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AMENDED IN SENATE MARCH 23, 2017  
AMENDED IN SENATE MARCH 21, 2017  
AMENDED IN SENATE MARCH 7, 2017  
AMENDED IN SENATE FEBRUARY 22, 2017

**SENATE BILL**

**No. 2**

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**Introduced by Senator Atkins**

**(Coauthors: Senators Beall, Bradford, Dodd, Galgiani, Hertzberg, Hill, Hueso, Jackson, Mendoza, Mitchell, Roth, Skinner, Wieckowski, and Wiener)**

(Coauthors: Assembly Members Bonta, Gloria, and Thurmond)

December 5, 2016

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An act to add Section 27388.1 to the Government Code, and to amend Section 50408 of, and to add Chapter 2.5 (commencing with Section 50470) to Part 2 of Division 31 of, the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as amended, Atkins. Building Homes and Jobs Act.

Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home ownership for very low and low-income households, and downpayment assistance for first-time home buyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law. Existing law requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill

development, brownfield cleanup that promotes infill development, and housing-related parks.

This bill would enact the Building Homes and Jobs Act. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property, not to exceed \$225. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program. The bill would require that a county recorder quarterly send revenues from this fee, after deduction of any actual and necessary administrative costs incurred by the county recorder, to the Controller for deposit in the Building Homes and Jobs Fund, which the bill would create within the State Treasury. The bill would, upon appropriation by the Legislature, require that 20% of the moneys in the fund be expended for affordable owner-occupied workforce housing and 10% of the moneys for housing purposes related to agricultural workers and their families, and would authorize the remainder of the moneys in the fund to be expended to support affordable housing, home ownership opportunities, and other housing-related programs, as specified. The bill would impose certain auditing and reporting requirements and would establish the Building Homes and Jobs Trust Fund Governing Board that would, among other things, review and approve recommendations made by the Department of Housing and Community Development for the distribution of moneys from the fund.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

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

1 SECTION 1. This act shall be known as the Building Homes  
2 and Jobs Act.

3 SEC. 2. (a) The Legislature finds and declares that having a  
4 healthy housing market that provides an adequate supply of homes  
5 affordable to Californians at all income levels is critical to the  
6 economic prosperity and quality of life in the state.

7 (b) The Legislature further finds and declares all of the  
8 following:

9 (1) Funding approved by the state’s voters in 2002 and 2006,  
10 as of June 2015, has financed the construction, rehabilitation, and  
11 preservation of over 14,000 shelter spaces and 245,000 affordable  
12 homes. These numbers include thousands of supportive homes for  
13 people experiencing homelessness. In addition, these funds have  
14 helped tens of thousands of families become or remain  
15 homeowners. Nearly all of the voter-approved funding for  
16 affordable housing has been awarded.

17 (2) The requirement in the Community Redevelopment Law  
18 that redevelopment agencies set aside 20 percent of tax increment  
19 for affordable housing generated roughly \$1 billion per year. With  
20 the elimination of redevelopment agencies, this funding stream  
21 has disappeared.

22 (3) In 2014, the Legislature committed 10 percent of ongoing  
23 cap-and-trade funds for affordable housing that reduces greenhouse  
24 gas emissions and dedicated \$100 million in one-time funding for  
25 affordable multifamily and permanent supportive housing. In  
26 addition, the people of California thoughtfully approved the  
27 repurposing of \$600 million in already committed bond funds for  
28 the creation of affordable rental and permanent supportive housing  
29 for veterans through the passage of Proposition 41.

30 (4) In 2015, the Legislature approved \$2 billion in revenue  
31 bonds for the construction and rehabilitation of permanent  
32 supportive housing for homeless individuals with mental illness  
33 through the “No Place Like Home” initiative and increased funding  
34 for the CalWORKs Housing Support Program to \$47 million per  
35 year. Another \$45 million was directed to Emergency Solutions  
36 Grants to fund rapid rehousing, outreach, shelters, and homeless  
37 prevention and \$10 million was provided to reduce homelessness  
38 among families who are part of the child welfare system.

1 (5) Despite these investments, the need for affordable housing  
2 in the State of California greatly exceeds the available resources,  
3 demonstrated by the Public Policy Institute of California finding  
4 that, as of January 2016, 31.5 percent of mortgaged homeowners  
5 and 47 percent of all renters are spending more than 35 percent of  
6 their household incomes on housing.

