

AMENDED IN ASSEMBLY JULY 7, 2025

SENATE BILL

No. 686

Introduced by Senator Reyes

(Principal coauthor: Assembly Member Ward)

(Coauthor: Senator Grayson)

February 21, 2025

An act to amend ~~Sections 50560, 50561, and 50562 of, and to add Section 50058.8 to, the Health and Safety Code, and to amend Section 5849.2 of the Welfare and Institutions Code, Section 50406.4 of the Health and Safety Code,~~ relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 686, as amended, Reyes. Housing programs: financing.

Existing law, the Zenovich-Moscone-Chacon Housing and Home Finance Act, among other things, establishes the Department of Housing and Community Development and requires it to administer various programs intended to promote the development of housing and to provide housing assistance and home loans. Existing law sets forth various general powers of the department in implementing these programs, including authorizing the department to enter into long-term contracts or agreements of up to 30 years for the purpose of servicing loans or grants or enforcing regulatory agreements or other security documents.

Existing law requires the department, subject to certain conditions, to allow property owners subject to a regulatory agreement with the department to take out additional debt on the development in order to finance, with the department's approval, the rehabilitation of the property or investment in new affordable housing. Under existing law, one of those conditions is that any extracted equity is required to meet

at least one of several conditions, as specified. Existing law defines “extracted equity” for these purposes to mean debt added to a department-regulated property that is not used in prescribed ways.

This bill would, additionally, require the department to allow property owners to take out additional debt, as described above, if any extracted equity is utilized for reimbursement of borrower advances for predevelopment costs, unreimbursed capital improvements, and unreimbursed operating deficits. The bill would revise the definition of “extracted equity” to mean debt distributed funds that are financed with debt that is secured by a department-regulated property and is not used in prescribed ways.

~~Existing law, unless an extension of a department loan, the reinstatement of a qualifying unpaid matured loan, the subordination of a department loan to new debt, or an investment of tax credit equity would result in a rent increase for tenants of a development, authorizes the Department of Housing and Community Development to approve an extension, reinstatement, subordination, or investment pursuant to specified rental housing finance programs, as specified, or if the department determines that a project has, or will have after rehabilitation or repairs, a potential remaining useful life equal to or greater than the term of the restructured loan. Existing law authorizes the department to charge a monitoring fee to cover the aggregate monitoring costs in years the loan is extended and a transaction fee to cover its costs for processing restructuring transactions, and requires developer fee limitations to be consistent with specified laws and regulations, including regulations by the California Tax Credit Allocation Committee.~~

~~This bill would revise and recast these provisions, including additionally authorizing the department to approve the payoff of a department loan in whole or part before the end of its term and the extraction of equity from a development for purposes approved by the department. The bill would specify eligible uses of loan and equity sources, if the department determines that a project has, or will have after rehabilitation or repairs, a potential remaining useful life equal to or greater than the term of the department’s regulatory agreement for purposes of approving an extension, reinstatement, subordination, payoff, extraction, or investment, as described above. The bill would prohibit the extension, reinstatement, subordination, payoff, extraction, or investment, as described above, if it would result in a rent increase for tenants of a development over and above the annual adjustment to the tenants’ rents under the department’s regulatory agreement.~~

~~This bill would recast certain provisions related to regulatory agreements, including authorizing the department to add another regulatory agreement and authorizing the department to waive specified requirements in the regulatory agreement if the loan is paid off, including requiring occupancy and financial reports. The bill would authorize the department to charge additional fees as necessary to cover its costs for processing restructuring transactions, and would provide that the monitoring fees continue until the end of the term of the department's regulatory agreement, as specified. The bill would limit developer fees to the amount allowed by the California Tax Credit Allocation Committee or to 25% of actual rehabilitation costs, as applicable.~~

~~Existing law, known as the No Place Like Home Program, requires the department to award up to \$2,000,000,000 among counties to finance capital costs, including, but not limited to, acquisition, design, construction, rehabilitation, or preservation, and to capitalize operating reserves, of permanent supportive housing for the target population, as specified.~~

