

A United Voice for Affordable Housing

January 2008

Volume 3, Issue 1



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Don't forget to renew your CHC membership for 2008!!

Applications and information available online at: www.calhsng.org

Infill Set-Aside Guidelines Released in Preparation for a \$240MM End-of-January NOFA

The elves at the Department of Housing and Community Development (HCD) in Sacramento were working overtime during the holidays and released 'draft' Infill Set-Aside guidelines on December 26. With public hearings held in the first week of January, written public comment due by January 11, and revised guidelines to be circulated again on January 24, HCD is intent on releasing a \$240MM Notice of Funding Availability by the end of this month. On page 2 of this newsletter we've summarized the initial 'draft' guidelines and are convening the CHC Policy Leadership Task Force on January 10 to review/revise a written response from CHC which will be posted on our website.

This year the implementation of catalytic housing bond funding programs – infill, TOD, and brown-field awards totaling \$400MM to be made by June – will set an important precedent for how to spur more mixed-income multifamily rental and ownership housing. The types of projects applying for this unprecedented money will vary considerably according to density, affordability, proximity to transit, and distinct regional needs. It will be critical for CHC members to actively participate in these nascent programs in order to effectively demonstrate to California voters that public funding can markedly enhance housing production and build in affordability.



Emerald Terrace Apartments, a CHC member infill project; See Profile on Page 2

2007 Year in Review: A summary of CHC's accomplishments in the past year includes,

On Policy Leadership, CHC effectively advocated consensus positions for enabling legislation and programming guidelines for over \$1 billion in unprecedented housing bond funding to spur infill and transit-oriented development. We advocated sensible land use planning/zoning improvements by supporting SB303 that would compel local governments to zone for housing as a condition of approving their housing elements. We pushed for reasonable eminent domain reform and expect a real fight on the June 2008 ballot between two competing bond measures. As for engaging our diverse membership, we conducted (5) regional roundtables in Southern and Northern California; we sponsored a very successful CHC Legislative Delegation to meet with state lawmakers in Sacramento in

the spring; and the 2007 Policy Forum and California Housing Hall of Fame Luncheon in Los Angeles was very well received.

On Membership/Finance, we added significantly to our ranks across the private, public, and non-profit sectors bringing new housing developers, lenders and investors, as well as public agencies together. CHC successfully met budget obligations for the year through membership and underwriting fundraising; we were also successful in garnering grants from **Union Bank Foundation**, **US Bancorp Foundation**, and **Bank of America Foundation**. Late in the year, we began encouraging 2008 membership/underwriting renewals and worked with **Northern California Grantmakers** to frontload fundraising and build our cash reserves for the new year; NCG is an association of foundations, corporate contributors, and other public and private grantmakers that supports grantmaking of over \$1 billion annually. The **Northern California Community Loan Fund** is a non-profit lender that provided the referral to NCG in order to further CHC's housing advocacy work. If you have not already renewed your membership for 2008 please do so in the first quarter of the year in advance of our May signature event.

On Board/Staff Enhancement, in 2007 we welcomed **Terry Freeman** (Klein Financial), **Percy Vaz** (AMCAL Multi-Housing), and **Sean Burton** (CityView) to our Board of Directors to replace outgoing board members **Janet Falk** (Mercy Housing), **Philip Williams** (Fannie Mae), and **Austin Penny** (LISC). Later this month at our First Quarter BOD Meeting, we will welcome **Ronne Thielen** (Centerline Capital) and **Masood Sohaili** (O'Melveny & Meyers) to the BOD; we will also be thanking **Allan Kingston** (National CORE Vice Chairman), **Will Cooper, Sr.** (WNC Associates), and **Johrita Solari** (Solari Enterprises, Inc.) for their outstanding service to CHC as members of the Board of Directors.

Finally, in 2007 we redesigned the CHC website to be a more informative compendium of state housing policy news with user-friendly interface and resource folders for Task Force participants, more underwriter exposure and weblinks, and a growing project database of member work including infill, TOD, and green/sustainable developments across the state. As always, we heartily welcome your input – from your projects you may wish to see profiled as well as state and regional housing policy matters of particular interest. And of course, your recommendations of additional member/underwriter targets for CHC across the private, non-profit, and public sectors are always appreciated.

*Wishing you a Happy New Year and looking forward to seeing you at our events!

Jeff Loustau, Executive Director



Upcoming Housing Events:



CHC Spring Lobby Day

Wednesday, March 12

Sacramento

See more about CHC's current policy work at www.calhsng.org

Mark Your Calendar! CHC 2008 Policy Forum & California Housing Hall of Fame Ceremony

Thursday, May 15
Los Angeles Central Library

See more about the Hall of Fame at: www.calhsng.org

San Diego Housing Federation Roundtable: "How to Limit Risk With a Prevailing Wage Property"

January 10, 7:30am

For more information and to register visit:
www.housingsandiego.org

CHC Prepares Comprehensive Response to HCD's 'draft' Guidelines for the Infill Development Set-Aside

In December the California Pollution Control Financing Authority (under the Treasurer's auspices), released final guidelines in preparation for a \$60MM invitation for applications to secure funding for brownfield clean-up associated with proposed infill housing sites. The expectation is that housing developers and public agencies will combine this unprecedented funding with a \$240MM Infill Set-Aside NOFA to be issued by HCD by the end of January.

