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HEALTH AND SAFETY CODE - HSC

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 HOUSING AND HOME FINANCE [50000 - 54913] (*Division 31 repealed and added by Stats. 1977, Ch. 610.*)

PART 2. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT [50400 - 50899.7] (*Heading of Part 2 amended by Stats. 1981, Ch. 996.*)

CHAPTER 1. Organization of the Department and General Powers [50400 - 50410] (*Chapter 1 added by Stats. 1977, Ch. 610.*)

50400. The Department of Housing and Community Development is hereby continued in existence in the Business, Consumer Services, and Housing Agency.

(Amended by Stats. 2012, Ch. 147, Sec. 19. (SB 1039) Effective January 1, 2013. Operative July 1, 2013, by Sec. 23 of Ch. 147.)

50400.5. Notwithstanding Section 13340 of the Government Code, or any other provision of law, any money contained in the Rural Predevelopment Loan Fund created pursuant to Section 50516, the Predevelopment Loan Fund created pursuant to Section 50531, the Housing Rehabilitation Loan Fund created pursuant to Section 50661, the Homeownership Assistance Fund created pursuant to Section 50778, and the Rental Housing Construction Fund created pursuant to Section 50740, is hereby continuously appropriated, without regard to fiscal year, for any purposes authorized by statute. It is the intent of the Legislature that this section also supersede the amounts appropriated pursuant to Items 2240-101-635, 2240-101-929, 2240-101-936, 2240-101-938, and 2240-101-980, respectively, of the Budget Act of 1984 (Ch. 258, Stats. 1984).

(Amended by Stats. 2001, Ch. 395, Sec. 2. Effective October 1, 2001.)

50401. The department shall be administered by an executive officer known as the Director of Housing and Community Development. The director shall be appointed by the Governor, subject to confirmation by the Senate, and shall hold office at the pleasure of the Governor. The director shall receive the annual salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

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

50402. The provisions of Chapter 2 (commencing with Section 11150) of Part 1 of Division 3 of Title 2 of the Government Code apply to the department, and the director is the head of the department within the meaning of such provisions. The director shall perform all duties, exercise all powers, discharge all responsibility, and administer and enforce all laws, rules, and regulations under the jurisdiction of the department. The director shall keep all books and records necessary for proper and efficient administration of the department. In order to assist in the administration of the department's loan and grant programs, the director may appoint committees of department employees and public representatives, the latter to serve without compensation except for reimbursement of expenses pursuant to law.

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

50403. The Governor shall appoint, upon the recommendation of the director, a deputy director. The deputy director shall hold office at the pleasure of the director and shall receive a salary as shall be fixed by the director with the approval of the Department of Finance.

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

50404. The work of the department shall be divided into the following three divisions:

- (a) The Division of Codes and Standards.
- (b) The Division of Housing Policy Development.
- (c) The Division of Financial Assistance.

(Amended by Stats. 2005, Ch. 348, Sec. 3. Effective January 1, 2006.)

50405. Each division shall be in the charge of a chief, under the direction of the director. The chiefs shall be appointed, upon recommendation by the director, by the Governor. Such division chiefs shall hold office at the pleasure of the director, and shall receive a salary as shall be fixed by the director with the approval of the Department of Finance.

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

50405.2. The Division of Codes and Standards shall be divided into two sections, the Housing Standards Section and the Manufactured Housing Section. Each section shall be in the charge of an assistant chief, under the direction of the chief. The assistant chiefs shall be appointed, upon recommendation by the director, by the Governor. Such assistant chief shall hold office at the pleasure of the director, and shall receive a salary as shall be fixed by the director with the approval of the Department of Finance.

(Added by Stats. 1980, Ch. 1149.)

50405.5. (a) Effective January 1, 2024, the department shall submit to the Department of Justice fingerprint images and related information required by the Department of Justice for any employee, prospective employee, contractor, and subcontractor, whose duties include, or would include, access to nonanonymized confidential information, personally identifiable information, personal health information, or financial information received by the department or contained in any information systems or records of the department, pursuant to subdivision (u) of Section 11105 of the Penal Code. The Department of Justice shall provide a state- or federal-level response pursuant to subdivision (o) of Section 11105 of the Penal Code.

(b) (1) The department shall require any services contract, interagency agreement, or public entity agreement that includes, or would include, access to information described in subdivision (a) to include a provision requiring the contractor to agree to do both of the following:

(A) Perform criminal background checks on its employees, contractors, agents, or subcontractors who will have access to information described in subdivision (a).

