

Introduced by Senator Cedillo

February 27, 2009

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, *and to amend Section 980 of the Military and Veterans Code*, relating to housing, by providing the funds necessary therefor through the issuance and sale of bonds ~~to~~ *by* 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 amended, 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) *Existing law defines “veteran” for the purposes of the various programs bestowing benefits upon veterans.*

This bill would make a technical, nonsubstantive change to that definition.

(3)

(4) 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

1 risk factors include physical disability, mental disability, often
2 coupled with substance abuse, and the high cost of housing relative
3 to income, especially for extremely low-income veterans. Recent
4 veterans of Operation Enduring Freedom (Afghanistan) and
5 Operation Iraqi Freedom suffer in large numbers from
6 post-traumatic stress disorder (PTSD) and traumatic brain injury
7 (TBI), both of which may lead to problems and disabilities that
8 ultimately result in homelessness.

9 (5) Supportive housing combines permanent affordable housing
10 with services, including mental and physical health, employment
11 training, substance abuse recovery, readjustment counseling, and
12 therapy for PTSD, TBI, or other service-related trauma. Supportive
13 housing is an efficient and effective method to reduce chronic
14 homelessness.

15 (6) The Department of Housing and Community Development,
16 through the existing Multifamily Housing Program, provides
17 financial assistance to supportive housing providers. The
18 Department of Veterans Affairs is the state's point of contact for
19 homeless veterans, providing outreach and resource referrals for
20 homeless veterans and agencies.

21 (7) Since the end of World War I, the people of the state have
22 acknowledged the sacrifices made by our veterans, and manifested
23 its appreciation for those sacrifices through various home and farm
24 purchase programs. Veterans who are not in a position to purchase
25 a home also deserve the appreciation and recognition of the people
26 for their sacrifices.

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

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

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

37 50675.5. (a) Eligible costs shall include all of the following:

38 (a) The cost of developing dwelling units, transitional housing,
39 and child care.

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

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

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

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

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

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

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

19 (5) Reasonable developer fees.

20 (6) Reasonable consulting costs.

21 (7) Initial operating costs for housing units.

22 (8) Capitalized reserves for replacement and operation. The
23 department may allow capitalized operating reserves to be used
24 for rent subsidies for assisted units reserved for occupancy by
25 households with incomes below limits determined by the
26 department. The department may also allow capitalized operating
27 reserves to be used for supportive services for units assisted
28 pursuant to Part 14 (commencing with Section 53600).

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

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

33
34 PART 14. HOMELESS VETERANS HOUSING AND
35 SUPPORTIVE SERVICES ACT OF 2010

36
37 CHAPTER 1. GENERAL PROVISIONS

38
39 53600. This part shall be known and may be cited as the
40 Homeless Veterans Housing and Supportive Services Act of 2010.

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

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

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

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

CHAPTER 2. HOMELESS VETERANS TRUST FUND

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

CHAPTER 3. FISCAL PROVISIONS

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

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

1 53623. (a) The bonds authorized by this part shall be prepared,
2 executed, issued, sold, paid, and redeemed as provided in the State
3 General Obligation Bond Law (Chapter 4 (commencing with
4 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
5 Code), except subdivision (a) of Section 16727 to the extent that
6 it is inconsistent with this part, and all of the other provisions of
7 that law apply to the bonds and to this part and are hereby
8 incorporated in this part as though set forth in full in this part.

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

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

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

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

37 53626. There shall be collected each year and in the same
38 manner and at the same time as other state revenue is collected,
39 in addition to the ordinary revenues of the state, a sum in an amount
40 required to pay the principal of, and interest on, the bonds each

year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

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

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

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

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

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

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

1 out this part. The board shall execute any documents that are
2 required by the Pooled Money Investment Board to obtain and
3 repay the loan. Any amounts loaned shall be deposited in the fund
4 to be allocated by the board in accordance with this part.

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

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

14
15 CHAPTER 4. ALLOCATION OF VETERANS SUPPORTIVE HOUSING
16 BOND REVENUES
17

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

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

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

(c) 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 section for the purpose of improving the efficiency and effectiveness of the program, or for the purpose of furthering the goals of the program.

(d) 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 part, and that awardees of bond proceeds are using funds in compliance with applicable provisions of this part.

SEC. 4. Section 980 of the Military and Veterans Code is amended to read:

980. (a) As used in this chapter, “veteran” means any of the following:

(1) Any citizen of the United States who served ~~in the active military, naval, or air service~~ *as an active duty soldier, sailor, marine, or airman* of the United States on or after April 6, 1917, and prior to November 12, 1918, and who received an honorable discharge or was released from active duty under honorable conditions.

(2) Any person who did all of the following:

(A) ~~Served in the active military, naval, or air service~~ *as an active duty soldier, sailor, marine, or airman* of the United States for a period of not less than 90 consecutive days or was discharged from the service due to a service-connected disability within that 90-day period.

(B) Received an honorable discharge or was released from active duty under honorable conditions.

(C) Performed any portion of that service during any of the following periods:

1 (i) On or after December 7, 1941, and prior to January 1, 1947,
2 including, but not limited to, members of the Philippine
3 Commonwealth Army, the Regular Scouts (“Old Scouts”), and
4 the Special Philippine Scouts (“New Scouts”).

5 (ii) On or after June 27, 1950, and prior to February 1, 1955.

6 (iii) On or after February 28, 1961, and prior to August 5, 1964,
7 in the case of a veteran who served in the Republic of Vietnam
8 during that period.

9 (iv) On or after August 5, 1964, and prior to May 8, 1975.