CHC's Policy Leadership Task Force is convening conference calls to prepare a comprehensive response to the 'draft' infill guidelines by the January 11 deadline as well as the follow-up 'draft' schedule to be released on January 24. (You may download the guidelines and supporting materials from HCD at <http://www.hcd.ca.gov/fa/iig/>). Given CHC's role in 2007 working with legislative leadership and HCD on required enabling legislation, the following elements of HCD's 'draft' guidelines are of particular interest:



355 Berry Street, a Nibbi Bros. infill project in San Francisco

Eligible Projects/Areas – responding to concerns raised by CHC and others, HCD has decided that 75% of the funding in the first NOFA will be awarded to project-specific applications and the balance to qualifying infill project 'areas'; in either case, the application must be for a multi-family housing in an urbanized area according to 'Mullin Densities' and where the housing element is in compliance, a general plan or regional blueprint supports infill development, and at least three-quarters of the area or perimeter of the proposed project has previously been improved;

Eligible Costs – at least 80% of the program grant amount must be used for necessary and reasonable capital improvements as required by local approval including acquisition, demolition, relocation, construction, preservation, and rehabilitation; current 'draft' guidelines further define eligible capital improvements to include the replacement

of transit station parking spaces plus up to one parking space per residential unit in parking structures;

Grant Terms/Limits – the 'draft' guidelines call for a minimum grant of \$1MM and a maximum of \$20MM for projects (\$2MM min./\$30MM max. for qualified infill areas); HCD has prepared a preliminary per-unit grant schedule premised upon a baseline 30 units/acre density that ranges from \$20k for a market-rate studio to \$50k for a below-market 4-Br unit); for projects exceeding 30 units/acre density, there is an adjustment factor to incentivize increased density;

Application – an application will consider 6 factors for 130 points total, including Readiness, Affordability, Density, Access to Transit, Proximity to Amenities, and Consistency with Regional Plans; it appears that maximizing 30 points under the affordability category for a rental project will be possible for 100% affordable projects utilizing 9% tax credits or MHP – alternatively, a mixed income scenario where 30% of the units are reserved at 30% AMI can also maximize points; and finally, minimum regional distributions of grant proceeds are 45% to Southern California, 30% to Northern California, and 20% for Central Valley.

In the course of a series of regional housing roundtables last year, CHC members across the private, non-profit, and public sectors provided practical approaches to incentivizing more multi-family housing, particularly mixed-income projects on infill sites close to jobs and transit. Notwithstanding differing perspectives on density and affordability criteria, for example, we were able to reach some consensus positions – for example, that a project size threshold of 50 units (min.) would be realistic for a variety of site opportunities and the varied capacity of our developer members.

Of course, your input on the guidelines for this unprecedented funding opportunity is highly encouraged. In addition to contacting HCD directly, please consider joining CHC's Policy Leadership Task Force (see website for details at www.calhsng.org), and/or contacting us at info@calhsng.org or 415.677.4436. It is critical that CHC continues to weigh in on issues relative to original legislative intent, realistic development timetables, and varying levels of local support and involvement in new housing development. We will regularly post CHC's letters and updates from both HCD and the Treasurer's office on the infill/brownfield funding programs.

CHC Member Project Profile: Emerald Terrace Apartments

Emerald Terrace Apartments
1345 Emerald Drive
Los Angeles, CA 90026

The transformative impact of infill development is demonstrated by **Meta Housing's** recently completed Emerald Terrace Apartments. It is located in central Los Angeles on a previously vacant lot that was a dumping ground for debris and common place for loitering. Completed in 2007, Emerald Terrace is an 85 unit development affordable at 35-60% AMI. In keeping

with Meta's focus on providing family housing, the project includes 39 three bedroom units, 38 two bedroom units and 8 one bedroom units.

In addition to Meta Housing, other CHC members who partnered on Emerald Terrace include **Century Housing** as a general partner, **California Community Reinvestment Corporation**, the **Los Angeles Housing Department**, and **Wells Fargo Bank**, as finance partners, and **Solari Enterprises** as property manager. In addition to strong community support, the City of Los Angeles Housing Department stepped up with additional financing to help solve some of the budget issues the project faced resulting from industry wide construction cost increases and poor soil con-



ditions.

Emerald Terrace's proximity to amenities makes it particularly well suited for families: there are several full-service grocery stores, within a quarter mile radius of the development; there are several medical centers and pharmacies within a

half mile radius of the project, including the Good Samaritan Hospital, Chuateco Medical Clinic, and Glendale Pizarro Medical Clinic; and the project is within a quarter mile of several public schools and a half mile from the Echo Park Public Library. The neighboring Miguel Contreras Learning Center is home to LAUSD's premier sports facility with amenities including 2 gymnasiums, an outdoor swimming pool, track, baseball diamond, softball diamond, practice field, football/soccer field, 8 outdoor basketball courts, and 4 tennis courts.

Emerald Terrace also provides enhanced social services for families and children. This project goes beyond providing basic shelter, helping to stabilize families, to empowering individuals to move toward independence and self-reliance. Century Housing Corporation operates its Century LIFT program at the project which provides residents with educational classes and after-school mentoring services.

