

AMENDED IN SENATE JUNE 20, 2016

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**

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**Introduced by Assembly Member Thurmond**

February 19, 2016

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

1 50897.1. As used in this chapter:

2 (a) “~~Eligible city or city and county~~” *recipient*” means ~~a any of~~  
3 *the following*:

4 (1) A city that resides within a county that is defined by the  
5 United States Department of Housing and Urban Development as  
6 a “high-cost” county.

7 (2) *A city that does not reside within a county that is defined by*  
8 *the United States Department of Housing and Urban Development*  
9 *as a “high-cost” county but has been determined by the department*  
10 *to be experiencing a rise in home prices and rental prices such*  
11 *that persons and families of low or moderate income are unable*  
12 *to live where they work.*

13 (3) *A charitable nonprofit organization organized under Section*  
14 *501(c)(3) of the Internal Revenue Code that has created and is*  
15 *operating or will operate a housing trust fund and that applies*  
16 *jointly with a city described in this subdivision.*

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

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

24 (d) “Department” means the Department of Housing and  
25 Community Development.

26 50897.2. (a) There is hereby established the Workforce  
27 Housing Pilot Program.

28 (b) Subject to the appropriation of funds for purposes of this  
29 chapter, the department shall award grant funding pursuant to the  
30 issuance of a notice of funding availability (NOFA) to eligible  
31 ~~eities or cities and counties~~ *recipients* that apply for financing. The  
32 department shall determine the appropriate amount of the grant  
33 for the purposes of accomplishing the intent of the Legislature.

34 (c) An ~~eligible city or city and county~~ *recipient* shall do all of  
35 the following:

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

1 (2) Hold a public hearing to discuss and describe the project  
2 that will be financed pursuant to this chapter. The meeting shall  
3 be held pursuant to the Ralph M. Brown Act (Chapter 9  
4 (commencing with Section 54950) of Part 1 of Division 2 of Title  
5 5 of the Government Code). *If a charitable nonprofit organization*  
6 *described in paragraph (3) of subdivision (a) is awarded grant*  
7 *funds pursuant to this chapter, the city that applied jointly with*  
8 *the charitable nonprofit organization shall hold the public hearing.*

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

11 (d) (1) An eligible ~~city or city and county~~ *recipient* may use  
12 the grant funds to provide downpayment assistance to persons and  
13 families of low or moderate income.

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

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

19 (2) Paragraph (1) shall not apply to an eligible ~~city or city and~~  
20 ~~county~~ *recipient* that is suffering a hardship and is unable to  
21 generate the matching funds.

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

27 (g) The program shall operate until all appropriated funds have  
28 been awarded.

29 (h) (1) Upon the depletion of appropriated funds and the  
30 termination of the pilot program pursuant to subdivision (g), the  
31 department shall submit a report to the Assembly and Senate  
32 committees on appropriations. The report shall evaluate the need  
33 for housing of persons and families of low or moderate income in  
34 ~~cities or cities and counties~~ *areas* that received grant funds pursuant  
35 to this chapter. The report shall also include, but not be limited to,  
36 a recommendation on whether the pilot program should continue.

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

- 1 (i) The reports to be submitted pursuant to subdivisions (f) and
- 2 (h) shall be submitted in compliance with Section 9795 of the
- 3 Government Code.

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