

Department of Finance		<b>Fund: 0635a</b>
<b>STATE OF CALIFORNIA MANUAL OF STATE FUNDS</b>		<b>PAGE 1</b> Renumbered From:
<b><u>Legal Title</u></b> Rural Predevelopment Loan Fund		
<b><u>Legal Citation/Authority</u></b> Chapter 1335, Statutes of 1976 Health and Safety Code section 50516		
<b><u>Fund Classification</u></b> <b><u>GAAP Basis</u></b> Governmental/Special Revenue Funds	<b><u>Fund Classification</u></b> <b><u>Legal Basis</u></b> Nongovernmental/Working Capital and Revolving Funds	
<b><u>Purpose</u></b> Created for the purpose of making loans to local government agencies and nonprofit corporations in the process of, and prior to, securing long-term financing for production or rehabilitation of assisted housing for low income persons in rural areas. This chapter made an appropriation of \$535,000 from the General Fund to this fund, of which \$35,000 is for expenses in administering the program.  All loans from the fund bear interest. The rate of interest is the average rate earned on the investment of state funds by the Pooled Money Investment Board for the five years immediately preceding the year in which the loan is made. The loans are secured by liens against the property, promissory notes, or assignment of land options. Not more than 20 percent of the total moneys appropriated to the fund may be committed to any single borrower.  Chapter 1044, Statutes of 1979 created the Land Purchase Fund. The Department of Housing and Community Development is authorized to make predevelopment loans from the Land Purchase Fund to local governmental agencies and other eligible sponsors for the purpose of acquiring land or options for use in developing assisted housing in rural areas for low income persons. Chapter 1044, Statutes of 1979 also appropriated \$1,000,000 from the General Fund to the Land Purchase Fund.  Chapter 1688, Statutes of 1984 combined the Housing Predevelopment Loan Fund and the Land Purchase Fund into Rural Predevelopment Loan Fund.		
<b><u>Administering Agency/Organization Code</u></b> Department of Housing and Community Development/Org 2240		
<b><u>Major Revenue Source</u></b> Principal and interest on predevelopment loans.  Income from surplus money investments.		
<b><u>Disposition of Fund (upon abolishment)</u></b> Loans. Expenses of administration of the predevelopment loan program.		

**Appropriation Authority**

Section 50516 of the Health and Safety Code continuously appropriates all money in the fund for the purpose of making predevelopment loans.

**State Appropriations Limit**

**Always Excluded** – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Working Capital and Revolving Fund.

**Comments/Historical Information**

Chapter 395, Statutes of 2001 abolished this fund.