

AMENDED IN SENATE MAY 4, 2009  
AMENDED IN SENATE APRIL 21, 2009

**SENATE BILL**

**No. 595**

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**Introduced by Senator Cedillo**  
*(Coauthors: Senators Correa, Florez, and Wiggins)*  
*(Coauthor: Assembly Member Carter)*

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, 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 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.

(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

1 found that female veterans are two to four times more at risk of  
2 homelessness than female nonveterans.

3 (4) Lack of support and social isolation following discharge are  
4 the greatest risk factors for homelessness among veterans. Other  
5 risk factors include physical disability, mental disability, often  
6 coupled with substance abuse, and the high cost of housing relative  
7 to income, especially for extremely ~~low-income~~ *low income*  
8 veterans. Recent veterans of Operation Enduring Freedom  
9 (Afghanistan) and Operation Iraqi Freedom suffer in large numbers  
10 from post-traumatic stress disorder (PTSD) and traumatic brain  
11 injury (TBI), both of which may lead to problems and disabilities  
12 that ultimately result in homelessness.

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

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

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

31 (8) There is currently an urgent need to provide affordable  
32 housing with supportive services for California's extremely  
33 ~~low-income~~ *low income* homeless veterans.

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

1 SEC. 2. Section 50675.5 of the Health and Safety Code is  
 2 amended to read:  
 3 50675.5. (a) Eligible costs shall include all of the following:  
 4 ~~(a)~~  
 5 (1) The cost of developing dwelling units, ~~transitional housing,~~  
 6 ~~and child care and transitional housing.~~  
 7 ~~(b)~~  
 8 (2) The cost of after school care, *child care*, and social service  
 9 facilities integrally linked to the assisted dwelling units.  
 10 ~~(c)~~  
 11 (3) The cost of supportive services integrally linked to units  
 12 assisted pursuant to Part 14 (commencing with Section 53600).  
 13 ~~(d)~~  
 14 (b) Eligible cost categories shall include all of the following:  
 15 (1) Real property acquisition, including refinancing of existing  
 16 debt to the extent necessary to reduce debt service to a level  
 17 consistent with the provision of affordable rents and the fiscal  
 18 integrity of the project.  
 19 (2) New construction or rehabilitation, including the conversion  
 20 of nonresidential structures to residential use.  
 21 (3) General property improvements that are necessary to correct  
 22 unsafe, unhealthy, or unsanitary conditions, including renovations  
 23 and remodeling, including, but not limited to, remodeling of  
 24 kitchens and bathrooms, installation of new appliances,  
 25 landscaping, and purchase or installation of central  
 26 air-conditioning.  
 27 (4) Necessary and related onsite and offsite improvements.  
 28 (5) Reasonable developer fees.  
 29 (6) Reasonable consulting costs.  
 30 (7) Initial operating costs for housing units.  
 31 (8) Capitalized reserves for replacement and operation. The  
 32 department may allow capitalized operating reserves to be used  
 33 for rent subsidies for assisted units reserved for occupancy by  
 34 households with incomes below limits determined by the  
 35 department. The department may also allow capitalized operating  
 36 reserves to be used for supportive services for units assisted  
 37 pursuant to Part 14 (commencing with Section 53600).  
 38 (9) Any other costs of rehabilitation or new construction  
 39 authorized by the department.

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

3  
4 PART 14. HOMELESS VETERANS HOUSING AND  
5 SUPPORTIVE SERVICES ACT OF 2010

6  
7 CHAPTER 1. GENERAL PROVISIONS

8  
9 53600. This part shall be known and may be cited as the  
10 Homeless Veterans Housing and Supportive Services Act of 2010.

11 53601. As used in this part, the following terms have the  
12 following meanings:

13 (a) "Committee" means the Veterans Supportive Housing Trust  
14 Fund Finance Committee created pursuant Section 53624.

15 (b) "Fund" mean the Veterans Supportive Housing Trust Fund  
16 created pursuant to Section 53620.

17 (c) "Veteran" has the same meaning as defined in Section 980  
18 of the Military and Veterans Code.

