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**AB-519 Affordable Housing Finance Workgroup: affordable housing: consolidated application and coordinated review process.** (2023-2024)

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**Assembly Bill No. 519**

**CHAPTER 742**

An act to add Chapter 10 (commencing with Section 50300) to Part 1 of Division 31 of the Health and Safety Code, relating to housing.

[ Approved by Governor October 11, 2023. Filed with Secretary of State October 11, 2023. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 519, Schiavo. Affordable Housing Finance Workgroup: affordable housing: consolidated application and coordinated review process.

Existing law establishes the Department of Housing and Community Development and sets forth its powers and duties, including promoting the development of affordable housing in the state. Existing law creates the California Housing Finance Agency within the Business, Consumer Services, and Housing Agency and authorizes the agency to make loans to finance affordable housing. Existing law establishes the California Tax Credit Allocation Committee to allocate specified federal low-income housing tax credits. Existing law also establishes the California Debt Limit Allocation Committee for the purpose of implementing the volume limit for the state on private activity bonds established pursuant to federal law. Under existing law, the committee's duties include annually determining a state ceiling on the aggregate amount of private activity bonds that may be issued, and allocating that amount among state and local agencies.

This bill would require specified reviewing entities, as defined as the above-described entities, to jointly convene an Affordable Housing Finance Workgroup to develop recommendations for state-administered programs to utilize a consolidated application for multifamily affordable rental housing developers to use to obtain grants, soft loans, low-income housing tax credits, tax exempt bonds, federal funds, as applicable, and other types of subsidies for building affordable housing, and develop a coordinated review process for the application, as described. The bill would require the workgroup to include representatives of the reviewing entities, nonprofit and for-profit affordable housing developers, and local and tribal governments. The bill would require the workgroup to identify specified information, including any state-administered program that may utilize the consolidated application and coordinated review process, and a timeline for developing a single consolidated application and coordinated review process. On or before, July 1, 2026, the bill would require the workgroup to report recommendations on implementing a single consolidated application and coordinated review process to the reviewing entities, the Legislature, and certain committees of the Legislature. The bill would require the reviewing entities to develop and report to the Legislature a plan to update state-administered programs that may utilize the consolidated application and coordinated review process based on the recommendations of the workgroup on or before January 1, 2027, as specified.

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

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

**SECTION 1.** Chapter 10 (commencing with Section 50300) is added to Part 1 of Division 31 of the Health and Safety Code, to read:

**CHAPTER 10. Affordable Housing Finance Workgroup**

**50300.** (a) The reviewing entities, as defined in paragraph (3) of subdivision (f), shall jointly convene an Affordable Housing Finance Workgroup for the purposes of developing recommendations for state-administered programs to utilize both of the following:

(1) A consolidated application for multifamily affordable rental housing developers to use to obtain grants, soft loans, low-income housing tax credits allocated from the California Tax Credit Allocation Committee, tax-exempt bonds allocated from the California Debt Limit Allocation Committee, federal funds, as applicable, and other types of subsidies provided by the reviewing entities for building multifamily affordable housing.

(2) A coordinated review process for the application described in paragraph (1) that minimizes duplication of information and maximizes administrative efficiency.

(b) The workgroup shall include, but not be limited to, representatives of all of the following:

(1) The reviewing entities.

(2) Nonprofit affordable housing developers.

(3) For-profit affordable housing developers.

(4) Local governments.

(5) Tribal governments.

(c) On or before January 1, 2026, the workgroup shall identify at least all of the following:

(1) Technical changes required to allow applicant data sharing between reviewing entities.

(2) Common and unique data required by the reviewing entities for assessment of the application described in paragraph (1) of subdivision (a).

(3) Timeline constraints and optimized alignment of application review timelines for the reviewing entities.

(4) Optimal means of application completion by affordable housing developers.

(5) Ongoing efforts and best practices in application consolidation by the reviewing entities.

(6) Any state-administered program that may utilize the consolidated application and coordinated review process described in subdivision (a).

(7) A timeline for developing a single consolidated application and coordinated review process between the reviewing entities.

(d) On or before July 1, 2026, the workgroup shall report, in compliance with Section 9795 of the Government Code, recommendations on implementing a single consolidated application and coordinated review process between the reviewing entities within the timeline described in paragraph (7) of subdivision (c) to all of the following:

(1) The reviewing entities.

(2) The Legislature.

(3) The Assembly Housing and Community Development Committee and Assembly Revenue and Taxation Committee.

(4) The Senate Housing Committee and Senate Governance and Finance Committee.

(e) On or before January 1, 2027, each reviewing entity shall develop and report to the Legislature, in compliance with Section 9795 of the Government Code, a plan to update any state-administered program, as described in subdivision (a), based on the recommendations of the workgroup developed pursuant to this chapter, taking into account at least all of the following:

(1) Whether a single application review team is able to capture the unique requirements for grants, soft loans, low-income housing tax credits allocated from the California Tax Credit Allocation Committee, tax-exempt bonds allocated from the

California Debt Limit Allocation Committee, federal funds, as applicable, or other types of subsidies provided by the reviewing entities for building multifamily affordable rental housing.

(2) Whether a unified scoring rubric is possible to maximize financial support for applicants eligible for multiple funding sources from the reviewing entities.

(3) Methods of notification that need to be implemented by the reviewing entities to provide updates on an application.

(4) Ideal means for applicants to receive updates on their applications and selection for grants, soft loans, low-income housing tax credits allocated from the California Debt Limit Allocation Committee, tax-exempt bonds allocated from the California Debt Limit Allocation Committee, federal funds, as applicable, or other types of subsidies from the reviewing entities for building multifamily affordable rental housing.

(5) Whether joint agreements are required to implement the coordinated review process.

(6) Whether a federal program administered by the department may be integrated into the single consolidated application and coordinated review process.

(7) Whether the single consolidated application and coordinated review process conflicts with a statutory or regulatory requirement, financing timeline, or market expectation for grants, soft loans, low-income housing tax credits allocated from the California Tax Credit Allocation Committee, tax-exempt bonds allocated from the California Debt Limit Allocation Committee, federal funds, as applicable, or other types of subsidies from the reviewing entities for building multifamily affordable rental housing.

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

(1) "Department" means the Department of Housing and Community Development.

(2) "Nonamortized loan" means a loan without a fixed-payment schedule.

(3) "Reviewing entity" means any of the following entities:

(A) The department.

(B) The California Housing Finance Agency.

(C) The California Tax Credit Allocation Committee.

(D) The California Debt Limit Allocation Committee.

(4) "Soft loan" means a nonamortized loan that pays a percentage of net cashflow after the payment of operating expenses and amortizing debt.

(5) "Workgroup" means the Affordable Housing Finance Workgroup established pursuant to subdivision (a).