Senate Bill No. 850

CHAPTER 48

An act to amend Section 65913.4 of the Government Code, to add Sections 50472 and 50717 to, to add Chapter 5 (commencing with Section 50210) to Part 1 of Division 31 of, to add Chapter 2.8 (commencing with Section 50490) to Part 2 of Division 31 of, and to add and repeal Section 50710.3 of, the Health and Safety Code, to amend Section 8257 of the Welfare and Institutions Code, and to amend the Budget Act of 2016 (Chapter 23 of the Statutes of 2016) by amending Item 2240-105-0001 of Section 2.00 of that act, relating to housing, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 27, 2018. Filed with Secretary of State June 27, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 850, Committee on Budget and Fiscal Review. Housing.

(1) Existing law, until January 1, 2026, authorizes a development proponent to submit an application for a multifamily housing development, which satisfies specified objective planning standards, that is subject to a streamlined, ministerial approval process, as provided, and not subject to a conditional use permit. Existing law requires, among other objective planning standards, that the development be subject to a minimum percentage of below market rate housing on the basis that the locality failed to submit its latest production report by the applicable time period and that report reflecting that there were fewer units of above moderate-income housing or housing affordable to households making below 80% of area median income that were issued building permits than what was required to meet the locality's regional housing needs assessment for that reporting period.

This bill would modify this objective planning standard by requiring that the production report submitted by the locality reflect that there were both fewer units of affordable housing for persons of above moderate income and for persons making 80% of the area median income issued building permits than were required for the locality to meet its regional housing needs assessment for that reporting period. The bill would make other clarifying changes to these provisions.

(2) Existing law requires that the objective planning standards described above include that the development is not located on a site that is within either a flood plain as determined by maps promulgated by the Federal Emergency Management Agency unless the development has been issued a flood plain development permit, or that the site is not located within a floodway as determined by maps promulgated by the Federal Emergency

Management Agency unless the development has received a no-rise certification in accordance with specified federal requirements.

This bill would modify the above provisions to provide that the development may not be located on a site that is within either a special flood hazard area that is determined by the Federal Emergency Management Agency (FEMA) to be subject to inundation by the 1% annual chance flood unless that site has been subject to a letter of map revision prepared by FEMA and issued to the local government or the site meets FEMA requirements necessary to meet minimum flood plain management criteria, or be located within a regulatory floodway as determined by FEMA in any official map unless the no-rise certification has been received. The bill would provide that if a development proponent meets all applicable federal qualifying criteria and is otherwise eligible for streamlined approval, then a local government is prohibited from denying an application on the basis that the development proponent did not comply with additional requirements adopted by the local government that are applicable to that site.

(3) Existing law requires the objective planning standards described above to include that the development certify to the locality that a skilled and trained workforce will be used to complete the development, if the development meets certain standards and depending on when the application is approved, including that if the application for the development is approved between January 1, 2020, and December 31, 2021, and the development consists of more than 50 units and is located in a jurisdiction that meets specified requirements, or if the application for the development is approved between January 1, 2022, and December 31, 2025, and the development consists of more than 25 units and is located in a jurisdiction that meets specified requirements.

This bill would modify those provisions by requiring a skilled and trained workforce to be used if the application for the development is approved between January 1, 2020, and December 31, 2021, and the development consists of more than 50 units that are not 100% subsidized affordable housing, or if the application for the development is approved between January 1, 2022, and December 31, 2025, and the development consists of more than 25 units that are not 100% subsidized affordable housing.

(4) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts from its requirements specified projects or activities, including an action taken by the Department of Housing and Community Development or the California Housing Finance Agency to provide financial assistance or insurance for the development and

construction of residential housing for persons and families of low or moderate income, as defined, if the project that is the subject of the application for financial assistance or insurance will be reviewed pursuant to CEQA by another public agency.

This bill would provide that CEQA does not apply to an action taken by a state agency or local government to provide financial assistance to a development that was approved for streamlined approval pursuant to the provisions described above to be used for housing for persons and families of very low, low, or moderate income.

(5) Existing law, the Building Homes and Jobs Act, establishes the Building Homes and Jobs Trust Fund and, upon appropriation by the Legislature, allocates 50% of the moneys in that fund that are collected on and after January 1, 2018, and before December 31, 2018, to the Department of Housing and Community Development to assist persons experiencing or at risk of homelessness, as provided.

This bill would require the department to allocate $5,000,000 from the money in the Building Homes and Jobs Trust Fund that is to be used to assist persons experiencing homelessness described above to the Bridges at Kraemer Place emergency shelter in Orange County, and another $5,000,000 from those moneys to the County of Merced, to create a homeless navigation center, as provided. The bill would require the department to allocate 50% of any funds remaining from that amount to the California Emergency Solutions and Housing Program, described below, and the remaining 50% to the Housing for a Healthy California Program.

(6) Existing law, the California Emergency Solutions Grants Program, requires the department to make grants under the program to qualifying subrecipients to implement activities that address the needs of homeless individuals and families and assist them to regain stability in permanent housing as quickly as possible. Existing law, the Budget Act of 2016, made appropriations for the support of state government for the 2016–17 fiscal year, including a transfer of $45,000,000 to the Emergency Housing and Assistance Fund to be used for support costs and local assistance associated with administering the California Emergency Solutions Grant Program.

This bill would establish the California Emergency Solutions and Housing Program, and would authorize the department to issue a notice of funding availability, which would be exempted from the rulemaking requirements of the Administrative Procedure Act, for specified administrative entities to request funding for eligible activities relating to homelessness within specified Continuum of Care service areas by submitting an application in response to a notice of funding availability that would be required to meet certain minimum requirements. The bill would require the department to allocate the above-described moneys in the Building Homes and Jobs Trust Fund, upon appropriation of those moneys, and any moneys that have not yet been made available pursuant to a notice of funding availability or request for proposal as of June 30, 2018, from the above-described moneys appropriated for the Emergency Solutions Grant Program by the Budget Act of 2016 for expenditure by an administrative entity within each

Continuum of Care service area for the purposes of this program. By authorizing the use of previously appropriated funds for a new purpose, the bill would make an appropriation. The bill would require the department to allocate those funds using a formula that is based off of the formula utilized for the allocation of grants pursuant to the California Emergency Solutions Grants Program, and that includes specified additional formula components. The bill would require that funds not distributed after the initial round of awards be reallocated among all Continuum of Care service areas with a participating administrative entity in accordance with the allocation formula in a subsequent notice of funding availability and that funds not distributed after that 2nd round of awards revert to be used for the Multifamily Housing Program, which is funded by the Housing Rehabilitation Loan Fund, a continuously appropriated fund. By authorizing additional money to be deposited into a continuously appropriated fund, this bill would make an appropriation.

The bill would require an administrative entity receiving funds to enter into a contract with the department with a term of 5 years and would further require that any funds not expended for eligible activities upon expiration of the contract revert to be used for the Multifamily Housing Program, which is funded by the Housing Rehabilitation Loan Fund, a continuously appropriated fund. By authorizing additional money to be deposited into a continuously appropriated fund, this bill would make an appropriation. The bill would require the administrative entity to submit an annual report to the department pertaining to the administrative entity's program or project selection process performed in collaboration with the Continuum of Care, contract expenditures, and progress toward meeting state and local goals as demonstrated by the performance measures set forth in the application. The bill would authorize the department to request a repayment of funds from an administrative entity or to pursue any other remedies available by law for failure to comply with program requirements.

