



INFORMATIONAL REPORT

DATE ISSUED: November 17, 2006
REPORT NO: HCR06-97
SUBJECT: **Proposition 46 - Summary of Activity**

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

This report summarizes expenditure of Proposition 46 state housing bond proceeds through September, 2006. In total, the San Diego region received over \$118 million in Proposition 46 revenues. These funds leveraged more than \$345 million to create 2,442 apartment homes and shelter beds, of which, 1,563 were provided within the City of San Diego. Additionally, Proposition 46 funds assisted over 1,500 first-time home buyers throughout the County.

BACKGROUND

In November 2002, the Housing and Emergency Shelter Trust Fund Act (Proposition 46) was passed by voters. This \$2.1 billion state bond measure provided funding for the construction, rehabilitation and preservation of affordable rental housing, emergency shelters and homeless facilities, as well as first time homebuyer assistance to low and moderate income households.

Proposition 46 funds are allocated to existing and new state programs over a three to five year period and are distributed through two state agencies: California Department of Housing and Community Development (HCD) and California Housing Finance Agency (Cal HFA). Award monies are typically made available to local public agencies, nonprofit and for-profit housing developers, and service providers through competitive grants, Notices of Funding Availability, direct applications, and loans.

The revenues provide assistance with a number of affordable housing needs including but not limited to; construction of rental housing, emergency shelters, and permanent housing with services for homeless seniors, battered women, persons with mental illness, and veterans. Attachment 1 provides a comprehensive list of Proposition 46 housing programs along with total funds allocated to each.

DISCUSSION

As of September 2006, over \$1.5 billion (75 percent of the \$2.1 billion bond) has been committed by HCD and CalHFA (see attachment 1), while the remaining dollars are expected to be allocated over the next 14 to 16 months. These funds have been used toward the creation, rehabilitation and purchase of 97,000 units. Regionally, San Diego County has received over \$118 million (7.9% of the statewide



allocation). Of the \$118 million, over \$66.7 million (4.4% of the statewide allocation) was received by the City of San Diego and was used to leverage over \$215 million. Therefore, every \$1 provided through Proposition 46, brought \$2.93 to the regional economy. It should be noted that San Diego is not eligible for certain programs such as farm worker housing that are included in the state award numbers.

A comprehensive listing of Proposition 46 awards to the San Diego Region, along with city-wide totals is provided as Attachment 2. The following summary highlights programs and activities specific to the City of San Diego.

- \$48.7 million was dispersed through HCD's Multifamily Housing Program (MHP) and used toward the construction of 829 affordable apartments or rental homes throughout the City. The MHP program is designed to assist in new construction, rehabilitation and preservation of permanent and transitional rental housing for low and very low income households.
- The San Diego Housing Commission was the only agency in San Diego County to receive a \$2 million matching grant for jurisdictions with a Local Housing Trust Fund. This allocation funded three transitional housing projects (two totaling 38 units and one totaling 112 beds) and leveraged approximately \$13.6 million.
- SDHC received \$500,000 in Exterior Accessibility Grants for Renters (EAGR) funds. Through this program, which serves lower income tenants with disabilities, 16 rental projects totaling 127 residential units have been made accessible and approximately \$840,000 has been leveraged. All funds have either been expended or committed.
- SDHC received \$2 million in CalHOME funds for first time home buyer assistance. A little over \$1 million has been committed to fund 13 loans. These loans leveraged over \$3 million in private financing and \$175,000 in state and federal funds to purchase over \$4 million in residential real estate for first time home buyers. In addition, Community Housing Works received \$2.25 million in CalHOME funds to assist 78 low income home buyers throughout the City and County.
- Over \$6.3 million was made available to San Diego City recipients through Cal HFA loans to conventional lenders. These loans contributed to the purchase of over 740 first time homes.
- \$4.4 million in Emergency Housing and Assistance Program (EHAP) funds was granted to entities within the City to rehabilitate 540 transitional housing beds and to create 170 new transitional housing beds.

