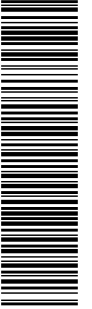


An act to amend Section 8869.84 of the Government Code, and to amend Sections 50517.5, 50517.8, 50675, 50675.4, 50675.6, and 50675.15 of, and to add Part 18 (commencing with Section 54920) to Division 31 of, the Health and Safety Code, relating to housing, and making an appropriation therefor.

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

SECTION 1. Section 8869.84 of the Government Code is amended to read:

8869.84. (a) The committee shall, as soon as is practicable after the start of each calendar year, determine and announce the state ceiling for the calendar year.

(b) (1) The entire state ceiling for each calendar year is hereby allocated to the committee to further allocate to state and local agencies as provided in this chapter.

(2) (A) (i) Subject to clause (ii), until January 1, 2037, the committee shall dedicate a minimum of 90 percent of the entire state ceiling to be used for qualified residential rental projects.

(ii) Upon unanimous approval of the committee, the amount described in clause (i) may be reduced to no less than 80 percent for a single one-year period.

(iii) An extension of a one-year period described in clause (ii) shall require a separate unanimous approval of the committee.

(B) If there is insufficient demand for qualified residential rental projects during a calendar year, the committee may, for the final funding round in that calendar year, reallocate a portion of unused private activity bonds described in subparagraph (A) to address demand for other statewide priorities and to ensure utilization of the state ceiling in conformity with federal law.

(C) The Legislature finds and declares that the establishment of a minimum floor of bond capacity for housing pursuant to this paragraph reflects the statewide priority to promote the development and preservation of affordable housing and to provide certainty in long-term planning and investment. This certainty is necessary to enable developers and financing entities to leverage federal resources and deliver projects efficiently.

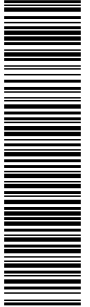
(3) (A) The committee shall reserve at least one-half of the amount dedicated pursuant to subparagraph (A) of paragraph (2) to qualified residential rental projects approved or funded by the Housing Development and Finance Committee.

(B) For purpose of this paragraph, any authority conferred upon, or any reference to, the "committee" in Sections 8869.85, 8869.86, 8869.87, or 8869.88 shall be deemed to mean the Housing Development and Finance Committee.

(C) With respect to the reserve described in subparagraph (A), the Housing Development and Finance Committee shall, upon approving a multifamily housing program award that has also requested a qualified residential rental project bond allocation, pair that award with an allocation of the state ceiling and the associated 4 percent federal low-income housing tax credit, to the extent authorized under federal law.

(D) Following approval of funding decisions pursuant to this paragraph, the Housing Development and Finance Committee shall transmit to the California Debt Limit Allocation Committee and, when applicable, the California Tax Credit Allocation Committee all information necessary to enable the California Debt Limit Allocation Committee and the California Tax Credit Allocation Committee to administer and effectuate the issuance of bonds and the allocation of federal tax credits in compliance with this paragraph.

(E) Any portion of the reserve described in subparagraph (A) not allocated to qualified residential rental projects by the Housing Development and Finance Committee



by November 1 of the calendar year may be reallocated by the committee for other purposes consistent with federal law.

(c) The committee shall prepare application forms and announce procedures for receipt and review of applications from state and local agencies desiring to issue private activity bonds.

(d) The committee may at any time, before or after granting any allocations in any calendar year to any state agencies or local agencies, announce priorities or reservations of any part of the state ceiling not theretofore allocated either for certain categories of bonds or categories of issuers.

(e) The committee may require any issuer making an application to the ~~committee or MBTCAC~~ committee, MBTCAC, or the Housing Development and Finance Committee for allocation of a portion of the state ceiling to make a deposit, as determined by the committee, of up to 1 percent of the portion requested. If an allocation is not given, the deposit shall be returned. If an allocation is given, the deposit shall be kept, in proportion to the amount of allocation given, until bonds are issued. Upon that issuance, the deposit shall be returned to the issuer in an amount equal to the product of (1) the amount of the deposit retained times (2) the ratio between the amount of bonds issued divided by the amount of allocation granted. If no bonds are issued prior to the expiration of the allocation, the deposit shall be kept. However, in cases where only a portion or none of the bonds are issued, the committee may return all or part of the deposit if it determines there is good cause to do so. Any portion of a deposit kept shall be deposited in the fund.

(f) The committee may transfer part of the state ceiling to the MBTCAC, to be used for qualified mortgage bonds and exempt facility bonds or for qualified residential rental projects, as those terms are used in the Internal Revenue Code, together referred to as “housing bonds,” with directions and conditions pursuant to which MBTCAC may allocate those amounts to issuers of housing bonds at both the state and local levels. In carrying out these functions, MBTCAC shall act solely as directed or authorized by the committee. If the committee makes the transfer to MBTCAC authorized by this subdivision, the references in Sections 8869.85, 8869.86, 8869.87, and 8869.88 to the “committee” shall, for purposes of any housing bonds, be deemed to mean MBTCAC.

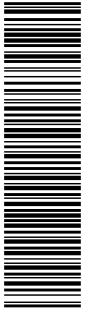
(g) (1) The committee may establish the Extra Credit Teacher Home Purchase Program to provide federal mortgage credit certificates and reduced interest rate loans funded by mortgage revenue bonds to eligible teachers, principals, vice principals, assistant principals, and classified employees who agree to teach or provide administration or service in a high priority school. Priority for assistance shall be given to eligible teachers, principals, vice principals, and assistant principals.

(2) For purposes of this program, the following definitions shall apply:

(A) “High priority school” means a state K–12 public school that is ranked in the bottom half of the Academic Performance Index developed pursuant to subdivision (a) of Section 52052 of the Education Code. However, priority shall be given to schools that are ranked in the lowest three deciles.

(B) “Classified employee” means an employee of a school district, employed in a position not requiring certification qualifications.