(7) Existing law requires the Department of Housing and Community Development, through its Office of Migrant Services, to assist in the development, construction, reconstruction, rehabilitation, or operation of migrant farm labor centers, as provided. Existing law authorizes the Director of Housing and Community Development to contract with specified local public and private entities, including school districts and housing authorities, for the procurement or construction of housing or shelter and to obtain specified services for migratory agricultural workers. Under existing law, the department designates a period of 180 days each calendar year during which migrant farm labor centers are open to migratory agricultural workers and their families for occupancy, as specified.

This bill would, until January 1, 2024, require a migratory agricultural worker that is eligible for housing pursuant to these provisions to reside outside a 50-mile radius of the migrant farm labor center for at least 3 months out of the preceding 6 month period, as specified. The bill would, until January 1, 2024, additionally require the department to approve a proposal by an entity operating a migrant farm labor center meeting certain

requirements, including, among other things, that the proposal provides for up to 50% of the units at the migrant farm labor center to be exempt from the requirement to reside outside a 50-mile radius of the migrant farm labor center for at least 3 months out of the preceding 6 months, the proposal requires nonmigratory agricultural workers who are exempt from the above-described residency requirement to have schoolage children, and the proposal reserves at least 50% of the units at the migrant farm labor center for migratory agricultural workers who require round-trip travel exceeding 100 miles per day, as specified.

The bill would also require an entity operating a migrant farm labor center to provide a report, on or before January 1, 2019, and annually thereafter, to the Office of Migrant Services that contains specified data about the agricultural workers that resided at the migrant farm labor center during the most recently concluded contract period, as specified.

(8) Existing law establishes various programs, including, among others, the Emergency Housing and Assistance Program, homeless youth emergency service pilot projects, and Housing First, and the Homeless Coordinating and Financing Council to provide assistance to homeless persons.

This bill would establish the Homeless Emergency Aid program for the purpose of providing localities with one-time flexible block grant funds to address their immediate homelessness challenges. The bill would require the Business, Consumer Services, and Housing Agency to administer the program in consultation with the Homeless Coordinating and Financing Council and exempt the agency from the rulemaking provisions of the Administrative Procedure Act for these purposes. The bill, upon appropriation by the Legislature, would require the agency to allocate a total of $500,000,000 among administrative entities, defined to include a unit of general purpose local government or a nonprofit organization that meet specified requirements, with $250,000,000 allocated according to groupings based on homeless point-in-time counts determined pursuant to specified federal law, $100,000,000 allocated based on the administrative entity's proportionate share of total homeless population, and $150,000,000 allocated to cities or cities that are also counties that meet specified requirements. The bill would require the agency to make a first round of awards by January 31, 2019, a 2nd round of awards by May 31, 2019, if any funds remain unallocated following the first round, and to work with the Department of Finance to identify an appropriate allocation methodology for a 3rd round of awards, or to determine if any unallocated funds should revert to the General Fund, if any funds remain unallocated following the 2nd round.

The bill would require an administrative entity, in order to be eligible for funding, to meet certain requirements including that the jurisdiction or jurisdictions represented by the administrative entity have declared a shelter crisis pursuant to specified law, unless the agency approves a waiver of this requirement, as provided. The bill would require award recipients to expend program funds on one-time uses that address homelessness, including, but not limited to, prevention, criminal justice diversion programs to homeless

individuals with mental health needs, and emergency aid, and to submit a report to the agency by January 1, 2020, pertaining to contract expenditures, the number of homeless individuals served by program funds, and progress toward state and local homelessness goals. The bill would require that at least 50% of program funds be contractually obligated by January 1, 2020, and 100% of program funds contractually obligated by June 30, 2021, and further require that any unexpended funds as of the latter date be returned to the agency and revert to the General Fund. The bill would authorize the agency to request a repayment of funds from an administrative entity, or to pursue any other remedies available by law for failure to comply with program requirements.

(9) Existing law requires the Governor to create the Homeless Coordinating and Financing Council to, among other things, identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California. Existing law requires the Governor to appoint up to 15 members of the council, including representatives from specified state agencies and departments and state advocates or other members of the public or state agencies, according to the Governor's discretion. Existing law requires the Department of Housing and Community Development to provide staff for the council.

This bill would require that the Governor appoint up to 17 members of the council and that the members include the Secretary of Business, Consumer Services, and Housing, or his or her designee, to serve as chair of the council, a representative from the Department of Transportation, and a formerly homeless youth who lives in California. The bill would also require that the Business, Consumer Services, and Housing Agency to staff the council rather than the Department of Housing and Community Development. The bill would provide for an executive director of the council under the direction of the Business, Consumer Services, and Housing Agency.

(10) This bill would make legislative findings and declarations as to the necessity of a special statute for the Bridges at Kraemer Place emergency shelter and the County of Merced.

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

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 65913.4 of the Government Code is amended to read:

65913.4. (a) A development proponent may submit an application for a development that is subject to the streamlined, ministerial approval process provided by subdivision (b) and is not subject to a conditional use permit if the development satisfies all of the following objective planning standards:

(1) The development is a multifamily housing development that contains two or more residential units.

(2) The development is located on a site that satisfies all of the following:

(A) A site that is a legal parcel or parcels located in a city if, and only if, the city boundaries include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel or parcels wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(B) A site in which at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses. For the purposes of this section, parcels that are only separated by a street or highway shall be considered to be adjoined.

(C) A site that is zoned for residential use or residential mixed-use development, or has a general plan designation that allows residential use or a mix of residential and nonresidential uses, with at least two-thirds of the square footage of the development designated for residential use.

(3) If the development contains units that are subsidized, the development proponent already has recorded, or is required by law to record, a land use restriction for the following applicable minimum durations:

(A) Fifty-five years for units that are rented.

(B) Forty-five years for units that are owned.

(4) The development satisfies both of the following:

(A) Is located in a locality that the department has determined is subject to this subparagraph on the basis that the number of units that have been issued building permits is less than the locality's share of the regional housing needs, by income category, for that reporting period. A locality shall remain eligible under this subparagraph until the department's determination for the next reporting period. A locality shall be subject to this subparagraph if it has not submitted an annual housing element report to the department pursuant to paragraph (2) of subdivision (a) of Section 65400 for at least two consecutive years before the development submitted an application for approval under this section.

(B) The development is subject to a requirement mandating a minimum percentage of below market rate housing based on one of the following:

(i) The locality did not submit its latest production report to the department by the time period required by Section 65400, or that production report reflects that there were fewer units of above moderate-income housing issued building permits than were required for the regional housing needs assessment cycle for that reporting period. In addition, if the project contains more than 10 units of housing, the project seeking approval dedicates a minimum of 10 percent of the total number of units to housing affordable to households making below 80 percent of the area median income. If the locality has adopted a local ordinance that requires that greater than 10 percent of the units be dedicated to housing affordable to households making below 80 percent of the area median income, that zoning ordinance applies.

(ii) The locality did not submit its latest production report to the department by the time period required by Section 65400, or that production report reflects that there were fewer units of housing affordable to households making below 80 percent of the area median income that were issued building permits than were required for the regional housing needs assessment cycle for that reporting period, and the project seeking approval dedicates 50 percent of the total number of units to housing affordable to households making below 80 percent of the area median income, unless the locality has adopted a local ordinance that requires that greater than 50 percent of the units be dedicated to housing affordable to households making below 80 percent of the area median income, in which case that ordinance applies.

