



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

AB-175 Housing: mortgages and deeds of trust: use of state property: surplus land disposal: financing programs. (2021-2022)

SHARE THIS:  

Date Published: 09/24/2021 02:00 PM

Assembly Bill No. 175

CHAPTER 255

An act to amend Sections 2924h and 2924m of the Civil Code, to add Section 3332.2 to the Food and Agricultural Code, to amend Section 54234 of the Government Code, and to amend Sections 50218.6, 50220.7, 50220.8, 50515.08, 50515.09, and 50515.10 of the Health and Safety Code, relating to housing, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor September 23, 2021. Filed with Secretary of State September 23, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 175, Committee on Budget. Housing: mortgages and deeds of trust: use of state property: surplus land disposal: financing programs.

(1) Existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust and prescribes a procedure for the exercise of that power. Existing law prescribes the dates when a trustee's sale is deemed final if specified payments are made and, in this regard, a trustee's sale is deemed final upon the acceptance of the last and highest bid and is deemed perfected as of 8 a.m. on the actual date of sale if the trustee's deed is recorded within 18 calendar days after the sale, except as specified.

This bill would extend the date in the above-described condition relating to the recording of the trustee's deed to 21 calendar days. The bill would require this change to become operative on January 1, 2022.

(2) Existing law, until January 1, 2026, prescribes a process in connection with a trustee's sale of property under a power of sale contained in a deed of trust or mortgage on real property containing one to 4 residential units that determines when the trustee's sale is deemed final, depending on different factors. Under existing law, in this regard, if a prospective owner-occupant, as defined, is the last highest bidder, the date upon which specified conditions required of the bidder for the trustee sale to become final is met, and the trustee must require the respective owner-occupant to submit a specified affidavit. If an eligible tenant buyer or eligible bidder, as those terms are defined, submits to the trustee either a bid, as prescribed, or a nonbinding written notice of intent to place a bid, the trustee sale becomes final after 15 days. Existing law requires the bid or written notice of intent to place a bid to be sent to the trustee in certain ways and received no later than 15 days after the trustee sale. Additionally, the trustee sale may become final based upon the date a representative of all eligible tenant buyers submits to the trustee a bid in an amount equal to the last and highest bid at the trustee's sale in the form of payment, as specified, and satisfies other conditions, including receipt by the trustee no later than 45 days after the trustee sale. Finally, the trustee sale may become final 45 days after an eligible bidder, as defined, submits to the trustee a bid in an amount that exceeds the last and highest bid at the trustee's sale in form of payment, as specified.

This bill would revise the above-described process, operative until January 1, 2026, for finalizing the trustee sale. In this regard, the bill would provide that certain information to be submitted to a trustee be provided as an affidavit or declaration given under penalty of perjury, as specified. By expanding the crime of perjury, this bill would impose a state-mandated local program. The bill would authorize the trustee to reasonably rely on such an affidavit or declaration. The bill would impose additional limits on who may be a prospective owner-occupant for these purposes. The bill would prescribe requirements regarding the times by which bids are required to be received and the information that is to accompany them. The bill would specify a limit on the information that a trustee is able to provide to eligible bidders or to persons considering whether to submit a bid or notice of intent to bid. The bill would also extend the date that the trustee's sale is deemed perfected, if an eligible bidder submits a written notice of intent to bid, based on the recording of the trustee's deed, as described above, from 48 days to 60 days. The bill would require these changes to become operative on January 1, 2022.

(3) Existing law creates the California Exposition and State Fair (Cal Expo) as a separate entity in state government, governed by a board of directors. Existing law authorizes the Cal Expo board of directors to use or manage any of its property for any purpose, with the approval of the Department of General Services. The Bushy Lake Preservation Act requires the Cal Expo board to preserve the Bushy Lake area consistent with the features of a natural preserve, and to manage, or provide, pursuant to an agreement with the American River Parkway Manager, for the management of the Bushy Lake area in accordance with land use designations and policies of the American River Parkway Plan, as defined by the Urban American River Parkway Preservation Act.

This bill, among other things, would authorize the Cal Expo board of directors to enter a 5-year agreement with the City of Sacramento (city) and the County of Sacramento (county) for the use of a specified parcel of property, known as Cal Expo Lot Z, for the purposes of providing emergency shelter and other services to individuals experiencing homelessness. The bill would authorize the city and the county to contract with a service provider for this purpose, and would authorize the city and the county to include mental health and substance abuse programs and emergency and interim housing solutions on the Cal Expo Lot Z property. The bill would require the governing bodies of the city and the county to each approve any agreement for the use of the Cal Expo Lot Z property at an open meeting. The bill would require the city and the county to prioritize the provision of emergency shelter and services to specified persons illegally camping in areas of the American River Parkway, as specified.

This bill would provide that any agreement pursuant these provisions are exempt from the Bushy Lake Preservation Act and the Urban American River Parkway Preservation Act and would require the city and the county to take specified actions when establishing emergency shelter and other services on the Cal Expo Lot Z property.

(4) Existing law prescribes requirements for the disposal of surplus land by a local agency, as defined. Existing law provides that certain dispositions of real property by local agencies are subject to surplus land disposal procedures as they existed on December 31, 2019, without regard to specified amendments that took effect on January 1, 2020, if those dispositions comply with specified requirements.

This bill would additionally provide that the surplus land disposal procedures as they existed on December 31, 2019, apply if a local agency, as of September 30, 2019, has entered into an exclusive negotiating agreement or legally binding agreement to dispose of property related to the Metro North Hollywood Joint Development Project, provided that the disposition is completed not later than December 31, 2024. The bill would extend these dates in the event of a judicial challenge to 6 months following the final conclusion of litigation.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.

(5) Existing law establishes, among various other programs intended to address homelessness in this state, the Homeless Housing, Assistance, and Prevention program for the purpose of providing jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Existing law provides for the allocation of funding under the program upon appropriation among continuums of care, cities, counties, and tribal applicants in 4 rounds. Under existing law, the Business, Consumer Services, and Housing Agency administers the first round of funding under the program and the Homeless Coordinating and Financing Council administers all subsequent rounds.

Existing law requires that not more than 2%, or \$20,000,000, of the amount of round 3 program funds be available to tribal applicants, as defined, and allocated in accordance with specified requirements. Existing law requires a tribal applicant seeking an allocation of these funds to submit an application to the council no later than June 30, 2023, as provided, and that any funds available for tribal applicants that are unallocated as of July 1, 2025, be allocated as bonus awards to other eligible applicants, as provided.

This bill would instead require a tribal applicant seeking an allocation of these funds to submit an application to the council, as described above, no later than June 30, 2022. The bill would also instead require that funds available to tribal applicants be

allocated as bonus awards, as described above, if those funds are unallocated as of July 1, 2024.

Upon appropriation, existing law requires the council to allocate \$1,000,000,000 in the 2021–22 fiscal year for round 3 of the program, and \$1,000,000,000 in the 2022–23 fiscal year for round 4 of the program. Existing law requires an applicant seeking an allocation of round 3 program funds to submit a standard agreement, which is due within 30 days after the date the council makes that standard agreement available, as provided. Existing law requires the council to allocate 20% of the eligible city's, county's, or continuum of care's total allocation of round 3 program funds upon receipt of the standard agreement from the applicant. To receive the balance of its round 3 program allocation, the applicant is required by existing law to submit an application by June 30, 2022. Existing law requires that an applicant seeking an allocation of round 4 program funds submit an application within 60 days from the date the council makes the application available, as provided.

For round 3 program allocations, existing law requires that priority for initial funds be for systems improvement, including capacity building and workforce development for the jurisdiction's administering staff and providers and improving coordinated entry systems to eliminate racial bias or to create a youth-specific coordinated entry system. Existing law requires that the application for the balance of round 3 program funds include, among other things, a narrative that includes specified information. Existing law requires that the narrative include an outline of proposed uses of funds requested and an explanation of how the proposed use of funds will complement the funds and equitably close the gaps identified in the application as provided. Existing law requires that the narrative include specific and quantifiable systems improvements, including, among other things, capacity building and workforce development for the jurisdiction's administering staff and providers, including technical assistance to culturally specific providers, and improving coordinated entry systems to eliminate racial bias or to create a youth-specific coordinated entry system. Existing law also requires that the application for the balance of round 3 program funds establish outcome goals that prevent and reduce homelessness over a 3-year period, as specified.

This bill would, instead, require that initial round 3 program funds used for capacity building and workforce development be for service providers within the jurisdiction, including removing barriers to contracting with culturally specific service providers and building capacity of providers to administer culturally specific services. This bill would also, instead, provide that initial round 3 program funds used for systems improvement may be used for improving coordinated entry systems to strengthen coordinated entry systems to eliminate racial bias, to create a youth-specific coordinated entry system or youth-specific coordinated entry access points, or to improve the coordinated entry assessment tool to ensure that it contemplates the specific needs of youth experiencing homelessness. The bill would similarly revise the required specific and quantifiable systems improvements included in the narrative of an application for the balance of round 3 program funds, to require that these improvements include (A) capacity building and workforce development for service providers within the jurisdiction, as provided, and (B) improving coordinated entry systems to strengthen coordinated entry systems to eliminate racial bias, to create a youth-specific coordinated entry system or youth-specific coordinated entry access points, or to improve the coordinated entry assessment tool to ensure that it contemplates the specific needs of youth experiencing homelessness. The bill would also, instead, require that the outline of proposed uses included in the narrative of an application, as described above, contain an explanation of how the proposed use of funds will complement existing local, state, and federal funds and equitably close the gaps identified in the application. The bill would also, instead, require that the outcome goals in an application for the balance of round 3 program funds prevent and reduce homelessness from July 1, 2021, through June 30, 2024.

