

The statewide coalition of nonprofit housing developers, homeless services organizations, and other affordable-home advocates.



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June 23, 2008

The Honorable Joe Coto  
Assembly District 23  
State Capitol, Room 2013  
Sacramento, CA 95814

**RE: AB 2097**

Dear Assemblymember Coto:

After weighing the important need in our communities to provide more affordable homes for those who are extremely low-income, Housing California is willing to remove our opposition and move to a support if amended position on your AB 2097, which would allow up to 5 percent of the 20 percent set-aside for the Low and Moderate Income Housing Fund to be used for supportive services tied to the construction of new permanent supportive housing.

Housing California represents more than 1,000 nonprofit developers and service providers throughout California, so we understand how vital supportive services are as a component in developing permanent supportive homes. However, we do have some concerns about the use of resources from the Low and Moderate Income Housing Fund for non-capital uses, since we would not want a precedence to develop that could result in this important generator of affordable homes being tapped for other uses at the expense of affordable home production.

We would be willing to support AB 2097 if the following amendments were put into place to safeguard and ensure the funds would be used for the proper intentions:

- 1) Allow the money used for services to be capitalized over five years (to make it more sustainable), and make the services money eligible for renewal for as long as the redevelopment area is in effect.
- 2) Only allow this use if the city has a current, valid, housing element.

- 3) Only allow for the funds to be used for on-site services within the development.
- 4) An explicit requirement that the redevelopment agency must also be putting money towards funding the capital costs of the development, to ensure that the money for services is tied to capital investment from the redevelopment agency and is not being giving out as grants to developments the redevelopment agency is not funding.
- 5) A review of the services plan is required to demonstrate accountability that the services funded are adequate and appropriate.
- 6) Only allow the funding of services if the redevelopment agency is funding the Low and Moderate Income Housing Fund at a level that is 5 % above what the redevelopment agency is required to do by law. Redevelopment agencies can do this to demonstrate their commitment to the creation of affordable homes.

Services are integral in the development of permanent supportive homes, and are also one of the most difficult pieces of funding for supportive home developers to obtain. We want to work with you to ensure that permitting the use of any Low and Moderate Income Housing Fund resources is done in such a way that it prevents the raiding of this resource for other non-housing related uses in the future. We believe our proposed amendments listed above would help to ensure that communities using their Low and Moderate Income Housing Fund for services are fully committed to providing more permanent affordable homes for the neediest in our communities. Thank you for your attention to this important issue.

Sincerely,

Zack Olmstead  
Homeless Policy Director

cc: Senator Alan Lowenthal, Chair, Senate Transportation and Housing Committee  
Senator Tom McClintock, Vice-Chair, Senate Transportation and Housing Committee  
Senator Roy Ashburn  
Senator Gil Cedillo  
Senator Ellen Corbett  
Senator Bob Dutton  
Senator Tom Harman  
Senator Christine Kehoe  
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Senator Tom Torlakson  
Senator Leland Yee  
Carrie Cornwell, Senate Transportation and Housing Committee