HEALTH AND SAFETY CODE - HSC

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 HOUSING AND HOME FINANCE [50000 - 54913] *(Division 31 repealed and added by Stats. 1977, Ch. 610.)*

PART 5. LOCAL HOUSING FINANCE AGENCIES [52000 - 52106] *(Part 5 added by Stats. 1979, Ch. 1069.)*

CHAPTER 5. Miscellaneous Provisions [52051 - 52054] *(Chapter 5 added by Stats. 1979, Ch. 1069.)*

52051. The provisions of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code shall not apply to a mortgagor of any home acquired by foreclosure, trust deed, sale or other proceeding resulting from default on a home mortgage made by a county or city or by a lending institution pursuant to this part.

(Added by Stats. 1979, Ch. 1069.)

52052. This part is necessary for the health, welfare and safety of the state, its counties and cities and its inhabitants. Therefore, it shall be liberally construed to effect its purposes.

(Added by Stats. 1979, Ch. 1069.)

52053. (a) Except as provided in subdivision (b), the powers conferred by this part are in addition and supplemental to, and the limitations imposed by this part shall not affect the powers conferred by, any other law.

(b) The Legislature finds and declares that the market for municipal home mortgage revenue bonds is limited and that, as a matter of overriding state policy, issuances of such bonds should be limited to financing housing for persons whose housing needs are least satisfied by conventional mortgage financing and other governmental home ownership assistance programs. This part contains appropriate limitations with respect to mortgagor income and also contains provisions which will assist in assuring that no bond issuance under this part will result in any impairment of the public credit in this state.

Therefore, this part shall be the exclusive authority for issuance of revenue bonds by any city, including any charter city, county, or city and county for the purpose of providing long-term mortgage financing for the construction or acquisition of housing, excluding multifamily rental housing and multifamily cooperative housing; provided, that nothing in this subdivision shall supersede any other provision of state law authorizing the provision of long-term mortgage financing by any state agency or local public entity; and provided further, that nothing in this subdivision shall affect, or be in any way applicable to, revenue bonds issued (and loans made with the proceeds thereof) by the Cities of San Bernardino, Burbank, or Pasadena on or before July 1, 1980, the interest on which would be excludable from the gross income of the recipients by reason of the applicable laws of the United States and the regulations promulgated thereunder in effect at the time such revenue bonds are issued, or by any other charter city on or before February 1, 1980, the interest on which would be excludable from the gross income of the recipients by reason of Section 4(b) of the proposed Mortgage Subsidy Bond Tax Act of 1979, as reported by the Committee on Ways and Means of the United States House of Representatives on August 31, 1979. Furthermore, nothing in this subdivision shall affect the authority conferred upon a charter city by its charter to issue revenue bonds to undertake a program of long-term mortgage financing of multifamily rental housing.

(c) Home mortgages may be acquired, purchased, and financed, and bonds may be issued under this part for purposes of this part, notwithstanding that any other law or resolution may provide for the acquisition, purchase, and financing of like home mortgages, or the issuance of bonds for like purposes, and without regard to the requirements, restrictions, limitations, or other provisions contained in any other law or resolution.

(Amended by Stats. 1980, Ch. 466.)

52053.5. Notwithstanding subdivision (b) of Section 52053 or any of the limitations of this part:

(a) A charter city having seven community development districts established for purposes of Section 105(a)(8) of Public Law 93-383, as amended, and which, prior to February 1, 1980, issued revenue bonds to finance mortgage loans on homes, may issue not more than thirty-three million dollars ($33,000,000) of additional revenue bonds pursuant to local ordinance to make or purchase mortgage loans on homes as defined in Section 52012, subject to the following conditions:

(1) For mortgage loans on homes located within such a community development district, the income of a purchaser shall not exceed 150 percent of the median income within the city.

(2) For a home located outside of a community development district, the income of a purchaser shall not exceed 120 percent of the city's area median income.

(3) The maximum loan amount for homes undergoing rehabilitation in connection with financing pursuant to this subdivision shall not exceed the median purchase price of a home in the city.

(b) A city and county may issue not more than sixty million dollars ($60,000,000) of revenue bonds pursuant to local ordinance for the purpose of financing the purchase of residential housing units under the following conditions:

(1) The proceeds of the bonds will be used in combination with subsidy moneys made available through grant programs such as the Urban Development Action Grant, the Community Development Block Grant or other federal, state, local, or private moneys to finance the purchase of residential housing under an ownership or financing arrangement which provides for the sharing of equity appreciation between one or more occupants of each property and the city and county (or an entity acting on its behalf).

(2) The revenue bonds and subsidy moneys shall provide for the following:

(A) At least 50 percent of the participants of the program shall be lower income households, as defined in Section 50079.5, unless after the date six months after the date of issuance of the bonds the city and county makes a written finding that this requirement cannot be achieved in spite of the diligent efforts of the city and county and because of the limited availability of subsidy moneys, in which case at least 25 percent of the participants of the program shall be lower-income households.

(B) In no case shall participants of the program be persons and families whose incomes are more than 150 percent of the area medium income.

(C) Not less than 30 percent of the residential housing units financed pursuant to this subdivision shall be units where the participant in the program is the first occupant or units which are being substantially rehabilitated. As used in this subparagraph, "substantial rehabilitation" means rehabilitation in which the costs of rehabilitation equal or exceed 20 percent of the value of the structure after rehabilitation.

However, the requirements of this paragraph may be modified by the city and county, as necessary to meet the conditions of approval of the United States Department of Housing and Urban Development.

(c) Notwithstanding any other provision of law, bonds issued pursuant to this section shall be legal investments for all trust funds, insurance companies, savings and loan associations, investment companies and banks, both savings and commercial, and shall be legal investments for executors, administrators, trustees and all other fiduciaries. Such bonds shall be legal investments for state school funds and for any funds which may be invested in county, municipal, or school district bonds, and such bonds shall be deemed to be securities which may properly and legally be deposited with, and received by, any state or municipal officer or by any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is now, or may hereafter be authorized by law, including deposits to secure public funds.

(d) It is not the intent of the Legislature in enacting this section to change the provisions of this part, but only to continue programs relating to the goals of this part and to prevent loss of commitments for Urban Development Action Grants.

(Amended by Stats. 1983, Ch. 478, Sec. 8. Effective July 28, 1983.)

52054. If any provision of this part or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the part which can be given effect without the invalid provision or application, and to this end the provisions of this part are severable.

(Added by Stats. 1979, Ch. 1069.)