

News to Build On *September-October* 2008

THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

NPH Conference Hears From the Experts

Affordable Housing Remains Economic Lynchpin

As federal legislators seek to reshape the nation's financial landscape in coming months, it is crucial for affordable housing to be viewed as a lynchpin for a healthy economic recovery, a panel of national housing experts told a capacity-level crowd at the 29th Annual Conference of the Non-Profit Housing Association of Northern California (NPH).

"This is a powerful group," Lynn Jacobs, Director of California Department of Housing and Community Development, told the 500-member audience of housing developers, advocates, lenders and other housing practitioners gathered in San Francisco. "We need to take responsibility for advising our elected officials. Go to meetings, open up those emails. We need to expand the base and make the case that housing is key to a healthy economy."

"California has been particularly hard hit by the economic downturn. One-quarter of the nation's foreclosures are here," Jacobs said, "and about 22 percent of those are investor-owned properties, meaning a large number of renters have been displaced and that affordable housing is more crucial than ever."

Introducing the panel, NPH Executive Director Dianne Spaulding noted the significant role NPH and its members can play in helping to shape solutions to the current crisis.

"We had no idea how serious and all-encompassing this situation would become when we planned this panel months ago, and how the housing piece would

(NPH Conference Experts continued on page 3)



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From the Desk of the Executive Director

Dear Members and Friends,

One of the messages that emerged at our recent fall conference was that our grassroots advocacy counts and we need to keep it up. We were thanked for our outreach on behalf of the National Trust Fund by Peter Lawrence of Enterprise Community Partners during the morning workshop on the federal Housing Act of 2008. And at the Plenary Session Lynn Jacobs, Director of the California Department of Housing and Community Development, told us to "take responsibility for advising our elected officials. Go to meetings, open up those emails. We need to expand the base and make the case that housing is key to a healthy economy."

I have often wondered what will it take to get the American people to rise up and demand change. We may be seeing it now, with the outpouring of constituent calls and letters to Congress expressing deep concerns about how to mitigate the meltdown of the financial industry. Housing, our issue, has led the public to rise up and demand strict regulation, consumer protection and direct assistance to the victims of foreclosure. Public outcry resulting from a financial crisis of proportions unimaginable a few months ago seems to have brought the recent era of deregulation and anti-regulation politics to a standstill.

This unprecedented attention to our issue must have a silver lining. Peter Lawrence pointed out that the legislation which contained and created the National Trust Fund has been around for six years, but only the mortgage crisis generated enough momentum to get it passed. Similarly in the second major Congressional effort on behalf of the credit industry, which is underway as we go to print with this newsletter, we are likely to see the success of several provisions being demanded by the public. These items include caps on executive pay, raising the cap to \$250,000 on federal insurance for cash savings

deposits and an equity stake for taxpayers in companies who receive assistance.

But our work in California is only beginning. In the immediate term, California received \$529 million in the first round of federal funding in response to the mortgage crisis, a disappointing 13% of the total despite having 25% of the home foreclosures nationwide. We will be helping our local governments develop the data and partnerships they need to secure these funds for their most critical needs. We will also be working to ensure a greater share in any additional funding that comes from the second round of Congressional action. We will also be working with the California Department of Housing and Community Development (HCD) to make sure that the \$145 million in funding they distribute is targeted as effectively as possible.

Concurrently, however, we will be deepening and expanding our capacity to meet with state legislators in their district offices to explain the impact of the housing and credit crises in their districts and underscore the need for their active support of legislation next year to create a Permanent Source for affordable housing in California.

These are among NPH's goals for 2009. We are targeting our priorities to our members' greatest needs. I know everyone is having to modify plans for next year based on many uncertain variables. I want to hear from you if you have specific needs from NPH or suggestions for our work in 2009.

Sincerely,



Dianne J. Spaulding
Executive Director

News to Build On

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become so central,” Spaulding said. “Surely we can help turn challenge into opportunity. And one major opportunity is that housing is now front and center at the national level.”

