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TITLE 6.9. Los Angeles County Affordable Housing Solutions Agency [64700 - 64832] (Title 6.9 added by Stats. 2022, Ch. 661, Sec. 1.)

PART 2. Financing Activities of the Los Angeles County Affordable Housing Solutions Agency [64800 - 64832] (Part 2 added by Stats. 2022, Ch. 661, Sec. 1.)

CHAPTER 3. Expenditures [64830 - 64832] (Chapter 3 added by Stats. 2022, Ch. 661, Sec. 1.)

64830. (a) (1) Revenue generated pursuant to this part shall be used for the construction of new affordable housing, affordable housing preservation, tenant protection programs, planning and technical assistance related to affordable housing, and for other purposes, as provided for in this section.

(2) Notwithstanding paragraph (1), the agency may transfer a portion of the revenue raised by a tax measure adopted pursuant to this title to the County of Los Angeles for programs that provide supports and services to prevent and combat homelessness.

(b) (1) For purposes of this section, "regional housing revenues" are those revenues generated pursuant to Chapter 2 (commencing with Section 64810) except as provided in paragraph (2).

(2) If a tax measure is adopted pursuant to this title and the agency transfers a portion of the revenue raised by the measure to the County of Los Angeles for programs that provide supports and services to prevent and combat homelessness, the portion of revenue transferred shall not be included in "regional housing revenues" or the annual programmatic budget and shall not be subject to this chapter.

(c) The allocation of regional housing revenues to projects and programs shall be approved by the board.

(d) Subject to funding eligibility and adjustment pursuant to subdivision (b) of Section 64717, the agency shall distribute regional housing revenue in the form of a grant, loan, or other financing tool pursuant to subdivision (q) of Section 64720 in a manner that achieves the following shares in the annual expenditure plan:

(1) A minimum of 40 percent of the annual programmatic budget, excluding any bond indebtedness, shall be spent on affordable housing creation, preservation, and ownership as follows:

(A) The following conditions shall apply with regard to affordable housing creation:

(i) Funding pursuant to this subparagraph may be used for the following purposes, including, but not limited to, land acquisition, housing acquisition, financing, and ownership programs, including the agency serving as a single source of financing as appropriate, income assistance for extremely low income households, and project-based rental assistance contracts with no time limit that are restricted to the support of extremely low income households.

(ii) Financing for any development costs associated with a project or funding grant that is for housing that is 100 percent affordable, which means restricted to any household that earns less than 80 percent of the area median income (AMI), including permanent supportive housing that includes onsite supportive services. An eligible project may also include a subset of at least 50 units, or 50 percent of the total units, whichever is greater, in a larger development that includes units targeted up to 120 percent of AMI, in which case the agency may only fund units that are designated for extremely low and very low income households, and agency funds shall not be used in connection with any unit that is income restricted due to development incentives, density bonuses, or similar programs.

(l) For each of the eligible jurisdictions, as defined in paragraph (1) of subdivision (a) of Section 64830.5, 25 percent of all funded units shall be reserved for extremely low income households, as defined in Section 50106 of the Health and Safety Code, and 25 percent shall be reserved for very low income households, as defined in Section 50105 of the

Health and Safety Code, over any two-year period, with regular monitoring by the citizens' oversight committee and board of units funded and constructed during that two-year period.

(II) For each project, 10 percent of the units in the project shall be reserved for extremely low income households and 10 percent of the units shall be reserved for very low income households.

(B) Funding pursuant to this paragraph for affordable housing preservation programs may be used to acquire, rehabilitate, place affordability restrictions on, and preserve existing housing units, housing from the private market, and units in residential hotels as defined in paragraph (1) of subdivision (b) of Section 50519 of the Health and Safety Code for affordability, in order to prevent the loss of affordability and expand permanent affordability. Funding provided pursuant to this subparagraph shall be subject to both of the following conditions:

(i) Existing residents of buildings acquired for the purpose of affordable housing preservation shall not be permanently displaced, even if the resident's household income exceeds the moderate-income limits in Section 50093 of the Health and Safety Code.

(ii) Buildings acquired for the purpose of affordable housing preservation shall achieve 100 percent occupancy by extremely low or very low income households over time through unit turnover.

Grants, loans, or other financing provided to community land trusts and other similarly structured nonprofit entities to acquire, rehabilitate, and preserve existing housing units are an eligible use pursuant to this subparagraph.

Programs to enable low- or moderate-income households to become or remain homeowners, including, but not limited to, below market rate ownership programs, downpayment assistance programs, residential rehabilitation loan programs, and grants or loans to assist in the rehabilitation or replacement of existing mobilehomes located in a mobilehome or manufactured home are eligible uses pursuant to this subparagraph.

(C) Funding provided pursuant to this paragraph shall be subject to the following conditions in the event that demolition or rehabilitation of housing units is required:

(i) (I) Any funded development or affordable housing grant on any property that includes a parcel or parcels that currently have residential uses, or within the five years preceding the grant have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low- or very low income households, shall be subject to a policy requiring the replacement of all those units to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy.

