

AMENDED IN ASSEMBLY JANUARY 7, 2008

AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1017**

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**Introduced by Assembly Member Ma**

February 22, 2007

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An act to ~~add Chapter 8 (commencing with Section 50700) to Part 2 of Division 31 of the Health and Safety Code, relating to housing; amend Section 21151 of the Public Resources Code, relating to environmental quality.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1017, as amended, Ma. ~~Affordable housing program.~~ *California Environmental Quality Act: appeal to local lead agency's elected decisionmaking body.*

*(1) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.*

*CEQA provides that if a nonelected decisionmaking body of a local lead agency certifies an EIR, approves a negative declaration or*

*mitigated negative declaration, or determines that a project is not subject to CEQA, that certification, approval, or determination may be appealed to the agency's elected decisionmaking body, if any.*

*This bill would require that appeal to be brought within 30 days of the certification, approval, or determination, unless that period is extended to a maximum of 60 days by the elected decisionmaking body, in which case the appeal would be required to be brought within that extended period. By increasing the duties of a local government to determine whether to extend an appeal period, the bill would impose a state-mandated local program.*

*(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~Existing law provides for various affordable housing development incentive programs.~~

~~This bill would establish the California Affordable Housing Revolving Development and Acquisition Program under the administration of the Department of Housing and Community Development for the purpose of funding projects to develop or preserve affordable housing. The bill would establish the California Affordable Housing Revolving Development and Acquisition Fund in the State Treasury and would make moneys in the fund available for the purposes of making loans authorized under the bill. The bill would require the department to issue a Notice of Funding Availability to select a private sector entity to manage the fund, including reviewing and approving loan applications, originating loans, and servicing loans. The bill would, upon appropriation by the Legislature, require the sum of \$25,000,000 to be transferred to the fund from the Affordable Housing Innovation Fund in the State Treasury.~~

~~The bill would also establish the Affordable Housing Committee in state government, consisting of the Director of Housing and Community Development, or his or her designee, and 4 additional members appointed by the Senate Committee on Rules and the Assembly Committee on Rules. The bill would establish the Affordable Housing Committee Fund in the State Treasury and would make moneys in the fund available for the purposes of making loans authorized under the bill. The bill would require the committee to manage the fund and review~~

and approve loan applications, originate loans, and service loans. The bill would, upon appropriation by the Legislature, require the sum of \$25,000,000 to be transferred to this fund from the Affordable Housing Innovation Fund in the State Treasury.

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

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

1     SECTION 1. Section 21151 of the Public Resources Code is  
2     amended to read:

3     21151. (a) All local agencies shall prepare, or cause to be  
4     prepared by contract, and certify the completion of, an  
5     environmental impact report on ~~any~~ a project that they intend to  
6     carry out or approve ~~which~~ that may have a significant effect on  
7     the environment. When a report is required by Section 65402 of  
8     the Government Code, the environmental impact report may be  
9     submitted as a part of that report.

10    (b) For purposes of this section, ~~any~~ a significant effect on the  
11    environment shall be limited to substantial, or potentially  
12    substantial, adverse changes in physical conditions ~~which~~ that  
13    exist within the area as defined in Section 21060.5.

14    (c) If a nonelected decisionmaking body of a local lead agency  
15    certifies an environmental impact report, approves a negative  
16    declaration or mitigated negative declaration, or determines that  
17    a project is not subject to this division, that certification, approval,  
18    or determination may be appealed to the agency's elected  
19    decisionmaking body, if any. *An appeal brought pursuant to this*  
20    *subdivision shall be brought within 30 days of the certification,*  
21    *approval, or determination, unless that period is extended to a*  
22    *maximum of 60 days by the elected decisionmaking body, in which*  
23    *case the appeal shall be brought within the extended period*  
24    *determined by the elected decisionmaking body.*

25    SEC. 2. *No reimbursement is required by this act pursuant to*  
26    *Section 6 of Article XIII B of the California Constitution because*  
27    *a local agency or school district has the authority to levy service*  
28    *charges, fees, or assessments sufficient to pay for the program or*  
29    *level of service mandated by this act, within the meaning of Section*  
30    *17556 of the Government Code.*

1 SECTION 1. ~~Chapter 8 (commencing with Section 50700) is~~  
2 ~~added to Part 2 of Division 31 of the Health and Safety Code, to~~  
3 ~~read:~~

4  
5  
6

~~CHAPTER 8. AFFORDABLE HOUSING PROGRAMS~~

7 50700. ~~(a) The California Affordable Housing Revolving~~  
8 ~~Development and Acquisition Program is hereby established under~~  
9 ~~the administration of the department for the purpose of funding~~  
10 ~~projects to develop or preserve affordable housing.~~

11 ~~(b) The California Affordable Housing Revolving Development~~  
12 ~~and Acquisition Fund is hereby established in the State Treasury.~~  
13 ~~Upon appropriation by the Legislature, moneys in the fund shall~~  
14 ~~be available for the purposes of making loans authorized under~~  
15 ~~this section.~~

16 ~~(c) The department shall issue a Notice of Funding Availability~~  
17 ~~to select a private sector entity to manage the fund. The fund~~  
18 ~~manager shall be all of the following:~~