For round 4 program allocations, existing law requires that the application include new outcome goals that are specific, ambitious, achievable, and quantifiable to prevent and reduce homelessness over a 3-year period, as specified. Existing law also requires that the application include a narrative, similar to the application for the balance of round 3 program funds, as described above. Existing law requires that the narrative include an outline of proposed uses of funds requested and an explanation of how the proposed use of funds will complement the funds and equitably close the gaps identified in the application as provided. Existing law also requires that the narrative include specific and quantifiable systems improvements, including, among other things, capacity building and workforce development for the jurisdiction's administering staff and providers, including technical assistance to culturally specific providers.

This bill would, instead, require that the outcome goals in an application for round 4 program funds prevent and reduce homelessness from July 1, 2022, through June 30, 2025. The bill would also, instead, require the outline of proposed uses included in the narrative of an application for round 4 program funds to contain an explanation of how the proposed use of funds will complement existing local, state, and federal funds and equitably close the gaps identified in the application. The bill would also revise the required specific and quantifiable systems improvements included in the narrative of the application to, instead, include capacity building and workforce development for service providers within the jurisdiction, including removing barriers to contracting with culturally specific service providers and building capacity of providers to administer culturally specific services.

This bill would make various technical changes to round 3 and round 4 of the Homeless Housing, Assistance, and Prevention program.

(6) Existing law establishes the Regional Early Action Planning Grants Program of 2021 for the purpose of providing regions with funding, including grants, for transformative planning and implementation activities, as defined. Existing law requires the Department of Housing and Community Development to develop and administer the program, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, and to distribute funds to specified eligible entities, upon appropriation, in accordance with specified requirements. Existing law requires that moneys appropriated for purposes of the program be allocated only to specified entities before any suballocation to other eligible entities. Under existing law, until December 31, 2022, an eligible entity may request an allocation of funds under the program by submitting an application that includes specified information, including, among other things, an allocation budget for the funds provided to it and an explanation of how the proposed uses will meet the definition of transformative planning and implementation activities.

This bill would additionally require that the application for an allocation of funds under the program include an explanation of how proposed uses will advance equity by benefiting disadvantaged and historically underserved communities.

Existing law requires that 85% of the amount appropriated for purposes of the program be available to specified regional entities, including, among others, the Metropolitan Transportation Commission and the Southern California Association of Governments. Existing law, commencing January 1, 2022, authorizes these specified regional entities to request up to 10% of the funding available to an entity under the program in advance of a full request to develop and accelerate the implementation of certain application requirements.

This bill would expand the scope of regional entities eligible for the 85% of moneys appropriated for the program and to request up to 10% of their allocation, as described above, to include, among others, the Santa Barbara County Association of Governments, the Shasta County Regional Transportation Agency, and the Tahoe Regional Planning Agency.

Existing law requires that 5% of the amount appropriated for purposes of the program be available to specified regional entities. Existing law authorizes the department to develop a streamlined application procedure that accounts for the limited resources generally among these regional entities.

This bill would, instead, require that the 5% of moneys appropriated for the program and streamlined application process, as described above, be available to eligible entities located within specified counties.

Existing law requires that a recipient of funds under the program expend those funds no later than June 30, 2024. Existing law also requires a recipient to submit annual reports to the department and to submit a final report no later than June 30, 2025, as provided.

This bill would, instead, require that a recipient of funds under the program obligate those funds no later than June 30, 2024, and expend those funds no later than June 30, 2026. The bill would also extend the deadline to submit a final report under the program from June 30, 2025, to June 30, 2026.

(7) This bill would appropriate \$30,000,000, available for encumbrance or expenditure through June 30, 2024, from the Labor and Workforce Development Fund for support of the Department of Industrial Relations for strategic enforcement focused on construction, alteration, and repair projects for publicly funded residential projects, including the Multifamily Housing Program.

(8) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(9) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

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

SECTION 1. Section 2924h of the Civil Code, as amended by Section 5 of Chapter 202 of the Statutes of 2020, is amended to read:

2924h. (a) Each and every bid made by a bidder at a trustee's sale under a power of sale contained in a deed of trust or mortgage shall be deemed to be an irrevocable offer by that bidder to purchase the property being sold by the trustee under the power of sale for the amount of the bid. Any second or subsequent bid by the same bidder or any other bidder for a higher amount shall be a cancellation of the prior bid.

(b) At the trustee's sale the trustee shall have the right (1) to require every bidder to show evidence of the bidder's ability to deposit with the trustee the full amount of their final bid in cash, a cashier's check drawn on a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association,

or savings bank specified in Section 5102 of the Financial Code and authorized to do business in this state, or a cash equivalent which has been designated in the notice of sale as acceptable to the trustee prior to, and as a condition to, the recognizing of the bid, and to conditionally accept and hold these amounts for the duration of the sale, and (2) to require the last and highest bidder to deposit, if not deposited previously, the full amount of the bidder's final bid in cash, a cashier's check drawn on a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association, or savings bank specified in Section 5102 of the Financial Code and authorized to do business in this state, or a cash equivalent which has been designated in the notice of sale as acceptable to the trustee, immediately prior to the completion of the sale, the completion of the sale being so announced by the fall of the hammer or in another customary manner. The present beneficiary of the deed of trust under foreclosure shall have the right to offset their bid or bids only to the extent of the total amount due the beneficiary including the trustee's fees and expenses.

(c) In the event the trustee accepts a check drawn by a credit union or a savings and loan association pursuant to this subdivision or a cash equivalent designated in the notice of sale, the trustee may withhold the issuance of the trustee's deed to the successful bidder submitting the check drawn by a state or federal credit union or savings and loan association or the cash equivalent until funds become available to the payee or endorsee as a matter of right.

For the purposes of this subdivision, the trustee's sale shall be deemed final upon the acceptance of the last and highest bid, and shall be deemed perfected as of 8 a.m. on the actual date of sale if the trustee's deed is recorded within 21 calendar days after the sale, or the next business day following the 21st day if the county recorder in which the property is located is closed on the 21st day. If an eligible bidder submits a written notice of intent to bid pursuant to paragraph (3) of subdivision (c) of Section 2924m, the trustee's sale shall be deemed perfected as of 8 a.m. on the actual date of sale if the trustee's deed is recorded within 60 calendar days after the sale or the next business day following the 60th day if the county recorder in which the property is located is closed on the 60th day. However, the sale is subject to an automatic rescission for a failure of consideration in the event the funds are not "available for withdrawal" as defined in Section 12413.1 of the Insurance Code. The trustee shall send a notice of rescission for a failure of consideration to the last and highest bidder submitting the check or alternative instrument, if the address of the last and highest bidder is known to the trustee.

If a sale results in an automatic right of rescission for failure of consideration pursuant to this subdivision, the interest of any lienholder shall be reinstated in the same priority as if the previous sale had not occurred.

(d) If the trustee has not required the last and highest bidder to deposit the cash, a cashier's check drawn on a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association, or savings bank specified in Section 5102 of the Financial Code and authorized to do business in this state, or a cash equivalent which has been designated in the notice of sale as acceptable to the trustee in the manner set forth in paragraph (2) of subdivision (b), the trustee shall complete the sale. If the last and highest bidder then fails to deliver to the trustee, when demanded, the amount of their final bid in cash, a cashier's check drawn on a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association, or savings bank specified in Section 5102 of the Financial Code and authorized to do business in this state, or a cash equivalent which has been designated in the notice of sale as acceptable to the trustee, that bidder shall be liable to the trustee for all damages which the trustee may sustain by the refusal to deliver to the trustee the amount of the final bid, including any court costs and reasonable attorneys' fees.

If the last and highest bidder willfully fails to deliver to the trustee the amount of their final bid in cash, a cashier's check drawn on a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association, or savings bank specified in Section 5102 of the Financial Code and authorized to do business in this state, or a cash equivalent which has been designated in the notice of sale as acceptable to the trustee, or if the last and highest bidder cancels a cashier's check drawn on a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association, or savings bank specified in Section 5102 of the Financial Code and authorized to do business in this state, or a cash equivalent that has been designated in the notice of sale as acceptable to the trustee, that bidder shall be guilty of a misdemeanor punishable by a fine of not more than two thousand five hundred dollars (\$2,500).

In the event the last and highest bidder cancels an instrument submitted to the trustee as a cash equivalent, the trustee shall provide a new notice of sale in the manner set forth in Section 2924f and shall be entitled to recover the costs of the new notice of sale as provided in Section 2924c.

(e) Any postponement or discontinuance of the sale proceedings shall be a cancellation of the last bid.

(f) Except as specifically provided in Section 2924m, in the event that this section conflicts with any other statute, then this section shall prevail.

(g) It shall be unlawful for any person, acting alone or in concert with others, (1) to offer to accept or accept from another, any consideration of any type not to bid, or (2) to fix or restrain bidding in any manner, at a sale of property conducted pursuant to a power of sale in a deed of trust or mortgage. However, it shall not be unlawful for any person, including a trustee, to state that a property subject to a recorded notice of default or subject to a sale conducted pursuant to this chapter is being sold in an "as-is" condition.

In addition to any other remedies, any person committing any act declared unlawful by this subdivision or any act which would operate as a fraud or deceit upon any beneficiary, trustor, or junior lienor shall, upon conviction, be fined not more than ten thousand dollars (\$10,000) or imprisoned in the county jail for not more than one year, or be punished by both that fine and imprisonment.