~~This bill would define “capitalized operating reserves” for purposes of the Zenovich-Moscone-Chacon Housing and Home Finance Act and the No Place Like Home Program.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 ~~SECTION 1.~~ Section 50058.8 is added to the Health and Safety
2 Code, to read:
3 50058.8. “Capitalized operating reserves” means capitalized
4 funds for assisted units for the purpose of covering potential or
5 projected operating deficits over time, including, but not limited
6 to, operations, supportive services, and rent subsidies.
7 ~~SECTION 1.~~ Section 50406.4 of the Health and Safety Code,
8 as added by Section 48 of Chapter 22 of the Statutes of 2025, is
9 amended to read:
10 50406.4. Notwithstanding any other law, and to the extent
11 permitted under federal law and the California Constitution, the
12 department shall allow an owner of a property subject to a
13 regulatory agreement with the department to take out additional
14 debt on the development to finance, with the department's

1 approval, rehabilitation of the property or investment in new
2 affordable housing, if all of the following conditions are met:

3 (a) (1) All hard debt, including the additional debt, is
4 underwritten with a debt-service coverage ratio of at a minimum
5 1.15 and is demonstrated to project positive cash flow for 15
6 consecutive years.

7 (2) For the purposes of this subdivision, “hard debt” means debt
8 that must be repaid via an amortizing payment or at a specified
9 maturity date.

10 (b) Any new debt is subordinate to the department’s lien and
11 regulatory agreement, as applicable, unless the department
12 reasonably determines that subordination of the department’s lien
13 is necessary for the feasibility of a project and to fund reasonable
14 rehabilitation or improvements, including soft costs.

15 (c) (1) Any extracted equity is any of the following:

16 (A) With the department’s approval, contributed to other projects
17 that will increase or improve the supply of deed-restricted
18 affordable housing serving low-income households in the state.

19 (B) Utilized in the purchase of a limited partner interest of a tax
20 credit investor in the project, provided that the amount used to
21 purchase that interest shall be subject to the guidelines adopted
22 pursuant to subdivision (h) of 50560.

23 (C) Utilized in the payment of any unpaid deferred developer
24 fee for the project pursuant to any applicable department
25 regulations.

26 (D) Applied toward payment for necessary repairs and
27 rehabilitation of the project.

28 (E) Utilized for the establishment or replenishment of
29 department-approved project reserves.

30 (F) *Utilized for reimbursement of borrower advances for*
31 *predevelopment costs, unreimbursed capital improvements, and*
32 *unreimbursed operating deficits.*

33 ~~(F)~~

34 (G) Utilized for any other purposes approved by the department.

35 (2) For the purposes of this subdivision, “extracted equity”
36 means ~~debt added to distributed funds that are financed with debt~~
37 *that is secured by a department-regulated property that and is not*
38 *used for any of the following purposes:*

39 (A) Approved project rehabilitation work.

40 (B) To pay off existing debt.

1 (C) Replenishment of reserves.

2 (D) Other department-approved project specific uses.

3 (d) The department's regulatory agreement remains in place for
4 the project for its remaining term. If equity is extracted for purposes
5 of paragraph (1) of subdivision (c), the department's regulatory
6 agreement will be recorded in a senior position.

7 (e) The department continues to be entitled to receive monitoring
8 fees to ensure compliance with the existing regulatory agreement.

9 ~~SEC. 2. Section 50560 of the Health and Safety Code is~~
10 ~~amended to read:~~