7 (6) California has 12 percent of the United States population,  
8 but 20 percent of its homeless population. California has the highest  
9 percentage of unsheltered homeless in the nation, with 64 percent  
10 of homeless Californians not having shelter. California has 24  
11 percent of the nation's homeless veterans population and one-third  
12 of the nation's chronically homeless population. California also  
13 has the largest population of unaccompanied homeless children  
14 and youth, with 28 percent of the national total.

15 (7) Furthermore, four of the top 10 metropolitan areas in the  
16 country with the highest rate of homelessness are in the following  
17 metropolitan areas in California: San Jose-Sunnyvale-Santa Clara,  
18 Los Angeles-Long Beach-Santa Ana, Fresno, and Stockton.

19 (8) California continues to have the second lowest  
20 homeownership rate in the nation, and the Los Angeles  
21 metropolitan area is now a majority renter area. In fact, five of the  
22 eight lowest homeownership rates are in metropolitan areas in  
23 California.

24 (9) Los Angeles and Orange Counties have been identified as  
25 the epicenter of overcrowded housing, and numerous studies have  
26 shown that children in crowded homes have poorer health, worse  
27 scores on mathematics and reading tests, and higher rates of  
28 depression and behavioral problems—even when poverty is taken  
29 into account.

30 (10) Millions of Californians are affected by the state's chronic  
31 housing shortage, including seniors, veterans, people experiencing  
32 chronic homelessness, working families, people with mental,  
33 physical, or developmental disabilities, agricultural workers, people  
34 exiting jails, prisons, and other state institutions, survivors of  
35 domestic violence, and former foster and transition-aged youth.

36 (11) *California has 109 federally recognized tribes and 723,000*  
37 *residents with Native American ancestry, the largest number of*  
38 *tribes and residents in the United States. Due to historic dislocation*  
39 *and lack of housing choices, most do not live on tribal lands and*  
40 *those who do live in severely substandard, overcrowded homes*

1 *lacking quality water and sewer services at rates greater than the*  
2 *general population.*

3 ~~(11)~~

4 (12) Eight of the top 10 hardest hit cities by the foreclosure  
5 crisis in the nation were in California. They include the Cities of  
6 Stockton, Modesto, Vallejo, Riverside, San Bernardino, Merced,  
7 Bakersfield, and Sacramento.

8 ~~(12)~~

9 (13) California's workforce continues to experience longer  
10 commute times as persons in the workforce seek affordable housing  
11 outside the areas in which they work. If California is unable to  
12 support the construction of affordable housing in these areas,  
13 congestion problems will strain the state's transportation system  
14 and exacerbate greenhouse gas emissions.

15 ~~(13)~~

16 (14) Many economists agree that the state's higher than average  
17 unemployment rate is due in large part to massive shrinkage in the  
18 construction industry from 2005 to 2009, including losses of nearly  
19 700,000 construction-related jobs, a 60-percent decline in  
20 construction spending, and an 83-percent reduction in residential  
21 permits. Restoration of a healthy construction sector will  
22 significantly reduce the state's unemployment rate.

23 ~~(14)~~

24 (15) The lack of sufficient housing impedes economic growth  
25 and development by making it difficult for California employers  
26 to attract and retain employees.

27 ~~(15)~~

28 (16) To keep pace with continuing demand, the state should  
29 identify and establish a permanent, ongoing source or sources of  
30 funding dedicated to affordable housing development. Without a  
31 reliable source of funding for housing affordable to the state's  
32 workforce and most vulnerable residents, the state and its local  
33 and private housing development partners will not be able to  
34 continue increasing the supply of housing after existing housing  
35 bond resources are depleted.

36 ~~(16)~~

37 (17) The investment will leverage billions of dollars in private  
38 investment, lessen demands on law enforcement and dwindling  
39 health care resources as fewer people are forced to live on the

1 streets or in dangerous substandard buildings, and increase  
2 businesses' ability to attract and retain skilled workers.

3 ~~(17)~~

4 (18) In order to promote housing and homeownership  
5 opportunities, the recording fee imposed by this act shall not be  
6 applied to any recording made in connection with a sale of real  
7 property. Purchasing a home is likely the largest purchase made  
8 by Californians, and it is the intent of this act to not increase  
9 transaction costs associated with these transfers.

