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**The California Department of Housing and Community Development Announces Full
Deployment of Golden State Acquisition Fund**

***Program Partners Provide \$105 Million in Critical Early-Stage Capital for State's Affordable
and Senior Housing Developers***

Sacramento – The Golden State Acquisition Fund (GSAF) has deployed \$105 million for the creation and preservation of affordable and senior housing throughout California, just over a year after its launch. The GSAF loans have supported 18 projects across the state and created or preserved more than 1,490 housing units. GSAF was established with \$23 million in seed funding from the California Department of Housing and Community Development (HCD), and has leveraged this money into a \$93 million revolving pool of capital. These funds were made available through the Housing and Emergency Shelter Trust Fund Act of 2006, also known as Proposition 1C.

“A portion of the funds from Proposition 1C was set aside for innovative programs exactly like this one,” said Randall Deems, Acting Director of HCD. “The Golden State Acquisition Fund demonstrates the benefits of partnership in innovation. It’s a model that works creatively and quickly, which is a great combination.”

The State funds are combined with private capital from a consortium of seven nonprofit community development financial institutions. The consortium partners include Century Housing Corporation, Corporation for Supportive Housing, Enterprise Community Loan Fund, Local Initiatives Support Corporation, the Low Income Investment Fund, Northern California Community Loan Fund, and Rural Community Assistance Corporation. The Low Income Investment Fund is the program’s administrative agent.

Here’s an example of how the public/private partnership works: Mountain Breeze Villas is an existing market rate 168-apartment multifamily development with unrestricted rents that will be recapitalized with 4% tax credits and various funds from San Bernardino County. In October 2013, Alliance Property Group acquired Mountain Breeze Villas with a GSAF loan through Century. The recapitalization will be the first transaction to get financing from the California Housing Finance Agency through their Preservation Loan Program, and residents will see a slight reduction in rent due to the long-term affordability secured through this

transaction.

“The Golden State Acquisition Fund is a vital resource that assists developers in lowering the cost to develop new and preserve existing affordable homes throughout California. This would not be possible without HCD’s willingness to provide the necessary risk capital in the fund,” said Aaron Wooler, Senior Vice President of Lending for Century Housing.

“GSAF is filling a much needed gap in financing for affordable housing in California. In its capacity as the program’s administrative agent, the Low Income Investment Fund has seen how the flexibility and structure of GSAF has enabled the CDFI partners to quickly respond to developers’ needs. We applaud HCD for providing this responsive, affordable source of capital that is increasing the supply of affordable and senior housing statewide,” said Liz Tracey, LIIF’s Senior Vice President, Western Region.

GSAF partners expect to invest an additional \$20 million in projects in the coming months. Additional investments will be made as the original GSAF loans are repaid through the origination period, which ends in December 2014. For more information about fund terms, eligibility, projects and partners, visit www.goldenstate-fund.com.

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The California Department of Housing and Community Development is dedicated to the preservation and expansion of safe and affordable housing so more Californians have a place to call home. Our team works to ensure an adequate supply of housing for Californians and promotes the growth of strong communities through its leadership, policy and program development. For more information, please visit www.hcd.ca.gov.