(h) This section shall remain in effect only until January 1, 2026, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2026, deletes or extends that date.

(i) The amendments made to this section by the bill adding this subdivision shall become operative on January 1, 2022.

SEC. 2. Section 2924m of the Civil Code is amended to read:

2924m. (a) For purposes of this section:

(1) "Prospective owner-occupant" means a natural person who presents to the trustee an affidavit or declaration, pursuant to Section 2015.5 of the Code of Civil Procedure, that:

(A) They will occupy the property as their primary residence within 60 days of the trustee's deed being recorded.

(B) They will maintain their occupancy for at least one year.

(C) They are not any of the following:

(i) The mortgagor or trustor.

(ii) The child, spouse, or parent of the mortgagor or trustor.

(iii) The grantor of a living trust that was named in the title to the property when the notice of default was recorded.

(iv) An employee, officer, or member of the mortgagor or trustor.

(v) A person with an ownership interest in the mortgagor, unless the mortgagor is a publicly traded company.

(D) They are not acting as the agent of any other person or entity in purchasing the real property.

(2) "Eligible tenant buyer" means a natural person who at the time of the trustee's sale:

(A) Is occupying the real property as their primary residence.

(B) Is occupying the real property under a rental or lease agreement entered into as the result of an arm's length transaction with the mortgagor or trustor on a date prior to the recording of the notice of default against the property.

(C) Is not the mortgagor or trustor, or the child, spouse, or parent of the mortgagor or trustor.

(3) "Eligible bidder" means any of the following:

(A) An eligible tenant buyer.

(B) A prospective owner-occupant.

(C) A nonprofit association, nonprofit corporation, or cooperative corporation in which an eligible tenant buyer or a prospective owner-occupant is a voting member or director.

(D) An eligible nonprofit corporation based in California whose primary activity is the development and preservation of affordable rental housing.

(E) A limited partnership in which the managing general partner is an eligible nonprofit corporation based in California whose primary activity is the development and preservation of affordable housing.

(F) A limited liability company in which the managing member is an eligible nonprofit corporation based in California whose primary activity is the development and preservation of affordable rental housing.

(G) A community land trust, as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code.

(H) A limited-equity housing cooperative as defined in Section 817.

(I) The state, the Regents of the University of California, a county, city, district, public authority, or public agency, and any other political subdivision or public corporation in the state.

(b) Nothing in this section shall prevent an eligible tenant buyer who meets the conditions set forth in paragraph (1) of subdivision (a) from being deemed a prospective owner-occupant.

(c) A trustee's sale of property under a power of sale contained in a deed of trust or mortgage on real property containing one to four residential units pursuant to Section 2924g shall not be deemed final until the earliest of the following:

(1) If a prospective owner-occupant is the last and highest bidder at the trustee's sale, the date upon which the conditions set forth in Section 2924h for the sale to become final are met. The trustee shall require the prospective owner-occupant to submit the affidavit or declaration described in paragraph (1) of subdivision (a) at the trustee's sale or to the trustee by 5 p.m. on the next business day following the trustee's sale. The trustee may reasonably rely upon this affidavit or declaration.

(2) Fifteen days after the trustee's sale unless at least one eligible tenant buyer or eligible bidder submits to the trustee either a bid pursuant to paragraph (3) or (4) or a nonbinding written notice of intent to place such a bid. The bid or written notice of intent to place a bid shall:

(A) Be sent to the trustee by certified mail, overnight delivery, or other method that allows for confirmation of the delivery date.

(B) Be accompanied by an affidavit or declaration, pursuant to Section 2015.5 of the Code of Civil Procedure, identifying the category set forth in paragraph (3) of subdivision (a) to which the person submitting the bid or nonbinding written notice of intent belongs and stating that the person meets the criteria for that category. The trustee may reasonably rely on this affidavit or declaration.

(C) Be received by the trustee no later than 5 p.m. on the 15th day after the trustee's sale.

(D) Contain a current telephone number and return mailing address for the person submitting the bid or nonbinding written notice of intent.

(3) (A) The date upon which a representative of all of the eligible tenant buyers submits to the trustee a bid in an amount equal to the full amount of the last and highest bid at the trustee's sale, in the form of cash, a cashier's check drawn on a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or federal savings and loan association, savings association, or savings bank specified in Section 5102 of the Financial Code and authorized to do business in this state. This bid shall:

(i) Be sent to the trustee by certified mail, overnight delivery, or other method that allows for confirmation of the delivery date and shall

(ii) Be accompanied by an affidavit or declaration, pursuant to Section 2015.5 of the Code of Civil Procedure, stating that the persons represented meet the criteria set forth in paragraph (2) of subdivision (a), and that the persons represented are all of the eligible tenant buyers. The trustee may reasonably rely on this affidavit or declaration.

(iii) Meet either of the following criteria:

(I) Be received by the trustee no later than 5 p.m. on the 15th day after the trustee's sale.

(II) Be received by the trustee no later than 5 p.m. on the 45th day after the trustee's sale, if at least one of the eligible tenant buyers submitted a nonbinding written notice of intent to place a bid pursuant to paragraph (2).

(iv) Contain a current telephone number and return mailing address for the person submitting the bid.

(B) If the conditions in this paragraph are satisfied, the eligible tenant buyers shall be deemed the last and highest bidder pursuant to the power of sale.

(4) (A) Forty-five days after the trustee's sale, except that during the 45-day period, an eligible bidder may submit to the trustee a bid in an amount that exceeds the last and highest bid at the trustee's sale, in the form of cash, a cashier's check drawn on a state or national bank, a cashier's check drawn by a state or federal credit union, or a cashier's check drawn by a state or

federal savings and loan association, savings association, or savings bank specified in Section 5102 of the Financial Code and authorized to do business in this state. The bid shall:

(i) Be sent to the trustee by certified mail, overnight delivery, or other method that allows for confirmation of the delivery date.

(ii) Be accompanied by an affidavit or declaration, pursuant to Section 2015.5 of the Code of Civil Procedure, identifying the category set forth in paragraph (3) of subdivision (a) to which the eligible bidder belongs and stating that the eligible bidder meets the criteria for that category. The trustee may reasonably rely on this affidavit or declaration.

(iii) Be received by the trustee no later than 5 p.m. on the 45th day after the trustee's sale, if the eligible bidder submitted a nonbinding written notice of intent to bid pursuant to paragraph (2).

(iv) Contain a current telephone number and return mailing address for the person submitting the bid.

(B) As of 5 p.m. on the 45th day after the trustee's sale, if one or more eligible bidders has submitted a bid that meets the conditions in this paragraph, the eligible bidder that submitted the highest bid shall be deemed the last and highest bidder pursuant to the power of sale. The trustee shall return any losing bid to the eligible bidder that submitted it.

(d) If the conditions set forth in paragraph (1) of subdivision (c) for a sale to be deemed final are not met, then:

(1) Not later than 48 hours after the trustee's sale of property under Section 2924g, the trustee or an authorized agent shall post on the internet website set forth on the notice of sale, as required under paragraph (8) of subdivision (b) of section 2924f, the following information:

(A) The date on which the trustee's sale took place.

(B) The amount of the last and highest bid at the trustee's sale.

(C) An address at which the trustee can receive documents sent by United States mail and by a method of delivery providing for overnight delivery.

(2) The information required to be posted on the internet website under paragraph (1) shall also be made available not later than 48 hours after the trustee's sale of property under section 2924g by calling the telephone number set forth on the notice of sale as required under paragraph (8) of subdivision (b) of section 2924f.

(3) The information required to be provided under paragraphs (1) and (2) shall be made available using the file number assigned to the case that is set forth on the notice of sale as required under paragraph (8) of subdivision (b) of section 2924f.

(4) The information required to be provided under paragraphs (1) and (2) shall be made available for a period of not less than 45 days after the sale of property under section 2924g.

(5) A disruption of any of these methods of providing the information required under paragraphs (1) and (2) to allow for reasonable maintenance or due to a service outage shall not be deemed to be a violation of this subdivision.

(6) The information to be provided by the trustee to eligible bidders or to persons considering whether to submit a bid or notice of intent to bid pursuant to this section is limited to the information set forth in paragraph (1).

(e) A prospective owner-occupant shall not be in violation of this section if a legal owner's compliance with the requirements of Section 2924n renders them unable to occupy the property as their primary residence within 60 days of the trustee's deed being recorded.

(f) This section shall prevail over any conflicting provision of Section 2924h.

(g) This section shall remain in effect only until January 1, 2026, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2026, deletes or extends that date.

(h) The amendments made to this section by the bill adding this subdivision shall become operative on January 1, 2022.

SEC. 3. Section 3332.2 is added to the Food and Agricultural Code, to read:

3332.2. Notwithstanding any other law, the board is authorized to enter into an agreement for the use of the Cal Expo Lot Z property with the City of Sacramento and the County of Sacramento for a term of five years, provided, however, that in no event shall the California Exposition and State Fair or the State of California be liable for any damages or losses arising directly or indirectly as a result of the use of Cal Expo Lot Z by the City of Sacramento and the County of Sacramento. Any agreement entered into pursuant to this section shall authorize the City of Sacramento and the County of Sacramento to provide on the Cal

Expo Lot Z property emergency shelter and other services described in subdivision (b) to individuals experiencing homelessness. The city and the county may contract with a service provider for this purpose.

(b) Emergency shelter and services provided on the Cal Expo Lot Z property may include, but are not limited to, the following:

(1) Full-service, interdisciplinary resources, including mental health and substance abuse programs.