11 ~~50560. (a) Subject to the requirements of this chapter, the~~
12 ~~department may approve an extension of a department loan, the~~
13 ~~reinstatement of a qualifying unpaid matured loan, the~~
14 ~~subordination of a department loan to new debt, the payoff of a~~
15 ~~department loan in whole or part before the end of its term, the~~
16 ~~extraction of equity from a development for purposes approved~~
17 ~~by the department, or an investment of tax credit equity under one~~
18 ~~or more of the following rental housing finance programs: the~~
19 ~~original Rental Housing Construction Program established by~~
20 ~~Chapter 9 (commencing with Section 50735), the Special User~~
21 ~~Housing Rehabilitation Program established by Section 50670,~~
22 ~~the Deferred-Payment Rehabilitation Loan Program established~~
23 ~~by Chapter 6.5 (commencing with Section 50660), the rental~~
24 ~~component of the California Natural Disaster Assistance Program~~
25 ~~established by Chapter 6.5 (commencing with Section 50671), the~~
26 ~~State Earthquake Rehabilitation Assistance Program established~~
27 ~~by Chapter 6.5 (commencing with Section 50671), the rental~~
28 ~~component of the California Housing Rehabilitation Program~~
29 ~~established by Section 50668.5, the component of the Rental~~
30 ~~Housing Construction Program funded with bond proceeds~~
31 ~~governed by Section 50771.1, the Family Housing Demonstration~~
32 ~~Program established by Chapter 15 (commencing with Section~~
33 ~~50880), the Families Moving to Work Program established by~~
34 ~~Chapter 15 (commencing with Section 50880), the Multifamily~~
35 ~~Housing Program established by Chapter 6.7 (commencing with~~
36 ~~Section 50675), and any and all other multifamily housing loans~~
37 ~~funded or monitored by the department.~~

38 ~~(b) Once the department has approved a loan extension,~~
39 ~~reinstatement of a qualifying unpaid matured loan, subordination,~~
40 ~~payoff of a department loan in whole or part before the end of its~~

1 term, extraction of equity from a development for purposes
2 approved by the department, or tax credit investment pursuant to
3 this chapter, the statutes enumerated in subdivision (a), and the
4 regulations or guidelines promulgated pursuant to these statutes,
5 shall no longer apply to developments restructured pursuant to this
6 chapter. These developments shall instead be governed by this
7 chapter and guidelines adopted pursuant to subdivision (h).

8 (e) All projects restructured pursuant to this chapter shall comply
9 with the affirmative marketing and language accessibility
10 requirements set forth in Section 50736 of this code and Section
11 65863 of the Government Code.

12 (d) The department may approve an extension of a loan, the
13 reinstatement of a qualifying unpaid matured loan, the
14 subordination of a department loan to new debt, the payoff of a
15 department loan in whole or part before the end of its term, the
16 extraction of equity from a development for purposes approved
17 by the department, or an investment of tax credit equity if it
18 determines that the project has, or will have after rehabilitation or
19 repairs, a potential remaining useful life equal to or greater than
20 the term of the department's regulatory agreement. Eligible uses
21 of loan and equity sources under this subdivision include, but are
22 not limited to, the purchase of a limited partner interest of a tax
23 credit investor in the project, payment of any unpaid deferred
24 developer fee for the project, payment for necessary repairs and
25 rehabilitation of the project, and the establishment or replenishment
26 of department-approved project reserves.

27 (e) The department may subordinate its loan to refinance existing
28 senior debt for eligible activities pursuant to subdivision (d) and
29 to reimburse borrower advances for predevelopment costs, capital
30 improvements, and operating deficits, only if the department's
31 security is not jeopardized, as determined by the department. The
32 department shall not withhold consent unreasonably.

33 (f) The department shall not approve the extension of a
34 department loan, the reinstatement of a qualifying unpaid matured
35 loan, the subordination of a department loan to new debt, the payoff
36 of a department loan in whole or part before the end of its term,
37 the extraction of equity from a development for purposes approved
38 by the department, or an investment of tax credit equity if it will
39 result in a rent increase for tenants of a development exceeding
40 the annual adjustment to the tenants' rents under the department's

1 regulatory agreement. The department may only subordinate a
2 loan to senior debt if necessary to increase the feasibility of a
3 project and to fund reasonable rehabilitation or improvements
4 including soft costs. The application to refinance shall include a
5 third-party analysis that supports the need for refinancing.

6 (g) The department may approve additional senior debt for
7 eligible activities pursuant to subdivision (d), and only as necessary
8 to finance rehabilitation or repairs, including soft costs, that are
9 reasonable in size, scope, and cost, as determined by the
10 department. In approving additional senior debt, the department
11 may consider information from third-party capital needs assessment
12 reports.

