

AMENDED IN ASSEMBLY MAY 7, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 630

Introduced by Assembly Member Salas

February 25, 2009

~~An act to add Section 1714.23 to the Civil Code, relating to liability.~~
An act to amend Section 51504 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 630, as amended, Salas. ~~Immunity: dentistry volunteers.~~
California Homebuyer's Downpayment Assistance Program: downpayment assistance: subordination.

Existing law requires the California Housing Finance Agency to administer the California Homebuyer's Downpayment Assistance Program for the purpose of assisting first-time low- and moderate-income home buyers utilizing existing mortgage financing. Under the program, the amount of the downpayment assistance is due and payable at the end of the term or upon sale of or refinancing of the home.

This bill would authorize the agency, in its discretion, to permit the downpayment assistance loan to be subordinated to refinancing if it determines that certain criteria have been met. The bill would authorize the agency to permit subordination on such terms and conditions as it determines are reasonable.

~~Existing law affords immunity to a health care provider from liability for professional negligence or malpractice for an occurrence or result solely on the basis that the occurrence or result was caused by the natural~~

~~course of a disease or condition or was the natural or expected result of reasonable treatment rendered for the disease or condition.~~

~~This bill would extend similar immunity to retired dental professionals who in good faith provide dental care on a volunteer basis to persons who are members of dentally underserved populations, as defined, or who live in dentally underserved areas, as defined.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 51504 of the Health and Safety Code is
2 amended to read:

3 51504. (a) The agency shall administer a downpayment
4 assistance program that includes, but is not limited to, all of the
5 following:

6 (1) Downpayment assistance shall include, but not be limited
7 to, a deferred-payment, low-interest, junior mortgage loan to reduce
8 the principal and interest payments and make financing affordable
9 to first-time low- and moderate-income home buyers.

10 (2) (A) Except as provided in subparagraph (B) or (C), the
11 amount of downpayment assistance shall not exceed 3 percent of
12 the home sale price.

13 (B) The amount of downpayment assistance for a new home
14 within an infill opportunity zone, as defined in Section 65088.1
15 of the Government Code, a transit village development district, as
16 defined in Section 65460.4 of the Government Code, or a
17 transit-oriented development specific plan area, as defined in
18 paragraph (6), shall not exceed 5 percent of the purchase price or
19 the appraised value, whichever amount is less, of the new home.
20 The borrower of the downpayment assistance shall provide the
21 lender originating the loan with a certification from the local
22 government agency administering the infill opportunity zone, the
23 transit village development district, or the transit-oriented
24 development specific plan area that states that the property involved
25 in the loan transaction is within the boundaries of either the infill
26 opportunity zone, the transit village development district, or the
27 transit-oriented development specific plan area.

28 (C) Notwithstanding paragraph (1), the agency may, but is not
29 required to, provide downpayment assistance that does not exceed

1 6 percent of the home sale price to first-time low-income home
2 buyers who, as documented to the agency by a nonprofit
3 organization that is certified and funded to provide home ownership
4 counseling by a federally funded national nonprofit corporation,
5 are purchasing a residence in a community revitalization area
6 targeted by the nonprofit organization as a neighborhood in need
7 of economic stimulation, renovation, and rehabilitation through
8 efforts that include increased home ownership opportunities for
9 low-income families. The agency shall not use more than six
10 million dollars (\$6,000,000) in funds made available pursuant to
11 Section 53533 for the purposes of this paragraph.

12 (3) The amount of the downpayment assistance shall be secured
13 by a deed of trust in a junior position to the primary financing
14 provided. The term of the loan for the downpayment assistance
15 shall not exceed the term of the primary loan.

