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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 HOUSING AND HOME FINANCE [50000 - 54913]** ( *Division 31 repealed and added by Stats. 1977, Ch. 610.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 6.6. Loans and Grants to Qualified Rental Housing Developments [50672 - 50672.3]** ( *Chapter 6.6 added by Stats. 2021, Ch. 111, Sec. 17. )*

**50672.** It is the intent of the Legislature in enacting this chapter to expedite the construction and production of housing developments that have received a commitment of funds from multifamily housing direct loan programs administered by the department, but are unable to proceed due to the competitiveness of tax credit and bond allocations.

(Amended by Stats. 2022, Ch. 70, Sec. 14. (SB 197) Effective June 30, 2022.)

**50672.1.** For purposes of this chapter:

(a) "Department" means the Department of Housing and Community Development.

(b) "Multifamily housing program" includes, but is not limited to, all of the following programs:

(1) The Joe Serna, Jr. Farmworker Housing Grant Program (Chapter 3.2 (commencing with Section 50515.2)).

(2) The CalHome Program (Chapter 6 (commencing with Section 50650)).

(3) The Multifamily Housing Program administered under Chapter 6.7 (commencing with Section 50675).

(4) The Infill Incentive Grant Program of 2007 (Section 53545.13).

(5) The Infill Infrastructure Grant Program of 2019 (Part 12.5 (commencing with Section 53559)).

(6) The Transit-Oriented Development Implementation Program (Part 13 (commencing with Section 53560)).

(7) Housing for a Healthy California Program (Part 14.2 (commencing with Section 53590)).

(8) The Veterans Housing and Homeless Prevention Act of 2014 (Article 3.2 (commencing with Section 987.001) of Chapter 6 of Division 4 of the Military and Veterans Code).

(9) The Affordable Housing and Sustainable Communities Program (Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code).

(10) The No Place Like Home Program (Part 3.9 (commencing with Section 5849.1) of Division 5 of the Welfare and Institutions Code).

(11) The HOME Investment Partnership Program (42 U.S.C. Sec. 12721 et seq.)

(12) The National Housing Trust Fund established pursuant to the Housing and Economic Recovery Act of 2008 (Public Law 110-289), and implementing federal regulations.

(c) "Program" means the program established under this chapter.

(d) "Rental housing development" means a "qualified low-income housing project," as defined in subsection (g) of Section 42 of the federal Internal Revenue Code (26 U.S.C. Sec. 42).

(e) "Qualified rental housing development" means a rental housing development that received an award letter from any multifamily housing direct loan program administered by the department prior to July 1, 2022.

*(Amended by Stats. 2022, Ch. 70, Sec. 15. (SB 197) Effective June 30, 2022.)*

**50672.2.** (a) (1) Upon appropriation by the Legislature for purposes of this chapter, the department may award a forgivable loan or grant to a qualified rental housing development to replace federal and state low-income housing credit equity contained in the application for which the development received the original award letter or, if applicable, a subsequent application to the California Tax Credit Allocation Committee.

(2) The department may, in its sole discretion, adjust the grant or loan amount to account for reduction of fees associated with tax credit syndication, reasonable cost increases, including unforeseeable cost overruns or gaps in financing due to changed market conditions, or other financing sources obtained by the sponsor of the development.

(3) If funds provided under this chapter are provided as a loan, the loan shall have an interest rate of 0 percent.

(b) (1) A rental housing development that receives a grant or loan under this chapter shall commence construction within 180 days of issuance of an award letter for funds provided pursuant to this chapter.

(2) The department may, within its sole discretion, extend the 180-day requirement based on conditions beyond the control of the development sponsor, provided the revised construction commencement date is not more than 90 days beyond the 180-day period.

(c) (1) The department shall determine the terms under which a loan or grant is subject to repayment.

(2) The terms established by the department shall include, but not be limited to, conversion of the development to market rate housing or sale or refinancing of the development with a distribution of net equity.

(3) Repayments shall be deposited into the Housing Rehabilitation Loan Fund established by Section 50661 and shall be used for the purposes of the Multifamily Housing Program established by Chapter 6.7 (commencing with Section 50675).

(d) (1) The department may establish an application fee for the program.

(2) A loan or grant awarded pursuant to this chapter shall not be subject to any annual monitoring fees, except for the monitoring fees associated with the original multifamily housing program loan or loans provided by the department.

*(Amended by Stats. 2022, Ch. 70, Sec. 16. (SB 197) Effective June 30, 2022.)*

**50672.3.** In order to expedite the development of qualified rental housing developments that are ready to proceed to construction except for obtaining tax credit or bond allocations from the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee, the department may adopt guidelines to administer this chapter. Guidelines adopted pursuant to this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

*(Added by Stats. 2021, Ch. 111, Sec. 17. (AB 140) Effective July 19, 2021.)*