

ASSEMBLY BILL

No. 1129

Introduced by Assembly Member Arambula

February 23, 2007

An act to add Section 53545.7 to, and to add Chapter 13.5 (commencing with Section 50845) to Part 2 of Division 31 of, the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1129, as introduced, Arambula. Rural regional affordable housing trust.

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 define a rural regional affordable housing trust as an entity of regional government that (1) is established as a joint powers authority; (2) has a voluntary membership consisting of not less than 2 rural counties, and the cities within those counties, and not less than 2 councils of governments serving the area of the 2 counties; (3) is established for the purpose of receiving and administering federal, state, local, and private financial resources made available to the trust to fund the development of affordable housing projects in jurisdictions that are members of the trust; and (4) has demonstrable, ongoing sources of dedicated revenue, including taxes, fees, loan repayments, and private contributions.

The bill would require the department, when reviewing and ranking grant and loan applications for the funds made available under the bond act, to add points to the scores of, or otherwise prioritize, applications for projects located in a jurisdiction that is a member of a rural regional affordable housing trust fund.

The bill would establish the San Joaquin Valley Rural Regional Affordable Housing Trust as a joint powers authority, limited in membership to the cities, counties, and councils of government in the Counties of Kern, Kings, Tulare, Fresno, Madera, Merced, Stanislaus, and San Joaquin, for the purposes of fostering the regional collaboration of San Joaquin Valley cities, counties, developers, financial institutions, and community-based organizations to meet affordable housing needs in the region.

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 Legislature finds and declares all of the
2 following:

3 (a) The cumulative population of the San Joaquin Valley,
4 including the Counties of San Joaquin, Stanislaus, Merced, Madera,
5 Fresno, Kings, Tulare, and Kern, currently totals 3.3 million people,
6 which is doubled every 30 years, and which is expected to grow
7 to 5 million people by the year 2025. This growth places extreme
8 pressure on the region and its communities to provide increased
9 levels of housing for the shelter of residents and workers.

10 (b) The median household income of the valley is twelve
11 thousand dollars (\$12,000) below the statewide median. Six of the
12 eight counties in the valley rank among the 13 lowest wage rate
13 areas in the state. Fifty percent of valley residents cannot afford a
14 median-priced two bedroom rental apartment, and rental rates have
15 recently increased by 24 percent. The population density of the
16 valley, which is 5.5 persons per acre, is significantly lower than
17 the statewide average.

18 (c) The relatively large size of the valley region, and vast
19 expanses of undeveloped agricultural land that spatially separate
20 one valley community from another, have resulted in planning
21 decisions to accommodate growth on a community-by-community
22 basis.

1 (d) Changing social and economic circumstances spurred by
 2 changes in mobility, labor costs, land and housing prices, and
 3 environmental factors in the valley region, coupled with new
 4 housing bond money made available under the Housing and
 5 Emergency Shelter Trust Fund Act of 2006, and the formation of
 6 the California Partnership for the San Joaquin Valley, has created
 7 a unique opportunity to establish a San Joaquin Valley Rural
 8 Regional Affordable Housing Trust Fund to assist valley
 9 communities in the provision of affordable housing for residents
 10 and workers. The trust fund can provide the valley region with the
 11 ways and means to cooperatively meet the housing goals set forth
 12 in community general plans throughout the valley and described
 13 in the San Joaquin valley Regional Blueprints.

14 (e) Regional housing trusts established in rural areas throughout
 15 the state can provide cohesive direction to meeting the affordable
 16 housing needs of rural areas by aggregating resources to plan and
 17 finance projects in rural communities that could not accomplish
 18 this on their own.

19 (f) It is therefore the intent of the Legislature to enable and
 20 encourage the formation of Rural Regional Affordable Housing
 21 Trusts in different areas of the state that can assist rural
 22 communities in securing and distributing affordable housing
 23 development funding.

