

CALIFORNIA NEIGHBORHOODS



SUMMER / FALL 2005



CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT



Lucetta Dunn,
Director

Proposition 46: There's No Place Like Home

Tens of thousands of Californians have found safe and affordable housing or shelter spaces thanks to HCD's speedy delivery of Proposition 46 bond funds. You will recall that Proposition 46, the "Housing and Emergency Shelter Trust Fund Act" of 2002, was the largest housing bond in U.S. history - \$2.1 billion. HCD, which manages 90% of the bond funds, and our sister agency, the California Housing Finance Agency, have been expediting awards to assist California's workforce and other lower income families obtain safe and affordable rental homes or become homeowners for the first time. Proposition 46 also helps our neediest residents, such as veterans, the disabled and the mentally ill, end the cycle of homelessness and move to permanent housing that includes the supportive services

necessary to keep them safe and moving toward stability and independence. These lives, more than 66,000, would not have been touched and improved if not for the more than \$1 billion in Proposition 46 funding awarded so far.

Yet, Californians in every part of the State are finding it more difficult to secure safe and affordable housing - our production of new housing has not kept pace with demand since 1989 and this ever increasing lack of supply leads to ever increasing lack of affordability, more and more over-crowding, and loss of economic competitiveness. We simply cannot afford to let this continue or we risk losing the quality of life that has made California the Golden State.

We all have a role to play in ensuring that all Californians have a safe and affordable place to call home. **Government** - state, regional, and local government - must do all it can to ensure that its policies encourage the production of safe and affordable housing by removing burdensome and conflicting regulatory barriers. Government can help its constituents understand the need and responsibility to say "Yes!" to providing more safe and affordable homes for our children and grandchildren. The **development community** must be open to working with communities upfront in the development process to help residents understand how new homes will improve their lives and make the community more vibrant and viable. **Labor**, representing California's vital workforce, must encourage its members to stand up and demand their officials provide for homes in the same way they provide for new streets, or shopping opportunities. The **environmental community** must work with other stakeholders to help plan for growth in ways that protect open space and reduce congestion - ways that put homes where the jobs are. Finally, the most important stakeholder group - **the residents of California** - must realize their responsibility to encourage the construction of homes that their own children and grandchildren need now and into the future.

The need for safe and affordable housing in California has never been greater. I am very proud of the work that is being done here at HCD, on Proposition 46 and the many other programs that help keep our residents protected and sheltered. But there is much more work to be done if we are to fulfill our responsibilities to our communities, to our families, to our future. I look forward to your support.

More than 66,000 California residents' lives have been touched and improved by Proposition 46 funding.

Message from the Director



The Name is the Game

HCD's Division of Community Affairs has been renamed the **Division of Financial Assistance** to more clearly describe what it does, and to be more accessible to its customers and the public.

The Division of Financial Assistance awarded \$554 million during Fiscal Year 2003-2004 in loans and grants to hundreds of public agencies, private housing developers and service providers across California. To reach this level of investment, and manage the bond funds entrusted to HCD by the voters through Proposition 46 in 2002, the division has reorganized to functionally cluster its program activities. The name Community Affairs had an honorable history of nearly 30 years, but it no longer adequately represented the division's functions.

The major sections within the Division of Financial Assistance are now named as follows:

The **Community and Economic Development Section** (formerly Community Development Section) administers the Community Development Block Grant program (CDBG) and three associated economic development resources: CDBG Economic Development, the California Enterprise Zone Program, and the California Indian Assistance Program.

The **HOME and Home Ownership Section** (formerly HOME Section) manages the recently consolidated federal HOME, state CalHome, and Serna Farmworker Grant – Homeownership programs.

The **Rental Housing Development Section** (formerly Multifamily Housing Section) administers a variety of rental loans through the Multifamily Housing, Supportive Housing, Serna Farmworker – Rental, Predevelopment Loan, and Mobilehome Park Resident Ownership programs.

The **Asset Management Section** (formerly Monitoring and Management Section) protects the assets in HCD's existing loan portfolio, and monitors compliance with our programs' rent and income limits and other policy provisions.

