

Department of Finance		<b>Fund: 6039</b>
<b>STATE OF CALIFORNIA MANUAL OF STATE FUNDS</b>		<b>PAGE 1</b> Renumbered From:
<b><u>Legal Title</u></b> Preservation Opportunity Fund		
<b><u>Legal Citation/Authority</u></b> Chapter 721, Statutes of 2002 (SB 372) Health and Safety Code section 50601		
<b><u>Fund Classification</u></b> <b><u>GAAP Basis</u></b> Governmental/Special Revenue Funds	<b><u>Fund Classification</u></b> <b><u>Legal Basis</u></b> Nongovernmental/Bond Funds	
<b><u>Purpose</u></b> Chapter 26, Statutes of 2002 (AB 1227) enacted the Housing and Emergency Shelter Trust Fund Act of 2002, which authorized the issuance of bonds in the amount of \$2,100,000,000, for the purpose of financing various existing housing and code enforcement programs, and additional specified programs.  Chapter 721, Statutes of 2002 established the Preservation Opportunity Program and the Interim Repositioning Program to create short-term capital loans to ensure that California’s supply of affordable housing is not depleted by the conversion of existing government-assisted rental housing to market-rate housing. A borrower of the Preservation Opportunity Program would be required to also receive a loan from the Preservation Acquisition Program.  This fund was created for purposes of these programs and for costs incurred in administering the programs. Funds appropriated to the Preservation Opportunity Fund by the Housing and Emergency Shelter Trust Fund Act of 2002 will be used for the following purposes: <ul style="list-style-type: none"> <li>• 90% for the Preservation Opportunity Program</li> <li>• 10% for the Interim Repositioning Program</li> </ul>		
<b><u>Administering Agency/Organization Code</u></b> Department of Housing and Community Development/Org 2240		
<b><u>Major Revenue Source</u></b> Transfer of \$50,000,000 from the Housing and Emergency Shelter Trust Fund to allocate proceeds from the sale of bonds (Proposition 46).		
<b><u>Disposition of Fund (upon abolishment)</u></b> Any unencumbered cash balances remaining in this fund after all obligations have been satisfied shall be transferred to the Housing and Emergency Shelter Trust Fund, 6037.		
<b><u>Appropriation Authority</u></b> Pursuant to Section 50601, “Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department without regard to fiscal years for the purpose of this chapter and for costs incurred in administering the program.”		

**State Appropriations Limit**

**Always Excluded** – Revenues in this fund are bond proceeds and therefore are not proceeds of taxes and even after transfer, will never become proceeds of taxes.

**Comments/Historical Information**