16 (4) ~~The~~(A) *Except as provided in subparagraph (B), the amount*
17 *of the downpayment assistance shall be due and payable at the end*
18 *of the term or upon sale of or refinancing of the home. The*
19 *borrower may refinance the mortgages on the home provided that*
20 *the principal and accrued interest on the junior mortgage loan*
21 *securing the downpayment assistance are repaid in full. All*
22 *repayments shall be made to the agency to be reallocated for the*
23 *purposes of this chapter.*

24 (B) *The agency may, in its discretion, permit the downpayment*
25 *assistance loan to be subordinated to refinancing if it determines*
26 *that the borrower has demonstrated hardship, subordination is*
27 *required to avoid foreclosure, and the new loan meets the agency's*
28 *underwriting requirements. The agency may permit subordination*
29 *on such terms and conditions as it determines are reasonable.*

30 (5) The agency may use up to 5 percent of the funds appropriated
31 by the Legislature for purposes of this chapter to administer this
32 program.

33 (6) For the purposes of this section, “transit-oriented
34 development specific plan area” means a specific plan that meets
35 the criteria set forth in Section 65451 of the Government Code, is
36 centered around a rail or light-rail station, ferry terminal, bus hub,
37 or bus transfer station, and is intended to achieve a higher density
38 use of land that facilitates use of the transit station.

39 (b) In addition to the downpayment assistance program
40 authorized by subdivision (a), the agency may, at its discretion,

1 use not more than seventy-five million dollars (\$75,000,000) of
2 the funds available pursuant to this chapter to finance the
3 acquisition of land and the construction and development of
4 for-sale residential structures, through short-term loans pursuant
5 to its authority pursuant to Section 51100. However, the agency
6 shall make downpayment assistance provided pursuant to paragraph
7 (1), subparagraphs (A) and (B) of paragraph (2), and paragraphs
8 (3) to (5), inclusive, of subdivision (a) the priority use for these
9 funds. A loan made pursuant to this section is not subject to Article
10 4 (commencing with Section 51175) of Chapter 5.

11 ~~SECTION 1. Section 1714.23 is added to the Civil Code, to~~
12 ~~read:~~

13 ~~1714.23. (a) No person licensed pursuant to Chapter 4~~
14 ~~(commencing with Section 1600) of Division 2 of the Business~~
15 ~~and Professions Code, who is retired from the active practice of~~
16 ~~dentistry other than as described in this section retired, who in~~
17 ~~good faith provides dental care on a volunteer basis to persons~~
18 ~~who are members of a dentally underserved population or in a~~
19 ~~dentally underserved area, shall be liable for professional~~
20 ~~negligence or malpractice for any occurrence or result solely on~~
21 ~~the basis that the occurrence or result was caused by the natural~~
22 ~~course of a dental disease or condition, or was the natural or~~
23 ~~expected result of reasonable treatment rendered for a dental~~
24 ~~disease or condition. This section shall not be construed so as to~~
25 ~~limit liability for the failure to inform of the risks of treatment or~~
26 ~~failure to accept treatment, or for negligent diagnosis or treatment~~
27 ~~or the negligent failure to diagnose or treat a dental disease or~~
28 ~~condition.~~

29 ~~(b) As used in this section:~~

30 ~~(1) "Dentally underserved area" means a geographic area eligible~~
31 ~~to be designated as having a shortage of dental professionals~~
32 ~~pursuant to Part I of Appendix B to Part 5 of Title 42 of the Code~~
33 ~~of Federal Regulations or an area of the state where unmet priority~~
34 ~~needs for dentists exist as determined by the California Healthcare~~
35 ~~Workforce Policy Commission pursuant to Section 128224 of the~~
36 ~~Health and Safety Code.~~

37 ~~(2) "Dentally underserved population" means persons without~~
38 ~~dental insurance and persons eligible for the Denti-Cal and Healthy~~
39 ~~Families Programs who are members of population groups~~
40 ~~described as having a shortage of dental care professionals in Part~~

- 1 ~~H of Appendix B to Part 5 of Title 42 of the Code of Federal~~
- 2 ~~Regulations.~~

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