(3) The committee may make reservations of a portion of future calendar year state ceiling limits for up to five future calendar years for that program. The committee



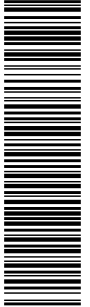
may also make future allocations of the state ceiling for up to five years for any issuer under that program. Any future allocation made by the committee shall constitute an allocation of the state ceiling for a future year specified by the committee and shall be deemed to have been made on the first day of the future year so specified. The committee may condition allocations under the Extra Credit Teacher Home Purchase Program on any terms and conditions that the committee deems necessary or appropriate, including, but not limited to, the execution of a contract between the teacher, principal, vice principal, assistant principal, or classified employee and the issuer whereby the teacher, principal, vice principal, assistant principal, or classified employee agrees to comply with the terms and conditions of the program. The contract may include, among other things, an agreement by the teacher, principal, vice principal, assistant principal, or classified employee to teach or provide administration or service in a high priority school for a minimum number of years, and provisions for enforcing the contract that the committee deems necessary or appropriate.

(4) If a teacher, principal, vice principal, assistant principal, or classified employee does not fulfill the requirements of a contract entered into pursuant to paragraph (3), the issuer of the mortgage credit certificate or mortgage revenue bond may recover as an assessment from the teacher, principal, vice principal, assistant principal, or classified employee a monetary amount equal to the lesser of (A) one-half of the teacher's, principal's, vice principal's, assistant principal's, or classified employee's net proceeds from the sale of the related residence or (B) the amount of monetary benefit conferred on the teacher, principal, vice principal, assistant principal, or classified employee as a result of the federal mortgage credit certificate or reduced interest rate loan funded by a mortgage revenue bond, offset by the amount of any federal recapture, as defined by Section 143(m) of the Internal Revenue Code. The assessment may be secured by a lien against the residence, which shall decline in amount over the term of the contract as the teacher, principal, vice principal, assistant principal, or classified employee fulfills the term of the contract, and which shall be collected at the time of sale of the residence. Any assessment collected pursuant to this paragraph shall be used for the issuer's costs in administering the Extra Credit Teacher Home Purchase Program. The issuers shall report annually to the committee the total amount of any assessments collected pursuant to this paragraph and how those assessments were used by the issuer.

(5) If the committee establishes the Extra Credit Teacher Home Purchase Program pursuant to this subdivision, the committee shall report annually to the Legislature the results of the program, including all of the following:

- (A) The amount of state ceiling limits allocated to or reserved for the program.
- (B) The agencies to which state ceiling limits were issued.
- (C) The number of loans or mortgage credit certificates issued to teachers, principals, vice principals, assistant principals, and classified employees.
- (D) The schools or school districts at which recipients of assistance are employed, aggregated by decile in which the schools rank on the Academic Performance Index and by the percentage of uncredentialed teachers employed at the schools.

(6) The committee shall not make any reservations of future calendar year state ceiling limits or future allocations of the state ceiling pursuant to this subdivision on or after January 1, 2004, unless a later enacted statute, that is enacted before January 1, 2004, deletes or extends that date. However, reservations and allocations made prior to that date shall remain valid.



SEC. 2. 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, there shall be made to local public entities, nonprofit corporations, limited liability companies, and limited partnerships, any of the following:

(A) Loans for the construction or rehabilitation of rental housing for lower-income agricultural employees and their families, including the cost of acquiring the land and any building related thereto and constructing or rehabilitating-related support facilities necessary to the housing. For the funds loaned under this subparagraph, the department shall do all of the following:

(i) Make funds available at the same time it makes funds, if any, available under the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).

(ii) Rate and rank applications in a manner consistent with the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)), except that the department may establish additional point categories for the purposes of rating and ranking applications that seek funding pursuant to this paragraph in addition to those used in the Multifamily Housing Program.

(iii) Administer funds subject to this chapter in a manner consistent with the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)), except that assisted units may serve agricultural employees and their families with incomes of up to 80 percent of the area median income. Loan terms shall be consistent with Section 50675.6 and any other requirements concerning loan terms in Chapter 6.7 (commencing with Section 50675).

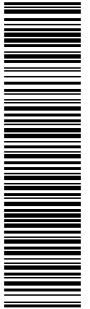
(iv) Only applications meeting the threshold requirements of this subparagraph, and any additional threshold requirements established by the department, shall be eligible to receive funds pursuant to this subparagraph.

(B) Loans that assist development projects involving multiple home ownership units, including single-family subdivisions, for lower-income agricultural employees and their families, including the cost of acquiring the land and constructing or rehabilitating-related support facilities necessary to the housing. Upon completion of construction, the department may convert project loans into grants for programs of assistance to lower-income agricultural employees and their families consistent with the process described in subdivision (c) of Section 50650.3. For the funds loaned under this subparagraph, the department shall do all of the following:

(i) Make funds available at the same time it makes funds, if any, available under the CalHome Program authorized by Chapter 6 (commencing with Section 50650).

(ii) Rate and rank applications in a manner consistent with the CalHome Program authorized by Chapter 6 (commencing with Section 50650), except that the department may establish additional point categories for the purposes of rating and ranking applications that seek funding pursuant to this paragraph in addition to those used in the CalHome Program.

(iii) Administer funds subject to this chapter in a manner consistent with the CalHome Program authorized by Chapter 6 (commencing with Section 50650). Loan terms shall be consistent with loan terms in the CalHome Program authorized by Chapter 6 (commencing with Section 50650).



(iv) Only applications meeting the threshold requirements of this subparagraph, and any additional threshold requirements established by the department, shall be eligible to receive funds pursuant to this subparagraph.

(C) Grants for programs that assist lower-income agricultural employees and their families to become or remain homeowners consistent with the eligible funding purposes described in Section 50650.3. For the funds granted under this subparagraph, the department shall do all of the following:

(i) Make funds available at the same time it makes funds, if any, available under the CalHome Program authorized by Chapter 6 (commencing with Section 50650).

(ii) Rate and rank applications in a manner consistent with the CalHome Program authorized by Chapter 6 (commencing with Section 50650), except that the department may establish additional point categories for the purposes of rating and ranking applications that seek funding pursuant to this paragraph in addition to those used in the CalHome Program.

(iii) Administer funds subject to this chapter in a manner consistent with the CalHome Program authorized by Chapter 6 (commencing with Section 50650).

(iv) Only applications meeting the threshold requirements of this subparagraph, and any additional threshold requirements established by the department, shall be eligible to receive funds pursuant to this subparagraph.

(D) Grants for the acquisition of manufactured housing as part of a program to address and remedy the impacts of current and potential displacement of lower-income farmworker families from existing labor camps, mobilehome parks, or other housing, including the cost of acquiring the land related to the housing and constructing or rehabilitating-related support facilities necessary to the housing. For the funds granted under this subparagraph, the department shall do all of the following:

(i) Make funds available at the same time it makes funds, if any, available under the CalHome Program authorized by Chapter 6 (commencing with Section 50650).

