

**HEALTH AND SAFETY CODE  
SECTION 50900-50916**

**50900.**

The California Housing Finance Agency is hereby continued in existence in the Department of Housing and Community Development. The agency constitutes a public instrumentality and a political subdivision of the state, and the exercise by the agency of the powers conferred by this division shall be deemed and held to be the performance of an essential public function.

*(Amended by Stats. 2013, Ch. 352, Sec. 379. (AB 1317) Effective September 26, 2013. Operative July 1, 2013, by Sec. 543 of Ch. 352.)*

**50901.**

The agency shall be administered by a board of directors consisting of 13 voting members, including a chairperson selected by the Governor from among his or her appointees. The Treasurer; the Secretary of Business, Consumer Services, and Housing; the Director of Housing and Community Development; and the Secretary of Veterans Affairs, or their designees, shall be members, in addition to seven members appointed by the Governor, one member appointed by the Speaker of the Assembly, and one member appointed by the Senate Committee on Rules. The Director of Finance, the Director of Planning and Research, and the executive director of the agency shall serve as nonvoting ex officio members of the board.

*(Amended (as amended by Stats. 2012, Ch. 147, Sec. 21) by Stats. 2013, Ch. 82, Sec. 1. (AB 984) Effective August 12, 2013. Operative January 1, 2014, pursuant to Sec. 7 of Ch. 82.)*

**50902.**

(a) Appointed members of the board shall be able persons broadly reflective of the economic, cultural, and social diversity of the state, including ethnic minorities and women. However, it is not intended that formulas or specific ratios be applied in order to achieve that diversity.

(b) The Governor shall select four of his or her seven appointees from among the following categories:

(1) an elected official of a city or county engaged in the planning or implementation of a housing, housing-assistance, or housing-rehabilitation program; (2) a person experienced in residential real estate in the savings and loan, mortgage banking, or commercial banking industry; (3) a person experienced as a builder of residential housing; (4) a person experienced in organized labor in the residential construction industry; (5) a person experienced in the management of rental or cooperative housing occupied by lower income households; (6) a person experienced in manufactured housing finance and development; and (7) a person representing the public. Not more than one person from each category may serve on the board at any one time, except that two members may be appointed by the Governor to represent the public.

(c) The Governor shall also appoint two members who are residents of rental or cooperative housing financed by the agency or who are persons experienced in counseling, assisting, or representing tenants.

(d) At least one of the members appointed by the Governor shall be a resident of a rural or nonmetropolitan area.

(e) At least one of the members appointed by the Governor shall have specific knowledge of bonds and related financial instruments, interest rate swaps, and risk management.

(f) The Senate Committee on Rules and the Speaker of the Assembly shall each appoint a person representing the public.

The term of members of the board shall be six years. Any person appointed to fill a vacancy on the board shall serve only for the remainder of the unexpired term. Members of the board shall, subject to continued qualification, be eligible for reappointment. If a member of the board ceases to meet the qualifications specified in this section, the membership of that person on the board shall be terminated.

*(Amended by Stats. 2013, Ch. 82, Sec. 2. (AB 984) Effective August 12, 2013. Operative January 1, 2014, pursuant to Sec. 7 of Ch. 82.)*

**50903.**

All members of the board appointed by the Governor shall be confirmed by the Senate.

*(Added by Stats. 1977, Ch. 610.)*

**50904.**

The representation of varied interest groups on the board shall be deemed essential to obtain information for the development of policy and decisions of the board. Notwithstanding Section 1090 of the Government Code, it shall not be a conflict of interest for an official of any local public entity or a resident of any affordable housing, or a director, officer, stockholder, or employee of any savings and loan institution, investment banking firm, brokerage firm, commercial bank or trust company, architectural firm, insurance company, labor union, or any other person, association, or corporation to serve as a member of the board. If any board member has a financial interest in any matter before the board for a decision, that interest shall be disclosed as a matter of official public record. The board member shall not attempt to influence, participate in deliberations concerning, or vote as to that matter.

Violation of this section constitutes grounds for disqualification from office as a board member. Violation of the disclosure requirements of this section constitutes a misdemeanor under Section 91000 of the Government Code.

