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**SB-623 Multifamily Housing Program: total assistance calculation.** (2019-2020)

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**Senate Bill No. 623**

**CHAPTER 507**

An act to amend Sections 50675.1 and 50675.14 of the Health and Safety Code, relating to housing.

[ Approved by Governor October 03, 2019. Filed with Secretary of State October 03, 2019. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 623, Jackson. Multifamily Housing Program: total assistance calculation.

Existing law creates the Multifamily Housing Program under the administration of the Department of Housing and Community Development to provide a standardized set of program rules and features applicable to all housing types, based on the existing California Housing Rehabilitation Program. Existing law requires that of the total assistance provided under the Multifamily Housing Program, a specified percentage that is proportional to the percentage of lower income renter households in the state that are lower income elderly renter households, as reported by the United States Department of Housing and Urban Development on the basis of the most recent decennial census conducted by the United States Census Bureau, be awarded to units restricted to senior citizens. That calculation, known as the total assistance calculation, excludes assistance for certain projects related to housing for homeless youths and supportive housing for target populations. Existing law defines target populations for these purposes as adults with low incomes having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.

This bill would, instead, require the total assistance calculation described above use data as reported by the United States Department of Housing and Urban Development on the basis of the most recent American Community Survey or successor survey conducted by the United States Census Bureau. The bill would limit the assistance that is excluded from the total assistance calculation to assistance for projects related to target populations and would, for that purpose, define target populations as persons, including persons with disabilities, and families who are homeless or who are homeless youth, as specified.

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

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

**SECTION 1.** Section 50675.1 of the Health and Safety Code is amended to read:

**50675.1.** (a) This chapter shall be known and may be cited as the Multifamily Housing Program.

(b) Assistance provided to a project pursuant to this chapter shall be provided in the form of a deferred payment loan to pay for the eligible costs of development as hereafter described.

(c) Except as provided in paragraph (3), on and after January 1, 2008, of the total assistance provided under this chapter, the percentage that is awarded for units restricted to senior citizens, as defined in paragraph (1) of subdivision (b) of Section 51.3 of the Civil Code, shall be proportional to the percentage of lower income renter households in the state that are lower income elderly renter households, as reported by the United States Department of Housing and Urban Development on the basis of the most recent American Community Survey or successor survey conducted by the United States Census Bureau.

(1) The department shall be deemed to have met its obligation under this subdivision if the assistance awarded is not less than 1 percent below the proportional share.

(2) This subdivision does not require the department to provide loans to projects that fail to meet minimum threshold requirements under subdivision (b) of Section 50675.7.

(3) Assistance for projects meeting the definition in paragraph (3) of subdivision (b) of Section 50675.14 shall be excluded from the total assistance calculation under this subdivision.

(4) The department shall determine the time period over which it will measure compliance with this section, but that period shall not be less than one year or two funding cycles, whichever period is longer.

(5) If, at the end of the time period determined by the department, the total amount of funding for which sponsors have submitted qualified applications is lower than the proportional share, the department may award the remaining funds to units that are not restricted to senior citizens.

(6) The department's annual report to the Legislature submitted under Section 50408 shall include a breakdown of funding awards between units restricted to senior citizens and units that are not age-restricted.

(d) This chapter shall be administered by the department and the department shall establish the terms upon which loans may be made consistent with the provisions of this chapter.

**SEC. 2.** Section 50675.14 of the Health and Safety Code is amended to read:

**50675.14.** (a) This section shall apply only to projects funded with funds appropriated for supportive housing projects.

(b) For purposes of this section the following terms have the following meanings:

(1) "May restrict occupancy to persons with veteran status" means that the sponsor may limit occupancy to persons meeting the criteria of paragraphs (1) and (2) of subdivision (j) with respect to either of the following:

(A) Any unit in the development that has not been previously occupied.

(B) Any unit in the development that subsequently becomes vacant, for a period of not more than 120 days following the vacancy.

(2) "Supportive housing" means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.

(3) (A) "Target population" means persons, including persons with disabilities, and families who are "homeless," as that term is defined by Section 11302 of Title 42 of the United States Code, or who are "homeless youth," as that term is defined by paragraph (2) of subdivision (e) of Section 12957 of the Government Code.

(B) Individuals and families currently residing in supportive housing meet the definition of "target population" if the individual or family was "homeless," as that term is defined by Section 11302 of Title 42 of the United States Code, when approved for tenancy in the supportive housing project in which they currently reside.

(c) (1) The department shall ensure that at least 40 percent of the units in each development funded under the supportive housing program are targeted to one or more of the following populations:

(A) Individuals or families experiencing "chronic homelessness," as defined by the United States Department of Housing and Urban Development's Super Notice of Funding Availability for Continuum of Care or Collaborative Applicant Program.

(B) "Homeless youth," as that term is defined by paragraph (2) of subdivision (e) of Section 12957 of the Government Code.

(C) Individuals exiting institutional settings, including, but not limited to, jails, hospitals, prisons, and institutes of mental disease, who were homeless when entering the institutional setting, who have a disability, and who resided in that setting for a period of not less than 15 days.

(2) The department may decrease the number of units required to meet the criteria identified in paragraph (1) if the department determines that the program is undersubscribed after issuing at least one Notice of Funding Availability.

(3) Individuals and families currently residing in supportive housing meet the qualifications under this subdivision if the individual or family met any of the criteria specified in subparagraph (A), (B), or (C) of paragraph (1) when approved for tenancy in the supportive housing project in which they currently reside.

(d) Supportive housing projects shall provide or demonstrate collaboration with programs that provide services that meet the needs of the supportive housing residents.

(e) The criteria, established by the department, for selecting supportive housing projects shall give priority to supportive housing projects that include a focus on measurable outcomes and a plan for evaluation, which evaluation shall be submitted by the borrowers, annually, to the department.

(f) The department may provide higher per-unit loan limits as reasonably necessary to provide and maintain rents that are affordable to the target population.

(g) In an evaluation or ranking of a borrower's development and ownership experience, the department shall consider experience acquired in the prior 10 years.

(h) (1) A borrower shall, beginning the second year after supportive housing project occupancy, include the following data in their annual report to the department. However, a borrower who submits an annual evaluation pursuant to subdivision (e) may, instead, include this information in the evaluation:

(A) The length of occupancy by each supportive housing resident for the period covered by the report and, if the resident has moved, the reason for the move and the type of housing to which the resident moved, if known.

(B) Changes in each supportive housing resident's employment status during the previous year.

(C) Changes in each supportive housing resident's source and amount of income during the previous year.

(D) The tenant's housing status prior to occupancy, including the term of the tenant's homelessness.

(2) The department shall include aggregate data with respect to the supportive housing projects described in this section in the report that it submits to the Legislature pursuant to Section 50675.12.

(i) The department shall consider, commencing in the second year of the funding, the feasibility and appropriateness of modifying its regulations to increase the use of funds by small projects. In doing this, the department shall consider its operational needs and prior history of funding supportive housing facilities.

(j) Notwithstanding any other provision of law, the sponsor of a supportive housing development may restrict occupancy to persons with veteran status if all the following conditions apply:

(1) The veterans possess significant barriers to social reintegration and employment that require specialized treatment and services that are due to a physical or mental disability, substance abuse, or the effects of long-term homelessness.

(2) The veterans are otherwise eligible to reside in an assisted unit.

(3) The sponsor also provides, or assists in providing, the specialized treatment and services.