(ii) Rate and rank applications in a manner consistent with the CalHome Program authorized by Chapter 6 (commencing with Section 50650), except that the department may establish additional point categories for the purposes of rating and ranking applications that seek funding pursuant to this paragraph in addition to those used in the CalHome Program.

(iii) Administer funds subject to this chapter in a manner consistent with the CalHome Program authorized by Chapter 6 (commencing with Section 50650).

(iv) Only applications meeting the threshold requirements of this subparagraph, and any additional threshold requirements established by the department, shall be eligible to receive funds pursuant to this subparagraph.

(2) With respect to any moneys appropriated for the purposes of this section, the department shall determine the amounts, if any to be made available for each of the purposes described in paragraph (1).

(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) ~~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~~ The department may adopt, 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.~~

(2) 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.

(3) The department shall provide linguistically appropriate services and publications, or require grantees to do so, as necessary to implement the purposes of this section.

(d) 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.

(e) 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.



(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.

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

(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.

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

(g) The department may adopt guidelines to administer this chapter. Guidelines adopted pursuant to this subdivision shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(h) This section shall become operative on January 1, 2022.

SEC. 3. Section 50517.8 of the Health and Safety Code is amended to read:

50517.8. A household deemed eligible by the United States Department of Agriculture, under the Rural Housing Loan Program of Section 502 of Title V of the Housing Act of 1949 (42 U.S.C. Sec. 1472 et seq.), ~~on the basis of the household's ratio of housing costs to household income seq.) shall be deemed eligible for a grant pursuant to this chapter notwithstanding the department's calculation of the ratio of housing costs to income utilizing different and additional housing cost factors. chapter.~~

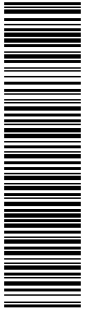
SEC. 4. Section 50675 of the Health and Safety Code is amended to read:

50675. The Legislature finds and declares all of the following:

(a) Large numbers of California's renters face excessive housing costs and live in overcrowded or substandard units. Many of these renters also have special housing needs arising from their employment status, age, or disability, and live in communities suffering from a lack of investment.

(b) In previous years, the state has attempted to address the needs of California renters through a series of small programs operated by the Department of Housing and Community Development, each offering financing targeted at a specific population or building type. These programs were typically highly successful in addressing local housing and community development needs. However, because each individual program came with a unique set of rules, the programs were often costly and time consuming to administer, for both the state and program users.

(c) A more efficient method to address renter housing needs would be to operate one omnibus multifamily housing program modeled upon an existing successful program. This omnibus program would provide a standardized set of program rules and features applicable to all housing types. As particular needs are identified, it may be easily and quickly customized to meet those needs.



(d) It is the intent of the Legislature that the Multifamily Housing Program created by this chapter constitute this omnibus multifamily housing program, and that it be based on the department's existing California Housing Rehabilitation Program as established and described in Subchapter 8 (commencing with Section 7670) of Chapter 7 of Part 1 of Title 25 of the California Code of Regulations.

(e) (1) The Multifamily Housing Program is intended to take the place of the following department programs:

(1)

(A) The Deferred-Payment Rehabilitation Loan Program established by Chapter 6.5 (commencing with Section 50660).

(2)

(B) The Rental Housing Construction Program established by Chapter 9 (commencing with Section 50735).

(3)

(C) The Family Housing Demonstration Program established by Section 5 of Chapter 30 of the Statutes of 1988.

~~Repeat~~

(2) ~~Repeat~~ of the statutes establishing these programs would be administratively problematic because the department still administers a portfolio of loans from these programs. Therefore, in lieu of repeal, it is the Legislature's intent that no further allocation of funds be made to these programs and that any and all future funds that would have been appropriated to these programs shall be appropriated instead to the Multifamily Housing Program.

(f) It is the intent of the Legislature to designate the Multifamily Housing Program as the state's primary omnibus affordable housing subsidy program to fundamentally simplify access to state housing resources, replacing today's patchwork of overlapping programs with a clearer pathway to complete financing. By consolidating subsidy administration, the state can improve transparency, speed, and certainty from application through closing, advancing the Governor's Reorganization Plan No. 1 of 2025 and the Affordable Housing Finance Workgroup's, as described in Section 50300 of the Health and Safety Code, vision for a more efficient and unified housing finance system that delivers fully funded projects and accelerates housing production.

SEC. 5. Section 50675.4 of the Health and Safety Code is amended to read:

50675.4. (a) To be eligible to receive a loan, a proposed project shall involve one or more of the following activities:

(1) The development and construction of a new transitional or rental housing development.

(2) The rehabilitation, or acquisition and rehabilitation, of a transitional or rental housing development.

(3) The conversion of a nonresidential structure to a transitional or rental housing development.

~~(b) In the case of rehabilitation projects, to be eligible to receive a loan, the loan shall be necessary to avoid increases in monthly debt service that have either of the following effects:~~

~~(1) Result in rent increases causing permanent displacement of persons of lower income residing in the development prior to rehabilitation.~~



~~(2) Make it economically infeasible to accept subsidies available to provide affordable rents to persons of lower income, if the sponsor agrees to accept the subsidies.~~

~~(e)~~

(b) To be eligible to receive a loan, the sponsor shall agree to both of the following:

(1) To set and maintain affordable rent levels for assisted units.

(2) To the payment of prevailing wage rates with respect to construction assisted through the program. In implementing this paragraph, it is the intent of the Legislature that this requirement apply to construction work that is dependent on the commitment of program funds in order for construction to proceed. Notwithstanding any other provision of law, the department's enforcement responsibilities shall be limited to the imposition of this requirement through the lending documents. The department shall require, as a condition of loan closing, a signed certificate that prevailing wages have been, or will be, paid in conformance with the requirements of Chapter 1 (commencing with Section 1720) of Part 7 of the Labor Code and that labor records shall be made available to any enforcement agency upon request. The requirements of this paragraph shall not apply to projects for which program funds are used exclusively to achieve lower rents and to pay associated administrative costs.