(iii) The locality did not submit its latest production report to the department by the time period required by Section 65400, or if the production report reflects that there were fewer units of housing affordable to both income levels described in clauses (i) and (ii) that were issued building permits than were required for the regional housing needs assessment cycle for that reporting period, the project seeking approval may choose between utilizing clause (i) or (ii).

(5) The development, excluding any additional density or any other concessions, incentives, or waivers of development standards granted pursuant to the Density Bonus Law in Section 65915, is consistent with objective zoning standards and objective design review standards in effect at the time that the development is submitted to the local government pursuant to this section. For purposes of this paragraph, "objective zoning standards" and "objective design review standards" mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal. These standards may be embodied in alternative objective land use specifications adopted by a city or county, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances, subject to the following:

(A) A development shall be deemed consistent with the objective zoning standards related to housing density, as applicable, if the density proposed is compliant with the maximum density allowed within that land use designation, notwithstanding any specified maximum unit allocation that may result in fewer units of housing being permitted.

(B) In the event that objective zoning, general plan, or design review standards are mutually inconsistent, a development shall be deemed consistent with the objective zoning standards pursuant to this subdivision if the development is consistent with the standards set forth in the general plan.

(6) The development is not located on a site that is any of the following:

(A) A coastal zone, as defined in Division 20 (commencing with Section 30000) of the Public Resources Code.

(B) Either prime farmland or farmland of statewide importance, as defined pursuant to United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction.

(C) Wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).

(D) Within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code. This subparagraph does not apply to sites excluded from the specified hazard zones by a local agency, pursuant to subdivision (b) of Section 51179, or sites that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development.

(E) A hazardous waste site that is listed pursuant to Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless the Department of Toxic Substances Control has cleared the site for residential use or residential mixed uses.

(F) Within a delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by any local building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2.

(G) Within a special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site. A development may be located on a site described in this subparagraph if either of the following are met:

(i) The site has been subject to a Letter of Map Revision prepared by the Federal Emergency Management Agency and issued to the local jurisdiction.

(ii) The site meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National

Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.

(H) Within a regulatory floodway as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency, unless the development has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site.

(I) Lands identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), or other adopted natural resource protection plan.

(J) Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).

(K) Lands under conservation easement.

(7) The development is not located on a site where any of the following apply:

(A) The development would require the demolition of the following types of housing:

(i) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(ii) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(iii) Housing that has been occupied by tenants within the past 10 years.

(B) The site was previously used for housing that was occupied by tenants that was demolished within 10 years before the development proponent submits an application under this section.

(C) The development would require the demolition of a historic structure that was placed on a national, state, or local historic register.

(D) The property contains housing units that are occupied by tenants, and units at the property are, or were, subsequently offered for sale to the general public by the subdivider or subsequent owner of the property.

(8) The development proponent has done both of the following, as applicable:

(A) Certified to the locality that either of the following is true, as applicable:

(i) The entirety of the development is a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(ii) If the development is not in its entirety a public work, that all construction workers employed in the execution of the development will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate. If the development is subject to this subparagraph, then for those portions of the development that are not a public work all of the following shall apply:

(I) The development proponent shall ensure that the prevailing wage requirement is included in all contracts for the performance of the work.

(II) All contractors and subcontractors shall pay to all construction workers employed in the execution of the work at least the general prevailing rate of per diem wages, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(III) Except as provided in subclause (V), all contractors and subcontractors shall maintain and verify payroll records pursuant to Section 1776 of the Labor Code and make those records available for inspection and copying as provided in therein.

(IV) Except as provided in subclause (V), the obligation of the contractors and subcontractors to pay prevailing wages may be enforced by the Labor Commissioner through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, which may be reviewed pursuant to Section 1742 of the Labor Code, within 18 months after the completion of the development, by an underpaid worker through an administrative complaint or civil action, or by a joint labor-management committee though a civil action under Section 1771.2 of the Labor Code. If a civil wage and penalty assessment is issued, the contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment shall be liable for liquidated damages pursuant to Section 1742.1 of the Labor Code.

(V) Subclauses (III) and (IV) shall not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this clause, "project labor agreement" has the same meaning

as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(VI) Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing shall not apply if otherwise provided in a bona fide collective bargaining agreement covering the worker. The requirement to pay at least the general prevailing rate of per diem wages does not preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code.

(B) (i) For developments for which any of the following conditions apply, certified that a skilled and trained workforce shall be used to complete the development if the application is approved:

(I) On and after January 1, 2018, until December 31, 2021, the development consists of 75 or more units that are not 100 percent subsidized affordable housing and will be located within a jurisdiction located in a coastal or bay county with a population of 225,000 or more.

(II) On and after January 1, 2022, until December 31, 2025, the development consists of 50 or more units that are not 100 percent subsidized affordable housing and will be located within a jurisdiction located in a coastal or bay county with a population of 225,000 or more.

(III) On and after January 1, 2018, until December 31, 2019, the development consists of 75 or more units that are not 100 percent subsidized affordable housing and will be located within a jurisdiction with a population of fewer than 550,000 and that is not located in a coastal or bay county.

(IV) On and after January 1, 2020, until December 31, 2021, the development consists of more than 50 units that are not 100 percent subsidized affordable housing and will be located within a jurisdiction with a population of fewer than 550,000 and that is not located in a coastal or bay county.

(V) On and after January 1, 2022, until December 31, 2025, the development consists of more than 25 units that are not 100 percent subsidized affordable housing and will be located within a jurisdiction with a population of fewer than 550,000 and that is not located in a coastal bay county.

(ii) For purposes of this section, “skilled and trained workforce” has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(iii) If the development proponent has certified that a skilled and trained workforce will be used to complete the development and the application is approved, the following shall apply:

(I) The applicant shall require in all contracts for the performance of work that every contractor and subcontractor at every tier will individually use a skilled and trained workforce to complete the development.

(II) Every contractor and subcontractor shall use a skilled and trained workforce to complete the development.

(III) Except as provided in subclause (IV), the applicant shall provide to the locality, on a monthly basis while the development or contract is being performed, a report demonstrating compliance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code. A monthly report provided to the locality pursuant to this subclause shall be a public record under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) and shall be open to public inspection. An applicant that fails to provide a monthly report demonstrating compliance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code shall be subject to a civil penalty of ten thousand dollars ($10,000) per month for each month for which the report has not been provided. Any contractor or subcontractor that fails to use a skilled and trained workforce shall be subject to a civil penalty of two hundred dollars ($200) per day for each worker employed in contravention of the skilled and trained workforce requirement. Penalties may be assessed by the Labor Commissioner within 18 months of completion of the development using the same procedures for issuance of civil wage and penalty assessments pursuant to Section 1741 of the Labor Code, and may be reviewed pursuant to the same procedures in Section 1742 of the Labor Code. Penalties shall be paid to the State Public Works Enforcement Fund.

(IV) Subclause (III) shall not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires compliance with the skilled and trained workforce requirement and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subparagraph, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(C) Notwithstanding subparagraphs (A) and (B), a development that is subject to approval pursuant to this section is exempt from any requirement to pay prevailing wages or use a skilled and trained workforce if it meets both of the following:

(i) The project includes 10 or fewer units.

