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HEALTH AND SAFETY CODE - HSC

DIVISION 31. HOUSING AND HOME FINANCE [50000 - 54913] (*Division 31 repealed and added by Stats. 1977, Ch. 610.)*

PART 2. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT [50400 - 50899.7] (*Heading of Part 2 amended by Stats. 1981, Ch. 996.)*

CHAPTER 3.8. Workforce Housing Reward Program [50550 - 50550.2] (*Chapter 3.8 added by Stats. 2002, Ch. 482, Sec. 1.)*

50550. There is hereby established the Workforce Housing Reward Program, to be administered by the department for the purpose of providing local assistance to cities, counties, and cities and counties that provide land use approval to housing developments affordable to very low and low-income households.

(*Added by Stats. 2002, Ch. 482, Sec. 1. Effective January 1, 2003.*)

50550.1. (a) To the extent that funds are available, the department shall provide local assistance grants to a city, county, or city and county that issues a building permit for a housing development consisting of newly constructed units that are affordable to very low or low-income households if all of the following conditions are met:

(1) Final land use approval was granted to the development on or after January 1, 2004.

(2) (A) In the case of rental units, the development is subject to a regulatory agreement recorded against the property that obligates the owner to maintain rents on the restricted units at levels affordable to very low or low-income households for at least 55 years.

(B) In the case of ownership housing, units shall be initially sold to households of low or very low income at an affordable housing cost. If public funds are used to achieve an affordable housing cost, then upon the sale of an assisted unit to a low- or very low income household, the public entity shall ensure the repayment of the public funds and reuse of those funds for affordable housing for a period of at least 20 years. The proposed mechanism for restrictions of ownership units shall be consistent with criteria established by the department and specified in the Notice of Funding Availability.

(3) By the end of the 12-month period covered by the Notice of Funding Availability, the city, county, or city and county has an adopted housing element that the department has found pursuant to Section 65585 of the Government Code to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code and has submitted to the department the annual progress report required by Section 65400 of the Government Code within the preceding 12 months.

(b) For each year that funds are available, the department shall issue a Notice of Funding Availability to cover permits issued during a 12-month time period. The department shall accept applications at the close of the 12-month period. Grant amounts shall be determined as a per-bedroom incentive for each unit restricted for very low and low-income households. For the purposes of this section single-room occupancies and studio apartments shall be considered as one-bedroom units. The grant for very low income units shall be greater than the grant for low-income units. If the eligibility for funds exceeds the amount of funding available for this program, the department shall reduce all grants proportionally.

(c) A city, county, or city and county that qualified for a grant from the Jobs-Housing Balance Incentive Grant Program pursuant to Section 50544 during the 2001 calendar year shall receive an additional amount of funds for each bedroom that qualifies under this section. The department shall determine the amount of the bonus grant to be awarded pursuant to this subdivision.

(*Added by Stats. 2002, Ch. 482, Sec. 1. Effective January 1, 2003.*)

50550.2. (a) Grants provided pursuant to this chapter shall be used for the construction or acquisition of capital assets as set forth in Section 16727 of the Government Code that serve to benefit the community. Eligible projects include, but are not limited to, traffic

improvements, neighborhood parks, bike paths, libraries, school facilities, play areas, community centers, and police and fire stations.

(b) The department may deny funding to any jurisdiction that it determines, based on reasonable evidence, failed to grant final land use approval for eligible developments on a timely basis between January 1, 2003, and January 1, 2004.

(c) The department shall adopt guidelines for the operation of the program. The guidelines shall not be subject to the requirements of Chapter 2.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(Added by Stats. 2002, Ch. 482, Sec. 1. Effective January 1, 2003.)