



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code: Section:

[Up^](#) [Add To My Favorites](#)

HEALTH AND SAFETY CODE - HSC

DIVISION 31. HOUSING AND HOME FINANCE [50000 - 54913] (*Division 31 repealed and added by Stats. 1977, Ch. 610.)*

PART 1. STATE HOUSING POLICY AND GENERAL PROVISIONS [50000 - 50300] (*Part 1 added by Stats. 1977, Ch. 610.)*

CHAPTER 2. Definitions [50050 - 50106] (*Chapter 2 added by Stats. 1977, Ch. 610.)*

50050. Unless otherwise indicated by the context, the definitions contained in this chapter shall govern the construction of this division.

(*Added by Stats. 1977, Ch. 610.*)

50051. "Affirmative action" means any program created pursuant to rules and regulations of the agency to create greater job opportunities for members of disadvantaged racial, sexual, religious, ancestral, or national-origin groups. Such program shall include educational, promotional, and other appropriate activity designed to secure greater employment opportunity for the members of such groups.

(*Added by Stats. 1977, Ch. 610.*)

50052. "Affirmative marketing program" means any program approved by the agency that is designed to achieve greater access to housing opportunities created by this division for members of disadvantaged racial, sexual, religious, ancestral, or national-origin groups. Such program shall include educational, promotional, and other appropriate activity designed to secure greater housing opportunities for the members of such groups. Where a significant number of persons in a community have limited fluency in the English language, publications implementing an affirmative marketing program in that community shall be provided in the native language of such persons.

(*Added by Stats. 1977, Ch. 610.*)

50052.5. (a) For any owner-occupied housing that receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable housing cost" with respect to lower income households may not exceed 25 percent of gross income.

(b) For any owner-occupied housing that receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable housing cost" may not exceed the following:

(1) For extremely low income households the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate for the unit.

(2) For very low income households the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.

(3) For lower income households whose gross incomes exceed the maximum income for very low income households and do not exceed 70 percent of the area median income adjusted for family size, the product of 30 percent times 70 percent of the area median income adjusted for family size appropriate for the unit. In addition, for any lower income household that has a gross income that equals or exceeds 70 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 30 percent of the gross income of the household.

(4) For moderate-income households, affordable housing cost shall not be less than 28 percent of the gross income of the household, nor exceed the product of 35 percent times 110 percent of area median income adjusted for family size appropriate for the unit. In addition, for any moderate-income household that has a gross income that exceeds 110 percent of the area median

income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable housing cost not exceed 35 percent of the gross income of the household.

(c) The department shall, by regulation, adopt criteria defining, and providing for determination of, gross income, adjustments for family size appropriate to the unit, and housing cost for purposes of determining affordable housing cost under this section. These regulations may provide alternative criteria, where necessary to be consistent with pertinent federal statutes and regulations governing federally assisted housing. The agency may, by regulation, adopt alternative criteria, and pursuant to subdivision (f) of Section 50462, alternative percentages of income may be adopted for agency-assisted housing development.

(d) With respect to moderate- and lower income households who are tenants of rental housing developments and members or shareholders of cooperative housing developments, or limited equity cooperatives "affordable housing cost" has the same meaning as affordable rent, as defined in Section 50053.

(e) Regulations of the department shall also include a method for determining the maximum construction cost, mortgage loan, or sales price that will make housing available to an income group at affordable housing cost.

(f) For purposes of this section, "area median income" shall mean area median income as published by the department pursuant to Section 50093.

(g) For purposes of this section, "moderate income household" shall have the same meaning as "persons and families of moderate income" as defined in Section 50093.

(h) For purposes of this section, and provided there are no pertinent federal statutes applicable to a project or program, "adjusted for family size appropriate to the unit" shall mean for a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit.

(Amended by Stats. 2017, Ch. 418, Sec. 7. (AB 1714) Effective January 1, 2018.)

50053. (a) For any rental housing development that receives assistance prior to January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent" with respect to lower income households shall not exceed the percentage of the gross income of the occupant person or household established by regulation of the department that shall not be less than 15 percent of gross income nor exceed 25 percent of gross income.

(b) (1) Except as provided in paragraph (2), for any rental housing development that receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent," including a reasonable utility allowance, shall not exceed:

(A) (i) For acutely low income households, as defined in Section 50063.5, the product of 30 percent times 15 percent of the area median income adjusted for family size appropriate for the unit.

(ii) This subparagraph shall apply to a lease entered into on or after January 1, 2022.

(B) For extremely low income households, the product of 30 percent times 30 percent of the area median income adjusted for family size appropriate for the unit.

(C) For very low income households, the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit.

(D) For lower income households whose gross incomes exceed the maximum income for very low income households, the product of 30 percent times 60 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those lower income households with gross incomes that exceed 60 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

(E) For moderate-income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. In addition, for those moderate-income households whose gross incomes exceed 110 percent of the area median income adjusted for family size, it shall be optional for any state or local funding agency to require that affordable rent be established at a level not to exceed 30 percent of gross income of the household.

