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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 7. Small Facility Loan Guarantee for Developmental Disability Programs [129275 - 129295] (*Article 7 added by Stats. 1995, Ch. 415, Sec. 9.*)

129275. This article shall be known, and may be cited, as the Small Facility Loan Guarantee for Programs Serving People with Developmental Disabilities.

(*Amended by Stats. 2010, Ch. 730, Sec. 2. (AB 1629) Effective October 19, 2010.*)

129280. The State of California has a compelling interest in the development of facilities for community-based programs that assist persons with a developmental disability living in an institutional setting to transition to more independent living arrangements. In order to meet this significant community need, it is further the intent of the Legislature to encourage 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 developed pursuant to Section 4688.5 of the Welfare and Institutions Code and meeting the intentions of this article:

(a) For purposes of this article, the following definitions shall apply:

- (1) "Borrower" shall mean a political subdivision or nonprofit corporation approved by the regional center as an ownership entity that owns the project property.
- (2) "Long-term residency lease agreement" shall mean a lease by the borrower, as lessor, of facilities developed pursuant to Section 4688.5 of the Welfare and Institutions Code to a service provider selected by a regional center, as lessee, having a term of at least as long as the term of the insured loan.
- (3) "Nonprofit corporation" shall mean a corporation formed under or subject to the Nonprofit Public Benefit Corporation Law (Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code) or a limited liability company (LLC) whose sole member is a corporation formed under or subject to the Nonprofit Public Benefit Corporation Law (Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code) that meets applicable sections of the federal Internal Revenue Code governing nonprofit status.
- (4) "Regional center" shall mean a private nonprofit corporation that contracts with the state and is organized pursuant to Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code.
- (5) "Service provider" shall mean an entity with the appropriate license, if required, that contracts with a regional center to provide services to persons eligible for regional center services.

(b) Notwithstanding subdivisions (i), (l), and (m) of Section 129050, any loan made pursuant to this article for a nonprofit corporation or a political subdivision may be fully insured equal to the total cost of construction, improvement, and expansion, which may exceed the current value of the health facility, including improvements, when supported by other security for, or guaranty of, the debt.

(c) The Golden Gate Regional Center, Regional Center of the East Bay, and San Andreas Regional Center shall provide for, secure, and ensure the full payment of a lease or leases developed pursuant to Section 4688.5 of the Welfare and Institutions Code.

(Amended by Stats. 2010, Ch. 730, Sec. 3. (AB 1629) Effective October 19, 2010.)

129285. (a) Loans of under three hundred thousand dollars (\$300,000) for any single facility for six or fewer developmentally disabled shall have priority for obtaining loan insurance.

(b) The total amount of loans that may be insured pursuant to this article shall not exceed one hundred million dollars (\$100,000,000).

(Amended by Stats. 2010, Ch. 730, Sec. 4. (AB 1629) Effective October 19, 2010.)

129290. 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 article are severable.

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

129295. The department may insure, pursuant to this article, loans to nonprofit borrowers that are not licensed to operate the facilities for which the loans are insured, provided that the borrower has entered into a long-term residency lease agreement with a service provider selected by the applicable regional center to operate that facility. The number of facilities for which loans are insured under this section shall not exceed 100 and the aggregate amount of loans insured under this section shall not exceed one hundred million dollars (\$100,000,000).

(Amended by Stats. 2021, Ch. 143, Sec. 273. (AB 133) Effective July 27, 2021.)