(B) Certify the results of the criminal background check to the department as part of their services contract, interagency agreement, or public entity agreement with the department.

(2) This subdivision shall only apply to a services contract, interagency agreement, or public entity agreement that is entered into, renewed, or amended on or after January 1, 2024.

(c) This section does not apply to employees hired before January 1, 2024, unless the employee has subsequently separated from state service pursuant to Section 19996 of the Government Code or accepted an appointment to a different appointing authority, as those terms are defined in Sections 18524 and 18525 of the Government Code.

(Added by Stats. 2023, Ch. 198, Sec. 16. (SB 152) Effective September 13, 2023.)

50406. For the purposes of this division, the department has all of the following powers:

(a) To sue and be sued in its own name.

(b) To have an official seal and to alter it at pleasure.

(c) To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions.

(d) To employ architects, planners, engineers, attorneys, accountants, experts in housing construction, management and finance, and any other advisers, consultants, and agents necessary for the performance of its functions and to fix their compensation in accordance with applicable law.

(e) To provide advice, technical information, and consultative and technical services as provided in this division.

(f) To establish, revise from time to time, and charge and collect fees and charges for services provided pursuant to this division.

(g) To accept gifts, grants, or loans of funds or property, or financial or other aid, from any federal or state agency or private source and to comply with conditions thereof not contrary to law.

(h) To enter into agreements or other transactions with any governmental agency, including an agreement for administration of a housing or community development program of the governmental agency by the department, or for administration by another governmental agency of a program of the department, either in whole or in part.

(i) To enter into any agreements and perform any acts necessary to obtain subsidies for use in connection with the exercise of powers and functions of the department, and to transfer those subsidies to others as required by the agreement.

(j) To appear on its own behalf before boards, commissions, departments, or other agencies of local, state, or federal government.

(k) To establish any regional offices necessary to effectuate the department's purposes and functions.

(l) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis, in its own name by gift, purchase, transfer, foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.

(m) To provide bilingual staff in connection with services of the department and make available departmental publications in a language other than English when necessary to effectively serve groups for which the services or publications are made available.

(n) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this division.

(o) (1) To sell real property acquired by the department in a foreclosure, by deed in lieu of foreclosure, or sale under a power of sale on a deed of trust, lien, or by exercise of any other security interest on real property securing repayment of a loan or performance under a grant or loan made by the department. Real property so acquired shall be sold for market value and sale proceeds shall be placed in the fund from which the secured loan or grant was made.

(2) The department may establish terms, conditions, and restrictions for the sale of real property, including a requirement that the real property be used for housing for persons and families of low or moderate income, and those terms, conditions, and restrictions shall be set forth in the deed or other instrument of conveyance.

(3) The department may conduct the sale, utilize the assistance of any local public agency authorized to conduct sales of real property, contract with a licensed real estate broker to conduct the sale, or utilize other reasonable marketing methods if the department determines that one of these options will result in a more prompt or cost-efficient sale.

(4) If the director offers to sell residential real property directly pursuant to this subdivision, the department shall close escrow within 120 days after both of the following have occurred: a qualified buyer has received approval of the department; and the buyer has obtained adequate financing for the purchase. If the deadline set forth in this paragraph is not met, the director shall employ a licensed real estate broker in connection with the proposed sale. The department may exceed the time requirements of this paragraph if the director finds that this is necessary due to factors outside the control of the department, including death of the buyer, inability of the borrower to qualify for financing from a lender, substantial damage to the property resulting from a natural disaster or other act of God, or extraordinary procedural requirements or conditions imposed by the lender or title and escrow company.

(5) The director shall perform all of the actions specified in subparagraphs (A), (B), and (C) within 30 days after both of the following have occurred: a qualified buyer has received approval of the department; and the buyer has obtained adequate financing for the purchase.

(A) Identify repair work needed to be performed on the property.

(B) Cause an appraisal of the property to be completed.

(C) Determine whether it is appropriate to rent the property until it is sold.

(6) Sales of real property made pursuant to this section are not subject to the requirements of Sections 11011 and 11011.1 of the Government Code.

(7) Failure to comply with this subdivision does not invalidate any right, title, or interest acquired by a bona fide purchaser or encumbrancer for value.

