AB-45 California School Employee Housing Assistance Grant Program. (2017-2018)

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CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

ASSEMBLY BILL   NO. 45

Introduced by Assembly Member Thurmond

December 05, 2016

An act to add Chapter 4 (commencing with Section 50570) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 45, Thurmond. California School Employee Housing Assistance Grant Program.

Existing law establishes the Department of Housing and Community Development (HCD) and requires it to administer various housing programs.

This bill would require HCD to administer a program to provide financing assistance, as specified, to a qualified school district, as defined, and to a qualified developer, as defined, for the creation of affordable rental housing for school employees, as defined. The bill would require a qualified school district and a qualified developer to apply for this financing assistance. The bill would require the State Department of Education and HCD to certify that a school district seeking a grant meets the definition of qualified school district, as provided. The bill would create in the State Treasury the California School Employee Housing Assistance Fund and make implementation of its provisions subject to appropriation by the Legislature for that purpose.

Vote: majority   Appropriation: no   Fiscal Committee: yes   Local Program: no

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

SECTION 1. Chapter 4 (commencing with Section 50570) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

CHAPTER 4. California School Employee Housing Assistance Program

50570. For purposes of this chapter, all of the following shall apply:

(a) "Affordable rental housing" means housing that serves persons and families of low or moderate income as defined by Section 50093.

(b) "Qualified developer" means a developer that has partnered with a qualified school district to create affordable rental housing for school district employees.

(c) "Qualified school district" means a school district that satisfies all of the following:

(1) Has acquired land that may be used to engage in a lease and development agreement, including, but not limited to, a joint occupancy agreement, for the purposes of design, construction, financing, and long-term operation of a housing development and amenities, from any of the following:

(A) A school district.

(B) A special district.

(C) A city.

(2) Demonstrates to the State Department of Education evidence which shows a trend, over a minimum of three years, that the school has a problem recruiting or retaining teachers, or both, using documented data, including, but not limited to, the following:

(A) A high percentage of teachers not teaching in the academic subjects or grade levels that the teachers were trained to teach.

(B) A high percentage of teachers with emergency, provisional, or temporary certification or licensing.

(C) Exit interviews of school employees.

(D) High local rental housing costs.

(E) High district costs associated with recruiting teachers.

(F) The median time of teachers being employed by the district.

(3) Demonstrates to the department that any project funded through a predevelopment grant pursuant to this chapter meets both of the following requirements:

(A) The project is subject to a project labor agreement, as defined in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(B) The project either is a public work for purposes of Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code or is otherwise subject to a legally binding requirement that prevailing wages be paid to all workers employed on the project.

(d) "School district employees" means any employees of the school district, including teachers, and any employees of an entity described in subdivision (b) of Section 52295.10 of the Education Code that is located within the jurisdictional boundaries of the school district.

50571. (a) The department shall administer a program to provide financing assistance for the creation of affordable rental housing for school district employees. The financing assistance shall be in both of the following forms:

(1) Predevelopment grants to developers partnered with qualified school districts. A developer may partner with a qualified school district by entering into a memorandum of understanding with the qualified school district to create affordable rental housing for school district employees.

(2) Loans to qualified developers.

(b) The department shall do all of the following:

  (1) Be responsible for overseeing the program.

  (2) Award predevelopment grants as follows:

    (A) Grants shall be awarded to qualified school districts and qualified developers in partnership.

    (B) Grants shall be based on the accomplishment of predevelopment milestones, as determined by the department, including, but not limited to, engineering studies, architectural plans, application fees, legal services, permits, bonding, and site preparation.

    (C) The department shall give priority to partnerships in which the qualified school district has 60 percent or more of its students participating in the National School Lunch Program.

  (3) Make loans to qualified developers.

  (4) Publish deadlines and written procedures for qualified school districts and qualified developers to apply for financing assistance.

  (5) Require the affordability of units built with financing assistance pursuant to this chapter to be restricted for at least 55 years.

(c) A qualified school district seeking a grant shall do both of the following:

  (1) Apply for a predevelopment grant, in partnership with a qualified developer, in the form and manner prescribed by the department.

  (2) Submit the certification provided by the State Department of Education pursuant to Section 50572 to the department.

(d) A qualified developer seeking a loan shall apply for a loan in the form and manner prescribed by the department.

50572. (a) A school district seeking a predevelopment grant in partnership with a qualified developer shall apply to the State Department of Education, in the form and manner prescribed by the department, for certification as a qualified school district.

(b) (1) The State Department of Education shall certify that a school district seeking a predevelopment grant in partnership with a qualified developer meets the requirements of paragraphs (1) and (2) of subdivision (c) of Section 50570 and provide the qualified school district with the certification.

  (2) The department shall certify that the school district has satisfied the requirements of paragraph (3) of subdivision (c) of Section 50570 and provide the qualified school district with the certification.

50573. (a) There is hereby created in the State Treasury the California School Employee Housing Assistance Fund. Moneys in the fund shall only be available for purposes of this chapter upon appropriation by the Legislature.

(b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, an appropriation of funds from the California School Employee Housing Assistance Fund for purposes of this chapter shall not be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2017–18 fiscal year and annually thereafter, and shall not be included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2016–17 fiscal year and annually thereafter.

50574. (a) The department shall make loans to qualified developers using a project selection process established by the department that meets all of the following requirements:

  (1) To the extent feasible, ensures a reasonable geographic distribution of funds.

  (2) Requires applications for projects to meet minimum threshold requirements, including, but not limited to, all of the following:

    (A) The proposed project is located within reasonable proximity to public transportation and services.

    (B) Development costs for the proposed project are reasonable compared to costs of comparable projects in the area.

    (C) The proposed project is feasible.

  (3) The proposed project leverages other funds where they are available.

(b) (1) Loans made pursuant to this section shall be for a term of not less than 55 years.

(2) 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 shall require annual loan payments in a 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 0.42 percent per annum.

(3) Any moneys that the department receives in repayment of the loans, including interest, shall be deposited in the California School Employee Housing Assistance Fund. These moneys shall be used for the purposes of this chapter.

(c) Each project shall be eligible for a loan not to exceed ten million dollars ($10,000,000).

50575. Implementation of this chapter shall be subject to appropriation by the Legislature for the purposes of this chapter in the Budget Act or another statute.