

1st of the Month

Affordable Housing Technical Review



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San Diego's World Trade Center building, site of the future Connections Housing Project, will feature supportive housing and homeless services programs.

To Our LDC Clients and Colleagues:

The themes of recent issues of our *1st of the Month* newsletters have focused on potential threats to funding for affordable housing at the state and federal levels. As we prepare this issue, the major theme feels like ... waiting, waiting, waiting.

We're still waiting for:

- The outcome of the State of California budget process and decisions regarding the fate of local redevelopment agencies - but see an article below describing what we know as of now.
- Passage of a final FY 2011 Federal Budget - and news about critical federal funding sources for creating affordable housing and ending homelessness - but see a brief summary of the current status below.

On the other hand, in San Diego, we're glad that the City Council didn't wait to approve redevelopment funds and other local housing funds for the Connections Housing Project, to be located in the former World Trade Center site downtown (pictured above) and to feature a one-stop shop, interim housing beds, and permanent supportive housing to help and house many of the city's most vulnerable people. See <http://www.sdconnections.org/about.php> for more information about this planned project.

In addition, we've highlighted some recent news, resources and upcoming learning opportunities below, including Housing California's conference later this month and information from the National Alliance to End

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.

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In This Issue

With April 8th Approaching, Federal Budget Negotiations Continue

Bill Introduced to Extend LIHTC Exchange Program

State Budget and Fate of Redevelopment Remain Uncertain

TCAC Competitive Tax Credit Application Submittals and Project Information

The Economics of Homelessness

Housing California's Annual Conference: Opening Doors



Homelessness.

We look forward to sharing more news regarding budgets and funding sources soon ... once the waiting is over.

Best Wishes,



President, LeSar Development Consultants

With April 8th Approaching, Federal Budget Negotiations Continue

The federal stop-gap spending measure passed by both the House and the Senate in March remains in place but is set to expire on April 8. This is the sixth such measure approved since the current fiscal year began on October 1, 2010. In addition to keeping the government open until next week, the bill included \$6 billion in cuts from federal programs and services. A potential federal government shutdown looms if current negotiations do not result in either a final budget deal for the balance of fiscal year 2011 or another stop-gap measure by that date. Negotiations continue on a daily basis, but do not yet appear to have resulted in agreement regarding the levels of funding cuts to be made, nor are details regarding specific cuts yet available. Therefore, funding levels for programs for affordable housing and homelessness, including funding for McKinney-Vento Homeless Assistance Grants Program or for HUD-VASH rental assistance vouchers, remain uncertain and are the focus of continuing national advocacy efforts.

Building American Jobs Act of 2011

On March 11, 2011, House Ways & Means Committee Democrats introduced the Building American Jobs Act of 2011 (H.R. 992) with the stated goal of creating jobs through increased investment in infrastructure. The Act would, among other things:

- Extend the Section 1602 low-income housing tax credit exchange program through 2011;
- Extend the Build America Bonds program through 2012;
- Allocate additional Recovery Zone bonds;
- Exempt private activity bonds from the alternative minimum tax (AMT);
- Allow new markets tax credits to be claimed against the AMT; and
- Extend Federal Home Loan Banks' ability to guarantee tax-exempt bonds through 2011.

The bill was referred to the House Committee on Ways and Means.

For more information:

[Novogradac - Low Income Housing News](#)

State Budget and Fate of Redevelopment Remain Uncertain

The fate of the entire state budget - and the fate of state and local affordable housing funding sources - remain uncertain and unpredictable. State budget negotiations are currently on hold. Governor Brown has

announced that he is not currently going to pursue holding special elections in June regarding tax extensions. Neither the Assembly nor the Senate have passed bills (AB 101 or SB 77) to enact the Governor's proposed elimination of redevelopment agencies and redirect funding, but such bills could come up for a vote again. And advocacy efforts continue on a variety of fronts, including for:

- Alternate proposals that would reform but not eliminate redevelopment agencies and/or that would preserve the approximately \$1 billion in low-to-moderate income housing financing provided each year through redevelopment funds.
- Lifting the suspension on Notices of Funding Availability issued by the Department of Housing and Community Development.

All of this uncertainty makes one thing clear: it is a critical time for affordable housing advocates and practitioners to stay informed and involved, and we encourage you to stay connected to important trade association and advocacy organizations, including:

[Housing California](#)

[Non-Profit Housing Association of Northern California \(NPH\)](#)

[Southern California Association of NonProfit Housing](#)

[San Diego Housing Federation](#)

TCAC Competitive Tax Credit Application Submittals and Project Information

On March 28, 2011, TCAC released a revised list of the 9% and 4% applications requesting federal and state tax credits in the first round of 2011. The breakdown of the federal tax credit component is as follows:

9% Federal Tax Credits

- 103 total applications
- \$88,009,350 total requested in federal tax credits
- \$854,460 average requested in federal tax credits per application

TCAC will likely allocate around \$40,102,524 in 9% federal tax credits for the first round of applications. The total *annual* estimate for available 9% federal tax credits is \$80,205,047.

4% Federal Tax Credits

- 13 total applications
- \$7,974,506 total requested in federal tax credits
- \$613,424 average requested in federal tax credits per application

For more information:

[TCAC - First Round Applications](#)

The Economics of Homelessness

Earlier this year, the National Alliance to End Homelessness (NAEH) published *The State of Homelessness in America: A Research Report on Homelessness*. As we've reviewed this report more closely, we've been especially interested by its chapter on "The Economics of Homelessness" which analyzes many economic factors, state by state, which contribute to

our understanding of risk factors and causes of homelessness, including housing cost burdens, unemployment rates, annual income levels for working poor people, and foreclosure rates. The California data (from 2009) is revealing and helps explain recent increases in homelessness here:

- California had the fourth highest unemployment rate in 2009, at 11.4%
- The average income of working poor people in California declined by 2.55% between 2008 and 2009
- At 80.7%, California trailed only Florida and Nevada in the percentage of households below the poverty line with severe housing cost burdens - a 6.5% increase from 2008.
- With 1 of every 21 units in foreclosure, California had the fourth highest foreclosure rate in the country - and the rate had grown by 20.8% compared to 2008.

NAEH's report also includes other important information regarding homelessness in the United States, including the heightened risk of homelessness for doubled-up households, persons discharged from prisons, and youth aging out of the foster care system.

Also, for those readers especially interested in homelessness issues, registration opened on March 30 for the NAEH's 2011 National Conference on Ending Homelessness, to be held July 13 - 15 in Washington, DC.

For more information:

[The State of Homelessness in America: A Research Report on Homelessness](#)

[2011 National Conference on Ending Homelessness](#)

Housing California's Annual Conference: Opening Doors

Housing California's annual conference is a highlight of every year and an excellent learning and networking opportunity for both newer and highly experienced professionals. This year, LDC's Jennifer LeSar will be presenting on the Ending Homelessness in Downtown San Diego Campaign, along with colleagues from Common Ground, Santa Barbara, Santa Monica, and Long Beach, during the Conference workshop *100,000 Homes Campaign in CA: How Communities Are Finding, Housing, and Coordinating Services for the Most Vulnerable Homeless Homelessness, Services, and Housing for Special Needs Populations*.

Registration information for this year's conference, *Opening Doors*, which will be held April 26 to April 28 at the Sacramento Convention Center, is still available at:

[Housing California Annual Conference - Registration Information](#)