Panelists agreed, specifically Nancy Andrews, President/CEO of the Low Income Investment Fund and board member of the National Low-Income Housing Coalition, who joined Jacobs on the panel, and Linda Mandolini, Executive Director of Eden Housing and President of NPH’s board of directors. Panel moderator was Chris Block, Executive Director of Charities Housing of Santa Clara County and NPH Board member.

“What we are seeing is the first hit of a massive trend,” said Andrews, who traced the roots of the current crisis to the subprime collapse of more than a year ago. “First, there was shakiness in financial institutions as banks looked for mergers or failed,” she said. “Last week, the capital markets froze with loans not being made. Now the question is, ‘Can we at least keep this from being disastrous?’”

Echoing Jacobs’ call to action, Andrews said that it is essential for housing advocates to become involved in shaping new rules and regulations.

“We have an environment of diminished regulations, or regulations that were meant for an earlier time,” she said, adding that advocates and policy makers must participate now to help shape new rules and regulations.

“Activism is the name of the game. Stay involved, get active and lend your heart and your mind to this effort.”

Jacobs noted that largely because of voter-approved bond measures, California has built many housing units since 2003, especially in the Bay Area. Those measures were Proposition 46 in 2002, which provided \$2.1 billion in bonds and Proposition IC in 2006, which provided \$2.85 billion in bonds. While the state will continue to fund Prop IC projects this year and next year, little money will be left for 2010 – which makes finding a new source for funds essential.

“We hope that by 2010 we have a permanent source of funding for affordable housing in California,” Jacobs said, earning applause from the audience.

Governor Schwarzenegger has charged Jacobs’ department to work with statewide stakeholders to identify sources for such funding. Jacobs urged NPH members and others to visit the HCD website for the latest information on the permanent source campaign, including upcoming meeting dates in October throughout the state. (<http://www.hcd.ca.gov>).

Mandolini noted that the Bay Area is experiencing its own version of the national trend.

“We are so land constrained that some of our counties are still struggling with affordability,” Mandolini said. She added that monies remaining to be spent from Prop IC, especially for infill and transit-oriented development, will become increasingly important throughout the region as part of local economic development strategies. “The work we are doing is leading the way in many places,” she said.

Mandolini noted, however, that pro-housing policies such as inclusionary housing are increasingly being challenged amidst tough economic times. “We worked hard to pass these policies,” she said. “Should we undo them? No.” But she said making them more flexible should be considered.

As a new regulatory environment is created, Mandolini said a key question is how can the successful programs that have always worked adjust to a new reality? And like her fellow panelists, Mandolini said involvement on the part of affordable housers is key.

“It’s time to be politically active at both the state and federal levels. I think as an industry, we need to start getting it done. We need a successor to Prop 1C.”

Referring to HCD Director Jacobs, she said, “Lynn needs our help and we have to step up and do that. We cannot rely on a completely federal solution.”

Despite the sobering economic outlook, Andrews said it is important to remember that “the bonds, the friendships, the good work that has been done by many in this room has a chance of bearing fruit. ... Every time a threat happens in a field like this one, the field figures out how to make itself stronger. Never underestimate the potential of innovation and commitment for the affordable housing cause.”

*“We hope that by 2010 we have a permanent source of funding for affordable housing in California.”
—Lynn Jacobs*

THANK YOU TO ALL WHO SPONSORED AND ATTENDED THE 29TH ANNUAL NPH FALL CONFERENCE!

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Congratulations to our raffle winners!

Congratulations to the following individuals for winning the raffle drawing at the 29th Annual NPH Fall Conference:

- Erica Sklar from *Calistoga Affordable Housing* won two passes to the Aquarium of the Bay
- Fern Jones won a family pass to the Bay Area Discovery Museum
- Birute Skurdenis from *Merritt Community Capital* won a gift certificate to Medjool Restaurant and Lounge
- Christina Barrios won a dinner for two at the Home of Chicken & Waffles
- Christina Wong from *Greenbelt Alliance* won a gift certificate to Farmer Brown Restaurant

Thanks to all of you who participated in the conference, visited our exhibitors, and filled out the evaluations. We hope you all had a wonderful time and thank you for making our 29th conference our most successful yet!