19  
20 CHAPTER 2. ~~HOMELESS VETERANS~~ VETERANS SUPPORTIVE  
21 HOUSING TRUST FUND

22  
23 53620. The Veterans Supportive Housing Trust Fund is hereby  
24 created. The proceeds of bonds issued and sold pursuant to this  
25 part shall be deposited in the fund. Proceeds of bonds deposited  
26 in the fund shall be allocated and utilized in accordance with  
27 Chapter 4 (commencing with Section 53633).

28  
29 CHAPTER 3. FISCAL PROVISIONS

30  
31 53621. Bonds in the total amount of one billion five hundred  
32 million dollars (\$1,500,000,000) exclusive of refunding bonds, or  
33 the amount that is determined necessary and feasible by the  
34 committee in order to effectuate this part or to conduct an effective  
35 sale, may be issued and sold to provide a fund to be used for  
36 carrying out the purposes expressed in this part and to be used to  
37 reimburse the General Obligation Bond Expense Revolving Fund  
38 pursuant to Section 16724.5 of the Government Code. The bonds  
39 shall, when sold, be and constitute a valid legally and binding  
40 obligation of the state, and the full faith and credit of the state is

1 hereby pledged for the punctual payment of both principal of, and  
2 interest on, the bonds as the principal and interest become due and  
3 payable.

4 53622. Any bonds issued and sold pursuant to this part may  
5 be refunded by the issuance of refunding bonds in accordance with  
6 Article 6 (commencing with Section 16780) of Chapter 4 of Part  
7 3 of Division 4 of Title 2 of the Government Code. Approval by  
8 the electors of the state for the issuance of bonds described in this  
9 chapter shall include the approval of the issuance of any bonds  
10 issued to refund any bonds originally issued or any previously  
11 issued refunding bonds.

12 53623. (a) The bonds authorized by this part shall be prepared,  
13 executed, issued, sold, paid, and redeemed as provided in the State  
14 General Obligation Bond Law (Chapter 4 (commencing with  
15 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
16 Code), except subdivision (a) of Section 16727 to the extent that  
17 it is inconsistent with this part, and all of the other provisions of  
18 that law apply to the bonds and to this part and are hereby  
19 incorporated in this part as though set forth in full in this part.

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

24 53624. (a) Solely for the purpose of authorizing the issuance  
25 and sale, pursuant to the State General Obligation Bond Law, of  
26 the bonds authorized by this part, the Veterans Supportive Housing  
27 Trust Fund Finance Committee is hereby created. For purposes of  
28 this part, the Veterans Supportive Housing Trust Fund Finance  
29 Committee is “the committee” as that term is used in the State  
30 General Obligation Bond Law. The committee consists of the  
31 Controller, the Treasurer, the Director of Finance, the Director of  
32 Veterans Affairs, and the Director of Housing and Community  
33 Development, or their designated representatives. The Treasurer  
34 shall serve as the chairperson of the committee. A majority of the  
35 committee may act for the committee.

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

39 53625. Upon request of the board stating that funds are needed  
40 for the purposes of this chapter, the committee shall determine

1 whether or not it is necessary or desirable to issue bonds authorized  
2 pursuant to this part in order to carry out the actions specified in  
3 Chapter 4 (commencing with Section 53633) and, if so, the amount  
4 of bonds to be issued and sold. Successive issues of bonds may be  
5 authorized and sold to carry out those actions progressively, and  
6 it is not necessary that all of the bonds authorized to be issued be  
7 sold at any one time.

8 53626. There shall be collected each year and in the same  
9 manner and at the same time as other state revenue is collected,  
10 in addition to the ordinary revenues of the state, a sum in an amount  
11 required to pay the principal of, and interest on, the bonds each  
12 year, and it is the duty of all officers charged by law with any duty  
13 in regard to the collection of the revenue to do and perform each  
14 and every act that is necessary to collect that additional sum.

15 53627. Notwithstanding Section 13340 of the Government  
16 Code, there is hereby appropriated from the General Fund, for the  
17 purposes of this part, an amount that will equal the total of the  
18 following:

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

22 (b) The sum necessary to carry out the provisions of Section  
23 53628, appropriated without regard to fiscal years.

