



Department of Housing and Community Development

**Affordable Housing Innovation Fund (SB 586 Dutton)
Affordable Housing Revolving Development and Acquisition Program**

September 17, 2009

**NOTICE OF DRAFT GUIDELINES AVAILABLE FOR
REVIEW**

“The Golden State Acquisition Fund”

Request for Comments

The Department of Housing and Community Development (Department) is developing a revolving loan fund to be used as a source of funds for loans to affordable housing developers for the acquisition of real property for the development or preservation of housing affordable to low-income households. **The Department will choose a Fund Manager to manage the loan fund.**

The Department has drafted a set of Guidelines (per Health & Safety Code § 50705(b)) to be used for the operation of the Loan Fund (called “The Golden State Acquisition Fund”). The draft Guidelines are posted on the Department’s web site at:

<http://www.hcd.ca.gov/fa/ahif/ahip-l.html> .

The Department will be accepting comments on these Guidelines until October 16, 2009.

Comments can be addressed to:

**Peter Solomon, Program Manager
Department of Housing and Community Development
Affordable Housing Innovation Programs
1800 – 3rd Street, MS 460
Sacramento, CA 95814**

Or via email at:

psolomon@hcd.ca.gov

Questions can be directed to Peter Solomon at 916-324-1484.

The Scope and Purpose of
“The Golden State Acquisition Fund”

One of the major impediments to the development and preservation of affordable housing in California is the lack of ready access to capital for the acquisition of property. The need is for loan funds available at a high enough loan limit to purchase sites as they are available with an attractive rate, term and LTV to make projects workable and a speedy process from application to close to be able to react to the market.

To help address this fundamental funding need in the affordable housing development chain, the California legislature passed SB 586 (Dutton, Chapter 652, Statutes of 2007), the Affordable Housing Innovation Fund, which included the Affordable Housing Revolving Development and Acquisition Program (AHRDAP). The AHRDAP includes two funds, the Loan Fund (called the Golden State Acquisition Fund) and the Practitioner Fund.

As described in the statute (Health and Safety Code § 50705 et seq.), the Department will choose a Fund Manager to manage the Golden State Acquisition Fund. The Department will enter into an agreement with the Fund Manager and will disburse funds to the Fund Manager which will be used as a portion of the Project Loans made to developers.

These Guidelines will be used to define the process for the selection of the Fund Manager and to operate the Golden State Acquisition Fund.