

AUGUST 14, 2014

## LAW ALERT

M David Kroot

Lynn Hutchins

Karen M. Tiedemann

Thomas H. Webber

Dianne Jackson McLean

Michelle D. Brewer

Jennifer K. Bell

Robert C. Mills

Isabel L. Brown

James T. Diamond, Jr.

Margaret F. Jung

Heather J. Gould

Juliet E. Cox

William F. DiCamillo

Amy DeVaudrevuil

Barbara E. Kautz

Erica Williams Orcharton

Luis A. Rodriguez

Xochitl Carrion

Rafael Yaquian

Celia W. Lee

Vincent L. Brown

Hana A. Hardy

Caroline Nasella

Eric S. Phillips

Elizabeth Klueck

San Francisco

415 788-6336

Los Angeles

213 627-6336

San Diego

619 239-6336

Goldfarb & Lipman LLP

# MONEY, MONEY, MONEY: NEW STATE FUNDING FOR AFFORDABLE HOUSING

ABBA may have sung "it is a rich-man's world," but recent efforts by affordable housing advocates have resulted in significant new state funding for affordable housing. Now that the funds have been dedicated, the next steps and challenges this Fall are creating program guidelines and expending the funds quickly in early 2015. This Law Alert lays out the available new funding and identifies projected key milestones for program delivery. It is important to note that although the dates and dollar values discussed reflect the latest information regarding each of the programs described, the dates and dollar values are preliminary and subject to change.

We encourage you to participate in shaping these programs by attending the stakeholder meetings and commenting on proposed guidelines throughout the Fall and to start developing strategies to take advantage of the funding opportunities on the horizon.

### **Prop. 41 / Veterans Housing and Homeless Prevention Program**

The passage of Proposition 41 authorizes \$600 million in state general obligation bonds to fund affordable multifamily rental, supportive, and transitional housing for veterans in California. HCD, CalHFA and CalVet are collaborating in designing, developing and administering the Veterans Housing and Homeless Prevention ("VHHP") Program through which the bond proceeds will be disbursed. Stakeholder meetings have been held across the state, and draft guidelines are expected in September 2014. Approximately **\$75 million** is expected to be made available through a competitive Notice of Funding Availability ("NOFA") process in the Fall of 2014 with a projected award date of June of 2015.

Anticipated VHHP Program Process	
Milestone	Date
Release Final Program Guidelines, 2014 NOFA and Application	November 2014
NOFA Workshops	November – December 2014
Anticipated Application Due	March 2015
Anticipated Award Date	June 2015

### **Multifamily Housing Program**

For the first time in over a decade, HCD's Multifamily Housing Program ("MHP") has received a general fund appropriation. The State Budget allocates \$100 million from the State's General Fund to MHP, with half of the funding (\$50 million) allocated to the MHP Supportive Housing Component. A NOFA for the **\$50 million** allocated to MHP's general program is expected to be made available in November of 2014, while the \$50 million for the Supportive Housing Program will be released later with the hope that the Supportive Housing Component funding can be utilized in conjunction with the VHHP Program funding discussed above. Presumably, the existing MHP Program Guidelines will apply to the 2014 NOFA.

Anticipated MHP Process	
Milestone	Date
2014 NOFA and Application	September 2014
NOFA Workshops	October 2014
Anticipated Application Due	November 2014
Anticipated Award Date	March 2015

**Affordable Housing and Sustainable Communities Program**

The inclusion of funding for affordable housing under California's cap-and-trade program was a major victory that will provide on-going funding for affordable housing. The Strategic Growth Council ("SGC") is holding workshops in August to gather public input to inform the guidelines for the Affordable Housing and Sustainable Communities ("AHSC") Program, as required under SB 862. SGC, in conjunction with HCD and cooperation with the California State Transportation Agency, will administer the AHSC Program and expects to release a NOFA for approximately **\$130 million** in January of 2015. A minimum of fifty percent of those funds will be available for affordable housing opportunities in transit oriented developments, and fifty percent of the funds will be directed towards programs benefitting disadvantaged communities. SGC plans on releasing draft guidelines and soliciting additional public comment sometime in October with the hope that SGC's board will consider approval of the guidelines in December.

<b>Anticipated Affordable Housing and Sustainable Communities Program Process</b>	
<i>Milestone</i>	<i>Date</i>
Release Final Program Guidelines	December 2014
2014 NOFA and Application	January 2015
Anticipated Application Due	April 2015
Anticipated Award Date	June 2015

**Infill Infrastructure Grant Program**

HCD is also considering potentially issuing a NOFA for fourth round funding of HCD's Infill Infrastructure Grant ("IIG") Programs to provide funding for new construction and rehabilitation of existing infrastructure to support higher-density affordable and mixed-income housing in transit oriented infill areas.

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We will continue to monitor the programs to remain up-to-date on the latest program requirements, and we strongly encourage you to work with your regional housing advocacy groups (NPH, SCANPH and the San Diego Housing Federation) to get involved and submit comments before each program is finalized.

If you have any questions about these funding opportunities, please contact Karen Tiedemann, Isabel Brown, Rafael Yaquian, Eric Phillips or any other attorney at Goldfarb & Lipman.

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