10 SEC. 3. Section 27388.1 is added to the Government Code, to  
11 read:

12 27388.1. (a) (1) Commencing January 1, 2018, and except as  
13 provided in paragraph (2), in addition to any other recording fees  
14 specified in this code, a fee of seventy-five dollars (\$75) shall be  
15 paid at the time of recording of every real estate instrument, paper,  
16 or notice required or permitted by law to be recorded, except those  
17 expressly exempted from payment of recording fees, per each  
18 single transaction per parcel of real property. The fee imposed by  
19 this section shall not exceed two hundred twenty-five dollars  
20 (\$225). "Real estate instrument, paper, or notice" means a  
21 document relating to real property, including, but not limited to,  
22 the following: deed, grant deed, trustee's deed, deed of trust,  
23 reconveyance, quit claim deed, fictitious deed of trust, assignment  
24 of deed of trust, request for notice of default, abstract of judgment,  
25 subordination agreement, declaration of homestead, abandonment  
26 of homestead, notice of default, release or discharge, easement,  
27 notice of trustee sale, notice of completion, UCC financing  
28 statement, mechanic's lien, maps, and covenants, conditions, and  
29 restrictions.

30 (2) The fee described in paragraph (1) shall not be imposed on  
31 any real estate instrument, paper, or notice recorded in connection  
32 with a transfer subject to the imposition of a documentary transfer  
33 tax as defined in Section 11911 of the Revenue and Taxation Code  
34 or on any real estate instrument, paper, or notice recorded in  
35 connection with a transfer of real property that is a residential  
36 dwelling to an owner-occupier.

37 (b) The county recorder shall remit quarterly, on or before the  
38 last day of the month next succeeding each calendar quarterly  
39 period, the fees, after deduction of any actual and necessary  
40 administrative costs incurred by the county recorder in carrying

1 out this section, to the Controller for deposit in the Building Homes  
2 and Jobs Trust Fund established by Section 50470 of the Health  
3 and Safety Code, to be expended for the purposes set forth in that  
4 section. In addition, the county shall pay to the Controller interest,  
5 at the legal rate, on any funds not paid to the Controller before the  
6 last day of the month next succeeding each quarterly period.

7 (c) If the Department of Housing and Community Development  
8 determines that any moneys derived from fees collected are being  
9 allocated by the state for a purpose not authorized by Section 50470  
10 of the Health and Safety Code, the county recorder shall, upon  
11 notice of the determination, immediately cease collection of the  
12 fees, and shall resume collection of those fees only upon notice  
13 that the moneys derived from the fees collected are being allocated  
14 by the state only for a purpose authorized by Section 50470 of the  
15 Health and Safety Code.

16 SEC. 4. Section 50408 of the Health and Safety Code is  
17 amended to read:

18 50408. (a) On or before December 31 of each year, the  
19 department shall submit an annual report to the Governor and both  
20 houses of the Legislature on the operations and accomplishments  
21 during the previous fiscal year of the housing programs  
22 administered by the department, including, but not limited to, the  
23 Emergency Housing and Assistance Program and Community  
24 Development Block Grant activity.

25 (b) The report shall include all of the following information:

26 (1) The number of units assisted by those programs.

27 (2) The number of individuals and households served and their  
28 income levels.

29 (3) The distribution of units among various areas of the state.

30 (4) The amount of other public and private funds leveraged by  
31 the assistance provided by those programs.

32 (5) Information detailing the assistance provided to various  
33 groups of persons by programs that are targeted to assist those  
34 groups.

35 (6) The information required to be reported pursuant to Section  
36 17031.8.

37 (7) (A) An evaluation, in collaboration with the Department of  
38 Veterans Affairs, of any program established by the department  
39 pursuant to Article 3.2 (commencing with Section 987.001) of  
40 Chapter 6 of Division 4 of the Military and Veterans Code,

1 including information relating to the effectiveness of assisted  
2 projects in helping veterans occupying any supportive housing or  
3 transitional housing development that was issued funds pursuant  
4 to that article.

5 (B) The evaluation shall include, but is not limited to, the  
6 following information:

7 (i) Performance outcome data including, but not limited to,  
8 housing stability, housing exit information, and tenant satisfaction,  
9 which may be measured by a survey, and changes in income,  
10 benefits, and education.

