



AGENDA

BOARD OF SUPERVISORS, COUNTY OF MONO STATE OF CALIFORNIA

MEETING LOCATION Mammoth Lakes CAO Conference Room, 3rd Floor Sierra Center Mall, 452 Old Mammoth Rd. Suite 306, Mammoth Lakes, CA 93546

Special Meeting April 18, 2019

TELECONFERENCE LOCATIONS:

Bridgeport CAO Conference Room, First Floor, 74 School St., Bridgeport, CA., 93517.

NOTE: In compliance with the Americans with Disabilities Act if you need special assistance to participate in this meeting, please contact Shannon Kendall, Clerk of the Board, at (760) 932-5533. Notification 48 hours prior to the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting (See 42 USCS 12132, 28CFR 35.130).

Full agenda packets are available for the public to review in the Office of the Clerk of the Board (Annex I - 74 North School Street, Bridgeport, CA 93517), and in the County Offices located in Minaret Mall, 2nd Floor (437 Old Mammoth Road, Mammoth Lakes CA 93546). Any writing distributed less than 72 hours prior to the meeting will be available for public inspection in the Office of the Clerk of the Board (Annex I - 74 North School Street, Bridgeport, CA 93517). **ON THE WEB:** You can view the upcoming agenda at <http://monocounty.ca.gov>. If you would like to receive an automatic copy of this agenda by email, please subscribe to the Board of Supervisors Agendas on our website at <http://monocounty.ca.gov/bos>.

10:00 AM Call meeting to Order

Pledge of Allegiance

1 OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

on items of public interest that are within the subject matter jurisdiction of the Board. (Speakers may be limited in speaking time dependent upon the press of business and number of persons wishing to address the Board.)

2. AGENDA ITEMS

A. Closed Session - Public Employment

PUBLIC EMPLOYMENT. Government Code section 54957. Title: County Administrative Officer (CAO).

B. Closed Session - Initiation of Litigation

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code section 54956.9. Number of potential cases: one.

C. Closed Session - Existing Litigation

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION. Paragraph (1) of subdivision (d) of Government Code section 54956.9. Name of case: *U.S.A. et al. v. Walker River Irrigation District et al.*, U.S. Ninth Circuit Court of Appeals, Case No. 15-16478 (and related cases).

D. Letter of Support for AB 1010

Departments: Board of Supervisors

10 minutes (5 minute presentation, 5 minute discussion)

(Supervisor Halferty) - AB 1010 would address the ambiguities and omissions in State law that currently limit access by California tribes and tribal entities to housing and community development programs operated by the California Department of Housing and Community Development (HCD). It would also reconstitute the California Indian Assistance Program at HCD. Given Mono County's rich history and currently active tribes, it is in the best interest of Mono County and its residents to support the expansion of funding available in Mono County to help address the shortage of safe, adequate and affordable housing. Supporting Assembly Bill 1010 would allow more of Mono County's citizens access to State housing funds.

Recommended Action: Approve and authorize Chair to sign letter of support as presented or as modified by the Board.

Fiscal Impact: None.

ADJOURN



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

SPECIAL MEETING AGENDA REQUEST

Print

MEETING DATE	April 18, 2019	DEPARTMENT	
ADDITIONAL DEPARTMENTS			
TIME REQUIRED		PERSONS APPEARING BEFORE THE BOARD	
SUBJECT	Closed Session - Public Employment		

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

PUBLIC EMPLOYMENT. Government Code section 54957. Title: County Administrative Officer (CAO).

RECOMMENDED ACTION:

FISCAL IMPACT:

CONTACT NAME:

PHONE/EMAIL: /

SUBMIT THE ORIGINAL DOCUMENT WITH ATTACHMENTS TO THE OFFICE OF THE COUNTY ADMINISTRATOR
**PRIOR TO 5:00 P.M. ON THE FRIDAY
32 DAYS PRECEDING THE BOARD MEETING**

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

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No Attachments Available

History

Time

Who

Approval



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

SPECIAL MEETING AGENDA REQUEST

Print

MEETING DATE	April 18, 2019	DEPARTMENT	
ADDITIONAL DEPARTMENTS			
TIME REQUIRED		PERSONS APPEARING BEFORE THE BOARD	
SUBJECT	Closed Session - Initiation of Litigation		

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code section 54956.9. Number of potential cases: one.

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MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

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No Attachments Available

History

Time	Who	Approval
4/16/2019 4:41 PM	County Administrative Office	Yes

4/16/2019 2:09 PM

County Counsel

Yes

4/16/2019 2:47 PM

Finance

Yes



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

SPECIAL MEETING AGENDA REQUEST

Print

MEETING DATE	April 18, 2019	DEPARTMENT	
ADDITIONAL DEPARTMENTS			
TIME REQUIRED		PERSONS APPEARING BEFORE THE BOARD	
SUBJECT	Closed Session - Existing Litigation		

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION. Paragraph (1) of subdivision (d) of Government Code section 54956.9. Name of case: *U.S.A. et al. v. Walker River Irrigation District et al.*, U.S. Ninth Circuit Court of Appeals, Case No. 15-16478 (and related cases).

RECOMMENDED ACTION:

FISCAL IMPACT:

CONTACT NAME:

PHONE/EMAIL: /

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SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

<p>Click to download</p> <p>No Attachments Available</p>
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History

Time	Who	Approval
4/16/2019 4:41 PM	County Administrative Office	Yes

4/16/2019 2:09 PM

County Counsel

Yes

4/16/2019 2:48 PM

Finance

Yes



**OFFICE OF THE CLERK
OF THE BOARD OF SUPERVISORS**

SPECIAL MEETING AGENDA REQUEST

Print

MEETING DATE	April 18, 2019	DEPARTMENT	
ADDITIONAL DEPARTMENTS			
TIME REQUIRED	10 minutes (5 minute presentation, 5 minute discussion)	PERSONS APPEARING BEFORE THE BOARD	Supervisor Halferty
SUBJECT	Letter of Support for AB 1010		

AGENDA DESCRIPTION:

(A brief general description of what the Board will hear, discuss, consider, or act upon)

AB 1010 would address the ambiguities and omissions in State law that currently limit access by California tribes and tribal entities to housing and community development programs operated by the California Department of Housing and Community Development (HCD). It would also reconstitute the California Indian Assistance Program at HCD. Given Mono County's rich history and currently active tribes, it is in the best interest of Mono County and its residents to support the expansion of funding available in Mono County to help address the shortage of safe, adequate and affordable housing. Supporting Assembly Bill 1010 would allow more of Mono County's citizens access to State housing funds.

RECOMMENDED ACTION:

Approve and authorize Chair to sign letter of support as presented or as modified by the Board.

FISCAL IMPACT:

None.

