



Veterans Housing & Homeless Prevention Bond Act 2014

Yes on Proposition 41

*"No one who has served our country should ever go without a safe, stable place to call home."
—U.S. Department of Veterans Affairs*

Background

California has the largest veteran population in the US, with almost two million veterans calling California home—a number that is expected to rise by over 200,000 when the wars in Afghanistan and Iraq wind down. California also has more homeless veterans than any other state, with 25 percent of homeless veterans in the nation residing in the state. To address this issue, Governor Edmund G. Brown, Jr. signed the Veterans Housing and Homeless Prevention Bond Act of 2014 authored by Speaker John A. Pérez (D-Los Angeles). The bond act, Proposition 41, gives California voters the opportunity in June 2014 to repurpose \$600 million in existing veterans' bond funds to respond more effectively to the housing needs of today's veteran population and their families.

The greatest drivers of homelessness among veterans are the high cost of housing in California and low incomes among veterans. We cannot end homelessness among veterans without affordable housing for veterans living in poverty. Giving veterans a safe, decent, affordable place to live dramatically reduces local and state costs including health care, incarceration, and other crisis services. Also, by building apartments for veterans in need we are creating jobs and generating revenue for the state coffers.

In addition to providing better housing options for today's diverse and expanding veteran population, Proposition 41, backed by the American Legion, Vietnam Veterans of California, Veterans Village of San Diego, U.S. Vets, and Swords to Plowshares, expands on proven and cost-effective supportive housing and service models that will reduce veterans' homelessness, leverage public and private dollars, and decrease other public costs. If voters approve of Proposition 41 in June, California will be at the forefront of the nation's efforts to end veteran homelessness.

Proposition 41 is a fiscally responsible ballot measure that will help put a roof over the heads of thousands of homeless veterans. This act doesn't create new taxes or add new debt to California.

<http://www.yesonprop41forvets.org>



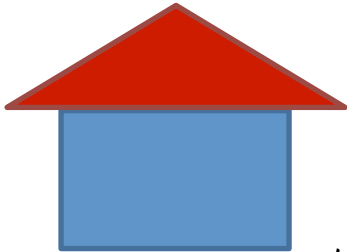
Veterans Housing & Homeless Prevention Bond Act 2014 Yes on Proposition 4I

Did you know . . . ?

California is home to more veterans than any other state in the nation.

25% of all homeless veterans in the nation live in California

Over 200,000 California veterans live in poverty



\$1.4 billion in voter approved bonds since 2000 to help veterans buy homes and farms

Over \$1 billion in Veteran Housing bonds remain unspent

\$0 in bond money to help get our veterans off the streets and into housing

Proposition 4I -- The Veterans Housing and Homeless Prevention Bond Act of 2014

\$600 million in unused bonds to be reallocated to help provide veterans with an affordable place to live

\$0 in new taxes; **NO** new debt

Why? Prop 4I will help build transitional housing for veterans who are trying to escape homelessness, while also constructing supportive housing for veterans who are dealing with physical injuries, mental health issues, or Post Traumatic Stress stemming from their service. It will also help provide apartments that veterans and their families can afford. Over \$500 million in veterans housing bonds to remain for single family home and farm purchase.

Vote **Yes** for **Proposition 4I** on June 3rd

<http://www.yesonprop41forvets.org>

Paid for by Coalition for Veterans Housing—Yes on Prop. 41. 777 S. Figueroa St., Ste. 4050, Los Angeles, CA 90017. FPPC ID# 1361700. Treasurer: Burt McChesney.



Veterans Housing & Homeless Prevention Bond Act 2014 Yes on Proposition 41

Frequently Asked Questions

What is Proposition 41?

Proposition 41, otherwise known as the Veterans Housing and Homeless Prevention Bond Act of 2014, is a measure on the June 2014 California ballot that would reallocate \$600 million in already voter-approved veterans bonds to be used for investment in multi-family (rental) housing, transitional housing and other affordable housing options for veterans. Proposition 41 will unlock existing critical funds to help eradicate homelessness among veterans and keep a roof over the heads of those at-risk.

Why do we need Proposition 41?

California is home to 25% of the entire country's homeless veteran population. That number is only set to increase unless the people of California act now. California has long worked to help provide veterans loans to purchase single family homes and farms. This proposition does not change that and keeps hundreds of millions of dollars available for that program to continue. However, with the advent of IEDs (improvised explosive devices) in the wars in Iraq and Afghanistan and an increasing number of our vets coming home with traumatic brain injuries and Post Traumatic Stress Disorder (PTSD), the need for affordable housing and access to social services such as case management, coordinating medical, mental health, and substance use care, and vocational services has dramatically increased.

Another big issue for our returning veterans is unemployment. It is difficult, if not impossible to pay a mortgage when you are unemployed, which is why providing affordable housing for veterans is so important.

The voters of California previously approved nearly \$1.5 billion in veterans housing bonds since 2000. However, those bonds did not allow for the funding to be used for anything but the purchase of single family homes, mobile homes and farms. Over \$1 billion remains untapped while more and more veterans are becoming homeless or on the verge of becoming homeless. Proposition 41 would allocate \$600 million to fund the

<http://www.yesonprop41forvets.org>



Veterans Housing & Homeless Prevention Bond Act 2014 Yes on Proposition 41

type of housing today's veterans need –while preserving hundreds of millions of dollars for veteran home loans.

