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HEALTH AND SAFETY CODE - HSC

DIVISION 107. HEALTH CARE ACCESS AND INFORMATION [127000 - 130079] (*Heading of Division 107 amended by Stats. 2021, Ch. 143, Sec. 28.*)

PART 6. FACILITIES LOAN INSURANCE AND FINANCING [129000 - 129387] (*Part 6 added by Stats. 1995, Ch. 415, Sec. 9.*)

CHAPTER 1. Health Facility Construction Loan Insurance [129000 - 129355] (*Chapter 1 added by Stats. 1995, Ch. 415, Sec. 9.*)

ARTICLE 6. Community Mental Health Facilities Loan Insurance [129225 - 129260] (*Article 6 added by Stats. 1995, Ch. 415, Sec. 9.*)

129225. This article shall be known as, and may be cited as, the Community Mental Health Facilities Loan Insurance Law.
(*Added by Stats. 1995, Ch. 415, Sec. 9. Effective January 1, 1996.*)

129230. It is the intent of the Legislature in enacting this article to encourage the development of facilities for community-based programs that assist mental health clients living in any institutional setting, including state and local inpatient hospitals, skilled nursing homes, intermediate care facilities, and community care facilities to move to more independent living arrangements. It is further the intent of the Legislature to encourage local programs to seek funding for facility development from private sources and with the assistance provided pursuant to this chapter.

To achieve this purpose in determining eligibility for loan insurance pursuant to this chapter, the following special provisions apply to facilities approved in the local mental health program and meeting the intentions of this article:

- (a) Facilities shall not require approval pursuant to Section 129295 by the statewide system of health facility planning, the area health planning agency, or the Health Advisory Council, for the issuance of loan insurance, unless specifically required for the facilities by the facility category of licensure.
- (b) Notwithstanding subdivision (i) of Section 129050, any loan of under three hundred thousand dollars (\$300,000) for a nonprofit corporation as well as a political subdivision may be fully insured equal to the total construction cost, except a loan to any proprietary corporation that is insured pursuant to subdivision (d) of this section.
- (c) The local mental health program may provide all application fees, inspection fees, premiums and other administrative payments required by this chapter, except with respect to any loan to a proprietary corporation that is insured pursuant to subdivision (d) of this section.
- (d) The borrower may be a proprietary corporation, provided that the facility is leased to the local mental health program for the duration of the insurance agreement. In these instances, all provisions in this chapter and this article that apply to a nonprofit corporation shall apply to the proprietary corporation, except as provided in subdivisions (b) and (c) of this section.
- (e) For the purposes of this article, subdivision (c) of Section 129010 shall include the purchase of existing buildings.
- (f) Facilities shall not require approval pursuant to Section 129020 by the statewide system of health facility planning, the area health planning agency, or the Health Advisory Council, for the issuance of loan insurance, until the director of the department determines that the state plan developed pursuant to Section 129020 adequately and comprehensively addresses the need for community mental health facilities and that finding is reported to the appropriate policy committees of the Legislature.

(*Amended by Stats. 2021, Ch. 143, Sec. 272. (AB 133) Effective July 27, 2021.*)

129235. Loans of under three hundred thousand dollars (\$300,000) for any single facility shall have priority for obtaining loan insurance under the special provisions established pursuant to Section 129230.

(*Added by Stats. 1995, Ch. 415, Sec. 9. Effective January 1, 1996.*)

129240. The total amount of loans that may be insured pursuant to this article shall not exceed fifteen million dollars (\$15,000,000).

(Added by Stats. 1995, Ch. 415, Sec. 9. Effective January 1, 1996.)

129245. No loan insurance shall be provided pursuant to this article for the purpose of providing psychiatric inpatient services in an acute psychiatric hospital or a general acute care hospital.

(Added by Stats. 1995, Ch. 415, Sec. 9. Effective January 1, 1996.)

129250. The Legislative Analyst shall review and comment on the utilization and effectiveness of this article in the annual budget analysis and in hearings.

(Added by Stats. 1995, Ch. 415, Sec. 9. Effective January 1, 1996.)

129255. If, in construing Article 6 (commencing with Section 129225) of this chapter as applied to the other provisions of this chapter, any conflict arises, this article shall prevail over the other provisions of this chapter.

(Added by Stats. 1995, Ch. 415, Sec. 9. Effective January 1, 1996.)

129260. If any provision of this article or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this article that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

(Added by Stats. 1995, Ch. 415, Sec. 9. Effective January 1, 1996.)