(2) Notwithstanding paragraph (1), for a rental housing development described in paragraph (1) that dedicates 80 percent of units, exclusive of a manager's unit or units, to lower income households, "affordable rent," including a reasonable utility allowance, shall not exceed the rent prescribed by deed restrictions or regulatory agreements pursuant to the terms of the public financing or public financial assistance for the rental housing development, if the rental housing development receives an award on or after January 1, 2025, of any of the following:

(A) Federal or state low-income housing tax credits.

(B) Tax-exempt private activity bonds or general obligation bonds.

(C) Local, state, or federal loans or grants.

(c) The department's regulation shall permit alternative percentages of income for agency-assisted rental and cooperative housing developments pursuant to regulations adopted under subdivision (f) of Section 50462. The department shall, by regulation, adopt criteria defining and providing for determination of gross income, adjustments for family size appropriate to the unit, and rent for purposes of this section. These regulations may provide alternative criteria, where necessary, to be consistent with pertinent federal statutes and regulations governing federally assisted rental and cooperative housing. The agency may, by regulation, adopt alternative criteria, and pursuant to subdivision (f) of Section 50462, alternative percentages of income may be adopted for agency-assisted housing developments.

(d) For purposes of this section, "area median income" and "moderate-income household" shall have the same meaning as provided in Section 50093.

(e) For purposes of this section, and provided there are no pertinent federal or state statutes or regulations applicable to a project or program that are in conflict with this definition, "adjusted for family size appropriate to the unit" shall mean for a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit. If there is a conflict, the applicable state or federal statutes or regulations for the project or program shall apply.

(Amended by Stats. 2024, Ch. 674, Sec. 2. (AB 846) Effective January 1, 2025.)

50054. "Agency" means the California Housing Finance Agency.

(Added by Stats. 1977, Ch. 610. Note: Conditional amendment by Stats. 1994, Ch. 94, was repealed by Stats. 1997, Ch. 580.)

50055. "Assisted housing" means housing financed by a below-market interest rate mortgage insured or purchased, or a loan made, by the Secretary of the United States Department of Housing and Urban Development or by the Farmers Home Administration of the United States Department of Agriculture; or a market-interest-rate mortgage insured or purchased, or a loan made in combination with, or as augmented by, a program of rent supplements or subsidies, interest subsidies, leasing, contributions or grants, or other programs as are now or hereafter authorized by federal law to serve persons and families of low or moderate income; or a mortgage or loan made pursuant to this division; or a mortgage or loan from any private or public source with an interest rate and terms satisfactory to the agency and which will meet the requirements and purposes of this division.

(Added by Stats. 1977, Ch. 610.)

50056. "Below-market interest" means a below-market interest rate adequate to return to the agency sufficient income to meet its obligations, reserve requirements, and expenses connected with a loan financed by the agency for which such interest rate is established as determined by the agency at the time of commitment of funds, for the permanent financing.

(Added by Stats. 1977, Ch. 610.)

50057. "Board" means the board of directors of the agency.

(Added by Stats. 1977, Ch. 610.)

50058. "Bonds" means bonds, notes (including bond anticipation notes and construction loan notes), debentures, interim or other certificates, or other evidences of financial indebtedness issued by the agency pursuant to Part 3 (commencing with Section 50900) or Part 6 (commencing with Section 52500).

(Amended by Stats. 1982, Ch. 320, Sec. 2. Effective June 29, 1982.)

50058.5. "Buy-down mortgage plan" is a program by which the effective interest cost to the purchaser of a real property is reduced below market rates through supplemental payments by the agency to a qualified mortgage lender in return for which the agency shall obtain from the purchaser an interest-bearing note secured by a subordinated mortgage on the property which is purchased.

(Added by Stats. 1982, Ch. 320, Sec. 3. Effective June 29, 1982.)

50058.8. "Capitalized operating reserves" means capitalized funds for assisted units for the purpose of covering potential or projected operating deficits over time, including, but not limited to, operations, supportive services, and rent subsidies.

(Added by Stats. 2025, Ch. 22, Sec. 44. (AB 130) Effective June 30, 2025.)

50059. "Cause" means gross neglect of duties, fraud, or violation of Section 50904 or 50905.

(Added by Stats. 1977, Ch. 610.)

50060. "Citizen participation" means action by the local agency that is approved by the agency as sufficient to provide persons who will be affected by financing or loan insurance assistance within a neighborhood preservation area, under the provisions of Chapter 6 (commencing with Section 51300) of Part 3 of this division or under Part 4 (commencing with Section 51600) of this division, with opportunities to be involved in planning and carrying out the financing or loan insurance assistance program. "Citizen participation" shall include, but not be limited to, all of the following and in the order provided below:

(a) Holding a public meeting prior to the hearing by the legislative body considering selection of the area for designation as a neighborhood preservation area.

(b) Consultation with an elected or appointed citizen advisory board, composed of representatives of both owners of property in, and residents of, a proposed neighborhood preservation area, in developing a plan for public improvements and the rules and regulations for implementation of the proposed assistance program.

