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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 HOUSING AND HOME FINANCE [50000 - 54913] (*Division 31 repealed and added by Stats. 1977, Ch. 610.)*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 3. CALIFORNIA HOUSING FINANCE AGENCY [50900 - 51532] (*Heading of Part 3 amended (as amended by Stats. 1994, Ch. 94) by Stats. 2000, Ch. 471, Sec. 17.5.)*

CHAPTER 2. Purposes and General Provisions [50950 - 50962] (*Chapter 2 added by Stats. 1977, Ch. 610.)*

50950. The primary purpose of the agency shall be to meet the housing needs of persons and families of low or moderate income.
(*Added by Stats. 1977, Ch. 610.*)

50951. In meeting the housing needs of persons and families of low or moderate income, not less than 30 percent of the units financed by mortgage loans or property improvement loans pursuant to this part shall be available to, or occupied by, very low income households at affordable rents, unless it is not possible to obtain subsidies necessary to meet such requirement. No development loan, rehabilitation loan, or construction loan shall be made pursuant to this part if the agency determines that its ability to utilize currently available subsidies to meet the requirements of this section would be jeopardized thereby.
(*Amended by Stats. 1979, Ch. 1207.*)

50952. The agency shall also seek to attain all of the following objectives:

- (a) Acquisition of the maximum amount of funds available for subsidies for the benefit of persons and families of low or moderate income occupying units financed pursuant to this part.
- (b) Housing developments providing a socially harmonious environment by meeting the housing needs of both very low income households and other persons and families of low or moderate income and by avoidance of concentration of very low income households that may lead to deterioration of a development.
- (c) Emphasis on housing developments of superior design, appropriate scale and amenities, and on sites convenient to areas of employment, shopping, and public facilities.
- (d) Increasing the range of housing choice for minorities in lower income households and other lower income households, rather than maintaining or increasing the impaction of low-income areas, and cooperation in implementation of local and areawide housing allocation plans adopted by cities, counties, and joint powers entities made up of counties and cities.
- (e) Reducing the cost of mortgage financing for rental and cooperative housing to provide lower rent for persons and families of low or moderate income.
- (f) Reducing the cost of mortgage financing for home purchase, in order to make homeownership feasible for persons and families of low or moderate income.
- (g) Identification of areas of low vacancy rates where construction is needed, of areas of substandard housing where rehabilitation is needed, and of areas of credit shortage where financing is needed for transfer of existing housing, so as to maximize the impact of financing activities on employment, reduction of housing costs, and maintenance of local economic activity.
- (h) A balance between urban metropolitan, nonmetropolitan, and rural metropolitan housing developments, and between family housing and housing for the elderly and handicapped, in general proportion to the needs identified in the California statewide housing plan.
- (i) Minimization of fees and profit allowances of housing sponsors so far as consistent with acceptable performance, in order to maximize the benefit to persons and families of low or moderate income occupying units financed by the agency.
- (j) Full utilization of federal subsidy assistance for the benefit of persons and families of low or moderate income.
- (k) Full cooperation and coordination with the local public entities of the state in meeting the housing needs of cities, counties, cities and counties, and Indian reservations and rancherias on a level of government that is as close as possible to the people it serves.

(l) Promoting the recovery and growth of economically depressed business located in areas of minority concentration and in mortgage-deficient areas.

(m) Revitalization of deteriorating and deteriorated urban areas by attracting a full range of income groups to central-city areas to provide economic integration with persons and families of low or moderate income in those areas.

(n) Implementation of the goals, policies, and objectives of the California Statewide Housing Plan.

(o) Location of housing in public transit corridors with high levels of service.

(p) Reducing the cost of mortgage financing for rental housing development in order to attract private and pension fund investment in such developments.

(q) Reducing the cost of mortgage financing for accessory dwelling units, as defined in subdivision (a) of Section 66313 of the Government Code, in order to make rental housing more affordable for elderly persons and persons and families of low or moderate income.

(Amended by Stats. 2024, Ch. 7, Sec. 29. (SB 477) Effective March 25, 2024.)

50952.5. (a) It is the intent of the Legislature, and it shall be a goal of the agency, that not less than one-half of the dollar amount of financing for single-family homes shall fund loans for purchasers who will be the first occupant.

(b) The agency shall include in its annual report required by Section 51005 specific information evaluating the extent to which the agency has attained this goal.

(Added by Stats. 1990, Ch. 574, Sec. 2. Effective September 4, 1990.)

50953. No provision of this division shall be construed as a restriction or limitation upon any powers which the agency or any local public entity might otherwise have under any laws of this state, and this part is cumulative with respect to these powers. This division shall be deemed to provide a complete, additional, and alternative method for doing the things authorized thereby, and shall be regarded as supplemental and additional to powers conferred by other laws. The issuance of bonds and refunding bonds under this part need not comply with the requirements of any other law applicable to the issuance of bonds, and in the construction or acquisition of a housing development or a residential structure pursuant to this division, the agency need not comply with the requirements of any other law applicable to construction or acquisition of public works, except as specifically provided in this division. The agency shall adopt regulations for review of construction contracts for the construction or rehabilitation of housing developments and residential structures financed under this division and shall require that on construction of this housing which is financed by a construction loan from the agency, other than mutual self-help housing developments, all workers employed in the construction, exclusive of maintenance work, shall be paid not less than the general prevailing rate or per diem wages for work of a similar character in the locality in which the construction is performed, and not less than the prevailing rate of per diem wages for holiday and overtime work. The agency shall determine or require determination of the general prevailing rate of per diem wages in accordance with the standards set forth in Section 1773 of the Labor Code. Apprentices shall be employed in the construction of housing developments in accordance with the regulations of the agency, which shall impose the same requirements as contained in Section 1777.5 of the Labor Code, except as to differences necessitated by the methods of awarding construction contracts for housing developments financed under this division.

