund the housing-related programs described in this chapter
7 over the course of the next decade. The proceeds of bonds issued
8 and sold pursuant to this part for the purposes specified in this
9 chapter shall be allocated in the following manner:

10 (a) (1) One billion five hundred million dollars (\$1,500,000,000)
11 to be deposited in the Affordable Housing Account, which is
12 hereby created in the fund. Notwithstanding Section 13340 of the
13 Government Code, the money in the account shall be continuously
14 appropriated in accordance with the following schedule:

15 (A) (i) Three hundred forty-five million dollars (\$345,000,000)
16 shall be transferred to the Housing Rehabilitation Loan Fund to
17 be expended for the Multifamily Housing Program authorized by
18 Chapter 6.7 (commencing with Section 50675) of Part 2. The
19 priorities specified in Section 50675.13 shall apply to the
20 expenditure of funds pursuant to this clause.

21 (ii) Fifty million dollars (\$50,000,000) shall be transferred to
22 the Housing Rehabilitation Loan Fund to be expended under the
23 Multifamily Housing Program authorized by Chapter 6.7
24 (commencing with Section 50675) of Part 2 for housing meeting
25 the definitions in paragraphs (2) and (3) of subdivision (e) of
26 Section 11139.3 of the Government Code. The department may
27 provide higher per-unit loan limits as necessary to achieve
28 affordable housing costs to the target population. Any funds not
29 encumbered for the purposes of this clause within 30 months of
30 availability shall revert for general use in the Multifamily Housing
31 Program.

32 (B) One hundred ninety-five million dollars (\$195,000,000)
33 shall be transferred to the Housing Rehabilitation Loan Fund to
34 be expended for the Multifamily Housing Program authorized by
35 Chapter 6.7 (commencing with Section 50675) of Part 2, to be
36 used for supportive housing for individuals and households moving
37 from emergency shelters or transitional housing or those at risk of
38 homelessness. The Department of Housing and Community

1 Development shall provide for higher per-unit loan limits as
2 reasonably necessary to achieve housing costs affordable to those
3 individuals and households. For purposes of this subparagraph,
4 “supportive housing” means housing with no limit on length of
5 stay, that is occupied by the target population, as defined in
6 subdivision (d) of Section 53260, and that is linked to onsite or
7 offsite services that assist the tenant to retain the housing, improve
8 his or her health status, maximize his or her ability to live, and,
9 when possible, work in the community. The criteria for selecting
10 projects shall give priority to:

11 (i) Supportive housing for people with disabilities who would
12 otherwise be at high risk of homelessness where the applications
13 represent collaboration with programs that meet the needs of the
14 person’s disabilities.

15 (ii) Projects that demonstrate funding commitments from local
16 governments for operating subsidies or services funding, or both,
17 for five years or longer.

18 (C) One hundred thirty-five million dollars (\$135,000,000) shall
19 be transferred to the fund created by subdivision (b) of Section
20 50517.5 to be expended for the programs authorized by Chapter
21 3.2 (commencing with Section 50517.5) of Part 2.

22 (D) Three hundred million dollars (\$300,000,000) shall be
23 transferred to the Self-Help Housing Fund created by Section
24 50697.1. These funds shall be available to the Department of
25 Housing and Community Development, to be expended for the
26 purposes of enabling households to become or remain homeowners
27 pursuant to the CalHome Program authorized by Chapter 6
28 (commencing with Section 50650) of Part 2, except ten million
29 dollars (\$10,000,000) shall be expended for construction
30 management under the California Self-Help Housing Program
31 pursuant to subdivision (b) of Section 50696.

32 (E) Two hundred million dollars (\$200,000,000) shall be
33 transferred to the Self-Help Housing Fund created by Section
34 50697.1. These funds shall be available to the California Housing
35 Finance Agency, to be expended for the purposes of the California
36 Homebuyer’s Downpayment Assistance Program authorized by
37 Chapter 11 (commencing with Section 51500) of Part 3. Up to one
38 hundred million dollars (\$100,000,000) of these funds may be
39 expended pursuant to subdivision (b) of Section 51504.

1 (F) One hundred million dollars (\$100,000,000) shall be
 2 transferred to the Affordable Housing Innovation Fund, which is
 3 hereby created in the State Treasury, to be administered by the
 4 Department of Housing and Community Development. Funds shall
 5 be expended for competitive grants or loans to sponsoring entities
 6 that develop, own, lend, or invest in affordable housing and used
 7 to create pilot programs to demonstrate innovative, cost-saving
 8 approaches to creating or preserving affordable housing. Specific
 9 criteria establishing eligibility for and use of the funds shall be
 10 established in statute as approved by a ~~2/3~~ ^{2/3} vote of each house
 11 of the Legislature. Any funds not encumbered for the purposes set
 12 forth in this subparagraph within 30 months of availability shall
 13 revert to the Self-Help Housing Fund created by Section 50697.1
 14 and shall be available for the purposes described in subparagraph
 15 (D). *Funds made available under this subparagraph shall be*
 16 *allocated in conformance with all of the following:*

17 (i) *A requirement that a project funded under this subparagraph*
 18 *shall be consistent with the general plan of the jurisdiction in*
 19 *which the project is located.*

