



INVESTING IN COMMUNITIES

**SENATE TRANSPORTATION AND HOUSING COMMITTEE
ASSEMBLY HOUSING AND
COMMUNITY DEVELOPMENT COMMITTEE
TESTIMONY BY
LA SHELLE DOZIER, EXECUTIVE DIRECTOR
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
FEBRUARY 15, 2011**

Good afternoon and thank you for allowing me this opportunity to speak to you today.

I am La Shelle Dozier, Executive Director of the Sacramento Housing and Redevelopment Agency.

SHRA has a unique structure that enables us to serve as both the Redevelopment Agency and the Housing Authority for the City and County of Sacramento.

In our dual capacities we're serving more than 50,000 extremely low income residents—essentially a small city, with over 11-thousand housing vouchers and over 3-thousand public housing units. In addition, SHRA monitors over 10,000 affordable housing units.

We're using the tools of redevelopment in 15 project areas to uplift our disenfranchised lower income communities so they can thrive like other communities that have achieved self-sustainability.

Housing fulfills our basic human need for a safe, decent place to live.

But it takes more than housing to create communities that are vibrant, self-sustaining and responsive to the quality of life needs for all residents.

It takes the flexible funding tools of redevelopment to bridge the critical gap in local government's ability to create housing and livable communities.

One can't happen successfully without the other.

With that said, I would like to talk about the importance of keeping redevelopment's funding tools intact for creating affordable housing.

1. REDEVELOPMENT FUNDS LINK THE HOUSING FRAMEWORK WITH THE LIVABILITY ELEMENTS TO MAKE COMMUNITIES WHOLE.

Redevelopment requires 20 to 30 percent of its funds to be set aside to improve and increase the supply of housing that is affordable to low and moderate income residents. At SHRA, not only do we meet this requirement, but we strive to exceed it.

In the past six years, Sacramento has invested over **\$81 million** in funds set aside for affordable housing, leveraging over **\$1 billion** in private and public capital to create more than **10-thousand units** including housing for very-low income and homeless families.

However, the low-moderate housing set aside funds only address part of the equation in the formula for creating healthy livable communities.

Often this housing is created in areas where public services and amenities are lacking or insufficient, and where redevelopment activity is targeted.

Public/private partnerships are often necessary so that enhancements or infrastructure improvements can happen in order for development to take place.

This is where redevelopment non-housing funds provide the solution to the equation.

These redevelopment funds complement the affordable housing set aside by supporting a variety of improvements to jumpstart community revitalization.

Redevelopment helps level the playing field by investing local funds that leverage federal resources and provide private capital to improve the health and well-being of the people who live there.

We go beyond what is required so that we can focus on priorities at the local level.

In the housing communities that we've assisted, we require approved property management plans, resident services and programs, and on-going security plans to ensure that people feel safe.

All of this contributes to communities that are livable and vibrant.

One of our recent success stories is the North Highlands Watt Avenue-Elkhorn Boulevard community.

The new Corsair Apartments utilized \$2.1 million in low-moderate housing funds and provides 112 units of affordable senior housing.

In addition, we used local funds to create 202 family units at Norden Terrace adjacent to this senior housing community.

To make this project happen, it first needed sewer improvements which SHRA was able to fund with \$1.2 million in non-housing tax increment.

The community is within walking distance of the newly renovated Elkhorn Shopping Center anchored by a brand new Ross Dress for Less—a \$4.3 million project assisted with \$1.2 million in redevelopment funds.

These projects required infrastructure work on the front end to redesign roadways to make the area accessible, upgrades to the shopping center parking lot and landscaping, and major renovation of a large building left vacant by a former grocery store.

The rejuvenated shopping center, convenient access to public transit, plans for a future grocery store and businesses that provide services and jobs for local residents all support a new affordable residential community that is thriving today.

It would not be possible without the use of flexible housing and non-housing redevelopment funds which need to remain available for projects in the pipeline.

It just so happens that I grew up in this community.