WHO CAN YOU SPOT AT THE NPH CONFERENCE?

Thank you to those who attended, sponsored and presented at our conference on September 23rd. We hope that this year's conference provided our more than 500 attendees with the tools to achieve their goals, friends to help them get there and the courage to persevere in these turbulent times.

Photo Descriptions:

A. Two NPH board members, Sally Carlson of Terra Search Partners and Mary Hennessey of EBALDC; B. Attendees enjoy their drink tickets and sushi at our Networking Reception.; C. The foyer reached critical mass before the plenary session; D. All eyes were on our informative panel during this year's plenary session; E. Kevin Stein of California Reinvestment Coalition and Preston DuFauchard, Commission of the California Department of Corporations present a workshop, entitled "Fighting Foreclosure," on the current crisis; F. Early morning registrants enjoying the lovely Continental breakfast.



Memphis Murder Mystery? No, Just Mistaken Identity

A group of the nation's leading scholars and experts on housing and urban policy responded to the article published by *The Atlantic* entitled "American Murder Mystery" (July/August issue) which drew a correlation between affordable housing and crime. Here is an excerpt from the article published online July 22, 2008 by *Shelterforce* which was written by Xavier De Souza and Peter Dreier.

"When it comes to long-avoided social problems, one can always take the perspective of a former celebrity long out of the limelight: Any attention, even the most sensational, is better than none at all. It's especially tempting, in an election year, to be grateful when a deliberately provocative story by a talented journalist draws attention to something as out of the limelight as inner-city poverty or low-income housing policy. But when that story sensationalizes some facts, misstates others, skews the views of policy experts to fit a narrow storyline, and confuses the public policies it means to address—as Hanna Rosin's recent article, "American Murder Mystery" (*The Atlantic*, July/August) does—it reinforces misleading stereotypes rather than contributes to a much-needed dialogue. This is part investigative reporting, part misleading caricature.

Misleading Focus

Rosin paints a lurid, stark picture, using Memphis as a case study, to indict a number of national efforts begun in the early 1990s to tackle the thorny problem of geographically concentrated "ghetto" poverty. Rosin chooses to focus on two major federal housing programs, both of which use federal funds from the U.S. Department of Housing and Urban Development and are implemented by local agencies. [the Housing Choice Voucher Program sometimes called "Section 8," involving about two million people and HOPE VI, which took 150,000 units out of the nation's stock of roughly 1.2 million public housing units for demolition and replaced them with about 50,000 units.]

In general, families with rent vouchers, but especially those displaced from public housing as a result of HOPE VI redevelopment, tended to move to dramatically safer neighborhoods, with much lower crime rates and correspondingly lower levels of resident fear and anxiety. Few relocatees moved to solidly middle-income enclaves, but most found apartments in areas with somewhat less poverty.

Rosin's major point is that these two quite dissimilar efforts to address the problems in urban ghettos backfired because the poor brought their problems with them, including violent crime. She treats a spike in murder as an unintended consequence of policy reform. She asserts, without much evidence, that a veritable tidal wave of low-income families has destabilized once-safe neighborhoods. . . . The "mystery" of a spike in murder rates, particularly in Memphis and other mid-sized cities where police chiefs and citizens are alarmed, is not so mysterious, according to Rosin, when one follows the trail of misguided housing policy.."

"But Rosin gets key facts wrong and uses others in misleading ways. She provides no evidence that the low-income families who moved to neighborhoods outside the traditional ghetto contributed significantly to the growth of poverty in those

areas, let alone that they were responsible for the uptick in crime. She briefly acknowledges, but fails to explore, the other factors that have contributed to an increase in murders, other violent crimes, and neighborhood instability in Memphis and other American cities—leaving the reader inappropriately confident in her ghetto-migration hypothesis about the crime increase. Though Rosin has stated, in subsequent media appearances, that her intention

was to help 'start a conversation,' the article leads—from the title down—with an exaggerated and circumstantial case."

Additional Errors

Among the problems with Rosin's article, the authors point out:

- "[The article has] an exaggerated view of housing subsidies and their impact."