CONTACT NAME: Jennifer Halferty

PHONE/EMAIL: / jhalferty@mono.ca.gov

SUBMIT THE ORIGINAL DOCUMENT WITH ATTACHMENTS TO THE OFFICE OF THE COUNTY ADMINISTRATOR
PRIOR TO 5:00 P.M. ON THE FRIDAY
32 DAYS PRECEDING THE BOARD MEETING

SEND COPIES TO:

MINUTE ORDER REQUESTED:

YES NO

ATTACHMENTS:

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Proposed letter

[Fact Sheet](#)

[Bill Language](#)

History

Time	Who	Approval
4/16/2019 4:40 PM	County Administrative Office	Yes
4/16/2019 4:29 PM	County Counsel	Yes
4/16/2019 4:41 PM	Finance	Yes



Jennifer Halferty ~ District One Fred Stump ~ District Two Bob Gardner ~ District Three
John Peters ~ District Four Stacy Corless ~ District Five

BOARD OF SUPERVISORS COUNTY OF MONO

P.O. BOX 715, BRIDGEPORT, CALIFORNIA 93517
(760) 932-5533 • FAX (760) 932-5531
Shannon Kendall, Clerk of the Board

April 18, 2019

The Honorable Eduardo Garcia
California Assembly, District 56
State Capitol, Room 4140
Sacramento, CA 95814

RE: SUPPORT AB 1010 (Garcia) – Tribal access to State and community development housing programs

Dear Assembly Member Garcia:

The Mono County Board of Supervisors is very pleased to offer our strong **SUPPORT** of **AB 1010** to allow the duly-constituted governing body of an Indian reservation or rancheria and a tribally-designated housing entity to directly apply to and participate in State affordable housing and community development programs.

California has the largest Native American population and largest number of federally-recognized tribes in the U.S. Unfortunately, the rate of tribal poverty is more than twice that of the rest of California's population and one third of tribal residents live below the federal poverty rate. This problem is felt acutely in Mono County, where we have a large native population and two federally-recognized tribes.

It is essential that California Tribes be able to access State affordable housing and community development programs currently operated by the California Department of Housing and Community Development (HCD) to have an opportunity to improve their situation. Tribes are explicitly eligible for some of these programs, but the terminology used to refer to tribes is inconsistent and confusing while other programs omit tribes as eligible applicants altogether. This legislation will make tribes and tribally-designated housing entities eligible applicants to participate in nine HCD programs by conforming all of these programs to a single terminology and clearly and unambiguously listing tribes and tribally-designated housing entities as eligible applicants and recipients of program funds.

This bill also reconstitutes the California Indian Assistance Program that was housed at HCD for more than 20 years to provide ongoing technical assistance and build the capacity of tribes to access and use new and existing state housing programs.

The Mono County Board of Supervisors would like to commend your leadership and thank you for authoring this critically important measure. Please let us know if we can be of any assistance.

Sincerely,

John Peters
Board Chair



Assemblymember Eduardo Garcia, 56th Assembly District

AB 1010 – Native American Housing Eligibility

SUMMARY

AB 1010 would address the ambiguities and omissions in State law that currently limit access by California tribes and tribal entities to housing and community development programs operated by the California Department of Housing and Community Development (HCD). It would also reconstitute the California Indian Assistance Program at HCD.

RATIONALE

California has the largest Native American population in the nation with nearly 360,500 Californians identifying in whole or part as “American Indian.” Currently California has 109 federally recognized tribes which include nearly 100 small reservations and Rancherias spread across the state.

Additionally, the rate of tribal poverty is more than twice that of the rest of California’s population and one third of tribal residents live below the federal poverty rate.

California also differs from other states in that only a small percentage of California tribes’ land is held in trust by the U.S. government.

In September of 2011, Governor Brown issued Executive Order B-10-11 which reflected an administrative change to encourage communication and consultation with California Tribes. In line with this the Department of Housing and Community Development (HCD) adopted a Tribal Consultation policy which sought to “foster and promote consultation and collaboration between HCD and federally-recognized California Indian Tribes and non-federally recognized tribes.”

While California Indian tribes have not been eligible and competitive for most State housing and community development program grants and loans in the past, the California Tax Credit Allocation Committee (TCAC) changed this in 2014 with their first round of awards being made for tribal housing within its Rural Set-aside. Six projects have been funded since.

Additionally, beginning in 2016, HCD proposed regulation changes to enable tribal housing projects to be funded under the federal Home Investment Partnerships Program (HOME) administered by HCD for small communities. After public input, the program rules were adopted and recently the first-ever tribal housing project

was funded in Mendocino County. The next round of the State HOME program will extend eligibility to tribal housing programs.

SOLUTION

While tribes are explicitly eligible for some state housing programs, the terminology used to refer to tribes is inconsistent and confusing. Other programs omit tribes and tribal entities as eligible applicants altogether.

AB 1010 will make California Indian Tribes clearly eligible to participate in nine affordable housing programs operated by HCD. It does this by conforming all of these programs to a single terminology to straightforwardly and unambiguously qualify the “duly constituted governing body of an Indian reservation or rancheria” as an eligible applicant and recipient of program funds. It also clarifies the eligibility of a “tribally designated housing entity” delegated by a tribe to perform housing activities in its behalf.

Finally, it reconstitutes the California Indian Assistance Program that had been housed at HCD for over 20 years to provide ongoing technical assistance and build the capacity of tribes to access and use new and existing housing and community development programs.

SUPPORT

California Coalition for Rural Housing
(co-sponsor)
California Rural Legal Assistance Foundation
(co-sponsor)

FOR MORE INFORMATION:

Mark Rossow, Legislative Aide
Mark.Rossow@asm.ca.gov
(916) 319-2056

**OFFICE OF LEGISLATIVE COUNSEL
DRAFT BILL**

RN: 1908205

This request was prepared for you in accordance with instructions provided to us by Mark Rossow.

LCB Deputy Contact: Jennifer Barry at 341-8348.

The boxes checked below, if any, apply to this request:

- Cover letter:** This request is accompanied by a cover letter, to bring to your attention legal or practical issues that may be raised by this bill, if introduced.
- Unbacked bill:** The attached bill draft has **not** been backed for introduction. When a Member has **decided** to introduce this bill draft, the draft should be returned to the Office of Legislative Counsel as soon as possible so that it can be prepared for introduction by that Member.
- Spot bill:** This bill, if introduced, may not be qualified for referral to a committee, if it is **deemed** a bill that makes no substantive change in or addition to existing law, or that would not otherwise affect the ongoing operations of state or local government (see, for example, Assembly Rule 51.5).
- Bill related to the budget:** In order for this measure to be deemed a bill "providing for appropriations related to the budget" within the meaning of Section 12 of Article IV of the California Constitution, thereby allowing the measure to be passed by a majority vote and to take effect immediately upon enactment, it is necessary that this measure contain an appropriation and be identified in the Budget Bill as a measure related to the state budget.
- Reintroduced bill:** This bill, if introduced, may violate the rule that, except as specified, a Member may not author a bill during a session that would have substantially the same effect as a bill he or she previously introduced during that session (Joint Rule 54(c)).

AUTHOR'S COPY

55137

02/19/19 01:40 PM
RN 19 08205 PAGE 1

An act to amend Sections 50077, 50079, 50091, 50470, 50470.5, 50513, 50517.5, 50530.5, 50669, 50781, 50843, 53545.12, and 53545.13 of, and to add Section 50650.8 to, the Health and Safety Code, and making an appropriation therefor, relating to housing.