(ii) The project is not a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(9) The development did not or does not involve a subdivision of a parcel that is, or, notwithstanding this section, would otherwise be, subject to the Subdivision Map Act (Division 2 (commencing with Section 66410)) or any other applicable law authorizing the subdivision of land, unless either of the following apply:

(A) The development has received or will receive financing or funding by means of a low-income housing tax credit and is subject to the requirement that prevailing wages be paid pursuant to subparagraph (A) of paragraph (8).

(B) The development is subject to the requirement that prevailing wages be paid, and a skilled and trained workforce used, pursuant to paragraph (8).

(10) The development shall not be upon an existing parcel of land or site that is governed under the Mobilehome Residency Law (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2 of Division 2 of the Civil Code), the Recreational Vehicle Park Occupancy Law (Chapter 2.6 (commencing with Section 799.20) of Title 2 of Part 2 of Division 2 of the Civil Code), the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code), or the Special Occupancy Parks Act (Part 2.3 (commencing with Section 18860) of Division 13 of the Health and Safety Code).

(b) (1) If a local government determines that a development submitted pursuant to this section is in conflict with any of the objective planning standards specified in subdivision (a), it shall provide the development proponent written documentation of which standard or standards the development conflicts with, and an explanation for the reason or reasons the development conflicts with that standard or standards, as follows:

(A) Within 60 days of submittal of the development to the local government pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 90 days of submittal of the development to the local government pursuant to this section if the development contains more than 150 housing units.

(2) If the local government fails to provide the required documentation pursuant to paragraph (1), the development shall be deemed to satisfy the objective planning standards specified in subdivision (a).

(c) Any design review or public oversight of the development may be conducted by the local government's planning commission or any equivalent board or commission responsible for review and approval of development projects, or the city council or board of supervisors, as appropriate. That design review or public oversight shall be objective and be strictly focused on assessing compliance with criteria required for streamlined projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submission of a development application, and shall be broadly applicable to development within the jurisdiction. That design review or public oversight shall be completed as follows and shall not in any way inhibit, chill, or preclude the ministerial approval provided by this section or its effect, as applicable:

(1) Within 90 days of submittal of the development to the local government pursuant to this section if the development contains 150 or fewer housing units.

(2) Within 180 days of submittal of the development to the local government pursuant to this section if the development contains more than 150 housing units.

(d) (1) Notwithstanding any other law, a local government, whether or not it has adopted an ordinance governing parking requirements in multifamily developments, shall not impose parking standards for a streamlined development that was approved pursuant to this section in any of the following instances:

(A) The development is located within one-half mile of public transit.

(B) The development is located within an architecturally and historically significant historic district.

(C) When on-street parking permits are required but not offered to the occupants of the development.

(D) When there is a car share vehicle located within one block of the development.

(2) If the development does not fall within any of the categories described in paragraph (1), the local government shall not impose parking requirements for streamlined developments approved pursuant to this section that exceed one parking space per unit.

(e) (1) If a local government approves a development pursuant to this section, then, notwithstanding any other law, that approval shall not expire if the project includes public investment in housing affordability, beyond tax credits, where 50 percent of the units are affordable to households making below 80 percent of the area median income.

(2) If a local government approves a development pursuant to this section and the project does not include 50 percent of the units affordable to households making below 80 percent of the area median income, that approval shall automatically expire after three years except that a project may receive a one-time, one-year extension if the project proponent can provide documentation that there has been significant progress toward getting the development construction ready, such as filing a building permit application.

(3) If a local government approves a development pursuant to this section, that approval shall remain valid for three years from the date of the final action establishing that approval and shall remain valid thereafter for a project so long as vertical construction of the development has begun and is in progress. Additionally, the development proponent may request, and the local government shall have discretion to grant, an additional one-year extension to the original three-year period. The local government's action and discretion in determining whether to grant the foregoing extension shall be limited to considerations and process set forth in this section.

(f) A local government shall not adopt any requirement, including, but not limited to, increased fees or inclusionary housing requirements, that applies to a project solely or partially on the basis that the project is eligible to receive ministerial or streamlined approval pursuant to this section.

(g) This section shall not affect a development proponent's ability to use any alternative streamlined by right permit processing adopted by a local government, including the provisions of subdivision (i) of Section 65583.2.

(h) The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) does not apply to actions taken by a state agency or local government to provide financial assistance to a development that receives streamlined approval pursuant to this section that is to be used for housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code.

(i) For purposes of this section:

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

(2) "Development proponent" means the developer who submits an application for streamlined approval pursuant to this section.

(3) "Completed entitlements" means a housing development which has received all the required land use approvals or entitlements necessary for the issuance of building permit.

(4) "Locality" or "local government" means a city, including a charter city, a county, including a charter county, or a city and county, including a charter city and county.

(5) "Production report" means the information reported pursuant to subparagraph (H) of paragraph (2) of subdivision (a) of Section 65400.

(6) "Subsidized" means units that are price or rent restricted such that the units are permanently affordable to households meeting the definitions of very low and lower income, as defined in Sections 50079.5 and 50105 of the Health and Safety Code.

(7) "Reporting period" means either of the following:

(A) The first half of the regional housing needs assessment cycle.

(B) The last half of the regional housing needs assessment cycle.

(8) "State agency" includes every state office, officer, department, division, bureau, board, and commission, but does not include the California State University or the University of California.

(9) "Urban uses" means any current or former residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.

(j) The department may review, adopt, amend, and repeal guidelines to implement uniform standards or criteria that supplement or clarify the terms, references, or standards set forth in this section. Any guidelines or terms adopted pursuant to this subdivision shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(k) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 2. Chapter 5 (commencing with Section 50210) is added to Part 1 of Division 31 of the Health and Safety Code, to read:

Chapter 5. Homeless Emergency Aid Program

50210. For purposes of this chapter, the following definitions shall apply:

(a) "Administrative entity" means a unit of general purpose local government or a nonprofit organization that has previously administered federal Department of Housing and Urban Development Continuum of Care funds as the collaborative applicant pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations that has been designated by the Continuum of Care to administer program funds.

(b) "Agency" means the Business, Consumer Services, and Housing Agency.

(c) "Council" means the Homeless Coordinating and Financing Council created pursuant to Section 8257 of the Welfare and Institutions Code.

(d) "County" includes, but is not limited to, a city and county.

(e) "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on May 1, 2018.

(f) "Homeless point-in-time count" means the 2017 homeless point-in-time counts pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations.

(g) "Program" means the Homeless Emergency Aid program established pursuant to this chapter.

50211. (a) The Homeless Emergency Aid program is hereby established for the purpose of providing localities with one-time flexible block grant funds to address their immediate homelessness challenges.

(b) The agency, in consultation with the council, shall administer the program, which shall provide block grant funds.

(c) The agency's decision to approve or deny an application and the determination of the amount of funding to be provided shall be final.

(d) The agency shall maintain records of the following:

(1) The number of applications for program funding received by the agency.

(2) The number of applications for program funding denied by the agency.

(3) The name of each recipient of program funds.

(e) In administering this chapter, the agency shall not be subject to 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).