24 SEC. 2. Chapter 13.5 (commencing with Section 50845) is
 25 added to Part 2 of Division 31 of the Health and Safety Code, to
 26 read:

27
 28 CHAPTER 13.5. SAN JOAQUIN VALLEY RURAL REGIONAL
 29 AFFORDABLE HOUSING TRUST
 30

31 50845. (a) The San Joaquin Valley Rural Regional Affordable
 32 Housing Trust is hereby established as a joint powers authority
 33 pursuant to Article 1 (commencing with Section 6500) of Chapter
 34 5 of Division 7 of Title 1 of the Government Code, for the
 35 following purposes:

36 (1) Receiving and administering federal, state, local, and private
 37 financial resources made available to the trust for the development
 38 of affordable housing projects in communities that are members
 39 of the trust.

1 (2) Fostering the regional collaboration of cities, counties,
2 developers, and financial and community-based organizations in
3 its geographical area to meet affordable housing needs, as set forth
4 in the general plans of the members, and consistent with San
5 Joaquin Valley Regional Blueprints.

6 (b) For the purposes of this chapter, the “trust” is the San
7 Joaquin Valley Rural Regional Affordable Housing Trust
8 established under subdivision (a).

9 (c) Membership in the trust is voluntary and is limited to cities,
10 counties, and councils of government in the Counties of Kern,
11 Kings, Tulare, Fresno, Madera, Merced, Stanislaus, and San
12 Joaquin.

13 50845.2. The trust shall do all of the following:

14 (a) Establish a governing board, which may include, but is not
15 limited to, one representative of each member jurisdiction.

16 (b) Develop a regionwide strategy for selecting and funding
17 affordable housing projects that is consistent with and helps
18 implement the goals and vision of the San Joaquin Valley Regional
19 Blueprints.

20 (c) Apply for federal grants and state loans and grants, and
21 solicit and receive contributions from trust members and private
22 organizations, including, but not limited to, other trusts,
23 foundations, and financial institutions that are dedicated to funding
24 the operation of the trust and funding affordable housing grants
25 and loans made by the trust to affordable housing projects in the
26 region.

27 (d) Create one or more revolving loan accounts for funding
28 affordable housing projects located in the jurisdictions of trust
29 members.

30 (e) Make loans to nonprofit housing corporations, and other
31 public and private entities proposing to build affordable housing
32 projects in the region served by the trust. Loan funds shall be
33 disbursed only after the governing body of the jurisdiction within
34 which the project will be built has certified that the project is
35 consistent with the housing element of the community’s general
36 plan and the applicable San Joaquin Valley Regional Blueprint.
37 Certification shall also include assurances that each project will
38 have obtained all environmental clearances and development
39 permits, and that there is a local financial commitment to the
40 project.

- 1 (f) Develop criteria for selecting projects for funding. Criteria
2 shall address the following issues:
- 3 (1) Housing densities.
 - 4 (2) Mixed income development.
 - 5 (3) Infill development.
 - 6 (4) Fair share allocation.
 - 7 (5) Transit-oriented development.
 - 8 (6) Proximity to centers of employment.
- 9 (g) Establish requirements for local financial project
10 commitments or matching contributions by local jurisdictions and
11 other project sponsors.
- 12 (h) Establish loan repayment terms.
- 13 (i) Develop benchmarks and performance standards to monitor
14 the progress of each project for which the trust provides funding.
15 The standards and benchmarks shall be developed in consideration
16 of benchmarks and standards that are used by other affordable
17 housing funding entities.
- 18 (j) Provide technical assistance to members on affordable
19 housing projects.
- 20 (k) Assist in assembling partnerships for affordable housing
21 demonstration projects of larger, master planned, mixed use
22 elements, with high-density design.
- 23 (l) Prepare reports and supporting documentation that may be
24 required as a condition of receiving federal and state funding.
- 25 (m) Develop and implement a regional education campaign that
26 promotes the benefits of higher density, mixed use, public
27 transit-oriented communities that are responsive to local and state
28 environmental policies.
- 29 (n) Make recommendations to the Governor and the Legislature
30 for regulatory reform that can eliminate obstacles to providing
31 affordable housing.
- 32 (o) Commencing on January 1, 2010, make a biennial report to
33 the Secretary of Business, Transportation and Housing and the
34 Director of Housing and Community Development on its activities
35 during the preceding two fiscal years, and the impacts those
36 activities have had in providing affordable housing in the region,
37 in fostering a regional approach to meeting affordable housing
38 needs, and in implementing the housing goals of the San Joaquin
39 Valley Regional Blueprints.

