

AMENDED IN SENATE JUNE 30, 2016

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

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, subject to the appropriation of funds for that purpose, would award grant funding to eligible 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 recipient is suffering a hardship and is unable to generate the matching funds. *The bill would require the Department of Finance to determine whether an eligible recipient is suffering a hardship.* The bill would require the ~~department,~~ *Department of Housing and Community Development*, 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 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~~ *HOUSING PILOT*
 6 PROGRAM
 7

8 50897. It is the intent of the Legislature in enacting this chapter
 9 to ensure that funds allocated to eligible recipients and administered
 10 by the Department of Housing and Community Development be
 11 of maximum benefit in meeting the needs of persons and families
 12 of low or moderate income. It is the intent of the Legislature to
 13 support Californians residing in areas where housing prices have
 14 risen to levels that are unaffordable. The Legislature intends that
 15 these funds be provided to eligible recipients in areas that are

1 experiencing a rise in home prices and rental prices so that they
2 may assist individuals who are not able to live where they work.

3 50897.1. As used in this chapter:

4 (a) “Eligible recipient” means any of the following:

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

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

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

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

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

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

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

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

35 (c) An eligible recipient shall do all of 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 the
8 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 recipient may use the grant funds to provide
12 downpayment assistance to persons and families of low or
13 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) (A) Paragraph (1) shall not apply to an eligible recipient
20 that is suffering a hardship and is unable to generate the matching
21 funds.

22 (B) *An eligible recipient shall demonstrate the hardship to the*
23 *Department of Finance, and the Department of Finance shall*
24 *determine whether the eligible recipient is suffering a hardship.*
25 *The eligible recipient shall submit any information requested by*
26 *the Department of Finance for purposes of determining whether*
27 *a hardship exists.*

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

33 (g) The program shall operate until all appropriated funds have
34 been awarded.

35 (h) (1) Upon the depletion of appropriated funds and the
36 termination of the pilot program pursuant to subdivision (g), the
37 department shall submit a report to the Assembly and Senate
38 committees on appropriations. The report shall evaluate the need
39 for housing of persons and families of low or moderate income in
40 areas that received grant funds pursuant to this chapter. The report

1 shall also include, but not be limited to, a recommendation on
2 whether the pilot program should continue.

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

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

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