
SENATE COMMITTEE ON HOUSING
Senator Scott Wiener, Chair
2021 - 2022 Regular

Bill No:	AB 1978	Hearing Date:	6/21/2022
Author:	Ward		
Version:	5/2/2022		
Urgency:	No	Fiscal:	Yes
Consultant:	Mehgie Tabar		

SUBJECT: Department of Housing and Community Development: powers

DIGEST: This bill authorizes various activities by the Department of Housing and Community Development (HCD).

ANALYSIS:

Existing law:

- 1) Provides that HCD may make advance payments to eligible borrowers and grantees under any loan or grant programs for housing established pursuant to this part, if HCD makes all of the following determinations:
 - a) The advance payments are necessary to meet the purposes of the housing program;
 - b) The advance payments are necessary for the feasibility of the assisted housing;
 - c) The use of the advanced funds is adequately regulated by contract or budgetary controls so that the opportunity to accrue interest on the funds is not unnecessarily reduced; and
 - d) HCD may enter into regulatory agreements to ensure that there is adequate financial security for the funds from which those advance payments are made.

This bill:

- 1) Authorizes HCD to do any of the following in administering any program unless specifically prohibited by another applicable law:
 - a) Publish a notice of funding availability and application deadlines ahead of, and contingent upon, the availability of funding;

- b) Issue funding to an award recipient up-front rather than as a reimbursement, as specified; and
 - c) Provide technical assistance to applicants that meet program submission deadlines to correct technical errors or provide missing information, as specified.
- 2) Requires HCD to establish a tracking system for all programs that, at a minimum, includes the deadlines for each step of a program application. Requires the tracking system to be on the HCD's internet website.

COMMENTS:

- 1) *Author's statement.* According to the author, "Continuum of Care (CoC) programs are increasingly depended on by the State to provide critical services which address wide-ranging support needed to resolve homelessness. Unfortunately, existing administrative processes present unnecessary delays and limitations in delivering appropriations to CoCs so they may turn resources into action faster to meet the crisis in the moment.

AB 1978 will support CoCs by providing the Department of Housing and Community Development with the legislative direction and allowances to publish timelines for grants, issue funds up-front, provide applicants with technical assistance during the application review process, and expand the authority of certain departmental leaders to expedite decisions."

- 2) *HCD.* HCD administers federal housing funding for the state for programs, including Community Development Block Program (CDBG), HOME, Emergency Solutions Grant (ESG) Program and the National Housing Trust Fund (NHTF). Cities and counties must sign a contract with HCD before they can receive federal funds. Some jurisdictions have complained that HCD is slow to provide contracts and release funding once the contracts are executed.

This bill would require that HCD establish a tracking system for program applicants so they can follow the progression of their program application. The bill requires the tracking system to be on HCD's internet website.

In addition, HCD would be required to publish a NOFA and application deadlines ahead of, and contingent upon, the availability of funding; issue funding to an award recipient up-front rather than as a reimbursement, provided that the department provides ongoing support and monitoring of the funding; and provide technical assistance to applicants that meet program submission

deadlines to correct technical errors or provide missing information, so that applications are not ultimately rejected because of a minor error or oversight.

Currently this bill applies to any program administered by HCD, the author has proposed limiting the bill to CDBG, HOME, ESG, and the NHTF.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, June 15, 2022.)

SUPPORT:

Jewish Family Service San Diego
People Assisting The Homeless (PATH)

OPPOSITION:

None received.

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