(p) (1) Where the provisions of tribal law, tribal governance, tribal charter, or difference in tribal entity or agency legal structure would cause a violation or not satisfy the requirements of any state financing being provided to a housing development by the department, the requirements of financing provided by the department, including state statutory requirements, may be modified as necessary to ensure program compatibility. Where provisions of tribal law, tribal governance, tribal charter, or difference in tribal entity legal structure or agency create minor inconsistencies, as determined by the director of the department, the department may waive the requirements of the financing provided by the department, including state statutory requirements, as deemed necessary, to avoid an unnecessary administrative burden.

(2) Matters that may be waived or modified pursuant to paragraph (1) include, but are not limited to, all of the following:

(A) Instrument recordation requirements.

(B) Security requirements for state financing provided pursuant to department programs.

(C) Title insurance requirements.

(D) Target population percentage requirements. A change of target population based on income shall not be of more than one category of income between extremely low, very low, lower, and moderate income households, as those terms are defined in Chapter 2 (commencing with Section 50050) of Health and Safety Code.

(E) Affordability levels and unit mix requirements. A waiver for affordability levels shall not be of more than one category of income between extremely low, very low, lower, and moderate income households, as those terms are defined in Chapter 2 (commencing with Section 50050) of Health and Safety Code.

(F) Any matter not expressly or objectively set forth in statute, but is set forth with specificity in guidelines or regulations promulgated by the department.

(G) Timeline requirements.

(H) Service area requirements.

(I) Fund matching requirements.

(J) Shovel-ready project requirements.

(K) Requirements related to housing elements and housing plans.

(L) Income limits.

(M) Form of funding provided, including, but not limited to, a grant or a loan.

(N) Phase of funding, including, but not limited to, predevelopment, construction, or permanent financing.

(O) Requirements regarding infill location and density.

(3) Any standard requirements or general rules of application that the department develops or implements to carry out modifications or waivers set forth in this subdivision shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Divisions 3 of Title 2 of the Government Code.

(4) Repayment of principal and interest on loans made by the department to tribal sponsors shall be deferred for the full term of the loan.

(5) The department shall forgive loans made by the department to tribal sponsors if all conditions for the loans have been satisfied.

(Amended by Stats. 2024, Ch. 266, Sec. 2. (AB 1878) Effective January 1, 2025.)

50406.2. Notwithstanding any other provision of the law, the department may enter into long-term contracts or agreements for not more than 30 years for the purpose of servicing loans or grants or enforcing regulatory agreements or other security documents entered into pursuant to this part.

(Added by Stats. 1985, Ch. 1001, Sec. 1. Effective September 26, 1985.)

50406.3. (a) Notwithstanding any other law, any funds approved, reserved, or allocated by the department after the effective date of the guidelines required pursuant to subdivision (b) and for purposes of providing a loan under the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)), the Joe Serna, Jr. Farmworker Housing Grant Program (Chapter 3.2 (commencing with Section 50515.2)), the Affordable Housing and Sustainable Communities Program (Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code), or any additional multifamily housing lending program that the department elects, may, at the option of the borrower, be used for any of the following purposes:

(1) Construction financing.

(2) Permanent financing.

(3) A portion for construction financing, with the balance used for permanent financing.

(b) (1) By July 1, 2026, the department shall adopt guidelines to implement this section as emergency regulations. The adoption of emergency regulations authorized by this subparagraph is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for this purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. For purposes of subdivision (e) of Section 11346.1 of the Government Code, the 180-day period, as applicable to the effective period of an emergency regulatory action and submission of specified materials to the Office of Administrative Law, is hereby extended to one year.

(2) By July 1, 2027, the department shall adopt guidelines, in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, to implement this section.

(3) The guidelines adopted under paragraphs (1) and (2) shall do all of the following:

- (A) Govern the disbursement and use of funds prior to permanent financing.
- (B) Be designed to establish an efficient and timely disbursement process that mitigates the additional risks of construction financing.
- (C) Address topics, including, but not limited to, project and sponsor construction financing eligibility, construction disbursement methods, and construction reporting requirements.

(c) The department may require that at least 10 percent of the department's loan amount may be retained until permanent conversion based on the project and sponsor risk profile.

(d) The department may charge fees, including, but not limited to, application and monitoring fees, to cover the enhanced administrative costs provided under this section.

(e) This section shall not be construed to limit the eligible uses of funds otherwise authorized under any program provided under this part.