(2) Emergency and interim housing solutions, such as tiny homes, noncongregate shelters, or dormitory style housing, subject to the requirements of Section 8698.4 of the Government Code.

(c) Any agreement for the use of the Cal Expo Lot Z property shall be approved at an open meeting by the City Council of the City of Sacramento and the Board of Supervisors of the County of Sacramento.

(d) (1) The City of Sacramento and the County of Sacramento shall prioritize the emergency shelter and services provided pursuant to this section in accordance with the following:

(A) First priority shall be given to persons illegally camping in areas of the American River Parkway that have a high risk of fire.

(B) Second priority shall be given to persons illegally camping within sensitive habitat areas of the American River Parkway.

(C) Third priority shall be given to persons illegally camping within other areas of or on lands that are adjacent to the American River Parkway.

(2) For purposes of this subdivision, "adjacent to" has the same meaning as subdivision (a) of Section 5845.2 of the Public Resources Code.

(e) Any agreement entered into pursuant to this section shall be exempt from the Bushy Lake Preservation Act (Chapter 9 (commencing with Section 5830) of Division 5 of the Public Resources Code) and the Urban American River Parkway Preservation Act (Chapter 10 (commencing with Section 5840) of Division 5 of the Public Resources Code). When establishing emergency shelter and other services on the Cal Expo Lot Z property, the city and the county shall take the following actions in accordance with the intent of the Bushy Lake Preservation Act and the Urban American River Parkway Preservation Act:

(1) Locating shelter facilities on the portion of the Cal Expo Lot Z property that is as far away as practicable from the sensitive habitat portions of Bushy Lake and is designed to minimize the facility's footprint within the American River Parkway Plan.

(2) Incorporating fencing to discourage, to the extent practical, residents from entering or going to the sensitive Bushy Lake habitat areas.

(3) Incorporating measures to prevent trespassing or unlawful entry into the developed portions of Cal Expo or any other area not associated with Parking Lot Z.

(f) For purposes of this section "Cal Expo Lot Z" means a portion of the real property located at 500 Ethan Way, in the City of Sacramento, consisting of approximately 8.89 acres and commonly known as Cal Expo Lot Z.

(g) Nothing in this section reduces or waives any requirements to comply with the requirements necessary to qualify for state homelessness funding.

(h) For purposes of this section, any agreement is restricted to Lot Z, and not to interfere with the operations taking place within the state's fairgrounds.

SEC. 4. Section 54234 of the Government Code is amended to read:

54234. (a) (1) If a local agency, as of September 30, 2019, has entered into an exclusive negotiating agreement or legally binding agreement to dispose of property, the provisions of this article as it existed on December 31, 2019, shall apply, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, to the disposition of the property to the party that had entered into such agreement or its successors or assigns, provided the disposition is completed not later than December 31, 2022.

(2) If a local agency, as of September 30, 2019, has entered into an exclusive negotiating agreement or legally binding agreement to dispose of property related to the Metro North Hollywood Joint Development Project, the provisions of this article as it existed on December 31, 2019, shall apply, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, to the disposition of the property to the party that had entered into such agreement or its successors or assigns, provided the disposition is completed not later than December 31, 2024.

(3) If a local agency, as of September 30, 2019, has issued a competitive request for proposals for the development of property that includes at least 100 residential units and at least 25 percent of the total residential units are restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable housing cost or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing and 45 years for ownership housing, the provisions of this article as it existed on December 31, 2019, shall apply, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, to the disposition of the property to the party that participated in the competitive request for proposals process, or the party's successors or assigns, provided a disposition and development agreement for the property is entered into not later than December 31, 2024. A joint development involving multiple parcels shall meet the requirements of this paragraph so long as there was a single competitive request for proposals process and the joint development otherwise meets all the requirements listed in this paragraph. A "disposition and development agreement" means an agreement between the developer and the local agency that binds the developer to construct a specific development and the local agency to dispose of the property if permits and other entitlements for the project are obtained. This paragraph shall not apply to land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code, or that has been designated in a long-range property management plan pursuant to Section 34191.5 of the Health and Safety Code. If the property is not disposed of pursuant to a qualifying disposition and development agreement before March 31, 2026, or if no disposition and development agreement is entered into before December 31, 2024, then future negotiations for and disposition of the property shall be subject to the provisions of this article.

(4) The dates specified in paragraphs (1) to (3), inclusive, by which the disposition of property must be completed shall be extended if the disposition of property, the local agency's right or ability to dispose of the property, or a development project for which the property is proposed to be transferred, is the subject of judicial challenge, by petition for writ of mandate, complaint for declaratory relief or otherwise, to the date that is six months following the final conclusion of such litigation.

(b) (1) With respect to land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code, or that has been designated in a long-range property management plan pursuant to Section 34191.5 of the Health and Safety Code, either for sale or retained for future development, this article as it existed on December 31, 2019, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, which take effect on January 1, 2020, shall apply to the disposition of that property if both of the following apply:

(A) An exclusive negotiating agreement or legally binding agreement for disposition is entered into not later than December 31, 2020.

(B) The disposition is completed not later than December 31, 2022.

(2) If land described in paragraph (1) is the subject of litigation, including, but not limited to, litigation challenging the disposition of such property, the right or ability to dispose of the property, or a development project for which such property is proposed to be transferred, the dates specified in paragraph (1) shall be extended to the date that is six months following the final conclusion of such litigation.

(c) Nothing in this section shall authorize or excuse any violation of the provisions of this article as it existed on December 31, 2019, in the disposition of any property to which such provisions apply pursuant to subdivision (a) or (b).

SEC. 5. Section 50218.6 of the Health and Safety Code is amended to read:

50218.6. (a) Upon appropriation by the Legislature, one billion dollars (\$1,000,000,000) of the funds administered pursuant to this chapter shall be made available in the 2021–22 fiscal year for implementing round 3 of the program, as follows:

(1) Not more than 80 percent, or eight hundred million dollars (\$800,000,000), of the funding available pursuant to this section shall be available to applicants that are cities, counties, or continuums of care, as follows:

(A) Thirty percent, or two hundred forty million dollars (\$240,000,000), of the funds described in this paragraph shall be available to continuums of care. The council shall calculate these allocations to a continuum of care based on each continuum of care's proportionate share of the state's total homeless population, based on the homeless point-in-time count. The council shall not award more than 40 percent of the allocation made pursuant to this subparagraph to a continuum of care.

(B) Forty-two percent, or three hundred thirty-six million dollars (\$336,000,000), of the funds described in this paragraph shall be available to each city, or city that is also a county, that has a population of 300,000 or more, as of January 1, 2020, according to data published on the Department of Finance's internet website. The council shall calculate the allocation to a city based on the city's proportionate share of the total homeless population of the region served by the continuum of care within which the city is located, based on the homeless point-in-time count. The council shall not award more than 45 percent of the program allocation made pursuant to this subparagraph to a city. If more than one recipient within the

continuum of care meets the requirements of this subparagraph, the proportionate share of funds shall be equally allocated to those jurisdictions.

(C) Twenty-eight percent, or two hundred twenty-four million dollars (\$224,000,000), of the funds described in this paragraph shall be available to each county. The council shall calculate the allocation to a county based on the county's proportionate share of the total homeless population of the region served by the continuum of care within which the county is located, based on the homeless point-in-time count. The council shall not award more than 40 percent of the program allocation made pursuant to this subparagraph to a county.

(2) (A) Except as otherwise provided in subparagraph (C) of paragraph (3), not more than 18 percent, or one hundred eighty million dollars (\$180,000,000), of the funding available pursuant to this section shall be set aside for awarding bonus funds pursuant to subdivision (g).

(B) The council shall determine bonus award allocations based on the proportionate share of the homeless population for each continuum of care, city, and county, based on the homeless point-in-time count, of each jurisdiction that is eligible for bonus funding pursuant to subdivision (g) relative to the total homeless population of all jurisdictions eligible for bonus funding, and using other factors necessary, so that the award allocation is equitable and reasonable for the mix of jurisdictions eligible for bonus funding.

(C) The council shall report to the chairs of the relevant fiscal and policy committees of both houses of the Legislature on the methodology used to determine the allocation of bonus funding within 30 days of making a determination on funding allocations. A report required to be submitted pursuant to this subparagraph shall be submitted in compliance with Section 9795 of the Government Code.

(3) Not more than 2 percent, or twenty million dollars (\$20,000,000), of the funding available pursuant to this section shall be available to tribal applicants. Notwithstanding any other provision of this chapter, the funds described in this paragraph shall be allocated as follows:

(A) A tribe may apply for program funds and the council shall make allocations to tribes on the basis of need. Tribes that apply for program funds pursuant to subparagraph (B) shall be allocated funds up to their requested amount, or up to a total of twenty million dollars (\$20,000,000) collectively among all tribal applicants. If the total request for funds exceeds this amount, the council shall determine an allocation methodology based on each tribal applicant's proportionate share of need relative to all tribes that submit an application for funding.

(B) A tribal applicant seeking funds pursuant to this section shall submit an application to the council, in the form and manner prescribed by the council, no later than June 30, 2022, with the following information:

(i) The amount of grant funds the tribe is requesting.

(ii) An explanation of the tribe's local need, including an estimation of the number of people who need homelessness services and the current resources that exist.

(iii) A description of what services on which the tribe plans to spend its grant funds. These activities shall be allowable pursuant to subdivision (e) of Section 50220.7.