SEC. 6. Section 50675.6 of the Health and Safety Code is amended to read:

50675.6. (a) A sponsor may apply for loans for one or more rental or transitional housing developments. A housing development may utilize any combination of federal, state, local, and private financial resources necessary to make the development affordable, for the term of the state's regulatory agreement, to the eligible households.

(b) (1) Loans made pursuant to subdivision (f) of Section 50675.7 to sponsors by a local public entity as part of its code enforcement efforts for rental housing developments involving rehabilitation shall only be for terms of not less than 20 years. All other loans shall be for a term of not less than 55 years.

(2) For loans made pursuant to this chapter, the department may approve an extension of an existing loan, the subordination of an existing loan to new debt, or an investment of tax credit equity, as long as the rental housing development is being operated in a manner consistent with the regulatory agreement and the development requires an extension in order to continue to operate in a manner consistent with this chapter. Each extension shall be for a period of not less than 10 years and each extension shall not exceed 55 years or, if needed to match the term of tax credit restrictions, exceed 58 years. The interest rate for the extension shall be 3 percent simple interest, or such interest rate as authorized by the department pursuant to Section 50406.7. All loan payments shall be deferred for the full term of the loan, except for residual receipts payments. These residual receipts payments shall be structured to avoid reducing the amount of payments on local public agency loans resulting solely from changes in the payment terms on the department's loan, and not resulting from fees or other payments to the borrower, and shall otherwise be consistent with the department's uniform multifamily regulations (Subchapter 19 (commencing with Section 8300) of Chapter 7 of Division 1 of Title 25 of the California Code of Regulations) or successor regulations. The department may charge a transaction fee to cover its costs for processing such restructuring transactions. The department may waive or defer some or all of this fee, if it determines that a particular development or class of developments does not have the ability to make these payments.



(c) Principal and accumulated interest is due and payable upon completion of the term of the loan. The loan shall bear simple interest at the rate of 3 percent per annum on the unpaid principal balance. The department may forgive that portion of that loan that is used to cover costs of developing child care facilities. The department shall require annual loan payments in the minimum amount necessary to cover the costs of project monitoring. For the first 30 years of the loan term, the amount of the required loan payments shall not exceed forty-two hundredths of 1 percent (.42%) per annum.

(d) The department may establish maximum loan-to-value requirements for some or all of the types of projects that are eligible for funding under this chapter.

(e) The department ~~shall~~ may establish per-unit and per-project loan limits for all project types.

SEC. 7. Section 50675.15 of the Health and Safety Code is amended to read: 50675.15. (a) For purposes of this section, the following definitions shall apply:

(1) "Eligible individual" means an individual who meets both of the following criteria:

(A) The individual is experiencing homelessness, as defined in this chapter.

(B) The individual or head of household is eligible to receive qualifying services.

(2) "Experiencing homelessness" means the same as "homeless" and "homelessness," as those terms are each defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 1, 2022, except that people who were homeless upon admission to an institutional setting shall continue to be considered homeless upon discharge, regardless of the length of time residing in the institutional setting. For the purposes of this paragraph, people who have lost their housing as a result of institutionalization, including, but not limited to, institutionalization in skilled nursing facilities, acute care hospitals, psychiatric facilities, jails, and prisons, and have no home to live in upon discharge are considered homeless regardless of the length of time residing in the institutional setting.

(3) "Qualifying services" includes all of the following:

(A) Services received under the Assisted Living Waiver pursuant to state law and Section 1915(c) of the federal Social Security Act (42 U.S.C. Sec. 1396n(c)).

(B) Services received under the Home and Community-Based Alternatives Waiver pursuant to state law and Section 1915(c) of the federal Social Security Act (42 U.S.C. Sec. 1396n(c)).

(C) Services received under the Program of All-Inclusive Care for the Elderly (PACE) pursuant to Chapter 8.75 (commencing with Section 14591) of Part 3 of Division 9 of the Welfare and Institutions Code.

(b) By December 31, 2023, the department shall do both of the following:

(1) With respect to funds made available under this chapter, award incentives listed in subdivision (c) to project applicants that agree to all of the following:

(A) Set aside at least 20 percent of the project's units for eligible individuals. If the project includes more than 100 units, the applicant shall agree to set aside no more than 50 percent of the project's units for eligible individuals.

(B) Demonstrate viability of linking the units to qualifying services.

(C) Accept referrals from local coordinated entry systems.

(2) Partner with the State Department of Health Care Services to determine the most effective way to align qualifying services in housing projects funded under this



chapter, including, but not limited to, expediting enrollment, prioritizing waiver and PACE programs for eligible individuals, reducing administrative barriers to using qualifying services in publicly subsidized housing, creating partnerships between developers and providers of qualifying services, and developing sample memoranda of understanding or contracts between developers and providers of qualifying services.

(c) The department shall offer project applicants the following incentives:

(1) Loan limits or program funding for impacted units ~~that are~~ higher than offered to other units for people experiencing homelessness.

(2) An exemption for project applicants to submit a services plan for units set aside under this section, so long as the project applicant has completed an executed agreement with a provider of qualifying services to offer services in set aside units. The department shall determine whether the qualifying services are provided in a manner that complies with the applicable requirements of Section 8255 of the Welfare and Institutions Code, and that services provided in each project are meeting applicable department requirements governing staff-to-client ratios.

(3) Based on data and a best practice analysis, providers may receive a higher services cap or an exemption from services caps the department imposes.

(4) Allowing project applicants to use funds made available under this chapter for creating alternative care sites for projects aligning with PACE or other service space to offer other qualifying services to eligible individuals. Alternative care sites shall be funded to operate in a manner consistent with state law, department regulations, and program guidelines.

(d) The department shall engage a consultant to examine to what extent caps are needed on the amount of supportive services that can be paid through project operating budgets on any project funded under this chapter.

(e) No later than 180 days following the first year of operation of a representative sample of projects, with respect to projects receiving incentives under subdivision (b), the department shall assess tenant outcomes and engage with an evaluator to identify both of the following:

(1) The number and demographics, including age, race, or ethnicity, and presubsidy housing status, of people being served.

(2) Housing retention rates.

SEC. 8. Part 18 (commencing with Section 54920) is added to Division 31 of the Health and Safety Code, to read:

## PART 18. HOUSING DEVELOPMENT AND FINANCE

### CHAPTER 1. DEFINITIONS

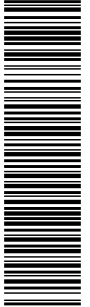
54920. For purposes of this part:

(a) "Administering entity" means the governmental entity that is responsible for administering a multifamily affordable housing program.