- Rosen overlooks the well-recognized link between crime and poverty. Crime is rising nationally as the number of people in poverty increases. After a notable national decline in poverty the 1990's (from 38 million in 1992 to 31.6 million by 2000), poverty has risen significantly by 2005 (to 36.9 million.) Specifically in Memphis, the subject of the article, the number of people living in poverty rose by 23% between 2000 and 2005. The number of poor adolescents in Memphis increased 45%.

- “Rosin fails to address the dramatic increase in the overall number of violent crimes during a period when the number of people living in subsidized housing remained roughly the same. Instead, she is mainly concerned with an alleged geographic shift in the location of violent crimes. But there are many reasons why crime may relocate, including police practices.”

- “She cites no court records, for example, showing that the people who perpetrated their crimes paid their rent in private apartments with Section 8 vouchers. If there are, say, 10 families with Section 8 vouchers in a 100-unit building, can we attribute any violent crimes in or near that building to someone in one of those families with rent subsidies? Of course not. All Rosin offers are the fears—some would say stereotypes—of police officers who believe that the families relocated out of demolished housing projects are the culprits.”

To read the complete article, go to:

<http://www.shelterforce.org/article/special/1043/P0/>

FEDERAL MORTGAGE HELP AVAILABLE

The U.S. Department of Housing and Urban Development (HUD) announced eligibility requirements on October 1, 2008 for the HOPE for Homeowners program that will refinance mortgages for borrowers who are having difficulty making their payments, but can afford a new loan insured by HUD's Federal Housing Administration (FHA). This program was authorized by H.R. 3221, and approved by Congress in July.

The program is available only to owner occupants and will offer 30-year fixed rate mortgages. In most cases, banks will have to write down the existing mortgage to 90 percent of the new appraised value of the home.

For more information go to:

http://portal.hud.gov/portal/page?_pageid=73,7601299&_dad=portal&_schema=PORTAL

NPH'S Upcoming Brown Bag

SUCCESSFUL LEADERSHIP TRANSITIONS

Thursday, November 20, 2008

Noon to 2 PM

NPH Conference Room

369 Pine Street, Suite 310, San Francisco

(Montgomery BART)

Presented by Arnaud Maitland, Director of the Center for Skillful Means

The affordable housing development industry in Northern California is over 40 years old and one of the most successful in the US, with many competent productive non-profit organizations. Now, however, the first generation of executive directors is beginning to retire, presenting a crossroads for the industry. Several executive transitions have gone poorly, resulting in the organization losing sight of its mission, large staff turnover and huge declines in productivity. Several organizations have had successful transitions, but the poor transitions have been quite notable and created fear and anxiety among staff and boards about how to successfully handle executive transitions in the near future.

The Center for Skillful Means (www.skillfulmeansprograms.com) will share a structure with participants that allows for the articulation and implementation of a sustainable organizational culture not dependent on individual personality. Such an organizational culture will sustain results over time and dissolve the anxiety often experienced by those left in the organization. This structure can help support the organization through many types of transitions.

To register, visit our website at: http://ga0.org/nphaction/events/successful_leadership/

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STATE LEGISLATIVE UPDATES

State Legislative Updates

Wrap up of 2008 Actions by Legislature and Governor

The Legislature concluded their two-year session, taking final action on several bills affecting housing, as well as finally resolving a record-breaking stalemate over the California State Budget for fiscal year 2008-2009. This article summarizes some of the key actions taken at the end of the session.

State Budget

The Governor used his authority to veto individual budget line items, sometimes called “blue penciling.” Overall, he blue penciled \$510 million from the budget in order to create a larger reserve.

Impact on the Department of Housing and Community Development (HCD)

- 1) Vetoed the entire \$4 million in Emergency Housing and Assistance (EHAP) operational funds.
- 2) Cut \$343,000 from the Office of Migrant Services (OMS).
- 3) Eliminated \$761,000 from the Employee Housing Program, for inspection of employer and farm worker housing.