(C) Any funds available to tribal applicants pursuant to this paragraph that are unallocated as of July 1, 2024, shall be allocated as bonus awards pursuant to paragraph (2).

(D) A tribal applicant may partner with a local continuum of care or coordinated entry system.

(b) An applicant applying for round 3 program funds pursuant to this section shall comply with the requirements set forth in Section 50220.6.

(c) A program recipient shall not use funding from the program allocated under this section to supplant existing local funds for homelessness services under penalty of disallowance or reduction, or both, of future program funds, as determined by the council.

(d) (1) No more than 5 percent, or fifty million dollars (\$50,000,000), of the funds available pursuant to subdivision (a) shall be used to cover the council's costs of administration of this section, including state operations expenditures, statewide capacity building, providing ongoing training and technical assistance to recipients, and measuring data and performance.

(2) The council may expend administrative funds until December 31, 2026, to complete grant close-out activities.

(e) A program recipient shall use at least 10 percent of the funds allocated under this section for services for homeless youth populations.

(f) Moneys allocated pursuant to this section shall be expended in compliance with Housing First.

(g) (1) (A) If, by July 1, 2024, a recipient has met its outcome goals, as approved by the council in the recipient's application pursuant to subparagraph (C) of paragraph (3) of subdivision (b) of Section 50220.7, that recipient shall be eligible for bonus funding.

(B) The council shall determine whether a recipient has met its outcome goals, as approved by the council in the recipient's application pursuant to subparagraph (C) of paragraph (3) of subdivision (b) of Section 50220.7, through July 1, 2024. The council shall award bonus funding pursuant to this section as soon as data becomes available, but no later than November 1, 2024.

(2) The council may provide exceptions to the requirement to meet outcome goals pursuant to subparagraph (A) of paragraph (1) if the recipient demonstrates hardship by a disaster for which a state of emergency is proclaimed by the Governor pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code.

(h) Except as provided in paragraph (2) of subdivision (d), all round 3 program funds, including bonus funds, shall be expended by June 30, 2026.

SEC. 6. Section 50220.7 of the Health and Safety Code is amended to read:

50220.7. (a) (1) No later than September 15, 2021, the council shall issue a standard agreement for applicants to apply for round 3 program funds, which shall include, at minimum, a requirement for applicants to submit an application that includes a local homelessness action plan and specific outcome goals based on the Homeless Management Information System performance metrics as described in subdivision (b).

(2) A standard agreement from an applicant shall be due to the council no later than 30 days from the date the council issues the standard agreement pursuant to paragraph (1).

(3) If an applicant does not submit a completed standard agreement by the deadline specified in paragraph (2), the council may distribute that applicant's share of round 3 program funds to an eligible overlapping jurisdiction, as determined by the council.

(4) (A) (i) Upon receipt of a standard agreement, and except as otherwise provided in clause (ii), the council shall allocate 20 percent of an eligible city's, county's, or continuum of care's total allocation pursuant to subdivision (a) of Section 50218.6.

(ii) (I) A city, city and county, single continuum of care, or county may apply jointly with a counterpart entity or entities. An applicant that applies jointly pursuant to this paragraph shall instead be allocated 25 percent of the jointly applying jurisdictions' total allocation pursuant to subdivision (a) of Section 50218.6.

(II) A joint application submitted pursuant to this clause shall include, at minimum, evidence of collaboration between the jointly applying applicants and an explanation of how the jointly applying applicants will administer the funds allocated to them pursuant to this section.

(B) A recipient may use initial funds awarded pursuant to this paragraph to complete the local homeless action plan, required as provided pursuant to paragraph (1) and in accordance with the requirements of subparagraph (A) of paragraph (3) of subdivision (b), including paying for any technical assistance or contracted entities to support the completion of the homeless action plan.

(5) Priority for initial funds, above the costs of completing the application, shall be for systems improvement, including, but not limited to, all of the following:

(A) Capacity building and workforce development for service providers within the jurisdiction, including removing barriers to contracting with culturally specific service providers and building the capacity of providers to administer culturally specific services.

(B) Funding existing evidence-based programs serving people experiencing homelessness.

(C) Investing in data systems to meet reporting requirements or strengthen the recipient's Homeless Management Information System.

(D) Improving homeless point-in-time counts.

(E) Improving coordinated entry systems to strengthen coordinated entry systems to eliminate racial bias, to create a youth-specific coordinated entry system or youth-specific coordinated entry access points, or to improve the coordinated entry assessment tool to ensure that it contemplates the specific needs of youth experiencing homelessness.

(b) To receive the remaining balance of its round 3 program allocation, an applicant shall submit an application to the council by June 30, 2022, that includes a local homelessness action plan and specific outcome goals in accordance with the following requirements:

- (1) The applicant shall engage with the council on its local plan and outcome goals before submitting a complete application.
- (2) For city, county, and continuum of care applicants, local homelessness action plans pursuant to subparagraph (A) of paragraph (3) and outcome goals pursuant to subparagraph (C) of paragraph (3) shall be agendaized at a regular meeting of the governing body, including receiving public comment, before being submitted to the council.
- (3) A complete application submitted pursuant to this section shall provide the following information, in the form and manner prescribed by the council:

(A) A local homelessness action plan, which shall include all of the following:

(i) A local landscape analysis that assesses the current number of people experiencing homelessness and existing programs and funding which address homelessness within the jurisdiction, utilizing any relevant and available data from the Homeless Data Integration System, the United States Department of Housing and Urban Development's homeless point-in-time count, continuum of care housing inventory count, longitudinal systems analysis, and Stella tools, as well as any recently conducted local needs assessments.

(ii) Identification of the number of individuals and families served, including demographic information and intervention types provided, and demographic subpopulations that are underserved relative to their proportion of individuals experiencing homelessness in the jurisdiction.

(iii) Identification of all funds, including state, federal and local funds, currently being used, and budgeted to be used, to provide housing and homelessness-related services to persons experiencing homelessness or at imminent risk of homelessness, how this funding serves subpopulations, and what intervention types are funded through these resources.

(iv) Applicants may submit an analysis that was completed in the last three-years if it meets the requirements of this subparagraph, with any relevant updates to the current available funding.

(B) A narrative that includes the following:

(i) An outline of proposed uses of funds requested and an explanation of how the proposed use of funds will complement existing local, state, and federal funds and equitably close the gaps identified pursuant to subparagraph (A).

(ii) Evidence of connection with the local homeless Coordinated Entry System.

(iii) An agreement to participate in a statewide Homeless Data Integration System, and to enter individuals served by this funding into the local Homeless Management Information System, in accordance with local protocols.

(iv) A demonstration of how the jurisdiction has coordinated, and will continue to coordinate, with other jurisdictions, including the specific role of each applicant in relation to other applicants in the region.

(v) A demonstration of the applicant's partnership with, or plans to use funding to increase partnership with, local health, behavioral health, social services, and justice entities and with people with lived experiences of homelessness.

(vi) A description of specific actions the applicant will take to ensure racial and gender equity in service delivery, housing placements, and housing retention and changes to procurement or other means of affirming racial and ethnic groups that are overrepresented among residents experiencing homelessness have equitable access to housing and services.

(vii) A description of how the applicant will make progress in preventing exits to homelessness from institutional settings, include plans to leverage funding from mainstream systems for evidence-based housing and housing-based solutions to homelessness.

(viii) Specific and quantifiable systems improvements that the applicant will take to improve the delivery of housing and services to people experiencing homelessness or at risk of homelessness, including, but not limited to, the following:

(I) Capacity building and workforce development for service providers within the jurisdiction, including removing barriers to contracting with culturally specific service providers and building the capacity of providers to administer culturally specific services.

(II) Strengthening the data quality of the recipient's Homeless Management Information System.

(III) Increasing capacity for pooling and aligning housing and services funding from existing, mainstream, and new funding.

(IV) Improving homeless point-in-time counts.

(V) Improving coordinated entry systems to strengthen coordinated entry systems to eliminate racial bias, to create a youth-specific coordinated entry system or youth-specific coordinated entry access points, or to improve the coordinated entry assessment tool to ensure that it contemplates the specific needs of youth experiencing homelessness.

(ix) Plans shall include strategies to meet outcome goals pursuant to subparagraph (C).

(C) (i) Applicants shall establish outcome goals that prevent and reduce homelessness from July 1, 2021, through June 30, 2024, informed by the findings from the local landscape analysis described in subparagraph (A) and the jurisdiction's base system performance measure from 2020 calendar year data in the Homeless Data Integration System. The outcome goals shall set definitive metrics, based on the United States Department of Housing and Urban Development's system performance measures, for achieving the following:

(I) Reducing the number of persons experiencing homelessness.

(II) Reducing the number of persons who become homeless for the first time.

(III) Increasing the number of people exiting homelessness into permanent housing.

(IV) Reducing the length of time persons remain homeless.

(V) Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing.

(VI) Increasing successful placements from street outreach.

(VII) Homeless Management Information System trackable data goals related to the outcome goals listed above as they apply to underserved populations and populations disproportionately impacted by homelessness.

(ii) Each applicant shall determine its outcome goals in consultation with the council, and shall not submit its final outcome goals before consulting with the council.

(iii) The council shall assess outcome goals in the application based on the information provided in the local homeless action plan and the applicant's baseline data on the performance metrics described in this subparagraph and determine whether the outcome goals adequately further the objectives of reducing and preventing homelessness pursuant to this subparagraph.

(iv) Initial outcome goals should be met no later than June 30, 2024, and outcome goals shall be updated regularly, as funding continues.

