

AMENDED IN ASSEMBLY APRIL 20, 2010

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2293

Introduced by Assembly Member Torres

February 18, 2010

An act relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2293, as amended, Torres. Housing: construction loans.

Existing law establishes the Multifamily Housing Program, the Joe Serna, Jr. Farmworker Housing Grant Program, and the Transit-Oriented Development Implementation Program, administered by the Department of Housing and Community Development, which provide assistance for multifamily housing, farmworker housing, and development of high density uses within close proximity to transit stations, respectively.

This bill would authorize the department, until June 30, 2013, and for purposes of loan awards made pursuant to these programs, to contract with a construction lender to make permanent loan funds available and to reserve or set aside funds for a project as of the date of closing of the construction loan, as specified. The bill would authorize the department to charge a fee sufficient to cover the cost of performing duties associated with implementing these provisions.

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. (a) This section shall apply to loan awards made
2 pursuant to all of the following programs:

3 (1) The Multifamily Housing Program authorized by Chapter
4 6.7 (commencing with Section 50675) of Part 2 of Division 31 of
5 the Health and Safety Code.

6 (2) The Joe Serna, Jr. Farmworker Housing Grant Program
7 authorized by Section 50517.5 of the Health and Safety Code,
8 including, but not limited to, subdivision (c) of Section 50517.10
9 of the Health and Safety Code.

10 (3) The Transit-Oriented Development Implementation Program
11 authorized by Part 13 (commencing with Section 53560) of
12 Division 31 of the Health and Safety Code.

13 (b) ~~If the~~*The* Department of Housing and Community
14 Development ~~has determined that it has sufficient funds to meet~~
15 ~~commitments to projects that have relied on a department~~
16 ~~subordination agreement-estoppel certificate to start construction;~~
17 ~~the department~~ may, until June 30, 2013, do both of the following
18 with funds available to the programs specified in subdivision (a):

19 (1) Contract with a construction lender to make permanent loan
20 funds available for a project during the construction period, in
21 which case the department shall, in conjunction with the
22 construction lender, engage a construction inspector or utilize the
23 reports of the construction inspector engaged by the lender.

24 (2) Reserve or set aside funds for a project as of the date of
25 closing of the construction loan. The department shall establish a
26 procedure for determining which projects qualify to have funds
27 escrowed. ~~The procedure shall consider the amount of time needed~~
28 ~~to close the funding, the existence of local approvals for the project,~~
29 ~~and commitments from other funding sources.~~ *placed into escrow.*

30 (c) (1) The department may not exercise its authority pursuant
31 to this section for any project that received an award after
32 December 18, 2008, until the department has received or obtained
33 access to bond funds sufficient to fund all projects within the same
34 class of tax-exempt or taxable bond projects that received an award
35 prior to December 18, 2008.

36 (2) If the department exercises its authority pursuant to this
37 section, it shall provide the loans and funds specified in paragraphs

- 1 (1) and (2) of subdivision (b) to program awardees in the order in
- 2 which they received their awards.
- 3 (3) The department may charge a fee sufficient to cover the cost
- 4 of performing the duties associated with the implementation of
- 5 this section.

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