(Amended by Stats. 1987, Ch. 1034, Sec. 19.)

50954. The exercise of the powers specified in this division will be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions, and the agency shall not be required to pay any tax or assessment on any property owned by the agency under the provisions of this division or upon the income therefrom. Any bonds issued by the agency under the provisions of this division, their transfer, and the income therefrom shall at all times be free from taxation by the state or any political subdivision or other instrumentality of the state, excepting inheritance and gift taxes.

(Amended by Stats. 1987, Ch. 1034, Sec. 20.)

50955. (a) The agency and every housing sponsor shall require that occupancy of housing developments assisted under this part shall be open to all regardless of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, that contractors and subcontractors engaged in the construction of housing developments shall provide an equal opportunity for employment, without discrimination as to any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, and except as otherwise provided in Section 12940 of the Government Code, and that contractors and subcontractors shall submit and receive approval of an affirmative action program prior to the commencement of construction or rehabilitation. Affirmative action requirements respecting apprenticeship shall be consistent with Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

All contracts for the management, construction, or rehabilitation of housing developments, and contracts let by housing sponsors, contractors, and subcontractors in the performance of management, construction, or rehabilitation, shall be let without discrimination as to any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code, and pursuant to an affirmative action program, which shall be at not less than the Federal Housing Administration affirmative action standards unless the board makes a specific finding that the particular requirement would be unworkable. The agency shall periodically review implementation of affirmative action programs required by this section.

It shall be the policy of the agency and housing sponsors to encourage participation with respect to all projects by minority developers, builders, and entrepreneurs in all levels of construction, planning, financing, and management of housing developments. In areas of minority concentration the agency shall require significant participation of minorities in the sponsorship, construction, planning, financing, and management of housing developments. The agency shall (1) require that, to the greatest extent feasible, opportunities for training and employment arising in connection with the planning, construction, rehabilitation, and operation of housing developments financed pursuant to this part be given to persons of low income residing in the area of that housing, and (2) determine and implement means to secure the participation of small businesses in the performance of contracts for work on housing developments and to develop the capabilities of these small businesses to more efficiently and competently participate in the economic mainstream. In order to achieve this participation by small businesses, the agency may, among other things, waive retention requirements otherwise imposed on contractors or subcontractors by regulation of the agency and may authorize or make advance payments for work to be performed. The agency shall develop relevant selection criteria for the participation of small businesses to ensure that, to the greatest extent feasible, the participants possess the necessary nonfinancial capabilities. The agency may, with respect to these small businesses, waive bond requirements otherwise imposed upon contractors or subcontractors by regulation of the agency, but the agency shall in that case substantially reduce the risk through (1) a pooled-risk bonding program, (2) a bond program in cooperation with other federal or state agencies, or (3) development of a self-insured bonding program with adequate reserves.

The agency shall adopt rules and regulations to implement this section.

Prior to commitment of a mortgage loan, the agency shall require each housing sponsor, except with respect to mutual self-help housing, to submit an affirmative marketing program that meets standards set forth in regulations of the agency. The agency shall require each housing sponsor to conduct the affirmative marketing program so approved. Additionally, the agency shall supplement the efforts of individual housing sponsors by conducting affirmative marketing programs with respect to housing at the state level.

(b) Notwithstanding subdivision (a), with respect to familial status, subdivision (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51, Section 4760, and Section 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subdivision (a).

(Amended (as amended by Stats. 2012, Ch. 181, Sec. 75) by Stats. 2013, Ch. 605, Sec. 44. (SB 752) Effective January 1, 2014.)

50956. It shall be the policy of the agency to coordinate its activities with the department. It shall be the policy of the agency to conduct its operations so as to be fiscally self-sufficient and so as not to require appropriations from the General Fund for payment of its administrative costs or to service bonds of the agency.

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

50957. No development or construction loan shall be made pursuant to this part if the agency determines that the making of such a loan would result in the permanent loss of a subsidy or a reduction in future subsidies due to the failure of the agency to use currently available subsidies.

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

50958. Mortgage loans made pursuant to this part to housing sponsors, other than local public entities and nonprofit housing sponsors of rental and cooperative housing developments, shall not exceed 95 percent of the development costs of the housing development for which the loan is made. Loans made pursuant to this part to local public entities and nonprofit housing sponsors shall in no event exceed 100 percent of development costs.

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

50959. This division is intended to benefit purchasers and residents of housing developments who are persons and families of low or moderate income and shall be liberally construed to allow such persons to initiate civil actions and to enforce rights, duties and benefits under this division and regulations adopted pursuant to this division; provided however, this section shall not limit, modify or restrict the standing of other persons to initiate civil actions by reason of the action or inaction of the agency, department or commission; and provided further that this section shall not authorize any action contesting or affecting the validity or enforceability

of any bonds or insurance issued under this division or of any of the proceedings of, or actions taken by, the agency relative to such bonds or insurance.

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

50960. A loan document for a loan that is not secured by real property and is made to a person, not including a firm, association, partnership, organization, corporation, limited liability company, or other group, however formed, shall state that the loan is a recourse obligation and that the personal property of the borrower may be subject to or sold pursuant to a lien in order to pay the obligation.

(Added by Stats. 2000, Ch. 553, Sec. 4. Effective January 1, 2001.)

50961. It shall be the policy of the agency to encourage housing location in public transit corridors so that residents may have convenient access to public transportation services.

(Added by Stats. 1978, Ch. 1351.)

50962. The same notice requirements as specified in Section 65863.10 of the Government Code shall apply to rental housing developments that receive financial assistance pursuant to this part.

(Added by Stats. 1988, Ch. 1563, Sec. 5.)