

AMENDED IN ASSEMBLY APRIL 26, 2016

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2441

Introduced by Assembly Member Thurmond

February 19, 2016

An act to add Chapter 17 (commencing with Section 50897) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2441, as amended, Thurmond. Housing: Workforce Housing in ~~High-Cost Areas~~ Pilot Program.

Existing law, among several affordable housing programs, establishes the Local Housing Trust Fund Matching Grant Program, administered by the Department of Housing and Community Development, for the purpose of supporting local housing trust funds dedicated to the creation or preservation of affordable housing. Existing law authorizes the department to make matching grants available to cities and counties, or a city and county, and existing charitable nonprofit organizations that have created, funded, and operated housing trust funds.

This bill would create the Workforce Housing in ~~High-Cost Areas~~ Pilot Program, pursuant to which the department would award grant funding to eligible cities or cities and counties located in ~~a~~ high-cost counties, as specified, for the predevelopment costs, acquisition, construction, or rehabilitation of rental housing projects or units within rental housing projects, ~~the affordability of which shall be restricted for a period of at least 55 years.~~ *projects that serve, and for providing downpayment assistance to, persons and families of low or moderate*

income. The bill would require all grant funds to be matched on a dollar-for-dollar basis, unless the eligible city or city and county is suffering a hardship and is unable to generate the matching funds. The bill would require the department, on or before December 31st 31 of each year in which grant funds are awarded, to provide a report to the Legislature regarding the number of grants awarded, a description of the projects funded, the number of units funded, and the amount of matching funds received. The bill would require the pilot program to operate until all appropriated funds have been awarded. The bill would require that bill, upon the depletion of appropriated funds, would require the department shall to submit a report to the Assembly and Senate committees on appropriations evaluating the need for housing of persons and families of low and or moderate income in cities or cities and counties that received grant funds and a recommendation on whether the pilot program should continue.

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

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

1 SECTION 1. Chapter 17 (commencing with Section 50897)
 2 is added to Part 2 of Division 31 of the Health and Safety Code,
 3 to read:

4
 5 CHAPTER 17. WORKFORCE HOUSING IN HIGH-COST
 6 AREAS PILOT PROGRAM

7
 8 50897. It is the intent of the Legislature in enacting this chapter
 9 to ensure that funds allocated to *eligible cities and cities and*
 10 *counties* and administered by the Department of Housing and
 11 Community Development be of maximum benefit in meeting the
 12 needs of persons and families of low or moderate income. It is the
 13 intent of the Legislature to support Californians residing in
 14 high-cost areas *counties* where housing prices have risen to levels
 15 that are unaffordable for those individuals whose income is above
 16 60 percent of area median income. *unaffordable.* The Legislature
 17 intends that these funds be provided to eligible cities *and cities*
 18 *and counties* in high-cost areas *counties* that are experiencing a
 19 rise in home prices and rental prices so that they may assist
 20 individuals who are not able to live where they work.

1 50897.1. As used in this chapter:

2 (a) “Eligible city or city and county” means a city that resides
3 within a county that is defined by the United States Department
4 of Housing and Urban Development as a “high-cost” county.

5 (b) “Notice of funding availability” or “NOFA” means a public
6 announcement that an estimated amount of funding will be awarded
7 by a department program according to specified criteria and
8 schedules.

9 (c) “Persons and families of low or moderate income” means
10 persons and families whose ~~income exceeds 60 percent of the area~~
11 ~~median income, adjusted for family size, but no higher than 120~~
12 ~~percent of area median income. incomes do not exceed 120 percent~~
13 ~~of the area median income, adjusted for family size.~~

14 (d) “Department” means the Department of Housing and
15 Community Development.

16 50897.2. (a) There is hereby established the Workforce
17 Housing in High-Cost Areas Pilot Program.

18 (b) Subject to the availability of funding, the department shall
19 award grant funding pursuant to the issuance of a notice of funding
20 availability (NOFA) to eligible cities or cities and counties that
21 apply for financing. The department shall determine the appropriate
22 amount of the grant for the purposes of accomplishing the intent
23 of the Legislature.

24 (c) An eligible city or city and county shall do all of the
25 following:

26 (1) Use the grant funds awarded to it for the predevelopment
27 costs, acquisition, construction, or rehabilitation of rental housing
28 projects or units within rental housing ~~projects. projects that serve~~
29 ~~persons and families of low or moderate income.~~ The affordability
30 of all units assisted shall be restricted for a period of at least 55
31 years.

32 (2) Hold a public hearing to discuss and describe the project
33 that will be financed pursuant to this chapter. The meeting shall
34 be held pursuant to the Ralph M. Brown Act (Chapter 9
35 (commencing with Section 54950) of Part 1 of Division 2 of Title
36 5 of the Government Code).

37 (3) File periodic reports with the department regarding the use
38 of *grant* funds provided pursuant to this chapter.

1 (d) (1) An eligible city or city and county may use the grant
2 funds to provide downpayment assistance to persons and families
3 of low or moderate income.

4 (2) The department shall set limits on the amount of
5 downpayment assistance that may be provided pursuant to
6 paragraph (1) in order to maximize the use of the grant funds.

7 (e) (1) All grant funds awarded pursuant to this chapter shall
8 be matched on a dollar-for-dollar basis.

9 (2) Paragraph (1) shall not apply to an eligible city or city and
10 county that is suffering a hardship and is unable to generate the
11 matching funds.

12 ~~(d)~~

13 (f) On or before December 31 of each year in which funds are
14 awarded pursuant to this chapter, the department shall provide a
15 report to the Legislature regarding the number of grants awarded,
16 a description of the projects funded, the number of units funded,
17 and the amount of matching funds received.

18 ~~(e)~~

19 (g) The program shall operate until all appropriated funds have
20 been awarded.

21 ~~(f)~~

22 (h) (1) Upon the depletion of appropriated funds and the
23 termination of the pilot program pursuant to subdivision ~~(e)~~, (g),
24 the department shall submit a report to the Assembly and Senate
25 committees on appropriations. The report shall evaluate the need
26 for housing of persons and families of low ~~and~~ or moderate income
27 in cities or cities and counties that received *grant* funds pursuant
28 to this chapter. The report shall also include, but not be limited to,
29 a recommendation on whether the pilot program should continue.

30 (2) The requirement for submitting a report imposed under this
31 subdivision is inoperative four years after the report becomes due.

32 ~~(g)~~

33 (i) The reports to be submitted pursuant to subdivisions ~~(d)~~ (f)
34 and ~~(f)~~ (h) shall be submitted in compliance with Section 9795 of
35 the Government Code.