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PUBLIC RESOURCES CODE - PRC

DIVISION 44. Transit, Affordable Housing, and Sustainable Communities Program [75200 - 75260] (*Division 44 added by Stats. 2014, Ch. 36, Sec. 21.*)

PART 1. Affordable Housing and Sustainable Communities [75200 - 75218.2] (*Part 1 added by Stats. 2014, Ch. 36, Sec. 21.*)

CHAPTER 2. Affordable Housing and Sustainable Communities Program [75210 - 75218.2] (*Chapter 2 added by Stats. 2014, Ch. 36, Sec. 21.*)

75210. The council shall develop and administer the Affordable Housing and Sustainable Communities Program to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and that support related and coordinated public policy objectives, including the following:

- (a) Reducing air pollution.
- (b) Improving conditions in disadvantaged communities.
- (c) Supporting or improving public health and other cobenefits as defined in Section 39712 of the Health and Safety Code.
- (d) Improving connectivity and accessibility to jobs, housing, and services.
- (e) Increasing options for mobility, including the implementation of the Active Transportation Program established pursuant to Section 2380 of the Streets and Highways Code.
- (f) Increasing transit ridership.
- (g) Preserving and developing affordable rental and owner-occupied housing for lower income households, as defined in Section 50079.5 of the Health and Safety Code.
- (h) Protecting agricultural lands to support infill development.

(Amended by Stats. 2021, Ch. 355, Sec. 2. (AB 1095) Effective January 1, 2022.)

75211. To be eligible for funding pursuant to the program, a project shall do all of the following:

- (a) Demonstrate that it will achieve a reduction in greenhouse gas emissions.
- (b) Support implementation of an adopted or draft sustainable communities strategy or, if a sustainable communities strategy is not required for a region by law, a regional plan that includes policies and programs to reduce greenhouse gas emissions.
- (c) Demonstrate consistency with the state planning priorities established pursuant to Section 65041.1 of the Government Code.

(Added by Stats. 2014, Ch. 36, Sec. 21. (SB 862) Effective June 20, 2014.)

75212. Projects eligible for funding pursuant to the program include any of the following:

- (a) Intermodal, affordable rental or owner-occupied housing projects that support infill and compact development.
- (b) Transit capital projects and programs supporting transit ridership, including water-borne transit.
- (c) Active transportation capital projects that qualify under the Active Transportation Program, including pedestrian and bicycle facilities and supportive infrastructure, including connectivity to transit stations.
- (d) Noninfrastructure-related active transportation projects that qualify under the Active Transportation Program, including activities that encourage active transportation goals conducted in conjunction with infrastructure

improvement projects.

(e) Transit-oriented development projects, including affordable rental or owner-occupied housing and infrastructure at or near transit stations or connecting those developments to transit stations.

(f) Capital projects that implement local complete streets programs.

(g) Other projects or programs designed to reduce greenhouse gas emissions and other criteria air pollutants by reducing automobile trips and vehicle miles traveled within a community.

(h) Acquisition of easements or other approaches or tools that protect agricultural lands that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban or suburban sprawl or those of special environmental significance.

(i) Planning to support implementation of a sustainable communities strategy, including implementation of local plans supporting greenhouse gas emissions reduction efforts and promoting infill and compact development.

(Amended by Stats. 2021, Ch. 355, Sec. 3. (AB 1095) Effective January 1, 2022.)

75213. A project eligible for funding pursuant to the program shall be encouraged to promote the objectives of Section 75210, and economic growth, reduce public fiscal costs, support civic partnerships and stakeholder engagement, and integrate and leverage existing housing, transportation, and land use programs and resources.

(Added by Stats. 2014, Ch. 36, Sec. 21. (SB 862) Effective June 20, 2014.)

75214. In implementing the program, the council shall support the goals established pursuant to Chapter 830 of the Statutes of 2012 by ensuring a programmatic goal of expending 50 percent of program expenditure for projects benefiting disadvantaged communities. To the extent feasible, the council shall coordinate outreach to promote access and program participation in disadvantaged communities.

(Added by Stats. 2014, Ch. 36, Sec. 21. (SB 862) Effective June 20, 2014.)

75215. (a) Prior to awarding funds under the program, the council, in coordination with the member agencies and departments of the council, the State Air Resources Board, and other state entities, as needed, shall develop guidelines and selection criteria for the implementation of the program.

(b) Prior to adoption of the guidelines and the selection criteria, the council shall conduct at least two public workshops to receive and consider public comments. One workshop shall be held at a location in northern California and one workshop shall be held at a location in southern California.