Proposition 46 Summary by Activity Type		
Activity Type	Citywide totals	Regional Totals (includes City of SD totals)
Affordable housing- new construction (units)	829	1,463
Shelter/Transitional Housing (new beds)	170	403
Transitional Housing (new units)	24	36
Transitional Housing (rehab)	540	540
Accessibility enhancements	127	177
First-time homebuyers	91	192
CalHFA Programs	746	1,370
Total Funds	\$66.7 million	\$118 million

CONCLUSION

Proposition 46 has been a critical source of local funding over the past four years and has augmented the market with a variety of housing choices. Over 4,000 low-income San Diegan’s have benefited from the success of this bond measure through services such as; emergency shelter, affordable rental opportunities, transitional housing, residential rehabilitation, or help purchasing their first home. Although San Diego County’s population approximates eight percent of the state population, the region has received its fair share of funds (7.9% of the statewide allocation). Likewise, City of San Diego population equals three and half percent of the state, yet San Diego benefited from over four percent of the bond proceeds.

Proposition 46 funds are slated to be spent by the end of the 2007 calendar year. The state is seeking replacement of these funds through Proposition 1C, a bond measure included in the November 2006 ballot. If passed, this measure authorizes the state to sell \$2.85 billion of general obligation bonds to fund 13 new and existing housing and development programs (see attachment 1 for list of existing programs). Of the \$2.85 billion, \$1.5 billion would replenish Proposition 46 housing related programs and create new pilot programs. The remaining \$1.35 billion would fund non-Proposition 46 programs through loans and grants for housing related infrastructure such as parks, water, sewer, and transportation. Regardless of the outcome, a statewide coalition of lenders, developers, housing advocates, business and citizens will continue to launch a statewide campaign to create a permanent, dedicated source of funding at the state level.

Respectfully submitted,

**Signature on File
 With Original Document** Approved by,

D. Todd Philips
 Director of Policy and Public Affairs

Elizabeth C. Morris
 President & Chief Executive Officer

Attachment(s):

1. Proposition 46 Housing Programs (as of September 30, 2006)
2. Cumulative Proposition 46 Awards for the San Diego Region (as of July 1, 2006)
3. CalHFA Program Statistics (as of July 31, 2006)

Proposition 46 Housing Programs			
As of September 30, 2006			
Department of Housing and Community Development (HCD) Programs			
	<u>Description</u>	<u>Web Page</u>	<u>Total funds allocated</u>
<u>Rental Programs</u>			
Multifamily Housing Program (MHP) - General	Low-interest loans for development of affordable rental housing.	www.hcd.ca.gov/fa/mhp/	\$656,000,000
Multifamily Housing Program (MHP) - Supportive Housing	MHP funds reserved for development of units for disabled populations that are homeless or at risk of homelessness.	www.hcd.ca.gov/fa/mhp/	\$170,000,000
Multifamily Housing Program (MHP)- Student Housing	MHP funds reserved for development of units for low-income university students	www.hcd.ca.gov/ca/mhp/	\$15,000,000
Local Housing Trust Fund Program	Matching grants to local agencies who operate local housing trust funds.	www.hcd.ca.gov/ca/lhtf/	\$24,000,000
Preservation Interim Repositioning Program	Short term loan to one organization for preservation of "at-risk" subsidized developments.	www.hcd.ca.gov/ca/pirp/	\$4,800,000
Exterior Accessibility Grants for Renters	Grants by HCD to local agencies to fund accessibility improvements for disabled renters	www.hcd.ca.gov/ca/eagr/	\$4,750,000
Multifamily Housing Program (MHP) - Services Space	MHP funds reserved for development of space for health and social services connected to MHP projects. Available with MHP General funds.	www.hcd.ca.gov/fa/mhp/	\$20,000,000
Subtotal Rental:			\$894,550,000

Homeownership Programs

CalHome	Grants and loans by HCD to local public agencies and nonprofits to fund local homeownership programs and developments.	www.hcd.ca.gov/fa/calhome/	\$96,000,000
Building Equity and Growth in Neighborhoods (BEGIN)	Grants by HCD to local public agencies that adopt measures to encourage affordable housing. Grant funds must be used for downpayment assistance for low and moderate income homebuyers.	www.hcd.ca.gov/fa/begin/	\$66,000,000
*If funding remains available			
CalHome Self-Help Housing Technical Assistance Allocation	Grants to organizations to assist low and moderate income households who build their own homes.	www.hcd.ca.gov/fa/cshhp/	\$9,500,000
Subtotal Homeownership:			\$171,500,000

