

(Without Reference to File)

CONCURRENCE IN SENATE AMENDMENTS

AB 140 (Committee on Budget)

As Amended July 11, 2021

Majority vote. Budget Bill Appropriation Takes Effect Immediately

**SUMMARY**

This trailer bill contains changes necessary to implement the 2021 Budget Act related to housing and homelessness.

**Senate Amendments**

Deletes the contents of this bill, and instead:

*CA Dream for All*

- 1) Requires the Treasurer, in consultation with the California Housing Finance Agency, the California Department of Housing and Community Development, and other relevant stakeholders to develop a framework for the California Dream for All, and submit a report to the Legislature as soon as April 1, 2022, and no later than one year from the effective date of this chapter, as specified.

*Excess State Lands*

- 2) Removes the requirement that the leasing receive the approval of the governing body of any concerned local agency and instead allows the Director of the Department of General Services (DGS) with the consent of the state agency that the leasing of interest in any real property or interest in real property serves a beneficial public purpose limited to the development of housing including permanent supportive or traditional housing and emergency shelters or park and recreation facilities.
- 3) Allows the Director of DGS to permit commercial development on property leased pursuant to Government Code Section 14671.2 for affordable housing purposes if the Director of Housing and Community Development (HCD) deems the commercial development necessary for the successful delivery of housing to lower income households and deems the commercial development to provide community benefits, including community-serving retail and amenities.
- 4) Requires that a minimum of 20% instead of 25% of housing units development be made available for the term of the lease to, and occupied by, lower income households, of which at least 10% shall be available to, and occupied by very low income households. Authorizes the Director of HCD to prescribe alternative minimum percentages in each income category in specified instances.
- 5) Allows, upon a written formal recommendation from the Director of HCD that it is in the best interest of the state and reasonably necessary to facilitate the development of affordable housing, authorize the Director of DGS to permit phased development, subject to specified terms and conditions, or to sell property or portions of a property that have been leased

pursuant to these provision for housing to a lease for the purposes of affordable homeownership, consistent with affordability provisions as specified.

- 6) Provides that in letting leases pursuant to the Government Code Section 14671.2 the Director of DGS shall give preference to projects that provide either the greatest number of units of affordable to lower and very low income households, or that provide for more units affordable to lower and very low income households than required by the Director of HCD.

*Homeless Housing, Assistance, and Prevention program (HHAPP) Round 3 Allocation*

- 7) Allocates \$1 billion for Round 3 in 2021-22 fiscal year.
  - a) Provides that not more than 80% or \$800 million be available to applicants that are cities, counties or continuums of care (CoC) as follows:
    - i) Provides 30% or \$240 million to CoCs based on each CoCs proportionate share of the state's total homelessness population, based on homeless point-in-time count.
      - (1) Requires the council to no award more than 40% of the allocation to a CoC.
    - ii) Provides 42% or \$336 million to a city, or city that is also a county that has a population of 300,000 or more, as of January 1, 2020, as specified.
      - (1) Requires the Council to calculate the allocation to a city based on the city's proportionate share of the total homeless population of the region served by the COC within which the city is located, based on homeless point-in-time count.
      - (2) Requires the Council not to award more than 45% of the program allocation made pursuant to this subparagraph to a city.
      - (3) Provides that if more than one recipient within the CoC meets the requirement of this subparagraph, the proportionate share of funds shall be equally allocated to those jurisdictions.
    - iii) Provides 28% or \$224 million of the allocation to each county.
      - (1) Requires the council to calculate the allocation to a county based on the county's proportionate share of the total homeless population of the region served by the COC within which the county is located based on the homeless point-in-time count.
      - (2) Requires the Council not to award more than 40% of the program allocation to a county.
  - b) Provides that not more than 18% or \$180 million of the funding available be set aside for awarding bonus, as specified.
    - i) Requires the Council to determine bonus award allocations, as specified and to report to the chairs of the relevant fiscal and policy committees within 30 days of making the funding allocation determinations.