(b) "Committee" means the Housing Development and Finance Committee.

(c) "Executive committee" means the Housing Development and Finance Executive Committee.

(d) "Executive director" means the executive director of the committee.



(e) “HDFC housing bond allocation” means the portion of the state ceiling reserved for qualified residential rental projects approved or funded by the Housing Development and Finance Committee, as described in paragraph (3) of subdivision (b) of Section 8869.84 of the Government Code.

(f) “Multifamily affordable housing program” means any of the following or any multifamily affordable housing program administered by the Housing Development and Finance Committee:

(1) The Joe Serna, Jr. Farmworker Housing Grant Program (Chapter 3.2 (commencing with Section 50515.2)) of Part 2.

(2) The Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)) of Part 2.

(3) The Infill Incentive Grant Program of 2007 (Section 53545.13).

(4) The Infill Infrastructure Grant Program of 2019 (Section 53559).

(5) The Transit-Oriented Development Implementation Program (Part 13 (commencing with Section 53560)).

(6) The Housing for a Healthy California Program (Part 14.2 (commencing with Section 53590)).

(7) The Veterans Housing and Homeless Prevention Act of 2014 (Article 3.2 (commencing with Section 987.001) of Chapter 6 of Division 4 of the Military and Veterans Code).

(8) (A) The Affordable Housing and Sustainable Communities Program (Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code).

(B) Notwithstanding the provisions of this part, the development, administration, implementation, and review of programs or projects pursuant to Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code shall be governed by the provisions of that part.

(9) The administration of the funds described by clause (iii) of subparagraph (C) of paragraph (2) of subdivision (b) of Section 50470.

## CHAPTER 2. HOUSING DEVELOPMENT AND FINANCE COMMITTEE

54925. There is hereby established the Housing Development and Finance Committee within the California Housing and Homelessness Agency.

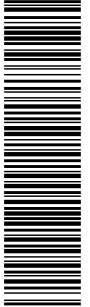
54926. (a) (1) The Governor may appoint an executive director of the committee who shall hold office at the pleasure of the Governor.

(2) The executive director appointed pursuant to this section shall be exempt from civil service pursuant to Section 4 of Article VII of the California Constitution.

(3) The executive director shall carry out its duties under this chapter and shall carry out the duties of the committee under Chapter 3 (commencing with Section 54940).

(b) The executive director shall provide strategic alignment and direction in the administration of the respective functions of each entity in furtherance of the state’s affordable housing objectives.

(c) Chapter 2 (commencing with Section 11150) of Part 1 of Division 3 of Title 2 of the Government Code applies to the committee and the executive director is the head of the committee within the meaning of that chapter.



(d) The executive director shall perform all duties, exercise all powers, discharge all responsibility, and administer and enforce all laws, rules, and regulations under the jurisdiction of the committee.

(e) The executive director shall keep all books and records necessary for proper and efficient administration of the committee.

(f) In order to assist in the administration of the committee's loan and grant programs, the executive director may appoint committees of committee employees and public representatives, the latter to serve without compensation except for reimbursement of expenses pursuant to law.

54927. (a) (1) The Governor may appoint a chief deputy director who shall hold office at the pleasure of the Governor.

(2) A chief deputy appointed pursuant to this section shall be exempt from civil service pursuant to Section 4 of Article VII of the California Constitution.

(b) (1) Upon the recommendation of the executive director, the Governor shall appoint a general counsel.

(2) A general counsel appointed pursuant to this section shall hold office at the pleasure of the Governor and shall receive a salary as shall be fixed by the Governor.

(3) A general counsel appointed pursuant to this section shall be exempt from civil service pursuant to subdivision (f) of Section 4 of Article VII of the California Constitution.

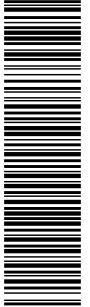
54928. (a) Upon appropriation, specified multifamily affordable housing programs shall be administered by the committee and the committee shall have all authorities, duties, powers, purposes, and responsibilities related to the programs.

(b) Upon appropriation as described in subdivision (a), any reference to the Department of Housing and Community Development in the statutes, regulations, or guidelines of the specified multifamily affordable housing programs shall be deemed to refer to the committee, and those statutes, regulations, and guidelines shall be applicable to the committee.

(c) At the direction of the Secretary of California Housing and Homelessness, the Department of Housing and Community Development and the committee shall execute any further assignments, assumptions, or other legal documentation necessary to effectuate subdivision (a).

54929. In accordance with the policy direction and priorities set by the Secretary of California Housing and Homelessness, and consistent with statewide housing initiatives, regulatory frameworks, and funding strategies, the committee shall engage in ongoing coordination with the Department of Housing and Community Development and the California Housing Finance Agency to facilitate alignment of housing policies, programs, and implementation efforts.

54930. (a) The committee shall submit to the Department of Justice fingerprint images and related information required by the Department of Justice for any employee, prospective employee, contractor, or subcontractor whose duties include, or would include, access to nonanonymized confidential information, personally identifiable information, personal health information, or financial information received by the committee or contained in any information systems or records of the committee, pursuant to subdivision (u) of Section 11105 of the Penal Code. The Department of Justice shall provide a state- or federal-level response pursuant to subdivision (o) of Section 11105 of the Penal Code.



(b) (1) The committee shall require any services contract, interagency agreement, or public entity agreement that includes, or would include, access to information described in subdivision (a) to include a provision requiring the contractor to agree to do both of the following:

(A) Perform criminal background checks on its employees, contractors, agents, or subcontractors who will have access to information described in subdivision (a).

(B) Certify the results of the criminal background check to the committee as part of their services contract, interagency agreement, or public entity agreement with the department.

(2) This subdivision shall only apply to a services contract, interagency agreement, or public entity agreement that is entered into, renewed, or amended on or after July 1, 2026.

(c) This section does not apply to employees hired before July 1, 2026, unless the employee has subsequently separated from state service pursuant to Section 19996 of the Government Code or accepted an appointment to a different appointing authority, as those terms are defined in Sections 18524 and 18525 of the Government Code.

54931. For the purposes of this chapter, the committee has all of the following powers:

(a) To sue and be sued in its own name.

(b) To have an official seal and to alter it at its pleasure.