(c) The council may request additional documentation and information from the applicant during consultation consistent with respect to round 3 program allocations consistent with the requirements of subdivision (b).

(d) (1) Within 30 days of receiving the final applications pursuant to subdivision (b), the council shall either approve the application and issue the notice of award to allocate the remaining percent of an applicant's funding pursuant to subdivision (a) of Section 50218.6 or return it to the applicant with written, detailed comments and request one or more of the following specific amendments to the application:

(A) Greater detail on any aspect of the application so that the council can ensure fidelity with the applicant's proposed use of funds and agreed upon measurable outcome goals.

(B) Modifications or provision of additional information on the applicant's proposed funding plan to ensure alignment with the applicant's stated measurable outcome goals and with evidence-based solutions to reduce homelessness.

(C) Any other modifications or provision of information that would allow the council to better monitor and evaluate the applicant's ability to meet objective outcome standards in accordance with Sections 50221, 50222, and 50223.

(2) An applicant whose application has been returned pursuant to paragraph (1) shall respond to the council's requested amendments and submit a revised application within 30 days of receipt of the council's detailed comments and request for specific amendments. If the revised application differs from the council's requests, the applicant shall include an explanation of the differences and the rationale for departing from the council's requested amendments.

(3) The council shall have 30 days to approve a revised application if, as amended, it addresses the council's concerns or to provide the grantee with additional guidance and a deadline extension in the case of documented extenuating circumstance for further amending to fully address the council's concerns.

(e) Except as provided in subdivision (f), a recipient of a round 3 program allocation, including tribal recipients, shall expend funds on evidence-based solutions that address and prevent homelessness among eligible populations, including any of the following:

(1) Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees.

(2) Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves.

(3) Street outreach to assist persons experiencing homelessness to access permanent housing and services.

(4) Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing.

(5) Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations, including families and homeless youth.

(6) Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions.

(7) Prevention and shelter diversion to permanent housing, including rental subsidies.

(8) Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing noncongregate shelters, and operations of existing navigation centers and shelters based on demonstrated need. Demonstrated need for purposes of this paragraph shall be based on the following:

(A) The number of available shelter beds in the city, county, or region served by a continuum of care.

(B) The number of people experiencing unsheltered homelessness in the homeless point-in-time count.

(C) Shelter vacancy rate in the summer and winter months.

(D) Percentage of exits from emergency shelters to permanent housing solutions.

(E) A plan to connect residents to permanent housing.

(F) Any new interim sheltering funded by round 3 funds must be low barrier, comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code, and prioritize interventions other than congregate shelters.

(9) Improvements to existing emergency shelters to lower barriers and increase privacy.

(f) An applicant shall not use more than 7 percent of a round 3 program allocation for administrative costs incurred by the city, county, continuum of care, or tribe to administer its program allocation. For purposes of this subdivision, "administrative costs" does not include staff or other costs directly related to implementing activities funded by the program allocation.

(g) A recipient of a round 3 program allocation shall comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.

(h) Notwithstanding Section 27011 of the Government Code, or any other law governing the deposit of funds in the county treasury, a county may accept or deposit into the county treasury funds from any source for the purpose of administering a project, proposal, or program under this chapter.

(i) For purposes of Section 1090 of the Government Code, a representative of a county serving on a board, committee, or body with the primary purpose of administering funds or making funding recommendations for applications pursuant to this chapter shall have no financial interest in any contract, program, or project voted on by the board, committee, or body on the basis of the receipt of compensation for holding public office or public employment as a representative of the county.

(j) The council and recipients shall post final round 3 program applications to their respective internet websites within 30 days of disbursement to the applicant.

(k) (1) (A) Except as otherwise provided in subparagraph (B), a recipient shall contractually obligate not less than 50 percent of round 3 program allocations no later than May 31, 2024.

(B) Recipients that are counties shall contractually obligate the full amount of round 3 program allocation awarded to them by the council on or before the date specified in subparagraph (A). Any funds that are not contractually obligated by this date shall revert to the continuum of care that serves the recipient county.

(2) If less than 50 percent is obligated after May 31, 2024, recipients that are continuums of care and cities shall not expend any remaining portion of the 50 percent of round 3 program allocations required to have been obligated pursuant to subparagraph (A) of paragraph (1) unless both of the following occur:

(A) On or before June 30, 2024, the recipient submits an alternative disbursement plan that includes an explanation for the delay.

(B) The council approves the alternative disbursement plan submitted pursuant to subparagraph (A).

(3) On or before December 31, 2024, recipients that are continuums of care and cities shall return to the council any funds that have not been expended pursuant to an alternative disbursement plan approved pursuant to subparagraph (B) of paragraph (2), to be allocated as bonus awards by the council to eligible recipients in accordance with subdivision (g) of Section 50218.6.

(4) Recipients that do not meet the requirements of paragraph (1) shall not be eligible for bonus funding awarded pursuant to subdivision (g) of Section 50218.6.

(l) (1) No later than June 30, 2024, recipients shall demonstrate whether they have successfully met their outcome goals pursuant subparagraph (C) of paragraph (3) of subdivision (b).

(2) Jurisdictions that meet their outcome goals shall be eligible for bonus funding, as provided in subdivision (g) of Section 50218.6.

(3) Jurisdictions that have not met their outcome goals shall not be eligible for bonus funding and shall accept technical assistance from council staff. In addition, jurisdictions that have not met their outcome goals may also be required to limit the allowable uses of these program funds, as determined by the council.

(m) The council may request additional information from applicants, as needed, to meet other applicable reporting or audit requirements.

(n) In addition to requirements in Section 50222, the council may monitor the expenditures and programmatic activities of an applicant, as the council deems necessary, to ensure compliance with round 3 program requirements and adequate progress towards meeting outcome goals.

(o) The council may, as it deems appropriate or necessary, request the repayment of round 3 program funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

(p) Any remaining amounts of round 3 program allocation funds not expended by June 30, 2026, shall be available for round 4 of the program pursuant to Section 50218.7.

SEC. 7. Section 50220.8 of the Health and Safety Code is amended to read:

50220.8. (a) (1) The council shall make an application for round 4 program allocations available no later than September 30, 2022.

(2) Applications shall be due to the council no later than 60 days from the date the council makes those applications available pursuant to paragraph (1).

(3) Within 30 days of receiving an application pursuant to paragraph (2), the council shall either approve the application or return it to the applicant with written, detailed comments and request one or more of the following specific amendments to the application:

(A) Greater detail on any aspect of the application so that the council can ensure fidelity with the applicant's proposed use of funds and stated performance goals.

(B) Modifications or provision of additional information on the applicant's proposed funding plan to ensure alignment with evidence-based solutions to reduce homelessness.

(C) Any other modifications or provision of information that would allow the council to better monitor and evaluate the applicant's ability to meet objective performance standards in accordance with Sections 50221, 50222, and 50223.

(4) An applicant whose application has been returned pursuant to paragraph (3) shall respond to the council's requested amendments and submit a revised application within 30 days. Where the revised application differs from the council's requests,

the applicant shall include an explanation of the differences and the rationale for departing from the council's requested amendments.

(5) The council shall have 30 days within which to approve the application if, as amended, it addressed the council's concerns or to provide the grantee with additional guidance and a deadline for further amending to fully address the council's concerns.

(b) To receive a round 4 program allocation, an applicant shall submit an application to the council. A complete application submitted pursuant to this section shall provide the following information, in the form and manner prescribed by the council:

(1) A local homelessness action plan that includes the following, with data updated from the local homelessness action plan included in an application for a round 3 program allocation pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 50220.7:

(A) A local landscape analysis that assesses the current number of people experiencing homelessness and existing programs and funding which address homelessness within the jurisdiction, utilizing any relevant and available data from the Homeless Data Integration System, the United States Department of Housing and Urban Development's homeless point-in-time count, continuum of care housing inventory count, longitudinal systems analysis, and Stella tools, as well as any recently conducted local needs assessments.

(B) Identification of the number of individuals and families served, including demographic information and intervention types provided, and demographic subpopulations that are underserved relative to their proportion of individuals experiencing homelessness in the jurisdiction.

(C) Identification of all funds, including state, federal and local funds, currently being used, and budgeted to be used, to provide housing and homelessness-related services to persons experiencing homelessness or at imminent risk of homelessness, how this funding serves subpopulations, and what intervention types are funded through these resources.

(2) (A) New outcome goals that are specific, ambitious, achievable, and quantifiable to prevent and reduce homelessness from July 1, 2022, through June 30, 2025, informed by the findings from the local landscape analysis described in subparagraph (A) of paragraph (1) and the jurisdiction's outcome goals specified in its application for a round 3 program allocation pursuant to subparagraph (C) of paragraph (3) of subdivision (b) of Section 50220.7. The outcome goals shall be based on the United States Department of Housing and Urban Development's system performance measures, including:

(i) Reducing the number of persons experiencing homelessness.

(ii) Reducing the number of persons who become homeless for the first time.

(iii) Increasing the number of people exiting homelessness into permanent housing.

(iv) Reducing the length of time persons remain homeless.

(v) Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing.

(vi) Increasing successful placements from street outreach.

(vii) Homeless Management Information System trackable data goals related to the outcome goals listed above as they apply to underserved populations and populations disproportionately impacted by homelessness.

(B) (i) Each applicant shall determine its outcome goals that build upon prior year goals in consultation with the council, and shall not submit its final outcome goals before consulting with the council.

(ii) The council shall assess outcome goals in the application based on the information provided in the local homeless action plan and the applicant's baseline data on the performance metrics described in this paragraph and determine whether the outcome goals adequately further the objectives of reducing and preventing homelessness pursuant to this paragraph, and may request additional documentation, information, or revisions to the outcome goals.