- c) Provides not more than 2% or \$20 million of the funding available to tribal applicants, as follows:
  - i) Allows the Council to make allocations to tribes on the basis of need.
  - ii) Allows tribes to be allocated fund up to their requested amount, or up to a total of \$20 million collectively among all tribal applicants.
  - iii) Provides that the Council shall determine an allocation methodology based on tribal applicant's proportionate share of need relative to all tribes that submit an application for funding.
  - iv) Requires a tribal applicant to submit an application to the council, in the form and manner prescribed by the council, no later than June 30, 2023, as specified.
  - v) Provides that any funds available to tribal applicants that are unallocated by July 1, 2025, shall be allocated as bonus awards.
  - vi) Provides that a tribal applicant may partner with a local CoC or coordinated entry system.
- d) Prohibits a program recipient from using 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.
- e) Provides that no more than 5% or \$50 million of the funds available shall be used to cover the council's costs of administration of this section.
  - i) The council may expend administrative funds until December 31, 2026, to complete grant close-out activities.
- f) Provides that a program recipient use at least 10% of the funds allocated for homeless youth populations.
- g) Requires all moneys to be expended in compliance with Housing First.
- h) Provides that the council shall determine whether a recipient has met its outcome goals through July 1, 2024, and shall award bonus funding as soon as data becomes available, but no later than November 1, 2024.
  - i) Allows the council to provide exceptions to meet outcome goals if the recipient demonstrates hardship by a disaster for which a state of emergency is proclaimed by the Governor, as specified.
- i) Provides that all Round 3 program funds, including bonus funds, shall be expended by June 30, 2026.

*HHAPP Round 4 Allocation*

- 8) Allocates \$1 billion for Round 4 in 2022-23 fiscal year.

- a) Provides that not more than 80% or \$800 million be available to applicants that are cities, counties or continuums of care (CoC) as follows:
- i) Provides 30% or \$240 million to CoCs based on each CoC's proportionate share of the state's total homelessness population, based on homeless point-in-time count.
    - (1) Requires the council to not award more than 40% of the allocation to a CoC.
  - ii) Provides 42% or \$336 million to a city, or city that is also a county that has a population of 300,000 or more, as of January 1, 2021, as specified.
    - (1) Requires the Council to calculate the allocation to a city based on the city's proportionate share of the total homeless population of the region served by the COC within which the city is located, based on homeless point-in-time count.
    - (2) Requires the Council not to award more than 45% of the program allocation made pursuant to this subparagraph to a city.
    - (3) Provides that if more than one recipient within the CoC meets the requirement of this subparagraph, the proportionate share of funds shall be equally allocated to those jurisdictions.
  - iii) Provides 28% or \$224 million of the allocation to each county.
    - (1) Requires the council to calculate the allocation to a county based on the county's proportionate share of the total homeless population of the region served by the COC within which the county is located based on the homeless point-in-time count.
    - (2) Requires the Council not to award more than 40% of the program allocation to a county.
- b) Provides that not more than 18% or \$180 million of the funding available be set aside for awarding bonus, as specified.
- i) Requires the Council to determine bonus award allocations, as specified and to report to the chairs of the relevant fiscal and policy committees within 30 days of making the funding allocation determinations.
- c) Provides not more than 2% or \$20 million of the funding available to tribal applicants, as follows:
- i) Allows the Council to make allocations to tribes on the basis of need.
  - ii) Allows tribes to be allocated fund up to their requested amount, or up to a total of \$20 million collectively among all tribal applicants.
  - iii) Provides that the Council shall determine an allocation methodology based on tribal applicant's proportionate share of need relative to all tribes that submit an application for funding.

- iv) Requires a tribal applicant to submit an application to the council, in the form and manner prescribed by the council, no later than June 30, 2023, as specified.
- v) Provides that any funds available to tribal applicants that are unallocated by July 1, 2025, shall be allocated as bonus awards.
- vi) Provides that a tribal applicant may partner with a local CoC or coordinated entry system.
- d) Prohibits a program recipient from using 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.
- e) Provides that no more than 5% or \$50 million of the funds available shall be used to cover the council's costs of administration of this section.
  - i) The council may expend administrative funds until December 31, 2027, to complete grant close-out activities.
- f) Provides that a program recipient use at least 10% of the funds allocated for homeless youth populations.
- g) Requires all moneys to be expended in compliance with Housing First.
- h) Provides that the council shall determine whether a recipient has met its outcome goals through July 1, 2025, and shall award bonus funding as soon as data becomes available, but no later than November 1, 2025.
  - i) Allows the council to provide exceptions to meet outcome goals if the recipient demonstrates hardship by a disaster for which a state of emergency is proclaimed by the Governor, as specified.
- i) Provides that all Round 4 program funds, including bonus funds, shall be expended by June 30, 2027.