20 (ii) *A requirement that not less than __ _ percent of the funds*
 21 *allocated to a project be used to assist families of low income in*
 22 *achieving first-time home ownership.*

23 (iii) *A requirement that priority be assigned to grant applicants*
 24 *who match grants funded under this subparagraph with funds not*
 25 *made available under this section.*

26 (G) One hundred twenty-five million dollars (\$125,000,000)
 27 shall be transferred to the Building Equity and Growth in
 28 Neighborhoods Fund to be used for the Building Equity and
 29 Growth in Neighborhoods (BEGIN) Program pursuant to Chapter
 30 14.5 (commencing with Section 50860) of Part 1. Any funds not
 31 encumbered for the purposes set forth in this subparagraph within
 32 30 months of availability shall revert for general use in the
 33 CalHome Program. *Funds made available under this subparagraph*
 34 *shall be allocated in conformance with all of the following:*

35 (i) *A requirement that a project funded under this subparagraph*
 36 *shall be consistent with the general plan of the jurisdiction in*
 37 *which the project is located.*

38 (ii) *A requirement that not less than __ _ percent of the funds*
 39 *allocated to a project be used to assist families of low income in*
 40 *achieving first-time home ownership.*

1 (iii) A requirement that priority be assigned to grant applicants
2 who match grants funded under this subparagraph with funds not
3 made available under this section.

4 (H) Fifty million dollars (\$50,000,000) shall be transferred to
5 the Emergency Housing and Assistance Fund to be distributed in
6 the form of capital development grants under the Emergency
7 Housing and Assistance Program authorized by Chapter 11.5
8 (commencing with Section 50800) of Part 2 of Division 31. The
9 funds shall be administered by the Department of Housing and
10 Community Development in a manner consistent with the
11 restrictions and authorizations contained in Provision 3 of Item
12 2240-105-0001 of the Budget Act of 2000, except that any
13 appropriations in that item shall not apply. The competitive system
14 used by the department shall incorporate priorities set by the
15 designated local boards and their input as to the relative merits of
16 submitted applications from within the designated local board's
17 county in relation to those priorities. In addition, the funding
18 limitations contained in this section shall not apply to the
19 appropriation in that budget item.

20 (2) The Legislature may, from time to time, amend the
21 provisions of law related to programs to which funds are, or have
22 been, allocated pursuant to this subdivision for the purpose of
23 improving the efficiency and effectiveness of the program, or for
24 the purpose of furthering the goals of the program.

25 (3) The Bureau of State Audits shall conduct periodic audits to
26 ensure that bond proceeds are awarded in a timely fashion and in
27 a manner consistent with the requirements of this subdivision, and
28 that awardees of bond proceeds are using funds in compliance with
29 applicable provisions of this subdivision. The first audit shall be
30 conducted no later than one year from voter approval of this part.

31 (4) In its annual report to the Legislature, the Department of
32 Housing and Community Development shall report how funds that
33 were made available pursuant to this subdivision and allocated in
34 the prior year were expended. The department shall make the report
35 available to the public on its Internet Web site.

36 (b) Eight hundred fifty million dollars (\$850,000,000) shall be
37 deposited in the Regional Planning, Housing, and Infill Incentive
38 Account, which is hereby created in the fund. Funds in the account
39 shall be available, upon appropriation by the Legislature, and

1 subject to such other conditions and criteria as the Legislature may
2 provide in statute, for the following purposes:

3 (1) For infill incentive grants for capital outlay related to infill
4 housing development and other related infill development,
5 including, but not limited to, all of the following:

6 (A) No more than two hundred million dollars (\$200,000,000)
7 for park creation, development, or rehabilitation to encourage infill
8 development.

9 (B) Water, sewer, or other public infrastructure costs associated
10 with infill development.

11 (C) Transportation improvements related to infill development
12 projects.

13 (D) Traffic mitigation.

14 (2) For brownfield cleanup that promotes infill housing
15 development and other related infill development consistent with
16 regional and local plans.

17 (c) Three hundred million dollars (\$300,000,000) to be deposited
18 in the Transit-Oriented Development Account, which is hereby
19 created in the fund, for transfer to the Transit-Oriented
20 Development Implementation Fund, for expenditure, upon
21 appropriation by the Legislature, pursuant to the Transit-Oriented
22 Development Implementation Program authorized by Part 13
23 (commencing with Section 50560).

24 (d) Two hundred million dollars (\$200,000,000) shall be
25 deposited in the Housing Urban-Suburban-and-Rural Parks
26 Account, which is hereby created in the fund. Funds in the account
27 shall be available upon appropriation by the Legislature for
28 housing-related parks grants in urban, suburban, and rural areas,
29 subject to the conditions and criteria that the Legislature may
30 provide in statute. *Funds made available under this subparagraph*
31 *shall be allocated in conformance with both of the following:*

32 (1) *A requirement that a project funded under this subdivision*
33 *shall be consistent with the general plan of the jurisdiction in*
34 *which the project is located.*

35 (2) *A requirement that priority be assigned to grant applicants*
36 *who match grants funded under this subdivision with funds not*
37 *made available under this section.*

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