

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2536

Introduced by Assembly Member John A. Perez

February 19, 2010

An act to amend Section 53545 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2536, as amended, John A. Perez. Housing and Emergency Shelter Trust Fund Act of 2006: ~~homelessness~~; *supportive housing*.

The Housing and Emergency Shelter Trust Fund Act of 2006, adopted and approved by the voters at the November 7, 2006, statewide general election, authorized the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Under the act, \$50,000,000 is 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.

This bill would require that the funds transferred to the Emergency Housing and Assistance Fund also be made available for supportive housing purposes, as specified.

~~The Housing and Emergency Shelter Trust Fund Act of 2006 authorizes the issuance of bonds to finance various existing housing programs, emergency housing, and capital outlay related to infill development. The act authorizes the Legislature to amend provisions of law related to programs to which funds have been allocated, as specified, for the purpose of improving the efficiency and the effectiveness of the program, or for the purpose of furthering the goals of the program.~~

~~This bill would express the intent of the Legislature to enact legislation amending the provisions of law related to certain programs funded under the act in furtherance of the act's goals as they relate to homelessness.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-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
27 provide higher per-unit loan limits as necessary to achieve
28 affordable housing costs to the target population. Any funds not
29 encumbered for the purposes of this clause by July 31, 2011, shall
30 revert for general use in the Multifamily Housing Program unless

1 the department determines that funds should revert sooner due to
2 diminished demand.

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

20 (i) Supportive housing for people with disabilities who would
21 otherwise be at high risk of homelessness where the applications
22 represent collaboration with programs that meet the needs of the
23 person’s disabilities.

24 (ii) Projects that demonstrate funding commitments from local
25 governments for operating subsidies or services funding, or both,
26 for five years or longer.

27 (C) One hundred thirty-five million dollars (\$135,000,000) shall
28 be transferred to the fund created by subdivision (b) of Section
29 50517.5 to be expended for the programs authorized by Chapter
30 3.2 (commencing with Section 50517.5) of Part 2.

31 (D) Three hundred million dollars (\$300,000,000) shall be
32 transferred to the Self-Help Housing Fund created by Section
33 50697.1. These funds shall be available to the Department of
34 Housing and Community Development, to be expended for the
35 purposes of enabling households to become or remain homeowners
36 pursuant to the CalHome Program authorized by Chapter 6
37 (commencing with Section 50650) of Part 2, except ten million
38 dollars (\$10,000,000) shall be expended for construction
39 management under the California Self-Help Housing Program
40 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 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~~ *for both of the following purposes:*

(i) *Distribution 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.

(ii) *The availability of funds for supportive housing purposes specified in subparagraph (B).*

(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 ~~SECTION 1. It is the intent of the Legislature to enact~~
24 ~~legislation amending the provisions of law related to certain~~
25 ~~programs funded under the Housing and Emergency Shelter Trust~~
26 ~~Fund Act of 2006. It is further the intent of the Legislature to~~
27 ~~amend these provisions in furtherance of the act's goals as they~~
28 ~~relate to homelessness.~~