#### *HHAPP Round 3 Agreement and Application*

- 9) Requires the council to issue a standard agreement for applicants to apply for Round 3 program funds no later than September 15, 2021, which requires at a minimum a requirement for applicants to submit an application that includes a local homelessness action plan and specific outcome goals, as follows:
  - a) Requires the standard agreement to be due to the council no later than 30 days from the date the council issues the standard agreement.
  - b) Provides that if an applicant does not submit a completed standard agreement by the deadline, the council may distribute that applicant's share of Round 3 funds to an eligible overlapping jurisdiction, as determined by the council.

- c) Requires the council to allocate 20% of an eligible city's, county's, or CoC's total allocation, as specified.
  - i) Allows a city, city and county, single CoC, or county to apply jointly with a counterpart entity or entities. Provides that an applicant that applies jointly shall instead be allocated 25% of the jointly applying jurisdictions' total allocation.
  - ii) Requires a joint application to include, at a 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.
  - iii) Allows a recipient to use the initial funds awarded to complete the local homeless action plan, including paying for any technical assistance or contracted entities to support the completion of the homeless action plan.
  - iv) Provides that priority for initial funds, above the costs of completing the application, shall be for systems improvement, as specified.
- d) Requires an applicant to submit an application to the council by June 30, 2022, that includes a local homelessness action plan and specific outcome goals to receive the remaining balance of its Round 3 program allocation, as follows:
  - i) Requires an applicant to engage with the council on its local plan and outcome goals before submitting a complete application.
  - ii) Requires an applicant to agendaize at a regular meeting of the governing body, including receiving public comment, before being submitted to the council.
  - iii) Provides that a complete application submitted shall provide the following:
    - (1) A local homelessness action plan, as specified.
    - (2) A narrative as specified.
    - (3) Outcome goals that prevent and reduce homelessness over a three-year period, informed by the findings from the local landscape analysis and the jurisdiction's base system performance measure from 2020 calendar year data in the Homeless Data Integration System. The outcome goals shall set definite metrics, based on the United States Department of Housing and Urban Development's system performance measures, as specified.
      - (a) Requires that each applicant determine its outcome goals in consultation with the council, and shall not submit its final outcome goals before consulting with the council.
      - (b) Requires the council to assess outcome goals and determine whether the outcome goals adequately further the objectives of reducing and preventing homelessness.
      - (c) Requires that initial outcome goals be met no later than June 30, 2024, and requires outcome goals to be updated regularly, as funding continues.

- e) Allows the council to request additional documentation and information from the applicant during consultation consistent with respect to Round 3 program allocations consistent with specified requirements.
- f) Requires the council to either approve the application, and issue the notice of award to allocate the remaining percent of an applicant's funding or return it to the applicant with written, detailed comments and request one or more of specified amendments.
  - i) Provides that an applicant whose application has been returned, 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.
  - ii) Provides that if the revised application differs from the council's requested amendments, the applicant shall include an explanation of the differences and the rationale for differences.
  - iii) Provides the council 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 for the extension.
- g) Provides that a recipient including tribal recipients shall expend funds on evidence-based solutions that address and prevent homelessness among eligible populations, as specified.
- h) Provides that an applicant shall not use more than 7% of a Round 3 program allocation for administrative costs as specified.
- i) Requires a recipient of a Round 3 program allocation to comply with Housing First.
- j) Requires the council and a recipient to post final Round 3 program applications to their respective internet websites within 30 days of disbursal to the applicant.
- k) Requires a recipient to contractually obligate not less than 50% of Round 3 program allocations no later than May 31, 2024, except as otherwise specified.
- l) Requires counties to contractually obligate the full amount of Round 3 program allocation awarded to them by May 31, 2024.
- m) Provides that if less than 50% is obligated after May 31, 2024, recipients that are CoCs, and cities shall not expend any remaining portion of the 50% of Round 3 program allocations required to have been obligation unless both of the following occur:
  - i) On or before June 30, 2024, the recipient submits an alternative disbursement plan that includes an explanation for the delay.
  - ii) The council approves the alternative disbursement plan.
- n) Requires that on or before December 31, 2024, recipients that are CoCs and cities shall return to the council any funds that have not been expended pursuant to an alternative disbursement plan approved to be allocated as bonus awards by the council to eligible recipients.