So I know the value and importance of having both of these funding sources available to provide not just the affordable housing—but also the supportive amenities to make communities complete and sustainable.

I am very proud to see the huge difference that these essential redevelopment tools have made in my own community.

That brings me to my second point.

2. AFFORDABLE HOUSING FUNDS PROVIDE THE FRONT END COMMITMENT TO LEVERAGE DIMINISHING COMPETITIVE RESOURCES

I mentioned that Sacramento has created 10-thousand units of affordable housing.

In the past six years by applying **more than \$81 million** in housing set aside funds, we've leveraged **more than \$1 billion** in public/private capital.

In our last report to HCD, Sacramento expended less than 7 percent of its housing funds toward planning and administration.

Affordable housing development is needed to bring other funding to the table, such as mortgage revenue bonds, tax credits, and federal and local housing funds.

These resources have become much more competitive and provided less leverage in today's tight economy, especially the award of 9% tax credits.

Local funding commitments must be in place before tax credits are approved.

SHRA has been able to step in, underwrite worthy projects, and provide funding commitments which facilitate their competitiveness for scarce funding resources.

This leveraging is important in prioritizing the investment of low-mod funds to provide affordable housing where it is needed most.

As a Joint Powers Agency, we can focus on the affordable housing needs in both the City and County because we know the local priorities.

Housing funds are a big factor in our ability to meet those needs.

Our low-mod investment addresses local priorities including those identified in the Redevelopment Implementation Plans and the City of Sacramento's Single Room Occupancy policy which is a commitment to maintain hundreds of units of housing for extremely low and very low income residents in downtown Sacramento.

Sacramento's 10-Year Plan to End Chronic Homelessness and providing permanent supportive housing for individuals and families transitioning out of housing instability are also priorities for the use of low-mod housing funds.

These funds are more critical now than ever because the economic downturn has created a higher demand for affordable housing and we're serving the most vulnerable population.

The historic award-winning Globe Mills project at the gateway to Downtown was a high priority for the use of **\$3.2 million in low-mod housing** funds to leverage other sources to make the project work, including **\$3.1 in non-housing tax increment**.

This **\$38 million adaptive reuse** of an abandoned flour mill, which also received brownfield clean up funds now provides **114 affordable senior apartments** and 31-moderate rate units.

Currently, we have **over 350 units** of affordable housing under construction in the Downtown.

My final point is this:

3. THE SUM BENEFIT OF REDEVELOPMENT HOUSING FUNDS IS GREATER THAN ITS PARTS

I spoke earlier about the importance of the use of low mod funds with the non-housing tax increment in a holistic approach to build sustainable communities.

Redevelopment housing funds provide the means to achieve affordable housing goals.

But if those funds combined with non-housing funds are not used to leverage public/private investment, the fabric of our economically challenged communities will begin to unravel and local government will not have the tools to mend it.

In Sacramento's Oak Park, SHRA is working to develop a mixed-use project that will provide **56 affordable senior apartments** with a variety of onsite amenities and resident services.

The development will complement other efforts underway in the area such as the recently completed streetscape improvements along Broadway, the planned Broadway/MLK intersection improvements, and a proposed mixed use development which will provide much needed retail opportunities.

And just a few blocks away, we've invested tax increment into a new multi-purpose center that provides enhanced activities and programs for families and children, contributing to the "completeness of the community."

Without the ability to use low mod funds in concert with non-housing tax increment, this project would not happen.

In closing—

Projects like North Highland's Elkhorn Shopping Center, Oak Park's senior housing development, Globe Mills and others like these are addressing Sacramento's affordable housing and community needs and priorities using flexible low mod housing funds.

This is the **worst time** to make affordable housing a lesser priority.

Countless people are in need of housing after falling victim to the most devastating economic conditions in decades.

Tens of thousands of families have lost jobs and subsequently their American dream of homeownership has become a nightmare.

Those who were teetering on the brink of homelessness have slipped over the edge.

It is critically important that redevelopment housing funds remain intact with the flexibility that is needed to create and enhance our communities to meet the needs of all residents.

Thank you.