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FOR IMMEDIATE RELEASE

HIGH COURT RULING ELIMINATES PROGRAM FOR LOW-INCOME FAMILIES AND SENIORS

San Francisco -- The California Supreme Court's ruling, issued today, upholds a law that abolishes redevelopment agencies across the state. This move will be devastating to millions of low-income Californians who have been hardest hit by the largest economic recession the state has seen in years. Redevelopment funds are the largest local funding source for affordable homes and rental housing. Over the coming years the loss of this funding will mean thousands more Californians living on the streets and tens of thousands more living in overcrowded and substandard conditions.

In June 2011 the California State Legislature passed two bills in an attempt to plug the state's budget deficit. AB 26x abolished the redevelopment agencies and AB 27x allows them to continue to exist, but only if they make a contribution back to the state.

Lost in the redevelopment debate over sports stadiums is the fact that 20% of redevelopment funds go to build and preserve affordable homes in California. "The 20% of tax-increment financing generated by redevelopment agencies is the single most important source of local government financing for the creation and preservation of affordable housing throughout the state. This decision comes at the worst time when millions of Californians continue to lose their jobs to a struggling economy and their homes to foreclosure" said Peggy Lee, Acting Executive Director of the Non-Profit Housing Association of Northern California.

Unlike other jurisdictions across the state, Bay Area cities like San Francisco have been using most of their redevelopment funds to develop much-needed affordable housing. Over the past 10 years, San Francisco's redevelopment agency has allocated millions of dollars (more than 50% of their funding) to affordable housing projects. More than 1,400 units in 11 projects are now in the pre-development stage and will be unable to move forward without future funding.

At a time when thousands of Californians are losing their homes to foreclosure, rents are going up in most parts of the state, making it even harder for working families to find affordable rentals. NPH is committed to working on legislation in 2012 to preserve future funding for affordable housing.

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The Non-Profit Housing Association of Northern California works to advance affordable housing as the foundation for thriving individuals, families and neighborhoods. As the collective voice of those who support, build and finance affordable housing, NPH promotes the proven methods of the non-profit sector and focuses government policy on housing solutions for low-income people who suffer disproportionately from the housing crisis.