

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**OFFICE OF THE DIRECTOR**

1800 Third Street, Room 450

Sacramento, CA 95811

www.hcd.ca.gov

(916) 445-4775 / Fax (916) 324-5107



February 1, 2011

MEMORANDUM FOR: Interested Parties**FROM:**

Cathy E. Creswell
Cathy E. Creswell, Acting Director
Department of Housing and Community Development

SUBJECT: **Status of General Obligation Bond-Funded Programs**

The Department of Housing and Community Development (Department) has received a number of inquiries regarding Governor Brown's proposed budget and the status of General Obligation bond-funded programs (Proposition 46 and 1C). The following describes how the Department's programs will be affected through the current and upcoming fiscal year.

While the Governor recognizes the important role of housing in our economy and quality of life, the budget proposes a "pause" of bond issuances. The pause will allow the Administration to evaluate its priorities and capacity for bond spending in the coming years comprehensively. The Department understands the Administration is reviewing all bond programs now and within the coming months the pause for housing may be addressed.

Until then, at the Administration's direction, the Department must hold its bond debts at current levels. As a result, the Department regrettably must cancel all open and unawarded Notices of Funding Availability (NOFAs) for Proposition 46 and 1C. In addition, the Department will not be offering further NOFAs until the pause is lifted. Affected NOFAs are:

- MHP – Multifamily Housing Program
- MHP-SH - Multifamily Housing Program Supportive Housing Component
- HY - Homeless Youth
- GHI - Governor's Homeless Initiative
- CalHome Development Project Loan
- Housing Related Parks

There will be **no changes for projects that have already received an award.** Previous awards that are awaiting disbursements are not affected by the pause, as the cash received by the Department from previous bond sales is sufficient to cover bond commitments. The Department will continue to support the awards already issued.

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The proposed pause responds to the State's serious fiscal crisis. This action is necessary despite Governor Brown's commitment to promoting safe and affordable housing for all Californians. The Department recognizes the impact of cancelling open and unawarded NOFAs and commits to making additional housing resources available at the earliest opportunity. The Department also commits to redoubling its efforts to effectively and efficiently close all current awards and look for other opportunities to maximize efficiencies and partnerships to address California's housing needs. The Governor recognizes the critical role housing plays in strengthening the economy, improving the environment and addressing climate change objectives. For any questions regarding the status of an award, please contact Chris Westlake at (916) 322-1560.