Impact on Redevelopment Agencies (RDAs)

- 1) RDAs must transfer about \$98 million to local jurisdictions. This is justified by a State report which found that the RDAs have not been passing through the full required amount of property tax increment revenues to local taxing jurisdictions.
- 2) RDAs lose \$350 million, which will be shifted to the county Educational Revenue Augmentation Fund in 2008-09. RDAs with insufficient liquidity to fund the shift may borrow from their low-moderate income housing funds.

State Legislation

The following bills became law, effective January 1, 2009:

SB 375 (Steinberg) “Sustainable Communities Strategy”
NPH supported this bill to create a new planning process intended to support goals for reducing air pollution. It ties \$6 billion of state funding for transportation to communities

implementing a “Sustainable Communities Strategy” (SCS) linking housing creation, transportation development and preservation of resource and farm lands. See sidebar for more details.

AB 2280 (Saldana) Density Bonus Law

As amended, NPH was neutral on this bill because it simply states that failure to adopt a local ordinance does not relieve a city or county from complying with the law, and it modifies the definition of “waiver” to include only development standards that make it physically impossible to build at the allowed density (as opposed to the language in earlier versions of the bill allowing waivers if “economically infeasible”).

AB 2494 (Caballero) – Housing-Related Parks

The Governor signed this bill which gives authority to HCD to award \$200 million Prop 1C housing-related park grants for parks in park deficient cities and counties. The bill requires HCD to grant awards to those jurisdictions issuing permits for housing restricted to low and very-low income households.

The Governor vetoed the following bills of interest to NPH:

AB 1017 (Ma) CEQA Process

The bill, supported by NPH, would have set timelines under the California Environmental Quality Act (CEQA) during which an administrative appeal of an action taken by a non-elected decisionmaking body (such as a Planning Commission) may be made to the elected body. The veto message argued that this bill would place undue restrictions on local government.

AB 2000 (Mendoza) RHNA process

This bill would have given jurisdictions credit if they produced more housing than their designated “Regional Housing Need Assessment” (RHNA). It was opposed by NPH. The veto message recognized it would impose regulatory barriers to creating housing.

AB 2594 (Mullin) Redevelopment Funds for Mortgage Assistance

This measure would have allowed a redevelopment agency (RDAs) to use non-Low- & Moderate-Income Housing Funds to help homeowners with sub-prime or nontraditional mortgages. The veto message argued that this bill conflicted with the budget bill (which took funds away from RDAs).

AB 2818 (Jones) Standards for disposal of Public Housing

The bill would have created requirements that must be met prior to demolishing or selling public housing properties. The veto message argued that the bill was overly restrictive.

Summary of SB 375 Provisions Related to Housing

The new law extends the timeline for Housing Elements from five to eight years, beginning after completion of the next housing elements (due in June 2009 for Bay Area jurisdictions.) The law provides the following new provisions to mitigate the negative impact of the lengthened period:

- Consequence for failure to adopt a housing element: A jurisdiction that does not adopt an element within 120 days of the statutory deadline will shift into four-year cycles.
- Making land available for development: Localities with a four- or eight-year housing element will be required to complete rezoning of all the sites identified in their element for residential development within three years of the element's adoption, with a possible one year extension.
- Accountability: Every year, the jurisdiction must report its progress toward rezoning and program implementation to HCD and hold a local hearing to review and discuss the report.
- Enforcement: There are two remedies if a jurisdiction fails to rezone or implement programs by the deadlines. The first is called "Builder's Remedy," enabling construction on any site that is identified in an element for residential development, as long as the development is within the densities and development standards specified in the element. The other is a "Citywide Remedy:" enabling anyone to sue to compel the jurisdiction to complete the rezonings or other programs.

The bill also makes two changes to the California Environmental Quality Act (CEQA):

- 1) If a development is consistent with the SCS and incorporates any mitigation measures required by a prior EIR, then the environmental review does not have to consider: a) growth inducing impacts, or b) specific or cumulative impacts from cars on global warming or the regional transportation network.
- 2) A narrowly-defined group of "transit priority projects" will be exempt from CEQA review.

