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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 13. RESIDENTIAL REHABILITATION [37910 - 37964] (*Part 13 added by Stats. 1973, Ch. 1201.*)

CHAPTER 1. General Provisions and Definitions [37910 - 37913] (*Chapter 1 added by Stats. 1973, Ch. 1201.*)

37910. This part shall be known and may be cited as the Marks-Foran Residential Rehabilitation Act of 1973.

(*Added by Stats. 1973, Ch. 1201.*)

37911. The Legislature hereby finds and declares that it is necessary and essential that cities, counties, and cities and counties, and redevelopment agencies and housing authorities within such cities, counties, and cities and counties, be authorized to make long-term, low-interest loans to finance residential rehabilitation in depressed residential areas in order to encourage the upgrading of property in such areas. Unless such local agencies intervene to provide some form of assistance to finance residential rehabilitation, many depressed residential areas will deteriorate at an accelerated pace because property owners are not able to obtain rehabilitation loans from private sources.

The Legislature further finds and declares that many depressed residential areas contain scattered vacant parcels and residences that are so severely deteriorated that they must be demolished. The existence of such conditions in residential rehabilitation areas often impedes the progress of residential rehabilitation and improvement. It is, therefore, necessary that local agencies be authorized to include new construction in the form of residential infill construction as an integral part of a residential rehabilitation financing program.

The Legislature also finds and declares that preservation of existing housing stock is a primary purpose of this part. Much housing exists that can be preserved if moved from one location to another. It is, therefore, necessary that local agencies be authorized to include such preservation in the form of move-on residences.

(*Amended by Stats. 1982, Ch. 1160, Sec. 1.*)

37912. Unless the context otherwise requires, the following definitions shall govern the construction of this part:

(a) "Bonds" means any bonds, notes, interim certificates, debentures, or other obligations issued by a local agency pursuant to this part and which are payable exclusively from the revenues, as defined in subdivision (k), and from any other funds specified in this part upon which the bonds may be made a charge and from which they are payable.

(b) "Citizen participation" means action by the local agency to provide persons who will be affected by residential rehabilitation financed under the provisions of this part with opportunities to be involved in planning and carrying out the residential rehabilitation program. "Citizen participation" shall include, but not be limited to, all of the following and in the order provided below:

(1) Holding a public meeting prior to the original hearing by the legislative body for the purpose of considering selection of the area for designation and determining the method of notice to property owners which will be used pursuant to paragraph (3).

(2) Consultation with an elected or appointed citizen advisory board of a proposed residential rehabilitation area. The members of the board shall include, to the greatest extent feasible, representatives of resident owners, nonresident owners, and resident tenants of both single-family and multiple-family residential structures who are not apartment managers, resident agents, or employees of property owners. The duties of the board are to develop a plan for public improvements and the rules and regulations for implementation of the proposed residential rehabilitation program.

(3) Dissemination of information relating to the time and location of the hearing, boundaries of the proposed residential rehabilitation area, and a general description of the proposed residential rehabilitation program by one of the following methods as determined by the legislative body at the public meeting provided in paragraph (1):

(A) At least seven days prior to the original hearing, by mailing to all real property owners within the proposed residential rehabilitation area at the address shown on the latest assessment roll and by distribution to residents of the proposed residential rehabilitation area in a manner determined to be appropriate by the local agency.

(B) After express findings by the legislative body at the public meeting provided in paragraph (1) at lower expense and effective notice at least equal to the mailed and distributed notice provided in subparagraph (A), by a method determined by the legislative body which includes, but is not limited to, publication of such notice pursuant to Section 6066 of the Government Code and posting of such notice at no less than three prominent places within the proposed residential redevelopment area and distribution to residents of the proposed residential rehabilitation area in a manner determined to be appropriate by the local agency.

"Citizen participation" also includes any other means of citizen involvement determined appropriate by the legislative body.

Public meetings and consultations held to implement the requirements of citizen participation shall be conducted by a planning or rehabilitation official designated by the legislative body. Public meetings shall be held at times and places convenient to residents and property owners.

(c) "Financing" means the lending of moneys or any other thing of value, or the purchase of a loan previously made by a qualified mortgage lender in accordance with rules and regulations of the local agency, for the purpose of residential rehabilitation and may, in the discretion of the legislative body, include any or all of the following:

(1) Refinancing of outstanding indebtedness of the participating party with respect to property which is subject to residential rehabilitation by such participating party.

(2) Financing or refinancing the cost incurred by a participating party in acquiring real property for the purpose of residential rehabilitation, including residential infill construction and move-on residences.

(3) Financing the acquisition of residences within a residential rehabilitation area which have been previously rehabilitated or constructed with financing pursuant to this part.

(d) "Legislative body" means the city council, board of supervisors, or other legislative body of the local agency.

(e) "Local agency" means any of the following:

(1) Any city, county, or city and county.

(2) Any redevelopment agency functioning pursuant to Part 1 (commencing with Section 33000).

(3) Any housing authority functioning pursuant to Part 2 (commencing with Section 34200).

(f) "Move-on residence" means a previously occupied single family or multifamily residential structure moved from a location to a vacant lot inside a residential rehabilitation area, or outside a residential rehabilitation area if the single-family or multifamily residential structure is for occupancy for persons or families of low or moderate income.

(g) "Participating party" means any person, company, corporation, partnership, limited liability company, firm, local agency, political subdivision of the state, or other entity or group of entities requiring financing for residential rehabilitation pursuant to the provisions of this part. No elective officer of the state or any of its political subdivisions and no employee or member of the agency issuing bonds shall be eligible to be a participating party under the provision of this part.