	<u>Description</u>	<u>Web Page</u>	<u>Total funds allocated</u>
Farmworker Housing			
Joe Serna Jr. Farmworker Housing Grant Program (JSJFWHG)	Grants and loans for development of homeownership housing.	www.hcd.ca.gov/fawfhg/	\$102,000,000
Joe Serna Jr. Farmworker Housing Grant Program (JSJFWHG)- Housing w/Health Services	JSJFWHG funds reserved for housing with health services for farmworkers.	www.hcd.ca.gov/fawfhg/	\$17,500,000
Joe Serna Jr. Farmworker Housing Grant Program (JSJFWHG) - Migrant Housing	JSJFWHG funds reserved for development of housing for migrant farmworkers.	www.hcd.ca.gov/fawfhg/	\$12,500,000
Subtotal Farmworker:			\$132,000,000

Other HCD Programs

Emergency Housing and Assistance Program Capital Development (EHAPCD)	Deferred development loans for rehabilitation, acquisition and/or new construction of emergency shelters and transitional housing facilities (including qualified safe havens) for the homeless (no operating subsidy authorized).	www.hcd.ca.gov/fawfhg/ehap/ehap-capdev.html	\$120,000,000
Code Enforcement Incentive Program	Grants for capital expenditures for local code enforcement department	www.hcd.ca.gov/codes/	\$4,750,000
Jobs Housing Balance Incentive Grant Program	Grants to local governments that approve increased housing production	www.hcd.ca.gov/codes/jhbig/	\$25,000,000
Workforce Housing Reward Program (WFH)	Grants to cities and counties that approve new housing units affordable to very low- or low-income households. Note: Program Year runs for the 12 month calendar year and applications are released at the end of each Program Year.	www.hcd.ca.gov/fawfhg/whrp/	\$46,000,000
Subtotal Other:			\$195,750,000

	<u>Description</u>	<u>Web Page</u>	<u>Total funds allocated</u>
California Housing Finance Agency (CAIHFA) Programs			
California Homebuyer's Downpayment Assistance Program (CHDAP)	Deferred 3% downpayment assistance loans for first-time moderate income homebuyers.	www.calhfa.ca.gov	\$101,000,000
Homeownership In Revitalization Areas Program (HIRAP)	Deferred downpayment assistance, not to exceed 6% of the sales price, targeted to first-time low income homebuyers purchasing in revitalization areas.	www.calhfa.ca.gov	\$5,800,000
School Facility Fee Downpayment Assistance Program	Downpayment assistance grants for homebuyers of newly constructed homes.	www.calhfa.ca.gov	\$12,000,000
Mortgage Insurance	Mortgage Insurance for home mortgages.	www.calhfa.ca.gov	\$9,000,000
Extra Credit Teacher Home Purchase Program (Extra Credit Teacher Program)	Provides downpayment assistance the greater of 3% of the sales price or \$7,500 (3% or \$15,000 in high cost counties) to eligible teachers, administrators, credentialed staff and certified employees.	www.calhfa.ca.gov	\$11,500,000
Preservation Acquisition Program	Financing to preserve "at risk" government assisted rental developments for low to very low income occupants.	www.calhfa.ca.gov	\$10,000,000
Subtotal CalHFA:			\$149,300,000

Total CalHFA and HCD Program funding by Prop 46:	\$1,543,100,000
	\$2,100,000,000
Total Funds left to be allocated:	(\$556,900,000)

