

**Introduced by Senator Cedillo**February 27, 2009

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An act to amend Section 50675.5 of, and to add Part 14 (commencing with Section 53600) to Division 31 of, the Health and Safety Code, relating to housing, by providing the funds necessary therefor through the issuance and sale of bonds to the State of California and by providing the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 595, as introduced, Cedillo. Homeless Veterans Housing and Supportive Services Act of 2010.

(1) Existing law establishes the Multifamily Housing Program under the administration of the Department of Housing and Community Development to provide assistance to housing projects in the form of a deferred payment loan to pay for the eligible costs of specified developments. Existing law includes as eligible costs, the cost of developing dwelling units, transitional housing, and child care, and after school care and social service facilities integrally linked to the assisted dwelling units.

This bill would include as an eligible cost the cost of supportive service facilities integrally linked to homeless veteran dwelling units assisted pursuant to the Homeless Veterans Housing and Supportive Services Act of 2010.

(2) Under existing law, there are programs providing assistance for, among other things, multifamily housing, emergency housing, farmworker housing, home ownership for very low and low-income households, and downpayment assistance for first-time home buyers.

This bill would enact the Homeless Veterans Housing and Supportive Services Act of 2010, which, if adopted, would authorize the issuance of bonds in the amount of \$1,500,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance supportive housing projects for homeless veterans, or veterans at risk of homelessness, with incomes below limits determined by the Department of Housing and Community Development.

The bill would provide for submission of the bond act to the voters at the November 2, 2010, statewide general election in accordance with specified law.

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

Vote:  $\frac{2}{3}$ . 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) The Legislature finds and declares all of the  
2 following:  
3 (1) Approximately 30,000 to 55,000 veterans are homeless in  
4 California on any given night. Approximately twice that number  
5 experience homelessness in California over the course of a year.  
6 (2) Approximately 2 percent of California's veterans are  
7 homeless; only one state has a larger percentage of homeless  
8 veterans.  
9 (3) Veterans are disproportionately represented among the  
10 homeless. Recent statistics show that nationwide, veterans comprise  
11 26 percent of the total homeless population, while representing  
12 only 11 percent of the population as a whole. Another recent study  
13 found that female veterans are two to four times more at risk of  
14 homelessness than female nonveterans.  
15 (4) Lack of support and social isolation following discharge are  
16 the greatest risk factors for homelessness among veterans. Other  
17 risk factors include physical disability, mental disability, often  
18 coupled with substance abuse, and the high cost of housing relative  
19 to income, especially for extremely low-income veterans. Recent  
20 veterans of Operation Enduring Freedom (Afghanistan) and  
21 Operation Iraqi Freedom suffer in large numbers from  
22 post-traumatic stress disorder (PTSD) and traumatic brain injury

1 (TBI), both of which may lead to problems and disabilities that  
2 ultimately result in homelessness.

3 (5) Supportive housing combines permanent affordable housing  
4 with services, including mental and physical health, employment  
5 training, substance abuse recovery, readjustment counseling, and  
6 therapy for PTSD, TBI, or other service-related trauma. Supportive  
7 housing is an efficient and effective method to reduce chronic  
8 homelessness.

9 (6) The Department of Housing and Community Development,  
10 through the existing Multifamily Housing Program, provides  
11 financial assistance to supportive housing providers. The  
12 Department of Veterans Affairs is the state's point of contact for  
13 homeless veterans, providing outreach and resource referrals for  
14 homeless veterans and agencies.

15 (7) Since the end of World War I, the people of the state have  
16 acknowledged the sacrifices made by our veterans, and manifested  
17 its appreciation for those sacrifices through various home and farm  
18 purchase programs. Veterans who are not in a position to purchase  
19 a home also deserve the appreciation and recognition of the people  
20 for their sacrifices.

21 (8) There is currently an urgent need to provide affordable  
22 housing with supportive services for California's extremely  
23 low-income homeless veterans.

24 (9) There is a critical need to provide financial assistance to  
25 build permanent supportive housing for homeless veterans,  
26 maintain that housing in a decent and safe condition at an  
27 affordable level to extremely low-income veterans, and ensure the  
28 long-term provision of appropriate supportive services.

29 SEC. 2. Section 50675.5 of the Health and Safety Code is  
30 amended to read:

31 50675.5. (a) Eligible costs shall include ~~the cost of developing~~  
32 ~~dwelling units, transitional housing, and child care, and after school~~  
33 ~~care and social service facilities integrally linked to the assisted~~  
34 ~~dwelling units~~ all of the following:

35 (a) *The cost of developing dwelling units, transitional housing,*  
36 *and child care.*

37 (b) *The cost of after school care and social service facilities*  
38 *integrally linked to the assisted dwelling units.*

39 (c) *The cost of supportive services integrally linked to units*  
40 *assisted pursuant to Part 14 (commencing with Section 53600).*

1 (b)

2 (d) Eligible cost categories shall include all of the following:

3 (1) Real property acquisition, including refinancing of existing  
4 debt to the extent necessary to reduce debt service to a level  
5 consistent with the provision of affordable rents and the fiscal  
6 integrity of the project.