(f) The implementation of this section is contingent upon appropriation by the Legislature of sufficient funds to the department to create and adopt guidelines pursuant to subdivision (b) and to administer multifamily housing programs for this purpose.

(Added by Stats. 2024, Ch. 264, Sec. 1. (AB 1053) Effective January 1, 2025.)

50406.4. Notwithstanding any other law, and to the extent permitted under federal law and the California Constitution, the department shall allow an owner of a property subject to a regulatory agreement with the department to take out additional debt on the development to finance, with the department's approval, rehabilitation of the property or investment in new affordable housing, if all of the following conditions are met:

(a) (1) All hard debt, including the additional debt, is underwritten with a debt-service coverage ratio of at a minimum 1.15 and is demonstrated to project positive cash flow for 15 consecutive years.

(2) For the purposes of this subdivision, "hard debt" means debt that must be repaid via an amortizing payment or at a specified maturity date.

(b) Any new debt is subordinate to the department's lien and regulatory agreement, as applicable, unless the department reasonably determines that subordination of the department's lien is necessary for the feasibility of a project and to fund reasonable rehabilitation or improvements, including soft costs.

(c) (1) Any extracted equity is any of the following:

(A) With the department's approval, contributed to other projects that will increase or improve the supply of deed-restricted affordable housing serving low-income households in the state.

(B) Utilized in the purchase of a limited partner interest of a tax credit investor in the project, provided that the amount used to purchase that interest shall be subject to the guidelines adopted pursuant to subdivision (h) of 50560.

(C) Utilized in the payment of any unpaid deferred developer fee for the project pursuant to any applicable department regulations.

(D) Applied toward payment for necessary repairs and rehabilitation of the project.

(E) Utilized for the establishment or replenishment of department-approved project reserves.

(F) Utilized for any other purposes approved by the department.

(2) For the purposes of this subdivision, "extracted equity" means debt added to a department-regulated property that is not used for any of the following purposes:

(A) Approved project rehabilitation work.

(B) To pay off existing debt.

(C) Replenishment of reserves.

(D) Other department-approved project specific uses.

(d) The department's regulatory agreement remains in place for the project for its remaining term. If equity is extracted for purposes of paragraph (1) of subdivision (c), the department's regulatory agreement will be recorded in a senior position.

(e) The department continues to be entitled to receive monitoring fees to ensure compliance with the existing regulatory agreement.

(Added by Stats. 2025, Ch. 22, Sec. 48. (AB 130) Effective June 30, 2025.)

50406.5. (a) Notwithstanding any other provision of law, the department may make advance payments to eligible borrowers and grantees under any loan or grant programs for housing established pursuant to this part, if the department makes all of the following determinations:

(1) The advance payments are necessary to meet the purposes of the housing program.

(2) The advance payments are necessary for the feasibility of the assisted housing.

(3) The use of the advanced funds is adequately regulated by contract or budgetary controls so that the opportunity to accrue interest on the funds is not unnecessarily reduced.

(b) The department may enter into regulatory agreements to ensure that there is adequate financial security for the funds from which those advance payments are made.

(Added by Stats. 1985, Ch. 1001, Sec. 1.3. Effective September 26, 1985.)

50406.7. (a) Notwithstanding any other law, the department shall reduce the interest rate on any loan issued by the department to a rental housing development to as low as forty-two hundredths of 1 percent per annum, or a rate determined by the department that is sufficient to cover the costs of project monitoring described in subdivision (c) of Section 50675.6, whichever is greater, if the following conditions are met:

(1) The development will utilize low-income housing tax credits.

(2) The department determines either one of the following:

(A) The loan issued by the department is not eligible to be treated as debt for federal or state low-income housing tax credit purposes without a reduction in the interest rate of the loan.

(B) The department determines that the rental housing development is not able to syndicate due to projected negative capital account balances.

(3) The change in the interest rate will materially increase the feasibility of the proposed project and will ensure long-term affordability for the residents.

(b) The department is authorized to change the current interest rate for any loan issued by the department for which it receives a loan extension request associated with an award of federal or state low-income housing tax credits made on or after January 1, 2014, to the applicable federal rate published by the United States Internal Revenue Service and in effect at the time of the project closing. The additional tax credit equity generated by the change in interest rate shall be used for rehabilitation of the development. If the total amount of debt and accrued interest at the end of the loan term would be greater after making this change than it would have been under the original interest rate, the department may forgive an amount of accrued interest equal to the lesser of either the amount necessary to make the expected principal and accrued interest the same as it would have been using the original interest rate, or the total amount of interest accrued at the time of the sponsor's request.