19082055137BILLMA56

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 50077 of the Health and Safety Code is amended to read:
50077. “Local agency” means a city, county, ~~or city and county~~ county, or duly constituted governing body of an Indian reservation or rancheria and includes any governmental agency or local public entity to which ~~such a city, county, or city and county~~ county, or duly constituted governing body of an Indian reservation or rancheria may, after a public hearing, delegate functions under this division.

SEC. 2. Section 50079 of the Health and Safety Code is amended to read:
50079. “Local public entity” means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. “Local public entity” also includes two or more local public entities acting jointly.

SEC. 3. Section 50091 of the Health and Safety Code is amended to read:
50091. “Nonprofit housing sponsor” or “nonprofit corporation” means a nonprofit corporation incorporated pursuant to Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code or a corporation or association which is, or will be qualified as, a cooperative housing corporation for purposes of subdivision (a) of Section 17265 of the Revenue and Taxation Code, a nonprofit student housing cooperative, or a limited equity housing cooperative and which is certified by the agency as qualified to own a housing development if financed or assisted by the agency. However, a limited equity housing cooperative shall not be deemed to be nonprofit for the purpose of Chapter 10 (commencing with Section 50775). A “nonprofit corporation” shall also include a tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

SEC. 4. Section 50470 of the Health and Safety Code is amended to read:
50470. (a) (1) There is hereby created in the State Treasury the Building Homes and Jobs Trust Fund. All interest or other increments resulting from the investment of moneys in the fund shall be deposited in the fund, notwithstanding Section 16305.7 of the Government Code.

(2) Moneys in the Building Homes and Jobs Trust Fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except to the Surplus Money Investment Fund.

(b) Moneys in the Building Homes and Jobs Trust Fund shall be appropriated either through the annual Budget Act, or as provided in this subdivision, in accordance with the following:

(1) Moneys collected on and after January 1, 2018, and until December 31, 2018, shall, upon appropriation by the Legislature, be allocated as follows:

(A) Fifty percent of deposits into the fund shall be made available for local governments to update planning documents and zoning ordinances in order to streamline



housing production, including, but not limited to, general plans, community plans, specific plans, sustainable communities strategies, and local coastal programs. Eligible uses also include new environmental analyses that eliminate the need for project-specific review and local process updates that improve and expedite local permitting.

(i) Five percent of the funds specified by this subparagraph shall be available for technical assistance to jurisdictions updating specified planning documents. Technical assistance shall be provided by the department and the Governor's Office of Planning and Research.

(ii) The funds to be allocated pursuant to this subparagraph shall be held by the department until a local government submits a request for use. The request shall include a description of the proposed use of the funds in the interest of accelerating housing production. The proposed use of these funds shall be included in the local government's funding plan and annual reports pursuant to subclauses (II) and (III) of clause (ii) of subparagraph (B) of paragraph (2). Any of these funds not allocated by the department within the first two years that those funds are available shall be made available by the department for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).

(B) Fifty percent of deposits into the fund shall be made available to the department to assist persons experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, navigation centers, and the new construction, rehabilitation, and preservation of permanent and transitional rental housing.

(C) The department shall ensure geographic equity in the distribution and expenditure of funds allocated pursuant to this paragraph.

(2) Moneys collected on and after January 1, 2019, shall be allocated as follows:

(A) Twenty percent of all moneys in the fund shall, upon appropriation by the Legislature, be expended for affordable owner-occupied workforce housing.

(B) (i) Seventy percent of moneys deposited in the fund shall, upon appropriation by the Legislature, be made available to local governments as follows:

(I) Ninety percent of the moneys specified in this subparagraph shall be allocated based on the formula specified in Section 5306 of Title 42 of the United States Code, in accordance with the distribution of funds pursuant to that formula for the federal Fiscal Year 2017, except that the portion allocated to nonentitlement areas pursuant to that section shall be distributed through a competitive grant program, administered by the department, as follows:

(ia) The department shall award priority points to a county that has a population of 200,000 or less within the unincorporated areas of the county, to a local government that did not receive an award based on the formula specified in Section 5306 of Title 42 of the United States Code in 2016, and to a local government that pledges to use the money awarded pursuant to a competitive grant under this subclause to assist persons experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, navigation centers, and the new construction, rehabilitation, and preservation of permanent and transitional rental housing. The duly constituted governing body of an Indian reservation or rancheria located in a nonentitlement county shall be eligible to apply for an award pursuant to a competitive grant pursuant to this clause.



(ib) Moneys awarded to a local government pursuant to the competitive grant program shall be used for the purposes specified in subparagraph (D).

(II) The remaining 10 percent of the moneys specified in this subparagraph shall be allocated equitably among local jurisdictions that are nonentitlement areas pursuant to the formula specified in Section 5306 of Title 42 of the United States Code for federal Fiscal Year 2017.

(ii) To receive moneys pursuant to this subparagraph, local governments shall document minimum standards including the following:

(I) Submit a plan to the department detailing the manner in which allocated funds will be used by the local government in a manner consistent with this paragraph and to meet the local government's unmet share of the regional housing needs allocation.

(II) Have a compliant housing element with the state and submit a current annual report pursuant to Section 65400 of the Government Code. The requirements of this subclause shall not apply to the duly constituted governing body of an Indian reservation or rancheria.

(III) Submit an annual report to the department that provides ongoing tracking of the uses and expenditures of any allocated funds.

(IV) Funds may be expended for the uses listed in subparagraph (D). Two or more local governments that receive an allocation pursuant to this subparagraph may expend those moneys on a joint project that is an authorized use under subparagraph (D).

(V) Prioritize investments that increase the supply of housing to households that are at or below 60 percent of area median income, adjusted for household size.

(VI) If a local government does not have a documented plan to expend the moneys allocated to it pursuant to this subparagraph within five years of that allocation, those moneys shall be exempt from the allocation requirements in this paragraph and shall revert to, and be paid and deposited in, the Housing Rehabilitation Loan Fund established pursuant to Section 50661 to be used for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)) or for technical assistance for local governments.

(VII) A local government may petition the department to return any moneys allocated to it pursuant to this subparagraph. Any moneys returned pursuant to this clause shall be used for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).

(C) Thirty percent of moneys deposited in the fund shall be made available to the department for use as follows:

(i) Five percent of the moneys deposited in the fund shall, upon appropriation by the Legislature, be used for state incentive programs, including loans and grants administered by the department. If the department receives insufficient funding applications for incentive programs financed pursuant to this clause, the department shall make those funds available for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).

(ii) Ten percent of the moneys deposited in the fund shall, upon appropriation by the Legislature, be used to address affordable homeownership and rental housing opportunities for agricultural workers and their families.

(iii) Fifteen percent of the moneys deposited in the fund shall, notwithstanding any other provision of this section or Section 13340 of the Government Code, be



continuously appropriated to the California Housing Finance Agency for the purpose of creating mixed income multifamily residential housing for lower to moderate income households pursuant to Chapter 6.7 (commencing with Section 51325) of Part 3.

(D) The moneys in the fund allocated to local governments may be expended for the following purposes:

(i) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very low, low-, and moderate-income households, including necessary operating subsidies.

(ii) Affordable rental and ownership housing that meets the needs of a growing workforce earning up to 120 percent of area median income, or 150 percent of area median income in high-cost areas.

(iii) Matching portions of funds placed into local or regional housing trust funds.