**Cumulative Proposition 46 Awards for San Diego Region
Disbursements by HCD**

Attachment 2

Total Projected Production						
No. of Awards	Location	Agency/Project Name	Award Date	Amount of Awards	Total Units	Type of Activity
CalHome Program						
2	Oceanside	City of Oceanside	Feb-04, Feb-06	\$1,000,000	15	First-Time Homebuyer
1	El Cajon	City of El Cajon	Feb-04	\$500,000	21	First-Time Homebuyer
1	San Marcos	City of San Marcos	Feb-04	\$500,000	25	First-Time Homebuyer
1	County	County of San Diego	Feb-04	\$1,000,000	15	First-Time Homebuyer
1	Santee	City of Santee	Feb-04	\$300,000	12	First-Time Homebuyer
1	Vista	City of Vista	Dec-04	\$500,000	13	First-Time Homebuyer
2	San Diego	City of San Diego	Feb-04, Dec-04	\$2,000,000	13	First-Time Homebuyer
3	San Diego	San Diego NHS (San Diego)	Feb-04, Dec-04, Feb-06	\$2,250,000	78	First-Time Homebuyer
Sub-total City of San Diego				\$4,250,000	91	
12	TOTALS:			\$8,050,000	192	
Code Enforcement Grant Program						
1	National City	City of National City	Jun-03	\$300,000		Capital Expenditures
Sub-total City of San Diego				\$0		
1	TOTALS:			\$300,000		
Exterior Accessibility Grants for Renters						
1	Chula Vista	City of Chula Vista	Feb-04	\$250,000	50	Ext. Accessibility Improvements
1	San Diego	San Diego Housing Commission	Feb-04	\$500,000	127	Ext. Accessibility Improvements
Sub-total City of San Diego				\$500,000	127	
2	TOTALS:			\$750,000	177	
Emergency Housing and Assistance Program Capital Development - Bond Funds						
1	Vista	North County Solutions for Change, Inc.	Jun-03	\$496,086	100	Shelter construction
1	Vista	North County Solutions for Change, Inc.	Jun-05	\$924,850	40	Transitional Housing-New Construction
1	Escondido	North County Serenity House, Inc	Jun-05	\$998,793	12	Transitional Housing-New Construction
1	Chula Vista	South Bay Community Services	Jun-03	\$388,809	93	Emergency Shelter Transitional Housing-

**Cumulative Proposition 46 Awards for San Diego Region
Disbursements by HCD**

Total Projected Production						
No. of Awards	Location	Agency/Project Name	Award Date	Amount of Awards	Total Units	Type of Activity
1	San Diego	S.V.D.P. Management, Inc. (San Diego)	Jun-03	\$499,862	150	Transitional Housing-Rehabilitation
1	San Diego	S.V.D.P. Management, Inc. (San Diego)	Jun-03	\$443,194	350	Transitional Housing-Rehabilitation
1	San Diego	San Diego Rescue Mission, Inc. (San Diego)	Jun-03	\$500,000	40	Transitional Housing-Rehabilitation
2	San Diego	Vietnam Veterans of San Diego (San Diego)	Jun-04, Jun-	\$2,000,000	115	Transitional Housing-New Construction
1	San Diego	YWCA of San Diego County (San Diego)	Jun-04	\$1,000,000	55	Transitional Housing-New Construction
Sub-total City of San Diego				\$4,443,056	710	
10	TOTALS:			\$7,251,594	955	
Jobs Housing Balance Program						
1	Chula Vista	City of Chula Vista	Jun-03	\$1,662,831		Accessibility, Neighborhood Improvement,
1	La Mesa	City of La Mesa	Jun-03	\$28,493		Downtown Improvement, Public Facilities
1	National City	City of National City	Jun-03	\$34,191		Accessibility, Parks and Rec.
1	Oceanside	City of Oceanside	Jun-03	\$172,096		Parks and Rec., Public Facilities
1	San Marcos	City of San Marcos	Jun-03	\$572,132		Parks and Rec., Public Facilities
1	Vista	City of Vista	Jun-03	\$67,243		Downtown Improvements
Sub-total City of San Diego				\$0		
6	TOTALS:			\$2,536,986		
Local Housing Trust Fund Program						
1	San Diego	Sunburst Apartments- The Centre	Feb-04	\$437,000	24	Transitional Housing-New Construction
1	San Diego	Becky's House II- YWCA	Feb-04	\$843,000	14	Transitional Housing-New Construction
1	San Diego	Veterans Village- VVSD	Feb-04	\$720,000	112	Transitional Housing-New Construction
Sub-total City of San Diego				\$2,000,000	24	(LHTP total does not include Becky's House or Veterans Village. Those units are reflected in EHAP totals)
3	TOTALS:			\$2,000,000	24	
Multifamily Housing Program						
1	San Marcos	Bridge Housing-Copper Creek Apartments	Jun-03	\$7,000,000	156	New Construction
1	San Marcos	SoCal Housing Development Corp-Melrose Villas	Jun-04	\$6,382,879	114	New Construction
1	San Marcos	Bridge Housing-Sage Canyone Apartments	Feb-05	\$5,112,808	72	New Construction

