

# 1st of the Month

## Affordable Housing Technical Review



Issue: # 6

October 2010



Downtown San Diego completed the largest Registry Week in the country to date with nearly 250 volunteers making contact with more than 1,000 homeless individuals and completing more than 740 surveys. For the first time ever, a member of the United States Congress, Congresswoman Susan Davis (photo on the left), and a member of a state legislature, California State Assemblyman Nathan Fletcher (photo on the right, center), participated in surveying out on the streets. See story below.

## Downtown San Diego Registry Week Identifies More Than 1,000 Homeless Individuals Sleeping on the Streets

San Diego wrapped up its Downtown Registry Week at a community briefing on September 24 after identifying more than 1,000 homeless individuals and surveying approximately 740. Housing and services resources have already been secured to begin housing the first 125 people.

Nearly 250 volunteers - the largest amount of Registry Week volunteers in the United States to date - covered 450 downtown blocks September 20-22 between the hours of 4 a.m. and 7 a.m. conducting the surveys, which are based on the 100,000 Homes Campaign's Vulnerability Index.

Of those surveyed, preliminary findings include:

- Approximately 37% are at high risk of mortality.
- Those who qualified as immediately vulnerable reported an average of eight years on the streets and an average age of 45.
- The oldest survey respondent is 84 years old and the youngest respondent is 16 years old.
- Nearly 36% of those surveyed reported being victims of a violent attack since becoming homeless.
- 25% of all respondents said they were veterans and 72% of those reported being honorably discharged. The largest group of veterans identified served in the Vietnam War, but at least six listed themselves as veterans of Iraq and Afghanistan.

### About Us

LeSar Development Consultants provides a full range of consulting services primarily to local government agencies involved in redevelopment, community development, affordable housing, and homelessness.

### Website

[lesardevelopment.com](http://lesardevelopment.com)

### In This Issue

[Downtown San Diego Registry Week](#)

[California Real Estate Values Fall Again](#)

[HUD Releases Continuum of Care NOFA](#)

[TCAC Tie-Breakers on the Rise](#)

[HUD Announces Third Round of NSP Funding Awards](#)

[SCG Planning Grants Recommendations to be Released Nov. 18](#)



At the community briefing, Bank of America in San Diego announced a matching grant that will provide the first round of "move-in kits," which include furniture and basic household wares, for those San Diegans housed through the Vulnerability Index. Local San Diego residents responded to Bank of America's gift by pledging an additional \$53,000 toward these move-in kits.

San Diego's Registry Week was a collaborative effort coordinated by the Downtown San Diego Partnership and Centre City Development Corporation in partnership with the United Way of San Diego County, the County of San Diego, the Veterans Administration and the San Diego Housing Commission. LeSar Development Consultants served as the primary Registry Week coordinator and manages the Leadership Team and its committees.

Source: 100,000 Homes Campaign

[100,000 Homes Campaign article](#)

---

## California's Real Estate Values Fall Again in 2010

In early September, the State Board of Equalization reported that the aggregate value of all real estate in California declined by 1.8% this year. This follows a drop of 2.4 percent in 2009.

The Los Angeles Times reported that 48 of California's 58 counties saw real estate values fall this year - nine by more than 5 percent. This is only the second time that real estate values have fallen overall since records were first kept in 1933 at the depths of the Great Depression.

As the Times noted, "[t]he negative numbers make for more bad news for county governments. They've had to curtail spending on basic municipal services because falling values have resulted in lower property tax revenues."

Board of Equalization Vice Chairman Jerome Horton told the Times that the contraction of the last two years contrasts with California's historic growth in real estate values with constant increases of 5 to 15 percent per year for the last 77 years.

Source: Los Angeles Times

[Link to article](#)

---

## Continuum of Care NOFA Released by HUD

On September 20, 2010 HUD released its Notice of Funding Availability for \$1.68 billion in funding to combat homelessness through its Continuum of Care programs. Applications are due on November 18, 2010. In its funding announcement, HUD notified applicants that it will rapidly award renewal grants to prevent interruption in federal assistance to existing local programs while awarding funds to new projects later in the year.

Several changes and special interest areas in the new NOFA include:

- Creating new permanent housing beds for disabled veterans is a HUD priority, and CoCs are encouraged to use at least a portion of available bonus funds that will be available during this funding cycle to create a project that will serve disabled veterans;
- In 2010 the definition of Chronically Homeless Person has been expanded beyond individuals to include eligible families with children. Chronically homeless individuals and families also are a priority group for bonus funding in the competition;
- CoCs will be required to demonstrate that they are collaborating with local education agencies to assist in the identification of homeless families as well as informing the

homeless families and children they assist of their eligibility for education services available for homeless children and youth;

- Project applicants be required to demonstrate that they are considering the educational needs of children when families are placed in emergency or transitional shelter and to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt the children's education;
- To achieve greater geographic diversity, HUD will give added selection priority to projects located in rural areas.