24 53628. For the purposes of this part, the Director of Finance  
25 may authorize the withdrawal from the General Fund of an amount  
26 or amounts not to exceed the amount of the unsold bonds that have  
27 been authorized by the committee to be sold for the purpose of  
28 carrying out this part. Any amounts withdrawn shall be deposited  
29 in the fund. Any money made available under this section shall be  
30 returned to the General Fund from money received from the sale  
31 of bonds for the purpose of carrying out this part.

32 53629. Notwithstanding any other provision of this part, or of  
33 the State General Obligation Bond Law, if the Treasurer sells bonds  
34 pursuant to this part that include a bond counsel opinion to the  
35 effect that the interest on the bonds is excluded from gross income  
36 for federal tax purposes under designated conditions, the Treasurer  
37 may maintain separate accounts for the bond proceeds invested  
38 and the investment earnings on those proceeds, and may use or  
39 direct the use of those proceeds or earnings to pay any rebate,  
40 penalty, or other payment required under federal law, or take any

1 other action with respect to the investment and use of those bond  
2 proceeds, as may be required or desirable under federal law in  
3 order to maintain the tax exempt status of those bonds and to obtain  
4 any other advantage under federal law on behalf of the funds of  
5 this state.

6 53630. The board may request the Pooled Money Investment  
7 Board to make a loan from the Pooled Money Investment Account,  
8 in accordance with Section 16312 of the Government Code, for  
9 the purposes of carrying out this part. The amount of the request  
10 shall not exceed the amount of unsold bonds that the committee  
11 has by resolution authorized to be sold for the purpose of carrying  
12 out this part. The board shall execute any documents that are  
13 required by the Pooled Money Investment Board to obtain and  
14 repay the loan. Any amounts loaned shall be deposited in the fund  
15 to be allocated by the board in accordance with this part.

16 53631. All money deposited in the fund that is derived from  
17 premiums and accrued interest on bonds sold shall be reserved in  
18 the fund and shall be available for transfer to the General Fund as  
19 a credit to expenditures for bond interest.

20 53632. The Legislature hereby finds and declares that,  
21 inasmuch as the proceeds from the sale of bonds authorized by  
22 this part are not “proceeds of taxes” as that term is used in Article  
23 XIII B of the California Constitution, the disbursement of these  
24 proceeds is not subject to the limitations imposed by that article.

25

26 CHAPTER 4. ALLOCATION OF VETERANS SUPPORTIVE HOUSING  
27 BOND REVENUES

28

29 53633. (a) Money deposited in the fund from the sale of bonds  
30 pursuant to this part shall be transferred to the Housing  
31 Rehabilitation Loan Fund to be expended for the Multifamily  
32 Housing Program authorized by Chapter 6.7 (commencing with  
33 Section 50675) of Part 2, to be used for supportive housing projects  
34 for homeless veterans, or veterans at risk of homelessness, with  
35 incomes below limits determined by the department, which shall  
36 not exceed the income limit for extremely low income households.  
37 The department may provide for higher per-unit loan limits as  
38 reasonably necessary to provide and maintain rents affordable to  
39 those individuals and households. For purposes of this subdivision,  
40 “supportive housing” means housing with no limit on length of

1 stay, that is occupied by veterans as described above, and that is  
2 linked to onsite or offsite services that assist the tenant to retain  
3 the housing, improve his or her health status, including treatment  
4 for military service-related needs, readjustment counseling, therapy  
5 for post-traumatic stress disorder, traumatic brain injury, and other  
6 trauma, and maximize his or her ability to live, and, when possible,  
7 work in the community. Units assisted under the program may be  
8 combined in residential and mixed use projects with other assisted  
9 and nonassisted units. The department shall adopt guidelines for  
10 the program that, among other things, shall maximize the number  
11 of units assisted, promote the long-term availability of supportive  
12 services, limit the expenditure of funds for administrative costs,  
13 and maximize the leverage of public and private financing sources.  
14 The guidelines adopted by the department shall not be subject to  
15 the requirements of Chapter 6.5 (commencing with Section 11340)  
16 of Part 1 of Division 3 of Title 2 of the Government Code.