The **Homeless and Housing Assistance Section** retains its name. However, its constituent Asset Management Program will become the Compliance Resolution Program, to more clearly describe its function and distinguish it from the newly named Asset Management and Compliance Section.

\$55.6 Million Awarded to Rural Communities Using Community Development Block Grant Funds Benefiting Hundreds of Residents in 74 Cities and 30 Counties

"Hundreds of lower income residents in dozens of rural communities throughout the state will realize improved living conditions and public services from the award of \$55,607,103 in federal community development block grant funds," announced California Department of Housing Community Development Director Lucetta Dunn. "This award will provide home-buyer assistance, rehabilitation of substandard housing, and fund public works projects such as waterline installations, water and sewage treatment system improvements, senior day care facilities, fire stations and medical clinics in our smaller cities and rural communities that often lack access to other types of financial resources," Dunn explained.

The funds were made available under the non-entitlement Community Development Block Grant (CDBG) Program, administered by HCD as a service to smaller communities that do not have resources

to administer the program themselves. The more populated cities and counties receive this funding directly from the federal Department of Housing and Urban Development.

In addition, \$29 million in 2006/2007 CDGB future allocations of funds were reserved for 64 applicants to complete programs and projects. For the 2007/2008 \$25 million was reserved for 57 programs and projects. The reserved funds are subject to federal funding decisions under future budget proposals made by Congress and the President.

For a full list of award recipients and award amount by county refer to HCD's Website under Press Releases at www.hcd.ca.gov.

Proposition 46: Building Better Lives

10,000 affordable homes will be provided for 10,000 families



Left to right: Bill Harris, Executive Director Hollywood Community Housing Corporation, BTH Secretary Sunne Wright McPeak, Kyle Arndt, President of the Board of Directors; HCD Director Lucetta Dunn; Jerold B. Neuman, Board Member; Karen Diehl, Vice President of the Board; Charles Taylor, Board Member

The \$162.9 million will benefit the economies of the communities in the 36 counties through the construction activities and jobs the awards will generate:

- ◆ \$131 million in commitments through the Multifamily Housing Program will provide permanent low-interest loans for the construction of new affordable apartment homes and rehabilitation of existing affordable units. Californians who make up the vital workforce that is the backbone of our economy, seniors, the disabled, veterans and those transitioning from homelessness are among the beneficiaries of the homes that will be constructed or rehabilitated. The awards will help 1,862 California individuals and families realize the dream of an affordable rental home.

- ◆ \$8.9 million in commitments through the Joe Serna, Jr. Farmworker Housing Grant Program which offers loans and grants for construction and rehabilitation of affordable owner-occupied and rental apartment homes for farm workers and their families. These funds will help 608 farm worker families secure affordable housing. Activities funded include land acquisition, site development, construction and rehabilitation.

- ◆ \$23 million is awarded through the Workforce Housing Program which provides financial incentives to cities and counties for issuance of building permits for 7,874 new homes affordable to lower income households. Cities and counties approved 7,190 new rental homes and issued permits for 684 homeownership units for lower income families. Of the 84 local governments receiving Workforce Housing Program awards, 36 also received bonus grant funds for their significant progress in meeting their overall housing need.

In Los Angeles, on July 15, 2005, at View at 270 - Business, Transportation and Housing Agency Secretary Sunne Wright McPeak and Department of Housing and Community Development Director Lucetta Dunn Announced \$162.9 million in Proposition 46 Awards through three HCD programs....

“More than 10,000 hardworking California residents and their families in 36 counties will have affordable housing opportunities thanks to the most recent award of \$162.9 million of Proposition 46 funds,” announced Sunne Wright McPeak, Secretary for the California Business, Transportation and Housing Agency (BTH). Since the passage of Proposition 46 in November 2002 the Department of Housing and Community Development within BTH has awarded funds to create or provide incentives for more than 63,000 affordable rental or owner occupied homes and shelter spaces throughout California.

“Today’s award continues the Proposition 46 promise to increase the supply of affordable housing for California’s workforce and low income residents and the Governor’s directive to expedite release of these funds,” McPeak continued. Lucetta Dunn, Director of the Department of Housing and Community Development noted that with this current award 10,000 affordable homes will be provided for 10,000 families.



