

AMENDED IN ASSEMBLY MAY 31, 2016
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 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 Pilot Program, pursuant to which the ~~department~~ *department, subject to the appropriation of funds for that purpose*, would award grant funding to eligible cities or cities and counties located in high-cost counties, as specified, for the predevelopment costs, acquisition, construction, or rehabilitation of rental housing projects or units within rental housing 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 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, upon the depletion of appropriated funds, would require the department to submit a report to the Assembly and Senate committees on appropriations evaluating the need for housing of persons and families of low 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 PILOT PROGRAM

6
7 50897. It is the intent of the Legislature in enacting this chapter
8 to ensure that funds allocated to eligible cities and cities and
9 counties and administered by the Department of Housing and
10 Community Development be of maximum benefit in meeting the
11 needs of persons and families of low or moderate income. It is the
12 intent of the Legislature to support Californians residing in
13 high-cost counties where housing prices have risen to levels that
14 are unaffordable. The Legislature intends that these funds be
15 provided to eligible cities and cities and counties in high-cost
16 counties that are experiencing a rise in home prices and rental
17 prices so that they may assist individuals who are not able to live
18 where they work.

19 50897.1. As used in this chapter:

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

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

8 (c) “Persons and families of low or moderate income” means
9 persons and families whose incomes do not exceed 120 percent
10 of the area median income, adjusted for family size.

11 (d) “Department” means the Department of Housing and
12 Community Development.

13 50897.2. (a) There is hereby established the Workforce
14 Housing in High-Cost Areas Pilot Program.

15 (b) ~~Subject to the availability of funding,~~ *appropriation of funds*
16 *for purposes of this chapter,* the department shall award grant
17 funding pursuant to the issuance of a notice of funding availability
18 (NOFA) to eligible cities or cities and counties that apply for
19 financing. The department shall determine the appropriate amount
20 of the grant for the purposes of accomplishing the intent of the
21 Legislature.

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

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

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

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

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

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

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

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

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

14 (g) The program shall operate until all appropriated funds have
15 been awarded.

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

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

26 (i) The reports to be submitted pursuant to subdivisions (f) and
27 (h) shall be submitted in compliance with Section 9795 of the
28 Government Code.