(II) Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915, provided that any dwelling unit that is or was, within the five-year period preceding the grant, subject to a form of rent or price control through a local government's valid exercise of its police power and that is or was occupied by persons or families above lower income shall be replaced with units made available at affordable rent or affordable housing cost to, and occupied by, low-income persons or families.

(ii) If existing residents are required to be relocated due to demolition or rehabilitation needs, the developer is required to provide relocation benefits to the occupants of those housing rental units subject to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1. The developer shall comply with either the local government requirements for relocation assistance to displaced households or the policy set by the agency for relocation assistance to displaced households, whichever provides a greater benefit to the relocated or displaced households.

(iii) If existing occupants who are lower income households are required to vacate their units due to demolition or rehabilitation needs, the developer shall provide a right of first refusal for a comparable unit available in the new or rehabilitated housing development that is affordable to the household at an affordable rent, as defined in Section 50053 of the Health and Safety Code, or an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code.

(2) (A) At least 30 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be spent on countywide renter protection and support programs.

(B) These programs include any effort that helps renters of lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(C) Eligible uses of the funds include, but are not limited to, all of the following:

(i) Preeviction and eviction legal services, counseling, advice and consultation, training, renter education and representation, and services to improve habitability that protect against displacement of tenants.

(ii) Providing rental assistance for lower income households. Rental assistance shall be provided to a specific household for a reasonable amount of time not to exceed six months, and shall be paired with supportive services, such as eviction prevention and defense, to the greatest extent possible.

(iii) Providing relocation assistance for lower income households beyond what is legally required of landlords according to local or state law.

(3) Fifteen percent of the total annual programmatic budget shall be allocated as "annual priorities," and these funds may be used for any eligible activity outlined in this chapter as part of the annual expenditure plan.

(4) At least 5 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be used for technical assistance, research, and policy development. Eligible uses for these funds include, but are not limited to, all of the following:

(A) Collecting and tracking information related to displacement and displacement risk, rents, and evictions in the region.

(B) Drafting model affordable housing land use ordinances that may be adopted by any jurisdiction in the County of Los Angeles.

(5) Not more than 10 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be used for the agencies administrative and operations expenses.

(Amended by Stats. 2024, Ch. 80, Sec. 73. (SB 1525) Effective January 1, 2025.)

64830.5. (a) (1) In this subdivision, "eligible jurisdictions" shall mean the following jurisdictions:

(A) The councils of governments in Los Angeles County, excluding the jurisdictions described in subparagraphs (B) through (F), inclusive.

(i) Funds, or a portion of the funds, provided to the San Gabriel Valley Council of Governments may be allocated by the council to the San Gabriel Valley Regional Housing Trust, and the trust shall use the funds pursuant to the same requirements as funding provided to the councils of governments.

(ii) A council of government that creates and operates a regional housing trust that is consistent with the San Gabriel Valley Regional Housing Trust model shall be eligible to receive a direct allocation. If any regional housing trust is created that does not correspond to an existing council of government, the board shall have discretion to determine the appropriate pro rata funding allocation.

(B) The City of Los Angeles.

(C) The City of Long Beach.

(D) The City of Glendale.

(E) The unincorporated areas of Los Angeles County.

(F) The City of Santa Clarita.

(2) Revenue generated pursuant to this part shall be allocated according to the following geographic distribution schedule:

(A) (i) Seventy percent of annual funding for the purpose of affordable housing preservation, affordable housing production, income assistance for extremely low-income households, and long-term, project-based rental assistance shall be allocated, based on the eligible jurisdiction's pro rata lower income housing need, to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (1) of subdivision (d) of Section 64830.

(ii) (I) Thirty percent of annual funding for the purpose of affordable housing preservation, affordable housing production, and long-term rental assistance, with no time limit, shall be allocated by the agency to the eligible jurisdictions consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830.

(II) At least 5 percent of funds allocated pursuant to subclause (I) shall be used for technical assistance grants to cities with a population under 50,000.

(iii) If an eligible jurisdiction is found to be out of compliance with affordability targets at the end of a two-year period, the board may take any of the following actions:

(I) Limit the funding for the jurisdiction to extremely low and very low income housing units only until compliance is reestablished.

(II) Require the funding allocated to the jurisdiction to be administered by the agency instead of the jurisdiction.

(III) Increase funding incentives as needed to meet project and programmatic targets.

(iv) (I) Any eligible jurisdiction may receive a direct allocation of all or part of the jurisdiction's funding described in this subparagraph if all of the following conditions are met:

(ia) The jurisdiction agrees to adopt and adhere to agency financing policies and guidelines, including public engagement and notice provisions outlined in this chapter.

(ib) All funded projects are in compliance with the agency's eligible uses and affordability requirements.