- o) Requires that no later than June 30, 2024, recipients shall demonstrate whether they have successfully met their outcome goals as specified.
- p) Provides that jurisdictions that meet their outcome goals shall be eligible for bonus funds.
- q) Provide that jurisdictions that have not met their outcome goals shall not be eligible for bonus funding and shall accept technical assistance from council staff and may also be required to limit the allowable uses of these program funds, as determined by the council.
- r) Requires that 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.

#### *HHAPP Round 4 Application*

- 10) Requires the council to make an application for Round 4 program allocations available no later than September 30, 2022.
- 11) Provides that applications shall be due to the council no later than 60 days from the date the council makes those applications available.
- 12) Requires the council to either approve the application or return it within 30 days to the applicant with written, detailed comments and request one or more of specified amendments.
  - a) Provides that an applicant whose application has been returned, 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.
  - b) Provides that if the revised application differs from the council's requested amendments, the applicant shall include an explanation of the differences and the rationale for differences.
  - c) Provides the council 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 for the extension.
- 13) Requires an applicant to submit an application to the council to receive a Round 4 allocation. A complete application submitted shall provide the following information, in the form and manner prescribed by the council:
  - a) 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 as specified.
  - b) New outcome goals that are specific, ambitious, achievable, and quantifiable to prevent and reduce homelessness over a three-year period, informed by the findings from the local landscape analysis and the jurisdiction's outcome goals.
    - i) The outcome goals shall set definite metrics, based on the United States Department of Housing and Urban Development's system performance measures, as specified.

- ii) Requires that each applicant determine its outcome goals that build upon prior year goals in consultation with the council, and requires consulting with the council before submitting final outcome goals.
  - iii) Requires that initial outcome goals should be met no later than June 30, 2025, and outcome goals be updated regularly, as funding continues.
- c) A narrative as specified.
  - d) Requires a city, county, and CoC applicant to be agendaized at a regular meeting by the governing body, including receiving public comment before submitting to the council.
  - e) Allows the council to request additional documentation and information from the applicant during consultation consistent with Round 4 program allocations.
  - f) Requires the council to approve the application and issue the notice to award to disburse 50% of an applicant's funding within 30 days, or return it to the applicant with written, detailed comments and request one or more amendments as specified.
  - g) Provides that a recipient including tribal recipients shall expend funds on evidence-based solutions that address and prevent homelessness among eligible populations, as specified.
  - h) Provides that an applicant shall not use more than 7% of a Round 4 program allocation for administrative costs as specified.
  - i) Requires a recipient of a Round 3 program allocation to comply with Housing First.
  - j) Requires the council and recipients to post final Round 4 program applications to their respective internet websites within 30 days of disbursement to the applicant.
  - k) Requires a recipient to contractually obligate not less than 75% and expend not less than 50% of the initial Round 4 program allocations no later than May 31, 2025.
  - l) Requires the council to disburse to the recipient the remaining 50% of its total allocation, upon demonstration by a recipient that it has complied with the requirement to contractually obligate and expend a minimum amount of its Round 4 program allocation as described in 13 (k) and remains on track to meet its outcome goals.
  - m) Prohibits a recipient from contractually obligating or expending any remaining portion of its Round 4 program allocations and prohibits the council from disbursing the remaining 50% of the total allocation, if a less than 75% is obligated and less than 50% expended by May 31, 2025.
    - i) Requires that a recipient submit an alternative disbursement plan that includes an explanation for the delay on or before June 30, 2025.
    - ii) Requires the Council to approve the alternative disbursement plan.
  - n) Requires a recipient to return to the council any funds that have not been expended pursuant to the alternative disbursement plan on or before December 31, 2026 and requires those funds to be allocated as bonus awards.

