



**AGENDA**  
**LEGISLATIVE ACTION COMMITTEE**  
**6:45 to 7:00 pm**  
**Thursday, February 9, 2017**  
**West Conference Room, Sunnyvale City Hall**  
**456 West Olive Avenue, Sunnyvale, CA**

*This agenda and packet are available at [www.citiesassociation.org](http://www.citiesassociation.org)  
If you are unable to attend this meeting, please pass your packet to your alternate.*

- 1. Welcome, Introductions and Roll Call**
- 2. Consent Calendar**
  - A. September 8, 2016 Meeting Minutes
- 3. New Business**
  - A. Review of SB 2 (Atkins) Building Homes and Jobs Act (Shotwell)
    1. San Jose Staff Memo & Analysis:  
[http://sanjose.granicus.com/MetaViewer.php?view\\_id=&event\\_id=2666&meta\\_id=610456](http://sanjose.granicus.com/MetaViewer.php?view_id=&event_id=2666&meta_id=610456)
    2. LCC Action Alert Notice
    3. Sample Support Letter
    4. Bill Language
    5. Cities Association AB 1335 (Atkins) Support Letter
  - B. Review of SB 3 (Beall) Affordable Housing Bond Act of 2018 (Shotwell)
    1. San Jose Staff Memo & Analysis:  
[http://sanjose.granicus.com/MetaViewer.php?view\\_id=&event\\_id=2666&meta\\_id=610458](http://sanjose.granicus.com/MetaViewer.php?view_id=&event_id=2666&meta_id=610458)
    2. LCC Action Alert
    3. Sample Support Letter
    4. Bill Language
  - C. Discussion on National League of Cities Congressional City Conference, March 13 – 15, 2017 (Showalter)
    1. Shared Talking Points
    2. Suggestions
- 4. Member Comments**

*Each Legislative Action Committee member may speak to any issue not on the agenda; time limit of 5 minutes unless LAC members authorize further discussion.*



**5. Oral Communications**

*This time is reserved for public comments, not to exceed 5 minutes, on topics that are not on the agenda.*

**6. Future Agenda Items**

**7. Adjournment**

**Draft Minutes**  
**Cities Association Legislative Action Committee**  
**Sunnyvale City Hall**  
**September 8, 2016**

The regular meeting of the Cities Association Legislative Action Committee was called to order at 6:37 p.m. with President Jim Griffith presiding on behalf of Chair Jan Pepper.

**1. Call to Order/Roll Call**

**Present:**

Jason Baker, Campbell  
Rod Sinks, Cupertino  
Peter Leroe-Muñoz, Gilroy (6:40)  
Gary Waldeck, Los Altos Hills  
Rob Rennie, Los Gatos  
Burton Craig, Monte Sereno  
Steve Tate, Morgan Hill  
Pat Showalter, Mountain View (6:45)  
Chappie Jones, San Jose (6:45)  
Pat Kolstad, Santa Clara  
Mary-Lynne Bernald, Saratoga  
Jim Griffith, Sunnyvale

**Also Present:**

Betsy Shotwell, San Jose  
Raania Mohsen, CASCC  
Seth Miller, LCC Peninsula Div.

**2. Consent Calendar**

Accept Minutes of June 9, Meeting. Motion (Bernald)/ Second (Waldeck). Motion carried unanimously (9:0) with one abstention.

**Ayes:** Bernald, Baker, Craig, Griffith, Rennie, Sinks, Tate, Waldeck

**No:**

**Abstention:** Kolstad

**Absent:** Jones, Leroe-Muñoz, Esteves, Pepper, Scharff, Showalter

**3. New Business**

A. LAC Committee reviewed the following November 2016 statewide ballot propositions having the most impact on cities and recommended the following:

1. **Proposition 51: California Public Education Facilities Bond Initiative** – Authorizes \$9 billion in general obligation bonds for new construction and modernization of K-12 public school facilities; charter schools and vocational education facilities; and California Community Colleges facilities – **No Position**.

Motion (Baker)/ Second (Tate). Motion carried 9:0.

**Ayes:** Bernald, Baker, Craig, Griffith, Kolstad, Rennie, Sinks, Tate, Waldeck

**No:**

**Abstention:**

**Absent:** Jones, Leroe-Muñoz, Pepper, Esteves, Scharff, Showalter

- 2. Proposition 54: California Transparency Act of 2016** - Prohibits legislature from passing any bill unless published on Internet for 72 hours before vote. Requires Legislature to record its proceedings and post on Internet. Authorizes use of recordings – **Support**.

**Motion (Craig)/ Second (Waldeck). Motion carried 12:0.**

**Ayes:** Baker, Bernald, Baker, Craig, Griffith, Jones, Kolstad, Leroe-Muñoz, Rennie, Sinks, Tate, Waldeck

**No:**

**Abstention:**

**Absent:** Esteves, Pepper, Scharff

- 3. Proposition 57: Public Safety and Rehabilitation Act of 2016** - Allows parole consideration for nonviolent felons. Authorizes sentence credits for rehabilitation, good behavior, and education. Provides juvenile court judge authority to decide whether juvenile will be prosecuted as adult – **Oppose**.

**Motion (Leroe-Muñoz)/ Second (Tate). Motion carried 8:4.**

**Ayes:** Bernald, Craig, Griffith, Kolstad, Leroe-Muñoz, Rennie, Sinks, Tate

**No:** Baker, Jones, Showalter, Waldeck

**Abstention:**

**Absent:** Esteves, Pepper, Scharff

- 4. Proposition 63: Safety for All Act of 2016** - Requires background check and Department of Justice authorization to purchase ammunition. Prohibits possession of large-capacity ammunition magazines. Establishes procedures for enforcing laws prohibiting firearm possession by specified persons. Requires Department of Justice's participation in federal National Instant Criminal Background Check System – **Support**.

**Motion (Showalter)/ Second (Tate). Motion carried unanimously 12:0.**

**Ayes:** Baker, Bernald, Craig, Griffith, Jones, Kolstad, Leroe-Muñoz, Rennie, Showalter, Sinks, Tate, Waldeck

**No:**

**Abstention:**

**Absent:** Esteves, Pepper, Scharff

- 5. Proposition 64: Marijuana Legalization Initiative Statute** - Legalizes marijuana under state law, for use by adults 21 or older. Imposes state taxes on sales and cultivation. Provides for industry licensing and establishes standards for marijuana products. Allows local regulation and taxation – **No Position**.

**Motion(Jones)/ Second (Leroe-Muñoz). Motion carried 9:3.**

**Ayes:** Baker, Bernald, Griffith, Jones, Kolstad, Leroe-Muñoz, Rennie, Sinks, Tate

**No:** Craig, Showalter, Waldeck

**Abstention:**

**Absent:** Esteves, Pepper, Scharff

6. **Proposition 65: Carryout Bags, Charges, Initiative Statute** - Redirects money collected by grocery and certain other retail stores through mandated sale of carryout bags. Requires stores to deposit bag sale proceeds into a special fund to support specified environmental projects – **Oppose**.

**Motion (Sinks)/ Second (Bernald). Motion carried 12:0.**

**Ayes:** Baker, Bernald, Craig, Griffith, Jones, Kolstad, Leroe-Muñoz, Rennie, Showalter, Sinks, Tate, Waldeck

**No:**

**Abstention:**

**Absent:** Esteves, Pepper, Scharff

7. **Proposition 67: Plastic Bag Ban Veto Referendum** - A “Yes” vote approves, and a “No” vote rejects, a statute that prohibits grocery and other stores from providing customers single-use plastic or paper carryout bags but permits sale of recycled paper bags and reusable bags – **Support (“Yes”)**.