11 (I) For purposes of this paragraph, the term “housing stability”  
12 includes, but is not limited to, how many tenants exit transitional  
13 housing to permanent housing or maintain permanent housing,  
14 and the length of time those tenants spent in assisted units.

15 (II) For purposes of this paragraph, the term “housing exit  
16 information” includes, but is not limited to, the following:

17 (ia) How many tenants left assisted units.

18 (ib) The length of tenancy in assisted units.

19 (ic) The reason those tenants left assisted units, when that  
20 information is readily obtainable.

21 (id) The housing status of a tenant exiting an assisted unit upon  
22 exit when that information is readily available.

23 (ii) Client data, which may include, but is not limited to,  
24 demographic characteristics of the veteran and his or her family,  
25 educational and employment status of the veteran, and  
26 veteran-specific information including, but not limited to, disability  
27 ratings, type of discharge, branch, era of service, and veterans  
28 affairs health care eligibility.

29 (8) An evaluation of any program established by the department  
30 to meet the legal requirements of the Federal Housing Trust Fund  
31 program guidelines.

32 (9) (A) The manner in which the funds were made available  
33 pursuant to Chapter 2.5 (commencing with Section 50470) and  
34 allocated in the prior year were expended, including efforts to  
35 promote a geographically balanced distribution of funds. The report  
36 shall also assess the impact of the investment on job creation and  
37 the economy. With respect to any awards made specifically to  
38 house or support persons who are homeless or at risk of  
39 homelessness, the report shall include an analysis of the  
40 effectiveness of the funding in allowing these households to retain



1 permanent housing. The department shall make the report available  
2 to the public on its Internet Web site.

3 (B) In the report required by this paragraph, the department  
4 shall make a determination of whether any of the moneys derived  
5 from fees collected pursuant to Section 27388.1 of the Government  
6 Code are being allocated by the state for any purpose not authorized  
7 by Section 50470 and shall share the information with county  
8 recorders.

9 (C) The report required by this paragraph shall be submitted to  
10 the Senate Committee on Transportation and Housing and to the  
11 Assembly Committee on Housing and Community Development.

12 SEC. 5. Chapter 2.5 (commencing with Section 50470) is added  
13 to Part 2 of Division 31 of the Health and Safety Code, to read:

14  
15 CHAPTER 2.5. BUILDING HOMES AND JOBS ACT

16  
17 Article 1. General Provisions

18  
19 50470. (a) (1) There is hereby created in the State Treasury  
20 the Building Homes and Jobs Trust Fund. All interest or other  
21 increments resulting from the investment of moneys in the fund  
22 shall be deposited in the fund, notwithstanding Section 16305.7  
23 of the Government Code.

24 (2) Moneys in the Building Homes and Jobs Trust Fund shall  
25 not be subject to transfer to any other fund pursuant to any  
26 provision of Part 2 (commencing with Section 16300) of Division  
27 4 of Title 2 of the Government Code, except to the Surplus Money  
28 Investment Fund. Moneys in the Building Homes and Jobs Trust  
29 Fund shall be appropriated through the annual Budget Act. Upon  
30 appropriation by the Legislature:

31 (A) Twenty percent of moneys in the fund shall be expended  
32 for affordable owner-occupied workforce housing.

33 (B) Ten percent of the moneys in the fund shall be expended to  
34 address affordable homeownership and rental housing opportunities  
35 for agricultural workers and their families.

36 (C) The remainder of the moneys in the fund may be expended  
37 for the following purposes:

38 (i) The development, acquisition, rehabilitation, and preservation  
39 of rental housing that is affordable to extremely low, very low,