- 19 ~~(1) A nonprofit lender based in this state.~~
- 20 ~~(2) The originator and servicer of loans in the aggregate amount~~  
21 ~~of one hundred million dollars (\$100,000,000) or more per year~~  
22 ~~that are used to develop or acquire affordable housing, including~~  
23 ~~ten million dollars (\$10,000,000) or more in acquisition loans.~~
- 24 ~~(3) The originator of loans in the aggregate amount of fifty~~  
25 ~~million dollars (\$50,000,000) or more using the lender's own~~  
26 ~~capital.~~
- 27 ~~(4) The originator of loans in the aggregate amount of~~  
28 ~~twenty-five million dollars (\$25,000,000) or more using investor~~  
29 ~~capital, subject to oversight by lending partners.~~

30 ~~(d) The fund manager shall review and approve loan~~  
31 ~~applications, originate loans, and service loans.~~

32 ~~(e) Applicants may apply for loans to purchase real property~~  
33 ~~for the development or preservation of housing affordable to~~  
34 ~~low-income households.~~

- 35 ~~(f) Applicants shall demonstrate all of the following:~~
- 36 ~~(1) The support of the local government in which the real~~  
37 ~~property is located for the proposed development project. Support~~  
38 ~~may be demonstrated through a letter from the governing board~~  
39 ~~or the manager of the housing or community development~~  
40 ~~department.~~

1 ~~(2) Availability of additional funds equal to three times the loan~~  
2 ~~amount.~~

3 ~~(3) Sufficient organizational stability and capacity to carry out~~  
4 ~~the proposed development project for which the property is being~~  
5 ~~purchased. Capacity may be demonstrated by substantial successful~~  
6 ~~experience performing similar activities, or through other means~~  
7 ~~acceptable to the department.~~

8 ~~(4) Not less than five years of experience in the construction or~~  
9 ~~acquisition and rehabilitation of affordable housing in this state.~~

10 ~~(5) Completion of not less than five housing development~~  
11 ~~projects during the past five years, with each project having not~~  
12 ~~less than 40 percent of the units sold at affordable housing cost,~~  
13 ~~as defined in Section 50052.5.~~

14 ~~(g) The department shall adopt regulations establishing the~~  
15 ~~minimum criteria required of the fund manager and applicants, as~~  
16 ~~well as a point system for prioritizing requests in the event that~~  
17 ~~requests exceed the funds available for the program in any given~~  
18 ~~year.~~

19 ~~(h) Upon appropriation, the sum of twenty-five million dollars~~  
20 ~~(\$25,000,000) shall be transferred to the fund from the Affordable~~  
21 ~~Housing Innovation Fund established under subparagraph (F) of~~  
22 ~~paragraph (1) of subdivision (a) of Section 53545.~~

23 ~~50702. (a) The Affordable Housing Committee is hereby~~  
24 ~~established in state government, consisting of five members~~  
25 ~~appointed as follows:~~

26 ~~(1) Two members shall be local elected officials who have~~  
27 ~~extensive backgrounds in the development of affordable housing~~  
28 ~~programs and shall be selected and appointed by the Senate~~  
29 ~~Committee on Rules.~~

30 ~~(2) Two members shall be local elected officials who have~~  
31 ~~extensive backgrounds in the development of affordable housing~~  
32 ~~programs and shall be selected and appointed by the Assembly~~  
33 ~~Committee on Rules.~~

34 ~~(3) The fifth member shall be the Director of Housing and~~  
35 ~~Community Development or his or her designee.~~

36 ~~(b) The Affordable Housing Committee Fund is hereby~~  
37 ~~established in the State Treasury. Upon appropriation by the~~  
38 ~~Legislature, moneys in the fund shall be available for the purposes~~  
39 ~~of making loans authorized under this section.~~

- 1     ~~(e) The committee shall manage the fund and shall review and~~  
2 ~~approve loan applications, originate loans, and service loans.~~
- 3     ~~(d) Applicants may apply for loans to purchase real property~~  
4 ~~for the development or preservation of housing affordable to~~  
5 ~~low-income households.~~
- 6     ~~(e) Applicants shall demonstrate all of the following:~~
  - 7         ~~(1) The support of the local government in which the real~~  
8 ~~property is located for the proposed development project. Support~~  
9 ~~may be demonstrated through a letter from the governing board~~  
10 ~~or the manager of the housing or community development~~  
11 ~~department.~~
  - 12         ~~(2) Availability of additional funds equal to three times the loan~~  
13 ~~amount.~~
  - 14         ~~(3) Sufficient organizational stability and capacity to carry out~~  
15 ~~the proposed development project for which the property is being~~  
16 ~~purchased. Capacity may be demonstrated by substantial successful~~  
17 ~~experience performing similar activities, or through other means~~  
18 ~~acceptable to the department.~~
  - 19         ~~(4) Not less than five years of experience in the construction or~~  
20 ~~acquisition and rehabilitation of affordable housing in this state.~~
  - 21         ~~(5) Completion of not less than five housing development~~  
22 ~~projects during the past five years, with each project having not~~  
23 ~~less than 40 percent of the units sold at affordable housing cost,~~  
24 ~~as defined in Section 50052.5.~~
- 25     ~~(f) Upon appropriation by the Legislature, the sum of twenty-five~~  
26 ~~million dollars (\$25,000,000) shall be transferred to the fund from~~  
27 ~~the Affordable Housing Innovation Fund established under~~  
28 ~~subparagraph (F) of paragraph (1) of subdivision (a) of Section~~  
29 ~~53545.~~