(iv) Matching portions of funds available through the Low and Moderate Income Housing Asset Fund pursuant to subdivision (d) of Section 34176 of the Health and Safety Code.

(v) Capitalized reserves for services connected to the creation of new permanent supportive housing, including, but not limited to, developments funded through the Veterans Housing and Homelessness Prevention Bond Act of 2014.

(vi) Assisting persons who are experiencing or at risk of homelessness, including providing rapid rehousing, rental assistance, navigation centers, emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

(vii) Accessibility modifications.

(viii) Efforts to acquire and rehabilitate foreclosed or vacant homes.

(ix) Homeownership opportunities, including, but not limited to, downpayment assistance.

(x) Fiscal incentives or matching funds to local agencies that approve new housing for extremely low, very low, low-, and moderate-income households.

(3) A state or local entity that receives an appropriation or allocation pursuant to this chapter shall use no more than 5 percent of that appropriation or allocation for costs related to the administration of the housing program for which the appropriation or allocation was made.

(c) Both of the following shall be paid and deposited in the fund:

(1) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(2) Any other moneys that may be made available to the department for the purposes of the fund from any other source or sources.

(d) In consultation with stakeholders, the department may adopt guidelines to implement this section, including to determine allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the department in implementing this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 5. Section 50470.5 of the Health and Safety Code is amended to read:
50470.5. For purposes of this chapter:



(a) "Department" means the Department of Housing and Community Development.

(b) "Local government" means any city, county, ~~or city and county~~, county, or the duly constituted governing body of an Indian reservation or rancheria.

SEC. 6. Section 50513 of the Health and Safety Code is amended to read:

50513. (a) ~~The department may shall~~ provide comprehensive technical assistance to tribal housing authorities, housing sponsors, and governmental agencies on reservations, rancherias, and on public domain to facilitate the planning and orderly development of suitable, decent, safe, and sanitary housing for American Indians residing in ~~such those~~ areas. ~~Such This~~ assistance may include technical assistance in land use planning, natural and environmental resource planning, and economic resource planning. Upon request of the governing body of a reservation or rancheria, the department may act on behalf of the tribal housing authority and perform the functions thereof and for ~~such purpose those purposes~~ shall have all the powers granted to housing authorities by Part 2 (commencing with Section 34200) of Division 13.

(b) This section shall be known, and may be cited, as the G. David Singleton California Indian Assistance Program.

(c) The Legislature shall appropriate an annual amount to the department sufficient to support at least one full-time employee to provide the technical assistance set forth in subdivision (a).

SEC. 7. Section 50517.5 of the Health and Safety Code is amended to read:

50517.5. (a) (1) The department shall establish the Joe Serna, Jr. Farmworker Housing Grant Program under which, subject to the availability of funds therefor, grants or loans, or both, shall be made to local public entities, nonprofit corporations, limited liability companies, and limited partnerships, for the construction or rehabilitation of housing for agricultural employees and their families or for the acquisition of manufactured housing as part of a program to address and remedy the impacts of current and potential displacement of farmworker families from existing labor camps, mobilehome parks, or other housing. Under this program, grants or loans, or both, may also be made for the cost of acquiring the land and any building thereon in connection with housing assisted pursuant to this section and for the construction and rehabilitation of related support facilities necessary to the housing. In its administration of this program, the department shall disburse grants or loans, or both, to the local public entities, nonprofit corporations, limited liability companies, or limited partnerships or may, at the request of the local public entity, nonprofit corporation, limited liability company, or limited partnership that sponsors and supervises the rehabilitation or construction program, disburse grant funds to agricultural employees who are participants in a rehabilitation or construction program sponsored and supervised by the local public entity, nonprofit corporation, limited liability company, or limited partnership. No part of a grant or loan made pursuant to this section may be used for project organization or planning.

(2) Notwithstanding any other provision of this chapter, upon the request of a grantee the program also may loan funds to a grantee at no more than 3 percent simple interest. Principal and accumulated interest is due and payable upon completion of the term of the loan. For any loan made pursuant to this subdivision, the performance requirements of the lien shall remain in effect for a period of no less than the original term of the loan.



(3) The program shall be administered by the Director of Housing and Community Development and officers and employees of the department as ~~he or she~~ the director may designate.

(b) (1) The Joe Serna, Jr. Farmworker Housing Grant Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department for making grants or loans, or both, pursuant to this section and Section 50517.10, for purposes of Chapter 8.5 (commencing with Section 50710), and for costs incurred by the department in administering these programs.

(2) There shall be paid into the fund the following:

(A) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(B) Any moneys that the department receives in repayment or return of grants or loans from the fund, including any interest therefrom.

(C) Any other moneys that may be made available to the department for the purposes of this chapter from any other source or sources.

(D) All moneys appropriated to the department for the purposes of Chapter 8.5 (commencing with Section 50710) and any moneys received by the department from the occupants of housing or shelter provided pursuant to Chapter 8.5 (commencing with Section 50710). These moneys shall be separately accounted for from the other moneys deposited in the fund.

(c) (1) Grants and loans made pursuant to this section shall be matched by grantees with at least equal amounts of federal moneys, other cash investments, or in-kind contributions.

(2) For grant or loan requests of not more than five hundred thousand dollars (\$500,000), the department may waive a part of the matching fund requirement in this subdivision if the grantee demonstrates an inability, as may be established by the department in "Notices of Funding Availability," to secure adequate financing from other sources. Not more than 5 percent of the total amount appropriated to the department for the purposes of this section may be used to meet grant or loan requests in which a part of the matching fund requirement has been waived pursuant to this paragraph.

(d) With respect to the supervision of grantees, the department shall do the following:

(1) Establish minimum capital reserves to be maintained by grantees.

(2) Fix and alter from time to time a schedule of rents that may be necessary to provide residents of housing assisted pursuant to this section with affordable rents to the extent consistent with the maintenance of the financial integrity of the housing project. No grantee shall increase the rent on any unit constructed or rehabilitated with the assistance of funds provided pursuant to this section without the prior permission of the department, which shall be given only if the grantee affirmatively demonstrates that the increase is required to defray necessary operating costs or avoid jeopardizing the fiscal integrity of the housing project.

(3) Determine standards for, and control selection by grantees of, tenants and subsequent purchasers of housing constructed or rehabilitated with the assistance of funds provided pursuant to this section.



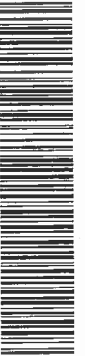
(4) (A) Require as a condition precedent to a grant or loan, or both, of funds that the applicant have site control that is satisfactory to the department; that the grantee be record owner in fee of the assisted real property or provide other security including a lien on the manufactured home that is satisfactory to the department to ensure compliance with the construction, financial, and program obligations; and that the grantee shall have entered into a written agreement with the department binding upon the grantee and successors in interest to the grantee. The agreement shall include the conditions under which the funds advanced may be repaid. The agreement shall include provisions for a lien on the assisted real property or manufactured home in favor of the State of California for the purpose of securing performance of the agreement. The agreement shall also provide that the lien shall endure until released by the Director of Housing and Community Development.