(C) Initial outcome goals should be met no later than June 30, 2025, and outcome goals shall be updated regularly, as funding continues.

(3) A narrative that includes the following:

(A) An outline of proposed uses of funds requested and an explanation of how the proposed use of funds will complement existing local, state, and federal funds and equitably close the gaps identified pursuant to paragraph (1).

(B) Evidence of connection with the local homeless Coordinated Entry System.

(C) An agreement to participate in a statewide Homeless Data Integration System, and to enter individuals served by this funding into the local Homeless Management Information System, in accordance with local protocols.

(D) A demonstration of how the jurisdiction has coordinated, and will continue to coordinate, with other jurisdictions, including the specific role of each applicant in relation to other applicants in the region.

(E) A demonstration of the applicant's partnership with, or plans to use funding to increase partnership with, local health, behavioral health, social services, and justice entities and with people with lived experiences of homelessness.

(F) A description of specific actions the applicant will take to ensure racial and gender equity in service delivery, housing placements, and housing retention and changes to procurement or other means of affirming racial and ethnic groups that are overrepresented among residents experiencing homelessness have equitable access to housing and services.

(G) A description of how the applicant will make progress in preventing exits to homelessness from institutional settings, include plans to leverage funding from mainstream systems for evidence-based housing and housing-based solutions to homelessness.

(H) Specific and quantifiable systems improvements that the applicant will take to improve the delivery of housing and services to people experiencing homelessness or at risk of homelessness, including, but not limited to, the following:

(i) Capacity building and workforce development for service providers within the jurisdiction, including removing barriers to contracting with culturally specific service providers and building the capacity of providers to administer culturally specific services.

(ii) Strengthening the data quality of the recipient's Homeless Management Information System.

(iii) Increasing capacity for pooling and aligning housing and services funding from existing, mainstream, and new funding.

(iv) Improving homeless point-in-time counts.

(v) Improving coordinated entry systems to eliminate racial bias or to create a youth-specific coordinated entry system.

(vi) Plans shall include strategies to meet outcome goals pursuant to paragraph (2).

(4) For city, county, and continuum of care applicants, an application pursuant to this subdivision shall be agendaized at a regular meeting by the governing body, including receiving public comment, before being submitted to the council.

(c) The council may request additional documentation and information from the applicant during consultation consistent with respect to round 4 program allocations consistent with the requirements of subdivision (b).

(d) (1) Within 30 days of receiving the final applications pursuant to subdivision (b), the council shall either approve the application and issue the notice of award to disburse 50 percent of an applicant's funding pursuant to subdivision (a) of Section 50218.7 or return it to the applicant with written, detailed comments and request one or more of the following specific amendments to the application:

(A) Greater detail on any aspect of the application so that the council can ensure fidelity with the applicant's proposed use of funds and agreed-upon measurable outcome goals.

(B) Modifications or provision of additional information on the applicant's proposed funding plan to ensure alignment with the applicant's stated measurable outcome goals and with evidence-based solutions to reduce homelessness.

(C) Any other modifications or provision of information that would allow the council to better monitor and evaluate the applicant's ability to meet objective outcome standards in accordance with Sections 50221, 50222, and 50223.

(2) Upon approval of an application pursuant to this section, the council shall disburse 50 percent of an eligible city's, county's, or continuum of care's total allocation pursuant to subdivision (a) of Section 50218.7.

(e) Except as provided in subdivision (f), a recipient of a round 4 program allocation, including tribal recipients, shall expend funds on evidence-based solutions that address and prevent homelessness among eligible populations, including any of the following:

(1) Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees.

(2) Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves.

(3) Street outreach to assist persons experiencing homelessness to access permanent housing and services.

(4) Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing.

(5) Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations, including families and homeless youth.

(6) Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions.

(7) Prevention and shelter diversion to permanent housing, including rental subsidies.

(8) Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing noncongregate shelters, and operations of existing navigation centers and shelters based on demonstrated need. Demonstrated need for purposes of this paragraph shall be based on the following:

(A) The number of available shelter beds in the city, county, or region served by a continuum of care.

(B) The number of people experiencing unsheltered homelessness in the homeless point-in-time count.

(C) Shelter vacancy rate in the summer and winter months.

(D) Percentage of exits from emergency shelters to permanent housing solutions.

(E) A plan to connect residents to permanent housing.

(F) Any new interim sheltering funded by round 4 funds must be low-barrier, comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code, and prioritize interventions other than congregate shelters.

(9) Improvements to existing emergency shelters to lower barriers and increase privacy.

(f) An applicant shall not use more than 7 percent of a round 4 program allocation for administrative costs incurred by the city, county, continuum of care, or tribe to administer its program allocation. For purposes of this subdivision, "administrative costs" does not include staff or other costs directly related to implementing activities funded by the program allocation.

(g) A recipient of a round 4 program allocation shall comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.

(h) Notwithstanding Section 27011 of the Government Code, or any other law governing the deposit of funds in the county treasury, a county may accept or deposit into the county treasury funds from any source for the purpose of administering a project, proposal, or program under this chapter.

(i) For purposes of Section 1090 of the Government Code, a representative of a county serving on a board, committee, or body with the primary purpose of administering funds or making funding recommendations for applications pursuant to this chapter shall have no financial interest in any contract, program, or project voted on by the board, committee, or body on the basis of the receipt of compensation for holding public office or public employment as a representative of the county.

(j) The council and recipients shall post final round 4 program applications to their respective internet websites within 30 days of disbursement to the applicant.

(k) (1) A recipient shall contractually obligate not less than 75 percent, and shall expend not less than 50 percent, of the initial round 4 program allocations made to it pursuant to paragraph (2) of subdivision (d) no later than May 31, 2025.

(2) Upon demonstration by a recipient city, county, or continuum of care that it has complied with the requirement to contractually obligate and expend a minimum amount of its round 4 program allocation pursuant to paragraph (1), and remains on track to meet its outcome goals, as determined by the council pursuant to Section 50223, the council shall disburse to that recipient the remaining 50 percent of its total allocation pursuant to subdivision (a) of Section 50218.7.

(3) If less than 75 percent of a recipient's round 4 program allocation made pursuant to paragraph (2) of subdivision (d) is obligated, or less than 50 percent of that amount is expended, after May 31, 2025, the recipient shall not contractually obligate or expend any remaining portion of its round 4 program allocations, and the council shall not allocate to the recipient the remaining 50 percent of its total allocation, unless both of the following occur:

(A) On or before June 30, 2025, the recipient submits an alternative disbursement plan that includes an explanation for the delay.

(B) The council approves the alternative disbursement plan submitted pursuant to subparagraph (A).

(4) On or before December 31, 2026, a recipient shall return to the council any funds that have not been expended pursuant to an alternative disbursement plan approved pursuant to subparagraph (B) of paragraph (3), to be allocated as bonus awards by the council to eligible recipients in accordance with subdivision (g) of Section 50218.7.

(5) Recipients that do not meet the requirements of paragraph (1) shall not be eligible for bonus funding awarded pursuant to subdivision (g) of Section 50218.7.

(l) (1) No later than June 30, 2025, recipients shall demonstrate whether they have successfully met their outcome goals pursuant to paragraph (2) of subdivision (b).

(2) Jurisdictions that meet their outcome goals shall be eligible for bonus funding, as provided in subdivision (g) of Section 50218.7.

(3) Jurisdictions that have not met their outcome goals shall not be eligible for bonus funding and shall accept technical assistance from council staff. In addition, jurisdictions that have not met their outcome goals may also be required to limit the allowable uses of these program funds, as determined by the council.

(m) The council may request additional information from applicants, as needed, to meet other applicable reporting or audit requirements.

(n) In addition to requirements in Section 50222, the council may monitor the expenditures and programmatic activities of an applicant, as the council deems necessary, to ensure compliance with round 4 program requirements and adequate progress towards meeting outcome goals.

(o) The council may, as it deems appropriate or necessary, request the repayment of round 4 program funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

(p) Any remaining amounts of round 4 program allocation funds, including bonus funds, not expended by June 30, 2027, shall revert to, and be paid and deposited in, the General Fund.

SEC. 8. Section 50515.08 of the Health and Safety Code is amended to read:

50515.08. (a) The funds described in paragraph (2) of subdivision (a) of Section 50515.07 shall be available only to the following entities before any suballocation:

(1) The Metropolitan Transportation Commission, representing the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, and the City and County of San Francisco.

(2) The Sacramento Area Council of Governments, representing the Counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba.

(3) The San Diego Association of Governments, representing the County of San Diego.

(4) The Southern California Association of Governments, representing the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

(5) The Association of Monterey Bay Area Governments, representing the counties of Monterey, San Benito and Santa Cruz.

(6) The San Luis Obispo Council of Governments, the Santa Barbara County Association of Governments, the Fresno Council of Governments, the Kern Council of Governments, the Kings County Association of Government, the Madera County Transportation Commission, the Merced County Association of Governments, the San Joaquin Council of Governments, the Stanislaus Council of Governments, the Tulare County Association of Governments, the Butte County Association of Governments, Shasta County Regional Transportation Agency, and the Tahoe Regional Planning Agency created by interstate compact and ratified by Title 7.4 (commencing with Section 66800) of the Government Code. Notwithstanding any other provision of this chapter, the eligible entities described in this paragraph may apply directly to the department for funds pursuant to the program.