1 50845.4. The governing board shall adopt a set of bylaws that
2 shall address, but are not limited to, all of the following issues:

- 3 (a) Organizational structure of the trust.
- 4 (b) The dues structure.
- 5 (c) The voting structure.
- 6 (d) Member contribution requirements.
- 7 (e) Annual election of officers.
- 8 (f) A mission statement that sets forth a purpose to foster the
- 9 regional collaboration of San Joaquin Valley cities, counties,
- 10 developers, financial institutions, and community-based
- 11 organizations to meet affordable housing needs in the region.

12 50845.6. The trust may use funds that it receives, other than
13 federal and state housing grants, to pay for its operations.

14 50845.8. The trust shall utilize the staff services of member
15 jurisdictions to carry out its functions to the maximum feasible
16 extent. However, the trust may hire staff and consultants for
17 specialized purposes, such as conducting studies and grant writing.

18 50846. The governing board may form advisory committees,
19 as deemed necessary.

20 50846.2. The governing board shall be the approving authority
21 for grant applications submitted for approval by the trust, and shall
22 set the terms for receiving grants and loans made to the trust. The
23 board shall also approve the conditions under which the trust may
24 make loans to affordable housing project applicants.

25 SEC. 3. Section 53545.7 is added to the Health and Safety
26 Code, to read:

27 53545.7. (a) For the purposes of this section, a rural regional
28 affordable housing trust is an entity of regional government that
29 meets all of the following criteria:

30 (1) Has a voluntary membership consisting of not less than two
31 rural counties, and the cities within those counties, and not less
32 than two councils of governments serving the area of the two
33 counties. In the case of Imperial County, the membership may
34 consist of not less than three cities within the county and the
35 council of governments serving the county.

36 (2) Is established as a joint powers authority, pursuant to Article
37 1 (commencing with Section 6500) of Chapter 5 of Division 7 of
38 Title 1 of the Government Code.

39 (3) Is established for the purpose of receiving and administering
40 federal, state, local, and private financial resources made available

1 to the trust to fund the development of affordable housing projects
2 in jurisdictions that are members of the trust.

3 (4) Has bylaws that include, but are not limited to, all of the
4 following:

5 (A) A mission statement that sets forth a purpose to foster the
6 regional collaboration of cities, counties, developers, financial
7 institutions, and community-based organizations in the
8 geographical area served by the trust, to meet affordable housing
9 needs in the region.

10 (B) Provisions establishing a governing board that includes not
11 less than one representative from each member jurisdiction.

12 (C) A requirement that each member jurisdiction will make a
13 minimum financial contribution to the trust.

14 (5) Has an adopted set of funding priorities that emphasize all
15 of the following:

16 (A) Increased housing densities.

17 (B) Mixed income development.

18 (C) Infill development.

19 (D) Fair share allocation.

20 (E) Transit-oriented development.

21 (F) Proximity to centers of employment.

22 (6) Has demonstrable, ongoing sources of dedicated revenue,
23 including, but not limited to, taxes, fees, loan repayments, and
24 private contributions.

25 (b) In order to encourage communities in rural areas to
26 collaborate in the provision of affordable housing, the department,
27 when reviewing and ranking grant and loan applications for the
28 funds made available under Section 53545, shall add points to the
29 scores of, or otherwise prioritize, applications for projects located
30 in a jurisdiction that is a member of a rural regional affordable
31 housing trust fund.