(B) If funds granted or loaned pursuant to this section constitute less than 25 percent of the total development cost or value, whichever is applicable, of a project assisted under this section, the department may adopt, by regulation, criteria for determining the number of units in a project to which the restrictions on occupancy contained in the agreement apply. In no event may these regulations provide for the application of the agreement to a percentage of units in a project that is less than the percentage of total development costs that funds granted or loaned pursuant to this section represent.

(C) Contemporaneously with the disbursement of the initial funds to a grantee, the department shall cause to be recorded, in the office of the county recorder of the county in which the assisted real property is located, a notice of lien executed by the Director of Housing and Community Development. The notice of lien shall refer to the agreement required by this paragraph for which it secures and it shall include a legal description of the assisted real property that is subject to the lien. The notice of lien shall be indexed by the recorder in the Grantor Index to the name of the grantee and in the Grantee Index to the name of the State of California, Department of Housing and Community Development. For manufactured housing, the liens shall be recorded by the department in the same manner as other manufactured housing liens are recorded. The department shall adopt by regulation criteria for the determination of the lien period. This regulation shall take into account whether the property is held by multifamily rental, single-family ownership, or cooperative ownership and whether it is new construction or rehabilitative construction. The lien period for manufactured housing liens for manufactured homes shall not exceed 10 years.

(D) Pursuant to regulations adopted by the department, the department may execute and cause to be recorded in the office of the recorder of the county in which a notice of lien has been recorded, or the department, as appropriate, a subordination of the lien. The regulations adopted by the department shall provide that any subordination of the lien shall not jeopardize the security interest of the state and shall further the interest of farmworker housing. The recitals contained in the subordination shall be conclusive in favor of any bona fide purchaser or lender relying thereon.

(E) Prior to funds granted pursuant to this section being used to finance the acquisition of a manufactured home, the grantee shall ensure that the home either is already installed in a location where it will be occupied by the eligible household or that a location has been leased or otherwise made available for the manufactured home to be occupied by the eligible household.



(5) Regulate the terms of occupancy agreements or resale controls, to be used in housing assisted pursuant to this section.

(6) Provide linguistically appropriate services and publications, or require grantees to do so, as necessary to implement the purposes of this section.

(7) The agreement between the department and the grantee shall provide, among other things, that both of the following occur:

(A) Upon the sale or conveyance of the real property, or any part thereof, for use other than for agricultural employee occupancy, the grantee or its successors shall, as a condition for the release of the lien provided pursuant to paragraph (4), repay to the fund the department's grant and loan funds.

(B) Upon the sale or conveyance of the real property or any part thereof for continued agricultural employee occupancy, the transferee shall assume the obligation of the transferor and the real property shall be transferred to the new owner; provided that the transferee agrees to abide by the agreement entered into between the transferor and the department and that the new owner takes the property subject to the lien provided pursuant to paragraph (4), except that this lien shall, at the time of the transfer of the property to the new owner, be extended for an additional lien period determined by the department pursuant to paragraph (4), and the new owner shall not be credited with the lien period that had run from the time the transferor had acquired the property to the time of transfer to the new owner, unless the department determines that it is in the best interest of the state and consistent with the intent of this section to so credit the lien period to the new owner. However, the lien shall have priority as of the recording date of the lien for the original grantee, pursuant to paragraph (4).

(e) The department may do any of the following with respect to grantees:

(1) Through its agents or employees enter upon and inspect the lands, buildings, and equipment of a grantee, including books and records, at any time before, during, or after construction or rehabilitation of units assisted pursuant to this section. However, there shall be no entry or inspection of any unit that is occupied, whether or not any occupant is actually present, without the consent of the occupant.

(2) Supervise the operation and maintenance of any housing assisted pursuant to this section and order repairs as may be necessary to protect the public interest or the health, safety, or welfare of occupants of the housing.

(f) The department shall include in its annual report required by Section 50408, a current report of the Joe Serna, Jr. Farmworker Housing Grant Program. The report shall include, but need not be limited to, (1) the number of households assisted, (2) the average income of households assisted and the distribution of annual incomes among assisted households, (3) the rents paid by households assisted, (4) the number and amount of grants or loans, or both, made to each grantee in the preceding year, (5) the dollar value of funding derived from sources other than the state for each project receiving a grant or loan, or both, under this section, and an identification of each source, (6) recommendations, as needed, to improve operations of the program and respecting the desirability of extending its application to other groups in rural areas identified by the department as having special need for state housing assistance, and (7) the number of manufactured housing units assisted under this section.

(g) As used in this section:

(1) "Agricultural employee" has the same meaning as specified in subdivision (b) of Section 1140.4 of the Labor Code, but also includes any person who works on



or off the farm in the processing of any agricultural commodity until it is shipped for distribution, whether or not this person is encompassed within the definition specified in subdivision (b) of Section 1140.4 of the Labor Code.

(2) "Grantee" means the local public entity, nonprofit corporation, limited liability company, or limited partnership that is awarded the grant or loan, or both, under this section, and, at the request thereof, may include an agricultural employee receiving direct payment of a grant for rehabilitation under this section who occupies the assisted housing both before and after the rehabilitation and may include an agricultural employee receiving direct payment of a grant for construction under this section who will occupy the assisted housing and who is a participant in a rehabilitation or construction program sponsored and supervised by a local public entity, nonprofit corporation, limited liability company, or limited partnership.

(3) "Housing" may include, but is not necessarily limited to, conventionally constructed units and manufactured housing installed pursuant to either Section 18551 or 18613.

(4) "Local public entity" includes, but is not limited to, the duly constituted governing body of an Indian reservation or rancheria or a tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

(4)

(5) "Limited liability company" means a limited liability company where all the members are nonprofit public benefit corporations.

(5)

(6) "Limited partnership" means a limited partnership where all of the general partners are either nonprofit public benefit corporations, limited liability companies, or a combination of nonprofit public benefit corporations and limited liability companies.

(7) "Nonprofit corporations" includes, but is not limited to, a tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

(h) The department may provide the assistance offered pursuant to this chapter in any area where there is a substantial unmet need for farmworker housing.

SEC. 8. Section 50530.5 of the Health and Safety Code is amended to read: 50530.5. As used in this chapter:

(a) "Housing" includes, but is not limited to, manufactured housing.

(b) "Predevelopment loan" means a loan for required expenses, other than administrative and construction, which are incurred by eligible sponsors in the process of, and prior to, securing long-term financing for construction, conversion, preservation, or rehabilitation of assisted housing, and which are recoverable once long-term financing is obtained. The purposes for which predevelopment loans may be made include, but are not limited to, the costs of, or the costs associated with, land purchase or options to buy land; options or deposits to buy or preserve existing government-assisted rental housing for the purpose of preserving the affordability of the units; professional services such as architectural, engineering, or legal services; permit or application fees; and bonding, site preparation, related water or sewer development, or material expenses. In addition, the loans may be made for the purpose of extending the time for exercising an option or extending the time period for repayment of an advance previously obtained.



These loan funds may be deposited in banks as compensating balances to establish lines of credit for participating nonprofit corporations.

(c) "Fund" means the Predevelopment Loan Fund which is replenished continuously by repayments of principal on loans made from the fund.