(c) To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions.

(d) To employ architects, planners, engineers, attorneys, accountants, experts in housing construction, management and finance, and any other advisers, consultants, and agents necessary for the performance of its functions and to fix their compensation in accordance with applicable law.

(e) To provide advice, technical information, and consultative and technical services as provided in this chapter.

(f) To establish, revise from time to time, and charge and collect fees and charges for services provided pursuant to this chapter.

(g) To accept gifts, grants, or loans of funds or property, or financial or other aid, from any federal or state agency or private source and to comply with conditions thereof not contrary to law.

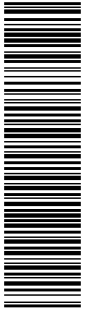
(h) To enter into agreements or other transactions with any governmental agency, including an agreement for administration of a housing or community development program of the governmental agency by the committee, or for administration by another governmental agency of a program of the committee, either in whole or in part.

(i) To enter into any agreements and perform any acts necessary to obtain subsidies for use in connection with the exercise of powers and functions of the committee, and to transfer those subsidies to others as required by the agreement.

(j) To appear on its own behalf before boards, commissions, departments, or other agencies of local, state, or federal government.

(k) To establish any regional offices necessary to effectuate the committee's purposes and functions.

(l) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis, in its own name by gift, purchase, transfer, foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.



(m) To provide bilingual staff in connection with services of the committee and make available committee publications in a language other than English when necessary to effectively serve groups for which the services or publications are made available.

(n) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this chapter.

(o) To lease or sell real property to support the development of housing.

(p) (1) To sell real property acquired by the committee in a foreclosure, by deed in lieu of foreclosure, or sale under a power of sale on a deed of trust, lien, or by exercise of any other security interest on real property securing repayment of a loan or performance under a grant or loan made by the committee. Real property so acquired shall be sold for market value and sale proceeds shall be placed in the fund from which the secured loan or grant was made.

(2) The committee may establish terms, conditions, and restrictions for the sale of real property, including a requirement that the real property be used for housing for persons and families of low or moderate income, and those terms, conditions, and restrictions shall be set forth in the deed or other instrument of conveyance.

(3) The committee may conduct the sale, utilize the assistance of any local public agency authorized to conduct sales of real property, contract with a licensed real estate broker to conduct the sale, or utilize other reasonable marketing methods if the committee determines that one of these options will result in a more prompt or cost-efficient sale.

(4) If the executive director offers to sell residential real property directly pursuant to this subdivision, the committee shall close escrow within 120 days after both of the following have occurred: a qualified buyer has received approval of the committee, and the buyer has obtained adequate financing for the purchase. If the deadline set forth in this paragraph is not met, the executive director shall employ a licensed real estate broker in connection with the proposed sale. The committee may exceed the time requirements of this paragraph if the executive director finds that this is necessary due to factors outside the control of the committee, including death of the buyer, inability of the borrower to qualify for financing from a lender, substantial damage to the property resulting from a natural disaster or other act of God, or extraordinary procedural requirements or conditions imposed by the lender or title and escrow company.

(5) The executive director shall perform all of the actions specified in subparagraphs (A), (B), and (C) within 30 days after both of the following have occurred: a qualified buyer has received approval of the committee, and the buyer has obtained adequate financing for the purchase.

(A) Identify repair work needed to be performed on the property.

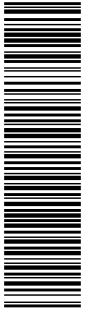
(B) Cause an appraisal of the property to be completed.

(C) Determine whether it is appropriate to rent the property until it is sold.

(6) Sales of real property made pursuant to this section are not subject to the requirements of Sections 11011 and 11011.1 of the Government Code.

(7) Failure to comply with this subdivision does not invalidate any right, title, or interest acquired by a bona fide purchaser or encumbrancer for value.

(q) (1) Where the provisions of tribal law, tribal governance, tribal charter, or difference in tribal entity or agency legal structure would cause a violation or not satisfy the requirements of any state financing being provided to a housing development by



the committee, the requirements of financing provided by the committee, including state statutory requirements, may be modified as necessary to ensure program compatibility. Where provisions of tribal law, tribal governance, tribal charter, or difference in tribal entity legal structure or agency create minor inconsistencies, as determined by the executive director of the committee, the committee may waive the requirements of the financing provided by the committee, including state statutory requirements, as deemed necessary, to avoid an unnecessary administrative burden.

(2) Matters that may be waived or modified pursuant to paragraph (1) include, but are not limited to, all of the following:

(A) Instrument recordation requirements.

(B) Security requirements for state financing provided pursuant to committee programs.

(C) Title insurance requirements.

(D) Target population percentage requirements. A change of target population based on income shall not be of more than one category of income between extremely low, very low, lower, and moderate-income households, as those terms are defined in Chapter 2 (commencing with Section 50050).

(E) Affordability levels and unit mix requirements. A waiver for affordability levels shall not be of more than one category of income between extremely low, very low, lower, and moderate-income households, as those terms are defined in Chapter 2 (commencing with Section 50050).

(F) Any matter not expressly or objectively set forth in statute, but is set forth with specificity in guidelines or regulations promulgated by the committee.

(G) Timeline requirements.

(H) Service area requirements.

(I) Fund matching requirements.

(J) Shovel-ready project requirements.

(K) Requirements related to housing elements and housing plans.

(L) Income limits.

(M) Form of funding provided, including, but not limited to, a grant or a loan.

(N) Phase of funding, including, but not limited to, predevelopment, construction, or permanent financing.

(O) Requirements regarding infill location and density.

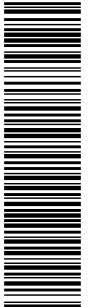
(3) Any standard requirements or general rules of application that the committee develops or implements to carry out modifications or waivers set forth in this subdivision shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Divisions 3 of Title 2 of the Government Code.

(4) Repayment of principal and interest on loans made by the committee to tribal sponsors shall be deferred for the full term of the loan.

(5) The committee shall forgive loans made by the department to tribal sponsors if all conditions for the loans have been satisfied.

(6) The committee shall consult with the Department of Housing and Community Development to ensure alignment in program requirements and coordination with tribes.