(c) Dissemination at least seven days prior to the original hearing by mailing to property owners within the proposed neighborhood preservation area at the address shown on the latest assessment roll and by distributing to residents of the proposed neighborhood preservation area by a manner determined appropriate by the local agency, of information relating to the time and location of the hearing, boundaries of the proposed area, and a general description of the proposed assistance program.

In addition to the requirements of subdivisions (a) to (c), inclusive, any other means of citizen involvement determined appropriate by the legislative body may be implemented.

In lieu of initiating a new process of citizen participation, local agencies which have conducted or are conducting a citizen-participation process as part of an existing housing community development program, may substitute such citizen-participation process if the board approves such process as meeting the requirements of this section.

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.

(Added by Stats. 1977, Ch. 610.)

50061. "Commission" means the Commission of Housing and Community Development.

(Added by Stats. 1977, Ch. 610.)

50061.5. Any reference in this division to the Commission of Housing and Community Development shall be deemed to be to the Department of Housing and Community Development and the department may exercise all the powers and shall perform all the duties of the commission.

(Added by Stats. 1981, Ch. 996.)

50062. "Concentrated rehabilitation area" means an area characterized by substantial deterioration of residential structures and which is designated by the agency pursuant to Section 51302.

(Added by Stats. 1977, Ch. 610.)

50062.5. "Congregate housing for the elderly" means a housing development, as defined by Section 50073.5, which is planned, designed, and managed to include facilities and common space that allow for direct services and support services that maximize the residents' potential for independent living and which is occupied by elderly or handicapped persons or households, as defined in Sections 50067 and 50072. Direct services and support services which are provided or made available shall relate to the nutritional, social, recreational, housekeeping, and personal needs of the residents and shall be provided or made available at a level necessary to assist the residents to function independently.

"Direct services," as used in this section, means meals, housekeeping services, transportation services, and planned recreational and social activities which shall be provided to the residents directly by the management of the congregate housing.

"Support services," as used in this section, means social services, day-care services, and in-home services which the management of the congregate housing shall assist the residents in obtaining, at the request of the residents.

(Added by Stats. 1986, Ch. 1249, Sec. 2.)

50063. "Construction loan" means a short-term loan secured by real property, made for development costs incurred in construction or rehabilitation of a housing development or residential structure.

(Amended by Stats. 1982, Ch. 312, Sec. 4. Effective June 28, 1982.)

50063.5. "Acutely low income households" means persons and families whose incomes do not exceed 15 percent of area median income, adjusted for family size and revised annually. The limits shall be published by the department in the California Code of Regulations for all geographic areas of the state. As used in this section, "area median income" means the median family income of a geographic area of the state.

(Added by Stats. 2021, Ch. 354, Sec. 2. (AB 1043) Effective January 1, 2022.)

50064. "Department" means the Department of Housing and Community Development.

(Added by Stats. 1977, Ch. 610.)

50065. "Development costs" means the aggregate of all costs incurred in connection with a housing development which are approved by the agency as reasonable and necessary, including, but not limited to, the following:

- (a) The cost of refinancing or acquiring land and any buildings thereon, including payments for commissions, options, deposits, or contracts to purchase properties on a proposed housing development site or payments for the purchase of such properties.
- (b) The cost of site preparation, demolition, and clearing.
- (c) Architectural, engineering, legal, accounting, consulting, and other fees paid or payable in connection with the planning, execution, and financing of a housing development and the finding of an eligible mortgagee for a housing development.
- (d) The cost of necessary studies, surveys, plans, and permits.
- (e) The cost of insurance, interest and financing, tax and assessment costs, and other operating and carrying costs incurred during construction or rehabilitation.
- (f) The cost of construction, rehabilitation, reconstruction and fixtures, medical facilities, furnishings, equipment, machinery, apparatus, and similar facilities and equipment related to the real property.
- (g) The cost of land improvements, including, but not limited to, landscaping, site preparation and streets, sewers, utilities, and other offsite improvements, whether or not such costs are paid in cash or in a form other than cash.
- (h) A reasonable profit and risk fee, as defined in regulations of the agency, in addition to job overhead to the general contractor and, if applicable, to a limited-dividend housing sponsor.
- (i) An allowance established by the agency for working capital and for reasonable reserves set aside to defray unanticipated additional development costs.
- (j) Necessary expenses incurred in connection with initial occupancy of a housing development, including reserves for any anticipated operating deficits to be incurred during the construction period and the initial year of occupancy.
- (k) Repayment of a development loan.
- (l) The cost of modifying a housing development or structure so that it is accessible to and convenient for the elderly or handicapped.
- (m) The cost of such other items, including tenant and homeowner relocation and tenant and homeowner counseling, as the agency shall determine to be reasonable and necessary for the development of a housing development.

The statement of a specific cost item within this section shall in no way imply a requirement that the agency finance that item in making a loan on any housing development. Development costs shall not include any greater portion of the total cost of a housing development owned by a limited-dividend housing sponsor than is consistent with an equity investment sufficient to ensure a substantial and continuing interest by such sponsor in the housing development.