- 1 low-, and moderate-income households, including necessary  
2 operating subsidies.
- 3 (ii) Affordable rental and ownership housing that meets the  
4 needs of a growing workforce earning up to 120 percent of area  
5 median income.
- 6 (iii) Matching portions of funds placed into local or regional  
7 housing trust funds.
- 8 (iv) Matching portions of funds available through the Low and  
9 Moderate Income Housing Asset Fund pursuant to subdivision (d)  
10 of Section 34176 of the Health and Safety Code.
- 11 (v) Capitalized reserves for services connected to the creation  
12 of new permanent supportive housing, including, but not limited  
13 to, developments funded through the Veterans Housing and  
14 Homelessness Prevention Bond Act of 2014.
- 15 (vi) Emergency shelters, transitional housing, and rapid  
16 rehousing.
- 17 (vii) Accessibility modifications.
- 18 (viii) Efforts to acquire and rehabilitate foreclosed or vacant  
19 homes.
- 20 (ix) Homeownership opportunities, including, but not limited  
21 to, downpayment assistance.
- 22 (x) Grants to local and regional agencies to assist in the  
23 development and updating of planning documents and zoning  
24 ordinances in order to accelerate housing production, including,  
25 but not limited to, general plans, community plans, specific plans,  
26 sustainable communities strategies, and local coastal programs.
- 27 (xi) Fiscal incentives or matching funds to local agencies that  
28 approve new housing for extremely low, very low, low-, and  
29 moderate-income households.
- 30 *(xii) The cost of the periodic audits required by Section 50475.*
- 31 (3) A state or local entity that receives an appropriation or  
32 allocation pursuant to this chapter shall use no more than 5 percent  
33 of that appropriation or allocation for costs related to the  
34 administration of the housing program for which the appropriation  
35 or allocation was made.
- 36 (b) Both of the following shall be paid and deposited in the  
37 fund:
- 38 (1) Any moneys appropriated and made available by the  
39 Legislature for purposes of the fund.

1 (2) Any other moneys that may be made available to the  
2 department for the purposes of the fund from any other source or  
3 sources.

4 (c) If a local government does not expend the moneys allocated  
5 to it, pursuant to this chapter, within five years of that allocation,  
6 those moneys shall revert to, and be paid and deposited in, the  
7 fund.

8 50470.5. For purposes of this chapter:

9 (a) “Department” means the Department of Housing and  
10 Community Development.

11 (b) “Governing board” means the Building Homes and Jobs  
12 Trust Fund Governing Board.

13 50470.7. The Building Homes and Jobs Trust Fund Governing  
14 Board is hereby established. The governing board shall include:

15 (a) The Treasurer, or his or her designee.

16 (b) The Director of Housing and Community Development, or  
17 his or her designee.

18 (c) The Executive Director of the California Housing Finance  
19 Agency, or his or her designee.

20 (d) Six members appointed by the Governor, as follows:

21 (1) Two real estate licensees, each with not less than 10 years  
22 of experience, and membership in a real estate trade organization  
23 with no less than 20,000 licensees as members.

24 (2) Two members who are local government officials.

25 (3) Two members who represent the home building industry.

26 (4) For any members appointed pursuant to this subdivision,  
27 the Governor shall appoint one member who resides in northern  
28 California, and one member who resides in southern California.  
29 *Each member shall serve without compensation, but shall be*  
30 *reimbursed for travel and necessary expenses incurred in the*  
31 *performance of the member’s duties.*

32 (e) Three public members appointed by the Senate Committee  
33 on Rules, as follows:

34 (1) One member who represents the nonprofit affordable housing  
35 development sector.

36 (2) One member who represents the for-profit affordable housing  
37 development sector.

38 (3) One member who represents or has experience in private  
39 sector lending, for-profit affordable housing development, nonprofit  
40 affordable housing development, working with special needs

1 populations, including persons experiencing homelessness,  
2 architecture, housing development consultation, or academia related  
3 to housing issues.

4 (f) Three public members appointed by the Speaker of the  
5 Assembly:

6 (1) One member who represents the nonprofit affordable housing  
7 development sector.

8 (2) One member who represents the for-profit affordable housing  
9 development sector.

10 (3) One member who represents or has experience in private  
11 sector lending, for-profit affordable housing development, nonprofit  
12 affordable housing development, working with special needs  
13 populations, including persons experiencing homelessness,  
14 architecture, housing development consultation, or academia related  
15 to housing issues.

16 (4) Members appointed pursuant to this subdivision or  
17 subdivision (e) shall contribute to a balance among geographic  
18 areas and between rural and urban interests.