**Motion (Waldeck)/ Second (Sinks). Motion carried unanimously 12:0**

**Ayes:** Baker, Bernald, Craig, Griffith, Jones, Kolstad, Leroe-Muñoz, Rennie, Showalter, Sinks, Tate, Waldeck

**No:**

**Abstention:**

**Absent:** Esteves, Pepper, Scharff

4. **Member Comments:** It was suggested to consider reviewing local measures within jurisdictions. Executive Board to review consideration of Measure M Sunnyvale Public Lands Act for October LAC Meeting.

5. **Adjournment:** The meeting was adjourned at 7:02 p.m.

Respectfully submitted:

Raania Mohsen, Executive Director

## **ACTION ALERT!!**

### **SB 2 (Atkins) Building Homes and Jobs Act SUPPORT**

#### **Background:**

Increased and ongoing funding for affordable housing is critical to stabilize the state's housing development and construction marketplace. If developers are able to rely upon a sustainable source of funding, they will take on the risk that comes with development. The Building Homes and Jobs Act will utilize a pay as you go approach and generate hundreds of millions of dollars annually for affordable housing, supportive housing, emergency shelters, transitional housing and other housing needs through a \$75 recordation fee on specified real estate documents.

Although an important source of funding in the past for affordable housing, voter-approved bonds are not a permanent or reliable source. To provide for a stable and permanent source of funding, several states have set up state housing trust funds funded by a document recording fee.

Cities are eager to help spur the construction of new affordable housing units, but with the loss of over \$1 billion per year of redevelopment housing funds they lack the resources to do so. This measure would provide an ongoing, permanent source of funding that would allocate 50% of the proceeds to local governments, so that they may be used to address housing needs at the local level.

This measure is a significant step in the right direction.

#### **ACTION:**

**Please send your CITY LETTERS of SUPPORT for SB 2 as soon as possible.** A hearing date has not been set for SB 2 as of this date; however, it will be heard in the Senate Transportation and Housing Committee. Although it is **critical for all Senators** to hear from their cities, first priority is for Senators on the Sen. Transportation and Housing committee to hear from their cities. Sample letter is attached or you may use the League's Take Action Center to submit a letter online.

#### **SENATE TRANSPORTATION AND HOUSING**

<b>Member</b>	<b>District</b>	<b>Party</b>	<b>Room</b>	<b>Phone</b>	<b>Fax</b>
<a href="#">Allen, Ben</a>	26	D	4208	916 651 4026	916 651 4926
<a href="#">Atkins, Toni</a>	39	D	4072	916 651 4039	916 651 4939
<a href="#">Bates, Patricia</a>	36	R	4048	916 651 4036	916 651 4936
<a href="#">Beall, Jim</a> (Chair)	15	D	2082	916 651 4015	916 651 4915
<a href="#">Cannella, Anthony</a> (Vice-Chair)	12	R	5082	916 651 4012	916 651 4912
<a href="#">Gaines, Ted</a>	1	R	3076	916 651 4001	916 651 4901
<a href="#">McGuire, Mike</a>	2	D	5061	916 651 4002	916 651 4902
<a href="#">Mendoza, Tony</a>	32	D	5100	916 651 4032	916 651 4932
<a href="#">Morrell, Mike</a>	23	R	3056	916 651 4023	916 651 4923
<a href="#">Roth, Richard</a>	31	D	4034	916 651 4031	916 651 4931
<a href="#">Skinner, Nancy</a>	9	D	2059	916 651 4009	916 651 4909
<a href="#">Wieckowski, Bob</a>	10	D	4085	916 651 4010	916 651 4910
<a href="#">Wiener, Scott</a>	11	D	4070	916 651 4011	916 651 4911

You can find your Legislator's contact information here: <http://findyourrep.legislature.ca.gov/>.

**Talking Points:**

- SB 2 would create an ongoing, predictable source of funding to fund the state housing trust fund. Until now California's housing trust fund has been funded by periodic, voter-approved housing bonds that eventually run dry.
- Funds will be used for the development, acquisition, rehabilitation, and preservation of housing, including transitional and permanent rental housing, workforce housing, supportive services, foreclosure mitigation, and homeownership programs.
- With funds from successful state housing bonds (Prop. 46 and Prop. 1C) exhausted and the complete elimination of redevelopment, the availability of state dollars that leverage private investment and federal and local funds is at a historic low.
- The Building Homes and Jobs Act is a much needed measure that would provide a key incentive for the construction of affordable housing.

**\*\*\*CITY LETTERHEAD\*\*\***

**DATE**

The Honorable Toni G. Atkins  
Member, California State Senate  
State Capitol, Room 4072  
Sacramento, CA 95814  
FAX: 916-651-4939

**RE: SB 2 Building Homes and Jobs Act**  
**NOTICE OF SUPPORT**

Dear Senator Atkins,

The **City/Town of \_\_\_\_\_** supports your SB 2, the Building Homes and Jobs Act. This measure would generate hundreds of millions of dollars per year for affordable rental or ownership housing, supportive housing, emergency shelters, transitional housing and other housing needs via a \$75 recordation fee on specified real estate documents.

Cities, including the **City/Town of \_\_\_\_\_**, are eager to help encourage the construction of affordable housing, but with the loss of over \$1 billion per year of redevelopment housing funds they lack the resources to do so. While the timeliness of the environmental review, permitting, and approval processes can always be improved to help reduce costs, affordable housing projects require some form of financial assistance. This measure is a significant step in the right direction.

**INCLUDE CITY/TOWN SPECIFIC INFO OR ANECDOTE**

SB 2 would provide an ongoing, permanent state source of funding for much needed affordable housing projects.

For these reasons, the **City/Town of \_\_\_\_\_** **supports** SB 2.

Sincerely,

**NAME**

**TITLE**

**CITY/TOWN of \_\_\_\_\_**

cc: Senator Jim Beall, Chair, Senate Housing and Transportation Committee, fax: 916-651-4915  
**Your Senator & Assembly Member**  
Alison Hughes, Consultant, Senate Housing and Transportation Committee, fax: 916-445-2209  
Sarah Boot, Legislative Director, Senator Toni Atkins, [sarah.boot@sen.ca.gov](mailto:sarah.boot@sen.ca.gov)  
**Your League Regional Public Affairs Manager (via email)**  
Jason Rhine, League of California Cities, [jrhine@cacities.org](mailto:jrhine@cacities.org)



**Introduced by Senator Atkins****(Coauthors: Senators Beall, Bradford, Dodd, Hertzberg, Jackson,  
Mitchell, Roth, Skinner, Wieckowski, and Wiener)****(Coauthors: Assembly Members Bonta and Thurmond)**December 5, 2016

---

---

An act to add Section 27388.1 to the Government Code, and to add Chapter 2.5 (commencing with Section 50470) to Part 2 of Division 31 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 2, as introduced, Atkins. Building Homes and Jobs Act.

Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, homeownership for very low and low-income households, and downpayment assistance for first-time homebuyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law. Existing law requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.