(d) "Land purchase loan" means a loan for the costs incurred by an eligible sponsor in obtaining an option on, or purchasing suitable land for, the future development of assisted housing, including, but not limited to, costs associated with transfer of title, appraisals, payment of property taxes, surveys, and necessary maintenance of the land.

(e) "Eligible sponsors" means local governmental agencies, nonprofit corporations, including cooperative housing corporations, limited liability companies where all of the members are nonprofit public benefit corporations, and limited partnerships, as defined in subdivision (f).

(f) "Limited partnerships" means limited partnerships where all of the general partners are either nonprofit public benefit corporations, limited liability companies where all of the members are nonprofit public benefit corporations, or a combination of nonprofit public benefit corporations and limited liability companies where all of the members are nonprofit public benefit corporations.

(g) "Local governmental agencies" includes, but is not limited to, the duly constituted governing body of an Indian reservation or rancheria or a tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

(h) "Nonprofit corporations" includes, but is not limited to, a tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

SEC. 9. Section 50650.8 is added to the Health and Safety Code, to read:

50650.8. (a) For purposes of this chapter, the term "local public agencies" or "local government agencies" includes, but is not limited to, the duly constituted governing body of an Indian reservation or rancheria or a tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

(b) For purposes of this chapter, the term "nonprofit corporations" includes, but is not limited to, a tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

SEC. 10. Section 50669 of the Health and Safety Code is amended to read: 50669. As used in Section 50670:

(a) "Deferred-payment loan" means a loan for acquisition and rehabilitation of a rental housing development which (1) has a term of not more than 30 years, but which shall not in any event exceed the useful life of the rental housing development for which ~~such the~~ loan is made, as determined by the department, whichever is less, and (2) is repaid in a single payment upon refinancing of ~~such the~~ development at the end of the term of the loan. Those loans shall bear interest at the rate of ~~3 percent~~ 3-percent per annum on the unpaid principal balance, provided, however, that the department shall reduce or eliminate interest payments on a loan for any year or, alternatively, defer interest payments until the deferred-payment loan is repaid, if necessary to provide affordable rents to households of very low and low income. The ability to pay all or part of the ~~3 percent~~ 3-percent simple annual interest shall not be



considered in determining the fiscal integrity of the rental housing development at the time of the rating and ranking of an application.

(b) "Rental housing development" means a residential structure or structures containing five or more rental dwelling units for the elderly or handicapped, provided that each unit is equipped with a kitchen and bathroom, or a structure or structures intended for use as a group home by five or more handicapped individuals or a residential hotel for any low or very low income household. "Residential hotel" shall have the same meaning as used in paragraph (1) of subdivision (b) of Section 50519 but, for purposes of this subdivision, there shall be an additional requirement that a majority of the guestrooms in the hotel be residential hotel units. A "residential hotel unit" means a room used or intended to be used as a primary residential unit by a person or persons, which is subject to Chapter 2 (commencing with Section 1940) of Title 5 of Part 4 of Division 3 of the Civil Code, but which does not have either a self-containing kitchen or bathroom, or both. A "residential hotel unit" also includes an efficiency unit as defined in Section 17958.1. "Rental housing development" also means a residential structure or structures in operation or previously operated as a motel and subject to subdivision (b) of Section 1940 of the Civil Code, which will contain five or more dwelling units for any low or very low income households. Eligible rehabilitation costs relative to motels may include costs associated with adding self-containing kitchens and bathrooms in each unit.

(c) "Sponsor" means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the department as qualified to own, manage, and rehabilitate a rental housing development. A sponsor may be organized for profit or limited profit or be nonprofit.

(d) "Local public entity" includes, but is not limited to, a tribally designated housing entity as specified in Sections 50079 and 50104.6.5.

SEC. 11. Section 50781 of the Health and Safety Code is amended to read:
50781. Unless the context otherwise requires, the following definitions given in this section shall control construction of this chapter:

(a) "Affordable" means that, where feasible, low-income residents should not pay more than 30 percent of their monthly income for housing costs.

(b) "Conversion costs" includes the cost of acquiring the mobilehome park, the costs of planning and processing the conversion, the costs of any needed repairs or rehabilitation, and any expenditures required by a governmental agency or lender for the project.

(c) "Department" means the Department of Housing and Community Development.

(d) "Fund" means the Mobilehome Park Rehabilitation and Purchase Fund created pursuant to Section 50782.

(e) "Housing costs" means the total cost of owning, occupying, and maintaining a mobilehome and a lot or space in a mobilehome park. The department's regulations shall specify the factors included in these costs and may, for the purposes of calculating affordability, establish reasonable allowances.

(f) "Individual interest in a mobilehome park" means any interest that is fee ownership or a lesser interest that entitles the holder to occupy a lot or space in a



mobilehome park for a period of not less than either 15 years or the life of the holder. Individual interests in a mobilehome park include, but are not limited to, the following:

(1) Ownership of a lot or space in a mobilehome park or subdivision.

(2) A membership or shares in a stock cooperative, as defined in Section 11003.2 of the Business and Professions Code, or a limited equity housing cooperative, as defined in Section 817 of the Civil Code.

(3) Membership in a nonprofit mutual benefit corporation that owns, operates, or owns and operates the mobilehome park.

(g) "Local public entity" has the same meaning as set forth in Section 50079.

~~(g)~~

(h) "Low-income resident" means an individual or household that is a lower income household, as defined in Section 50079.5. However, personal assets shall not be considered in the calculation of income, except to the extent that they actually generate income.

~~(h)~~

(i) "Low-income spaces" means those spaces in a mobilehome park operated by a resident organization, a qualified nonprofit housing sponsor, or a local public entity that are occupied by low-income residents.

~~(i)~~

(j) "Mobilehome park" means a mobilehome park, as defined in Section 18214, or a manufactured home subdivision created by the conversion of a mobilehome park, as defined in Section 18214, including a senior park, to resident ownership or ownership by a qualified nonprofit housing sponsor or local public entity.

~~(j)~~

(k) "Program" means the Mobilehome Park Rehabilitation and Resident Ownership Program.

~~(k)~~

(l) "Qualified nonprofit housing sponsor" means a nonprofit public benefit corporation, as defined in Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, that (1) has received its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, (2) is not affiliated with or controlled by a for-profit organization or individual, (3) has extensive experience with the development and operation of publicly subsidized affordable housing, (4) the department determines is qualified by experience and capability to own and operate a mobilehome park that provides housing affordable to low-income households, and (5) has formal arrangements for ensuring resident participation or input in the management of the park that may include, but not be limited to, membership on the board of directors. "Qualified nonprofit housing sponsor" also means a limited partnership where all of the general partners are nonprofit mutual or public benefit corporations that meet the requirements of paragraphs (1) to (5), inclusive.

~~(l)~~

(m) "Resident organization" means a group of mobilehome park residents who have formed a nonprofit corporation, cooperative corporation, or other entity or organization for the purpose of acquiring the mobilehome park in which they reside and converting the mobilehome park to resident ownership. The membership of a resident organization shall include at least two-thirds of the households residing in the mobilehome park, or in each park of a combination of parks where the residents of



two or more parks combine to form a single resident organization. The two-thirds of households in the resident organization at the time of funding the park need not be the same households that were residing in the park when the application for assistance was submitted to the department. A household's membership in the resident organization when the application was submitted to the department shall not be a requirement for that household to receive a loan or assistance under this chapter.

