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AB-531 The Behavioral Health Infrastructure Bond Act of 2023. (2023-2024)

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Assembly Bill No. 531

CHAPTER 789

An act to add Section 50675.1.5 to the Health and Safety Code, and to add Section 5960.31 to, to add Chapter 4 (commencing with Section 5965) to Part 7 of Division 5 of, and to repeal Section 5960.45 of, the Welfare and Institutions Code, relating to behavioral health, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

[Approved by Governor October 12, 2023. Filed with Secretary of State
October 12, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 531, Irwin. The Behavioral Health Infrastructure Bond Act of 2023.

Existing law establishes the Multifamily Housing Program administered by the Department of Housing and Community Development. Existing law requires assistance for projects under the program to be provided in the form of deferred payment loans to pay for eligible costs of specified types of development, as provided. Existing law requires that specified funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases be disbursed in accordance with the Multifamily Housing Program for specified uses.

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 does not apply to the approval of ministerial projects. Existing law, until July 1, 2024, exempts from CEQA a project funded to provide housing for individuals and families who are experiencing homelessness, as described above, if certain requirements are satisfied, including if the project proponent obtains an enforceable commitment to use a skilled and trained workforce for any proposed rehabilitation, construction, or major alterations, as specified.

This bill would provide that projects funded by the Behavioral Health Infrastructure Bond Act of 2024 that provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases and are disbursed in accordance with the Multifamily Housing Program, or projects that are disbursed in accordance with the Behavioral Health Continuum Infrastructure Program, are a use by right and subject to the streamlined, ministerial review process. The bill would define use by right for these purposes to mean that the local government's review of the project does not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a project subject to the approval process in CEQA.

Because the bill would revise the approval process of specified projects, the bill would impose a state-mandated local program.

Existing law authorizes the State Department of Health Care Services to, subject to an appropriation, establish a Behavioral Health Continuum Infrastructure Program to award grants as specified for the construction,

acquisition, and rehabilitation of behavioral health treatment resources, as described. Existing law repeals this program on January 1, 2027.

This bill would continue that program indefinitely.

Existing law, the Bronzan-McCorquodale Act, contains provisions governing the operation and financing of community mental health services in every county through locally administered and locally controlled community mental health programs. Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 in the November 2, 2004, statewide general election, establishes the Mental Health Services Fund to fund various county mental health programs.

This bill would enact the Behavioral Health Infrastructure Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,380,000,000 to finance loans or grants for the acquisition of capital assets for the conversion, rehabilitation, or new construction of permanent supportive housing for veterans and others who are homeless and meet specified criteria, and for grants for the Behavioral Health Continuum Infrastructure Program, as specified.

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.

The bill would provide for the submission of specified sections of this bill and SB 326 to the voters at the March 5, 2024, statewide primary election.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 50675.1.5 is added to the Health and Safety Code, to read:

50675.1.5. (a) (1) Notwithstanding any other law, projects to provide housing pursuant to paragraph (1) or (2) of subdivision (a) of Section 5965.04 of the Welfare and Institutions Code, shall be a use by right and shall be subject to the streamlined, ministerial review process, pursuant to subdivision (b), if it meets all of the following criteria:

- (A) It is located in a zone where multifamily residential use, office, retail, or parking are a principally permitted use.
- (B) At least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses.
- (C) It satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4 of the Government Code.
- (D) It is not on a site or adjoined to any site where more than one-third of the square footage on the site is dedicated to industrial use.
- (E) The development will meet the following objective zoning standards, objective subdivision standards, and objective design review standards:
 - (i) The applicable objective standards shall be those for the zone that allows residential use at a greater density between the following:
 - (I) The existing zoning designation for the parcel if existing zoning allows multifamily residential use.
 - (II) The zoning designation for the closest parcel that allows residential use at a density deemed appropriate to accommodate housing for lower income households in that jurisdiction as specified in paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code.
 - (ii) The applicable objective standards shall be those in effect at the time that the development application is submitted to the local government pursuant to this section.
 - (iii) A development proposed pursuant to this section shall be eligible for the same density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios applicable to a project that meets the criteria specified in subparagraph (G) of paragraph (1) of subdivision (b) of Section 65915 of the Government Code.
- (F) No housing units were acquired by eminent domain.
- (G) The housing units will be in decent, safe, and sanitary condition at the time of their occupancy.
- (H) The project meets the labor standards contained in Sections 65912.130 and 65912.131 of the Government Code.