(c) The department may charge a fee in an amount sufficient to cover administrative costs associated with a loan modification requested by a borrower pursuant to this section.

(d) For purposes of a determination made under paragraph (2) of subdivision (a), the department may require a third-party tax professional to verify the determination, the cost of which shall be borne by the sponsor.

(e) The amendments made to this section by Assembly Bill 2562 of the 2017–18 Regular Session shall not be construed to affect any interest rate reduction authorized by the department pursuant to this section as it read prior to the effective date of these amendments.

(Amended by Stats. 2018, Ch. 765, Sec. 1. (AB 2562) Effective January 1, 2019.)

50406.8. Notwithstanding any other law, the department may expend any funds it is authorized to set aside for curing or averting potential defaults for the purposes of curing or averting defaults on any deferred interest loan issued by the department for rental housing development.

(Added by Stats. 2018, Ch. 37, Sec. 40. (AB 1817) Effective June 27, 2018.)

50406.9. The department may do any of the following in administering federally funded grant programs administered by the department, including, but not limited to, the Federal Housing Trust Fund (Chapter 6.8 (commencing with Section 50676)), Community Development Block Grant Program Funds (Chapter 12 (commencing with Section 50825)), the HOME Investment Partnerships Act (Chapter 16 (commencing with Section 50896)), or the California Emergency Solutions Grants Program (Chapter 19 (commencing with Section 50899.1)) established under this part unless specifically prohibited by other applicable law:

- (a) Publish a notice of funding availability and application deadlines ahead of, and contingent upon, the availability of funding.
- (b) Issue funding to an award recipient up-front rather than as a reimbursement, provided that the department determines the awardee meets federal standards for program financial administration and provides ongoing support and monitoring of the funding.
- (c) Provide technical assistance to applicants that meet program submission deadlines to correct technical errors or provide missing information, so that applications are not ultimately rejected because of a minor error or oversight, provided that the published method of distribution for that program or funding source allows for postsubmittal modifications. This subdivision does not require a program that uses a competitive method of distribution to allow postsubmittal modifications.

(Added by Stats. 2022, Ch. 644, Sec. 1. (AB 1978) Effective January 1, 2023.)

50407. The department is the principal state department responsible for coordinating federal-state relationships in housing and community development, except for housing finance. The department is the principal state department responsible for implementation of the California Statewide Housing Plan. The department shall continually evaluate the impact upon the state of federal policies and programs affecting housing and community development and encourage full utilization of federal programs available for assisting the residents of this state, the private housing industry, and local public entities in satisfying housing and community development needs in this state. The department shall encourage and assist housing and community development in rural areas and among Indian residents of the state. The department shall encourage mutual self-help projects, home management training, and relocation assistance. The department shall promote maximum utilization of federal subsidies available to meet housing needs of very low income households and other persons and families of low or moderate income, or both. The department shall assist communities and persons to avail themselves of state housing programs.

(Amended by Stats. 1985, Ch. 675, Sec. 2.)

50407.5. Notwithstanding the transfer of the department from the Business, Transportation, and Housing Agency to the Business, Consumer Services, and Housing Agency, the department, the Department of Transportation, and the California Transportation Commission shall coordinate state housing and transportation policies and programs to help achieve state and regional planning priorities and to maximize cobenefits of infrastructure investments.

(Added by Stats. 2012, Ch. 147, Sec. 20. (SB 1039) Effective January 1, 2013. Operative July 1, 2013, by Sec. 23 of Ch. 147.)

50408. (a) On or before December 31 of each year, the department shall submit an annual report to the Governor and both houses of the Legislature on the operations and accomplishments during the previous fiscal year of the housing programs administered by the department, including, but not limited to, the Emergency Housing and Assistance Program and Community Development Block Grant activity.

(b) The report shall include all of the following information:

- (1) The number of units assisted by those programs.
- (2) The number of individuals and households served and their income levels.
- (3) The distribution of units among various areas of the state.
- (4) The amount of other public and private funds leveraged by the assistance provided by those programs.
- (5) Information detailing the assistance provided to various groups of persons by programs that are targeted to assist those groups.
- (6) The information required to be reported pursuant to Section 17031.8.