7 (2) New construction or rehabilitation, including the conversion  
8 of nonresidential structures to residential use.

9 (3) General property improvements that are necessary to correct  
10 unsafe, unhealthy, or unsanitary conditions, including renovations  
11 and remodeling, including, but not limited to, remodeling of  
12 kitchens and bathrooms, installation of new appliances,  
13 landscaping, and purchase or installation of central air conditioning.

14 (4) Necessary and related onsite and offsite improvements.

15 (5) Reasonable developer fees.

16 (6) Reasonable consulting costs.

17 (7) Initial operating costs for housing units.

18 (8) Capitalized reserves for replacement and operation. The  
19 department may allow capitalized operating reserves to be used  
20 for rent subsidies for assisted units reserved for occupancy by  
21 households with incomes below limits determined by the  
22 department, ~~which shall not exceed the income limit for very low~~  
23 ~~income households.~~ *The department may also allow capitalized*  
24 *operating reserves to be used for supportive services for units*  
25 *assisted pursuant to Part 14 (commencing with Section 53600).*

26 (9) Any other costs of rehabilitation or new construction  
27 authorized by the department.

28 SEC. 3. Part 14 (commencing with Section 53600) is added to  
29 Division 31 of the Health and Safety Code, to read:

30

31 PART 14. HOMELESS VETERANS HOUSING AND  
32 SUPPORTIVE SERVICES ACT OF 2010

33

34 CHAPTER 1. GENERAL PROVISIONS

35

36 53600. This part shall be known and may be cited as the  
37 Homeless Veterans Housing and Supportive Services Act of 2010.

38 53601. As used in this part, the following terms have the  
39 following meanings:

1 (a) “Committee” means the Veterans Supportive Housing Trust  
2 Fund Finance Committee created pursuant Section 53624.

3 (b) “Fund” mean the Veterans Supportive Housing Trust Fund  
4 created pursuant to Section 53620.

5 (c) “Veteran” has the same meaning as defined in Section 980  
6 of the Military and Veterans Code.

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CHAPTER 2. HOMELESS VETERANS TRUST FUND

10 53620. The Veterans Supportive Housing Trust Fund is hereby  
11 created. The proceeds of bonds issued and sold pursuant to this  
12 part shall be deposited in the fund. Proceeds of bonds deposited  
13 in the fund shall be allocated and utilized in accordance with  
14 Chapter 4 (commencing with Section 53633).

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CHAPTER 3. FISCAL PROVISIONS

18 53621. Bonds in the total amount of one billion five hundred  
19 million dollars (\$1,500,000,000) exclusive of refunding bonds, or  
20 the amount that is determined necessary and feasible by the  
21 committee in order to effectuate this part or to conduct an effective  
22 sale, may be issued and sold to provide a fund to be used for  
23 carrying out the purposes expressed in this part and to be used to  
24 reimburse the General Obligation Bond Expense Revolving Fund  
25 pursuant to Section 16724.5 of the Government Code. The bonds  
26 shall, when sold, be and constitute a valid legally and binding  
27 obligation of the state, and the full faith and credit of the state is  
28 hereby pledged for the punctual payment of both principal of, and  
29 interest on, the bonds as the principal and interest become due and  
30 payable.

31 53622. Any bonds issued and sold pursuant to this part may  
32 be refunded by the issuance of refunding bonds in accordance with  
33 Article 6 (commencing with Section 16780) of Chapter 4 of Part  
34 3 of Division 4 of Title 2 of the Government Code. Approval by  
35 the electors of the state for the issuance of bonds described in this  
36 chapter shall include the approval of the issuance of any bonds  
37 issued to refund any bonds originally issued or any previously  
38 issued refunding bonds.

39 53623. (a) The bonds authorized by this part shall be prepared,  
40 executed, issued, sold, paid, and redeemed as provided in the State

1 General Obligation Bond Law (Chapter 4 (commencing with  
2 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
3 Code), except subdivision (a) of Section 16727 to the extent that  
4 it is inconsistent with this part, and all of the other provisions of  
5 that law apply to the bonds and to this part and are hereby  
6 incorporated in this part as though set forth in full in this part.