(I) The project provides housing for persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code and their families.

(J) Long-term covenants and restrictions require the housing units to be restricted to persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code for no fewer than 30 years.

(2) (A) For purposes of this subdivision, parcels only separated by a street or highway shall be considered to be adjoined.

(B) For purposes of this subdivision, "dedicated to industrial use" means any of the following:

(i) The square footage is currently being used as an industrial use.

(ii) The most recently permitted use of the square footage is an industrial use.

(iii) The site was designated for industrial use in the latest version of a local government's general plan adopted before January 1, 2022.

(b) The project shall be subject to the following streamlined, ministerial review process:

(1) (A) If the local government determines that a development submitted pursuant to this section is consistent with the objective planning standards specified in this section, it shall approve the development.

(B) 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 this section, 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, within the following timeframes:

(i) Within 60 days of submission of the development proposal to the local government if the development contains 150 or fewer housing units.

(ii) Within 90 days of submission of the development proposal to the local government if the development contains more than 150 housing units.

(C) If the local government fails to provide the required documentation pursuant to subparagraph (B), the development shall be deemed to satisfy the required objective planning standards.

(D) (i) For purposes of this section, a development is consistent with the objective planning standards if there is substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(ii) For purposes of this section, a development is not in conflict with the objective planning standards solely on the basis that application materials are not included, if the application contains substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(E) The determination of whether a proposed project submitted pursuant to this section is or is not in conflict with the objective planning standards is not a "project" as defined in Section 21065 of the Public Resources Code.

(2) Design review of the development may be conducted by the local government's planning commission or any equivalent board or commission responsible for design review. That design review shall be objective and be strictly focused on assessing compliance with criteria required for streamlined, ministerial review of projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submittal of the development to the local government, and shall be broadly applicable to developments within the jurisdiction. That design review 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:

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

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

(c) Division 13 (commencing with Section 21000) of the Public Resources Code shall not apply to actions taken by the Department of Housing and Community Development, the State Department of Health Care Services, or a local agency to provide financial assistance or insurance for the development and construction of projects built pursuant to this section.

(d) The applicant shall file a notice of exemption with the Office of Planning and Research and the county clerk of the county in which the project is located in the manner specified in subdivisions (b) and (c) of Section 21152 of the Public Resources Code.

(e) For purposes of this section, the following definitions shall apply:

(1) "Objective zoning standards," "objective subdivision 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.

(2) "Use by right" means a development project that satisfies both of the following conditions:

(A) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.

(B) The development project is not a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

SEC. 2. Section 5960.31 is added to the Welfare and Institutions Code, to read:

5960.31. (a) Notwithstanding any other law, projects funded pursuant to paragraph (3) or (4) of subdivision (b) of Section 5965.04 shall be a use by right and shall be subject to the streamlined, ministerial review process and filing requirement, pursuant to subdivisions (b) and (d) of Section 50675.1.5 of the Health and Safety Code, and not subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals, if it meets the criteria of paragraph (1) or (2) and complies with subdivisions (b) and (c).

(1) The project is a behavioral health treatment and residential setting, including, but not limited to, children's residential crisis programs, peer respite, children's and adult substance use disorder residential programs, recovery housing, short-term residential therapeutic program, and social rehabilitation program, and shall be located in a zone where residential, office, retail, or parking are a principally permitted use.

(2) (A) The project is a real estate asset, as described in Section 5960.05, except for those described in paragraph (1), or in subparagraph (A) of paragraph (1) of subdivision (a) of Section 5831, that is funded pursuant to Section 5967.01, and shall be located in a zone where office, retail, or parking are a principally permitted use.

(B) This paragraph shall not be construed to limit the discretion of local jurisdictions to permit real estate assets in a zone not expressly provided in this paragraph.

(b) Projects, as applicable, pursuant to this section shall comply with the core components of Housing First, as defined under subdivision (b) of Section 8255, and may include recovery housing, as defined by the United States Department of Housing and Urban Development.

(c) Projects pursuant to this section shall meet the labor standards contained in Sections 65912.130 and 65912.131 of the Government Code.

(d) For purposes of this section, "use by right" means a development project that satisfies both of the following conditions:

(1) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.

(2) The development project is not a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

SEC. 3. Section 5960.45 of the Welfare and Institutions Code is repealed.