(7) (A) An evaluation, in collaboration with the Department of Veterans Affairs, of any program established by the department pursuant to Article 3.2 (commencing with Section 987.001) of Chapter 6 of Division 4 of the Military and Veterans Code, including information relating to the effectiveness of assisted projects in helping veterans occupying any supportive housing or transitional housing development that was issued funds pursuant to that article.

(B) The evaluation shall include, but is not limited to, the following information:

(i) Performance outcome data including, but not limited to, housing stability, housing exit information, and tenant satisfaction, which may be measured by a survey, and changes in income, benefits, and education.

(I) For purposes of this paragraph, the term "housing stability" includes, but is not limited to, how many tenants exit transitional housing to permanent housing or maintain permanent housing, and the length of time those tenants spent in assisted units.

(II) For purposes of this paragraph, the term "housing exit information" includes, but is not limited to, the following:

(ia) How many tenants left assisted units.

(ib) The length of tenancy in assisted units.

(ic) The reason those tenants left assisted units, when that information is readily obtainable.

(id) The housing status of a tenant exiting an assisted unit upon exit when that information is readily available.

(ii) Client data, which may include, but is not limited to, demographic characteristics of the veteran and his or her family, educational and employment status of the veteran, and veteran-specific information including, but not limited to, disability ratings, type of discharge, branch, era of service, and veterans affairs health care eligibility.

(8) An evaluation of any program established by the department to meet the legal requirements of the Federal Housing Trust Fund program guidelines.

(Amended by Stats. 2015, Ch. 692, Sec. 3. (AB 388) Effective January 1, 2016.)

50408.1. (a) The department shall develop and publish in the annual report required by Section 50408 all of the following information regarding grant programs administered by the department during the previous fiscal year:

(1) The time between the issuance of award letters and the delivery of the standard agreement to the awardee.

(2) The time between the delivery of the standard agreement to the awardee and its execution.

(3) A comparison of how the time between award letter, standard agreement, and standard agreement execution varies across department-administered programs.

(4) Changes to the information reported in this section for each program since the previous annual report.

(5) For purposes of this subdivision, "time" means the median number of days and a description of the range of days, which includes the 25th percentile and the 75th percentile, for each program.

(b) The department shall develop and publish in the annual report required by Section 50408 information regarding land use oversight actions related to housing that were active during the previous fiscal year pursuant to Section 65585 of the Government Code, including, but not limited to, all of the following:

(1) The number of land use oversight actions related to housing taken against cities and counties.

(2) The outcomes of those oversight actions.

(3) The median time between the initiation of each oversight action and its resolution.

(c) The reports required under this section and under Section 50408 shall be published and made available to the public on the department's internet website.

(Amended by Stats. 2023, Ch. 770, Sec. 15. (AB 1764) Effective January 1, 2024.)

50408.5. (a) (1) On or before December 1, 2023, the department shall commission a statewide study of farmworker housing conditions, needs, and solutions to inform a comprehensive strategy for meeting the housing needs of the state's farmworkers.

(2) The author of the study commissioned under paragraph (1) may subcontract with other qualified entities as necessary to obtain data described in this section.

(b) The study required by subdivision (a) shall include an analysis and recommendations on the following factors related to the supply of housing affordable and accessible to farmworkers and their families:

(1) A demographic survey and analysis of farmworker households in California, including a survey of a representative sample of farmworkers to assess the needs, barriers, and proposed solutions to the farmworker housing crisis from the perspective of impacted farmworkers.

(2) An analysis of the unmet need for housing for farmworkers, including migrant households.

(3) An analysis of existing housing conditions for farmworkers, including, but not limited to, permanent and temporary rental housing in the private market, owner-occupied housing, deed-restricted affordable rental housing, employer-provided housing, generational wealth opportunities, and state-owned migrant housing.

(4) An analysis of statewide and regional trends in housing demand among farmworkers, including the demand for each of the housing types described in paragraph (3).

(5) An analysis of best practices to increase input from farmworkers and employers on the housing needs in their specific communities.

(6) Governmental and nongovernmental barriers to the production of housing to meet the needs of farmworkers, including, but not limited to, the availability of financing, local land use controls, and the availability of suitable land.

(7) Any additional analysis, research, or surveys relevant to analyzing the need for housing for farmworkers.

(8) Recommendations to address gaps in the supply of housing for farmworkers.