This bill would enact the Building Homes and Jobs Act. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property,

not to exceed \$225. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program. The bill would require that revenues from this fee, after deduction of any actual and necessary administrative costs incurred by the county recorder, be sent quarterly to the Department of Housing and Community Development for deposit in the Building Homes and Jobs Fund, which the bill would create within the State Treasury. The bill would, upon appropriation by the Legislature, require that 20% of the moneys in the fund be expended for affordable owner-occupied workforce housing and 10% of the moneys for housing purposes related to agricultural workers and their families, and would authorize the remainder of the moneys in the fund to be expended to support affordable housing, homeownership opportunities, and other housing-related programs, as specified. The bill would impose certain auditing and reporting requirements and would establish the Building Homes and Jobs Trust Fund Governing Board that would, among other things, review and approve recommendations made by the Department of Housing and Community Development for the distribution of moneys from the fund.

This bill would state the intent of the Legislature to enact legislation that would create the Secretary of Housing within state government to oversee all activities related to housing in the state.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known as the Building Homes  
2 and Jobs Act.

3 SEC. 2. (a) The Legislature finds and declares that having a  
4 healthy housing market that provides an adequate supply of homes  
5 affordable to Californians at all income levels is critical to the  
6 economic prosperity and quality of life in the state.

1 (b) The Legislature further finds and declares all of the  
2 following:

3 (1) Funding approved by the state’s voters in 2002 and 2006,  
4 as of June 2015, has financed the construction, rehabilitation, and  
5 preservation of over 14,000 shelter spaces and 245,000 affordable  
6 homes. These numbers include thousands of supportive homes for  
7 people experiencing homelessness. In addition, these funds have  
8 helped tens of thousands of families become or remain  
9 homeowners. Nearly all of the voter-approved funding for  
10 affordable housing has been awarded.

11 (2) The requirement in the Community Redevelopment Law  
12 that redevelopment agencies set aside 20 percent of tax increment  
13 for affordable housing generated roughly \$1 billion per year. With  
14 the elimination of redevelopment agencies, this funding stream  
15 has disappeared.

16 (3) In 2014, the Legislature committed 10 percent of ongoing  
17 cap-and-trade funds for affordable housing that reduces greenhouse  
18 gas emissions and dedicated \$100 million in one-time funding for  
19 affordable multifamily and permanent supportive housing. In  
20 addition, the people of California thoughtfully approved the  
21 repurposing of \$600 million in already committed bond funds for  
22 the creation of affordable rental and permanent supportive housing  
23 for veterans through the passage of Proposition 41.

24 (4) In 2015, the Legislature approved \$2 billion in revenue  
25 bonds for the construction and rehabilitation of permanent  
26 supportive housing for homeless individuals with mental illness  
27 through the “No Place Like Home” initiative and increased funding  
28 for the CalWORKs Housing Support Program to \$47 million per  
29 year. Another \$45 million was directed to Emergency Solutions  
30 Grants to fund rapid rehousing, outreach, shelters, and homeless  
31 prevention and \$10 million was provided to reduce homelessness  
32 among families who are part of the child welfare system.

33 (5) Despite these investments, the need for affordable housing  
34 in the state of California greatly exceeds the available resources,  
35 demonstrated by the Public Policy Institute of California finding  
36 that, as of January 2016, 31.5 percent of mortgaged homeowners  
37 and 47 percent of all renters are spending more than 35 percent of  
38 their household incomes on housing.

39 (6) California has 12 percent of the United States population,  
40 but 20 percent of its homeless population. California has the highest

1 percentage of unsheltered homeless in the nation, with 64 percent  
2 of homeless Californians not having shelter. California has 24  
3 percent of the nation’s homeless veterans population and one-third  
4 of the nation’s chronically homeless population. California also  
5 has the largest populations of unaccompanied homeless children  
6 and youth, with 28 percent of the national total.

7 (7) Furthermore, four of the top 10 metropolitan areas in the  
8 country with the highest rate of homelessness are in the following  
9 metropolitan areas in California: San Jose-Sunnyvale-Santa Clara,  
10 Los Angeles-Long Beach-Santa Ana, Fresno, and Stockton.

11 (8) California continues to have the second lowest  
12 homeownership rate in the nation, and the Los Angeles  
13 metropolitan area is now a majority renter area. In fact, five of the  
14 eight lowest homeownership rates are in metropolitan areas in  
15 California.

16 (9) Los Angeles and Orange Counties have been identified as  
17 the epicenter of overcrowded housing, and numerous studies have  
18 shown that children in crowded homes have poorer health, worse  
19 scores on mathematics and reading tests, and higher rates of  
20 depression and behavioral problems—even when poverty is taken  
21 into account.

22 (10) Millions of Californians are affected by the state’s chronic  
23 housing shortage, including seniors, veterans, people experiencing  
24 chronic homelessness, working families, people with mental,  
25 physical, or developmental disabilities, agricultural workers, people  
26 exiting jails, prisons, and other state institutions, survivors of  
27 domestic violence, and former foster and transition-aged youth.

28 (11) Eight of the top 10 hardest hit cities by the foreclosure  
29 crisis in the nation were in California. They include the Cities of  
30 Stockton, Modesto, Vallejo, Riverside, San Bernardino, Merced,  
31 Bakersfield, and Sacramento.

32 (12) California’s workforce continues to experience longer  
33 commute times as persons in the workforce seek affordable housing  
34 outside the areas in which they work. If California is unable to  
35 support the construction of affordable housing in these areas,  
36 congestion problems will strain the state’s transportation system  
37 and exacerbate greenhouse gas emissions.

38 (13) Many economists agree that the state’s higher than average  
39 unemployment rate is due in large part to massive shrinkage in the  
40 construction industry from 2005 to 2009, including losses of nearly

1 700,000 construction-related jobs, a 60-percent decline in  
2 construction spending, and an 83-percent reduction in residential  
3 permits. Restoration of a healthy construction sector will  
4 significantly reduce the state’s unemployment rate.

5 (14) The lack of sufficient housing impedes economic growth  
6 and development by making it difficult for California employers  
7 to attract and retain employees.

8 (15) To keep pace with continuing demand, the state should  
9 identify and establish a permanent, ongoing source or sources of  
10 funding dedicated to affordable housing development. Without a  
11 reliable source of funding for housing affordable to the state’s  
12 workforce and most vulnerable residents, the state and its local  
13 and private housing development partners will not be able to  
14 continue increasing the supply of housing after existing housing  
15 bond resources are depleted.

16 (16) The investment will leverage billions of dollars in private  
17 investment, lessen demands on law enforcement and dwindling  
18 health care resources as fewer people are forced to live on the  
19 streets or in dangerous substandard buildings, and increase  
20 businesses’ ability to attract and retain skilled workers.

21 (17) In order to promote housing and homeownership  
22 opportunities, the recording fee imposed by this act shall not be  
23 applied to any recording made in connection with a sale of real  
24 property. Purchasing a home is likely the largest purchase made  
25 by Californians, and it is the intent of this act to not increase  
26 transaction costs associated with these transfers.

27 SEC. 3. Section 27388.1 is added to the Government Code, to  
28 read:

29 27388.1. (a) (1) Commencing January 1, 2018, and except as  
30 provided in paragraph (2), in addition to any other recording fees  
31 specified in this code, a fee of seventy-five dollars (\$75) shall be  
32 paid at the time of recording of every real estate instrument, paper,  
33 or notice required or permitted by law to be recorded, except those  
34 expressly exempted from payment of recording fees, per each  
35 single transaction per parcel of real property. The fee imposed by  
36 this section shall not exceed two hundred twenty-five dollars  
37 (\$225). “Real estate instrument, paper, or notice” means a  
38 document relating to real property, including, but not limited to,  
39 the following: deed, grant deed, trustee’s deed, deed of trust,  
40 reconveyance, quit claim deed, fictitious deed of trust, assignment

1 of deed of trust, request for notice of default, abstract of judgment,  
2 subordination agreement, declaration of homestead, abandonment  
3 of homestead, notice of default, release or discharge, easement,  
4 notice of trustee sale, notice of completion, UCC financing  
5 statement, mechanic’s lien, maps, and covenants, conditions, and  
6 restrictions.