SEC. 4. Chapter 4 (commencing with Section 5965) is added to Part 7 of Division 5 of the Welfare and Institutions Code, to read:

CHAPTER 4. Behavioral Health Infrastructure Bond Act of 2024

5965. This chapter shall be known, and may be cited, as the Behavioral Health Infrastructure Bond Act of 2024.

5965.01. The purposes and intent in enacting this act are as follows:

(a) Bonds issued under this act are to develop an array of treatment, residential care settings, and supportive housing to help provide appropriate care facilities for Californians experiencing mental health conditions and substance use disorders.

(b) The bond will dedicate funding for veterans with a behavioral health challenge or substance use disorder and at risk of experiencing homelessness.

(c) Efforts to streamline the process for approving projects and renovating or building new facilities to accelerate the delivery of care in residential settings made available through additional Behavioral Health Services Act and bond financing is a priority.

5965.02. As used in this chapter, the following terms have the following meanings:

(a) "Act" means the Behavioral Health Infrastructure Bond Act of 2024 (Chapter 4 (commencing with Section 5965)).

(b) "Behavioral health challenge" includes, but is not limited to, serious mental illness, as described in subdivision (c) or (d) of Section 14184.402, or a substance use disorder, as described in Section 5891.5.

(c) "Board" means, with respect to the bond proceeds referenced in paragraphs (3) and (4) of subdivision (b) of Section 5965.04, and with respect to and for requests up to the amount specified for bond proceeds referenced in paragraphs (3) and (4) of subdivision (b) of Section 5965.04, for purposes of Section 5965.12 of this code and Section 16726 of the Government Code, the State Department of Health Care Services, and with respect to bond proceeds referenced in paragraphs (1) and (2) of subdivision (b) of Section 5965.04, and, with respect to and for requests up to the amount specified for bond proceeds referenced in paragraphs (1) and (2) of subdivision (b) of Section 5965.04, for purposes of Section 5965.12 of this code and Section 16726 of the Government Code, the Department of Housing and Community Development.

(d) "Committee" means the Behavioral Health Infrastructure Bond Act Finance Committee created pursuant to Section 5965.07.

(e) "Fund" means the Behavioral Health Infrastructure Fund created pursuant to Section 5965.03.

(f) "State General Obligation Bond Law" means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as it may be amended.

(g) "Target population" means a person described in subdivision (c) or (d) of Section 14184.402, or a person with a substance use disorder, as described in Section 5891.5, except that enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed.

(h) "Veteran" means a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable.

5965.03. (a) The proceeds of interim debt and bonds, excluding proceeds used directly to repay interim debt and excluding bonds issued in accordance with Section 5965.14, issued and sold pursuant to this chapter shall be deposited in the Behavioral Health Infrastructure Fund, which is hereby created in the State Treasury.

(b) All moneys in the fund, notwithstanding Section 13340 of the Government Code, are hereby continuously appropriated without respect to fiscal years for the purposes of this chapter.

(c) Bonds shall be issued and delivered in the amount determined by the committee to be necessary or desirable pursuant to Section 5965.08.

5965.04. (a) Moneys in the fund shall be used for any of the following purposes:

(1) Making loans or grants administered by the Department of Housing and Community Development to eligible entities specified under Section 50675.1.3 of the Health and Safety Code or loans to development sponsors as defined under Section 50675.2 of the Health and Safety Code to acquire capital assets for the conversion, rehabilitation, or new construction of permanent supportive housing, including scattered site projects, for veterans or their households, who are homeless, chronically homeless, or are at risk of homelessness, as defined by Part 578.3 of Title 24 of the Code of Federal Regulations, and meet the criteria of the target population.

(2) Making loans or grants administered by the Department of Housing and Community Development to eligible entities specified under Section 50675.1.3 of the Health and Safety Code or loans to development sponsors as defined under Section 50675.2 of the Health and Safety Code to acquire capital assets for the conversion, rehabilitation, or new construction of permanent supportive housing, including scattered site projects for persons who are homeless, chronically homeless, or are at risk of homelessness, as defined by Part 578.3 of Title 24 of the Code of Federal Regulations, and are living with a behavioral health challenge.

(3) Making grants administered by the State Department of Health Care Services, as specified under the Behavioral Health Continuum Infrastructure Program to eligible entities specified pursuant to Chapter 1 (commencing with Section 5960) to construct, acquire, and rehabilitate real estate assets or to invest in needed infrastructure to expand the continuum of behavioral health treatment resources to build new capacity or expand existing capacity for short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, community and outpatient behavioral health services, and other clinically enriched longer term treatment and rehabilitation options for persons with behavioral health disorders in the least restrictive and least costly setting.