**Cumulative Proposition 46 Awards for San Diego Region
Disbursements by HCD**

Total Projected Production						
No. of Awards	Location	Agency/Project Name	Award Date	Amount of Awards	Total Units	Type of Activity
1	Carlsbad	Chelsea Investment Corp.-Hunters Pointe	Feb-06	\$10,000,000	168	New Construction
1	Oceanside	SoCal Housing Development Corp-La Mission Village	Feb-06	\$4,151,008	80	New Construction
1	Fallbrook	SADI,LLC- Springbrook Grove	Jul-06	\$4,034,974	44	New Construction
1	San Diego	Chelsea Investment Corp.- Rancho del Norte Apt.	Jun-03	\$5,928,222	119	New Construction
1	San Diego	Chelsea Investment Corp.-The Crossings	Feb-04	\$6,673,514	108	New Construction
1	San Diego	Chelsea Investment Corp.-Fairbanks Ridge at Del Sur	Jun-04	\$10,000,000	204	New Construction
1	San Diego	S.V.D.P. Management-Boulevard Apartments	Feb-06	\$2,081,535	24	New Construction
1	San Diego	Townspople-51st Steet Project	Feb-06	\$1,554,327	24	New Construction
1	San Diego	S.V.D.P. Management & Chelsea-16th & Market	Jul-06	\$10,000,000	136	New Construction
1	San Diego	Wakeland Housing- Del Sol Apartments	Jul-06	\$5,445,169	91	New Construction
1	San Diego	SoCal Housing Development Corp.-Vista Terraza	Feb-05	\$7,000,302	123	New Construction
Sub-total City of San Diego				\$48,683,069	829	
14	TOTALS:			\$85,364,738	1,463	
Workforce Housing Reward Program						
1	Escondido	City of Escondido	Jul-06	\$36,000		
1	San Marcos	City of San Marcos	Jul-06	\$478,207		
Sub-total City of San Diego				\$514,207		
2	TOTALS:			\$514,207		
Sub-total City of San Diego (HCD)				\$60,390,332	1781	
Total for Region (HCD)				\$106,767,525	2811	
Sub-total for the City of San Diego (CalHFA- see attachment 3)				\$6,330,006	746	
Sub-total for the County of San Diego (CalHFA-see attachment 3)				\$11,384,780	1370	
Total Citywide Allocation (HCD&CalHFA)				\$66,720,338	2527	
Total Regional Allocation (HCD&CalHFA)				\$118,152,305	4181	

California Housing Finance Agency (CALHFA) Program Statistics through July 31, 2006								
Program		SD County Homes		SD City Homes		Statewide Homes		Percent to San Diego County
		Units	Dollars Awarded	Units	Dollars Awarded	Units	Dollars Awarded	
CHDAP	California Homebuyer's Downpayment Assistance Program (CHDAP)	1,208	\$9,518,807	664	\$5,199,149	12,571	\$92,621,180	10.3%
ECTP	Extra Credit Teacher Home Purchase Program (Extra Credit Teacher Program)	99	\$1,278,446	68	\$929,439	957	\$10,990,055	11.6%
HIRAP	Homeownership In Revitalization Areas Program (HIRAP)	10	\$169,860	12	\$195,336	313	\$5,236,543	3.2%
MI	Mortgage Insurance	12	\$257,299			528	\$9,207,882	2.8%
SFFDAP	School Facility Fee Downpayment Assistance Program	41	\$160,368	2	\$6,082	3,450	\$12,316,406	1.3%
POP	Preservation Opportunity Program					474	\$11,914,000	0.0%
Totals:		1,370	\$11,384,780	746	\$6,330,006	18,293	\$142,286,066	8.0%

* Please note- SD County totals include SD City totals