

1st of the Month

Affordable Housing Technical Review



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Julie Spezia (Executive Director, Housing California), Ed Cabrera (Regional Coordinator, Region IX, US Interagency Council on Homelessness), and Jonathon Hunter (Managing Director, Western Region, Corporation for Supportive Housing) provide testimony to the Assembly Select Committee on Homelessness. The Select Committee held its first hearing in Sacramento on April 28, kicking off a series of hearings around the state (dubbed "The Road Home") that will include hearings in July in San Diego and Los Angeles and a final hearing of the year in Sacramento. See [The Road Home](#) for more information.

To Our LDC Clients and Colleagues:

As we prepare this edition of the *1st of the Month* newsletter, I have spent the past few days in Sacramento at Housing California's Annual Conference, Opening Doors. It has been truly inspiring to see and talk with so many colleagues from across the state who continue to pursue the goals of meeting California's affordable housing needs and of ending homelessness, despite all of the many challenges and uncertainties ahead.

As you'll see in the articles in this edition, some things about the future have become more certain:

- The passage of a FY 2011 Federal Budget, including \$100 million for HUD's Sustainable Communities Initiative, but cuts or level funding for many other important programs;
- The ability of some projects affected by the HCD Bond Pause to now move forward; and

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

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- HUD's announcement of Continuum of Care grant awards for new projects that will expand resources for many communities' efforts to end homelessness, as well as more current data estimating the numbers of people experiencing homelessness.

Other things about the future still remain quite uncertain, however, such as the California budget and the fate of redevelopment, including bill SB 450 and other proposals and discussions.

Amid this continuing mix of good news, bad news, and no news, I have to thank Housing California for helping to end the month of April with such a great opportunity to get reinvigorated for the work ahead!

Best Wishes,



President, LeSar Development Consultants

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FY 2011 Federal Budget Passes - Cuts To Many (But Not All) HUD Programs

On April 14, 2011 both chambers of the U.S. Congress passed the FY 2011 funding bill. The legislation included a total of approximately \$40 billion in cuts compared with FY 2010, with significant reductions to many housing programs. However, the legislation does provide flat funding and even funding increases for several affordable housing and homelessness programs. Some of the more notable funding decisions include:

- Community Development Block Grants - \$3.5 billion (Reduced by \$942 million from FY 2010)
- HOME - \$1.6 billion (Reduced by \$215 million from FY 2010)
- Section 8 Tenant Based Rental Assistance - \$18.4 billion (Increased by \$224 million from FY 2010)
- Public Housing Operating Fund - \$4.6 billion (Reduced by \$149 million from FY 2010)
- McKinney-Vento Homeless Assistance Grants - \$1.9 billion (Increased by \$40 million from FY 2010)
- Section 202 - Elderly Housing - \$400 million (Reduced by \$425 million from FY 2010)
- Section 811 - Housing for Persons with Disabilities - \$150 million (Reduced by \$150 million from FY 2010)

To learn more about the FY 2011 HUD funding levels, please see:

[Housing Assistance Council - FY 2011 HUD Budget](#)

\$100 Million Appropriated to HUD's Sustainable Communities Initiative

In the final FY 2011 appropriations passed by Congress, \$100 million was included for HUD's Sustainable Communities Initiative. The HUD initiative will distribute grant funding across the country in order to better integrate housing, transportation and economic development. Specifically, \$70 million will be made available for HUD's Regional Planning Grants Program which will support metropolitan and multi-jurisdictional planning efforts that integrate housing, land use, economic and workforce development, transportation, and infrastructure investments. The remaining \$30 million will be made available for Community Challenge Planning Grants Program which aims to foster reform and reduce barriers to achieving affordable, economically vital, and sustainable communities.

In the first year of HUD's Sustainable Communities Initiative, \$138 million was awarded in grant funding to 45 regions and 67 communities across the nation in urban, suburban and rural areas, touching 85 million Americans.

Further information can be found at:

[HUD's Sustainable Housing and Communities Website](#)

HUD Releases New Homelessness Data and Announces \$216 Million in New Grants for Homelessness Programs

On April 22, 2011, the Department of Housing and Urban Development (HUD) released the [2010 Point-In-Time Count Data](#) documenting the number of homeless persons counted in communities across the country in January 2010. The 2010 PIT Count Data will be further analyzed to gauge the impact that the Homelessness Prevention and Rapid Re-Housing Program (HPRP) has had in the previous year. Initial review of the data indicates that homelessness in 2010 was largely unchanged from 2009, including in California, with an estimated 132,931 homeless persons counted in 2010, compared to 133,129 counted in 2009.

