

AMENDED IN ASSEMBLY JANUARY 7, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1129**

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**Introduced by Assembly Member Arambula**

February 23, 2007

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~~An act to add Section 53545.7 to, and to add Chapter 13.5~~ *An act 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 amended, Arambula. ~~Rural regional affordable housing trust.~~ *San Joaquin Valley Regional Affordable Housing Trust.*

*The Planning and Zoning-law requires each city, county, or city and county to prepare and adopt a general plan for its jurisdiction that contains mandatory elements, including a housing element. The housing element is prepared for the purposes of, among other things fostering cooperation among local governments in order to address regional housing needs.*

*This bill would establish the San Joaquin Valley Regional Affordable Housing Trust as a voluntary organization 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.*

~~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-no. 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.

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

9 (c) The relatively large size of the valley region, and vast  
10 expanses of undeveloped agricultural land that spatially separate  
11 one valley community from another, have resulted in planning  
12 decisions to accommodate growth on a community-by-community  
13 basis.

14 (d) Changing social and economic circumstances spurred by  
15 changes in mobility, labor costs, land and housing prices, and  
16 environmental factors in the valley region, coupled with new  
17 housing bond money made available under the Housing and  
18 Emergency Shelter Trust Fund Act of 2006, and the formation of  
19 the California Partnership for the San Joaquin Valley, has created  
20 a unique opportunity to establish a San Joaquin Valley ~~Rural~~  
21 Regional Affordable Housing Trust Fund to assist valley  
22 communities in the provision of affordable housing for residents  
23 and workers. The trust fund can provide the valley region with the  
24 ways and means to cooperatively meet the housing goals set forth  
25 in community general plans throughout the valley and described  
26 in the San Joaquin ~~valley~~ Valley Regional Blueprints.

27 ~~(e) Regional housing trusts established in rural areas throughout~~  
28 ~~the state can provide cohesive direction to meeting the affordable~~  
29 ~~housing needs of rural areas by aggregating resources to plan and~~  
30 ~~finance projects in rural communities that could not accomplish~~  
31 ~~this on their own.~~

32 ~~(f) It is therefore the intent of the Legislature to enable and~~  
33 ~~encourage the formation of Rural Regional Affordable Housing~~  
34 ~~Trusts in different areas of the state that can assist rural~~

35 *(e) It is therefore the intent of the Legislature to establish the*  
36 *San Joaquin Valley Regional Affordable Housing Trust to assist*  
37 *communities in securing and distributing affordable housing*  
38 *development funding.*

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

4  
 5 CHAPTER 13.5. SAN JOAQUIN VALLEY ~~RURAL~~ REGIONAL  
 6 AFFORDABLE HOUSING TRUST  
 7

8 50845. (a) The San Joaquin Valley ~~Rural~~ Regional Affordable  
 9 Housing Trust is hereby established ~~as a joint powers authority~~  
 10 ~~pursuant to Article 1 (commencing with Section 6500) of Chapter~~  
 11 ~~5 of Division 7 of Title 1 of the Government Code, for the~~ *for the*  
 12 following purposes:

13 (1) Receiving and administering federal, state, local, and private  
 14 financial resources made available to the trust for the development  
 15 of affordable housing projects in communities that are members  
 16 of the trust.

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

22 (b) For the purposes of this chapter, the “trust” is the San  
 23 Joaquin Valley ~~Rural~~ Regional Affordable Housing Trust  
 24 established under subdivision (a).

25 ~~(e) Membership in the trust is voluntary and is limited to cities,~~  
 26 ~~counties, and councils of government in the Counties of Kern,~~  
 27 ~~Kings, Tulare, Fresno, Madera, Merced, Stanislaus, and San~~  
 28 ~~Joaquin.~~

29 50845.2. The trust shall do all of the following:

30 (a) Establish a governing board, which may include, but is not  
 31 limited to, ~~one representative of each member jurisdiction~~ *one*  
 32 *member from each participating council of governments in the*  
 33 *San Joaquin Valley, three representatives from the California*  
 34 *Partnership for the San Joaquin Valley, one representative from*  
 35 *an affordable housing advocate organization from the San Joaquin*  
 36 *Valley, one representative from a nonprofit affordable housing*  
 37 *developer in the San Joaquin Valley, and one housing industry*  
 38 *representative from the San Joaquin Valley. Membership in the*  
 39 *trust is voluntary.*

1 (b) Develop a regionwide strategy for selecting and funding  
2 affordable housing projects that is consistent with and helps  
3 implement the goals and vision of the San Joaquin Valley Regional  
4 Blueprints.

5 (c) Apply for federal grants and state loans and grants, and  
6 solicit and receive contributions from trust members and private  
7 organizations, including, but not limited to, other trusts,  
8 foundations, and financial institutions that are dedicated to funding  
9 the operation of the trust and funding affordable housing grants  
10 and loans made by the trust to affordable housing projects in the  
11 region.

12 (d) Create one or more revolving loan accounts for funding  
13 affordable housing projects located in the jurisdictions of trust  
14 members.

15 (e) Make loans to nonprofit housing corporations, and other  
16 public and private entities proposing to build affordable housing  
17 projects in the region served by the trust. Loan funds shall be  
18 disbursed only after the governing body of the jurisdiction within  
19 which the project will be built has certified that the project is  
20 consistent with the housing element of the community's general  
21 plan and the applicable San Joaquin Valley Regional Blueprint.  
22 Certification shall also include assurances that each project will  
23 have obtained all environmental clearances and development  
24 permits, and that there is a local financial commitment to the  
25 project.

