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**HEALTH AND SAFETY CODE - HSC**

**DIVISION 24. COMMUNITY DEVELOPMENT AND HOUSING [33000 - 37964]** (*Heading of Division 24 amended by Stats. 1975, Ch. 1137.*)

**PART 1. COMMUNITY REDEVELOPMENT LAW [33000 - 33855]** (*Part 1 repealed and added by Stats. 1963, Ch. 1812.*)

**CHAPTER 8. Redevelopment Construction Loans [33750 - 33799]** (*Chapter 8 added by Stats. 1975, Ch. 48.*)

**ARTICLE 4. Residential Construction [33790 - 33799]** (*Article 4 added by Stats. 1975, Ch. 48.*)

**33790.** An agency may not finance mortgage or construction loans which have not been authorized by prior written agreement between the agency and the participating party. All agreements for such loans shall provide that the architectural and engineering design of the residential construction shall be subject to such standards as may be established by the agency and that the work of such residential construction shall be subject to such supervision as the agency deems necessary.

(*Amended by Stats. 1979, Ch. 277.*)

**33791.** An agency may enter into loan agreements with any participating party relating to residential construction of any kind or character. The terms and conditions of such loan agreements may be as mutually agreed upon, but such terms and conditions shall not be inconsistent with the provisions of this chapter or regulations adopted pursuant thereto. Any such loan agreement may provide the means or methods by which any mortgage taken by the agency shall be discharged, and it shall contain such other terms and conditions as the agency may require. An agency may fix, revise, charge and collect interest and principal and all other rates, fees, and charges with respect to financing of residential construction. Such rates, fees, charges and interest shall be fixed and adjusted so that the aggregate of such rates, fees, charges and interest will provide funds sufficient with other revenues and moneys which it is anticipated will be available therefor, if any, to all of the following:

(a) Pay the principal of, and interest on, outstanding revenue bonds of the agency issued to finance such residential construction as the same shall become due and payable.

(b) Create and maintain reserves required or provided for in any resolution authorizing such revenue bonds. A sufficient amount of the revenues derived from residential construction may be set aside at such regular intervals as may be provided by the resolution in a sinking or other similar fund, which is hereby pledged to, and charged with, the payment of the principal of and interest on such revenue bonds as the same shall become due, and the redemption price or the purchase price of revenue bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time the pledge is made. The rates, fees, interest, and other charges, revenues, or moneys so pledged and thereafter received by the agency shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the agency, irrespective of whether such parties have notice thereof. Neither the resolution nor any loan agreement by which a pledge is created need be filed or recorded except in the records of the agency. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such revenue bonds. Except as may otherwise be provided in the resolution, such sinking or other similar fund may be a fund for all revenue bonds of the agency issued to finance the construction of the residence of a particular participating party without distinction or priority. The agency, however, in any such resolution may provide that such sinking or other similar fund shall be the fund for particular project or projects of residential construction and for the bonds issued to finance such project or projects and may, additionally, authorize and provide for the issuance of revenue bonds having a lien with respect to the security authorized by this section which is subordinate to the lien of other revenue bonds of the agency, and in such case, the agency may create separate sinking or other similar funds securing the revenue bonds having the subordinate lien.

(c) Pay operating and administrative costs of the agency incurred in the administration of the program authorized by this chapter.

(*Added by Stats. 1975, Ch. 48.*)

**33792.** All moneys received pursuant to the provisions of this chapter, whether revenues or proceeds from the sale of revenue bonds or proceeds of mortgage insurance or guarantee claims, shall be deemed to be trust funds to be held and applied solely for

the purposes of this chapter. Any bank or trust company in which such moneys are deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes specified in this chapter, subject to the terms of the resolution authorizing the revenue bonds.

*(Amended by Stats. 1979, Ch. 1073.)*

**33795.** This chapter being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect its purposes.

*(Added by Stats. 1975, Ch. 48.)*

**33796.** If the jurisdiction of the agency to order a proposed act is not affected, an omission of any officer or the agency in proceedings under this chapter or any other defect in the proceedings shall not invalidate the proceedings or revenue bonds issued pursuant to this chapter.

*(Added by Stats. 1975, Ch. 48.)*

**33797.** This chapter is full authority for the issuance of bonds by an agency for the purpose of financing residential construction.

*(Added by Stats. 1975, Ch. 48.)*

**33798.** This chapter shall be deemed to provide a complete, additional, and alternative method for doing the things authorized thereby, and shall be regarded as supplemental and additional to the powers conferred by other laws. The issuance of revenue bonds and refunding revenue bonds under the provisions of this chapter need not comply with the requirements of any other law applicable to the issuance of bonds.

*(Added by Stats. 1975, Ch. 48.)*

**33799.** An action may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of any issuance or proposed issuance of revenue bonds under this chapter and the legality and validity of all proceedings previously taken or proposed in a resolution of an agency to be taken for the authorization, issuance, sale, and delivery of the revenue bonds and for the payment of the principal thereof and interest thereon.

*(Added by Stats. 1975, Ch. 48.)*