(Added by Stats. 1977, Ch. 610.)

50066. "Development loan" means a loan, made prior to the granting of a construction loan, for planning, acquisition of land and improvements thereon, and site preparation for a housing development or residential structure. A development loan may include costs of architectural, engineering, legal and consulting services, the cost of necessary studies, surveys and governmental permits, and the cost of any other items that the agency deems reasonable and necessary for the initial preparation for construction or rehabilitation of a housing development or residential structure.

(Amended by Stats. 2000, Ch. 471, Sec. 14. Effective January 1, 2001.)

50067. "Elderly" means a family in which the head of the household is 60 years of age or older, a single person who is 60 years of age or older, or an elderly or handicapped household as defined in Section 19903 and subject to Part 4.5 (commencing with Section 19902) of Division 13. The age may be adjusted by the agency to facilitate participation in other municipal, state, or federal programs.

(Amended by Stats. 1984, Ch. 1072, Sec. 3.)

50068. "Financial interest" has the same meaning as specified in Section 87103 of the Government Code.

(Added by Stats. 1977, Ch. 610.)

50068.5. "First-time home buyer" means a person who is a purchaser of an owner-occupied housing unit and who neither has, nor has had, a present ownership in a principal residence at any time during the three-year period prior to the date on which the mortgage pursuant to this division is executed, except that this limitation shall not apply to a purchaser of a principal residence in a targeted area.

(Added by Stats. 1982, Ch. 320, Sec. 4. Effective June 29, 1982.)

50068.6. "First-Time Home Buyers Fund" is a fund in the General Fund, distinguished from the California Housing Finance Fund, which is created by Section 52504.

(Added by Stats. 1982, Ch. 320, Sec. 5. Effective June 29, 1982.)

50068.7. "First-Time Home Buyers Policy Committee" or "policy committee" is the committee which performs certain policy functions and makes certain policy determinations pursuant to Part 6 (commencing with Section 52500), and which is established pursuant to Section 52502.

(Added by Stats. 1982, Ch. 320, Sec. 6. Effective June 29, 1982.)

50069. "Fund" means the California Housing Finance Fund.

(Added by Stats. 1977, Ch. 610.)

50070. "Governmental agency" means the United States of America, the State of California, any city, county, or city and county within this state and any department, division, public corporation, or public agency of this state or of the United States, or two or more of such entities acting jointly, or the duly constituted governing body of an Indian reservation or rancheria.

(Added by Stats. 1977, Ch. 610.)

50071. "Guaranteed taxable bonds" means bonds secured by a pledge of the full faith and credit of the United States for the payment of the principal and interest on bonds issued under the authority of this division and on which the interest is not exempted from federal income taxes. Where the federal guarantees are for less than 75 percent of the liability, municipal, state, or private guarantees, bond insurance, or mortgage insurance shall be obtained in order that the amount of all such guarantees aggregate not less than 75 percent of the principal and interest on such bonds.

(Added by Stats. 1977, Ch. 610.)

50072. "Handicapped" means a family in which the head of the household is suffering from an orthopedic disability impairing personal mobility or a physical disability affecting his or her ability to obtain employment or a single person with such a physical disability, where the family or person requires special care or facilities in the home. "Handicapped" also includes a family in which the head of household suffers from a developmental disability specified in subdivision (a) of Section 38010 or a mental disorder which would render him or her eligible to participate in programs of rehabilitation or social services conducted by or on behalf of a public agency, or a single person with such a developmental disability or mental disorder. "Handicapped" also includes an elderly or handicapped household, as defined in Section 19903 and subject to Part 4.5 (commencing with Section 19902) of Division 13.

(Amended by Stats. 1984, Ch. 1072, Sec. 4.)

50073. "Housing development," for the purpose of housing assisted by the department, means any work or undertaking of new construction or rehabilitation, or the acquisition of existing residential structures in good condition, for the provision of housing that is financed pursuant to the provisions of this division for the primary purpose of providing decent, safe, and sanitary housing for persons and families of low or moderate income. "Housing development" also means housing financed pursuant to this part for rental occupancy of, for resale to, or sold to, persons and families of low or moderate income. Notwithstanding other provisions of this section, "housing development" does not include a work or undertaking financed by a neighborhood improvement loan. A housing development may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing for persons and families of low or moderate income is a primary goal. A housing development may include any buildings, land, equipment, facilities, or other real or personal property that the agency determines pursuant to its rules and regulations to be necessary or convenient in connection with the provision of housing pursuant to this division, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, commercial facilities, and child-care facilities that the agency determines are an integral part of a housing development or developments.

"Housing development" includes the acquisition of a residential structure by a nonprofit housing sponsor, whether or not including rehabilitation, for the purpose of forming a limited-equity housing cooperative as defined in Section 817 of the Civil Code.

(Amended by Stats. 2009, Ch. 520, Sec. 6. (AB 1246) Effective January 1, 2010.)