10 (v) On or after August 2, 1990, to and including the date on
11 which the territories in and around the Arabian Peninsula cease to
12 be designated as a place where the armed forces of the United
13 States are engaged in combat, as described in Executive Order
14 12744 of the President of the United States. It is the intent of the
15 Legislature, in enacting this clause, that the benefits provided by
16 this chapter shall be available to all veterans who were on active
17 duty in the armed forces of the United States or who were called
18 to active duty in the reserves or National Guard during the
19 pendency of the deployment of forces for Operation Desert Shield
20 or Desert Storm, which resulted in Executive Order 12744,
21 irrespective of whether these veterans served overseas or in the
22 United States.

23 (vi) At any time, in a campaign or expedition for service in
24 which a medal has been authorized by the government of the
25 United States, regardless of the number of days served on active
26 duty.

27 (vii) At any time in Somalia, or in direct support of the troops
28 in Somalia, including, but not limited to, persons stationed on ships
29 of the United States armed forces conducting support activities
30 offshore in the vicinity of Somalia, during Operation Restore Hope,
31 regardless of the number of days served.

32 (3) Any member of the reserves or National Guard who does
33 all the following:

34 (A) Is called to, and released from, active duty or active service,
35 regardless of the number of days served.

36 (B) Is called during any period when a presidential executive
37 order specifies the United States is engaged in combat or homeland
38 defense.

39 (C) Has received an honorable discharge or was released from
40 active duty or active service under honorable conditions.

1 (4) Any person who did all of the following:

2 (A) Served in the Merchant Marine Service of the United States.

3 (B) Has been granted veteran status by the United States
4 Secretary of Defense under Title IV of the GI Improvement Act
5 of 1977 (Public Law 95-202, as amended).

6 (5) Any person who qualifies under federal laws for revenue
7 bond or unrestricted funds (26 U.S.C. Sec. 143) and did all of the
8 following:

9 ~~(A) Served in the active military, naval, or air service as an~~
10 ~~active duty soldier, sailor, marine, or airman~~ of the United States
11 for a period of not less than 90 consecutive days.

12 (B) Received an honorable discharge or was released from active
13 duty or active service under honorable conditions.

14 (6) Any person who qualifies for funds made available from a
15 qualified mortgage revenue bond issued pursuant to 26 U.S.C.
16 Section 143 and is, at the time of application for Cal-Vet benefits,
17 a member of the California National Guard or a reserve component
18 of any branch of the United States armed forces who has enlisted
19 or been commissioned in that service for a period of not less than
20 six years and has completed a minimum of one year of satisfactory
21 service.

22 (b) For purposes of this chapter “veteran” does not include any
23 of the following:

24 (1) A person who was separated from the armed forces under
25 other than honorable conditions.

26 (2) A person who was separated from the armed forces on
27 account of alienage.

28 (3) A person who performed no military duty whatever or
29 refused to wear the uniform.

30 (4) A person who served only in an auxiliary or reserve
31 component of the armed forces whose service therein did not
32 provide an exemption from the operation of the Selective Training
33 and Service Act of 1940 (54 Stat. 885, as amended).

34 (5) A person whose service with the armed forces was due to
35 temporary active duty orders for the sole purpose of training duty,
36 processing, or a physical examination, except as provided for in
37 paragraph (6) of subdivision (a).

38 (6) A person whose only service was as a student at a military
39 academy and who, for any reason, failed to complete the course
40 of study and subsequently did not serve on active duty.

1 (c) For purposes of this section, “active duty” or “active service”
2 is defined as provided in 10 U.S.C. Section 101(d).

3 ~~SEC. 4.~~

4 *SEC. 5.* Section 3 of this act shall become operative upon the
5 adoption by the voters of the Homeless Veterans Housing and
6 Supportive Services Act of 2010, as set forth in Section 3 of this
7 act.

8 ~~SEC. 5.~~

9 *SEC. 6.* Section 3 of this act shall be submitted to the voters
10 at the November 2, 2010, statewide general election in accordance
11 with provisions of the Government Code and the Elections Code
12 governing the submission of statewide measures to the voters.

13 ~~SEC. 6.~~

14 *SEC. 7.* (a) Notwithstanding any other provision of law, all
15 ballots of the election shall have printed thereon and in a square
16 thereof, the words: “Homeless Veterans Housing and Supportive
17 Services Act of 2010,” and in the same square under those words,
18 the following in 8-point type: “This act provides for a bond issue
19 of one billion five hundred million dollars (\$1,500,000,000) to
20 provide funds for supportive housing projects for homeless veterans
21 or veterans at risk of homelessness, with incomes below limits
22 determined by the Department of Housing and Community
23 Development.” Opposite the square, there shall be left spaces in
24 which the voters may place a cross in the manner required by law
25 to indicate whether they vote for or against the act.

26 (b) Where the voting in the election is done by means of voting
27 machines used pursuant to law in a manner that carries out the
28 intent of this section, the use of the voting machines and the
29 expression of the voters’ choice by means thereof are in compliance
30 with this section.

31 ~~SEC. 7.~~

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

37 ~~SEC. 8.~~

38 *SEC. 9.* This act is an urgency statute necessary for the
39 immediate preservation of the public peace, health, or safety within

1 the meaning of Article IV of the Constitution and shall go into
2 immediate effect. The facts constituting the necessity are:
3 In order to provide for the submission of Section 3 of this act to
4 the voters at the November 2, 2010, statewide general election,
5 and to implement other housing and related programs in a timely
6 manner, it is necessary that this act take effect immediately.

O