7 (2) The fee described in paragraph (1) shall not be imposed on  
8 any real estate instrument, paper, or notice recorded in connection  
9 with a transfer subject to the imposition of a documentary transfer  
10 tax as defined in Section 11911 of the Revenue and Taxation Code  
11 or on any real estate instrument, paper, or notice recorded in  
12 connection with a transfer of real property that is a residential  
13 dwelling to an owner-occupier.

14 (b) The fees, after deduction of any actual and necessary  
15 administrative costs incurred by the county recorder in carrying  
16 out this section, shall be remitted quarterly, on or before the last  
17 day of the month next succeeding each calendar quarterly period,  
18 to the Department of Housing and Community Development for  
19 deposit in the California Homes and Jobs Trust Fund established  
20 by Section 50470 of the Health and Safety Code, to be expended  
21 for the purposes set forth in that section. In addition, the county  
22 shall pay to the Department of Housing and Community  
23 Development interest, at the legal rate, on any funds not paid to  
24 the Controller before the last day of the month next succeeding  
25 each quarterly period.

26 SEC. 4. Chapter 2.5 (commencing with Section 50470) is added  
27 to Part 2 of Division 31 of the Health and Safety Code, to read:

28  
29 CHAPTER 2.5. BUILDING HOMES AND JOBS ACT

30  
31 Article 1. General Provisions

32  
33 50470. (a) (1) There is hereby created in the State Treasury  
34 the Building Homes and Jobs Trust Fund. All interest or other  
35 increments resulting from the investment of moneys in the fund  
36 shall be deposited in the fund, notwithstanding Section 16305.7  
37 of the Government Code.

38 (2) Moneys in the Building Homes and Jobs Trust Fund shall  
39 not be subject to transfer to any other fund pursuant to any  
40 provision of Part 2 (commencing with Section 16300) of Division

1 4 of Title 2 of the Government Code, except to the Surplus Money  
2 Investment Fund. Upon appropriation by the Legislature:

3 (A) Twenty percent of moneys in the fund shall be expended  
4 for affordable owner-occupied workforce housing.

5 (B) Ten percent of the moneys in the fund shall be expended to  
6 address affordable homeownership and rental housing opportunities  
7 for agricultural workers and their families.

8 (C) The remainder of the moneys in the fund may be expended  
9 for the following purposes:

10 (i) The development, acquisition, rehabilitation, and preservation  
11 of rental housing that is affordable to extremely low, very low,  
12 low-, and moderate-income households, including necessary  
13 operating subsidies.

14 (ii) Affordable rental and ownership housing that meets the  
15 needs of a growing workforce earning up to 120 percent of area  
16 median income.

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

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

22 (v) Capitalized reserves for services connected to the creation  
23 of new permanent supportive housing, including, but not limited  
24 to, developments funded through the Veterans Housing and  
25 Homelessness Prevention Program.

26 (vi) Emergency shelters, transitional housing, and rapid  
27 rehousing.

28 (vii) Accessibility modifications.

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

31 (ix) Homeownership opportunities, including, but not limited  
32 to, down payment assistance.

33 (x) Grants to local and regional agencies to assist in the  
34 development and updating of planning documents and zoning  
35 ordinances in order to accelerate housing production, including,  
36 but not limited to, General Plans, community plans, specific plans,  
37 sustainable communities strategies, and local coastal programs.

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

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

6 (b) Both of the following shall be paid and deposited in the  
7 fund:

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

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

13 (c) If a local government does not expend the moneys allocated  
14 to it, pursuant to this chapter, within five years of that allocation,  
15 those moneys shall revert to, and be paid and deposited in, the  
16 fund.

17 50470.5. For purposes of this chapter:

18 (a) “Department” means the Department of Housing and  
19 Community Development.

20 (b) “Governing Board” means the Building Homes and Jobs  
21 Trust Fund Governing Board.

22 50470.7. (a) The Building Homes and Jobs Trust Fund  
23 Governing Board is hereby established. The governing board shall  
24 include one representative from the department, one representative  
25 from the California Housing Finance Agency, and one  
26 representative from the Office of the Treasurer. The governing  
27 board shall consist also include no fewer than two real estate  
28 licensees, one from northern California and one from southern  
29 California, each with not less than 10 years of real estate experience  
30 and membership in a real estate trade organization with not less  
31 than 20,000 licensees. The governing board shall include a local  
32 government official from northern and southern California, and a  
33 representative from the northern and southern California home  
34 building industry, all of whom shall be appointed by the Governor.

35 (b) (1) The governing board also shall include six public  
36 members. Two of the public members must be representative of  
37 nonprofit affordable housing development, one appointed by the  
38 Speaker of the Assembly and one appointed by the Senate Rules  
39 Committee. Two of the public members must be representative of  
40 for-profit affordable housing development, one appointed by the



1 Speaker of the Assembly and one appointed by the Senate Rules  
2 Committee. The Speaker of the Assembly and the Senate Rules  
3 Committee shall each appoint one additional public member who  
4 shall be representative of, or have experience in, one or more of  
5 the following areas:

- 6 (A) Private sector lending.
- 7 (B) For-profit affordable housing development.
- 8 (C) Nonprofit affordable housing development.
- 9 (D) Working with special needs populations, including persons  
10 experiencing homelessness.
- 11 (E) Architecture.
- 12 (F) Housing development consultation.
- 13 (G) Academia related to housing issues.

14 (2) Overall public membership shall contribute to a balance  
15 among geographic areas and between rural and urban interests.

16 50471. (a) In order to maximize efficiency and address  
17 comprehensive needs, the department, in consultation with the  
18 California Housing Finance Agency, the California Tax Credit  
19 Allocation Committee, and the California Debt Limit Allocation  
20 Committee, shall develop and submit to the Legislature, at the time  
21 of the Department of Finance’s adjustments to the proposed  
22 2018–19 fiscal year budget pursuant to subdivision (e) of Section  
23 13308 of the Government Code, the Building Homes and Jobs  
24 Investment Strategy. Notwithstanding Section 10231.5 of the  
25 Government Code, commencing with the 2023–24 fiscal year, and  
26 every five years thereafter, concurrent with the release of the  
27 Governor’s proposed budget, the department shall update the  
28 investment strategy and submit it to the Legislature. The governing  
29 board shall review and advise the department regarding the  
30 investment strategy prior to its submission to the Legislature. The  
31 investment strategy shall do all of the following:

32 (1) Identify the statewide needs, goals, objectives, and outcomes  
33 for housing for a five-year time period. Goals should include targets  
34 of the total number for affordable homes created and preserved  
35 with the funds.

36 (2) Meet the following minimum objectives:

37 (A) Encourage economic development and job creation by  
38 helping to meet the housing needs of a growing workforce earning  
39 up to 120 percent of area median income.

1 (B) Identify opportunities for coordination among state  
2 departments and agencies to achieve greater efficiencies, increase  
3 the amount of federal investment in production, services, and  
4 operating costs of housing, and promote energy efficiency in  
5 housing produced.

6 (C) Incentivize the use and coordination of nontraditional  
7 funding sources including philanthropic funds, local realignment  
8 funds, nonhousing tax increment, the federal Patient Protection  
9 and Affordable Care Act, and other resources.