50212. (a) In order to be eligible for program funds, an administrative entity shall demonstrate the following:

(1) Except as otherwise provided in subdivision (b), the jurisdiction or jurisdictions that the administrative entity represents for which funding is requested have, at the time of the award, declared a shelter crisis pursuant to Chapter 7.8 (commencing with Section 8698) of Division 1 of Title 2 of the Government Code.

(2) The applicants within the administrative entity have collaborated in its application, and have committed to future collaboration, with other city, county, or nonprofit partners. Recipients may submit a regional plan.

(b) Notwithstanding subdivision (a), an administrative entity representing cities and counties included in the three groupings with the lowest three homeless point-in-time count thresholds pursuant to Section 50213 may submit a waiver for the requirement for a declaration of a shelter crisis, as required by paragraph (1) of subdivision (a). Upon approval by the agency during a given round of awards, a city, county, or city that is also a county shall be eligible to receive program funds through the administrative entity.

50213. (a) (1) Upon appropriation by the Legislature, two hundred fifty million dollars ($250,000,000) shall be distributed in accordance with this subdivision.

(2) The agency shall allocate the following amounts to administrative entities according to the following groupings based on homeless population:

(A) To administrative entities with a homeless point-in-time count of over 20,000 persons, forty million dollars ($40,000,000).

(B) To administrative entities with a homeless point-in-time count between 4,000 and 19,999 persons, sixty million dollars ($60,000,000).

(C) To administrative entities with a homeless point-in-time count between 2,500 and 3,999 persons, thirty million dollars ($30,000,000).

(D) To administrative entities with a homeless point-in-time count between 1,800 and 2,499 persons, forty-eight million dollars ($48,000,000).

(E) To administrative entities with a homeless point-in-time count between 1,500 and 1,799 persons, eighteen million dollars ($18,000,000).

(F) To administrative entities with a homeless point-in-time count between 1,000 and 1,499 persons, thirty-two million dollars ($32,000,000).

(G) To administrative entities with a homeless point-in-time count between 750 and 999 persons, twelve million dollars ($12,000,000).

(H) To administrative entities with a homeless point-in-time count between 250 and 749 persons, seven million dollars ($7,000,000).

(I) To administrative entities with a homeless point-in-time count of less than 250 persons, two million dollars ($2,000,000).

(J) The agency shall set aside funds for each administrative entity grouping with the funds available for each grouping to be divided equally among administrative entities within that grouping.

(K) Up to one million dollars ($1,000,000) shall be available for the agency to administer the program.

(b) Upon appropriation by the Legislature, the agency shall allocate one hundred million dollars ($100,000,000) in program funding to each administrative entity in an amount calculated based on the administrative entity's proportionate share of total homeless population based on the 2017 homeless point-in-time count.

(c) (1) Upon appropriation by the Legislature, the agency shall proportionately allocate one hundred fifty million dollars ($150,000,000) in program funding to each city or city that is also a county that meets both of the following requirements:

(A) Has a population as of January 1, 2018, of 330,000 or more, according to the data published on the Department of Finance's Internet Web site.

(B) Has, at the time of the award, declared a shelter crisis pursuant to Chapter 7.8 (commencing with Section 8698) of Division 1 of Title 2 of the Government Code.

(2) Any allocations pursuant to this subdivision shall be in an amount calculated based on the proportionate share of the total homeless population of the administrative entities, in which a recipient city or city that is also a county is included, based on the 2017 homeless point-in-time count. If more than one recipient within the administrative entity meets the requirements

of paragraph (1), the proportionate share of funds shall be equally allocated to those jurisdictions.

(d) Applications for the first round of awards shall be submitted to the agency on or before December 31, 2018. The agency shall verify whether each funding request meets the minimum criteria established by this chapter and make awards on a continuous basis based on that criteria, but no later than January 31, 2019.

(e) (1) If, after the first round of awards pursuant to this section, not all funds have been claimed by all administrative entities, the agency shall set aside any remaining funds for a second round of awards.

(2) Applications for the second round of awards shall be submitted to the agency on or before April 30, 2019. The agency shall verify whether each funding request meets the minimum criteria established by this chapter and make awards on a continuous basis based on that criteria, but no later than May 31, 2019. Any qualifying administrative entity may apply for funds available in the second round of awards.

(f) If, after the second round of awards pursuant to subdivision (d), not all funds have been claimed by all administrative entities, the agency shall, no later than June 15, 2019, work with the Department of Finance to identify an appropriate allocation methodology for a third round of awards, or determine if any unallocated funds should revert to the General Fund. The allocation methodology or reversion to the General Fund shall be approved by the Department of Finance with notification provided to the Joint Legislative Budget Committee.

50214. (a) Program funds shall be expended on one-time uses that address homelessness, including, but not limited to, prevention, criminal justice diversion programs to homeless individuals with mental health needs, and emergency aid.

(b) No more than five percent of programs funds may be used for administrative costs related to the execution of eligible activities. For purposes of this subdivision, "administrative costs" does not include staff costs directly related to carrying out the eligible activities pursuant to subdivision (a). Program funds shall not be used for overhead or planning activities.

(c) An administrative entity shall use no less than five percent of its total allocation to establish or expand services meeting the needs of homeless youth or youth at risk of homelessness.

50215. (a) (1) No later than January 1, 2020, each recipient of program funds shall submit to the agency a report, on a form provided by the agency, pertaining to contract expenditures, the number of homeless individuals served by program funds, and progress toward state and local homelessness goals.

(2) The agency may request additional information, as needed, to meet other applicable reporting or audit requirements.

(b) (1) Not less than 50 percent of program funds shall be contractually obligated by January 1, 2020.

(2) One hundred percent of program funds shall be contractually obligated by June 30, 2021. Any funds not expended by that date shall be returned to the agency and revert to the General Fund.

(c) The agency may monitor expenditures and activities of an administrative entity, as the agency deems necessary, to ensure compliance with program requirements.

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

SEC. 3. Section 50472 is added to the Health and Safety Code, to read:

50472. The department shall allocate the funds described in subparagraph (B) of paragraph (1) of subdivision (b) of Section 50470 as follows:

(a) Five million dollars ($5,000,000) to the Bridges at Kraemer Place emergency shelter, located in Orange County.

(b) Five million dollars ($5,000,000) to the County of Merced, in furtherance of Phase 1 to create a homeless navigation center. These efforts may include, but are not limited to, the following:

(1) Capital and construction costs.

(2) Contracting costs associated with hiring outside consultants to provide technical assistance for development of the homeless navigation center.

(3) Operating subsidies for current homelessness intervention efforts located in the county, coordinated by the county, and provided by a nonprofit organization, community-based housing, or homeless service provider in partnership with the county or by county employees.

(c) Of the funds remaining after making the allocations described in subdivisions (a) and (b), 50 percent of those funds shall be available for purposes of Chapter 2.8 (commencing with Section 50490), and 50 percent shall be available for the Housing for a Healthy California Program (Part 14.2 (commencing with Section 53590)).

SEC. 4. Chapter 2.8 (commencing with Section 50490) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

Chapter 2.8. California Emergency Solutions and Housing Program

50490. For purposes of this chapter:

(a) "Administrative entity" means one of the following that has been designated by the Continuum of Care to administer California Emergency Solutions and Housing Program funds:

(1) A unit of general purpose local government.