For more information, contact Megan Kirkeby, Policy Associate at 415-989-8160 ext. 19 or megan@nonprofithousing.org.

NPH Announces New Staff for Policy Development and Communications

NPH welcomed Ann Gressani as the new Policy Development and Communications Director beginning in early September. Ann began working with NPH on an interim basis beginning in May working primarily on communications.

Ann comes to us with over 17 years experience in government relations, public policy analysis and political strategic planning. She has worked inside the California Legislature managing staff responsible for policy development and analyses. She has also managed a multi-state team of advocates for MCI Telecommunications organizing effective legislative, regulatory and public issue campaigns. Ann knows how to work with statewide coalitions of diverse interests to get legislation passed and policies approved.



Ann will be undertaking a new role at NPH combining our traditional Policy and Communications roles with a new emphasis on State Legislative Strategy. This reflects NPH's goal to enact major legislation adopting a Permanent Source. Ann will emphasize working with our coalition partners in Sacramento and at the legislative district office level.

"We need to strengthen our allies in the Legislature to ensure the higher level of ongoing support necessary to guarantee substantial, continuous state funding for affordable housing," Ann points out. "I am looking forward to helping NPH, its members and coalitions 'translate' the complexity of our work and what we need from government in terms lay audiences can understand, particularly elected officials."

Among Ann's new responsibilities, she will serve on the Board of Directors for Housing California. "The affordable housing industry is clearly on the rise, and I am honored to be able to contribute to this work," says Ann.

Ann can be reached at 415-989-8160 extension 22 or ann@nonprofithousing.org.

FEDERAL LEGISLATIVE UPDATE

Federal Legislative Update

NPH Calls on Congress to Help People, Not Just Institutions

NPH joined dozens of national organizations in calling on Congress to preserve the mission and functions of Fannie Mae and Freddie Mac (known as government-sponsored enterprises or GSEs) in the near-term. The recent federal takeover or conservatorship of GSEs has added to the uncertainty facing affordable housing development in particular.

Our letter reminded Congress that affordable housing is already woefully underserved by the market. Any move to constrict the activities of the GSEs in financing affordable single and multifamily housing would be disastrous.

We called on Congress to make sure that under conservatorship, and going forward, the GSE regulator will continue to emphasize Fannie Mae and Freddie Mac's critical role in affordable housing finance by supporting the following specific, enhanced initiatives to:

- Enable more families to purchase their own home at a lower cost;
- Respond to the housing crisis by helping families at-risk for foreclosure to modify or refinance their home loans;
- Provide substantial leadership in financing the development of affordable rental housing through multi-family loans, the purchase of housing bonds, as well as the Low-Income Housing Tax Credit (LIHTC) program – one of the largest sources of funding for affordable housing; and
- Collaborate with and provide financing to public agencies, public housing authorities, state housing finance agencies, community development finance institutions, and organizations representing special populations.

We remain concerned that, in the rush to stabilize the market as a whole, and to make the GSEs profitable as quickly as possible, affordable housing may be pushed aside. Last year, when both companies failed to meet their goals of affordable housing, the Department of Housing and Urban Development declined to fine them, citing their claims that they were struggling financially. If ongoing questions remain about the companies' financial health, affordable housing may be deemphasized for the foreseeable future.

Guidelines for New Federal Funds Released

The federal Department of Housing and Urban Development (HUD) released rules on September 29, 2008 for the distribution of \$3.9 billion in "Neighborhood Stabilization Program" (NSP) funds, authorized by Congress this summer through H.R. 3221.

California will receive a total of \$529 million. This represents 13% of the total, even though California has suffered 25% of the foreclosures nationwide. Of the total allocation, \$375 million will be allocated by HUD through individual grants to forty-five California cities and communities that are "entitlement" areas with the greatest housing need. Five Bay Cities jurisdictions received entitlement grants: Antioch, Oakland, San Jose, Vallejo and Contra Costa County,

The remaining \$145 million will be allocated by the state Department of Housing and Community Development (HCD). The allocation plans for these funds have not yet been announced.

