

1st of the Month

Affordable Housing Technical Review



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Mosaic Apartments, a 56-unit affordable housing development just west of downtown Los Angeles, is nearing completion. Developed by AMCAL Multi-Housing, Inc., the mixed-use development will serve families, seniors, and local businesses. LDC provided underwriting services for the transaction on behalf of the Community Redevelopment Agency of the City of Los Angeles.

To Our LDC Clients and Colleagues:

In the newspaper business, summer is sometimes known as the "Silly Season" due to a lack of serious news stories to cover - but that cliché hardly seems to apply to the summer of 2011 so far. Congress and the Obama Administration appear to finally be reaching agreement on raising the debt ceiling and on deficit reduction measures, and there have been many other important stories this summer that will affect work on issues of affordable housing, sustainable development, and homelessness for years to come, including:

- The California state budget was passed in late June, but the fate of related bills regarding redevelopment agencies are now the subject of legal challenges;
- The California Assembly's Select Committee on Homelessness has held a series of hearings to solicit input on policies and programs that can strengthen communities efforts to end homelessness;
- Demand remained high for low-income housing tax credits, and TCAC convened meetings to discuss cost-containment issues that could impact program policies for future projects; and
- Several federal programs, including Sustainable Communities grant programs and housing and services programs for veterans, have been moving forward with new NOFAs or grant award announcements.

Please see the articles below for more information - and we'll keep following these issues and more during a summer that shows no sign of

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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slowing down.

Best wishes,



President, LeSar Development Consultants

HUD Announces Sustainable Communities Grant Programs NOFA

On July 28, 2011, HUD announced the due date of August 25, 2011 for the pre-applications under FY 2011 Regional Planning and Community Challenge Planning Grant Programs from HUD's Office of Sustainable Housing and Communities. Funds will be awarded on a competitive basis and are intended to support efforts "to expand housing choices, improve connections between employment centers and homes, and reduce barriers to achieving affordable, economically vital, and sustainable communities."

To read the press release, please see:

[HUD Press Release](#)

For more detailed information regarding the Sustainable Communities Grant funding program, please see:

[Sustainable Communities Regional Planning Grant Resources](#)

House Subcommittee Bill Would Abolish National Housing Trust Fund

On Tuesday, July 12, 2011, a package of bills that would dismantle the housing government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, was approved by the House Financial Services Subcommittee on Capital Markets. One of the bills approved by the subcommittee, H.R. 2441, would put an end to the National Housing Trust Fund (NHTF) as well as the Capital Magnet Fund. A proposed amendment to H.R. 2441 that would have protected the NHTF from elimination was defeated by the Subcommittee. The NHTF is established as a provision of the Housing and Economic Recovery Act of 2008 that was signed into law by President George W. Bush, but a funding source for the NHTF has never been committed.

As the debate on GSE reform continues, it is unclear if H.R. 2441 will be considered in the Full Committee on Financial Services.

To read the press release from the National Low Income Housing Coalition, please see:

[NLIHC Press Release](#)

CRA Gears Up for Legal Battle with the State

On July 18, 2011, CRA and the League of California Cities filed a petition with the California Supreme Court asking them to overturn AB 1X 26 and AB 1X 27. The principal claim made within the challenge is that these bills violate Proposition 22, an amendment to the State constitution which

expressly prohibits the "seizing, diverting, shifting, borrowing, transferring, suspending, or otherwise taking or interfering with" revenue dedicated to local government, including local redevelopment funds. Simultaneously, CRA and the League requested that the Court issue a stay to prevent the legislation from becoming operative until a final decision can be reached by the Court.

The State of California responded to the lawsuit by the CRA and the League of California Cities on July 27, 2011. In the response, the State agreed that the Supreme Court should assume original jurisdiction on the case and called for an expedited briefing schedule. However, the State opposed the request for a stay claiming that it would "wreak havoc on the operation of the State . . ." The State calls for the petition to be denied on the merits.

The CRA and the League filed their response to the State's opposition on July 29, 2011. The next step is for the Supreme Court to determine whether or not it will hear the case.

Meanwhile, many large cities have opted-in to the voluntary program in accordance with the provisions of AB 1X 27.

