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**FOR IMMEDIATE RELEASE****Date:** January 17, 2012**Contact:** Colin Parent

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\$23.2 Million Award for Development and Preservation of Affordable Housing**

Sacramento – Today the Department of Housing and Community Development (HCD) awarded a \$23,250,000 loan as seed capital to implement the Golden State Acquisition Fund to finance affordable housing.

The loan was awarded to a consortium of four non-profit community development financial institutions. The Golden State Acquisition Fund (GSAF) will be a property acquisition financing vehicle, managed by the nonprofit consortium. The GSAF will make loans to housing developers to acquire real property for the development and preservation of affordable housing.

The consortium will leverage the GSAF funds by 3:1, creating a pool of up to \$93,000,000. \$23,500,000 represent state funds from HCD and the remainder will be provided by the consortium and private investors.

“This award will provide many Californian’s with affordable housing, including homeownership,” said Acting HCD Director, Cathy E. Creswell. “The need for homes affordable to lower income families and workers remains high and the GSAF provides much needed capital to a consortium of some of California’s most experienced community development organizations”.

Loans from the GSAF will be made at favorable, below-market-rate terms, providing access to much-needed acquisition capital for affordable housing developers. The project loans will be available statewide, and will serve urban and rural communities. Loans will lead to the development of both rental housing and homeownership opportunities for low-income California households.

The GSAF will serve as a revolving loan pool – the \$93 million may be loaned out, repaid, and loaned out again. Loan terms for affordable housing developers will average about 3 years, and when repaid, the funds will be available for new projects.

The consortium members include four community development financial institutions:

- Low Income Investment Fund
- Rural Communities Assistance Corporation
- Enterprise Community Loan Fund
- Century Housing

The \$23,000,000 award is a loan from HCD to the consortium at 0% interest, with a 5-year term. The loan to the nonprofit consortium is renewable in 5 year increments. The consortium will loan these funds to finance affordable housing at below-market-rates.

Nancy O. Andrews, President and CEO of the Low Income Investment Fund (LIIF), said: "The announcement of the \$23.2 million award from the Department of Housing and Community Development is welcome news for the affordable housing industry at a difficult time. Our consortium of leading nonprofit community development financial institutions (CDFIs), comprised of Century Housing, Enterprise Community Loan Fund, Low Income Investment Fund and Rural Communities Assistance Corporation, is looking forward to working together to implement the Golden State Acquisition Fund . We believe the GSAF will help to fill a gap in financing for the development of affordable housing in California."

The consortium will provide leveraged capital to the GSAF in excess of the 3:1 ratio that was required in the request for proposals. To be awarded the loan, the applicants had to demonstrate local government support, organizational ability, and a track record of financing affordable housing.

Funds provided by HCD are from Proposition 1C, the \$2.85 billion Housing and Emergency Shelter Trust Fund Act passed by California voters in 2006. Prop. 1C created a \$100 million Affordable Housing Innovation Fund, from which HCD is now awarding funds to create the Golden State Acquisition Fund.

HCD provides leadership, policies, and programs to preserve and expand safe and affordable housing opportunities and promote strong communities for all Californians. The Department also supports increasing the supply of housing, especially affordable housing and works to improve the state's housing conditions and the health and safety of its residents. HCD is California's lead housing department, and is part of the state Business, Transportation and Housing Agency.

A fact sheet on the consortium and the award is attached.

For further information, please contact: cparent@hcd.ca.gov

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Golden State Acquisition Fund – Fact Sheet

Background of Award

Four nonprofit Community Development Financial Institutions will implement the California Golden State Acquisition Fund.

The consortium will leverage the GSAF Fund by 3:1, creating a pool of up to \$93,000,000 in capital to finance affordable housing, seeded by a \$23,250,000 loan from the California Department of Housing and Community Development.

Funds provided by HCD are from Proposition 1C, the \$2.85 billion Housing and Emergency Shelter Trust Fund Act passed by California voters in 2006. Prop. 1C created a \$100 million Affordable Housing Innovation Fund, from which HCD is now awarding funds to implement the Golden State Acquisition Fund.

Background of Consortium Awardees

Enterprise Community Loan Fund: As a U.S. Treasury Department-certified Community Development Financial Institution (CDFI), the Enterprise Community Loan Fund is one of the largest nonprofit loan funds in the country. Since 1982, Enterprise Community Loan Fund has loaned more than \$1.2 billion in low-income communities and helped build or renovate nearly 100,000 affordable homes nationwide. The Loan Fund also leverages financial, technical and policy resources from across all of Enterprise's leading entities that bring specialized expertise and innovative financing structures to support its borrowers' community development goals. Enterprise Community Loan Fund is a member of the Opportunity Finance Network and a CARS rated CDFI. www.EnterpriseCommunity.com.

Century Housing is a leader in the origination of pre-development, acquisition, bridge, and construction financing for affordable housing throughout California and has assisted in the development of more than 15,000 safe, decent and affordable homes and apartments. <http://www.centuryhousing.org>.

RCAC provides a wide range of community development services for rural Native American communities, agricultural workers and community-based organizations in 13 Western states. Founded in 1978, RCAC has strong core services and expertise in housing, environmental infrastructure (water, wastewater and solid waste), leadership training, economic development and financing. To find out more about RCAC's services, visit www.rcac.org.

The Low Income Investment Fund (LIIF) invests capital to support healthy families and communities. Since 1984, LIIF has served one million people by providing \$1 billion in financing and technical assistance. Over its history, LIIF has supported efforts to create and preserve: 56,000 units of affordable housing; 180,000 child care spaces; 56,000 spaces in schools; and 3.5 million square feet of community facilities and commercial space. LIIF's work has generated \$21 billion in family income and societal benefits. LIIF has offices in San Francisco, Los Angeles, New York City and Washington, D.C. For more information about LIIF, visit www.liifund.org.