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An act to amend Section 50676 of the Health and Safety Code, relating to housing.



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

SECTION 1. Section 50676 of the Health and Safety Code is amended to read:

50676. (a) The department is hereby designated as the state agency responsible for administering funds received by the state from the federal Housing Trust Fund pursuant to the Housing and Economic Recovery Act of 2008 (Public Law 110-289), and implementing federal regulations. The department may use up to 10 percent of the federal Housing Trust Fund annual grant award for expenses of administering these funds.

(b) The department shall administer the funds through any existing or newly created programs that produce, preserve, rehabilitate, or support the operation of rental housing for extremely low income and very low income households, except that up to 10 percent of funding may be used to support home ownership for extremely low income and very low income households. Any rental project funded from the federal Housing Trust Fund shall restrict affordability for 55 years through a recorded and enforceable affordability covenant. Any home ownership program funded from the federal Housing Trust Fund shall restrict affordability for 30 years through either a recorded and enforceable affordability covenant or a recorded and enforceable equity recapture agreement.

(c) The department shall collaborate with the California Housing Finance Agency to develop an allocation plan to demonstrate how the funds shall be distributed, based on the priority housing needs identified in the state's consolidated plan prepared in accordance with Part 91 (commencing with Section 91.1) of Subtitle A of Title 24 of the Code of Federal Regulations. The department shall submit the plan to the Assembly



Committee on Housing and Community Development and the Senate Transportation and Housing Committee 30 days after receipt of the federal funds.

(d) The allocation plan and guidelines shall give priority to projects based on:

(1) Geographic diversity.

(2) The extent to which rents are affordable, especially to extremely low income households.

(3) The merits of a project.

(4) Applicants readiness.

(5) The extent to which projects will use nonfederal funds.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Federal Housing Trust Fund.

Existing federal law requires the United States Secretary of Housing and Urban Development to establish a Housing Trust Fund to provide grants to states to increase the supply of rental housing for extremely low- and very low-income families, including homeless families, and homeownership for extremely low- and very low-income families.

Existing law designates the Department of Housing and Community Development as the state agency responsible for administering the federal Housing Trust Fund.

This bill would authorize the department to use up to 10% of the federal Housing Trust Fund annual grant award for expenses of administering these funds.

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