(2) A nonprofit organization that has previously administered HUD Continuum of Care funds as the collaborative applicant, as that term is defined by Section 578.3 of Title 24 of the Code of Federal Regulations.

(3) A unified funding agency, as that term is defined by Section 578.3 of Title 24 of the Code of Federal Regulations.

(b) "Applicant" means an administrative entity that has applied to receive funds under the program.

(c) "At risk of homelessness" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

(d) "Continuum of Care" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

(e) "Continuum of Care service area" means the entire geographic area within the boundaries of a Continuum of Care.

(f) "Coordinated Entry System," or "CES," means a centralized or coordinated assessment system developed pursuant to Section 576.400(d) or Section 578.7(a)(8), as applicable, of Title 24 of the Code of Federal Regulations, and related requirements, designed to coordinate program participant intake, assessment, and referrals. In order to satisfy this subdivision, a centralized or coordinated assessment system shall cover the entire geographic area, be easily accessed by individuals and families seeking housing or services, be well advertised, and include a comprehensive and standardized assessment tool.

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

(h) "HMIS" means a Homeless Management Information System, as defined in Section 578.3 of Title 24 of the Code of Federal Regulations. The term "HMIS" also includes the use of a comparable database by a victim services provider or legal services provider that is permitted by HUD under Part 576 of Title 24 of the Code of Federal Regulations.

(i) "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

(j) "HUD" means the federal Department of Housing and Urban Development.

(k) "Permanent housing" means a structure or set of structures with subsidized or unsubsidized rental housing units subject to applicable landlord-tenant law, with no limit on length of stay and no requirement to participate in supportive services as a condition of access to or continued occupancy in the housing. "Permanent housing" includes permanent supportive housing.

(*l*) "Permanent supportive housing" means permanent housing with no limit on the length of stay that is occupied by the target population and that is linked to onsite or offsite services that assist the supportive housing residents in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. "Permanent supportive housing" includes associated facilities if used to provide services to housing residents.

(m) "Program" means the California Emergency Solutions and Housing Program established pursuant to this chapter.

(n) "Subrecipient" means a unit of local government or a private nonprofit or for-profit organization that the administrative entity determines is qualified to undertake the eligible activities, described in subdivision (a) of Section 50490.4, for which the administrative entity seeks funds under the program,

and that enters into a contract with the administrative entity to undertake those eligible activities in accordance with the requirements of the program.

(o) "Temporary housing" means housing that does not qualify as permanent housing as defined under subdivision (*l*), including, but not limited to, emergency shelters or navigation centers as defined under other federal, state, or local programs. All programs providing temporary housing funded pursuant to this chapter shall have partnerships or other linkages to case management services to connect homeless individuals and families to income, public benefits, health services, and permanent housing

50490.1. (a) There is hereby established the California Emergency Solutions and Housing Program, to be administered by the department in accordance with this chapter.

(b) The department may carry out the program through the issuance of one or more notices of funding availability as necessary to exercise the powers and perform the duties conferred or imposed on it by this chapter. An administrative entity may submit an application, which shall meet all the requirements in Section 50490.3, for an allocation pursuant to subdivision (a) of Section 50490.2 in response to a notice of funding availability issued by the department pursuant to this section. Any notice of funding availability issued pursuant to this section shall not be subject to 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).

50490.2. (a) The department shall allocate 50 percent of moneys available in the Building Homes and Jobs Trust Fund described in subdivision (c) of Section 50472, and any moneys that have not yet been made available pursuant to a notice of funding availability or request for proposal as of June 30, 2018, that were previously appropriated by Item 2240-105-0001 in the Budget Act of 2016 (Chapter 23 of the Statutes of 2016) for purposes of the California Emergency Solutions Grants Program (Chapter 19 (commencing with Section 50899.1)) for expenditure by an administrative entity within each Continuum of Care service area using the most recent data available for that Continuum of Care service area. The department shall allocate the money described in the previous sentence using a formula that is based off of the formula utilized, as of June 30, 2018, for the allocation of grants pursuant to the California Emergency Solutions Grants Program (Chapter 19 (commencing with Section 50899.1)), and that includes the following formula components:

(1) The 2017 point-in-time count published by HUD that includes both sheltered and unsheltered homeless.

(2) The number of extremely low income households in rental housing that pay more than 50 percent of household income on rent, based on HUD's most recent Comprehensive Housing Affordability Strategy dataset.

(3) (A) The number of persons below the federal poverty line divided by the total population within the Continuum of Care service area, based on data from the United States Census Bureau.

(B) The formula required by this subdivision shall afford double weight to the factor described in this paragraph.

(b) The administrative entity within a Continuum of Care service area that receives an allocation pursuant to this section shall not use more than 5 percent of that allocation for administrative costs related to the planning and execution of eligible activities. For purposes of this subdivision, "administrative costs" does not include staff and overhead costs directly related to carrying out the eligible activities described in subdivision (a) of Section 50490.4. An administrative entity may share any funds available for administrative costs with a subrecipient.

(c) Any funds not distributed by the Continuum of Care service area or otherwise returned to the department shall be reallocated in the following manner in order to redistribute funds as soon as possible:

(1) Any funds not distributed after the initial round of awards shall be reallocated among all Continuum of Care service areas with a participating administrative entity, in accordance with the formula specified in subdivision (a) and any other applicable requirements of this section, in a subsequent notice of funding availability released for the program.

(2) Any funds not distributed after the second round of awards shall revert to be used for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).

(d) Funds available under the program are not required to be matched.

50490.3. (a) An application submitted in response to the department's notice of funding availability shall meet all of the following minimum requirements:

(1) The application requests an allocation pursuant to subdivision (a) of Section 50490.2 in order to carry out one or more of the eligible activities described in subdivision (a) of Section 50490.4 within the relevant Continuum of Care service area.

(2) The applicant is an administrative entity that meets one of the following:

(A) Has prior experience administering the eligible activities described in the application.

(B) Has partnered with one or more local governments or other entities within the relevant Continuum of Care service area that have the necessary prior experience to administer the requested funds.

(3) (A) Except as otherwise provided in subparagraph (B), the application documents that the Continuum of Care service area has a functioning CES and HMIS that meet the applicable HUD requirements, as set forth in the department's notice of funding availability.

(B) If the Continuum of Care does not have systems in place that meet the requirements of subparagraph (A), the application documents that a minimum of 20 percent of the allocation to the Continuum of Care service area pursuant to subdivision (a) of Section 50490.2 will be used to implement or update its systems to comply with the applicable HUD requirements.

(4) The application describes or provides documentation of the local program or project selection process anticipated to be used to allocate

available funds to subrecipients qualified to carry out the eligible activities. In order to satisfy the requirements of this subdivision, the applicant's proposed program or project selection process shall avoid conflicts of interest in program or project selection and shall be easily accessible to the public.

(5) The application identifies anticipated estimated amounts to be used for the specific eligible activities described in the application and numerical goals and performance measures established by the applicant, in collaboration with the relevant Continuum of Care, to be used to evaluate success in implementing eligible activities described in the application for the anticipated term of the agreement with the department entered into pursuant to subdivision (a) of Section 50490.5. Any goal established pursuant to this paragraph shall be greater than zero, unless using funds for systemwide or administrative capacity-building such as improving CES functionality. At minimum, the application shall evaluate the following project or system performance measures based on HMIS data from the Continuum of Care service area, as set forth in the department's notice of funding availability:

(A) The number of homeless persons served.