- o) Prohibits recipients that do not meet the requirements to be ineligible for bonus funding.
- p) Requires recipients to demonstrate whether they have successfully met their outcome goals no later than June 30, 2025 and make these jurisdictions eligible for bonus funding.
- q) Requires jurisdictions that have not met their outcome goals to accept technical assistance from council staff and the council may limit the allowable uses of these programs funds.
- r) Provides that any remaining amounts of Round 4 program allocation funds including bonus funds, not expended by June 30, 2027 to revert to the General Fund.

*HHAPP Rounds 3 and 4 Outcome Goal Accountability*

- 14) Requires applicants provide the following information for all rounds of program allocations through a data collection, reporting, performance monitoring and accountability framework established by the council.
  - a) Data on the applicant's progress towards meeting their outcome goals submitted annually on December 31 of each year through the duration of the program.
  - b) Requires if an applicant has not made significant progress toward meeting outcome goals, the must:
    - i) Submit a description of barriers and possible solutions
    - ii) Accept technical assistance from the council and may also limit the allowable uses of these program funds.
  - c) Requires a quarterly fiscal report of program funds expended and obligated as specified.
    - i) If an applicant has not made significant progress toward their outcome goals, then the applicant shall report on their outcome goals in their quarterly report as well.
  - d) Requires that each recipient of Round 3 funds to submit to the council final report no later than October 1, 2026.
  - e) Requires that each recipient of Round 4 funds to submit to the council final report no later than October 1, 2027.

*Encampment Resolution Funding Program*

- 15) Establishes the Encampment Resolution Funding Program to assist cities, counties, and CoCs in ensuring the safety and wellness of people experiencing homelessness in encampments to do the following:
  - a) Provide encampment resolution grants to resolve critical encampment concerns and transition individuals into safe and stable housing.
  - b) Encourage a data-informed, coordinated approach to address encampment concerns.

*Family Homelessness Challenge Grants and Technical Assistance*

- 16) Establishes the Family Homelessness Challenge Grants and Technical Assistance to provide one-time grants and technical assistance to local jurisdictions in order to address and end family homelessness.
- 17) Provides that preference be given to proposals that promote rapid innovation, accelerate nascent programs, expand promising practices, and meet new demands and conditions for solutions targeted towards ending family homelessness. Program funding shall be prioritized for jurisdictions that can demonstrate cross-systems collaboration, multi-funder initiatives, and innovative efforts that coordinate across funding streams and systems.

*Regional Early Action Planning Grants Program of 2021*

- 18) Establishes the Regional Early Action Planning Grants Program of 2021, developed and administered by the Department of Housing and Community Development (HCD) in collaboration with the Office of Planning and Research (OPR), the Strategic Growth Council (SGC) and the State Air Resources Board (ARB) to provide regions with funding for transformative planning and implementation activities.
- 19) Defines "transformative planning and implementation activities" to mean housing, planning, infrastructure investments supporting infill housing, and other actions that enable meeting housing goals that also result in per capita vehicle miles traveled reductions, including accelerating infill development, supporting residents through realizing multimodal communities, shifting travel behavior through reducing driving, and increasing transit ridership.
- 20) Requires the distribution and expenditures of funds shall be made consistent with the state planning priorities, established pursuant to the Government Code Section 65041.1, and shall consider geographic equity among regions of the state.
- 21) Provides 85% shall be available to the 18 MPOs as described in paragraph (2) of subdivision (a) of Section 50515.07 for transformative planning and implementation activities.
  - a) Allocates based on the most recent Department of Finance P-2A County Population Projections as line 8 of July 1, 2021. Amounts shall be calculated based on aggregate line 9 2030 projected population per each eligible applicant as a line 10 percentage of projected 2030 statewide population.
- 22) Provides 5% shall be available to rural counties and tribes as described in paragraph (6) of subdivision (a) of Section 50515.08 for transformative planning and implementation activities.
- 23) Provides 5% shall be available as a competitive set aside available to all eligible entities for transformative planning and implementation activities that demonstrably exceed the requirements and further multiple policy objectives. Provides that scoring criteria for this competitive set aside will include, but not be limited to, to the extent of acceleration of infill housing production and reduction of per capita vehicle miles traveled.
- 24) Provides 5% to HCD to administer the program.