13 (h) It is the intent of the Legislature in enacting this chapter to
14 provide to the department the flexibility necessary to maintain the
15 quality of the affordable rental housing units for which the state
16 has already made a significant public investment. The department
17 may implement this chapter through guidelines that shall not be
18 subject to Chapter 3.5 (commencing with Section 11340) of Part
19 1 of Division 3 of Title 2 of the Government Code. These
20 guidelines shall be developed through the following process:

21 (1) The department shall provide a notice of proposed action as
22 described in Section 11346.5 of the Government Code to the public
23 at least 21 days before the close of the public comment period.

24 (2) The department shall schedule at least one public hearing
25 as described in Section 11346.8 of the Government Code before
26 the close of the public comment period.

27 (3) The department shall maintain a rulemaking file as described
28 in Section 11347.3 of the Government Code.

29 (4) The final version of the guidelines shall be accompanied by
30 a final statement of reason as described in subdivision (a) of
31 Section 11346.9 of the Government Code.

32 (5) The rules and guidelines shall be effective immediately upon
33 adoption by the department.

34 SEC. 3. Section 50561 of the Health and Safety Code is
35 amended to read:

36 50561. (a) The department may approve an extension of an
37 existing rental housing development loan or regulatory agreement,
38 if the extension facilitates the reinstatement of a qualifying unpaid
39 matured loan, the subordination of a department loan to new debt,
40 the extraction of equity from a development for purposes approved

1 by the department, or an investment of tax credit equity, only if
2 the rental housing development is being operated in a manner
3 consistent with the regulatory agreement and the development
4 requires an extension in order to continue to operate in a manner
5 consistent with this chapter. Each extension shall be for a period
6 of not less than 10 years and each extension shall not exceed 55
7 years, or 58 years if needed to match the term of tax credit
8 restrictions. The interest rate shall be 3 percent simple interest. All
9 loan payments shall be deferred for the full term of the loan, except
10 for residual receipts payments. These residual receipts payments
11 shall be structured to avoid reducing the amount of payments on
12 local public agency loans resulting solely from changes in the
13 payment terms on the department's loan, and not resulting from
14 fees or other payments to the borrower, and shall otherwise be
15 consistent with the provisions of the department's Uniform
16 Multifamily Regulations or successor regulations. The department
17 may charge a monitoring fee to cover the aggregate monitoring
18 costs it incurs from the date of the recordation of the loan or
19 regulatory documents regarding any of the eligible activities
20 pursuant to this subdivision, and may charge a transaction fee or
21 other fees to cover its costs for processing restructuring
22 transactions. The monitoring fees shall continue until the end of
23 the term of the department regulatory agreement, notwithstanding
24 any payoff of the department loan, and the monitoring fees shall
25 not be diminished in the event of any paydown of the department
26 loan. The department may waive or defer some or all fees, if it
27 determines that a particular development or class of developments
28 does not have the ability to make these payments. In determining
29 the fees and payments to be charged, the department shall seek to
30 share monitoring activities with other regulatory agencies and to
31 minimize the impact on tenants with the lowest incomes and on
32 the capacity of the developments to support private debt or secure
33 tax credit investments.

34 (b) To the minimum extent necessary to support new debt to
35 pay for rehabilitation, but not for extraction of equity, rents for
36 assisted units in these developments may be adjusted pursuant to
37 the department guidelines and Section 42 of the Internal Revenue
38 Code. This rehabilitation shall be determined by the department
39 to be demonstrably necessary, based on third-party assessment
40 and on the department's own inspection, if the department deems

1 an inspection necessary. Assisted units in developments with a
2 specific, department-approved plan to undertake the necessary
3 rehabilitation, at a level that equals or exceeds the minimum
4 per-unit rehabilitation cost standards under the low-income housing
5 tax credit program, may be adjusted as follows:

6 (1) For developments originally financed under the bond-funded
7 component of the Rental Housing Construction Program pursuant
8 to Section 50771.1, and the Family Housing Demonstration
9 Program, rents may be increased up to a maximum of 30 percent
10 of 60 percent of area median income, for units designated in the
11 development's original regulatory agreement as lower income
12 units, and up to a maximum of 30 percent of 35 percent of area
13 median income, for units designated in the development's original
14 regulatory agreement as very low income units.