50073.5. "Housing development," for the purpose of the California Housing Finance Agency, means any existing structure of five or more dwelling units or any work or undertaking of five dwelling units or more of new construction or rehabilitation for the provision of housing financed pursuant to the provisions of this division for the primary purpose of providing decent, safe, and sanitary housing for persons and families of low or moderate income. A housing development may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing for persons and families of low or moderate income is a primary goal. A housing development may include any buildings, land, equipment, facilities, or other real or personal property which the agency determines pursuant to its rules and regulations to be necessary or convenient in connection with the provision of housing pursuant to this division, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, commercial facilities, and child-care facilities which the agency determines are an integral part of a housing development or developments.

(Added by Stats. 1981, Ch. 1031.)

50074. "Housing sponsor," for the purpose of housing assisted by the department, means any individual, joint venture, partnership, limited partnership, trust, corporation, limited equity housing cooperative, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity, or other legal entity, or any combination thereof, certified by the agency pursuant to rules and regulations of the agency as qualified to either own, construct, acquire, or rehabilitate a housing development, whether for profit, nonprofit, or organized for limited profit, and subject to the regulatory powers of the agency pursuant to rules and regulations of the agency and other terms and conditions set forth in this division. "Housing sponsor" includes persons and families of low or moderate income who are approved by the agency as eligible to own and occupy a housing development and individuals and legal entities receiving property improvement loans through the agency.

(Amended by Stats. 2016, Ch. 714, Sec. 22. (SB 944) Effective January 1, 2017.)

50074.5. "Housing sponsor," for the purpose of the California Housing Finance Agency, means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, approved by the agency as qualified to either own, construct, acquire or rehabilitate a housing development, or a residential structure other than an owner-occupied single unit whether for profit, nonprofit, or limited profit.

(Added by Stats. 1981, Ch. 1031.)

50075. "Legislative body" means the city council, board of supervisors, or other legislative body of the local agency.

(Added by Stats. 1977, Ch. 610.)

50076. "Limited-dividend housing sponsor" means any sponsor which owns a housing development and whose profit or cash return is limited pursuant to Section 51202 and regulations adopted by the board pursuant thereto.

(Added by Stats. 1977, Ch. 610.)

50076.5. "Limited-equity housing cooperative" means a corporation organized pursuant to Section 817 of the Civil Code and Section 11003.4 of the Business and Professions Code. For purposes of this division, a limited equity housing cooperative is a nonprofit corporation or nonprofit housing sponsor.

(Amended by Stats. 2022, Ch. 632, Sec. 5. (SB 1252) Effective January 1, 2023.)

50076.6. "Loan," for purposes of provisions relating to the agency, means an obligation to repay funds advanced by the agency for the purpose of financing housing that is evidenced by a promissory note or other instrument in writing and that may or may not be secured by real or personal property.

(Added by Stats. 2000, Ch. 553, Sec. 1. Effective January 1, 2001.)

50077. "Local agency" means a city, county, city and county, or duly constituted governing body of an Indian reservation or rancheria and includes any governmental agency or local public entity to which a city, county, city and county, or duly constituted governing body of an Indian reservation or rancheria may, after a public hearing, delegate functions under this division.

(Amended by Stats. 2019, Ch. 660, Sec. 1. (AB 1010) Effective January 1, 2020.)

50078. "Local housing agent" means a city, county, city and county, or combination thereof acting jointly, or the duly constituted governing body of an Indian reservation or rancheria which is certified by the department pursuant to Section 51252 to review applications by prospective housing sponsors for loans made or assisted under this division for housing developments proposed within the territorial boundaries of the local housing agent.

(Added by Stats. 1977, Ch. 610.)

50079. "Local public entity" means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. "Local public entity" also includes two or more local public entities acting jointly.

(Amended by Stats. 2019, Ch. 660, Sec. 2. (AB 1010) Effective January 1, 2020.)

50079.5. (a) "Lower income households" means persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. The limits shall be published by the department in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for lower income households for all geographic areas of the state at 80 percent of area median income, adjusted for family size and revised annually.

(b) "Lower income households" includes very low income households, as defined in Section 50105, and extremely low income households, as defined in Section 50106. The addition of this subdivision does not constitute a change in, but is declaratory of, existing law.

(c) As used in this section, "area median income" means the median family income of a geographic area of the state.

(Amended by Stats. 2002, Ch. 782, Sec. 24. Effective January 1, 2003.)

50080. "Market interest" means the interest rate determined by the agency to be the interest rate generally available in the private market for similar housing loans.

(Amended by Stats. 1981, Ch. 1031.)

50081. "Market rent" means the monthly rent established by the agency as competitive according to its own regulations, except where federal regulations provide a required method of determining market rent. Determination of market rent may be reviewed annually upon application by the mortgagor, subject to applicable federal regulations, if any.

(Added by Stats. 1977, Ch. 610.)

50082. "Metropolitan area" means a standard metropolitan statistical area as established by the United States Office of Management and Budget.

(Added by Stats. 1977, Ch. 610.)