*Affordable Housing Preservation*

- 25) Authorizes the department, upon appropriation, to make loans or grants, or both loans and grants, to rehabilitate, capitalize operating subsidy reserves for, and extend the long-term affordability of department-funded housing projects that have affordability restriction that has expired, that have an affordability restriction with a remaining term of less than five years, or are otherwise at risk for conversion, as provided.
- 26) Authorizes the department to adopt guidelines to implement this program and exempt those guidelines from the rulemaking provisions of the Administrative Procedure Act.
- 27) Requires the department to establish loan processing or transaction fees for loans or grants authorized under these provisions and requires that moneys received by the department in repayment of loans under these provisions be deposited in the Housing Rehabilitation Loan Fund, to be used for purposes of the Multifamily Housing Program. By increasing the amount of money deposited in a continuously appropriated fund.

*Loans and Grants to Qualified Rental Housing Developments*

- 28) Authorizes HCD, to award a forgivable loan or grant to a qualified rental housing development to replace federal and state low-income housing credit equity, as specified.
- 29) Defines "qualified rental housing development" for these purposes to mean a qualified low-income housing project that received an award letter from specified multifamily housing programs administered by the department.
- 30) Requires that a loan awarded under these provisions be provided with an interest rate of zero and authorizes HCD to determine the terms under which a loan or grant awarded under these provisions is subject to repayment.
- 31) Requires a rental housing development that receives a grant or loan under these provisions to commence construction within 180 days of issuance of an award letter, and would authorizes HCD to issue a 90-day extension, as specified.
- 32) Provides that \$50 million shall be awarded to projects with an award letter from the Joe Serna, Jr. Farmworking Housing Grant Program.

*Project Homekey*

- 33) Requires that funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases be disbursed in accordance with the Multifamily Housing Program for specified uses.
- 34) Authorizes HCD to adopt guidelines for the expenditure of funds appropriated to the department under these provisions and requires HCD to report to the Legislature on the use of the funds in the department's annual report, including, among other things, an explanation of how funding decisions were made and the number of individuals housed, or likely to be housed, using the funds.

- 35) Requires funds from the Coronavirus Relief Fund to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness be disbursed in accordance with the Multifamily Housing Program, including grants to cities, counties, and other local public entities for the following:
- a) Acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing.
  - b) Master leasing of properties.
  - c) Conversion of units from nonresidential to residential
  - d) New construction of dwelling units.
  - e) The purchase of affordability covenant and restrictions for units.
  - f) Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.
  - g) Capitalized operating subsidies for units purchased, converted, or altered with funds provided by this section.
- 36) Requires that not less than 8% of these funds available for Project Homekey shall be available for projects serving homeless youth, or youth at risk of homelessness.
- 37) Provides that up to 5% of the funds appropriated for the costs to administer this program.
- 38) Requires the HCD, in coordination with the Business, Consumer Services, and Housing Agency to report to the chairs of each fiscal committee and each relevant policy committee of the Legislature on the use of the funds described in this section.
- 39) Requires that any project that uses funds received for Project Homekey shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.
- 40) Exempts from CEQA, until July 1, 2024, a project described above and funded pursuant to these provisions if certain requirements are met, including that the project proponent submits to the lead agency a letter of support from a county, city, or other local public entity for any proposed rehabilitation, construction, or major alteration work. If the lead agency determines that a project is not subject to CEQA and the lead agency determines it will approve or carry out the project, the bill would require the lead agency to file a notice of exemption, as specified.
- 41) Requires the Director of Industrial Relations to establish and maintain a strategic enforcement unit focused on construction, alteration, and repair projects.

- 42) Requires the unit to enhance the department's enforcement of the Labor Code in construction, alteration, and repair projects related to Project Homekey.