Secretary Sunne Wright McPeak and HCD Director Lucetta Dunn with some of the Award Recipients



HCD Director Lucetta Dunn with some of the Emergency Housing and Assistance Program Awardees

HCD Announces Homes for the Homeless

The California Department of Housing and Community Development Director Lucetta Dunn announced the award of more than \$34.5 million to provide shelter for 2,128 homeless individuals in 24 counties throughout the state in Sacramento at a Transitional Housing Center – Carol’s Place on June 21, 2005.

Dunn stated, “The funding announced today will pay for the construction of emergency shelters and transitional housing for the homeless. Projects receiving funding are as diverse as a YWCA Job Corps Program in Los Angeles serving approximately 400 men and women daily to a youth shelter in San Francisco. These awards are consistent with California’s Initiative to address homelessness.”

an ability to effectively develop shelter facilities for the homeless and deliver support services that aid the homeless in transitioning to an independent living situation.

In two years, \$98.7 million has been provided through this Program for shelter facilities to assist 9,055 homeless individuals and families throughout California. Dunn further stated, “Homelessness is a pervasive problem requiring long-term commitments by all of us to long-term solutions. Prop 46 funding has helped us help many, but partnerships with our cities, non-profits, faith-based organizations and community leaders must continue if we are to succeed in providing decent shelter for all in desperate need.”

“Homelessness is a pervasive problem requiring long-term commitments by all of us...”

An initiative to address homelessness, including the formation of an interagency council, to collaborate and coordinate services and shelter for California’s neediest was recently announced. The initiative will support and develop strategies to help homeless individuals and families transition to permanent, stable housing and lives.

Implementing the initiative, the Department of Housing and Community Development has expedited the award of homeless funds provided by Proposition 46—approved by California’s voters in 2002—which includes the Emergency Housing and Assistance Program – Capital Development funds. This program makes forgivable, deferred interest loans for the acquisition, construction or rehabilitation of emergency shelters, transitional housing facilities or safe havens for homeless families and individuals. Awards are made to local governments and nonprofit companies that demonstrate



HCD Director Lucetta Dunn and Undersecretary Roger Brautigan, Department of Veterans Affairs

Myths & Facts: Debunking the Affordable & High Density Housing Myths

When people argue against new high-density and affordable housing, often myths are used to convince decision-makers that the new development and its residents don't belong there. Fortunately, the facts of California's recent experience with its compact housing development often contradicts the myths.

Editor's Note: The California Neighborhoods is proud to feature a "myth and fact" column in this and upcoming editions. The following are excerpts from a report by the California Planning Roundtable and the California Department of Housing and Community Development.

Myth #2: High-density of affordable housing will cause too much traffic.

Fact #2: People who live in affordable housing own fewer cars and drive less.

In California's six largest metropolitan areas, two-thirds of renters and over three-fourths of the households living below the poverty line own no vehicles or only one car; compared to 54 percent of all households and 44 percent of homeowner households. With lower car ownership rates come fewer trips, and fewer single occupant auto commutes. According to the National Personal Transportation Survey in 1995, low-income households make 40 percent fewer trips per household than other households. Recent traffic growth owes much to existing development.

In many high-density neighborhoods, and in most neighborhoods with a mix of housing types, traffic isn't a big problem. Few auto trips occur in higher-density areas. In a neighborhood of 15 homes to the acre, one third fewer auto trips occur, compared to a standard suburban tract.