50082.7. "Mobilehome park" shall have the same meaning as such term is defined in Section 18214.

(Added by Stats. 1980, Ch. 1136.)

50083. "Mortgage" means a mortgage, deed of trust, or other instrument that may be a lien on real property. "Mortgage" includes the note secured by such an instrument.

(Amended by Stats. 2000, Ch. 553, Sec. 2. Effective January 1, 2001.)

50084. "Mortgage deficient area" means an area where private lenders have failed to provide sufficient mortgage credit for financing or refinancing of new, existing, or rehabilitated housing developments, and such practices have caused or threaten to cause a decline in the condition or quality of the housing stock in the area.

(Added by Stats. 1977, Ch. 610.)

50085. "Mortgage assistance area" means an area characterized by a deficiency of available mortgage financing but in which general deterioration of residential structures has not occurred, and which is designated by the agency pursuant to Section 51304.

(Added by Stats. 1977, Ch. 610.)

50086. "Mortgage loan" means a loan that is secured by a mortgage and is made for financing, including refinancing of existing mortgage obligations, to create or preserve the long-term affordability of a housing development or a residential structure in the state, or a buy-down mortgage loan secured by a mortgage, of an owner-occupied unit in this state.

(Amended by Stats. 2008, Ch. 281, Sec. 1. Effective September 25, 2008.)

50087. "Mutual self-help housing" means assisted housing for which persons and families of low or moderate income contribute their own labor in individual or group efforts to provide decent, safe, and sanitary housing for themselves, their families, and others occupying the housing.

(Added by Stats. 1977, Ch. 610.)

50089. "Neighborhood preservation area" means any concentrated rehabilitation area, scattered-site rehabilitation area, or mortgage assistance area.

(Added by Stats. 1977, Ch. 610.)

50090. "Nonmetropolitan area" means an area not included in a metropolitan area.

(Amended by Stats. 1979, Ch. 96.)

50091. "Nonprofit housing sponsor" or "nonprofit corporation" means a nonprofit corporation incorporated pursuant to Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code or a corporation or association that is, or will be qualified as, a cooperative housing corporation for purposes of subdivision (a) of Section 17265 of the Revenue and Taxation Code, a nonprofit student housing cooperative, or a limited equity housing cooperative and that is certified by the agency as qualified to own a housing development if financed or assisted by the agency. A "nonprofit corporation" shall also include a tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.

(Amended by Stats. 2023, Ch. 770, Sec. 14. (AB 1764) Effective January 1, 2024.)

50092. "Owner-occupied housing development", for the purpose of housing assisted by the department, means a housing development containing not more than four residential units, one of which is occupied by the owner of the housing development.

(Amended by Stats. 1981, Ch. 1165.)

50092.1. "Owner-occupied housing unit", for the purpose of Part 6 (commencing with Section 52500), means a single-family dwelling situated in California which is occupied by the owner, and includes a dwelling unit in a stock cooperative, as defined by Section 11003.2 of the Business and Professions Code, a community apartment project, as defined by Section 11004 of the Business and Professions Code, or a condominium project, as defined by subdivision (c) of Section 11004. 5 of the Business and Professions Code.

(Added by Stats. 1982, Ch. 320, Sec. 8. Effective June 29, 1982.)

50093. "Persons and families of low or moderate income" means persons and families whose income does not exceed 120 percent of area median income, adjusted for family size by the department in accordance with adjustment factors adopted and amended from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937. However, the agency and the department jointly, or either acting with the concurrence of the Secretary of Business, Consumer Services and Housing, may permit the agency to use higher income limitations in designated geographic areas of the state, upon a determination that 120 percent of the median income in the particular geographic area is too low to qualify a substantial number of persons and families of low or moderate income who can afford rental or home purchase of housing financed pursuant to Part 3 (commencing with Section 50900) without subsidy.

"Persons and families of low or moderate income" includes very low income households, as defined in Section 50105, extremely low income households, as defined in Section 50106, and lower income households as defined in Section 50079.5, and includes persons and families of extremely low income, persons and families of very low income, persons and families of low income, persons and families of moderate income, and middle-income families. As used in this division:

- (a) "Persons and families of low income" or "persons of low income" means persons or families who are eligible for financial assistance specifically provided by a governmental agency for the benefit of occupants of housing financed pursuant to this division.
- (b) "Persons and families of moderate income" or "middle-income families" means persons and families of low or moderate income whose income exceeds the income limit for lower income households.
- (c) "Persons and families of median income" means persons and families whose income does not exceed the area median income, as adjusted by the department for family size in accordance with adjustment factors adopted and amended from time to time by the

United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937.

As used in this section, "area median income" means the median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937. In the event these federal determinations of area median income are discontinued, the department shall establish and publish as regulations income limits for persons and families of median income for all geographic areas of the state at 100 percent of area median income, and for persons and families of low or moderate income for all geographic areas of the state at 120 percent of area median income. These income limits shall be adjusted for family size and shall be revised annually.