*Statewide Assessment*

- 43) Requires the council to conduct a statewide assessment to, among other things, identify state programs that provide housing or services to persons experiencing homelessness or at risk of homelessness, as defined, and collect and analyze data from those programs necessary to provide a comprehensive view of the homelessness response system.
- 44) Authorizes local governments to collaborate with the coordinating council or other entity conducting the assessment to share existing data from existing local analyses of system needs or gaps to complement other data requested.
- 45) Requires the council to submit an interim report by July 1, 2022, and a final report by December 31, 2022, on the assessment to specified legislative committees.

*Excess Site Local Government Matching Grant Program*

- 46) Establishes the Excess Site Local Government Matching Grant Program administered by HCD to provide selected developers with one-time grants for development activities to enable development on excess state-owned property.
- 47) Requires the department to allocate grants of up to \$10 million to development partners selected under an Executive Order No. N-06-19 program to enter a ground lease with the state to create affordable housing on excess state-owned property and that will receive contributions from a local government in support of that affordable housing.
- 48) Requires HCD to award grant moneys based on several factors, including value of the local government contribution and the creation of new permanent housing options.
- 49) Authorizes a selected developer and a local government to submit, for expeditious review, a joint application that includes, among other things, a budget demonstrating the amount of the local government's contribution and a commitment and strategy from the local government to support the selected developer, as specified.
- 50) Limits the total amount of moneys awarded under the program to \$30 million and requires the department to set aside up to 5% of appropriated moneys for program administration.

*Foreclosure Intervention Housing Preservation*

- 51) Establishes the Foreclosure Intervention Housing Preservation Program and allows HCD to contract with program administrators to offer grants or loans to qualifying nonprofits, community land trusts, or qualifying LLCs to purchase housing properties (one to 25 units) either out of foreclosure or after the property has defaulted on its loans but before it enters foreclosure. Requires HCD to consider geographic equity in allocating funds, among other guideline requirements.
- 52) Requires grantees / borrowers to keep the units affordable for 55 years, and meet specified requirements. Allows a temporary exemption if some of the units are market rate when acquired, but requires them to convert to affordable once tenants move out.

53) Allows HCD to contract with fund administrators through June 30, 2026, or longer if funding is available. Funds not committed to an administrator by December 31, 2025 will be reallocated to the Housing Preservation Program for state or local funded projects.

54) Requires HCD to report to the legislature by May 2023 on the status of the program.

*Infill Infrastructure Grant Program of 2019*

55) Extends the operation of the 2019 Infill Infrastructure Grant Program from January 1, 2023, to January 1, 2026.

56) Authorizes HCD to expend \$250 million pursuant to the Infill Infrastructure Grant Program of 2019 as follows:

- a) \$160 million for selected capital improvements for large jurisdictions under the program; and
- b) \$90 million for over-the-counter grants for capital improvements for projects for small jurisdictions under the program.

57) Authorizes up to 5% of the funds to be set aside for program administration.

58) Declares that the bill takes effect immediately and is a bill providing for appropriations related to the Budget.

*Article XXXIV*

59) Expands existing law exclusions from the definition of "low-rent housing project" to include:

- a) Developments that consist of new construction and developments using moneys received the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (ARPA)
- b) Moneys appropriated and disbursed pursuant to the Health and Safety code Sections 50606 and 50672

Fund the uses and to accomplish objectives under the Health and Safety Code Sections 50675.1.1 and 50675.1.3.

**COMMENTS**

This is a budget bill within the overall 2021-22 budget package necessary to implement actions related to housing and homelessness.

**According to the Author**

**Arguments in Support**

## Arguments in Opposition

### FISCAL COMMENTS

Provides implementation actions for over \$8 billion in funds for homelessness and affordable housing programs.

### VOTES:

#### ASSEMBLY FLOOR: 56-18-5

**YES:** Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chiu, Cooley, Cooper, Daly, Friedman, Gabriel, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Lee, Levine, Low, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Stone, Ting, Villapudua, Ward, Wicks, Wood, Rendon

**NO:** Bigelow, Chen, Choi, Cunningham, Megan Dahle, Davies, Flora, Fong, Gallagher, Kiley, Lackey, Mathis, Nguyen, Patterson, Seyarto, Smith, Voepel, Waldron

**ABS, ABST OR NV:** Frazier, Kamlager, Mayes, Quirk, Valladares

### UPDATED

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