(B) The number of unsheltered homeless persons served, and the average length of time spent as homeless before entry into the program or project.

(C) The number of homeless persons exiting the program or project to permanent housing.

(D) The number of persons that return to homelessness after exiting the program or project.

(b) An application submitted in response to the department's notice of funding availability may include, if available, the most current plan addressing actions to be taken within the Continuum of Care service area to address homelessness. If there is no current plan addressing actions to be taken within the Continuum of Care service area to address homelessness, the application may request that funds allocated to the Continuum of Care service area pursuant to subdivision (a) of Section 50490.2 be used to develop a plan. If an application requests funding to develop a plan pursuant to this subdivision, the applicant shall submit the plan developed to the department prior to the expiration of the contract pursuant to subdivision (a) of Section 50490.5.

50490.4. (a) An administrative entity shall use funds allocated pursuant to subdivision (a) of Section 50490.2 for one or more of the following eligible activities:

(1) Rental assistance and housing relocation and stabilization services to ensure housing affordability to people experiencing homelessness or at risk of homelessness. Rental assistance provided pursuant to this paragraph shall not exceed 48 months for each assisted household, and rent payments shall not exceed two times the current HUD fair market rent for the local area, as determined pursuant to Part 888 of Title 24 of the Code of Federal Regulations.

(2) Operating subsidies in the form of 15-year capitalized operating reserves for new and existing affordable permanent housing units for homeless individuals and families.

(3) Flexible housing subsidy funds for local programs that establish or support the provision of rental subsidies in permanent housing to assist homeless individuals and families. Funds used for purposes of this paragraph may support rental assistance, bridge subsidies to property owners waiting for approval from another permanent rental subsidy source, vacancy payments, or project-based rent or operating reserves.

(4) Operating support for emergency housing interventions, including, but not limited to, the following:

(A) Navigation centers that provide temporary room and board and case managers who work to connect homeless individuals and families to income, public benefits, health services, permanent housing, or other shelter.

(B) Street outreach services to connect unsheltered homeless individuals and families to temporary or permanent housing.

(C) Shelter diversion, including, but not limited to, homelessness prevention activities, and other necessary service integration activities to connect individuals and families to alternate housing arrangements, services, and financial assistance.

(5) Systems support for activities necessary to maintain a comprehensive homeless services and housing delivery system, including CES, data, and HMIS reporting, and homelessness planning activities.

(6) To develop or update a CES system pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 50490.3, or to develop a plan addressing actions to be taken within the Continuum of Care service area to address homelessness pursuant to subdivision (b) of Section 50490.3.

(b) The administrative entity or a subrecipient, as applicable, shall establish the duration, amount, and other terms of assistance provided, consistent with the requirements of this chapter and other reasonable limitations established by the department in the notice of funding availability or in the contract with the department entered into pursuant to subdivision (a) of Section 50490.5.

(c) Unless otherwise exempted by federal rules, an administrative entity that is allocated funding under the program for a program or project that is an eligible activity shall utilize a CES that meets the requirements of Section 576.400(d) or Section 578.7(a)(8), as applicable, of Title 24 of the Code of Federal Regulations and related HUD requirements. Except in the case of a program or project specifically concerned with homelessness prevention activities as a part of shelter diversion activities authorized under subparagraph (C) of paragraph (3) of subdivision (a), an administrative entity that is allocated funding under the program for an eligible program or project funded shall prioritize assistance to homeless individuals and families over assistance to individuals and families at risk of homelessness.

(d) An administrative entity that is allocated funds under the program for eligible activities described in subdivision (a) that provide permanent

housing shall incorporate the core components of Housing First, as provided in subdivision (b) of Section 8255 of the Welfare and Institutions Code.

(e) An administrative entity shall provide all eligible activities in a manner consistent with the housing first practices described in paragraphs (1) to (6), inclusive, of subdivision (b) of Section 8409 of Title 25 of the California Code of Regulations.

(f) An administrative entity shall not use more than 40 percent of any funds allocated pursuant to subdivision (a) of Section 50490.2 in a fiscal year for operating support for emergency housing interventions as described in paragraph (4) of subdivision (a).

50490.5. (a) The department shall distribute funds allocated to an administrative entity pursuant to subdivision (a) of Section 50490.2 by executing a contract with that entity that shall be for a term of five years. After a contract has expired pursuant to this subdivision, any funds not expended for eligible activities described in subdivision (a) of Section 50490.4 shall revert to the department to be used for the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).

(b) (1) An administrative entity that receives funds pursuant to this chapter shall submit to the department an annual report on a form issued by the department, pertaining to the administrative entity's program or project selection process performed in collaboration with the Continuum of Care, contract expenditures, and progress toward meeting state and local goals as demonstrated by the performance measures set forth in the application pursuant to paragraph (4) of subdivision (a) of Section 50490.3.

(2) The annual report required by this subdivision shall include the information required by paragraph (2) of subdivision (c), pertaining to funds distributed to subrecipients.

(3) The department may request additional information, as needed to meet other applicable reporting or audit requirements.

(c) (1) An administrative entity that receives funds under the program shall be responsible for ensuring that the expenditure of those funds is in accordance with this chapter and for the eligible activities described in subdivision (a) of Section 50490.4. The administrative entity shall monitor the activities and expenditures of any subrecipients at least annually to ensure that those activities and expenditures comply with this chapter.

(2) As part of the annual report required pursuant to subdivision (b), the administrative entity shall report to the department on the expenditures and activities of any subrecipients for each year of the term of the contract with the department until all funds awarded to a subrecipient have been expended.

(d) The department may monitor the expenditures and activities of the administrative entity, as the department deems necessary, to ensure compliance with program requirements.

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

SEC. 5. Section 50710.3 is added to the Health and Safety Code, to read:

50710.3. (a) (1) A migratory agricultural worker eligible for housing pursuant to this chapter shall have resided outside a 50-mile radius of the migrant farm labor center for at least three months out of the preceding six-month period.

(2) Paragraph (1) applies only to the migratory agricultural worker, and does not apply to immediate family members of the migratory agricultural worker. Immediate family members of a migratory agricultural worker may reside within a 50-mile radius of the migrant farm labor center on a year-round basis.

(b) (1) Notwithstanding subdivision (a), the department shall approve a proposal submitted by an entity operating a migrant farm labor center provided that it meets all of the following requirements and conditions:

(A) The proposal provides for up to 50 percent of the number of units at the migrant farm labor center to be exempt from the requirement that agricultural workers reside outside a 50-mile radius of the migrant farm labor center for at least three months out of the preceding six-month period.

(B) The proposal requires an agricultural worker, in order to be eligible for a unit at the migrant farm labor center under the exemption set forth in subparagraph (A), to have schoolage children and, upon enrollment, provide to the entity proof of enrollment of their children in the local school district, grades K–12.

(C) The proposal reserves a minimum of 50 percent of the number of units at the migrant farm labor center for migratory agricultural workers who require round-trip travel exceeding 100 miles per day, which results in the migratory agricultural worker being unable to return to the workers' chosen place of residence within the same day of labor.

(D) (i) The proposal was previously presented at a public meeting of the migrant farm labor center's resident council.