(c) The council shall publish the draft guidelines and selection criteria on its internet website at least 30 days prior to the public meetings.

(d) In adopting the guidelines and selection criteria, the council shall consider the comments from local governments, regional agencies, and other stakeholders. The council shall conduct outreach to disadvantaged communities to encourage comments on the draft guidelines from those communities.

(e) The council shall adopt guidelines or selection criteria that include both affordable housing rental units and owner-occupied affordable housing units.

(f) Program guidelines may be revised by the council to reflect changes in program focus or need. Outreach to stakeholders shall be conducted, pursuant to subdivisions (a), (b), and (c) before the council adopts changes to guidelines.

(g) Upon the adoption of the guidelines and selection criteria, the council shall, pursuant to Section 9795 of the Government Code, submit copies of the guidelines to the fiscal and appropriate policy committees of the Legislature.

(h) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development and adoption of the guidelines and selection criteria pursuant to this section.

(Amended by Stats. 2021, Ch. 355, Sec. 4. (AB 1095) Effective January 1, 2022.)

75216. (a) The council shall leverage the programmatic and administrative expertise of relevant state departments and agencies in implementing the program.

(b) The council shall coordinate with the metropolitan planning organizations and other regional agencies to identify and recommend projects within their respective jurisdictions that best reflect the goals and objectives of this division.

(Added by Stats. 2014, Ch. 36, Sec. 21. (SB 862) Effective June 20, 2014.)

75217. The executive director of the council shall report the progress on the implementation of the program in its annual report required pursuant to subdivision (e) of Section 75125.

(Added by Stats. 2014, Ch. 36, Sec. 21. (SB 862) Effective June 20, 2014.)

75218. (a) For any loans issued pursuant to this chapter, principal and accumulated interest is due and payable upon completion of the term of the loan. The loan shall bear simple interest at the rate of 3 percent per annum on the unpaid principal balance. The department shall require annual loan payments in the minimum amount necessary to cover the costs of project monitoring. For the first 30 years of the loan term, the amount of the required loan payments shall not exceed 0.42 percent per annum.

(b) All moneys received by the department in repayment of loans made pursuant to this chapter, including interest and payments in advance in lieu of future interest, shall be deposited in the Housing Rehabilitation Loan Fund established by Section 50661 of the Health and Safety Code, and notwithstanding Section 13340 of the Government Code, are continuously appropriated to the department for the purposes of the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code), except as otherwise provided in this section.

(c) The department may designate an amount not to exceed 1.5 percent of funds appropriated for use pursuant to this section for the purposes of curing or averting a default on the terms of any loan or other obligation by the recipient of financial assistance, or bidding at any foreclosure sale where the default or foreclosure sale would jeopardize the department's security in the rental housing development assisted pursuant to this chapter. The funds so designated shall be known as the "default reserve."

(d) The department may use default reserve funds made available pursuant to this section to repair or maintain any rental housing development assisted pursuant to this chapter that was acquired to protect the department's security interest.

(e) The payment or advance of funds by the department pursuant to this section shall be exclusively within the department's discretion, and no person shall be deemed to have any entitlement to the payment or advance of those funds. The amount of any funds expended by the department for the purposes of curing or averting a default shall be added to the loan amount secured by the rental housing development and shall be payable to the department upon demand.

(f) All moneys set aside for the default reserve by the department pursuant to this section shall be deposited in the Housing Rehabilitation Loan Fund established by Section 50661 of the Health and Safety Code, and, notwithstanding Section 13340 of the Government Code, are continuously appropriated to the department for the purposes of the default reserve set forth above in this section.

(g) For the purposes of this section, "department" means the Department of Housing and Community Development.

(Added by Stats. 2018, Ch. 37, Sec. 52. (AB 1817) Effective June 27, 2018.)

75218.1. For notices of funding availability released after July 1, 2021, in awarding funds under the program, the council shall provide additional points or preference to jurisdictions that have adopted a housing element that has been found by the Department of Housing and Community Development to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code pursuant to Section 65585 of the Government Code and that are designated prohousing pursuant to subdivision (c) of Section 65589.9 of the Government Code, in the manner determined by the Department of Housing and Community Development pursuant to subdivision (d) of Section 65589.9 of the Government Code.

(Added by Stats. 2019, Ch. 159, Sec. 21. (AB 101) Effective July 31, 2019.)

75218.2. For notices of funding availability released after July 1, 2022, the council may include guidelines or criteria for the award of funds to projects that provide home ownership opportunities for low-income individuals.

(Added by Stats. 2021, Ch. 355, Sec. 5. (AB 1095) Effective January 1, 2022.)