(ic) The jurisdiction agrees to allocate its funding within 12 months through administrative processes without being subject to additional legislative process.

(id) The jurisdiction is in compliance with Affirmatively Furthering Fair Housing in California guidelines.

(II) (ia) Once committed to a specific project, funds shall remain available for expenditure for an additional five years, unless an extension is authorized pursuant to sub-subclause (ib).

(ib) If the funds have not been expended within five years of receipt as required in sub-subclause (ia), the jurisdiction shall show that it has made adequate progress towards completing the project. If the agency finds that the city has made adequate progress, the agency shall authorize an additional 24 months to grant entitlements to the remainder of the project. If the agency does not find that the city has made adequate progress, the funds shall be transferred to the agency. The agency shall hold the funds until the city submits a plan satisfactory to the agency to move forward with the project or allocate funds to another qualified project consistent with the jurisdiction's expenditure plan.

(ic) For purposes of this subclause, "adequate progress" means the project has received the land use approvals or entitlements necessary for at least 75 percent of the project's units.

(B) (i) Seventy percent of annual funding for the purpose of renter protections and support shall be allocated to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (2) of subdivision (d) of Section 64830.

(ii) (I) Thirty percent of annual funding for the purpose of renter protections and support shall be allocated by the agency to the eligible jurisdictions consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830.

(II) At least 5 percent of funds allocated pursuant to subclause (I) shall be used for technical assistance grants to cities with a population under 50,000.

(iii) The agency shall have the discretion to fund any programs operated by any governmental or nonprofit entity that are consistent with the eligible uses outlined for renter protections and support. Direct unrestricted allocations are not permitted to any governmental entity.

(C) (i) Seventy percent of annual funding for the purpose of technical assistance, research, and policy development shall be allocated, on a per low-income renter household basis, to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (4) of subdivision (d) of Section 64830.

(ii) Thirty percent of annual funding for the purpose of technical assistance, research, and policy development shall be allocated by the agency on an at-large basis consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830, subject to both of the following conditions:

(I) At least 5 percent of funds allocated pursuant to this clause shall be used for technical assistance grants to cities with a population under 50,000.

(II) The agency shall create a list of consultants who shall be available to provide technical assistance, research, and policy development to these cities consistent with this subclause. Cities with a population under 50,000 shall be entitled to a 10 percent administrative cost reimbursement as part of this application cost.

(b) Councils of governments in Los Angeles County shall be subject to the following requirements:

(1) Funds allocated to a council of governments shall be administered by the agency in collaboration with the council receiving funding.

(2) Each city within each council of government may have its own set aside, which shall be based on its pro rata lower income housing need. The council of government and its members may develop policies to allocate set-aside funds.

(3) Funds, or a portion of the funds, provided to the San Gabriel Valley Council of Governments may be allocated by the council to the San Gabriel Valley Regional Housing Trust, and the trust shall use the funds pursuant to the same requirements to which funding provided to the councils of governments are subject pursuant to this chapter.

(c) Cities receiving a direct allocation shall be subject to the following requirements:

(1) The City of Los Angeles shall have its own set aside based on its pro rata lower income housing need, subject to a 50-percent limit on the category described in clause (i) of subparagraph (B) of paragraph (2) of subdivision (a).

(2) The City of Long Beach shall have its own set aside based on its pro rata lower income housing need.

(d) The unincorporated area of Los Angeles County shall have its own set aside, which shall be based on its pro rata lower income housing need.

(e) The following factors shall be considered for at-large funding allocations:

(1) Whether the allocation affirmatively furthers fair housing.

(2) The allocation's effect on displacement indicators.

(3) The allocation's effect on rent-burdened populations.

(4) Whether the allocation serves populations with disabilities.

(f) In this section, "pro rata lower income housing need" shall mean the jurisdiction's share of the total lower income housing needs assessment goal for the County of Los Angeles allocated pursuant to Section 65584.

(Added by Stats. 2022, Ch. 661, Sec. 1. (SB 679) Effective January 1, 2023.)

64831. The board shall monitor expenditures in coordination with local jurisdictions. At least once every five years, the monitoring shall include a review of revenues allocated to cities. The board may adopt guidelines applicable to those funds as deemed necessary to ensure they are spent in a timely manner consistent with the goals of this chapter.

(Added by Stats. 2022, Ch. 661, Sec. 1. (SB 679) Effective January 1, 2023.)

64832. To ensure oversight and accountability, the agency shall prepare and submit an annual report to the Legislature, in conformance with Sections 9795 and 53411 on allocations and expenditures under its control, and those controlled by the county or a city pursuant to subdivision (d) of Section 64830. The report shall include a description of projects funded and their status, the households served by income level, and the extent to which the minimum targets in subdivision (d) of Section 64830 were achieved.

(Added by Stats. 2022, Ch. 661, Sec. 1. (SB 679) Effective January 1, 2023.)