HUD will distribute funds through an application process similar to that used for the Community Development Block Grants (CBDG) to purchase abandoned and foreclosed homes and residential property. Among the provisions governing the funds are the following:

- **December 1 Due Date:** Localities must submit their action plans to HUD by December 1, 2009;
- **Income Limits:** Funds can only be used to address low- and moderate income housing needs. Grantees must use at least 25% of the grant for person at or below 50% of area median income;
- **18 Month Deadline:** Funds must be obligated within 18 months from the date of allocation and all funds spent within four years from the date of allocation;
- **Administrative costs:** Grantees can spend 10% of the allocation on administration (unlike the 20% typically allowed;)
- **One-for-One Replacement:** Grantees who use the money for demolition will not be required to replace the housing on a one-for-one basis;

The complete list of California cities and counties receiving funds can be found at:

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/states/ca.xls>

EXECUTIVE SPOTLIGHT

Carol Galante: Multi-Family Housing Executive of the Year!

The smiling face of Carol Galante will grace the upcoming cover of *Multifamily Executive* magazine with the announcement of her selection as their honored “Executive of the Year.” She is the first woman to receive this honor. It will be officially awarded at a celebration in October.

NPH congratulates Carol and takes this opportunity to gratefully acknowledge her contributions to affordable housing. She has been a champion and a leader who has brought innovative ideas to life in the Bay Area as well as getting homes built on the ground.

Carol is currently the President of BRIDGE Housing, the largest non-profit developer of affordable housing in California. Previously, she was the Executive Director of Eden Housing. She served on NPH’s Board of Directors in the 1980’s. This was a formative period for both NPH and the emerging field of the non-profit housing sector, which is the dominant sector in our region (over 65%) in large part due to large regional production oriented groups like BRIDGE Housing.

NPH staff took this opportunity to interview Carol about her work and the road ahead for the affordable housing industry.

Q: How have the challenges for building affordable housing changed over time?

Some things have gotten easier, while others have just gotten harder. Community acceptance of apartments and homes that are affordable has really grown. More people understand the need. There is a greater appreciation that our residents are workers and part of the community.

But today we struggle with the need for a reliable source of funding. Not only have our costs gone up, but so has the number of sources needed for a single project. It is definitely harder to manage the continued piling on of regulatory processes that multiple funding sources create. These days we have to have increasingly sophisticated expertise on staff. The opportunities for error multiply with the increasing amount of regulation.

Q: What are the biggest challenges facing the affordable housing industry in 2009?

We face diminishing resources in a time of increasing need. There are great opportunities for future developments, but they will require a layer cake of resources. I am worried about private sector support in the year ahead. The instability of the financial community, especially recently, will endanger equity investment; 2009 is likely to go down in the history books as a low point of financial feasibility.

The recently enacted federal legislation, H.R. 3221, will help some individuals and contribute to neighborhood stabilization. The elements of the bill that reform the low-income housing tax credits are a good use of crisis to fix some longstanding problems. However, the financial meltdown may offset the modest gains of fixing the tax credit program. We are in for a rough couple of years.

Q: What is one of your favorite housing developments?

That is really a ‘Sophie’s Choice’! I love all my children. But if you insist, the one that comes to mind is not the biggest, nor the sexiest nor the most significant architecturally—it’s the Acorn development in West Oakland. We took over when it was a HUD project in foreclosure. It was an incredible experience working with the residents to turn their community around. We were part of a process that, over time, led to the creation of over a thousand homes and changed the future for the neighborhood.

Congratulations to Carol Galante for being named this year’s *Multi-Family Housing Executive of the Year*!



SAVE THE DATE

Get out those 2009 calendars!

TNDC’s 28th Anniversary Dinner will be held on Tuesday, May 12th at the Hilton Hotel in San Francisco.

Additional details to follow.

COMING SOON

Coming Soon

SAVE-THE-DATE

NPH will be hosting our 30th Anniversary Gala on Thursday, April 30th!

Julia Morgan Ballroom
The Merchants Exchange Building
465 California Street, San Francisco

It's sure to be a night of networking, fun and celebration—so don't miss it!



THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

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