

AMENDED IN ASSEMBLY APRIL 30, 2009

AMENDED IN ASSEMBLY APRIL 20, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## ASSEMBLY BILL

**No. 767**

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**Introduced by Assembly Members Ammiano and Bass**

February 26, 2009

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An act to amend Section 53545 of the Health and Safety Code, relating to housing, *and declaring the urgency thereof, to take effect immediately.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 767, as amended, Ammiano. Housing and Emergency Shelter Trust Fund of 2006: reversion of funds.

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. One billion five hundred million dollars of proceeds from the sale of these bonds are required to be deposited in the Affordable Housing Account and a specified amount of money in the account are to be transferred to the Housing Rehabilitation Loan Fund, expended under the Multifamily Housing Program, and the Building Equity and Growth in Neighborhoods Fund, to be used for the Building Equity and Growth in Neighborhoods Program. Existing law requires that any funds not encumbered for these purposes within 30 months of availability revert for general use in the Multifamily Housing Program and CalHome Program, respectively.

This bill would require that funds transferred to the Housing Rehabilitation Loan Fund that are not encumbered by July 31, ~~2012~~

2011, revert for general use unless the Department of Housing and Community Development determines that the funds should revert sooner due to diminished demand. The bill would also require that funds transferred to the Building Equity and Growth in Neighborhoods Fund that are not encumbered by ~~August 17, 2012~~, *November 17, 2011*, revert for general use unless the department determines that the funds should revert sooner due to diminished demand.

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

Vote: ~~majority~~<sup>2/3</sup>. 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

1 provide higher per-unit loan limits as necessary to achieve  
2 affordable housing costs to the target population. Any funds not  
3 encumbered for the purposes of this clause by July 31, ~~2012~~ 2011,  
4 shall revert for general use in the Multifamily Housing Program  
5 unless the department determines that funds should revert sooner  
6 due to diminished demand.

7 (B) One hundred ninety-five million dollars (\$195,000,000)  
8 shall be transferred to the Housing Rehabilitation Loan Fund to  
9 be expended for the Multifamily Housing Program authorized by  
10 Chapter 6.7 (commencing with Section 50675) of Part 2, to be  
11 used for supportive housing for individuals and households moving  
12 from emergency shelters or transitional housing or those at risk of  
13 homelessness. The Department of Housing and Community  
14 Development shall provide for higher per-unit loan limits as  
15 reasonably necessary to achieve housing costs affordable to those  
16 individuals and households. For purposes of this subparagraph,  
17 “supportive housing” means housing with no limit on length of  
18 stay, that is occupied by the target population, as defined in  
19 subdivision (d) of Section 53260, and that is linked to onsite or  
20 offsite services that assist the tenant to retain the housing, improve  
21 his or her health status, maximize his or her ability to live, and,  
22 when possible, work in the community. The criteria for selecting  
23 projects shall give priority to:

24 (i) Supportive housing for people with disabilities who would  
25 otherwise be at high risk of homelessness where the applications  
26 represent collaboration with programs that meet the needs of the  
27 person’s disabilities.

28 (ii) Projects that demonstrate funding commitments from local  
29 governments for operating subsidies or services funding, or both,  
30 for five years or longer.

31 (C) One hundred thirty-five million dollars (\$135,000,000) shall  
32 be transferred to the fund created by subdivision (b) of Section  
33 50517.5 to be expended for the programs authorized by Chapter  
34 3.2 (commencing with Section 50517.5) of Part 2.

35 (D) Three hundred million dollars (\$300,000,000) shall be  
36 transferred to the Self-Help Housing Fund created by Section  
37 50697.1. These funds shall be available to the Department of  
38 Housing and Community Development, to be expended for the  
39 purposes of enabling households to become or remain homeowners  
40 pursuant to the CalHome Program authorized by Chapter 6

(commencing with Section 50650) of Part 2, except ten million dollars (\$10,000,000) shall be expended for construction management under the California Self-Help Housing Program pursuant to subdivision (b) of Section 50696.

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

(F) One hundred million dollars (\$100,000,000) shall be transferred to the Affordable Housing Innovation Fund, which is hereby created in the State Treasury, to be administered by the Department of Housing and Community Development. Funds shall be expended for competitive grants or loans to sponsoring entities that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. Specific criteria establishing eligibility for and use of the funds shall be established in statute as approved by a  $\frac{2}{3}$  vote of each house of the Legislature. Any funds not encumbered for the purposes set forth in this subparagraph within 30 months of availability shall revert to the Self-Help Housing Fund created by Section 50697.1 and shall be available for the purposes described in subparagraph (D).

(G) One hundred twenty-five million dollars (\$125,000,000) shall be transferred to the Building Equity and Growth in Neighborhoods Fund to be used for the Building Equity and Growth in Neighborhoods (BEGIN) Program pursuant to Chapter 14.5 (commencing with Section 50860) of Part 1. Any funds not encumbered for the purposes set forth in this subparagraph by ~~August 17, 2012~~ *November 17, 2011*, shall revert for general use in the CalHome Program unless the department determines that funds should revert sooner due to diminished demand.

(H) Fifty million dollars (\$50,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be distributed in the form of capital development grants under the Emergency Housing and Assistance Program authorized by Chapter 11.5

(commencing with Section 50800) of Part 2 of Division 31. The funds shall be administered by the Department of Housing and Community Development in a manner consistent with the restrictions and authorizations contained in Provision 3 of Item 2240-105-0001 of the Budget Act of 2000, except that any appropriations in that item shall not apply. The competitive system used by the department shall incorporate priorities set by the designated local boards and their input as to the relative merits of submitted applications from within the designated local board's county in relation to those priorities. In addition, the funding limitations contained in this section shall not apply to the appropriation in that budget item.

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

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

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

(b) Eight hundred fifty million dollars (\$850,000,000) shall be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, and subject to such other conditions and criteria as the Legislature may provide in statute, for the following purposes:

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

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

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

3 (C) Transportation improvements related to infill development  
4 projects.

5 (D) Traffic mitigation.

6 (2) For brownfield cleanup that promotes infill housing  
7 development and other related infill development consistent with  
8 regional and local plans.

9 (c) Three hundred million dollars (\$300,000,000) to be deposited  
10 in the Transit-Oriented Development Account, which is hereby  
11 created in the fund, for transfer to the Transit-Oriented  
12 Development Implementation Fund, for expenditure, upon  
13 appropriation by the Legislature, pursuant to the Transit-Oriented  
14 Development Implementation Program authorized by Part 13  
15 (commencing with Section 53560).

16 (d) Two hundred million dollars (\$200,000,000) shall be  
17 deposited in the Housing Urban-Suburban-and-Rural Parks  
18 Account, which is hereby created in the fund. Funds in the account  
19 shall be available upon appropriation by the Legislature for  
20 housing-related parks grants in urban, suburban, and rural areas,  
21 subject to the conditions and criteria that the Legislature may  
22 provide in statute.

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

27 *In order to avoid a reversion of funds appropriated for housing*  
28 *for homeless youth under the Multifamily Housing Program, it is*  
29 *necessary that this act take effect immediately.*