(4) (A) Paying the costs of issuing bonds, paying the annual administration costs of the bonds, and paying interest on bonds.

(B) In addition, moneys in the fund or other proceeds of the sale of bonds authorized by this chapter may be used to pay principal of, or redemption premium on, interim debt issued prior to the issuance of bonds authorized by this chapter.

(b) Moneys in the fund shall be allocated as follows:

(1) One billion sixty-five million dollars (\$1,065,000,000) of the proceeds of the bonds, after allocation of bond proceeds to the purposes described in paragraph (4) of subdivision (a), shall be used for the loans or grants, loan or grant implementation, and loan or grant oversight described in paragraph (1) of subdivision (a) and administrative costs.

(2) Nine hundred twenty-two million dollars (\$922,000,000) of the proceeds of the bonds, after allocation of bond proceeds to the purposes described in paragraph (4) of subdivision (a), shall be used for the loans or grants, loan or grant implementation, and loan or grant oversight, as described in paragraph (2) of subdivision (a), and administrative costs.

(3) One billion five hundred million dollars (\$1,500,000,000) of the proceeds of the bonds shall be awarded to cities, counties, city and counties, and tribal entities, after allocation of bond proceeds to the purposes described in paragraph (4) of subdivision (a) for grants, grant implementation, and grant oversight, as described in paragraph (3) of subdivision (a), and administrative costs. Of this amount, thirty million dollars (\$30,000,000) shall be designated to tribal entities.

(4) Up to two billion eight hundred ninety-three million dollars (\$2,893,000,000) of the proceeds of the bonds, after allocation of bond proceeds to the purposes of paragraph (4) of subdivision (a), shall be used for grants, grant implementation, and grant oversight, as described in paragraph (3) of subdivision (a), and administrative costs.

5965.05. (a) (1) Bonds in the total amount of six billion three hundred eighty million dollars (\$6,380,000,000) not including the amount of refunding bonds issued in accordance with Section 5965.14, may be issued and sold for the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

(2) The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) (1) The Treasurer shall issue and sell the bonds authorized in subdivision (a) in the amount determined by the committee to be necessary or desirable pursuant to Section 5965.08. The bonds shall be issued and sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

(2) The bonds shall be issued and sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 5965.08.

5965.06. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as amended, from time to time, and all of the provisions of that law, as amended, apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter, except that subdivisions (a) and (b) of Section 16727 of the Government Code shall not apply.

5965.07. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Behavioral Health Infrastructure Bond Act Finance Committee is hereby created.

(b) (1) The committee consists of the Controller, the Treasurer, and the Director of Finance.

(2) Notwithstanding any other law, a member may designate a representative to act as that member in the member's place, for all purposes, as though the member were personally present.

(c) (1) The Treasurer shall serve as chairperson of the committee.

(2) A majority of the committee may act for the committee.

5965.08. (a) The committee shall determine, by resolution, whether it is necessary or desirable to issue and sell bonds authorized pursuant to this chapter to carry out the actions specified in this chapter and, if so, the amount of bonds to be issued and sold.

(b) Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

5965.09. (a) There shall be collected each year, and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds becoming due each year.

(b) It is the duty of all officers charged by law with a duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

5965.10. Notwithstanding Section 13340 of the Government Code, there is hereby continuously appropriated from the General Fund in the State Treasury, for the purposes of this chapter and without regard to fiscal years, an amount that equals the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 5965.11.

5965.11. (a) For the purpose of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter, excluding refunding bonds authorized pursuant to Section 5965.14 less any amount loaned pursuant to Section 5965.12 and not yet repaid, and any amount withdrawn from the General Fund pursuant to this section and not yet returned to the General Fund.

(b) Any amounts withdrawn shall be deposited in the fund.

(c) Any moneys made available under this section shall be returned to the General Fund, with interest at the rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

5965.12. (a) The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter.

(b) The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter, excluding refunding bonds

authorized pursuant to Section 5965.14, less any amount loaned pursuant to this section and not yet repaid and withdrawn from the General Fund pursuant to Section 5965.11 and not yet returned to the General Fund.

(c) The board shall execute documents required by the Pooled Money Investment Board to obtain and repay the loan.

