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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 HOUSING AND HOME FINANCE [50000 - 54913] (*Division 31 repealed and added by Stats. 1977, Ch. 610.)*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 8.2. Excess Site Local Government Matching Grants Program [50704.80 - 50704.83] (*Chapter 8.2 added by Stats. 2021, Ch. 111, Sec. 22.)*

50704.80. For purposes of this chapter, the following definitions shall apply:

- (a) "Department" means the Department of Housing and Community Development.
- (b) "Local government" means a city, county, city and county, public housing authority, joint powers authority, or an authority created pursuant to Section 8169.4 of the Government Code.
- (c) "Program" means the Excess Sites Local Government Matching Grants Program established under to this chapter.
- (d) "Selected developer" means a development partner selected under the Executive Order No. N-06-19 program to enter a ground lease with the state to create affordable housing on excess state-owned property.

(Amended by Stats. 2022, Ch. 70, Sec. 18. (SB 197) Effective June 30, 2022.)

50704.81. (a) (1) The Excess Sites Local Government Matching Grants Program is hereby established for the purpose of providing selected developers with one-time grants for development activities to enable development on excess state-owned property.

(2) Upon appropriation by the Legislature, thirty million dollars (\$30,000,000) shall be allocated under the program in accordance with this chapter.

(b) The department shall administer the program and, consistent with the requirements of this chapter, award grants to selected developers for predevelopment and development costs to accelerate housing production on excess state-owned properties, and to match local government contributions for predevelopment and development costs for selected developers.

(c) Of the total amount of any moneys appropriated under this chapter, the department shall set aside up to 5 percent for program administration, including state operations expenditures and technical assistance.

(Added by Stats. 2021, Ch. 111, Sec. 22. (AB 140) Effective July 19, 2021.)

50704.82. Excess sites local government matching grants shall be available to selected developers that will receive contributions from local governments in accordance with the following:

(a) The moneys appropriated under this chapter shall be allocated to selected developers that will receive contributions from a local government in support of affordable housing development on excess state-owned properties.

(b) (1) A local government and a selected developer may jointly apply for a grant pursuant to this section by submitting an application, in the form and manner prescribed by the department, that includes the following information:

(A) A budget including all sources, approved by local government resolution, demonstrating the amount of local government contribution to the selected developer for predevelopment and development costs for affordable housing on excess state-owned property, and the requested amount from the program.

(B) An explanation of how proposed amounts from local government and the program will support and accelerate housing production on excess state-owned property by the selected developer.

(C) A commitment and strategy from the local government to support the selected developer in a community outreach plan and lease up for the affordable housing development on the excess state-owned property.

(2) The department shall review an application submitted pursuant to this subdivision in an expeditious manner. Upon approval of an application for funds pursuant to this section, the department shall award the moneys for which the selected developer qualifies.

(c) A selected developer that receives an allocation of funds pursuant to this section shall use those moneys to accelerate housing production on the excess state-owned property, as follows:

(1) Allocating moneys directly to the predevelopment and development costs of housing and infrastructure that will accelerate housing production on excess state-owned property in a way that aligns with state planning priorities, housing, transportation, equity, and climate goals. Predevelopment costs may include environmental remediation and mitigation, geotechnical assessment, and activities related to the seismic retrofitting of existing improvements. Development costs may include improvements associated with an adaptive reuse project.

(2) Developing and implementing a community outreach and engagement plan, or lease-up strategy.

(3) Covering the costs of temporary staffing or consultant needs associated with the activities described in paragraphs (1) and (2).

(d) The maximum program contribution that a selected developer may receive pursuant to this subdivision shall not exceed ten million dollars (\$10,000,000). When evaluating applications and determining awards, the department shall take into consideration factors including, but not limited to, all of the following:

(1) Value of the local government contribution.

(2) Need geographically across the state.

(3) The creation of new permanent housing options.

(4) The potential for state funding for, and local contributions to make, additional housing units financially viable through this program.

(5) The availability of other replacement funding sources and the feasibility of securing such funding.

(e) Notwithstanding subdivision (d), the department may award a program contribution to a selected developer in excess of ten million dollars (\$10,000,000) when taking into consideration the factors listed in subdivision (d) and other factors, including, but not limited to, all of the following:

(1) The size, scale, and historical uses of the site.

(2) The presence and condition of existing improvements.

(3) The availability of other replacement funding sources and the feasibility of securing that funding.

(Amended by Stats. 2022, Ch. 70, Sec. 19. (SB 197) Effective June 30, 2022.)

50704.83. (a) (1) A selected developer that receives a grant pursuant to this chapter shall submit a report, in a form and manner prescribed by the department, by December 31 of the year following the receipt of those funds, and annually thereafter, that contains the following information:

(A) The status of the proposed expenditures and uses of the local government contribution and the grant moneys as listed in the application for funding.

(B) The corresponding impact on the affordable housing development on excess state-owned property, categorized based on the eligible uses specified in subdivision (c) of Section 50704.82.

(2) The department may request additional information, as needed, to meet other applicable reporting or audit requirements.

(b) The department shall maintain records of the following and provide that information publicly on its internet website:

(1) The name of each applicant for grant moneys and the status of that entity's application.

(2) The number of applications for grant moneys received by the department.

(3) The information described in subdivision (a) for each recipient of grant moneys.

(c) The department may monitor expenditures and activities of an applicant and grantee, as the department deems necessary, to ensure compliance with program requirements.

(d) The department may, as it deems appropriate or necessary, request the repayment of funds from an applicant or grantee, or pursue any other remedies available to it by law, for failure to comply with program requirements.

(e) The department may implement the program through the issuance of forms, guidelines, and one or more notices of funding availability, as the department deems necessary, to exercise the powers and perform the duties conferred on it by this chapter. Any forms, guidelines, and notices of funding availability adopted pursuant to this section are hereby exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(f) The department's decision to approve or deny an application or request for grant moneys pursuant to the program, and its determination of the amount of funding to be provided, shall be final.

(g) For development projects on property leased pursuant to this section, any requests for qualifications or requests for proposals issued shall identify the project as a public work for which prevailing wages shall be paid for purposes of Article 1 (commencing with Section 1720) of Chapter 1 of Part 7 of Division 2 of the Labor Code.

(Amended by Stats. 2023, Ch. 40, Sec. 18. (AB 129) Effective July 10, 2023.)