10 (D) Incentivize innovative approaches that produce cost savings  
11 to local and state services by reducing the instability of housing  
12 for frequent, high-cost users of hospitals, jails, detoxification  
13 facilities, psychiatric hospitals, and emergency shelters.

14 (3) Provide for a geographically balanced distribution of funds,  
15 including a 50 percent direct allocation of funds to local  
16 governments.

17 (4) In order to receive an allocation a local government shall:

18 (A) Submit a plan to the department detailing how allocated  
19 funds will be used by the local government in manner consistent  
20 with paragraph (2) of subdivision (a) of Section 50470.

21 (B) Have a compliant housing element with the state, submit  
22 annual reports pursuant to Section 65400 of the Government Code,  
23 and submit an annual report to the department that provides  
24 ongoing tracking of the uses and expenditures of any allocated  
25 funds.

26 (C) Emphasize investments that serve households that are at or  
27 below 60 percent of area median income.

28 (b) Before submitting the Building Homes and Jobs Investment  
29 Strategy to the Legislature, the department shall hold at least four  
30 public workshops in different regions of the state to further inform  
31 the development of the investment strategy.

32 (c) Expenditure requests contained in the Governor's proposed  
33 budget shall be consistent with the Building Homes and Jobs  
34 Investment Strategy developed and submitted pursuant to this part.  
35 Moneys in the Building Homes and Jobs Trust Fund shall be  
36 appropriated through the annual Budget Act.

37 (d) The Building Homes and Jobs Investment Strategy and  
38 updates required by this section shall be submitted pursuant to  
39 Section 9795 of the Government Code.

1 (e) The governing board shall have the authority to review and  
2 approve department recommendations for all funds distributed  
3 from the Building Homes and Jobs Trust Fund.

4  
5 Article 2. Audits and Reporting  
6

7 50475. The California State Auditor’s Office shall conduct  
8 periodic audits to ensure that the annual allocation to individual  
9 programs is awarded by the department in a timely fashion  
10 consistent with the requirements of this chapter. The first audit  
11 shall be conducted no later than 24 months from the effective date  
12 of this section.

13 50476. (a) In its annual report to the Legislature pursuant to  
14 Section 50408, the department shall report how funds that were  
15 made available pursuant to this chapter and allocated in the prior  
16 year were expended, including efforts to promote a geographically  
17 balanced distribution of funds. The report shall also assess the  
18 impact of the investment on job creation and the economy. With  
19 respect to any awards made specifically to house or support persons  
20 who are homeless or at risk of homelessness, the report shall  
21 include an analysis of the effectiveness of the funding in allowing  
22 these households to retain permanent housing. The department  
23 shall make the report available to the public on its Internet Web  
24 site.

25 (b) (1) In the report, the department shall make a determination  
26 of whether any of the moneys derived from fees collected pursuant  
27 to Section 27388.1 of the Government Code are being allocated  
28 by the state for any purpose not authorized by Section 50470 and  
29 shall share the information with the county recorders.

30 (2) If the department determines that any moneys derived from  
31 fees collected pursuant to Section 27388.1 of the Government  
32 Code are being allocated by the state for a purpose not authorized  
33 by Section 50470, the county recorders shall, upon notice of the  
34 determination, immediately cease collection of the fees imposed  
35 by Section 27388.1 of the Government Code, and shall resume  
36 collection of those fees only upon notice that the moneys derived  
37 from fees collected pursuant to Section 23788.1 of the Government  
38 Code are being allocated by the state only for a purpose authorized  
39 by Section 50470.

1 SEC. 5. (a) The Legislature finds and declares that the housing  
2 market plays a critical role in the functioning of the California  
3 economy.

4 (b) The Legislature further finds and declares all of the  
5 following:

6 (1) The need for housing is something every Californian  
7 encounters.

8 (2) Adequate and stable housing is a crucial component of all  
9 Californians’ quality of life.

10 (3) The expenditure for housing is one of the largest expenses  
11 all Californians undertake in their day-to-day lives.

12 (4) Housing and housing-related activities are of such significant  
13 importance to the state that it warrants a clear and unified voice  
14 in state government.

15 (c) It is the intent of the Legislature to enact legislation that  
16 would create a Secretary of Housing within state government to  
17 oversee all activities related to housing in the state. In creating this  
18 position, it is the intent of the Legislature that all professional  
19 entities that play a role in the housing market would be authorized  
20 to be incorporated in order to have a clearer and more unified  
21 approach to housing in California.

22 SEC. 6. No reimbursement is required by this act pursuant to  
23 Section 6 of Article XIII B of the California Constitution because  
24 a local agency or school district has the authority to levy service  
25 charges, fees, or assessments sufficient to pay for the program or  
26 level of service mandated by this act, within the meaning of Section  
27 17556 of the Government Code.

28 SEC. 7. This act is an urgency statute necessary for the  
29 immediate preservation of the public peace, health, or safety within  
30 the meaning of Article IV of the California Constitution and shall  
31 go into immediate effect. The facts constituting the necessity are:

32 In order to provide affordable housing opportunities at the earliest  
33 possible time, it is necessary for this act to take effect immediately.

## **ACTION ALERT!!**

### **SB 3 (Beall)** **Affordable Housing Bond Act of 2018** **SUPPORT**

#### **Background:**

SB 3, the Affordable Housing Bond Act of 2018, would authorize a \$3 billion general obligation bond to fund affordable housing programs and infill infrastructure projects.

Many factors have contributed to the lack of supply and the high cost of housing statewide, especially in coastal regions where the technology sector has experienced booming high-wage job growth. A major contributor to the problem has been the elimination of redevelopment agencies, which resulted in an annual loss of \$1 billion for affordable housing.

Proceeds from the last state housing bond, passed a decade ago, have been expended, and other state and federal funding sources, except for modest amounts of tax credits, have slowly eroded or have been discontinued. In fact, federal investments in critical housing programs have been slashed 50-77% from 2005 to 2015.

The lack of construction in the private housing market has resulted in increasing rents and home prices well above the national average, while also playing a role in the state's homeless population climbing to 116,000 after years of progress. SB 3 would help mitigate these problems by infusing \$3 billion into the affordable housing market.

#### **ACTION:**

**Please send your CITY LETTERS of SUPPORT for SB 3 as soon as possible.** A hearing date has not been set for SB 3 as of this date; however, it will be heard in the Senate Transportation and Housing Committee. Although it is **critical for all Senators** to hear from their cities, first priority is for Senators on the Sen. Transportation and Housing committee to hear from their cities. Sample letter is attached or you may use the [League's Take Action Center](#) to submit a letter online.

#### **SENATE TRANSPORTATION AND HOUSING**

<b>Member</b>	<b>District</b>	<b>Party</b>	<b>Room</b>	<b>Phone</b>	<b>Fax</b>
<a href="#">Allen, Ben</a>	26	D	4208	916 651 4026	916 651 4926
<a href="#">Atkins, Toni</a>	39	D	4072	916 651 4039	916 651 4939
<a href="#">Bates, Patricia</a>	36	R	4048	916 651 4036	916 651 4936
<a href="#">Beall, Jim</a> (Chair)	15	D	2082	916 651 4015	916 651 4915
<a href="#">Cannella, Anthony</a> (Vice-Chair)	12	R	5082	916 651 4012	916 651 4912
<a href="#">Gaines, Ted</a>	1	R	3076	916 651 4001	916 651 4901
<a href="#">McGuire, Mike</a>	2	D	5061	916 651 4002	916 651 4902
<a href="#">Mendoza, Tony</a>	32	D	5100	916 651 4032	916 651 4932
<a href="#">Morrell, Mike</a>	23	R	3056	916 651 4023	916 651 4923
<a href="#">Roth, Richard</a>	31	D	4034	916 651 4031	916 651 4931
<a href="#">Skinner, Nancy</a>	9	D	2059	916 651 4009	916 651 4909
<a href="#">Wieckowski, Bob</a>	10	D	4085	916 651 4010	916 651 4910
<a href="#">Wiener, Scott</a>	11	D	4070	916 651 4011	916 651 4911

You can find your Legislator's contact information here: <http://findyourrep.legislature.ca.gov/>.