(c) (1) No later than January 1, 2026, the department shall develop a comprehensive strategy to substantially improve policy, funding, and implementation of farmworker housing production in California to adequately address the size and scope of the problems identified in the study, including to inform the next update to the California Statewide Housing Plan.

(2) The department shall evaluate whether an update and revision of the comprehensive strategy developed pursuant to this section is necessary, and may, in its discretion, update and revise the comprehensive strategy in regular intervals as determined by the department.

(3) No later than January 1, 2027, the department shall submit the comprehensive strategy to the Legislature in accordance with Section 9795 of the Government Code.

(Added by Stats. 2022, Ch. 638, Sec. 2. (AB 1654) Effective January 1, 2023.)

50409. Except where the department is specifically vested by this part or by any other provision of law with the authority to adopt rules and regulations, and except as provided in Section 18930, the commission may adopt, amend, and repeal rules and regulations reasonably necessary to carry out this part or by any other provision of law. Any rules and regulations of the commission in effect on September 26, 1975, shall remain in effect until amended or repealed except that building standards, as defined in Section 18909, shall remain in effect only until January 1, 1985, or until adopted, amended, repealed, or superseded by building standards adopted and published in the California Building Standards Code pursuant to the provisions of Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13, whichever occurs sooner.

(Added by Stats. 2007, Ch. 596, Sec. 15. Effective January 1, 2008.)

50410. (a) There is hereby established in the State Treasury the Affordable Housing Default Reserve Account. All interest or other increments resulting from the investment of moneys in the Affordable Housing Default Reserve Account shall be deposited in the account, notwithstanding Section 16305.7 of the Government Code.

(b) Notwithstanding Section 13340 of the Government Code, all moneys in the account are continuously appropriated to the department for the purpose of curing or averting a default on the terms of any loan or other obligation by the recipient of financial assistance, or bidding at any foreclosure sale where the default or foreclosure sale would jeopardize the department's security in the rental housing development assisted by the department.

(c) The department may use funds in the account to repair or maintain any rental housing development assisted by the department that was acquired to protect the department's security interest.

(d) The payment or advance of funds by the department from the account shall be exclusively within the department's discretion, and no person shall be deemed to have any entitlement to the payment or advance of those funds.

(e) The amount of any funds expended by the department for the purposes of curing or averting a default shall be added to the loan amount secured by the rental housing development and shall be payable to the department upon demand.

(f) Notwithstanding any other law, the Department of Finance may transfer to the Affordable Housing Default Reserve Account, for expenditure by the department, the amounts in the all of the following funds or programs:

(1) The Joe Serna, Jr. Farmworker Housing Grant Fund, pursuant to Section 50517.6.

(2) The Multifamily Housing Program, pursuant to subdivision (a) of Section 50675.10.

(3) The Housing Rehabilitation Loan Fund, pursuant to subparagraph (C) of paragraph (5) of subdivision (b) of Section 50668.5, subdivision (c) of Section 53566, subdivision (c) of Section 987.010 of the Military and Veterans Code, and subdivisions (c) and (f) of Section 75218 of the Public Resources Code.

(4) The Transit-Oriented Development Implementation Fund, pursuant to subdivision (f) of Section 53566.

(5) The Housing for Veterans Fund, pursuant to subdivision (f) of Section 987.010 of the Military and Veterans Code.

(6) The No Place Like Home Fund, pursuant to paragraph (1) of subdivision (f) of Section 5849.8 of the Welfare and Institutions Code.

(7) The Family Housing Demonstration Account and the Rental Housing Construction Fund, pursuant to subdivision (b) of Section 50883.5.

(g) Notwithstanding Section 10231.5 of the Government Code, during any fiscal year, if the department spends a total of more than 25 percent of the balance that was in the Affordable Housing Default Reserve Account at the start of that fiscal year, then the department shall, within 30 days of surpassing that amount, provide written notice to the Joint Legislative Budget Committee. The notice shall include all of the following:

(A) The starting balance in the Affordable Housing Default Reserve Account for that fiscal year.

(B) A list of each expenditure made during that fiscal year and the total amount spent.

(C) The purpose of each expenditure made during that fiscal year.

(D) The balance in the Affordable Housing Default Reserve Account as of the date of the notice.

(E) The department's assessment of the risk of additional defaults for the remainder of that fiscal year and the following fiscal year.

(Added by Stats. 2025, Ch. 22, Sec. 49. (AB 130) Effective June 30, 2025.)