7 (b) Pursuant to the State General Obligation Bond Law, the cost  
8 of bond issuance shall be paid out of the bond proceeds. These  
9 costs shall be shared proportionally by each program funded  
10 through this chapter.

11 53624. (a) Solely for the purpose of authorizing the issuance  
12 and sale, pursuant to the State General Obligation Bond Law, of  
13 the bonds authorized by this part, the Veterans Supportive Housing  
14 Trust Fund Finance Committee is hereby created. For purposes of  
15 this part, the Veterans Supportive Housing Trust Fund Finance  
16 Committee is “the committee” as that term is used in the State  
17 General Obligation Bond Law. The committee consists of the  
18 Controller, the Treasurer, the Director of Finance, the Director of  
19 Veterans Affairs, and the Director of Housing and Community  
20 Development, or their designated representatives. The Treasurer  
21 shall serve as the chairperson of the committee. A majority of the  
22 committee may act for the committee.

23 (b) For purposes of the State General Obligation Bond Law, the  
24 Department of Housing and Community Development is designated  
25 the “board.”

26 53625. Upon request of the board stating that funds are needed  
27 for the purposes of this chapter, the committee shall determine  
28 whether or not it is necessary or desirable to issue bonds authorized  
29 pursuant to this part in order to carry out the actions specified in  
30 Chapter 4 (commencing with Section 53633) and, if so, the amount  
31 of bonds to be issued and sold. Successive issues of bonds may be  
32 authorized and sold to carry out those actions progressively, and  
33 it is not necessary that all of the bonds authorized to be issued be  
34 sold at any one time.

35 53626. There shall be collected each year and in the same  
36 manner and at the same time as other state revenue is collected,  
37 in addition to the ordinary revenues of the state, a sum in an amount  
38 required to pay the principal of, and interest on, the bonds each  
39 year, and it is the duty of all officers charged by law with any duty

1 in regard to the collection of the revenue to do and perform each  
2 and every act that is necessary to collect that additional sum.

3 53627. Notwithstanding Section 13340 of the Government  
4 Code, there is hereby appropriated from the General Fund, for the  
5 purposes of this part, an amount that will equal the total of the  
6 following:

7 (a) The sum annually necessary to pay the principal of, and  
8 interest on, bonds issued and sold pursuant to this part, as the  
9 principal and interest become due and payable.

10 (b) The sum necessary to carry out the provisions of Section  
11 53628, appropriated without regard to fiscal years.

12 53628. For the purposes of this part, the Director of Finance  
13 may authorize the withdrawal from the General Fund of an amount  
14 or amounts not to exceed the amount of the unsold bonds that have  
15 been authorized by the committee to be sold for the purpose of  
16 carrying out this part. Any amounts withdrawn shall be deposited  
17 in the fund. Any money made available under this section shall be  
18 returned to the General Fund from money received from the sale  
19 of bonds for the purpose of carrying out this part.

20 53629. Notwithstanding any other provision of this part, or of  
21 the State General Obligation Bond Law, if the Treasurer sells bonds  
22 pursuant to this part that include a bond counsel opinion to the  
23 effect that the interest on the bonds is excluded from gross income  
24 for federal tax purposes under designated conditions, the Treasurer  
25 may maintain separate accounts for the bond proceeds invested  
26 and the investment earnings on those proceeds, and may use or  
27 direct the use of those proceeds or earnings to pay any rebate,  
28 penalty, or other payment required under federal law, or take any  
29 other action with respect to the investment and use of those bond  
30 proceeds, as may be required or desirable under federal law in  
31 order to maintain the tax exempt status of those bonds and to obtain  
32 any other advantage under federal law on behalf of the funds of  
33 this state.

34 53630. The board may request the Pooled Money Investment  
35 Board to make a loan from the Pooled Money Investment Account,  
36 in accordance with Section 16312 of the Government Code, for  
37 the purposes of carrying out this part. The amount of the request  
38 shall not exceed the amount of unsold bonds that the committee  
39 has by resolution authorized to be sold for the purpose of carrying  
40 out this part. The board shall execute any documents that are

1 required by the Pooled Money Investment Board to obtain and  
2 repay the loan. Any amounts loaned shall be deposited in the fund  
3 to be allocated by the board in accordance with this part.

4 53631. All money deposited in the fund that is derived from  
5 premiums and accrued interest on bonds sold shall be reserved in  
6 the fund and shall be available for transfer to the General Fund as  
7 a credit to expenditures for bond interest.

8 53632. The Legislature hereby finds and declares that,  
9 inasmuch as the proceeds from the sale of bonds authorized by  
10 this part are not “proceeds of taxes” as that term is used in Article  
11 XIII B of the California Constitution, the disbursement of these  
12 proceeds is not subject to the limitations imposed by that article.

