

[Date]

[Director]
[Redevelopment Agency]
[Address]

[Mayor]
[Address]

[City Manager]
[Address]

Re: Use of Low and Moderate Income Housing Fund and Neighborhood Stabilization Program Funds

Dear [Redevelopment Agency, Mayor, and City Manager],

We are writing regarding [jurisdiction's] use of its Low and Moderate Income Housing Fund (LMI) and Neighborhood Stabilization Program (NSP) funds. [Provide brief description of your organization.] As advocates for low-income families, we are interested in supporting efforts that will increase the supply of affordable housing in the communities we serve.

We have learned that [jurisdiction] has been awarded \$[amount] in NSP funds. We also know that the redevelopment agency has reported significant amounts of unencumbered LMI Housing funds. These two pots of money have many similarities. Both must be obligated or spent within a particular timeframe, or [jurisdiction] risks recapture of the funds and other penalties. Both must also be targeted to low and moderate income households and require affordability restrictions on the homes assisted. We support efforts to combine these funds to maximize affordable housing development to help ensure that [jurisdiction] uses its LMI and NSP funds in a timely fashion.

We would also like to talk with you about how to leverage these funds to best meet the unmet need for affordable housing in our community. We are interested in the number and types of units that you are planning to develop, the proposed location of the units, and the income levels that you are targeting. We want to know when the plans for these funds will be made publicly available, and how we and members of the public may stay informed about the use of these funds, such as through the quarterly website reports mandated by HUD for all NSP recipients.

[Here would be a good place to recommend particular activities, targeted geographic areas, and/or household types to target and to provide your reasons why. For example, a jurisdiction could use NSP and LMI Housing funds to acquire and assemble foreclosed home sites into a scattered site development project that a local non-profit can rehabilitate to create multi-family housing. Be creative about the types of projects you can imagine, consider the highest needs in your community. You may want to consult with affordable housing developers in your community to make a pitch for a particular type of financing or subsidy level.]

Thank you for your attention to our concerns. Please send a written response to this letter at [insert address], or you may reach me at [insert phone number].

Sincerely,

	<u>Low and Moderate Income Housing Fund (LMI Housing Fund)</u>	<u>Neighborhood Stabilization Program (NSP I)</u>
<u>Source</u>	California Health and Safety Code 33334.2 et seq.	Title III of Division B of the Federal Housing and Economic Recovery Act of 2008
<u>Program Description & Purposes</u>	To increase, improve, and preserve housing for low- and moderate-income households	To redevelop abandoned and foreclosed homes and residential properties
<u>Eligible Expenditures</u>	<p>Rehabilitate, construct, and/or acquire real property or building sites</p> <p>Donate real property</p> <p>Finance insurance premiums</p> <p>Subsidies for LMI households who cannot otherwise obtain them</p> <p>Preservation of mobile homes</p> <p>Preservation of affordability with expiring affordability restrictions</p> <p>Develop plans, pay principal and interest on bonds, loans, advances or other indebtedness; pay financing or carrying charges</p>	<p>Acquire and/or rehabilitate abandoned or foreclosed properties</p> <p>Redevelop demolished or vacant properties</p> <p>Demolish blighted structures</p> <p>Financial mechanisms to purchase and redevelopment foreclosed homes, such as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers</p> <p>Land banking foreclosed homes</p>
<u>Property Types</u>	New construction or substantially rehabilitated housing units; existing homes with no or expiring affordability	Existing properties, including abandoned or foreclosed properties; blighted structures; demolished or vacant properties
<u>Affordability Requirements</u>	For longest feasible time, but not less than 55 years for rental, 45 years for homeownership	To the maximum practicable and for the longest feasible term
<u>Income Targets</u>	Households at or below 120% of AMI	Households at or below 120% of AMI
<u>Must be spent within</u>	Six years of deposit (and within two of becoming excess surplus)	<p>At least 25% funds must be for households at or below 50% of AMI</p> <p>Funds must be obligated to specific activities with 18 months of HUD grant agreement (Many jurisdictions signed in March 2009, so funds must be obligated by Sept 2010)</p> <p>Funds must be spent within 4 years</p>
<u>Other Restrictions</u>	Limited use for planning and administration and on and offsite improvements (such as access roads)	May not be used for foreclosure prevention, or to purchase homes not abandoned or foreclosed

Jurisdictions by County with NSP awards and unspent LMI Funds

County	Agency	FY 2007/08	FY 2007/08	NSP1 through HUD	NSP1 through CA
		Excess Surplus	Unencumbered Undesignated		
Alameda	Oakland		\$2,682,200	\$8,250,668	
Los Angeles	Downey	\$1,752,747			\$695,825
Los Angeles	Inglewood	\$2,639,937			\$1,394,613
Los Angeles	Lakewood	\$1,142,414			\$479,587
Los Angeles	Lynwood	\$3,700,937			\$916,161
Los Angeles	Long Beach		\$40,408,259	\$5,070,310	
Los Angeles	Pomona		\$17,674,496	\$3,530,825	
Merced	Atwater	\$3,132,666			\$1,040,331
Orange	Buena Park		\$14,039,341		\$589,009
Orange	Orange County		\$19,675,328	\$3,285,926	
Orange	Westminster		\$14,474,500		\$340,641
Placer	Lincoln	\$2,047,376			\$667,852
Placer	Placer County	\$3,439,989			\$872,923
Riverside	Coachella	\$7,500,981	\$12,878,918		\$974,583
San Bernardino	Hesperia		\$78,180,666	\$4,590,719	
San Bernardino	Redlands		\$9,261,576		\$672,313
San Bernardino	Upland	\$2,097,937			\$560,366
San Diego	San Diego City		\$103,161,387	\$9,442,370	
San Diego	San Marcos		\$59,756,502		\$493,090
Stanislaus	Modesto	\$1,887,042		\$8,109,274	
Tulare	Lindsay RDA	\$1,464,543			\$119,401
Ventura	Camarillo	\$9,326,487	\$13,135,941		\$237,326