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TITLE 6.5. Regional Housing Finance Authorities [62500 - 62592] (Title 6.5 added by Stats. 2024, Ch. 767, Sec. 1.)

PART 2. Authority Financing Activities [62540 - 62592] (Part 2 added by Stats. 2024, Ch. 767, Sec. 1.)

CHAPTER 3. Expenditures [62590 - 62592] (Chapter 3 added by Stats. 2024, Ch. 767, Sec. 1.)

62590. (a) Revenue generated pursuant to this part shall be used for any of the following purposes:

- (1) The development of affordable home ownership and rental housing, including programs that enable persons and families of low or moderate income to become or remain homeowners.
- (2) Affordable housing preservation.
- (3) Planning and technical assistance related to affordable housing.
- (4) For infrastructure to support housing.
- (5) Any other purpose authorized by this section.

(b) (1) The authority board shall, in consultation with the advisory committee, adopt a regional expenditure plan for the use of housing revenue by July 1 of each year, except the authority board shall select the deadline to adopt the first regional expenditure plan. The regional expenditure plan may cover multiple years, as determined by the authority board.

(2) (A) The regional expenditure plan shall do both of the following:

- (i) Set forth the share of revenue and estimated funding amount to be spent on each of the categories described in subdivision (a), indicate the household income levels to be served within each category of expenditures, and estimate the number of affordable housing units to be developed by income category.
- (ii) Identify existing funding sources from federal, state, and local housing programs and assess how projects and programs to be funded by revenue generated pursuant to this part will complement these existing funding sources to meet the housing needs within the jurisdiction of the authority.

(B) Beginning in the second year, the authority shall include a report in the regional expenditure plan that provides its allocations and expenditures to date of projects and programs funded and the households served by income level.

(3) Before the distribution of funds each year, the authority shall be entitled to up to 5 percent of the funds of any measure approved pursuant to this part for general administration.

(c) In the event that demolition or rehabilitation of housing units is required, all of the following shall apply:

- (1) If the housing units are occupied at the date of acquisition, the housing development shall provide at least the same number of units of equivalent number of bedrooms to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy.
- (2) If existing residents must be relocated due to demolition or rehabilitation needs, the developer must provide relocation benefits to the occupants of those housing rental units subject to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1. This paragraph does not supersede any provision of a locally adopted ordinance that requires greater relocation assistance to displaced households.

(3) If existing residents must be relocated due to demolition or rehabilitation needs, the developer shall provide a right of first refusal for a comparable unit available in the new or rehabilitated housing development that is affordable to the household at an affordable rent, as defined in Section 50053 of the Health and Safety Code, an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or a rent that is consistent with the maximum rent levels stipulated by the public program providing financing for the development.

(d) The authority board may approve funds for a project or program directly to a city, a county, a public entity, or a private project sponsor.

(Added by Stats. 2024, Ch. 767, Sec. 1. (SB 440) Effective January 1, 2025.)

62590.1. (a) Notwithstanding any other provision of this title, an authority board may make a finding that market rate rents or housing costs are unaffordable to households at 120 percent of the area median income in a particular geographic area of the district. An authority that makes this finding may utilize a higher income limitation for housing developed and preserved within that particular geographic area of the district, provided that the income limitation does not exceed 150 percent of the area median income.

(b) When making a finding pursuant to subdivision (a), an authority shall utilize data on the employment and economy, population, household, and income trends, comparable rents, and demand and absorption rate of the particular geographic area to demonstrate that the higher income limitation is necessary to advance the purposes of this title.

(Added by Stats. 2024, Ch. 767, Sec. 1. (SB 440) Effective January 1, 2025.)

62591. The authority shall monitor expenditures in coordination with local jurisdictions. The authority board may adopt guidelines applicable to such funds as deemed necessary to ensure they are spent in a timely manner consistent with the goals of this chapter.

(Added by Stats. 2024, Ch. 767, Sec. 1. (SB 440) Effective January 1, 2025.)

62592. To ensure oversight and accountability, an authority shall prepare and submit an annual report to the Legislature, in conformance with Sections 9795 and 53411, on allocations and expenditures under its control. The report shall include a description of projects funded and their status, and the households served by income level.

(Added by Stats. 2024, Ch. 767, Sec. 1. (SB 440) Effective January 1, 2025.)