(ii) For purposes of this section, the term "resident council" means an entity elected from among residents of the migrant farm labor center with the responsibilities of electing from themselves a chairperson, advising the entity operating the migrant farm labor center or department on any matters pertinent to the operation of the migrant farm labor center, and representing all residents of the migrant farm labor center on matters which properly should be presented to the entity operating the migrant farm labor center and department.

(2) In determining an applicant's status as an agricultural worker, the combined earned income of all members of the applicant's household shall be considered, and as long as 50 percent of the household's combined earned income is derived from agricultural employment, any individual household members may engage in nonagricultural employment.

(3) If the department approves a proposal pursuant to paragraph (1), the operating entity shall submit a report to the department on an annual basis, by a date determined by the department, that identifies the number of units rented to migratory and nonmigratory households at each migrant farm labor center.

(c) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 6. Section 50717 is added to the Health and Safety Code, to read:

50717. (a) On or before January 1, 2019, and on or before January 1 of each year thereafter, an entity operating a migrant farm labor center shall provide a report to the Office of Migrant Services that contains the data specified in subdivision (b) about the agricultural workers that resided at the migrant farm labor center during the most recently concluded contract period. This data shall be reported in an aggregate, anonymous format, without any individual identifiable information.

(b) The report shall include the following information:

(1) Where the migratory agricultural workers are migrating from.

(2) Household incomes.

(3) Race or ethnicity of members of each household.

(4) Genders of the members of each household.

(5) (A) Number of schoolaged children, including number of participants in the Migrant Education Program, and the number of residents enrolled in K–12 programs.

(B) Information regarding the intended schooling for the children once the migrant farm labor center closes.

(6) Where members of the household reside when not in the migrant farm labor center and whether they own or rent.

(7) If members of households are elderly or disabled.

(8) If the migrant farm labor center has an approved proposal allowing for an exemption pursuant to subparagraph (A) of paragraph (1) of subdivision (b) of Section 50710.3, the number and percentage of units allocated to nonmigrant agricultural workers, and the number of children enrolled in the local school district, grades K–12.

(c) The Migrant Education Program shall share information with the Department of Housing and Community Development regarding the number of students utilizing a migrant farm labor center address to register, as recorded in the State's Migrant Education Program database. This information shall be reported in an aggregate, anonymous format, without any individual identifiable information.

SEC. 7. Section 8257 of the Welfare and Institutions Code is amended to read:

8257. (a) Within 180 days of the effective date of the measure adding this chapter, the Governor shall create a Homeless Coordinating and Financing Council.

(b) The council shall have the following goals:

(1) To oversee implementation of this chapter.

(2) To identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California.

(3) To create partnerships among state agencies and departments, local government agencies, participants in the United States Department of Housing and Urban Development's Continuum of Care Program, federal agencies, the United States Interagency Council on Homelessness, nonprofit

entities working to end homelessness, homeless services providers, and the private sector, for the purpose of arriving at specific strategies to end homelessness.

(4) To promote systems integration to increase efficiency and effectiveness while focusing on designing systems to address the needs of people experiencing homelessness, including unaccompanied youth under 25 years of age.

(5) To coordinate existing funding and applications for competitive funding. Any action taken pursuant to this paragraph shall not restructure or change any existing allocations or allocation formulas.

(6) To make policy and procedural recommendations to legislators and other governmental entities.

(7) To identify and seek funding opportunities for state entities that have programs to end homelessness, including, but not limited to, federal and philanthropic funding opportunities, and to facilitate and coordinate those state entities' efforts to obtain that funding.

(8) To broker agreements between state agencies and departments and between state agencies and departments and local jurisdictions to align and coordinate resources, reduce administrative burdens of accessing existing resources, and foster common applications for services, operating, and capital funding.

(9) To serve as a statewide facilitator, coordinator, and policy development resource on ending homelessness in California.

(10) To report to the Governor, federal Cabinet members, and the Legislature on homelessness and work to reduce homelessness.

(11) To ensure accountability and results in meeting the strategies and goals of the council.

(12) To identify and implement strategies to fight homelessness in small communities and rural areas.

(13) To create a statewide data system or warehouse that collects local data through Homeless Management Information Systems, with the ultimate goal of matching data on homelessness to programs impacting homeless recipients of state programs, such as Medi-Cal (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) and CalWORKS (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code).

(c) (1) The Governor shall appoint up to 17 members of the council as follows:

(A) The Secretary of Business, Consumer Services, and Housing, or his or her designee who shall serve as chair of the council.

(B) A representative from the Department of Transportation.

(C) A representative from the Department of Housing and Community Development.

(D) A representative of the State Department of Social Services.

(E) A representative of the California Housing Finance Agency.

(F) A representative of the State Department of Health Care Services.

(G) A representative of the Department of Veterans Affairs.

(H) A representative of the Department of Corrections and Rehabilitation.

(I) A representative from the California Tax Credit Allocation Committee in the Treasurer's office.

(J) A representative of the Victim Services Program within the Division of Grants Management within the Office of Emergency Services.

(K) A formerly homeless person who lives in California.

(L) A formerly homeless youth who lives in California.

(M) Two representatives of local agencies or organizations that participate in the United States Department of Housing and Urban Development's Continuum of Care Program.

(N) State advocates or other members of the public or state agencies, according to the Governor's discretion.

(2) The Senate Committee on Rules and the Speaker of the Assembly shall each appoint one representative of the council from two different stakeholder organizations.

(3) The council may, at its discretion, invite stakeholders, individuals who have experienced homelessness, members of philanthropic communities, and experts to participate in meetings or provide information to the council.

(d) The council shall hold public meetings at least once every quarter.

(e) The members of the council shall serve at the pleasure of the appointing authority.

(f) Within existing funding, the council may establish working groups, task forces, or other structures from within its membership or with outside members to assist it in its work. Working groups, task forces, or other structures established by the council shall determine their own meeting schedules.

(g) The members of the council shall serve without compensation, except that members of the council who are, or have been, homeless may receive reimbursement for travel, per diem, or other expenses.

(h) The Business, Consumer Services, and Housing Agency shall provide staff for the council.

(i) The members of the council may enter into memoranda of understanding with other members of the council to achieve the goals set forth in this chapter, as necessary, in order to facilitate communication and cooperation between the entities the members of the council represent.

(j) There shall be an executive director of the council under the direction of the Secretary of Business, Consumer Services, and Housing.

(k) The council shall be under the direction of the executive director and staffed by employees of the Business, Consumer Services, and Housing Agency.

SEC. 8. Item 2240-105-0001 of Section 2.00 of the Budget Act of 2016 is amended to read:

2240-105-0001—For transfer by the Controller to the Emergency Housing and Assistance Fund.....	45,000,000

Provisions:

1. The funds transferred by this item shall be used for support costs and local assistance associated with administering the California Emergency Solutions Grant Program as set forth in Chapter 19 (commencing with Section 50899.1) of Part 2 of Division 31 of the Health and Safety Code. Any amount of the funds transferred by this item that remains unobligated as of June 30, 2018, shall be used for purposes of the California Emergency Solutions and Housing Program (Chapter 2.8 (commencing with Section 50490) of Part 2 of Division 31 of the Health and Safety Code).

SEC. 9. The Legislature finds and declares that 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 in the Bridges at Kraemer Place shelter and in the County of Merced it is therefore necessary to allocate funds to that shelter and county directly.

SEC. 10. 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.

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