ASSEMBLY BILL No. 398

Introduced by Assembly Member Migden

February 12, 1999

An act to add Part 11 (commencing with Section 53500) to Division 31 of the Health and Safety Code, relating to financing housing programs by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 398, as introduced, Migden. Housing and Homeless Bond Act of 2000.

Under existing law, there are programs providing assistance for the construction and rehabilitation of low-income rental housing, migrant farm labor centers and other farmworker housing, emergency housing and assistance to homeless persons, and predevelopment and land purchase loans for low-income housing in rural areas.

This bill would enact the Housing and Homeless Bond Act of 2000 which, if adopted, would authorize, for purposes of financing those existing housing programs, the issuance of bonds in an unspecified amount pursuant to the State General Obligation Bond Law.

Vote: $^{2}/_{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Part 11 (commencing with Section 53500) is added to Division 31 of the Health and Safety Code, to read:

PART 11. HOUSING AND HOMELESS BOND ACT OF 2000

CHAPTER 1. GENERAL PROVISIONS

53500. This part shall be known and may be cited as the Housing and Homeless Bond Act of 2000.

53501. As used in this part, the following terms have the following meanings:

(a) ‘‘Committee’’ means the Housing and Homeless Finance Committee created pursuant to Section 53524.

(b) ‘‘Fund’’ means the Home Building and Rehabilitation Fund created pursuant to Section 53520.

CHAPTER 2. HOME BUILDING AND REHABILITATION FUND

53520. The proceeds of bonds issued and sold pursuant to this part shall be deposited in the Home Building and Rehabilitation Fund, which is hereby created. Moneys in the fund shall be allocated and utilized in accordance with Chapter 4 (commencing with Section 53533).

CHAPTER 3. FISCAL PROVISIONS

53521. Bonds in the total amount of ____ ($____), or so much thereof as is necessary, 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, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of

California 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.

53522. 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 2 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of these bonds shall include the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

53523. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this part and are hereby incorporated in this part as though set forth in full in this part.

53524. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this part, the Housing and Homeless Finance Committee is hereby created. For purposes of this part, the Housing and Homeless Finance Committee is ‘‘the committee’’ as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, the Treasurer, the Director of Finance, the Director of the Department of Housing and Community Development, and the Executive Director of the California Housing Finance Agency, or their designated representatives. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the Department of Housing and Community Development is designated the ‘‘board’’ for programs administered by the department, and the California Housing Finance Agency is the ‘‘board’’ for programs administered by the agency.

53525. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this part in order to carry out the actions specified in Chapter 4 (commencing with Section 53533) and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

53526. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount 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.

53527. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, 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 which is necessary to carry out the provisions of Section 53528, appropriated without regard to fiscal years.

53528. For the purposes of carrying out 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.

53529. Notwithstanding any other provision of this bond act, or of the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), if the Treasurer sells bonds pursuant to this bond act 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.

53530. 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 out this part. The board shall execute any documents that are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this part.

53531. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

53532. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this part are not ‘‘proceeds of taxes’’ as that term is used in Article XIII B of the California

Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

CHAPTER 4. ALLOCATION OF HOUSING BOND REVENUES

53533. (a) Moneys deposited in the Home Building and Rehabilitation Fund from the sale of bonds pursuant to this part shall be allocated for expenditure in accordance with the following schedule:

(1) ____ dollars ($____) shall be transferred to the Rental Housing Construction Fund to be expended for the programs authorized by Chapter 9 (commencing with Section 50735) of Part 1, except Sections 50738.5 and 50745.1.

(2) ____ dollars ($____) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the purpose of making deferred payment loans to acquire and rehabilitate rental housing developments to be occupied by eligible households of very low and low income pursuant to Section 50670.

(3) ____ dollars ($____) shall be transferred to the department for the Farmworker Housing Grant Program authorized by Chapter 3.2 (commencing with Section 50517.5) of Part 2.

(4) ____ dollars ($____) shall be transferred to the department for expenditure for the development of migrant farm labor centers authorized by Chapter 8.5 (commencing with Section 50710) of Part 2.

(5) ____ dollars ($____) shall be transferred to the Emergency Housing and Assistance Fund to be expended for the programs authorized by Chapter 11.5 (commencing with Section 50800) of Part 2.

(6) ____ dollars ($____) shall be transferred to the Rural Predevelopment Loan Fund to be expended for predevelopment activities authorized by Chapter 3.1 (commencing with Section 50515) of Part 2.

(b) No portion of the moneys allocated pursuant to this section may be expended for project operating costs, except that this section does not preclude expenditures for operating costs from reserves required to be maintained by or on behalf of the project sponsor.

(c) Notwithstanding any other provision of law, a federally recognized California Indian tribe shall be an eligible sponsor for all funding provisions of this part.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the Housing and Homeless Bond Act of 2000, as set forth in Section 1 of this act.

SEC. 3. Section 1 of this act shall be submitted to the voters at the next statewide election in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: ‘‘Housing and Homeless Bond Act of 2000,’’ and in the same square under those words, the following in 8-point type: ‘‘This act provides for a bond issue of ____ dollars ($____) to provide funds for housing programs.’’ Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters’ choice by means thereof are in compliance with this section.

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

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