For more information regarding the status of the CRA/League of California Cities litigation battle with the State of California, please see:

[CRA Resource Page](#)

News from TCAC: 2nd Round Applications Received and Cost-Containment Public Forums

The deadline for 2011 second round low income housing tax credit application passed on Wednesday, July 13, 2011. The California Tax Credit Allocation Committee (TCAC) received a total of 72 nine percent (9%) applications and 8 four percent (4%) applications in the second round of 2011.

In addition, in July TCAC held a series of public forums focused on issues of cost-containment for affordable housing development. Between July 20 and July 28, forums were held in Sacramento, Oakland, and Los Angeles, and followed upon an April 2011 meeting with stakeholders and other State agencies, the Department of Housing and Community Development, the California Housing Finance Agency and the California Debt Limit Allocation Committee. TCAC is especially interested in determining why some projects that have received tax credit awards have significantly higher per unit development costs that either the statewide average or the average in the projects' local areas. TCAC's findings, which are not yet available, may result in TCAC proposing program changes to limit development costs within tax credit projects.

To review a list of project applications received by TCAC, please see: [Project Applications Received by TCAC](#)

For more information regarding these cost-containment forums, please see:

[TCAC Notice Regarding Cost-Containment Forums](#)

New Grants Announced for Housing and Serving

Homeless Veterans and their Families

On July 14, 2011, HUD announced that they will provide \$46.2 million to public housing agencies in all 50 states and the District of Columbia to supply permanent housing and case management for 6,790 homeless veterans in America. The funding, made available under HUD's Veterans Affairs Supportive Housing Program (HUD-VASH), is a coordinated effort by HUD, the Department of Veterans Affairs, and local housing agencies to provide permanent housing and essential services to help veterans end their homelessness. The HUD-VASH grants announced for California agencies totaled \$10,539,828 and will assist 1,125 veterans.

The grants are part of \$50 million appropriated for Fiscal Year 2011 to support the housing needs of homeless veterans across the US. This is the first of two rounds of 2011 HUD-VASH funding. HUD expects to announce the remaining funding by the end of the summer.

In addition, the VA announced a total of 85 grants, including 17 to California-based organizations, under its new Supportive Services for Veteran Families program to provide supportive services to very low-income Veterans and their families residing in or transitioning permanent housing, with a focus on services that are designed to promote housing stability.

To read the press release regarding the HUD-VASH grants, please see: [HUD-VASH Grants Press Release](#)

For more information regarding the Supportive Services for Veteran Families program and to see a list of grant awardees, please see: [Supportive Services for Veteran Families Information](#)

Select Committee on Homelessness Continues to Travel "The Road Home"

In July, the California Assembly's Select Committee on Homelessness continued its series of public hearings (called "The Road Home") that was previously kicked-off in April with a hearing in Sacramento. On July 20, the Select Committee held a hearing in San Diego, which had a special focus on issues of chronic homelessness and homelessness among veterans, and featured a presentation by U.S. Interagency Council on Homelessness (USICH) Deputy Director Anthony Love. On July 27, the Select Committee convened in Los Angeles and focused especially on issues of youth homelessness, women experiencing homelessness, and families with children, including a presentation by USICH Regional Coordinator Ed Cabrera. Chaired by Assemblymember Toni Atkins (76th District), the hearings were well attended by Select Committee members, including the participation of Assembly Speaker John A. Perez (46th District) at both hearings. The Select Committee presented Assembly Resolutions to several organizations and individuals that have made extraordinary contributions to addressing homelessness within their communities, including Veterans Village of San Diego, Father Joe Carroll of Father Joe's Villages, and Community Solutions (formerly Common Ground) for the national 100,000 Homes Campaign. The focus of the hearings, however, was on gathering information and hearing testimony from local experts in order to help the Select Committee to develop a thorough understanding of issues of homelessness among diverse populations, to identify best practices in housing and services delivery, and to hear suggestions for state policies and programs that can better support the efforts of California's communities to prevent and end homelessness.

The Select Committee expects to continue along "The Road Home" with at least one more public hearing before the end of the year.

For a full list of the Select Committee members or to review materials from the hearings, please see [The Road Home](#).

For more information regarding the Select Committee, please contact Lindsey Masukawa in Assemblymember Atkins' office at Lindsey.Masukawa@asm.ca.gov.