(7) Eligible entities in the Counties of Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Tuolumne, and Trinity. Notwithstanding any other provision of this chapter, eligible entities within the counties listed in this paragraph or tribal entities may apply directly to the department for funds pursuant to the program. The department may approve a fiscal agent to receive funds on behalf of a consortium of entities listed in this paragraph.

(b) (1) The department shall calculate the amount of each maximum grant allocation in accordance with the methodology described in subdivision (a) of Section 50515.09.

(2) An eligible entity shall, in consultation with the department and consistent with the requirements of this chapter, determine the appropriate use of funds and suballocations within its boundaries in a manner that appropriately addresses its unique housing, land use, transportation, climate change, equity and other planning priorities.

(c) (1) Subject to paragraph (5), until December 31, 2022, an eligible entity described in subdivision (a) may request an allocation of funds pursuant to this section by submitting an application, in the form and manner prescribed by the department, developed in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, that includes all of the following information:

(A) An allocation budget for the funds provided pursuant to this section.

(B) The amounts retained by the eligible entity and any suballocations.

(C) An explanation of how the proposed uses will meet the definition of transformative planning and implementation activities and, as applicable, constitute high-impact and innovative projects and actions.

(D) An explanation of how the proposed uses will implement and achieve housing goals that also result in per capita vehicle miles traveled reductions in furtherance of the region's sustainable communities strategy or alternative planning strategy, as applicable.

(E) The application shall reference one or more of the following categories of allowable uses of the funds:

(i) Accelerating infill development, including housing.

(ii) Supporting residents through realizing multimodal communities.

(iii) Shifting travel behavior through reducing driving.

(iv) Increasing transit ridership.

(F) An explanation of the targeted outreach the MPO has conducted to disadvantaged and historically underserved communities and how that outreach was incorporated into the proposed uses.

(G) An explanation of how proposed uses will advance equity by benefiting disadvantaged and historically underserved communities.

(2) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, shall review an application submitted pursuant to this subdivision in an expeditious manner. Upon approval of an application for funds pursuant to this subdivision, the department shall award the moneys for which the eligible entity qualifies.

(3) Commencing January 1, 2022, an eligible entity described in paragraphs (1) to (6), inclusive, of subdivision (a), as applicable, may request up to 10 percent of the funding available to it under this section in advance of a full request for funding made pursuant to paragraph (1) to develop and accelerate the implementation of the requirements described in paragraph (1), including, but not limited to, regional engagement in the development of the full application and of an education and outreach strategy. The department shall award funds requested pursuant to this paragraph to the relevant eligible entity in an expeditious manner after receiving that request.

(4) The department may develop a streamlined application procedure that accounts for the limited resources generally among the regional entities listed in paragraph (7) of subdivision (a).

(5) If an amount of funds described in paragraph (2) of subdivision (a) of Section 50515.07 remains unallocated after December 31, 2022, the department, at its discretion, may make those funds available through a subsequent notice of funding availability in which funds are offered on a competitive basis pursuant to this chapter. An eligible entity described in subdivision (a) may request an allocation of funds made available through the subsequent notice of funding availability by submitting an application, in the form and manner prescribed by the department.

(d) In consultation with the department, any entity that receives an allocation of funds pursuant to this section shall establish priorities and use those moneys for eligible transformative planning and implementation activities that include, but are not limited to, all of the following:

(1) Providing jurisdictions and other local agencies with technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents and other actions that accelerate infill housing production.

(2) Administering any programs described in this subdivision.

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

(4) Accelerating infill development, including through all of the following:

(A) Rezoning and encouraging development by updating planning documents and zoning ordinances, including general plans, community plans, specific plans, sustainable communities strategies, and local coastal programs.

(B) Revamping local planning processes to accelerate infill housing production and other infill development.

(C) Completing environmental clearance to eliminate the need for project-specific review for infill development.

(D) Establishing and funding an affordable housing catalyst fund, trust fund, or revolving loan fund for location efficient projects.

(E) Performing infrastructure planning and investing in upgrading infrastructure, including for sewers, water systems, transit, roads, or other public facilities necessary to enable reduction in per capita vehicle miles traveled, including accelerating housing production.

(5) Supporting residents through realizing multimodal communities, including through all of the following:

(A) Establishing and implementing a vision-zero policy and program, a safety plan, and a slow streets program.

(B) Developing bicycle and pedestrian infrastructure plans and other multimodal plans or policies.

(C) Investing in infrastructure projects and other programs to expand active transportation and implement bicycle or pedestrian plans.

(D) Producing multimodal corridor studies associated with developing specific planning documents or implementation actions.

(6) Shifting travel behavior through reducing driving, including through all of the following:

(A) Studying and implementing road pricing.

(B) Funding the establishment of a local vehicle miles traveled impact fee or regional vehicle miles traveled mitigation bank.

(C) Funding and implementing parking and transportation demand management programs or ordinances.

(D) Accelerating infill housing production near jobs, transit, and resources.

(7) Increasing transit ridership, including through all of the following:

(A) Funding and implementing actions to establish more seamless regional transit systems between and across communities, including establishing common fares, schedules, service design, and wayfinding.

(B) Developing and implementing multimodal access plans to and from transit facilities.

(C) Planning for additional housing near transit.

(f) (1) In consultation with the department, any entity that receives an allocation of funds pursuant to this section may suballocate moneys directly to eligible entities in the form of grants. Following awards to eligible entities, eligible entities shall award suballocations within 60 days.

(2) All suballocations pursuant to this subdivision shall consider geographic equity, including the needs of rural and urban communities, transformative and collaborative approaches, including through subregions, and the degree to which the suballocation will be in furtherance of all of the requirements of transformative planning and implementation activities described in paragraph (2) of subdivision (f) of Section 50515.06.

SEC. 9. Section 50515.09 of the Health and Safety Code is amended to read:

50515.09. (a) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 85 percent shall be available to the entities described in paragraphs (1) to (6), inclusive, of subdivision (a) of Section 50515.08 for transformative planning and

implementation activities. The maximum amount that an entity may receive pursuant to this subdivision shall be determined as follows:

The maximum amount that an eligible entity may receive pursuant to this subdivision shall be based on the most recent Department of Finance P-2A County Population Projections as of July 1, 2021. Amounts shall be calculated based on aggregate 2030 projected population per each eligible applicant as a percentage of projected 2030 statewide population.

(b) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 5 percent shall be available to the eligible entities described in paragraph (7) of subdivision (a) of Section 50515.08 for transformative planning and implementation activities.

(c) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 5 percent shall be available as a competitive set aside available to all eligible entities for transformative planning and implementation activities that demonstrably exceed the requirements of this chapter and further multiple policy objectives. Scoring criteria for this competitive set aside will include, but are not limited to, the extent of acceleration of infill housing production and reduction of per capita vehicle miles traveled.

SEC. 10. Section 50515.10 of the Health and Safety Code is amended to read:

50515.10. (a) (1) Subject to paragraph (2), an eligible entity that receives an allocation of program funds pursuant to Section 50515.08 shall submit a report, in the form and manner prescribed by the department, to be made publicly available on its internet website, by April 1 of the year following the receipt of those funds, and annually thereafter until those funds are expended, that includes, but is not limited to, the following information:

(A) The status of the proposed uses and expenditures listed in the eligible entity's application for funding and the corresponding impact, including, but not limited to, housing units accelerated and reductions in per capita vehicle miles traveled.

(B) All status and impact reports shall be categorized based on the eligible uses specified in Section 50515.08.

(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 program funds and the status of that entity's application.

(2) The number of applications for program funding received by the department.

(3) The information described in subdivision (a) for each recipient of program funds.

(c) A recipient of funds under this program shall post, make available, and update, as appropriate on its internet website, land use maps and vehicle miles traveled generation maps produced in the development of its adopted sustainable communities strategy.

(d) A recipient of funds under this program shall collaborate and share progress, templates, and best practices with the department and fellow recipients in implementation of funds. To the greatest extent practicable, adjacent eligible entities shall coordinate in the development of applications, consider potential for joint activities, and seek to coordinate housing and transportation planning across regions.

(e) (1) A recipient of funds under the program shall obligate those funds no later than June 30, 2024, and expend those funds no later than June 30, 2026.

(2) No later than June 30, 2026, each eligible entity that receives an allocation of funds pursuant to Section 50515.08 shall submit a final report on the use of those funds to the department, in the form and manner prescribed by the department. The report required by this paragraph shall include an evaluation of actions taken in support of the entity's proposed uses of those funds, as specified in the entity's application, including, but not limited to, housing units accelerated and per capita reductions in vehicle miles traveled.

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

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

(h) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, may implement the program through the issuance of forms, guidelines, application materials, funding allocation methodologies, 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, application materials, funding allocation methodologies,

or notices of funding availability prepared or adopted pursuant to this section are exempt 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).

(i) The department's decision to approve or deny an application or request for funding pursuant to the program, and its determination of the amount of funding to be provided or request for repayment or other remedies for failure to comply with program requirements, shall be final.

SEC. 11. The sum of \$30,000,000 is hereby appropriated from the Labor and Workforce Development Fund for support of the Department of Industrial Relations for strategic enforcement focused on construction, alteration, and repair projects, subject to the provisions of Section 1785 of the Labor Code. The funds shall be available for encumbrance or expenditure through June 30, 2024.

SEC. 12. The Legislature finds and declares that, with respect to the amendments to Section 54234 of the Government Code made by Section 3 of this act, a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances relating to the Metro North Hollywood Light Joint Development Project in the County of Los Angeles.

SEC. 13. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 14. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.