~~(m)~~

(n) "Resident ownership" means, depending on the context, either the ownership by a resident organization of an interest in a mobilehome park that entitles the resident organization to control the operations of the mobilehome park for a term of no less than 15 years, or the ownership of individual interests in a mobilehome park, or both.

SEC. 12. Section 50843 of the Health and Safety Code is amended to read:

50843. (a) This section applies only to grants awarded pursuant to this chapter from funds made available pursuant to Part 11 (commencing with Section 53500).

(b) The department may make matching grants available to cities and counties, ~~or a city and county,~~ or the duly constituted governing body of an Indian reservation or rancheria that have created, funded, and operated housing trust funds prior to January 1, 2003, and to existing charitable nonprofit organizations described in Section 501(c)(3) of the Internal Revenue Code that have created, funded, and operated housing trust funds prior to January 1, 2003. These funds shall be awarded through the issuance of a Notice of Funding Availability (NOFA). The department may establish competitive criteria consistent with the funding priorities used in the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)) to be used in the event that applications exceed the funds available. Applicants that provide matching funds from a source or sources other than impact fees on residential development shall receive a priority for funding.

(c) The department may make matching grants available to new local housing trusts created by cities and counties, ~~or a city and county,~~ or the duly constituted governing body of an Indian reservation or rancheria and to fund new housing trusts created by charitable nonprofit organizations described in Section 501(c)(3) of the Internal Revenue Code that provide low-income housing assistance. As used in this section, "new housing trust" means a housing trust that was not in existence prior to January 1, 2003. The department may consider grant applications, submitted pursuant to this subdivision, and determine their eligibility for funding, in the order in which they are received.

(d) Housing trusts eligible for funding under this section shall have the following characteristics:

(1) They utilize a public or joint public and private fund established by legislation, ordinance, resolution, or a public-private partnership to receive specific revenue to address local housing needs.

(2) They receive ongoing revenues from dedicated sources of funding such as taxes, fees, loan repayments, or private contributions.

(e) The minimum allocation to an applicant shall be one million dollars (\$1,000,000), and no applicant may receive an allocation in excess of two million dollars (\$2,000,000). All funds provided pursuant to this section shall be matched on a dollar-for-dollar basis. No application shall be considered unless the department has received adequate documentation of the deposit in the local housing trust fund of the



local match and the identity of the source of matching funds. Applicants shall be required to continue funding the local housing trust fund from these identified local sources, and continue the trust in operation, for a period of no less than five years from the date of award. If the funding is not continued for a five-year period, then (1) the amount of the department's grant to the local housing trust fund, to the extent that the trust fund has unencumbered funds available, shall be immediately repaid, and (2) any payments from any projects funded by the local housing trust fund that would have been paid to the local housing trust fund shall be paid instead to the department and used to fund projects under the Multifamily Housing Program, or its successor. The total amount paid to the department pursuant to (1) and (2), combined, shall not exceed the amount of the department's grant.

(f) Funds shall be used to provide loans for the construction of rental housing projects, or for construction of units within rental housing projects, affordable to, and restricted for, very low income persons and families earning less than 60 percent of the area median income. All assisted units shall be restricted for not less than 55 years. Loan repayments shall accrue to the grantee housing trust, or to the department if the trust is no longer in existence.

(g) (1) In order for a city, county, or city and county to be eligible for funding, the applicant shall have, at the time of application, an adopted housing element that the department has determined, pursuant to Section 65585 of the Government Code, is in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. In order for a nonprofit organization applicant to be eligible for funding, the applicant shall agree to utilize funds provided under this chapter only for projects located in cities, counties, or a city and county that have, at the time of application, an adopted housing element that the department has determined, pursuant to Section 65585 of the Government Code, to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. For the purposes of this section, eligible local housing trust funds may not include any ongoing restricted fund that is required to be established pursuant to federal or state law.

(2) The requirements of this subdivision shall not apply to the duly constituted governing body of an Indian reservation or rancheria or tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

(h) Recipients shall have held, or shall agree to hold, a public hearing or hearings to discuss and describe the project or projects that will be financed with funds provided pursuant to this section. As a condition of receiving a grant pursuant to this section, any nonprofit organization shall agree that it will hold one public meeting a year to discuss the criteria that will be used to select projects to be funded. That meeting shall be open to the public, and public notice of this meeting shall be provided, except to the extent that any similar meeting of a city or county would be permitted to be held in closed session.

(i) No more than 5 percent of the funds appropriated to the department pursuant to subparagraph (C) of paragraph (1) of subdivision (a) of Section 53533 shall be used to pay the costs of administration of this section.



(j) A local housing trust fund shall encumber funds provided pursuant to this section no later than 54 months after receipt. Any funds not encumbered within that period shall revert to the department for use in the Multifamily Housing Program.

(k) Recipients shall be required to file periodic reports with the department regarding the use of funds provided pursuant to this section. No later than December 31, 2005, the department shall provide a report to the Legislature regarding the number of trust funds created, a description of the projects supported, the number of units assisted, and the amount of matching funds.

(l) This program shall be operated under guidelines adopted by the department and shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 13. Section 53545.12 of the Health and Safety Code is amended to read:
53545.12. For the purposes of the grant program established in Section 53545.13, the following definitions apply:

(a) "Capital improvement project" means the construction, rehabilitation, demolition, relocation, preservation, acquisition, or other physical improvement of a capital asset, as defined in subdivision (a) of Section 16727 of the Government Code, that is an integral part of, or necessary to facilitate the development of, a qualified infill project or qualified infill area. Capital improvement projects that may be funded under the grant program established by this act include, but are not limited to, those related to all of the following:

- (1) The creation, development, or rehabilitation of parks or open space.
- (2) Water, sewer, or other utility service improvements.
- (3) Streets and roads, parking structures, or transit linkages and facilities, including, but not limited to, related access plazas or pathways, or bus and transit shelters.
- (4) Facilities that support pedestrian or bicycle transit.
- (5) Traffic mitigation.
- (6) Qualifying infill project or qualifying infill area site preparation or demolition.
- (7) Sidewalk or streetscape improvements, including, but not limited to, the reconstruction or resurfacing of sidewalks and streets or the installation of lighting, signage, or other related amenities.

(b) "Department" means the Department of Housing and Community Development.

(c) "Eligible applicant" means any of, or any combination of, the following:
(1) A nonprofit or for-profit developer of a qualifying infill project.
(2) A city, county, city and county, public housing authority, or redevelopment agency that has jurisdiction over a qualifying infill area.

(3) (A) A city, county, city and county, public housing authority, or redevelopment agency that has jurisdiction over a qualifying infill area and applies for funding jointly with an "owners' association," as defined in Section 36614.5 of the Streets and Highways Code, for a business or property improvement district that includes the qualifying infill area.

(B) Prior to receiving funding, but after being awarded a grant, the joint applicants described in subparagraph (A) shall submit to the department documentation from the local permitting authority demonstrating that the actual number of permitted housing



units associated with the qualifying project is equal to or greater than the number of housing units in the grant application.