54932. This chapter shall become operative on July 1, 2026.



## CHAPTER 3. HOUSING DEVELOPMENT AND FINANCE EXECUTIVE COMMITTEE

54940. (a) (1) There is hereby established within the Business, Consumer Services, and Housing Agency a Housing Development and Finance Executive Committee for the purpose of centralizing affordable housing finance policymaking across state government.

(2) Effective July 1, 2026, the executive committee is transferred to the Housing Development and Finance Committee.

(3) The committee staff shall support the executive committee to effectuate the executive committee's responsibilities.

(b) The executive committee shall be responsible for coordinating a cohesive and integrated housing finance system to enhance the efficiency, coordination, and effectiveness of the state's affordable housing finance programs.

(c) The executive committee shall oversee the allocation of multifamily affordable housing programs, ensuring resources are directed toward affordable housing development and infrastructure that supports housing production and preservation.

(d) The executive committee shall be responsible for making allocation decisions for HDFC housing bond allocation.

(e) It is the intent of the Legislature that the executive committee will streamline investments, reduce costs, and expand access to stable housing by providing financial oversight and aligning funding decisions with state housing goals and other state priorities.

54941. (a) The executive committee is composed of all of the following:

(1) (A) Until July 1, 2026, the Secretary of Business, Consumer Services, and Housing, who shall be the chairperson of the executive committee.

(B) Beginning July 1, 2026, the Secretary of California Housing and Homelessness or their designee, who shall be the chairperson of the executive committee.

(2) The Director of Housing and Community Development or their designee.

(3) The executive director of the California Housing Finance Agency or their designee.

(b) The members of the executive committee shall serve without compensation.

(c) A majority of voting members shall be empowered to act for the executive committee.

(d) The executive committee may enter into contracts as necessary to fulfill its duties under this chapter, including, but not limited to, contracting with state agencies, state departments, or consultants.

(e) The executive committee may, by resolution, delegate to one or more of its members or a deputy of the Secretary of California Housing and Homelessness, working on behalf of the executive committee, any powers and duties that it may deem proper, including, but not limited to, the power to enter into contracts on behalf of the executive committee.

(f) A meeting of the executive committee, including, but not limited to, a meeting related to the development of grant guidelines and policies and the approval of grants, shall be subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code),



except that, for purposes of this subdivision, “meeting” shall not include a meeting that meets either of the following conditions:

(1) Executive committee members are meeting as members of the Governor’s cabinet.

(2) Executive committee staff and member agency staff are meeting to discuss, but not take final action on, any of the following:

(A) State agency coordination increasing the availability of affordable housing, improving alignment of the state’s housing finance investments, and other priorities specified in Sections 54942, 54943, 54944, and 54945.

(B) Preliminary policy recommendations and investment strategies to the Governor, the Legislature, and appropriate state agencies to encourage the development of affordable housing.

(C) Developing grant guidelines, including, but not limited to, those specified in Section 54944, that are otherwise subject to public participation process requirements.

54942. (a) The executive committee shall identify and work to align funding sources that may contribute to affordable housing finance, which may include, but is not limited to, aligning funding dates and coordinating with other state affordable housing funding programs to improve program effectiveness.

(b) The executive committee may consult and coordinate with other state agencies and departments to identify and align relevant funding opportunities.

(c) The executive committee may make recommendations to state financing entities to identify and align relevant funding opportunities.

54943. (a) The executive committee shall work to align state housing funding sources for the creation of a consolidated application for multifamily affordable housing developers and a coordinated review process for the application of funds.

(b) The executive committee shall monitor the administration of affordable housing finance programs under the purview of the Department of Housing and Community Development and the committee and shall make recommendations, as necessary, to improve alignment and administration of those programs, including, but not limited to, determining which departments administer those programs across departments within the California Housing and Homelessness Agency and associated administrative structures.

(c) The executive committee may make recommendations for consideration by the board of the California Housing Finance Agency to improve alignment and coordination of affordable housing funding programs.

(d) The executive committee shall work to streamline the compliance monitoring of affordable multifamily rental housing developments that are subject to a regulatory agreement with more than one state entity and shall oversee implementation and compliance with Chapter 9 (commencing with Section 50260) to Part 1 among the respective entities.

(e) By July 1, 2026, the executive committee shall make recommendations on a timeline for the implementation of the consolidated application pursuant to subdivision (a) and the aligned compliance monitoring of affordable multifamily rental developments pursuant to subdivision (b).

54944. (a) (1) The executive committee shall provide oversight over the multifamily affordable housing funding programs and the HDFC housing bond allocation, including, but not limited to, program guideline review and approval.



(2) The executive committee shall create a process for the executive committee to provide funding awards for the multifamily affordable housing funding programs.

(b) The executive committee shall develop an appeal process for program qualification and scoring adjustments, which shall include, but not be limited to, review and recommendation by the administering entity and consideration by the executive committee.

(c) The executive committee shall establish timelines for the allocation of awards to streamline program funding, minimize delays, and facilitate simultaneous awards across state government whenever feasible.

(d) In implementing this section, the executive committee may consult representatives from the Department of Housing and Community Development, the California Housing Finance Agency, the department, the California Tax Credit Allocation Committee, the California Debt Limit Allocation Committee, nonprofit affordable housing developers, for-profit affordable housing developers, local governments, and tribal governments.

54945. (a) The executive committee shall work with the administering entity to accept, review, and score applications.

(b) For each multifamily affordable housing funding program and the HDFC housing bond allocation, the administering entity shall provide recommendations on awards to the executive committee.

(c) If the executive committee approves an award, the executive committee shall direct the committee to allocate the funds to the awardee.

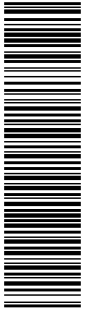
(d) The Department of Housing and Community Development shall continue issuing and administering all notices of funding availability for the multifamily affordable housing funding programs until the executive committee adopts rules to implement this chapter.

54946. (a) (1) The executive committee may adopt, amend, or repeal rules and regulations reasonably necessary to carry out this part and the allocation of the executive committee's share of the state ceiling for qualified residential rental projects pursuant to paragraph (3) of subdivision (b) of Section 8869.84 of the Government Code without complying with the procedural requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, except as described in subdivision (b).