For purposes of this section, the department shall file, with the Office of Administrative Law, any changes in area median income and income limits determined by the United States Department of Housing and Urban Development, together with any consequent changes in other derivative income limits determined by the department pursuant to this section. These filings shall not be subject to Article 5 (commencing with Section 11346) or Article 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code, but shall be effective upon filing with the Office of Administrative Law and shall be published as soon as possible in the California Regulatory Code Supplement and the California Code of Regulations.

The department shall establish and publish a general definition of income, including inclusions, exclusions, and allowances, for qualifying persons under the income limits of this section and Sections 50079.5, 50105, and 50106 to be used where no other federal or state definitions of income apply. This definition need not be established by regulation.

Nothing in this division shall prevent the agency or the department from adopting separate family size adjustment factors or programmatic definitions of income to qualify households, persons, and families for programs of the agency or department, as the case may be.

(Amended by Stats. 2013, Ch. 352, Sec. 371. (AB 1317) Effective September 26, 2013. Operative July 1, 2013, by Sec. 543 of Ch. 352.)

50093.5. "Public transit corridor" means that area within one-quarter mile of a route on which the level of service is at or above the average for the transit system as a whole, according to the transit operator serving the area, and on which regularly scheduled public mass transit service stops are located, or within one-quarter mile of an existing or planned public mass transit guideway or busway station, or within one-quarter mile of a multimodal transportation terminal serving public mass transit operations. "Level of service," unless otherwise defined by the transit operator, means the frequency of headways and the number of vehicles per day.

(Amended by Stats. 1981, Ch. 485.)

50093.6. "Property improvement loan" means an advance of money, evidenced by a note, to finance rehabilitation and general repairs and improvements to a residence consistent with the purposes of this division. A property improvement loan may, but need not be, secured by a deed of trust. However, a property improvement loan made outside a neighborhood preservation area shall be unsecured and shall not exceed fifteen thousand dollars (\$15,000).

(Added by renumbering Section 50093.5 (as added by Stats. 1979, Ch. 1207) by Stats. 1980, Ch. 676.)

50094. (a) Except as otherwise provided in subdivision (b), "qualified mortgage lender" means a mortgage lender certified by the agency, pursuant to rules and regulations thereof, to do business with the agency or a housing authority certified by the agency as capable of financing the construction or rehabilitation of residential structures.

(b) "Qualified mortgage lender", as used in Part 6 (commencing with Section 52500), means a mortgage lender certified by the policy committee, pursuant to agency rules and regulations adopted by the policy committee, to do business with the agency as capable of financing the construction or purchase of dwellings.

(c) A qualified mortgage lender, as defined in subdivision (a) or (b), may be a bank or trust company, mortgage banker, federal- or state-chartered savings and loan association, service corporation, or other financial institution or governmental agency which is deemed capable of providing service or otherwise aiding in the financing of construction loans and mortgage loans, and nothing in any other provisions of state law shall prevent such a lender or governmental agency from serving as a qualified mortgage lender under this division. A "qualified mortgage lender" that is determined by the agency to have violated state law of the terms of any agreement with the agency shall be promptly decertified.

(Amended by Stats. 1982, Ch. 320, Sec. 9. Effective June 29, 1982.)

50095. "Real property" means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto or used in connection therewith, and every estate, interest, and right, legal or equitable, therein, including leaseholds, terms of years, and liens by way of judgment, mortgage, or otherwise.

(Added by Stats. 1977, Ch. 610.)

50096. "Rehabilitation" means repairs and improvements to a substandard residential structure necessary to make it meet rehabilitation standards. As used in this section, "substandard residential structure" has the same meaning as the term "substandard

building," as defined in subdivision (f) of Section 17920.

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

50097. "Rehabilitation standards" means applicable state or local building or housing standards adopted pursuant to the State Housing Law, Part 1.5 (commencing with Section 17910) of Division 13, or continued in effect pursuant thereto.

For the purposes of Chapter 6.5 (commencing with Section 50660) of Part 2, "rehabilitation standards" (a) includes room additions necessary to prevent overcrowding of low-income or moderate-income households and (b) additionally, includes changes in grade, drainage facilities, or other improvements related to flood control and required by local ordinance or regulation as a condition to continued operation of a mobilehome park applying for or receiving a loan pursuant to Section 50662.2.

(Amended by Stats. 1988, Ch. 1174, Sec. 2.)

50098. "Rents" means the charges paid by the persons and families of low or moderate income for occupancy in a housing development assisted under this division whether the units are rented or operated as a cooperative.

(Amended by Stats. 1979, Ch. 96.)

50099. "Residential structure", for the purpose of housing assisted by the department, means a real property improvement used, or intended to be used, for residential or mixed residential and commercial purposes, or for commercial purposes if, in the judgment of the department, it is an integral part of a residential neighborhood.

(Amended by Stats. 1981, Ch. 1165.)

