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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 HOUSING AND HOME FINANCE [50000 - 54913] (*Division 31 repealed and added by Stats. 1977, Ch. 610.*)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 6.2. CALIFORNIA HOUSING PARTNERSHIP [52535 - 52561] (*Part 6.2 added by Stats. 1987, Ch. 1355, Sec. 1.*)

CHAPTER 3. Corporation [52550 - 52552] (*Chapter 3 added by Stats. 1987, Ch. 1355, Sec. 1.*)

52550. (a) A nonprofit corporation may be formed to carry out the purposes of this part. The corporation is not a state entity and the officers and employees of the corporation are not officers or employees of the state and shall not be subject to state civil service.

(b) Nothing in this chapter shall be construed to preclude any person from creating other corporations and organizing other partnerships, joint ventures, or associations for the purposes set forth in this part.

(*Added by Stats. 1987, Ch. 1355, Sec. 1.*)

52551. (a) (1) The Governor shall appoint, subject to advice and consent of the Senate, five of the incorporators of the corporation from the categories of persons described in paragraphs (1) to (5), inclusive, of subdivision (b). The Senate Rules Committee shall appoint one of the incorporators of the corporation from the category of persons described in paragraph (7) of subdivision (b), and the Speaker of the Assembly shall appoint one of the incorporators of the corporation from the category of persons described in paragraph (8) of subdivision (b).

(2) The incorporators shall serve as the initial board of directors of the corporation. The term of office of three of the incorporators shall be for three years, the term of office of two of the initial incorporators shall be for two years, and the term of office of the remaining two initial incorporators shall be for one year, as determined by lot. The Governor shall appoint one of the eight incorporators to serve as the chairperson of the board of directors. All subsequent appointments to the board of directors, including the appointment of the chairperson, shall be for three-year terms and shall be made by the appointing power described in this subdivision from the categories of persons described in subdivision (b).

(b) The board of directors shall consist of eight members committed to working with nonprofit developers to preserve and expand the state's supply of low-income and very low income housing and experienced in providing low-income and very low income housing through encouraging greater participation by private investors, nonprofit housing corporations, and local and state governments. The board of directors shall be appointed as specified in subdivision (a) from each of the following categories:

- (1) An elected or appointed official of a city or county with experience in assisting nonprofit housing developers to provide housing for low-income and very low income households.
- (2) A person from the savings and loan, mortgage banking, or commercial banking industry.
- (3) A person knowledgeable about tax, securities, and partnership law as they relate to low-income or very low income housing.
- (4) A person experienced in developing and implementing plans for the repair and rehabilitation of existing low-income or very low income housing.
- (5) A housing consultant experienced in developing and implementing programs utilizing equity capital.
- (6) The Director of Housing and Community Development.
- (7) A person experienced in the management of rental or cooperative housing occupied by low-income or very low income households.

(8) A person from a nonprofit housing corporation experienced in working with the private sector and public sector to help preserve existing low-income or very low income housing.

(c) The representation of varied interest groups on the board of directors shall be deemed essential to obtain information for the development of policy and decisions of the board of directors. It shall not be a conflict of interest for individuals from each of the respective categories designated in subdivision (b) to serve as a member of the board of directors. If any board member has a financial interest, as described in Section 87103 of the Government Code, the interest shall be disclosed as a matter of official public record and shall be described with particularity, as determined by the other members of the board of directors. No board member shall make, participate in making, or in anyway attempt to use his or her position to influence, a decision of the board of directors in which he or she knows or has reason to know that he or she has a financial interest.

(d) Any violation of this section by a board member shall constitute grounds for disqualification as a board member.

(Amended by Stats. 1991, Ch. 259, Sec. 1.)

52552. The initial board of directors shall take whatever actions are necessary or appropriate to establish the corporation, including, but not limited to, the filing of articles of incorporation.

(Added by Stats. 1987, Ch. 1355, Sec. 1.)