26 (f) Develop criteria for selecting projects for funding. Criteria  
27 shall address the following issues:

- 28 (1) Housing densities.
- 29 (2) Mixed income development.
- 30 (3) Infill development.
- 31 (4) Fair share allocation.
- 32 (5) Transit-oriented development.
- 33 (6) Proximity to centers of employment.

34 (g) Establish requirements for local financial project  
35 commitments or matching contributions by local jurisdictions and  
36 other project sponsors.

37 (h) Establish loan repayment terms.

38 (i) Develop benchmarks and performance standards to monitor  
39 the progress of each project for which the trust provides funding.  
40 The standards and benchmarks shall be developed in consideration

1 of benchmarks and standards that are used by other affordable  
2 housing funding entities.

3 (j) Provide technical assistance to members on affordable  
4 housing projects.

5 (k) Assist in assembling partnerships for affordable housing  
6 demonstration projects of larger, master planned, mixed use  
7 elements, with high-density design.

8 (l) Prepare reports and supporting documentation that may be  
9 required as a condition of receiving federal and state funding.

10 (m) Develop and implement a regional education campaign that  
11 promotes the benefits of higher density, mixed use, public  
12 transit-oriented communities that are responsive to local and state  
13 environmental policies.

14 (n) Make recommendations to the Governor and the Legislature  
15 for regulatory reform that can eliminate obstacles to providing  
16 affordable housing.

17 (o) Commencing on January 1, ~~2010~~ 2011, make a biennial  
18 report to the Secretary of Business, Transportation and Housing  
19 and the Director of Housing and Community Development on its  
20 activities during the preceding two fiscal years, and the impacts  
21 those activities have had in providing affordable housing in the  
22 region, in fostering a regional approach to meeting affordable  
23 housing needs, and in implementing the housing goals of the San  
24 Joaquin Valley Regional Blueprints.

25 50845.4. The governing board shall adopt a set of bylaws that  
26 shall address, but are not limited to, all of the following issues:

27 (a) Organizational structure of the trust.

28 (b) The dues structure.

29 (c) The voting structure.

30 (d) Member contribution requirements.

31 (e) Annual election of officers.

32 (f) A mission statement that sets forth a purpose to foster the  
33 regional collaboration of San Joaquin Valley cities, counties,  
34 developers, financial institutions, and community-based  
35 organizations to meet affordable housing needs in the region.

36 50845.6. The trust may use funds that it receives, other than  
37 federal and state housing grants, to pay for its operations.

38 50845.8. The trust shall utilize the staff services of member  
39 jurisdictions to carry out its functions to the maximum feasible

1 extent. However, the trust may hire staff and consultants for  
2 specialized purposes, such as conducting studies and grant writing.

3 50846. The governing board may form advisory committees,  
4 as deemed necessary.

5 50846.2. The governing board shall be the approving authority  
6 for grant applications submitted for approval by the trust, and shall  
7 set the terms for receiving grants and loans made to the trust. The  
8 board shall also approve the conditions under which the trust may  
9 make loans to affordable housing project applicants.

10 SEC. 3. ~~Section 53545.7 is added to the Health and Safety~~  
11 ~~Code, to read:~~

12 ~~53545.7. (a) For the purposes of this section, a rural regional~~  
13 ~~affordable housing trust is an entity of regional government that~~  
14 ~~meets all of the following criteria:~~

15 ~~(1) Has a voluntary membership consisting of not less than two~~  
16 ~~rural counties, and the cities within those counties, and not less~~  
17 ~~than two councils of governments serving the area of the two~~  
18 ~~counties. In the case of Imperial County, the membership may~~  
19 ~~consist of not less than three cities within the county and the~~  
20 ~~council of governments serving the county.~~

21 ~~(2) Is established as a joint powers authority, pursuant to Article~~  
22 ~~1 (commencing with Section 6500) of Chapter 5 of Division 7 of~~  
23 ~~Title 1 of the Government Code.~~

24 ~~(3) Is established for the purpose of receiving and administering~~  
25 ~~federal, state, local, and private financial resources made available~~  
26 ~~to the trust to fund the development of affordable housing projects~~  
27 ~~in jurisdictions that are members of the trust.~~

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

30 ~~(A) A mission statement that sets forth a purpose to foster the~~  
31 ~~regional collaboration of cities, counties, developers, financial~~  
32 ~~institutions, and community-based organizations in the~~  
33 ~~geographical area served by the trust, to meet affordable housing~~  
34 ~~needs in the region.~~

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

37 ~~(C) A requirement that each member jurisdiction will make a~~  
38 ~~minimum financial contribution to the trust.~~

39 ~~(5) Has an adopted set of funding priorities that emphasize all~~  
40 ~~of the following:~~

- 1 ~~(A) Increased housing densities.~~
- 2 ~~(B) Mixed income development.~~
- 3 ~~(C) Infill development.~~
- 4 ~~(D) Fair share allocation.~~
- 5 ~~(E) Transit-oriented development.~~
- 6 ~~(F) Proximity to centers of employment.~~
- 7 ~~(6) Has demonstrable, ongoing sources of dedicated revenue,~~
- 8 ~~including, but not limited to, taxes, fees, loan repayments, and~~
- 9 ~~private contributions.~~
- 10 ~~(b) In order to encourage communities in rural areas to~~
- 11 ~~collaborate in the provision of affordable housing, the department,~~
- 12 ~~when reviewing and ranking grant and loan applications for the~~
- 13 ~~funds made available under Section 53545, shall add points to the~~
- 14 ~~scores of, or otherwise prioritize, applications for projects located~~
- 15 ~~in a jurisdiction that is a member of a rural regional affordable~~
- 16 ~~housing trust fund.~~