50099.5. "Residential structure," for the purpose of the California Housing Finance Agency, means any existing structure of one to four units or any work or undertaking of one to four dwelling units of new construction or rehabilitation for the provision of housing financed pursuant to the provisions of this division for the primary purpose of providing decent, safe, and sanitary housing for persons and families of low or moderate income. "Residential structure" may include any buildings, land, equipment, facilities, or other real or personal property which the agency determines to be necessary or convenient in connection with the provision of housing pursuant to this division, and including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities including, but not limited to, administrative, community, health, recreational, educational, commercial, and child care facilities which the agency determines are an integral part of a residential neighborhood.

(Amended by Stats. 1989, Ch. 756, Sec. 2.)

50100. "Rules", "regulations", or "rules and regulations" mean regulations as defined in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. All regulations of the department and agency shall be subject to such provisions.

(Amended by Stats. 1981, Ch. 1165.)

50101. "Rural area" means any open country or any place, town, village, or city which by itself and taken together with any other places, towns, villages, or cities that it is part of or associated with: (a) has a population not exceeding 10,000; or (b) has a population not exceeding 20,000 and is contained within a nonmetropolitan area. "Rural area" additionally includes any open country, place, town, village, or city located within a Standard Metropolitan Statistical Area if the population thereof does not exceed 20,000 and the area is not part of, or associated with, an urban area and is rural in character. This definition may be changed by the department or the agency, as the case may be, to conform to changes in federal programs.

(Amended by Stats. 1979, Ch. 1045.)

50102. "Rural mortgage area" means an area outside any city, metropolitan area or urban county, as such terms are defined by Section 102 of the Housing and Community Development Act of 1974 (P.L. 93-383).

(Added by Stats. 1977, Ch. 610.)

50103.5. "Statistical area" means an area established by action of the policy committee for purposes of determining the maximum acquisition costs for an owner-occupied housing unit to be financed pursuant to Part 6 (commencing with Section 52500). Such areas shall be any one of the following:

(a) A metropolitan area.

(b) A county which is not within a metropolitan area.

(c) A grouping of counties as determined by the policy committee, which are not within a metropolitan area, if insufficient recent statistical data exists for the purposes of this division for any county within such grouping.

(Added by Stats. 1982, Ch. 320, Sec. 10. Effective June 29, 1982.)

50104. "Subsidy" means any financial assistance specifically provided by a governmental agency for the benefit of persons and families of low or moderate income, which is paid to an occupant of housing financed pursuant to this part for housing costs or which reduces such occupant's housing costs. "Subsidy" shall not include any benefit resulting from a loan made by the agency nor any benefit derived from the abatement of taxes levied by the state or a political subdivision thereof.

(Added by Stats. 1977, Ch. 610.)

50104.5. "Systematic enforcement" 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.)

50104.6. "Targeted area", for the purposes of Part 6 (commencing with Section 52500), means a census tract as designated by the United States Secretary of Commerce, in which 70 percent or more of the families have an income which is 80 percent or less of the statewide median family income, or is an area of economic distress as determined by the policy committee based on the criteria for establishing such areas contained in the second Section 6a. 103A-1 (b) (3) of Title 26 of the Code of Federal Regulations (See 46 FR 4315, dated July 1, 1981).

(Added by Stats. 1982, Ch. 320, Sec. 11. Effective June 29, 1982.)

50104.6.5. "Tribally designated housing entity" means an entity as defined in Section 4103 of Title 25 of the United States Code. For the purposes of determining the eligibility of an applicant for funding under a program authorized by Part 2 (commencing with Section 50400), references to a local public entity, nonprofit corporation, nonprofit housing sponsor, or governing body of an Indian reservation or rancheria in any statute included in, or in any regulation promulgated to implement, Part 2 (commencing with Section 50400) shall be deemed to include a tribally designated housing entity.

(Added by Stats. 2016, Ch. 714, Sec. 23. (SB 944) Effective January 1, 2017.)

50104.7. "Urban area" means any portion of a county or the state which is not a rural area.

(Added by renumbering Section 50104.5 (as added by Stats. 1979, Ch. 96) by Stats. 1979, Ch. 1191.)

50105. (a) "Very low income households" means persons and families whose incomes do not exceed the qualifying limits for very low income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. These qualifying limits shall be published by the department in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for very low income households for all geographic areas of the state at 50 percent of area median income, adjusted for family size and revised annually.

(b) "Very low income households" includes extremely low income households, as defined in Section 50106. The addition of this subdivision does not constitute a change in, but is declaratory of, existing law.

(c) As used in this section, "area median income" means the median family income of a geographic area of the state.

(Amended by Stats. 2002, Ch. 782, Sec. 25. Effective January 1, 2003.)

50106. "Extremely low income households" means persons and families whose incomes do not exceed the qualifying limits for extremely low income families as established and amended from time to time by the Secretary of Housing and Urban Development and defined in Section 5.603(b) of Title 24 of the Code of Federal Regulations. These limits shall be published by the department in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for extremely low income households for all geographic areas of the state at 30 percent of area median income, adjusted for family size and revised annually. As used in this section, "area median income" means the median family income of a geographic area of the state.

(Added by Stats. 2001, Ch. 741, Sec. 16. Effective January 1, 2002.)