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

21 (c) The Legislature may, from time to time, amend the  
22 provisions of law related to programs to which funds are, or have  
23 been, allocated pursuant to this section for the purpose of  
24 improving the efficiency and effectiveness of the program, or for  
25 the purpose of furthering the goals of the program.

26 (d) The Bureau of State Audits shall conduct periodic audits to  
27 ensure that bond proceeds are awarded in a timely fashion and in  
28 a manner consistent with the requirements of this part, and that  
29 awardees of bond proceeds are using funds in compliance with  
30 applicable provisions of this part.

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

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

35 (1) Any citizen of the United States who served as an active  
36 duty soldier, sailor, marine, or airman of the United States on or  
37 after April 6, 1917, and prior to November 12, 1918, and who  
38 received an honorable discharge or was released from active duty  
39 under honorable conditions.

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

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

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

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

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

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

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

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

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

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

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

- 1 (3) Any member of the reserves or National Guard who does  
2 all the following:
- 3 (A) Is called to, and released from, active duty or active service,  
4 regardless of the number of days served.
- 5 (B) Is called during any period when a presidential executive  
6 order specifies the United States is engaged in combat or homeland  
7 defense.
- 8 (C) Has received an honorable discharge or was released from  
9 active duty or active service under honorable conditions.
- 10 (4) Any person who did all of the following:
- 11 (A) Served in the Merchant Marine Service of the United States.
- 12 (B) Has been granted veteran status by the United States  
13 Secretary of Defense under Title IV of the GI Improvement Act  
14 of 1977 (Public Law 95-202, as amended).
- 15 (5) Any person who qualifies under federal laws for revenue  
16 bond or unrestricted funds (26 U.S.C. Sec. 143) and did all of the  
17 following:
- 18 (A) Served as an active duty soldier, sailor, marine, or airman  
19 of the United States for a period of not less than 90 consecutive  
20 days.
- 21 (B) Received an honorable discharge or was released from active  
22 duty or active service under honorable conditions.
- 23 (6) Any person who qualifies for funds made available from a  
24 qualified mortgage revenue bond issued pursuant to 26 U.S.C.  
25 Section 143 and is, at the time of application for Cal-Vet benefits,  
26 a member of the California National Guard or a reserve component  
27 of any branch of the United States armed forces who has enlisted  
28 or been commissioned in that service for a period of not less than  
29 six years and has completed a minimum of one year of satisfactory  
30 service.
- 31 (b) For purposes of this chapter “veteran” does not include any  
32 of the following:
- 33 (1) A person who was separated from the armed forces under  
34 other than honorable conditions.
- 35 (2) A person who was separated from the armed forces on  
36 account of alienage.
- 37 (3) A person who performed no military duty whatever or  
38 refused to wear the uniform.
- 39 (4) A person who served only in an auxiliary or reserve  
40 component of the armed forces whose service therein did not

1 provide an exemption from the operation of the Selective Training  
2 and Service Act of 1940 (54 Stat. 885, as amended).

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

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

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

12 SEC. 5. Section 3 of this act shall become operative upon the  
13 adoption by the voters of the Homeless Veterans Housing and  
14 Supportive Services Act of 2010, as set forth in Section 3 of this  
15 act.

16 SEC. 6. Section 3 of this act shall be submitted to the voters  
17 at the November 2, 2010, statewide general election in accordance  
18 with provisions of the Government Code and the Elections Code  
19 governing the submission of statewide measures to the voters.

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

32 (b) Where the voting in the election is done by means of voting  
33 machines used pursuant to law in a manner that carries out the  
34 intent of this section, the use of the voting machines and the  
35 expression of the voters’ choice by means thereof are in compliance  
36 with this section.

37 SEC. 8. It is the intent of the Legislature that, to the extent  
38 funds authorized by this act are available to local governmental  
39 entities, federally recognized California Indian tribes shall also be

1 eligible to apply for those funds, be considered on the merits of  
2 the application, and receive and expend those funds.

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

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

O