Source: HUD

[Link to article](#)

## TCAC Tie-Breaker Scores on the Rise

The California Tax Credit Allocation Committee met on September 22 to decide which projects would be granted 9% tax credits in the second competitive funding round of 2010. The competition for funding was fierce as usual, with only 38 projects receiving an allocation out of the 146 projects that applied. Essentially, one in every four projects that applied received an allocation.

Since the overwhelming majority of projects that apply attain a perfect score, TCAC relies on a tie-breaker system. The tie-breaker score is a composite of (1) the amount of governmental subsidy committed in relation to the total development costs of the project and (2) the inverse of tax credit basis to total development costs. So, the more governmental subsidy your project has committed and the lower your project costs, the higher your tie-breaker score.

In this second allocation round, the minimum tie-breaker score needed to obtain an allocation was up sharply in comparison to the last round. In Los Angeles County, for example, the minimum tie-breaker needed to win in the first round of 2010 was 77%; in this second round, the minimum tie-breaker needed was 93%. In several regions, including San Diego County, the Inland Empire and the North and East Bay Regions, the minimum tie-breaker score needed to win was more than 100% and those scores were nearly 25 percent higher than in the prior round.

To simplistically illustrate the impact:

$$\left( \frac{\text{Total Gov. Sub.}}{\text{Total Dev. Costs}} \right) + \left( 1 - \frac{\text{Unadj. Eligible Basis}}{\text{Total Dev. Costs}} \right)$$

So a \$10 million project with a tie-breaker score of 77% might look like this:

$$\left( \frac{\$4.5 \text{ million}}{\$10 \text{ million}} \right) + \left( 1 - \frac{\$6.8 \text{ million}}{\$10 \text{ million}} \right) = 77\%$$

For the same project to achieve a tie-breaker score of 102%, governmental subsidy would have to rise to \$7 million as follows:

$$\left( \frac{\$7 \text{ million}}{\$10 \text{ million}} \right) + \left( 1 - \frac{\$6.8 \text{ million}}{\$10 \text{ million}} \right) = 102\%$$

Source: California Tax Credit Allocation Committee

[Link to CTCAC Final Recommendations](#)

## HUD Announces Third Round of NSP Funding Awards

On September 8, HUD awarded an additional \$1 billion in funding through a third round of the Neighborhood Stabilization Program (NSP 3), providing targeted assistance to state and local governments to acquire, redevelop or demolish foreclosed properties. In making awards, HUD used the distribution formula outlined by Congress in order to match funding to the most distressed neighborhoods, and California communities were awarded a total of \$149,308,651 in funding.

There have been two previous rounds of NSP funding: the Housing and Economic Recovery Act of 2008 (HERA) provided \$3.92 billion and the American Recovery and Reinvestment Act of 2009 (Recovery Act) appropriated an additional \$2 billion.

NSP 3 funding is provided under the Dodd-Frank Wall Street Reform and Consumer Protection Act. HUD's new First Look partnership with the National Community Stabilization Trust will provide NSP grantees an exclusive 12-14 day window to evaluate and bid on properties before others can do so. NSP 3 funds can be used to acquire land and property; to demolish or rehabilitate abandoned properties; and/or to offer downpayment and closing cost assistance to low- to moderate-income homebuyers, who must also be provided housing counseling services. In addition, NSP grantees can create "land banks" to assemble, temporarily manage and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging reuse or redevelopment of urban property.

HUD will issue an NSP 3 guidance notice to assist grantees in designing their programs and applying for funds. For more information, including HUD's press release announcing the NSP 3 awards and for a listing of all allocations by state, see <http://hudnsphelp.info/>.

## SCG Planning Grants Recommendations to be Released Nov. 18

California's Strategic Growth Council will release its recommendations on Nov. 18 for the \$22.2 million Sustainable Communities Planning Grants Program allocation.

An awards decision is scheduled to be made at the Dec. 1 council meeting and awards will be announced following that meeting, said Bruce Gwynne at the California Department of Conservation.

The program received 188 applications totaling \$93 million, a roughly 5:1 ratio to the total program allocation. Applications were due Aug. 31.

The federal Sustainable Communities Regional Planning Grants applications were due Aug. 23. The regional planning grants funding, administered by HUD, totals \$150 million. Jurisdictions can receive up to \$5 million each. Although a release date for the regional planning grants has not yet been set and the total amount of funding requests is not yet available, anecdotal information suggests that all 50 U.S. states as well as Puerto Rico and the District of Columbia have submitted responses to recent HUD/DOT RFPs.