13  
14 CHAPTER 4. ALLOCATION OF VETERANS SUPPORTIVE HOUSING  
15 BOND REVENUES  
16

17 53633. (a) Money deposited in the fund from the sale of bonds  
18 pursuant to this part shall be transferred to the Housing  
19 Rehabilitation Loan Fund to be expended for the Multifamily  
20 Housing Program authorized by Chapter 6.7 (commencing with  
21 Section 50675) of Part 2, to be used for supportive housing projects  
22 for homeless veterans, or veterans at risk of homelessness, with  
23 incomes below limits determined by the department, which shall  
24 not exceed the income limit for extremely low income households.  
25 The department may provide for higher per-unit loan limits as  
26 reasonably necessary to provide and maintain rents affordable to  
27 those individuals and households. For purposes of this subdivision,  
28 “supportive housing” means housing with no limit on length of  
29 stay, that is occupied by veterans as described above, and that is  
30 linked to onsite or offsite services that assist the tenant to retain  
31 the housing, improve his or her health status, including treatment  
32 for military service-related needs, readjustment counseling, therapy  
33 for post-traumatic stress disorder, traumatic brain injury, and other  
34 trauma, and maximize his or her ability to live, and, when possible,  
35 work in the community. Units assisted under the program may be  
36 combined in residential and mixed use projects with other assisted  
37 and nonassisted units. The department shall adopt guidelines for  
38 the program that, among other things, shall maximize the number  
39 of units assisted, promote the long-term availability of supportive  
40 services, limit the expenditure of funds for administrative costs,

1 and maximize the leverage of public and private financing sources.  
2 The guidelines adopted by the department shall not be subject to  
3 the requirements of Chapter 6.5 (commencing with Section 11340)  
4 of Part 1 of Division 3 of Title 2 of the Government Code.

5 (b) No portion of the money allocated pursuant to this section  
6 may be expended for project operating costs; however, this section  
7 does not preclude expenditures for capitalized operating or service  
8 costs.

9 (c) The Legislature may, from time to time, amend the  
10 provisions of law related to programs to which funds are, or have  
11 been, allocated pursuant to this section for the purpose of  
12 improving the efficiency and effectiveness of the program, or for  
13 the purpose of furthering the goals of the program.

14 (d) The Bureau of State Audits shall conduct periodic audits to  
15 ensure that bond proceeds are awarded in a timely fashion and in  
16 a manner consistent with the requirements of this part, and that  
17 awardees of bond proceeds are using funds in compliance with  
18 applicable provisions of this part.

19 SEC. 4. Section 3 of this act shall become operative upon the  
20 adoption by the voters of the Homeless Veterans Housing and  
21 Supportive Services Act of 2010, as set forth in Section 3 of this  
22 act.

23 SEC. 5. Section 3 of this act shall be submitted to the voters  
24 at the November 2, 2010, statewide general election in accordance  
25 with provisions of the Government Code and the Elections Code  
26 governing the submission of statewide measures to the voters.

27 SEC. 6. (a) Notwithstanding any other provision of law, all  
28 ballots of the election shall have printed thereon and in a square  
29 thereof, the words: "Homeless Veterans Housing and Supportive  
30 Services Act of 2010," and in the same square under those words,  
31 the following in 8-point type: "This act provides for a bond issue  
32 of one billion five hundred million dollars (\$1,500,000,000) to  
33 provide funds for supportive housing projects for homeless veterans  
34 or veterans at risk of homelessness, with incomes below limits  
35 determined by the Department of Housing and Community  
36 Development." Opposite the square, there shall be left spaces in  
37 which the voters may place a cross in the manner required by law  
38 to indicate whether they vote for or against the act.

39 (b) Where the voting in the election is done by means of voting  
40 machines used pursuant to law in a manner that carries out the

1 intent of this section, the use of the voting machines and the  
2 expression of the voters' choice by means thereof are in compliance  
3 with this section.

4 SEC. 7. It is the intent of the Legislature that, to the extent  
5 funds authorized by this act are available to local governmental  
6 entities, federally recognized California Indian tribes shall also be  
7 eligible to apply for those funds, be considered on the merits of  
8 the application, and receive and expend those funds.

9 SEC. 8. This act is an urgency statute necessary for the  
10 immediate preservation of the public peace, health, or safety within  
11 the meaning of Article IV of the Constitution and shall go into  
12 immediate effect. The facts constituting the necessity are:

13 In order to provide for the submission of Section 3 of this act to  
14 the voters at the November 2, 2010, statewide general election,  
15 and to implement other housing and related programs in a timely  
16 manner, it is necessary that this act take effect immediately.