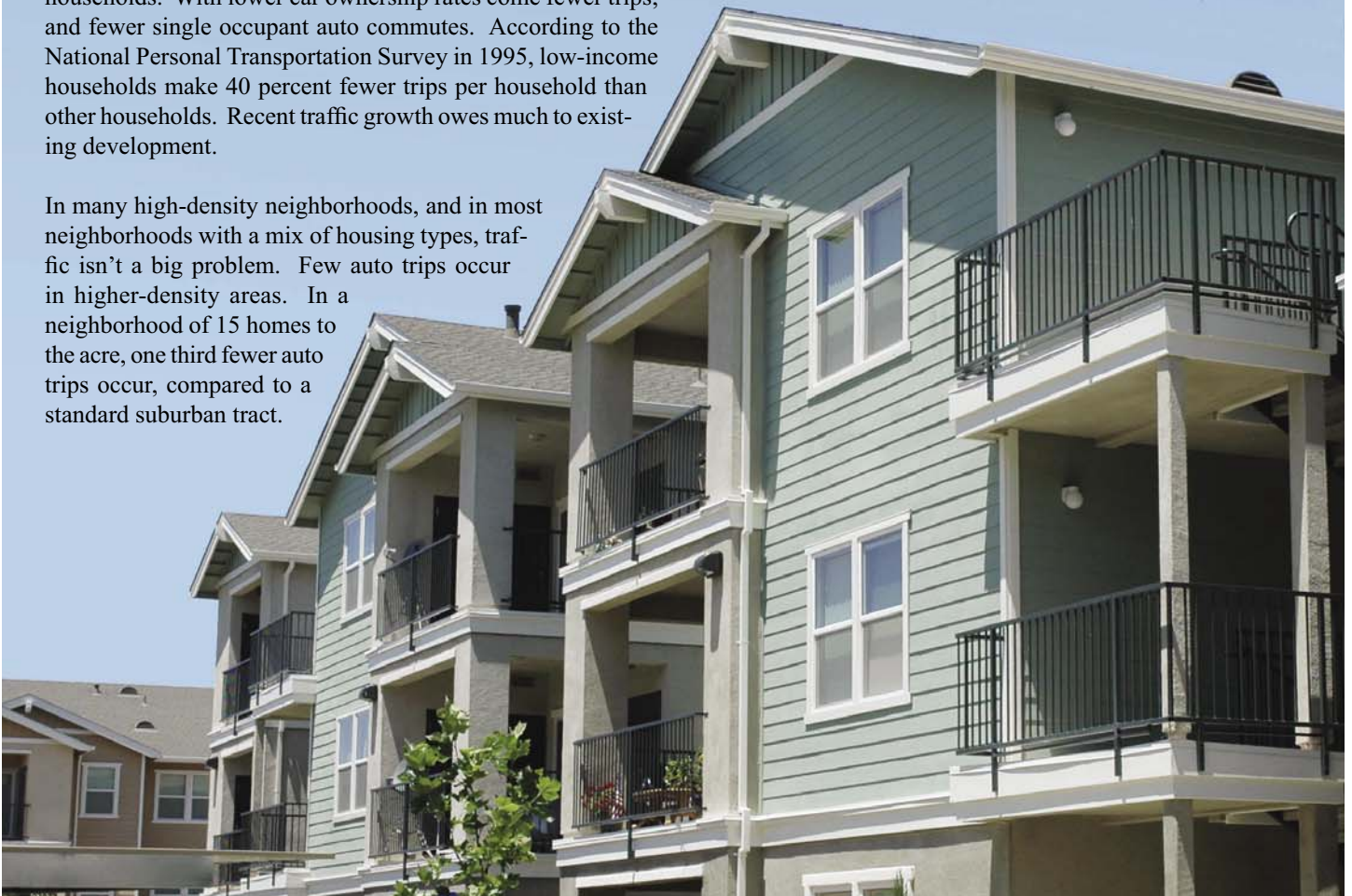
Car ownership rates are less in higher density areas. According to recent American Housing Survey data, multifamily developments have lower car ownership rates than single-family home tracts.

High-density housing can encourage nearby retail development, along with ease of walking and transit use. Mixing housing with commercial development is ever more crucial for traffic control, since non-work trips constitute the largest number of trips.

Over three fourths of trips in Southern California are non-work trips. With high-density housing, stores serving neighborhood residents move in, allowing residents to walk to buy groceries or to the dry cleaner instead of driving.

Transit connections also become more common when neighborhood density increases, as transit is only cost-effective at densities above eight or 10 units per acre.

To encourage housing affordability, California cities need to promote higher densities.



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