Investing resources into new programs, on April 28, 2011, HUD announced \$216 million in Continuum of Care grants to be distributed among 700 new homeless programs across the country. Earlier this year, HUD awarded more than \$1.4 billion in Continuum of Care grants to renew funding providing critically needed housing and support services to an estimated urban 21,000 homeless individuals and families. The combination of the new Continuum of Care grants with the renewal funding announced earlier this year is the most homelessness assistance ever awarded by HUD.

To view state-specific point-in-time data counts, please see:

[State-Specific Point-In-Time \(PIT\) Count Data](#)

To view recipients of the Continuum of Care funding, please see:

[Continuum of Care Recipients](#)

HUD NOFA - Section 811 Supportive Housing for Persons with Disabilities

HUD has announced a notice of funding availability (NOFA) of approximately \$114 million for the Section 811 Supportive Housing Program for Persons with Disabilities. This program provides funding for the development and operation of supportive housing for very-low income persons with disabilities who are at least 18 years old.

The application deadline date is midnight on June 23, 2011.

For further information please see:

[HUD NOFA - Section 811](#)

HCD Bond Pause Lifted For Prior NOFAs

On April 22, 2011, the Governor's Office lifted the pause on pipeline projects on hold at the California Department of Housing and Community Development which had funding applications submitted under previous

Notices of Funding Available (NOFAs). These projects include:

- 17 multifamily projects under the Multifamily Housing Program and Serna Farm Worker Housing Grant Program
- 24 single-family projects under the California Self-Help Housing Program
- Several single-family projects under CalHOME and BEGIN
- 1 Local Housing Trust Fund Program project in Marin County

With these projects now able to move forward, housing advocates are focusing their efforts on the re-release of NOFAs withdrawn earlier this year and on ensuring that subsequent bond sales include sufficient dollars to fully fund all current and prospective projects under Propositions 46 and 1C.

For further information please see Southern California Association of Non-Profit Housing's website:

[SCANPH Featured News](#)

Redevelopment Reform Bill Makes Way Through State Legislature

SB 450 (Lowenthal), a bill which proposes major reforms to the Community Development Law and how agencies spend redevelopment funds, continues to make its way through the state legislature and was amended and passed by the Senate Transportation and Housing Committee in early April. The bill would modify the use of Low and Moderate Income Housing funds, requiring that 75% of these funds be used to assist in the construction or rehabilitation of housing units for low-income families and defining timelines for development on land purchased with these funds. First introduced in February by Senator Lowenthal, and coauthored by Senator DeSaulnier, Assembly Members Tores, Atkins and Norby, SB 450 now sits with the Senate Committee on Appropriations and is set for a hearing on May 2.

For information on SB 450 please see:

[History and Status of SB 450 \(Lowenthal\)](#)

Housing California Announces Release of Second-Round Evaluation of Transit-Oriented Development Housing (TOD) and Infill-Infrastructure Programs

In April, Housing California announced the release of their evaluation of the second round of funding for the Transit Oriented Development (TOD) Housing and Infill Infrastructure Grant (IIG) programs. These programs, administered by the California Department of Housing and Community Development, are funded by Proposition 1C, the Housing and Emergency Shelter Trust Fund Act, which authorized billions of dollars in awards for housing and development programs in 2006. The TOD and IIG programs combined were awarded nearly \$1 billion through Proposition 1C to help support the production of housing near transit and support infrastructure for infill developments. Housing California released an evaluation of the first round of funding for these programs in July 2009. The second-round evaluation, authored by Housing California's Sharon Sprowls, Nathan Cataline and Judson Brown, details the projects that received awards, reviews both programs' scoring and provides overall recommendations if additional program funding were to become available. According to the evaluation, this combined funding for the TOD and IIG programs will lead to the production of more than 25,000 homes, including 1300 below-market-rate homes.

For additional information, please see:
[Housing California's Executive Summary of Evaluation](#)

Harvard Study Indicates High Affordability Problems For Renters

On April 26, 2011, the Harvard Joint Center for Housing Studies released a new report *America's Rental Housing: Meeting Challenges, Building on Opportunities*. Among various topics, the report focuses on the increased number of renters paying more than half their income for housing, the shrinking supply of affordable rental housing, and the importance of rental housing policy. The report's findings include: "While severe housing cost burdens are still concentrated among those in the bottom fifth of the household income distribution, over the last decade the number of renters even in the next two higher quintiles facing such burdens increased by one million households. In addition, more lower-middle income renters (56%, up from 38%) and more middle income renters (23%, up from 10%) are paying 30-50% of income for rent and utilities."

For additional information, please see:
[Harvard Joint Center for Housing Studies](#)