**Talking Points:**

- With the elimination of redevelopment agencies the city of \_\_\_\_\_ lost \$\_\_\_\_\_ for affordable housing.
- Proceeds from the last state housing bond have already been expended and other state and federal funding sources, except for modest amounts of tax credits, have slowly eroded or have been discontinued.
- SB 3 would infuse \$3 billion into the affordable housing market to help mitigate the housing challenge.
- Rents and home prices are well above the national average and continue to contribute to the state's homeless population.
- Federal investments for critical housing programs have been slashed 50-77% from 2005 to 2015.
- California must invest in its own housing future; the state can no longer rely so heavily on very limited federal housing funding.

**\*\*\*CITY LETTERHEAD\*\*\***

**DATE**

The Honorable Jim Beall  
Member, State Senate  
State Capitol, Room 5066  
Sacramento, CA 95814  
FAX: 916-651-4915

**Re: SB 3 (Beall) – Affordable Housing Bond Act of 2018**  
**NOTICE OF SUPPORT**

Dear Senator Beall,

The **City/Town of** supports your SB 3, the Affordable Housing Bond Act of 2018, which authorizes a \$3 billion general obligation bond to fund affordable housing programs and infill infrastructure projects.

Cities are in great need of assistance now that Proposition 46 and Proposition 1C funds have been allocated, \$1.5 billion in annual redevelopment funding have been eliminated, and federal investments in critical housing programs have been slashed 50-77% from 2005 to 2015.

**INCLUDE CITY/TOWN SPECIFIC INFO OR ANECDOTE**

The lack of construction in the private housing market has resulted in increasing rents and home prices well above the national average, while also playing a role in the state's homeless population climbing to 116,000 after years of progress. SB 3 would help mitigate these problems by infusing \$3 billion into the affordable housing market.

For these reasons, the **City/Town of** supports SB 3 and applauds your leadership on this important matter.

Sincerely,

**NAME**

**TITLE**

**CITY/TOWN of**

cc: Senator Jim Beall, Chair, Senate Housing and Transportation Committee, fax: 916-651-4915

**Your Senator & Assembly Member**

Alison Hughes, Consultant, Senate Housing and Transportation Committee, fax: 916-445-2209

Lynne Andres, Legislative Director, Senator Jim Beall, [lynne.andres@sen.ca.gov](mailto:lynne.andres@sen.ca.gov)

**Your League Regional Public Affairs Manager (via email)**

Jason Rhine, League of California Cities, [jrhine@cacities.org](mailto:jrhine@cacities.org)

**Introduced by Senator Beall**December 5, 2016

---

---

An act to add Part 16 (commencing with Section 54000) to Division 31 of the Health and Safety Code, relating to housing, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 3, as introduced, Beall. Affordable Housing Bond Act of 2018.

Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home ownership for very low and low-income households, and downpayment assistance for first-time home buyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law and requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.

This bill would enact the Affordable Housing Bond Act of 2018, which, if adopted, would authorize the issuance of bonds in the amount of \$3,000,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, as provided.



This bill would provide for submission of the bond act to the voters at the November 6, 2018, statewide general election in accordance with specified law.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) California is experiencing an extreme housing shortage with  
4 2.2 million extremely low income and very low income renter  
5 households competing for only 664,000 affordable rental homes.  
6 This leaves more than 1.54 million of California’s lowest income  
7 households without access to affordable housing.

8 (b) While homelessness across the United States is in an overall  
9 decline, homelessness in California is rising. In 2015, California  
10 had 115,738 homeless people, which accounted for 21 percent of  
11 the nation’s homeless population. This is an increase of 1.6 percent  
12 from the prior year. California also had the highest rate of  
13 unsheltered people, at 64 percent or 73,699 people; the largest  
14 numbers of unaccompanied homeless children and youth, at 10,416  
15 people or 28 percent of the national total; the largest number of  
16 veterans experiencing homelessness, at 11,311 or 24 percent of  
17 the national homeless veteran population; and the second largest  
18 number of people in families with chronic patterns of homelessness,  
19 at 22,582 or 11 percent of the state’s homeless family population.

20 (c) California is home to 21 of the 30 most expensive rental  
21 housing markets in the country, which has had a disproportionate  
22 impact on the middle class and the working poor. California  
23 requires the third highest wage in the country to afford housing,  
24 behind Hawaii and Washington, D.C. The fair market rent, which  
25 indicates the amount of money that a given property would require  
26 if it were open for leasing, for a two-bedroom apartment is \$1,386.  
27 To afford this level of rent and utilities, without paying more than  
28 30 percent of income on housing, a household must earn an hourly  
29 “housing wage” of \$26.65 per hour. This means that a person  
30 earning minimum wage must work an average of three jobs to pay

1 the rent for a two-bedroom unit. In some areas of the state, these  
2 numbers are even higher.

3 (d) Low-income families are forced to spend more and more of  
4 their income on rent, which leaves little else for other basic  
5 necessities. Many renters must postpone or forgo home ownership,  
6 live in more crowded housing, commute further to work, or, in  
7 some cases, choose to live and work elsewhere.

8 (e) California has seen a significant reduction of state funding  
9 in recent years. The funds from Proposition 46 of 2002 and  
10 Proposition 1C of 2006, totaling nearly \$5 billion for a variety of  
11 affordable housing programs, have been expended. Combined with  
12 the loss of redevelopment funds, \$1.5 billion of annual state  
13 investment dedicated to housing has been lost, leaving several  
14 critical housing programs unfunded.

15 (f) High housing costs and the shortage of housing stock in  
16 California directly affect the future health of California's economy  
17 and, given the staggering numbers indicated above, bold action is  
18 necessary. Investment in existing and successful housing programs  
19 to expand the state's housing stock should benefit California's  
20 homeless and low-income earners, as well as some of the state's  
21 most vulnerable populations, including foster and at-risk youth,  
22 persons with developmental and physical disabilities, farmworkers,  
23 the elderly, single parents with children, and survivors of domestic  
24 violence. Investments should also be made in housing for Medi-Cal  
25 recipients served through a county's Section 1115 Waiver Whole  
26 Person Care Pilot program and family day care providers.

27 (g) Investment in housing creates jobs and provides local  
28 benefits. The estimated one-year impacts of building 100 rental  
29 apartments in a typical local area include \$11.7 million in local  
30 income, \$2.2 million in taxes and other revenue for local  
31 governments, and 161 local jobs or 1.62 jobs per apartment. The  
32 additional annually recurring impacts of building 100 rental  
33 apartments in a typical local area include \$2.6 million in local  
34 income, \$503,000 in taxes and other revenue for local governments,  
35 and 44 local jobs or .44 jobs per apartment.