*(Amended by Stats. 2011, Ch. 408, Sec. 1. (AB 1222) Effective January 1, 2012.)*

## **50905.**

(a) An officer or employee of the agency shall not be employed by, hold any paid official relation to, or have any financial interest in, any housing sponsor or any affordable housing financed or assisted under this part, provided that this prohibition shall not apply to a member of the board of directors who is not an employee of the agency. Real property to which a member of the board or employee of the agency holds legal title or in which the person has any financial interest shall not be purchased by the agency or sold by the member of the board or employee of the agency to a housing sponsor for affordable housing to be financed under this part.

Any violation of this section shall be a conflict of interest that shall be grounds for disqualification of the member from the board or employee of the agency from his or her employment with the board or agency.

(b) Except as provided by subdivision (c), the following actions shall be voidable in the discretion of the agency:

(1) Any purchase by the agency of real property in which a member of the board or employee of the agency has legal title or a financial interest.

(2) Any commitment by the agency to provide financial assistance to a housing sponsor in which a member of the board or employee of the agency is employed, holds any official relation, or has any financial interest.

(3) Any commitment by the agency to provide financial assistance to a housing sponsor to which real property has been or is transferred for affordable housing to be financed under this part, if a member of the board or employee of the agency has or has had legal title or any financial interest in the real property.

(c) Any commitment by the agency to provide financial assistance under the circumstances specified in paragraph (2) or (3) of subdivision (b) shall not be voidable following release of the funds.

(d) Notwithstanding any other provision of this section and Section 50904, any conflict of interest by a member of the board or employee of the agency shall not affect the validity of any bonds or insurance issued pursuant to this division.

(e) Notwithstanding any other provision of this section, an agency employee or board member may, if not acting as an investor and if otherwise eligible, participate in owner-occupied single-family financing and insurance programs operated by the agency.

*(Amended by Stats. 2011, Ch. 408, Sec. 2. (AB 1222) Effective January 1, 2012.)*

## **50906.**

Board members shall be removable solely for cause.

*(Added by Stats. 1977, Ch. 610.)*

**50907.**

The Governor shall appoint a chairperson from among members of the board, who, when present, shall preside at meetings of the board. The term of the chairperson shall be five years, but shall terminate earlier upon expiration of the chairperson's term under Section 50902 without reappointment to the board.

*(Amended by Stats. 1987, Ch. 1034, Sec. 14.)*

**50908.**

The Governor shall, subject to confirmation by the Senate, appoint an executive director of the agency, who shall, subject solely to supervision by the board, administer and direct the day-to-day operations of the agency. The term of office of the executive director is five years. Except as provided in this part, the board shall from time to time determine the total number of authorized employees within the agency and shall determine the salaries of those employees of the agency whose salaries are not paid from moneys appropriated to the agency from the General Fund.

*(Amended by Stats. 1987, Ch. 1034, Sec. 15. Note: Conditional amendment by Stats. 1994, Ch. 94, was repealed by Stats. 1997, Ch. 580.)*

**50909.**

(a) Notwithstanding Sections 19816 and 19825 of the Government Code, the compensation of key exempt management, including the executive director, the chief deputy director, the general counsel, the director of financing, the director of homeownership programs, the director of multifamily programs, the director of enterprise risk management and compliance, and the risk manager, shall be established by the board in the agency's annual budget, in amounts which are reasonably necessary, in the discretion of the board, to attract and hold a person of superior qualifications.

(b) (1) To determine the compensation for the positions described in this section, the board shall cause to be conducted, through the use of independent outside advisors, salary surveys of both of the following:

(A) Other state and local housing finance agencies that are most comparable to CalHFA.

(B) Other relevant labor pools.

(2) The salaries so set by the board shall not exceed the highest comparable salary for a position of that type, as determined by the survey.

(c) The Department of Human Resources shall review the methodology used in these salary surveys.

(d) Members of the board shall not receive a salary but shall be entitled to a per diem allowance of one hundred dollars (\$100) for each day's attendance at a meeting of the board or a meeting of a committee of the board, not to exceed three hundred dollars (\$300) in any

month, and reimbursement for expenses incurred in the performance of their duties under this part, including travel and other necessary expenses.