(4) The duly constituted governing body of an Indian reservation or rancheria that has jurisdiction over a qualifying infill area or a tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5 that is the developer of a qualifying infill project.

(d) "Qualifying infill area" means a contiguous area located within an urbanized area (1) that has been previously developed, or where at least 75 percent of the perimeter of the area adjoins parcels that are developed with urban uses, and (2) in which at least one development application has been approved or is pending approval for a residential or mixed-use residential project that meets the definition and criteria in this section for a qualified infill project.

(e) (1) "Qualifying infill project" means a residential or mixed-use residential project located within an urbanized area on a site that has been previously developed, or on a vacant site where at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses.

(2) A property is adjoining the side of a project site if the property is separated from the project site only by an improved public right-of-way.

(f) "Urbanized area" means an incorporated city or an urbanized area or urban cluster as defined by the United States Census Bureau. For unincorporated areas outside of an urban area or urban cluster, the area must be within a designated urban service area that is designated in the local general plan for urban development and is served by the public sewer and water.

(g) "Urban uses" mean any residential, commercial, industrial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.

SEC. 14. Section 53545.13 of the Health and Safety Code is amended to read: 53545.13. (a) The Infill Incentive Grant Program of 2007 is hereby established to be administered by the department.

(b) Upon appropriation of funds by the Legislature for the purpose of implementing paragraph (1) of subdivision (b) of Section 53545, the department shall establish and administer a competitive grant program to allocate those funds to selected capital improvement projects that are an integral part of, or necessary to facilitate the development of, a qualifying infill project or a qualifying infill area.

(c) A qualifying infill project or qualifying infill area for which a capital improvement project grant may be awarded shall meet all of the following conditions:

(1) (A) Be located in a city, county, or city and county, in which the general plan of the city, county, or city and county, has an adopted housing element that has been found by the department, pursuant to Section 65585 of the Government Code, to be in compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(B) The requirements of this paragraph shall not apply to the duly constituted governing body of an Indian reservation or rancheria or tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

(2) Include not less than 15 percent of affordable units, as follows:



(A) For projects that contain both rental and ownership units, units of either or both product types may be included in the calculation of the affordability criteria.

(B) (i) To the extent included in a project grant application, for the purpose of calculating the percentage of affordable units, the department may consider the entire master development in which the development seeking grant funding is included.

(ii) Where applicable, an applicant may include a replacement housing plan to ensure that dwelling units housing persons and families of low or moderate income are not removed from the low- and moderate-income housing market. Residential units to be replaced may not be counted toward meeting the affordability threshold required for eligibility for funding under this section.

(C) For the purposes of this subdivision, “affordable unit” means a unit that is made available at an affordable rent, as defined in Section 50053, to a household earning no more than 60 percent of the area median income or at an affordable housing cost, as defined in Section 50052.5, to a household earning no more than 120 percent of the area median income. Rental units shall be subject to a recorded covenant that ensures affordability for at least 55 years. Ownership units shall initially be sold to and occupied by a qualified household, and subject to a recorded covenant that includes either a resale restriction for at least 30 years or equity sharing upon resale.

(D) A qualifying infill project or qualifying infill area for which a disposition and development agreement or other project- or area-specific agreement between the developer and the local agency having jurisdiction over the project has been executed on or before the effective date of the act adding this section, shall be deemed to meet the affordability requirement of this paragraph (2) if the agreement includes affordability covenants that subject the project or area to the production of affordable units for very low, low-, or moderate-income households.

(3) Include average residential densities on the parcels to be developed that are equal to or greater than the densities described in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code, except that a project located in a rural area as defined in Section 50199.21 shall include average residential densities on the parcels to be developed of at least 10 units per acre.

(4) Be located in an area designated for mixed-use or residential development pursuant to one of the following adopted plans:

(A) A general plan adopted pursuant to Section 65300 of the Government Code.

(B) A project area redevelopment plan approved pursuant to Section 33330.

(C) A regional blueprint plan as defined in the California Regional Blueprint Planning Program administered by the Business, Transportation and Housing Agency, or a regional plan as defined in Section 65060.7 of the Government Code.

(5) For qualifying infill projects or qualifying infill areas located in a redevelopment project area, meet the requirements contained in subdivision (a) of Section 33413.

(d) In its review and ranking of applications for the award of capital improvement project grants, the department shall rank the affected qualifying infill projects and qualifying infill areas based on the following priorities:

(1) Project readiness, which shall include all of the following:

(A) A demonstration that the project or area development can complete environmental review and secure necessary entitlements from the local jurisdiction within a reasonable period of time following the submittal of a grant application.



(B) A demonstration that the eligible applicant can secure sufficient funding commitments derived from sources other than this part for the timely development of a qualifying infill project or development of a qualifying infill area.

(C) A demonstration that the project or area development has sufficient local support to achieve the proposed improvement.

(2) The depth and duration of the affordability of the housing proposed for a qualifying infill project or qualifying infill area.

(3) The extent to which the average residential densities on the parcels to be developed exceed the density standards contained in paragraph (3) of subdivision (c).

(4) The qualifying infill project's or qualifying infill area's inclusion of, or proximity or accessibility to, a transit station or major transit stop.

(5) The proximity of housing to parks, employment or retail centers, schools, or social services.

(6) The qualifying infill project or qualifying infill area location's consistency with an adopted regional blueprint plan or other adopted regional growth plan intended to foster efficient land use.

(e) In allocating funds pursuant to this section, the department, to the maximum extent feasible, shall ensure a reasonable geographic distribution of funds.

(f) Funds awarded pursuant to this section shall supplement, not supplant, other available funding.

(g) (1) The department shall adopt guidelines for the operation of the grant program, including guidelines to ensure the tax-exempt status of the bonds issued pursuant to this part, and may administer the program under those guidelines.

(2) The guidelines shall include provisions for the reversion of grant awards that are not encumbered within four years of the fiscal year in which an award was made, and for the recapture of grants awarded, but for which development of the related housing units has not progressed in a reasonable period of time from the date of the grant award, as determined by the department.

(3) The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(h) For each fiscal year within the duration of the grant program, the department shall include within the report to the Legislature, required by Section 50408, information on its activities relating to the grant program. The report shall include, but is not limited to, the following information:

(1) A summary of the projects that received grants under the program for each fiscal year that grants were awarded.

(2) The description, location, and estimated date of completion for each project that received a grant award under the program.

(3) An update on the status of each project that received a grant award under the program, and the number of housing units created or facilitated by the program.

(i) Notwithstanding paragraph (3) of subdivision (c), a city of greater than 100,000 in population in a standard metropolitan statistical area of less than 2,000,000 in population may petition the department for, and the department may grant, an exception to the jurisdiction's classification pursuant to subdivisions (d) to (f), inclusive, of Section 65583.2 of the Government Code, if the city believes it is unable to meet the density requirements specified in paragraph (3) of subdivision (c). The city shall submit the petition with its application and shall include the reasons why the city



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believes the exception is warranted. The city shall provide information supporting the need for the exception, including, but not limited to, any limitations that the city may encounter in meeting the density requirements specified in paragraph (3) of subdivision (c). Any exception shall be for the purposes of this section only. This subdivision shall become inoperative on January 1, 2015.

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