(h) "Qualified mortgage lender" means a mortgage lender authorized by a local agency to do business with the agency and to aid in financing pursuant to this part on behalf of the agency, for which service the qualified mortgage lender will be reasonably compensated. Such a mortgage lender shall be a state or national bank, federal or state-chartered savings and loan association, or trust company or mortgage banker which is capable of providing service or otherwise aiding in the financing authorized by this part. Nothing in any other provision of state law shall prevent such a lender from serving as a qualified mortgage lender pursuant to this part.

(i) "Residential rehabilitation" includes the following:

(1) The construction, reconstruction, renovation, replacement, extension, repair, betterment, equipping, developing, embellishing, or otherwise improving residences consistent with standards of strength, effectiveness, fire resistance, durability, and safety, so that such structures are satisfactory and safe to occupy for residential purposes and are not conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime because of any one or more of the following factors:

(A) Defective design and character of physical construction.

(B) Faulty interior arrangement and exterior spacing.

(C) Inadequate provision for ventilation, lighting, and sanitation.

(D) Obsolescence, deterioration, and dilapidation.

(2) Residential infill construction, where authorized by the comprehensive residential rehabilitation financing program.

(3) A qualified home improvement loan, which has the same meaning as Section 103 (A) of the Federal Internal Revenue Code of 1954, as amended by Public Law 96-499, December 5, 1980.

(4) With respect to a move-on residence, where authorized by the comprehensive residential rehabilitation financing program, the acquisition prior to relocation of, movement of, installation of, and rehabilitation of, a move-on residence and purchase of a move-on residence that has previously been rehabilitated with financing under this part.

(5) Acquisition of real property for the purpose of rehabilitation or residential infill construction pursuant to paragraph (1), (2), or (4), if authorized by the comprehensive residential rehabilitation financing program.

(6) Purchase of residences within a residential rehabilitation area which have been previously rehabilitated or constructed with financing under this part, if authorized by the comprehensive residential rehabilitation financing program.

(7) Relocation payments required or authorized by Section 37922.2 or by Section 7265.3 of the Government Code in connection with rehabilitation of a residence financed pursuant to this part, or in connection with demolition of a structure for the purpose of making land available for residential infill construction financed pursuant to this part. The cost of relocation payments may be included in the principal amount of a loan made to a participating party or may be paid directly from bond proceeds.

(j) "Residential infill construction" means the construction of new single-family or multifamily residences, excluding commercial or mixed residential and commercial structures and residential hotels, on vacant lots in residential rehabilitation areas, including lots cleared by demolition of an existing structure. However, the cost of demolition of existing structures shall not be eligible for financing under this part, and it is the intent of the Legislature that local agencies shall adopt lending policies and criteria which will encourage rehabilitation of existing residences in residential rehabilitation areas wherever possible.

(k) "Residence" means real property improved with a residential structure and, in residential rehabilitation areas only, also includes real property improved with a commercial or mixed residential and commercial structure which, in the judgment of the local agency, is an integral part of a residential neighborhood. "Residence" also includes condominium and cooperative dwelling units, and includes both real property improved with single-family residential structures and real property improved with multiple-family residential structures.

"Residence" also includes residential hotels in which not less than one-half of the occupied dwelling units are occupied on a nontransient basis. A dwelling unit shall be deemed to be used on a nontransient basis for such purpose if the term of the tenancy is one month or longer or if the tenant has resided in the unit for more than 30 days. In a residential hotel, individual dwelling units shall lack either cooking facilities or individual sanitary facilities, or both. However, for purposes of this subdivision, a residential hotel does not include dormitories, fraternity and sorority houses, hospitals, sanitariums, rest homes, or trailer parks and courts.

(l) "Rehabilitation standards" means the applicable local or state standards for the rehabilitation of residences located in residential rehabilitation areas or rehabilitated pursuant to Section 37922.1, including any higher standards adopted by the local agency as part of its residential rehabilitation financing program.

(m) "Revenues" means all amounts received as repayment of principal, interest, and all other charges received for, and all other income and receipts derived by, the local agency from the financing of residential rehabilitation, including moneys deposited in a sinking, redemption, or reserve fund or other fund to secure the bonds or to provide for the payment of the principal of, or interest on, the bonds and such other moneys as the legislative body may, in its discretion, make available therefor.

(n) "Residential rehabilitation area" means the geographical area designated by the local agency as one for inclusion in a comprehensive residential rehabilitation financing program pursuant to the provisions of this part.

(Amended by Stats. 1994, Ch. 1010, Sec. 170. Effective January 1, 1995.)

37912.5. Unless the context otherwise requires, "systematic enforcement," as used in this part, means the enforcement of rehabilitation standards in accordance with a systematic program of making inspections of dwelling structures in accordance with objective criteria for selection or order of selection of dwelling structures to be inspected. Systematic enforcement may be limited to rental or multifamily dwellings. It does not refer to a policy of responding only to complaints and requests for inspections. It does not include inspections where violations are not cited. It does not include the concentrated enforcement of rehabilitation standards in a designated geographic area within the jurisdiction.

(Added by Stats. 1977, Ch. 920.)

37913. Local agencies operating rehabilitation programs pursuant to this part shall submit a report to the California Debt Advisory Commission pursuant to the requirements of Section 8855.5 of the Government Code.

Local agencies may contract with the Department of Housing and Community Development for technical assistance in the operation of rehabilitation programs conducted pursuant to this part.

(Amended by Stats. 1985, Ch. 31, Sec. 3. Effective April 26, 1985.)