Will Proposition 41 result in higher taxes? Is

No. Proposition 41 does not raise taxes. It simply expands what previously voter-approved veterans housing bonds can be used for. With over \$1 billion in veterans housing bonds remaining unspent and with little demand by veterans for its original purpose, Proposition 41 will allow \$600 million of the remaining bond money to be invested in the types of housing today's veterans need the most.

Proposition 41 a new bond that will put the state in further debt?

No. This is a fiscally responsible ballot measure that will help thousands of homeless veterans put a roof over their heads. Proposition 41 does not authorize new debt. In fact, a Los Angeles Times editorial points out, “by reducing the number of homeless veterans and connecting more of them to the rehabilitation and mental health services they need, the bonds could help the state avoid some of the healthcare and social services costs it faces today. They also could lead to more homeless veterans rejoining the workforce.”

How will the \$600 million dollars be spent?

A competitive bid process will make funds available to non-profits and local governments seeking to construct new housing or renovate existing facilities to meet the housing needs of veterans locally. The funds must be spent on veterans housing and cannot be used for any other purpose.

What is the CalVet program?

CalVet refers to the California Veterans Farm and Home Loan program first established in the early 1900's to provide affordable loans to veterans. The program has been funded by a series of bonds approved by voters, including Proposition 32 in 2000 and Proposition 12 in 2008. CalVet funding can only be used by veterans for the purchase of single family homes, farms and mobile homes. CalVet bonds are repaid by borrowers' loan payments.

<http://www.yesonprop41forvets.org>



Veterans Housing & Homeless Prevention Bond Act 2014

Yes on Proposition 41

Why use existing CalVets bonds rather than pass a new bond measure?

Current CalVet bonds are not being used. With high demand for other bonds (water, infrastructure, education, corrections, etc.), the Legislature and governor would not approve a separate bond for veterans housing while \$1.1 billion in already voter-approved veterans housing bonds sit idle.

Even with the passage of Proposition 41, sufficient funds will remain in the CalVets program to meet demands for home loans for several hundred years.

Why is there over 1 billion dollars in unspent bond funds?

The current CalVet's program is not competitive because veterans can access lower or the same interest rate from private lenders, and the state program requires the California to own the property the veteran is buying, until the vet pays off the mortgage. As a result, the state is only issuing loans to the most risky borrowers, and the program is now failing to generate enough income to pay off the debt service of the bond. Since 2009, few loans have been made. Additionally, with the current changing demographics of our veteran population many veterans need help obtaining affordable housing options. High levels of unemployment or issues like the need for medical services put paying for a mortgage out of reach for many veterans which is why our veterans need affordable housing options now more than ever.

How did Proposition 41 get on the ballot?

Proposition 41 was placed on the June ballot by the California Legislature. The measure began as Assembly Bill 639, authored by Assembly Speaker John A. Pérez. AB 639 passed unanimously both houses of the legislature, was signed by Governor Brown in October of 2013, and was subsequently placed on the June ballot for the voters of California to approve.

<http://www.yesonprop41forvets.org>



Veterans Housing & Homeless Prevention Bond Act 2014

Yes on Proposition 41

How many votes does Proposition 41 need to pass?

Proposition 41, as a ballot measure, requires a simple majority vote to pass. With a simple majority vote of the electorate, Proposition 41 will take effect and allow for \$600 million in veterans housing bonds to be used for affordable housing options for our veterans.

Who supports Proposition 41?

Proposition 41 enjoys broad, bipartisan support. Elected officials from both sides of the aisle support this measure and business groups, labor, veterans organizations, and housing advocates have all lined up in support of AB 639.

As a ballot measure, many of those same groups will continue to support this measure and will join veterans' advocates like Veterans of Foreign Wars (VFW), American Legion, Vietnam Veterans of California, U.S. Vets, Veterans Village of San Diego, and Swords to Plowshare in support of Proposition 41. Additionally, prominent Californians, like Former U.S. Secretary of Defense Leon Panetta, support the measure.

How will Proposition 41 bonds be repaid?

Proposition 41 will fund a variety of affordable veteran housing projects, some of which will produce a rental income stream sufficient to repay loans, others will be forgivable loans and thus impose a state general fund cost. The ultimate cost of the program has been estimated at \$25 to \$40 million depending on the final mix of funded projects. This cost estimate does not include the offsetting savings associated with housing and treatment for homeless veterans.

The Los Angeles business community funded a study that found significant savings in criminal justice, mental health treatment, emergency room care, family support and intervention, and education from homeless assistance programs. Proposition 41 does not authorize new debt. In fact, a Los Angeles Times editorial stated that "by reducing the number of homeless veterans and connecting more of them to the rehabilitation and mental health services they need, the bonds could help the state avoid some of the

<http://www.yesonprop41forvets.org>



Veterans Housing & Homeless Prevention Bond Act 2014

Yes on Proposition 41

healthcare and social services costs it faces today. They also could lead to more homeless veterans rejoining the workforce.” State savings are also achieved by linking homeless veterans with federal VA Benefits instead of state/local services.

Can Proposition 41 funds be leveraged?

Unlike the CalVet home loan which is a direct, dollar-for-dollar loan, Proposition 41 funding will leverage billions of additional dollars for veteran housing. There will be a competitive application process that imposes requirements on applicants to bring significant additional funding sources to the project (donated land, other financing).

Can Proposition 41 funding be used for non-veterans housing?

No. All funding must provide housing for veterans and their families only. Proposition 41 funding cannot be used for non-veteran housing. The housing and facilities funded by Proposition 41 will be closely monitored by the state and federal veteran affairs agencies and by an oversight group composed largely of veteran organization representatives.

<http://www.yesonprop41forvets.org>