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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 2. Revenue [62550 - 62586]** ( Chapter 2 added by Stats. 2024, Ch. 767, Sec. 1. )

**ARTICLE 3. Bonds [62580 - 62586]** ( Article 3 added by Stats. 2024, Ch. 767, Sec. 1. )

**62580.** The authority board may, by majority vote, initiate proceedings to issue general obligation bonds pursuant to this chapter by adopting a resolution stating its intent to issue the bonds.

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

**62581.** (a) The authority may incur or refund general obligation bonded indebtedness, secured by the levy of ad valorem property taxes, pursuant to Article XIII A of the California Constitution, and any amendment thereto, for any purpose authorized by state law or the California Constitution.

(b) For purposes of incurring general obligation bonded indebtedness pursuant to this subdivision, the authority shall comply with the requirements of Chapter 3 (commencing with Section 53400) of Part 1 of Division 2 of Title 5.

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

**62582.** (a) (1) For purposes of this section, "authority revenues" includes, without limitation, revenues generated by any of the following:

(A) Any special tax, fee, or charge imposed by the authority, other than ad valorem property taxes.

(B) Any loan repayments, investment income, or income derived from the ownership or operation of real property.

(2) (A) The authority may issue revenue bonds, payable from authority revenues, in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5), for the purposes set forth in this title and in any resolution adopted by the authority, or measure adopted by voters, in connection with the generation of authority revenues or imposition of those special taxes, fees, or other charges.

(B) For purposes of issuing revenue bonds pursuant to this section, all or any portion of the authority revenues designated by the authority, the special taxes, fees, or other charges described in subparagraph (A) shall constitute an "enterprise" within the meaning of Section 54309.

(C) Any authority revenues designated pursuant to subparagraph (B) shall constitute "revenues" within the meaning of Section 54315.

(3) To exercise the powers described in this section, the authority shall ensure that any ballot measure summary prepared pursuant to subdivision (e) of Section 62521 related to voter approval of a special tax under this title notifies the voters that proceeds from the special tax may be used as payment for revenue bonds.

(4) For purposes of this section, the authority shall be deemed to be a local agency within the meaning of Section 54307. Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 and the limitations on the rate of interest set forth in subdivision (b) of Section 54402 do not apply to the issuance and sale of bonds pursuant to this section. Instead, the authority shall authorize the issuance of bonds by resolution at any time, and from time to time, which shall specify all of the following:

(A) The purposes for which the bonds are to be issued.

(B) The maximum principal amount of the bonds.

(C) The maximum term for the bonds.

(D) (i) The maximum rate of interest to be payable upon the bonds, which shall not exceed the maximum rate permitted for bonds of the authority by Section 53531 or any other applicable provisions of law.

(ii) In the case of bonds bearing a variable interest rate, the variable rate shall not, on any day, exceed the maximum rate permitted for bonds of the authority by Section 53531 or any other applicable provisions of law. However, the variable interest rate may, on any day, exceed that maximum rate in subparagraph (A), if the interest paid on the bonds from their date of original issuance to that day does not exceed the total interest that would have been permitted if the bonds had borne interest at all times from the date of issuance to that day at the maximum rate permitted from time to time by Section 53531 or any other applicable provisions of law.

(E) The maximum original issue premium or discount on the sale of the bonds.

(F) The denomination or denominations of the revenue bonds, which shall not be less than five thousand dollars (\$5,000).

(b) The resolution may also contain any other matters authorized by this chapter or any other law.

(c) The revenue bonds may be sold at public or private sale or on a negotiated sale basis and at the prices, above or below par, as determined by the authority board.

(d) The revenue bonds, or each series thereof, shall be dated and numbered consecutively and shall be signed by the executive director of the authority, whose signature may be printed, lithographed, or mechanically reproduced. If any officer whose signature appears on the revenue bonds ceases to be that officer before the delivery of the bonds, the officer's signature is as effective as if the officer had remained in office.

(e) Any summary statement required to be published by the authority pursuant to Section 54522 shall be published annually, not more than nine months after the close of each fiscal year.

(f) This section provides a complete, additional, and alternative method for the issuance of revenue bonds by the authority. An issuance does not need to comply with the procedures specified elsewhere in this article or other laws, but shall instead be issued in accordance with the procedures specified in this article.

(g) (1) To the extent permitted by law, authority revenues shall be applied according the following priority:

(A) First, to operation and maintenance of any housing project, if so required by the relevant financing documents.

(B) Second, to the payment of bonds with respect to which the revenues have been pledged.

(C) Third, to the payment of obligations in connection with bonds.

(D) Fourth, to the payment of administrative costs.

(E) Fifth, to any other purpose permitted by law and authorized by this title.

(2) All moneys received by the authority shall be trust funds applied solely for purposes of this title.

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

**62583.** (a) The authority or any person executing the bonds issued pursuant to this title shall not be personally liable on the bonds by reason of their issuance.

(b) The bonds and other obligations of the authority are not a debt of any city, county, or special district, or any of its affiliated entities, or of the state or of any of its political subdivisions, other than the authority, and neither a city, county, special district, nor the state or any of its political subdivisions, other than the authority, shall be liable on the bonds, and the bonds or obligations shall be payable exclusively from funds or properties of the authority, as specified in the applicable bond or other security document. Bonds issued pursuant to this title shall contain a statement to this effect on their face.

(c) If the signature of any member of the authority or staff member of the authority appears on bonds issued pursuant to this title, and that individual ceases to be a member of the authority or staff member of the authority before delivery of the bonds, that member's signature shall be as effective as if the member had remained in office.

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

**62584.** (a) Every two years after the issuance of bonds pursuant to this section, the authority shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

(b) Upon the request of the Governor or the Legislature, the Bureau of State Audits may conduct a financial and performance audit of the authority. The results of any audit shall be provided to the authority board, the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

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

**62585.** Bonds issued pursuant to this article are fully negotiable.

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

**62586.** Any action to determine the validity or adoption of any tax, fee, or other charge provided for in, or the validity of bonds issued pursuant to, this title, or any of the proceedings, contracts, agreements, or other arrangements or matters entered into, shall be commenced within 60 days from the date of the election or the adoption of the resolution approving such matters, as applicable, pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. After that date, the adoption of such tax, fee, or other charge, the issuance of the bonds, and all proceedings in relation thereto, shall be held valid and incontestable in every respect.

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