15 (2) For developments originally financed under other programs,
16 rents for at least 35 percent of the assisted units, or as specified in
17 the original regulatory agreement governing the development,
18 whichever is greater, shall be restricted to the midlevel target used
19 by the Multifamily Housing Program. Rents for the balance of the
20 assisted units may be increased up to a maximum of 30 percent of
21 60 percent of area median income. For purposes of this paragraph,
22 "midlevel target used by the Multifamily Housing Program" shall
23 mean either of the following:

24 (A) For counties with an area median income of 110 percent or
25 less of state median income, it shall mean 30 percent of 30 percent
26 of state median income, expressed as a percentage of area median
27 income.

28 (B) For counties with an area median income that exceeds 110
29 percent of the state median income, it shall mean 30 percent of 35
30 percent of state median income, expressed as a percentage of area
31 median income.

32 (c) Rent increases for tenants living in assisted units at the time
33 of restructuring pursuant to this chapter shall be limited as follows:

34 (1) For existing tenants with incomes not exceeding 35 percent
35 of area median income, increases shall be limited to 5 percent per
36 year, until the rents reach the levels set under subdivision (b).

37 (2) For existing tenants with incomes exceeding 35 percent of
38 area median income, increases shall be limited to 10 percent per
39 year, until they reach the levels specified in paragraphs (1) and (2)
40 of subdivision (b) of Section 50561.

~~(3) It is the intent of the Legislature that rent increases for existing tenants authorized by this subdivision shall not be greater than necessary to ensure the financial feasibility of the project. The projected maximum rent for tenants in assisted units, as determined by subdivision (b), shall not exceed 50 percent of the household's actual income. This requirement shall be applied using maximum rent levels and household incomes determined at the time of restructuring or at the time of the department's approval of the restructuring.~~

~~(4) If the refinance of a loan results in a rent increase, the project sponsor shall provide tenants with the following notifications:~~

~~(A) Notice six months before the scheduled rent increase with an estimate of the amount of the increase.~~

~~(B) Notice 90 days before the actual increase with the exact amount of the new rent.~~

~~(d) If existing tenants move, the rent for these units may be increased immediately up to the level specified in paragraphs (1) and (2) of subdivision (b). The income limit for new tenants shall correspond with the rent limit set pursuant to paragraphs (1) and (2) of subdivision (b).~~

~~(e) Once rents achieve the levels set forth in paragraphs (1) and (2) of subdivision (b), income levels and rent limits shall be calculated consistent with the calculation methodology used under the Low Income Housing Tax Credit program and the Multifamily Housing Program, and rent increases shall be based on increases in the area median income.~~

~~(f) Eligible households displaced as a result of rehabilitation pursuant to this section shall be accorded first priority in occupying comparable units in the development from which they were displaced, subsequent to rehabilitation. Tenants of rental housing developments repaired with assistance provided under this chapter who are temporarily or permanently displaced as a result of rehabilitation or other repair work, shall be entitled to relocation benefits pursuant to, and subject to, the requirements of Section 7260 of the Government Code. Sponsors of assisted rental housing developments shall be responsible for providing the benefits and assistance. The costs of the benefits and the assistance provided to tenants shall be eligible for funding by a loan provided pursuant to this section.~~

1 ~~(g) The guidelines adopted by the department pursuant to~~
2 ~~subdivision (h) of Section 50560 shall be patterned after the~~
3 ~~regulations governing the Multifamily Housing Program, including~~
4 ~~the Uniform Multifamily Regulations, except that the department~~
5 ~~may adopt different standards for the following factors:~~

6 ~~(1) Commercial vacancy loss assumptions must reflect project~~
7 ~~operating history.~~

8 ~~(2) Debt service coverage ratios.~~

9 ~~(3) Payment terms and principal amount of senior debt,~~
10 ~~considering financial market conditions, including costs and~~
11 ~~department risk, as determined by the department.~~