*(Amended by Stats. 2018, Ch. 661, Sec. 1. (SB 912) Effective January 1, 2019.)*

**50910.**

The executive director may from time to time employ technical experts and other employees as may, in his or her judgment, be necessary for the conduct of the business of the agency.

*(Amended by Stats. 1993, Ch. 115, Sec. 1. Effective July 15, 1993.)*

**50911.**

(a) Notwithstanding Sections 11042 and 11043 of the Government Code, the executive director may employ as general counsel for the agency an attorney at law licensed in this state. The general counsel, or in his or her absence, the general counsel's designee, shall advise the board, the chairperson, and the executive director, when so requested, with regard to all matters in connection with the powers and duties of the agency and the board members and officers thereof. The general counsel shall serve as secretary to the board and shall perform all duties and services as general counsel to the agency that the agency may require of that person.

(b) Except as provided in Section 11040 of the Government Code, the Attorney General shall represent and appear for the people of the state and the agency in all court proceedings involving any question under this division or any order or act of the agency. However, the agency may also employ private counsel to assist in any court proceeding.

(c) Notwithstanding Sections 11042 and 11043 of the Government Code, the executive director may appoint as bond counsel for the agency an attorney or attorneys. Nothing in this section or any other provision of law shall preclude the appointment of more than one attorney to serve as bond counsel. However, at all times at least one attorney shall be licensed to practice law in this state. If the agency appoints more than one bond counsel for a bond issue, the combined fees paid to all bond counsel shall not exceed those fees that would have been paid had only one bond counsel been appointed.

(d) Under the authority of this section, the executive director may appoint or retain an attorney or attorneys to undertake other appropriate legal studies and assignments not in conflict with this section.

*(Amended by Stats. 2005, Ch. 338, Sec. 1. Effective January 1, 2006.)*

**50912.**

There shall be within the agency a director of financing appointed by the Governor and serving at the pleasure of the executive director of the agency.

The director of financing shall have responsibility for the financial operations of the agency and shall perform such other duties as may be required by the executive director.

*(Amended by Stats. 1979, Ch. 1115.)*

**50912.5.**

There shall be within the agency a director of enterprise risk management and compliance appointed by the Governor and serving at the pleasure of the executive director of the agency. The director of enterprise risk management and compliance shall assist in the implementation of processes, tools, and systems to identify, assess, measure, manage, monitor, and mitigate risks related to the development of new programs or changes to existing law or regulations that may result in new or increased risk to the agency, as well as other duties as may be required by the executive director.

*(Added by Stats. 2016, Ch. 32, Sec. 73. (SB 837) Effective June 27, 2016.)*

**50913.**

For its activities under this division, the executive director shall prepare a preliminary budget on or before December 1 of each year for the ensuing fiscal year to be reviewed by the Secretary of Business, Consumer Services, and Housing, the Director of Finance, and the Joint Legislative Budget Committee.

*(Amended by Stats. 2012, Ch. 147, Sec. 22. (SB 1039) Effective January 1, 2013. Operative July 1, 2013, by Sec. 23 of Ch. 147.)*

**50914.**

(a) The board shall authorize any sale of obligations or securities or other debt obligations and shall approve other major contractual agreements. Any other contractual agreements or debt obligations may be approved by the executive director pursuant to regulations of the board.

(b) Actions of the board may be taken only by a concurrence of a majority of the entire membership thereof, excepting nonvoting ex officio members.

*(Amended by Stats. 1979, Ch. 1115.)*

**50915.**

The principal offices of the agency shall be located in the City of Sacramento.

*(Added by Stats. 1977, Ch. 610.)*

**50916.**

All meetings of the board and of all committees of the board including those committees whose membership constitutes less than a quorum of the board shall be open and public and all persons shall be permitted to attend and address the board or its committees, except when the

meetings are held as executive sessions as authorized by Section 11126 of the Government Code.

*(Amended by Stats. 1987, Ch. 1034, Sec. 18.)*