

**Introduced by Senator Migden**

February 18, 2005

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An act to amend Section ~~50199.20~~ 50650 of the Health and Safety Code, relating to low-income housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 565, as amended, Migden. ~~Low-income housing tax credit allocation program. CalHome Program.~~

*Existing law provides that the purpose of the CalHome Program is to support existing homeownership programs aimed at lower and very low-income households.*

*This bill would instead provide that the purpose of the program is to support homeownership programs aimed at these same households.*

~~Existing law, relating to the program established to provide low-income tax credits to stimulate the production and rehabilitation of shelter for lower individuals and families, authorizes, among other things, the California Tax Credit Allocation Committee to set aside up to 2% of the available tax credit for small developments as determined by the committee.~~

~~This bill would increase that amount from 2% to 5%.~~

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

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

- 1 *SECTION 1. Section 50650 of the Health and Safety Code is*
- 2 *amended to read:*
- 3 *50650. The Legislature finds and declares as follows:*

1 (a) An adequate supply of safe and affordable housing is the  
2 foundation for strong and sustainable communities. Owner  
3 occupied housing is a key housing resource, contributing to  
4 neighborhood stability as well as economic vitality.

5 (b) In California, homeownership is beyond the reach of a  
6 large segment of the population. There are also many  
7 homeowners who lack the resources to make necessary repairs to  
8 their homes, or who would welcome the opportunity to share  
9 them with suitable tenants.

10 (c) Reflecting California's diversity, there is a variety of  
11 proven approaches to the promotion of homeownership within  
12 the state. The purpose of the CalHome Program established by  
13 this chapter is to support ~~existing~~ homeownership programs  
14 aimed at lower and very low income households and operated by  
15 private nonprofit and local government agencies, and thereby to  
16 increase homeownership, encourage neighborhood revitalization  
17 and sustainable development, and maximize use of existing  
18 homes.

19 (d) The CalHome Program is intended to take the place of the  
20 Senior Citizens' Shared Housing Program established by Chapter  
21 3.6 (commencing with Section 50533), which is repealed by the  
22 act enacting this chapter.

23 ~~SECTION 1. Section 50199.20 of the Health and Safety Code~~  
24 ~~is amended to read:~~

25 ~~50199.20. (a) Not less than 20 percent of the federal ceiling~~  
26 ~~on low-income housing tax credits shall be set aside for~~  
27 ~~allocation to rural areas as defined in Section 50199.21. Any~~  
28 ~~amount of credit set aside for rural areas remaining after the~~  
29 ~~ranking of credits in the final cycle of any calendar year shall be~~  
30 ~~available for allocation to any eligible project.~~

31 ~~(b) Up to 5 percent of the low-income housing tax credit~~  
32 ~~available under this chapter and Sections 12206, 17058, and~~  
33 ~~23610.5 of the Revenue and Taxation Code may be set aside for~~  
34 ~~small developments as determined by the committee. Any~~  
35 ~~amount of credit set aside for small developments remaining after~~  
36 ~~the ranking of projects in the final cycle of any calendar year~~  
37 ~~shall be available for allocation to any eligible project.~~