36 SEC. 2. Part 16 (commencing with Section 54000) is added to  
37 Division 31 of the Health and Safety Code, to read:

1 PART 16. AFFORDABLE HOUSING BOND ACT OF 2018

2  
3 CHAPTER 1. GENERAL PROVISIONS  
4

5 54000. This part shall be known, and may be cited, as the  
6 Affordable Housing Bond Act of 2018.

7 54002. As used in this part, the following terms have the  
8 following meanings:

9 (a) “Board” means the Department of Housing and Community  
10 Development for programs administered by the department, and  
11 the California Housing Finance Agency for programs administered  
12 by the agency.

13 (b) “Committee” means the Housing Finance Committee created  
14 pursuant to Section 53524 and continued in existence pursuant to  
15 Sections 53548 and 54014.

16 (c) “Fund” means the Affordable Housing Bond Act Trust Fund  
17 of 2018 created pursuant to Section 54006.

18 54004. This part shall only become operative upon adoption  
19 by the voters at the November 6, 2018, statewide general election.  
20

21 CHAPTER 2. AFFORDABLE HOUSING BOND ACT TRUST FUND  
22 OF 2018 AND PROGRAM  
23

24 54006. The Affordable Housing Bond Act Trust Fund of 2018  
25 is hereby created within the State Treasury. It is the intent of the  
26 Legislature that the proceeds of bonds deposited in the fund shall  
27 be used to fund the housing-related programs described in this  
28 chapter. The proceeds of bonds issued and sold pursuant to this  
29 part for the purposes specified in this chapter shall be allocated in  
30 the following manner:

31 (a) One billion five hundred million dollars (\$1,500,000,000)  
32 to be deposited in the Multifamily Housing Account, which is  
33 hereby created in the fund. Upon appropriation by the Legislature,  
34 the moneys in the account may be appropriated for the Multifamily  
35 Housing Program authorized by Chapter 6.7 (commencing with  
36 Section 50675) of Part 2, to be expended to assist in the new  
37 construction, rehabilitation, and preservation of permanent and  
38 transitional rental housing for persons with incomes of up to 60  
39 percent of the area median income (AMI).

1 (b) Six hundred million dollars (\$600,000,000) to be deposited  
2 in the Transit-Oriented Development and Infill Infrastructure  
3 Account, which is hereby created within the fund. The moneys in  
4 the account shall be used for the following purposes:

5 (1) Two hundred million dollars (\$200,000,000) to be deposited  
6 into the Transit-Oriented Development Implementation Fund,  
7 established pursuant to Section 53561, for expenditure, upon  
8 appropriation by the Legislature, pursuant to the Transit-Oriented  
9 Development Implementation Program authorized by Part 13  
10 (commencing with Section 53560) to provide local assistance to  
11 cities, counties, cities and counties, transit agencies, and developers  
12 for the purpose of developing or facilitating the development of  
13 higher density uses within close proximity to transit stations that  
14 will increase public transit ridership. These funds may also be  
15 expended for any authorized purpose of this program.

16 (2) Three hundred million dollars (\$300,000,000) to be deposited  
17 in the Infill Infrastructure Financing Account, which is hereby  
18 created within the fund. Moneys in the account shall be available,  
19 upon appropriation by the Legislature, pursuant to the Infill  
20 Incentive Grant Program of 2007 established by Section 53545.13  
21 for infill incentive grants to assist in the new construction and  
22 rehabilitation of infrastructure that supports high-density affordable  
23 and mixed-income housing in locations designated as infill,  
24 including, but not limited to, any of the following:

25 (A) Park creation, development, or rehabilitation to encourage  
26 infill development.

27 (B) Water, sewer, or other public infrastructure costs associated  
28 with infill development.

29 (C) Transportation improvements related to infill development  
30 projects.

31 (D) Traffic mitigation.

32 These funds may also be expended for any authorized purpose  
33 of this program.

34 (3) One hundred million dollars (\$100,000,000) to be deposited  
35 into the Building Equity and Growth in Neighborhoods (BEGIN)  
36 Program Fund, established pursuant to Section 50860, for  
37 expenditure, upon appropriation by the Legislature, pursuant to  
38 the BEGIN Program authorized by Chapter 14.5 (commencing  
39 with Section 50860) of Part 2 to make grants to qualifying cities,  
40 counties, or cities and counties that shall be used for downpayment

1 assistance to qualifying first-time home buyers or low- and  
2 moderate-income buyers purchasing newly constructed homes in  
3 a BEGIN project. These funds may also be expended for any  
4 authorized purpose of this program.

5 (c) Six hundred million dollars (\$600,000,000) to be deposited  
6 in the Special Populations Housing Account, which is hereby  
7 created within the fund. The moneys in the account shall be used  
8 for the following purposes:

9 (1) Three hundred million dollars (\$300,000,000) to be deposited  
10 in the Joe Serna, Jr. Farmworker Housing Grant Fund, established  
11 pursuant to Section 50517.5, for expenditure, upon appropriation  
12 by the Legislature, to fund grants or loans, or both, for local public  
13 entities, nonprofit corporations, limited liability companies, and  
14 limited partnerships, for the construction or rehabilitation of  
15 housing for agricultural employees and their families or for the  
16 acquisition of manufactured housing as part of a program to address  
17 and remedy the impacts of current and potential displacement of  
18 farmworker families from existing labor camps, mobilehome parks,  
19 or other housing. These funds may also be expended for any  
20 authorized purpose of this program.

21 (2) Three hundred million dollars (\$300,000,000) to be deposited  
22 in the Local Housing Trust Matching Grant Program Account,  
23 which is hereby created within the fund. Moneys in the account  
24 shall be available, upon appropriation by the Legislature, pursuant  
25 to the Local Housing Trust Fund Matching Grant Program  
26 established by Section 50842.2 to fund competitive grants or loans  
27 to local housing trust funds that develop, own, lend, or invest in  
28 affordable housing and used to create pilot programs to demonstrate  
29 innovative, cost-saving approaches to creating or preserving  
30 affordable housing. Local housing trust funds shall be derived on  
31 an ongoing basis from private contribution or governmental sources  
32 that are not otherwise restricted in use for housing programs. These  
33 funds may also be expended for any authorized purpose of this  
34 program.

35 (d) Three hundred million dollars (\$300,000,000) to be deposited  
36 in the Home Ownership Development Account, which is hereby  
37 created within the fund. The moneys in the account shall be, upon  
38 appropriation by the Legislature, available for the CalHome  
39 Program authorized by Chapter 6 (commencing with Section  
40 50650) of Part 2, to provide direct, forgivable loans to assist

1 development projects involving multiple home ownership units,  
2 including single-family subdivisions, for self-help mortgage  
3 assistance programs, and for manufactured homes. These funds  
4 may also be expended for any authorized purpose of this program.

5 54008. (a) The Legislature may, from time to time, amend  
6 any law related to programs to which funds are, or have been,  
7 allocated pursuant to this chapter for the purposes of improving  
8 the efficiency and effectiveness of those programs or to further  
9 the goals of those programs.

10 (b) The Legislature may amend this chapter to reallocate the  
11 proceeds of bonds issued and sold pursuant to this part among the  
12 programs to which funds are to be allocated pursuant to this chapter  
13 as necessary to effectively promote the development of affordable  
14 housing in this state.

