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ASSEMBLY FLOOR ALERT

AB 723 (Chiu) – Housing: Finance As Amended August 18, 2016 – SUPPORT Assembly Reading File

The California State Association of Counties (CSAC) supports Assembly Bill 723 by Assembly Member David Chiu, which would allow the Director of the Department of Housing and Community Development (HCD) to include as eligible recipients for the Community Development Block Grant (CDBG) program local agencies with one or more current CDBG agreement signed in 2012 or later, for which the expenditure deadline established in the grant agreement or agreements has not yet passed. Ensuring that non-entitlement counties (those with unincorporated area populations of less than 200,000) can access CDBG funding that supports local housing and infrastructure projects—even if factors beyond the applicant’s control have prevented the agency from expending more than half of its program funds—is of vital importance.

Under existing law and pursuant to HCD regulations and beginning in 2013, an applicant with one or more CDBG awards that have not expended at least 50 percent of CDBG funds awarded in 2012 or thereafter. Counties have reported that a variety of circumstances beyond their control, including delays in getting contracts approved and another bottleneck issues, may prevent them from accessing CDBG funding in the upcoming round if AB 723 is not adopted. This bill would allow reasonable flexibility to ensure that CDBG funds continue to flow to much-needed projects that support housing and related infrastructure development in non-entitlement counties. Given the state’s ongoing housing affordability crisis, removing this potential barrier to housing development or the construction of supporting infrastructure with CDBG funds is well warranted.

For these reasons, CSAC supports AB 723 and requests you “**AYE**” vote. Should you have any questions regarding our position, please do not hesitate to contact Kiana Valentine at 916-327-7500, ext. 566, or kvalentine@counties.org.