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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 HOUSING AND HOME FINANCE [50000 - 54913]** ( *Division 31 repealed and added by Stats. 1977, Ch. 610.*  )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 4. Purposes and Powers of the Corporation [52560 - 52561]** ( *Chapter 4 added by Stats. 1987, Ch. 1355, Sec. 1.*  )

**52560.** (a) In order to achieve the objectives and carry out the purposes of this part, the corporation may do all of the following:

- (1) Raise equity funds, from corporations or individuals, for housing and related facilities sponsored by nonprofit housing development corporations organized pursuant to state or federal law, primarily for the benefit of very low income or low-income households.
- (2) Except as provided in paragraph (5), where no local nonprofit housing development corporation exists, plan, initiate, and carry out the acquisition, rehabilitation, acquisition and rehabilitation, or construction of housing and related facilities pursuant to state or federal law, primarily for the benefit of very low income households or low-income households, only to the extent necessary to carry out the purposes of this chapter in raising equity capital.
- (3) Establish accounts necessary to accomplish the developments or projects described in paragraph (1).
- (4) Provide technical assistance to nonprofit corporations, public agencies, and private profit-motivated entities and individuals with respect to housing planning, financing, acquisition, rehabilitation, maintenance, or management to ensure continuation of the existing low-income or very low income housing stock. The corporation may enter into contracts with organizations or individuals receiving technical assistance to provide for payment of services.
- (5) Acquire government subsidized multifamily housing and related facilities, occupied by low-income and very low income households, which are at risk of conversion to market rate housing, or other non low-income use, provided that the conditions set forth in subparagraph (A) , (B), or (C), are met:
  - (A) There is no other priority purchaser, as defined in Section 231 of the federal Low Income Housing Preservation and Resident Homeownership Act of 1990 (Public Law 101-625) as it may from time to time be amended, in active negotiation with the owner of the housing at the end of the first 10 months of the sale period.
  - (B) No priority purchaser has executed an agreement to purchase the housing within 12 months of the sale period or a priority purchaser cannot fulfill the terms of a purchase agreement.
  - (C) There is no local nonprofit organization or public agency qualified purchaser, as defined in Section 241 of the Federal Housing and Community Development Act of 1987 (Public Law 100-242) as it may from time to time be amended.

(b) In order to carry out the purposes of subdivision (a), the corporation may also do any of the following:

- (1) Enter into limited partnerships with private individuals or private or governmental corporations, agencies, organizations, and institutions.
- (2) Act as manager or general partner of any such partnership, venture, or association.
- (3) Provide technical assistance to nonprofit corporations with respect to the planning, financing, acquisition, rehabilitation, maintenance, or management of low-income or very low income housing proposed to be supported by the corporation.

(4) Make loans or grants, including grants of interest in housing and related facilities to nonprofit corporations, limited dividend corporations, or other entities for low-income or very low income housing to be supported by the corporation.

(5) Hire staff or hire or accept the voluntary services of consultants, experts, or advisory boards to aid the corporation in carrying out the purposes of this chapter.

(6) Engage in any other activities as may be necessary to carry out the purposes of this section.

(c) In carrying out the purposes and objectives of subdivision (a), the corporation shall do both of the following:

(1) Give priority to those housing developments which are having trouble attracting private capital at reasonable terms and conditions, including inner-city, rural, and small housing developments serving lower income households and very low income households.

(2) Seek to ensure that a maximum number of units shall be made available for occupancy by very low income households.

(d) (1) It is the intent of the Legislature in amending this section during the 1991–92 Regular Session, to accomplish all of the following:

(A) To have the corporation encourage, to the greatest degree feasible, community-based priority purchasers to purchase multifamily housing and related facilities occupied by low-income and very low income households that are at risk of conversion to market rate housing and that the acquisition of this housing by the corporation shall only occur with the corporation acting as a buyer of last resort.

(B) To have the corporation exercise every reasonable effort to transfer title to the housing to a tenant group, community-based nonprofit organization, or public agency within five years from the date the corporation acquires title consistent with the Low Income Housing Preservation and Resident Homeownership Act of 1990 (P.L. 101-625).

(2) Nothing in this section shall be construed to require the sale of any multifamily housing and related facilities occupied by low-income and very low income households without the consent of the owner.

*(Amended by Stats. 1992, Ch. 775, Sec. 1. Effective January 1, 1993.)*

**52561.** (a) The corporation may arrange for the formation, as separate organizations, of partnerships organized under the laws of this state for the purpose of engaging in any activities that may be performed by the corporation and entering into partnership agreements governing the affairs of the partnerships.

(b) The partnership is authorized to enter into limited partnerships for the purpose of engaging in the preservation of existing low-income or very low income housing developments or projects in localities throughout the state.

(c) The corporation shall be a general partner or limited partner in any partnership in which it participates. The capital of the partnership and the contribution of the partners shall be in such amounts and at the times which are set forth in, or pursuant to, the partnership agreement.

(d) The partnership shall, to the extent feasible, seek maximum participation in the decisionmaking process by the local nonprofit housing corporation.

(e) The partnership agreement shall contain provisions designed to assure all of the following:

(1) The partnership participates in low-income and very low income housing developments or projects in a manner designed to encourage the maximum participation in those housing developments by units of local or state government.

(2) The housing acquired by the partnership shall be preserved for occupancy by lower income households or very low income households for the physical life of the housing if it is economically feasible, as determined by the board of directors of the corporation. In the event that it is not economically feasible to maintain all of the units for lower income households and very low income households, one or more of the rental housing units may be made available for tenancy by households that are not lower income households or very low income households.

(3) The partnership shall, to the extent feasible, seek those investments for which there is either an inadequate supply of private capital or where private investors are not committed to preserving the housing for low-income households or very low income households for the physical life of the housing.

(4) Any displacement of any person resulting from the activities of the partnership shall be temporary in nature and necessary for the rehabilitation work. Relocation benefits shall be paid to those persons as part of the project costs.

(f) The allocation, apportionment, and taxation of income, profits, losses, and deductions among partners shall be governed by the laws otherwise applicable to those allocations and apportionments.