19 50471. (a) In order to maximize efficiency and address  
20 comprehensive needs, the department, in consultation with the  
21 California Housing Finance Agency, the California Tax Credit  
22 Allocation Committee, and the California Debt Limit Allocation  
23 Committee, shall develop and submit to the Legislature, at the time  
24 of the Department of Finance's adjustments to the proposed  
25 2018–19 fiscal year budget pursuant to subdivision (e) of Section  
26 13308 of the Government Code, the Building Homes and Jobs  
27 Investment Strategy. Notwithstanding Section 10231.5 of the  
28 Government Code, commencing with the 2023–24 fiscal year, and  
29 every five years thereafter, concurrent with the release of the  
30 Governor's proposed budget, the department shall update the  
31 investment strategy and submit it to the Legislature. The governing  
32 board shall review and advise the department regarding the  
33 investment strategy prior to its submission to the Legislature. The  
34 investment strategy shall do all of the following:

35 (1) Identify the statewide needs, goals, objectives, and outcomes  
36 for housing for a five-year time period. Goals should include targets  
37 of the total number for affordable homes created and preserved  
38 with the funds.

39 (2) Meet the following minimum objectives:

1 (A) Encourage economic development and job creation by  
2 helping to meet the housing needs of a growing workforce earning  
3 up to 120 percent of area median income.

4 (B) Identify opportunities for coordination among state  
5 departments and agencies to achieve greater efficiencies, increase  
6 the amount of federal investment in production, services, and  
7 operating costs of housing, and promote energy efficiency in  
8 housing produced.

9 (C) Incentivize the use and coordination of nontraditional  
10 funding sources including philanthropic funds, local realignment  
11 funds, nonhousing tax increment, the federal Patient Protection  
12 and Affordable Care Act, and other resources.

13 (D) Incentivize innovative approaches that produce cost savings  
14 to local and state services by reducing the instability of housing  
15 for frequent, high-cost users of hospitals, jails, detoxification  
16 facilities, psychiatric hospitals, and emergency shelters.

17 (3) Provide for a geographically balanced distribution of funds,  
18 including a 50 percent direct allocation of funds to local  
19 governments.

20 (4) In order to receive an allocation a local government shall:

21 (A) Submit a plan to the department detailing the manner in  
22 which allocated funds will be used by the local government in a  
23 manner consistent with paragraph (2) of subdivision (a) of Section  
24 50470.

25 (B) Have a compliant housing element with the state, submit  
26 annual reports pursuant to Section 65400 of the Government Code,  
27 and submit an annual report to the department that provides  
28 ongoing tracking of the uses and expenditures of any allocated  
29 funds.

30 (C) Emphasize investments that serve households that are at or  
31 below 60 percent of area median income.

32 (b) Before submitting the Building Homes and Jobs Investment  
33 Strategy to the Legislature, the department shall hold at least four  
34 public workshops in different regions of the state to further inform  
35 the development of the investment strategy.

36 (c) Expenditure requests contained in the Governor's proposed  
37 budget shall be consistent with the Building Homes and Jobs  
38 Investment Strategy developed and submitted pursuant to this part.

1 (d) The Building Homes and Jobs Investment Strategy and  
2 updates required by this section shall be submitted pursuant to  
3 Section 9795 of the Government Code.

4 (e) The governing board shall have the authority to review and  
5 approve department recommendations for all funds distributed  
6 from the Building Homes and Jobs Trust Fund.

7  
8  
9

Article 2. Audits and Reporting

10 50475. (a) The California State Auditor’s Office shall conduct  
11 periodic audits to ensure that the annual allocation to individual  
12 programs is awarded by the department in a timely fashion  
13 consistent with the requirements of this chapter. The first audit  
14 shall be conducted no later than 24 months from the effective date  
15 of this section.

16 (b) *The department shall reimburse the California State*  
17 *Auditor’s Office for the actual costs of audit work performed*  
18 *pursuant to this section.*

19 SEC. 6. No reimbursement is required by this act pursuant to  
20 Section 6 of Article XIII B of the California Constitution because  
21 a local agency or school district has the authority to levy service  
22 charges, fees, or assessments sufficient to pay for the program or  
23 level of service mandated by this act, within the meaning of Section  
24 17556 of the Government Code.

25 SEC. 7. This act is an urgency statute necessary for the  
26 immediate preservation of the public peace, health, or safety within  
27 the meaning of Article IV of the California Constitution and shall  
28 go into immediate effect. The facts constituting the necessity are:

29 In order to provide affordable housing opportunities at the earliest  
30 possible time, it is necessary for this act to take effect immediately.

O