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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 HOUSING AND HOME FINANCE [50000 - 54913] (*Division 31 repealed and added by Stats. 1977, Ch. 610.)*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 5. Financing of Housing Developments and Residential Structures [51100 - 51252] (*Heading of Chapter 5 amended by Stats. 2000, Ch. 471, Sec. 21.)*

ARTICLE 1. Loans for Housing Developments [51100 - 51104] (*Article 1 added by Stats. 1977, Ch. 610.)*

51100. Subject to the limitations prescribed by Article 4 (commencing with Section 51175), the agency may make, or undertake commitments to make, development loans, construction loans, property improvement loans, mortgage loans, and advances in anticipation of such loans to housing sponsors to finance housing developments and residential structures.

The agency shall not issue more than two hundred million dollars (\$200,000,000) of its authorized revenue bond authority in aggregate principal amount of bonds in any one calendar year to finance, directly or indirectly, construction loans for which the agency is not providing a mortgage loan, exclusive of bonds issued to refund or renew bonds of the agency previously issued for those purposes.

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

51101. The agency may make and publish rules and regulations respecting the making of development loans, construction loans, property improvement loans, and mortgage loans pursuant to this part, the terms and conditions upon which such loans may be made to housing sponsors, the admission of tenants to a housing development, the inclusion of nonhousing facilities in housing developments, the construction of nonhousing facilities, and supervision of housing sponsors, including housing sponsors owning and occupying a housing development.

(Amended by Stats. 2008, Ch. 281, Sec. 4. Effective September 25, 2008.)

51102. The agency shall enter into regulatory contracts and other agreements with housing sponsors receiving loans under the provisions of this part.

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

51103. Prior to the commitment of moneys under this part for a mortgage loan on a housing development as provided in Article 1 (commencing with Section 51100), Article 2 (commencing with Section 51125), Article 3 (commencing with Section 51150), and Article 4 (commencing with Section 51175), the agency shall take adequate measures to assure (a) the economic feasibility of the housing development, (b) the financial eligibility of the housing sponsors and tenants, (c) the consistency of the proposed housing development with the current housing objectives of the agency, (d) the sufficiency of access of the housing development to supporting social services, public mass transit services and other transportation, schools, employment, and retail merchants, and (e) that the location of the proposed housing development is consistent with the agency's policies of dispersing housing developments throughout communities and of avoiding undue concentration of lower income households. Wherever possible, the agency shall verify these facts before financing is committed.

In providing for dispersal of housing developments, the agency shall consider economic feasibility, which shall be determined in light of all relevant factors, including the assistance programs and funds which could be utilized to reduce costs. Nothing in this section shall prohibit the agency from financing housing developments in neighborhood preservation areas in a manner that would otherwise be in conflict with the agency's policies respecting dispersal of housing developments or concentration of lower income households, where necessary to accomplish the purposes for which financing or loan insurance is made available by the agency in the area.

(Added by Stats. 1987, Ch. 1034, Sec. 34.)

51104. Notwithstanding any other provisions of this part, only the following types of housing developments and residential structures are eligible for mortgage loans made with the proceeds of bonds:

- (a) Housing developments and residential structures financed with bonds of the agency guaranteed by the federal government.
- (b) Housing developments and residential structures financed with bonds of the agency that are guaranteed, or the time payment of principal and interest of which is insured, by an agency of the state or by a private insuring entity authorized to engage in that business.
- (c) Housing developments and residential structures, the mortgage loans on which presently are or are expected to be guaranteed, insured, or coinsured by the federal government.
- (d) Housing developments and residential structures, the bonds or mortgage loans on which are presently, or are expected to be, insured or guaranteed in whole or in part by an agency of the state, including the California Housing Finance Agency, a political subdivision of the state, or by a private insuring entity authorized to engage in that business, or by any combination thereof, in percentages determined by the agency.
- (e) Housing developments and residential structures financed by a loan made by the agency to a qualified mortgage lender, if both of the following conditions are met:
 - (1) The loan to the qualified mortgage lender is a general obligation of the mortgage lender.
 - (2) The qualified mortgage lender is a member of, or a subsidiary of a member of, the Federal Deposit Insurance Corporation or of the Federal Savings and Loan Insurance Corporation.
- (f) Housing developments and residential structures financed by tax-exempt bonds for which a bond reserve fund is created which complies with the terms and conditions of the agreement or agreements with agency bondholders.

(Added by renumbering Section 51351 by Stats. 1987, Ch. 1034, Sec. 43.)