(d) Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

5965.13. All moneys deposited in the fund that are derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premium may be reserved and used to pay costs of bond issuance before any transfer to the General Fund.

5965.14. (a) The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law.

(b) Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of bonds issued to refund bonds originally issued under this chapter or any previously issued refunding bonds.

(c) A bond refunded with the proceeds of refunding bonds, as authorized by this section, may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended, authorizing that refunded bond.

5965.15. (a) Notwithstanding any provision of this chapter or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, under designated conditions, or is otherwise entitled to a federal tax advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds and the investment earnings on those proceeds.

(b) The Treasurer may use or direct the use of those proceeds or earnings to pay a rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of those

bond proceeds, required or desirable under federal law, to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

5965.16. The proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

5966. (a) (1) The Department of Housing and Community Development, in coordination with the Department of Veterans Affairs, shall determine the methodology and distribution of the funds provided pursuant to paragraph (1) of subdivision (b) of Section 5965.04, used for the purposes provided in paragraph (1) of subdivision (a) of Section 5965.04.

(2) The Department of Housing and Community Development and the Department of Veterans Affairs shall work in coordination pursuant to a memorandum of understanding.

(b) The Department of Housing and Community Development shall determine the methodology and distribution of the funds provided pursuant to paragraph (2) of subdivision (b) of Section 5965.04, used for the purposes provided in paragraph (2) of subdivision (a) of Section 5965.04.

5966.02. (a) (1) Notwithstanding any other law, funds allocated for the purposes specified in paragraphs (1) and (2) of subdivision (a) of Section 5965.04 shall be disbursed in accordance with subdivisions (a) to (h), inclusive, of Section 50675.1.3 of the Health and Safety Code and any associated guidelines changes to that program, as provided in the Multifamily Housing Program in Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code, and this chapter, consistent with applicable law and guidance.

(2) The Department of Housing and Community Development shall issue guidance regarding implementation by July 1, 2025.

(b) In developing the methodology and distribution of funds referenced in subdivision (a) of Section 5966, the Department of Housing and Community Development shall consult with the Department of Veterans Affairs regarding supportive services plan standards and other program areas where the Department of Veterans Affairs holds expertise for the purposes specified in paragraph (1) of subdivision (a) of Section 5965.04.

5967. The Department of Health Care Services shall determine the methodology and distribution of the funds provided pursuant to paragraphs (3) and (4) of subdivision (b) of Section 5965.04, used for the purposes

provided in paragraphs (3) and (4) of subdivision (a) of Section 5965.04.

5967.01. (a) Notwithstanding any other law, funds allocated for the purposes specified in paragraph (3) of subdivision (a) of Section 5965.04 shall be disbursed in accordance with the Behavioral Health Continuum Infrastructure Program (commencing with Section 5960), and this chapter, consistent with applicable law and guidance.

(b) The Department of Health Care Services shall issue guidance regarding the implementation of this article by July 1, 2025.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SEC. 6. Sections 1, 2, and 3 of this act shall take effect upon the approval by the voters of the Behavioral Health Infrastructure Bond Act of 2024, as set forth in Section 4 of this act.

SEC. 7. (a) Section 4 of this act and Sections 1, 2, 14, 15, 18 to 23, inclusive, 28 to 30, inclusive, 35 to 40, inclusive, 42 to 44, inclusive, 49 to 59, inclusive, 62 to 64, inclusive, 73 to 81, inclusive, 86 to 95, inclusive, 98 to 100, inclusive, 103 to 112, inclusive, 116, and 117 of the Behavioral Health Services Act, as set forth in Senate Bill 326 of the 2023–24 Regular Session, shall be submitted to the voters at the March 5, 2024, statewide primary election, and shall appear on the ballot as a single measure in accordance with provisions of the Government Code and the Elections Code governing the submission of a statewide measure to the voters.

(b) Notwithstanding Sections 13115 and 13117 of the Elections Code or any other law, the single measure described in subdivision (a), shall be placed as the first measure on the March 5, 2024, statewide primary election ballot and shall be designated as "Proposition 1."

(c) Notwithstanding Sections 13115 and 13117 of the Elections Code or any other law, all other measures proposed by the Legislature at the 2023–24 Regular Session for submission to the voters at the March 5, 2024, statewide primary election shall immediately follow Proposition 1 and be designated on the statewide primary election ballot as the next in order numerically pursuant to Section 13117 of the Elections Code.