12 ~~(4) Developer fee limitations shall be consistent with California~~
13 ~~Tax Credit Allocation Committee regulations for inclusion in the~~
14 ~~basis for projects receiving 9 percent tax credits, for projects~~
15 ~~receiving the special rent increases contemplated by this chapter,~~
16 ~~and, consistent with the requirements of other funding sources, for~~
17 ~~projects not receiving special rent increases, but developer fees~~
18 ~~shall not exceed the amount allowed by the California Tax Credit~~
19 ~~Allocation Committee regulations for projects receiving 9 or 4~~
20 ~~percent tax credits, as applicable, and shall not exceed 25 percent~~
21 ~~of actual rehabilitation costs where there is no tax credit~~
22 ~~resyndication. Developer fees shall only be payable in the event~~
23 ~~of a resyndication involving major rehabilitation, as defined by~~
24 ~~the California Tax Credit Allocation Committee in regulations.~~

25 ~~(5) Replacement reserve deposit amounts must be based on~~
26 ~~projected costs over 20 years, adjusted for inflation, and as shown~~
27 ~~in an independent replacement reserve analysis.~~

28 ~~(h) It is the intent of the Legislature in enacting this section that~~
29 ~~the department shall manage its reserves for the original Rental~~
30 ~~Housing Construction Program in a manner that will allow for the~~
31 ~~continuation of benefits to current low-income tenants for the~~
32 ~~longest period of time possible up to the term of the original~~
33 ~~regulatory agreement or the depletion of the annuity funds,~~
34 ~~whichever occurs first. Accordingly, rents for those households in~~
35 ~~units subsidized by the annuity fund established pursuant to Section~~
36 ~~50748 may be increased to 30 percent of household income. A~~
37 ~~household affected by the rent increase permitted by this~~
38 ~~subdivision shall be given at least 90 days advanced notice of the~~
39 ~~increase.~~

~~(i) (1) The department shall, within available resources, post on its internet website information regarding household incomes and rents for developments approved for restructuring.~~

~~(2) The information shall be provided within six months of a restructuring and, thereafter, no less than every three years.~~

~~(3) The information shall include the following or similar information:~~

~~(A) The monthly rent of each household at the time of restructuring.~~

~~(B) The current monthly rent of each household.~~

~~(C) The annual income of each household as a percentage of area median income at the time of restructuring.~~

~~(D) The current income of each household as a percentage of area median income.~~

~~SEC. 4. Section 50562 of the Health and Safety Code is amended to read:~~

~~50562. (a) If a department loan is extended, subordinated, or paid off before the end of its term, the department approves the reinstatement of a qualifying unpaid matured loan, the department approves the extraction of equity from a development, or a new tax credit investment occurs, then the department shall enter into a new regulatory agreement with the development's owner, or amend the existing agreement, and may add another regulatory agreement if the department determines it necessary. The agreement shall be binding upon the development's owner and successors in interest upon sale or transfer of the development property, regardless of any prepayment of the loan. The agreement shall be recorded in the office of the county recorder in the county in which the development is located. The new or amended regulatory agreement shall:~~

~~(1) Set standards for tenant selection to ensure occupancy by the eligible households.~~

~~(2) Govern the terms of occupancy agreements.~~

~~(3) Restrict rents for assisted units, consistent with this chapter.~~

~~(4) Provide for periodic inspections by the department.~~

~~(5) Require occupancy and financial reports, and financial audits for the development, unless waived by the department if the department loan is paid off and the waiver may be rescinded in the sole determination of the department.~~

1 ~~(6) Govern the use of operating income for the development,~~
2 ~~unless waived by the department if the department loan is paid off~~
3 ~~and the waiver may be rescinded in the sole determination of the~~
4 ~~department.~~

5 ~~(7) Govern the use of reserves for the development, unless~~
6 ~~waived by the department if the department loan is paid off and~~
7 ~~the waiver may be rescinded in the sole determination of the~~
8 ~~department.~~

9 ~~(8) Have a term for not less than the term of the loan, including~~
10 ~~any extension.~~