15

16 CHAPTER 3. FISCAL PROVISIONS

17

18 54010. Bonds in the total amount of three billion dollars  
19 (\$3,000,000,000), exclusive of refunding bonds issued pursuant  
20 to Section 54026, or so much thereof as is necessary as determined  
21 by the committee, are hereby authorized to be issued and sold for  
22 carrying out the purposes expressed in this part and to reimburse  
23 the General Obligation Bond Expense Revolving Fund pursuant  
24 to Section 16724.5 of the Government Code. All bonds herein  
25 authorized which have been duly issued, sold, and delivered as  
26 provided herein shall constitute valid and binding general  
27 obligations of the state, and the full faith and credit of the state is  
28 hereby pledged for the punctual payment of both principal of and  
29 interest on those bonds when due.

30 54012. The bonds authorized by this part shall be prepared,  
31 executed, issued, sold, paid, and redeemed as provided in the State  
32 General Obligation Bond Law (Chapter 4 (commencing with  
33 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
34 Code), except subdivisions (a) and (b) of Section 16727 of the  
35 Government Code to the extent that those provisions are  
36 inconsistent with this part, and all of the provisions of that law as  
37 amended from time to time apply to the bonds and to this part,  
38 except as provided in Section 54028, and are hereby incorporated  
39 in this part as though set forth in full in this part.

1 54014. (a) Solely for the purpose of authorizing the issuance  
2 and sale, pursuant to the State General Obligation Bond Law, of  
3 the bonds authorized by this part, the committee is continued in  
4 existence. For the purposes of this part, the Housing Finance  
5 Committee is “the committee” as that term is used in the State  
6 General Obligation Bond Law.

7 (b) The committee may adopt guidelines establishing  
8 requirements for administration of its financing programs to the  
9 extent necessary to protect the validity of, and tax exemption for,  
10 interest on the bonds. The guidelines shall not constitute rules,  
11 regulations, orders, or standards of general application and are not  
12 subject to Chapter 3.5 (commencing with Section 11340) of Part  
13 1 of Division 3 of Title 2 of the Government Code.

14 (c) For the purposes of the State General Obligation Bond Law,  
15 the Department of Housing and Community Development is  
16 designated the “board” for programs administered by the  
17 department, and the California Housing Finance Agency is the  
18 “board” for programs administered by the agency.

19 54016. Upon request of the board stating that funds are needed  
20 for purposes of this part, the committee shall determine whether  
21 or not it is necessary or desirable to issue bonds authorized pursuant  
22 to this part in order to carry out the actions specified in Section  
23 54006, and, if so, the amount of bonds to be issued and sold.  
24 Successive issues of bonds may be authorized and sold to carry  
25 out those actions progressively, and are not required to be sold at  
26 any one time. Bonds may bear interest subject to federal income  
27 tax.

28 54018. There shall be collected annually, in the same manner  
29 and at the same time as other state revenue is collected, a sum of  
30 money in addition to the ordinary revenues of the state, sufficient  
31 to pay the principal of, and interest on, the bonds each year. It is  
32 the duty of all officers charged by law with any duty in regard to  
33 the collections of state revenues to do or perform each and every  
34 act which is necessary to collect that additional sum.

35 54020. Notwithstanding Section 13340 of the Government  
36 Code, there is hereby appropriated from the General Fund in the  
37 State Treasury, for the purposes of this part, an amount that will  
38 equal the total of both of the following:

1 (a) The sum annually necessary to pay the principal of, and  
2 interest on, bonds issued and sold pursuant to this part, as the  
3 principal and interest become due and payable.

4 (b) The sum which is necessary to carry out Section 54024,  
5 appropriated without regard to fiscal years.

6 54022. The board may request the Pooled Money Investment  
7 Board to make a loan from the Pooled Money Investment Account,  
8 in accordance with Section 16312 of the Government Code, for  
9 purposes of this part. The amount of the request shall not exceed  
10 the amount of the unsold bonds that the committee has, by  
11 resolution, authorized to be sold, excluding any refunding bonds  
12 authorized pursuant to Section 54026, for purposes of this part,  
13 less any amount withdrawn pursuant to Section 54024. The board  
14 shall execute any documents as required by the Pooled Money  
15 Investment Board to obtain and repay the loan. Any amount loaned  
16 shall be deposited in the fund to be allocated in accordance with  
17 this part.

18 54024. For purposes of carrying out this part, the Director of  
19 Finance may, by executive order, authorize the withdrawal from  
20 the General Fund of any amount or amounts not to exceed the  
21 amount of the unsold bonds that the committee has, by resolution,  
22 authorized to be sold, excluding any refunding bonds authorized  
23 pursuant to Section 54026, for purposes of this part, less any  
24 amount withdrawn pursuant to Section 54022. Any amounts  
25 withdrawn shall be deposited in the fund to be allocated in  
26 accordance with this part. Any moneys made available under this  
27 section shall be returned to the General Fund, plus the interest that  
28 the amounts would have earned in the Pooled Money Investment  
29 Account, from moneys received from the sale of bonds which  
30 would otherwise be deposited in that fund.

31 54026. The bonds may be refunded in accordance with Article  
32 6 (commencing with Section 16780) of Chapter 4 of Part 3 of  
33 Division 4 of Title 2 of the Government Code. Approval by the  
34 electors of this act shall constitute approval of any refunding bonds  
35 issued to refund bonds issued pursuant to this part, including any  
36 prior issued refunding bonds. Any bond refunded with the proceeds  
37 of a refunding bond as authorized by this section may be legally  
38 defeased to the extent permitted by law in the manner and to the  
39 extent set forth in the resolution, as amended from time to time,  
40 authorizing that refunded bond.



1 54028. Notwithstanding any provisions in the State General  
2 Obligation Bond Law, the maturity date of any bonds authorized  
3 by this part shall not be later than 35 years from the date of each  
4 such bond. The maturity of each series shall be calculated from  
5 the date of each series.

6 54030. The Legislature hereby finds and declares that,  
7 inasmuch as the proceeds from the sale of bonds authorized by  
8 this part are not “proceeds of taxes” as that term is used in Article  
9 XIII B of the California Constitution, the disbursement of these  
10 proceeds is not subject to the limitations imposed by that article.

11 54032. Notwithstanding any provision of the State General  
12 Obligation Bond Law with regard to the proceeds from the sale of  
13 bonds authorized by this part that are subject to investment under  
14 Article 4 (commencing with Section 16470) of Chapter 3 of Part  
15 2 of Division 4 of Title 2 of the Government Code, the Treasurer  
16 may maintain a separate account for investment earnings, may  
17 order the payment of those earnings to comply with any rebate  
18 requirement applicable under federal law, and may otherwise direct  
19 the use and investment of those proceeds so as to maintain the  
20 tax-exempt status of tax-exempt bonds and to obtain any other  
21 advantage under federal law on behalf of the funds of this state.

22 54034. All moneys derived from premiums and accrued interest  
23 on bonds sold pursuant to this part shall be transferred to the  
24 General Fund as a credit to expenditures for bond interest;  
25 provided, however, that amounts derived from premiums may be  
26 reserved and used to pay the costs of issuance of the related bonds  
27 prior to transfer to the General Fund.

28 SEC. 3. Section 2 of this act shall become operative upon the  
29 adoption by the voters of the Affordable Housing Bond Act of  
30 2018.

31 SEC. 4. Section 2 of this act shall be submitted by the Secretary  
32 of State to the voters at the November 6, 2018, statewide general  
33 election.

34 SEC. 5. This act is an urgency statute necessary for the  
35 immediate preservation of the public peace, health, or safety within  
36 the meaning of Article IV of the Constitution and shall go into  
37 immediate effect. The facts constituting the necessity are:

1 In order to maximize the time available for the analysis and  
2 preparation of the bond act proposed by Section 2 of this act, it is  
3 necessary that this act take effect immediately.

O