(2) The executive committee shall provide a notice of proposed action, as described in Section 11346.5 of the Government Code. The notice of proposed action shall be provided to the public at least 21 days before the close of the public comment period, and the committee shall schedule at least one public hearing as described in Section 11346.8 of the Government Code before the close of the public comment period. The executive committee shall maintain a rulemaking file as described in Section 11347.3 of the Government Code. The final version of the regulations shall be accompanied by a final statement of reasons, as described in subdivision (a) of Section 11346.9 of the Government Code.

(b) (1) The executive committee may also adopt, amend, or repeal emergency rules and regulations pursuant to Section 11346.1 of the Government Code to implement this chapter.

(2) The adoption, amendment, or repeal of regulations pursuant to paragraph (1) shall be deemed to be necessary for the immediate preservation of the public peace,



health, safety, or general welfare within the meaning or purposes of Section 11346.1 of the Government Code.

(c) Rules and regulations adopted, amended, or repealed pursuant to this section shall be effective immediately upon adoption by the executive committee.

(d) (1) The executive committee may adopt and supply forms for eliciting information for purposes of this chapter from housing funding applicants.

(2) A housing funding applicant shall provide the executive committee with any information requested by the executive committee in performing its duties and responsibilities under this chapter.

54947. The executive committee shall post to its internet website by April 1 of each year a report specifying, with respect to its activities under this chapter during the previous calendar year, all of the following:

(a) The total amount of funding awarded by the executive committee.

(b) The total number of units assisted by the executive committee that are, or are to be, occupied by households that are acutely low income, extremely low income, and low income.

(c) The amount of funding awarded to each project, the other financing available to the project, and the number of units that are, or are to be, therein occupied by households that are acutely low income, extremely low income, and low income.

(d) Sufficient information to identify the project.

(e) An aggregation of information submitted annually by housing sponsors for all projects that have received a multifamily affordable housing program allocation in previous years specifying all of the following:

(1) Information sufficient to identify the project.

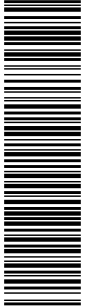
(2) The total number of units in the project.

(3) The total number of units assisted by the awards that are required to be occupied by households that are acutely low income, extremely low income, and low income.

(4) The total number of units assisted that are occupied by households that are acutely low income, extremely low income, and low income.

SEC. 9. The Legislature finds and declares that Section 8 of this act, which adds Section 54941 to the Health and Safety Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to ensure the efficient operation of the Housing Development and Finance Executive Committee, it is necessary for the specified types of meetings of the committee to be exempted from the Bagley-Keene Open Meeting Act.



## LEGISLATIVE COUNSEL'S DIGEST

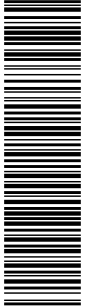
Bill No.  
as introduced, \_\_\_\_\_.  
General Subject: Housing.

(1) Among other things, the Governor's Reorganization Plan No. 1 of 2025, on July 1, 2026, establishes the Housing Development and Finance Committee and prescribes its duties. The plan establishes the Housing Development and Finance Executive Committee within the Business, Consumer Services, and Housing Agency and prescribes its duties, and then transfers it to the Housing Development and Finance Committee, on July 1, 2026. The plan defines various terms for these purposes. Existing law requires the Legislative Counsel to prepare for introduction a bill effecting changes made by a Governor's reorganization plan, as specified, for the purpose of ensuring that statutory law is amended to conform with the changes made by the reorganization plan.

This bill would effect the above-described changes made by the plan. The bill, however, would, instead, exempt the Housing Development and Finance Executive Committee from compliance with the procedural requirements of the Administrative Procedure Act in adopting, amending, or repealing rules and regulations reasonably necessary to carry out the provisions related to its establishment and to the allocation of the committee's share of the state ceiling for qualified residential rental projects, as described, except as provided. The bill would require the Housing Development and Finance Committee staff to support the Housing Development and Finance Executive Committee. The bill would specify that certain meetings of the Housing Development and Finance Committee would be subject to the Bagley-Keene Open Meeting Act, but certain other meetings would not be considered "meetings" for the purposes of that act, thereby imposing a limitation on the public's right of access to the meetings of public bodies. The bill would also make various technical changes.

Existing law generally implements the state volume limit established pursuant to specified federal law. Existing law establishes the California Debt Limit Allocation Committee and requires the committee to determine and announce the state ceiling for the calendar year, as specified. Existing law allocates the entire state ceiling for each calendar year to the California Debt Limit Allocation Committee to further allocate to state and local agencies, as specified.

This bill would, until January 1, 2037, require the California Debt Limit Allocation Committee to dedicate a minimum of 90% of the entire state ceiling to be used for qualified residential rental projects, as specified. The bill would require the California Debt Limit Allocation Committee to reserve at least one-half of that 90% to qualified residential rental projects approved or funded by the Housing Development and Finance Committee, as specified. The bill would make the Housing Development and Finance Executive Committee responsible for making allocation decisions from this reserve and would require the committee to provide oversight over these allocations.



(2) Existing law establishes the Joe Serna, Jr. Farmworker Housing Grant Program, which requires, subject to the availability of funds, various types of loans and grants to be made for construction, rehabilitation, or development of housing for lower income agricultural employees and their families, as specified. Among other things, the program authorizes the Department of Housing and Community Development to adopt criteria determining the number of units in a project to which the restrictions on occupancy contained in the agreement apply, but limits that authority to specified circumstances and places certain limits on those criteria. Existing law establishes the Joe Serna, Jr. Farmworker Housing Grant Fund to administer the program, and continuously appropriates the moneys in that fund to the department for specified purposes.

This bill would remove those limitations.

Existing law deems households eligible for a grant under the program if the household is deemed eligible by the United States Department of Agriculture under a certain federal program on the basis of the household's ratio of housing costs to household income, notwithstanding a specified calculation by the Department of Housing and Community Development.

This bill would, instead, provide that households are eligible for a grant under the program if they are deemed eligible by the United States Department of Agriculture under that certain federal program. By expanding the pool of households eligible for grants under the program, the bill would make an appropriation.

(3) Existing law establishes the Multifamily Housing Program, pursuant to which the Department of Housing and Community Development provides financial assistance in the form of deferred payment loans to pay for the eligible costs of development of specified types of housing projects. In the case of rehabilitation projects, to be eligible to receive a loan, the program requires the loan to be necessary to avoid increases in monthly debt service that would have specified effects.

This bill would remove that provision. The bill would also make technical changes and would include findings and declarations from the Legislature.

(4) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

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