11 ~~(9) Include other provisions necessary to carry out the purposes~~
12 ~~of this chapter, including the requirement that any extraction of~~
13 ~~equity from the development is subject to being shared with the~~
14 ~~department in an amount determined solely by the department, but~~
15 ~~not greater than an amount proportionate to the amount of the~~
16 ~~department loan secured by such project to the total construction~~
17 ~~costs of the project.~~

18 ~~(b) The development's owner shall agree to replace or amend~~
19 ~~any other loan document to accomplish the purposes of this chapter.~~

20 ~~SEC. 5. Section 5849.2 of the Welfare and Institutions Code~~
21 ~~is amended to read:~~

22 ~~5849.2. As used in this part, the following definitions shall~~
23 ~~apply:~~

24 ~~(a) "At risk of chronic homelessness" includes, but is not limited~~
25 ~~to, persons who are at high risk of long-term or intermittent~~
26 ~~homelessness, including persons with mental illness exiting~~
27 ~~institutionalized settings, including, but not limited to, jail, mental~~
28 ~~health, and substance use disorder facilities, who were homeless~~
29 ~~prior to admission, transition-age youth experiencing homelessness~~
30 ~~or with significant barriers to housing stability, and others, as~~
31 ~~defined in program guidelines.~~

32 ~~(b) "Authority" means the California Health Facilities Financing~~
33 ~~Authority established pursuant to Part 7.2 (commencing with~~
34 ~~Section 15430) of Division 3 of Title 2 of the Government Code.~~

35 ~~(c) "Capitalized operating reserves" has the same meaning as~~
36 ~~defined in Section 50058.8 of the Health and Safety Code.~~

37 ~~(d) "Chronically homeless" has the same meaning as defined~~
38 ~~in Section 578.3 of Title 24 of the Code of Federal Regulations as~~
39 ~~that section read on May 1, 2016, or as otherwise modified or~~
40 ~~expanded by the State Department of Health Care Services.~~

1 ~~(e) “Commission” means the Behavioral Health Services~~
2 ~~Oversight and Accountability Commission established by Section~~
3 ~~5845.~~

4 ~~(f) “Committee” means the No Place Like Home Program~~
5 ~~Advisory Committee established pursuant to Section 5849.3.~~

6 ~~(g) “County” includes, but is not limited to, a city and a city~~
7 ~~and county receiving funds pursuant to Section 5701.5.~~

8 ~~(h) “Department” means the Department of Housing and~~
9 ~~Community Development.~~

10 ~~(i) “Development sponsor” has the same meaning as “sponsor”~~
11 ~~as defined in Section 50675.2 of the Health and Safety Code.~~

12 ~~(j) “Fund” means the No Place Like Home Fund established~~
13 ~~pursuant to Section 5849.4.~~

14 ~~(k) “Homeless” has the same meaning as defined in Section~~
15 ~~578.3 of Title 24 of the Code of Federal Regulations as that section~~
16 ~~read on May 1, 2016.~~

17 ~~(l) “Permanent supportive housing” has the same meaning as~~
18 ~~“supportive housing,” as defined in Section 50675.14 of the Health~~
19 ~~and Safety Code, except that “permanent supportive housing” shall~~
20 ~~include associated facilities if used to provide services to housing~~
21 ~~residents.~~

22 ~~(m) (1) “Program” means the process for awarding funds and~~
23 ~~distributing moneys to applicants established in Sections 5849.7,~~
24 ~~5849.8, and 5849.9 and the ongoing monitoring and enforcement~~
25 ~~of the applicants’ activities pursuant to Sections 5849.8, 5849.9,~~
26 ~~and 5849.11.~~

27 ~~(2) “Competitive program” means the portion of the program~~
28 ~~established by Section 5849.8.~~

29 ~~(3) “Distribution program” means the portion of the program~~
30 ~~described in Section 5849.9.~~

31 ~~(n) “Target population” means individuals or households, as~~
32 ~~provided in Section 5600.3, who are homeless, chronically~~
33 ~~homeless, or at risk of chronic homelessness.~~

34 ~~(o) This section shall become operative on January 1, 2025, if~~
35 ~~amendments to the Mental Health Services Act are approved by~~
36 ~~the voters at the March 5, 2024, statewide primary election.~~