

A hand is shown from the bottom, holding a small, detailed model of a house with a gabled roof and a chimney. The background is a dark, blurred gradient. The text is overlaid on the image in white.

# Lake County Regional Housing Trust Fund LCRHTE

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# Lake County Regional Housing Trust Fund

- Lake County Regional Housing Trust Fund partners: County of Lake, Clearlake and Lakeport.
- Dedicated to housing production, preservation and related housing activities in Lake County.
- Offers a mechanism to make ongoing investment in housing using both direct revenues and leveraged matching funds available from State and Federal sources allowing for an opportunity to increase housing supply in Lake County.
- Provides “gap financing”- typically around 10% of the total project funding to fill the void funding between a senior lender, developer equity, tax credits, and other sources of funding which can make the difference between a project moving forward or remaining infeasible.

# Benefits of a Regional Housing Trust Fund



- **Consistency:** dedicated revenue streams create a regular source of funds to invest in housing that is not put at risk during the budget process.
- **Leverage:** By using matching funds available from State and federal sources, available exclusively for housing trust programs.
- **Flexibility:** allows Lake County to focus to design their housing trust fund to meet the highest priority local needs.
- **Competitive Edge:** ability to compete for restricted State Funds, capitalize on shared information and resources.
- **Economic Multiplier:** Housing trust funds can have a significant impact on the local economy as it can generate construction-related expenditures, increase local wages and fees for the County and Cities.

# LCRHTF Housing Activities

- New construction
- Preservation or rehabilitation of existing housing
- Land acquisition for development of affordable housing
- Promote housing innovations
- Create workforce housing
- Establishment of transitional, supportive or permanent homeless housing





# Implementation Steps

- Creation of the Lake County Regional Housing Trust Fund.
- Creation of the LCRHTF Administrative Guidelines and Board of Trustees.
- Decisions are made by majority vote and not unanimous consensus.
- Identify priorities for LCRHTF based on the County's Housing Element, the Lake County Housing Action and Implementation Plan (HAIP), as well as the Regional Housing Needs Assessment (RHNA) and respective City Housing Plans.
- Obtain additional funding for the LCRHTF from matching opportunities, private donations, and dedicated revenue sources.

# Trust Fund Revenue Sources

## Current Funding for Lake County Housing Trust Fund

Currently Trust Fund 417 was created and currently has \$2 million, with \$1 million from ARPA, \$1 million General Fund.

## Proposed Revenue Sources:

- ❖ **CA Permanent Local Housing Allocation (PLHA) Funds:** Remaining PLHA allotment for a total of \$847,981.00.
- ❖ **County of Lake Transient Occupancy Tax:** provides a minimum of \$100,000 ongoing revenue or 1/9<sup>th</sup> whichever is greater.
- ❖ **Clearlake:** To be determined with a minimum \$10,000.00 annual contribution.
- ❖ **Lakeport:** To be determined with a minimum \$5,000.00 annual contribution.
- ❖ **Private Sources:** Contributions and donations
- ❖ **Discretionary Local Revenues:** appropriate money from the general fund to invest in the future of housing trust in good faith, giving the new housing trust start-up costs to then pursue additional external funding.
- ❖ **National Housing Trust Fund Program (NHTF) and Local Housing Trust Fund (LHTF):** Apply if offered in future time periods.





# What can you Expect

Activities typically funded may include:

- Reduce the cost of borrowing: HTF's can make low-interest loans to both developers and first-time buyers.
- Build Capacity: increase the ability of local nonprofit developers to overcome the difficulties of providing housing to the lowest income households.
- Preserve and Maintain Affordable Housing: Offer low-income homeowners' resources to maintain and repair their homes to preserve the supply of affordable housing in the community.



# Administrative Plan

- Defining the purpose and structure of the Lake County Regional Housing Trust Fund.
- Assigning participating members' authorities.
- Stipulating member authorities' annual contribution requirements.
- Outlining administrative duties and responsibilities.
- Creating a Board of Trustees for the Lake County Regional Housing Trust Fund to make funding decisions.

# Administrative Plan

- Establishing a Housing Trust fund account and sub-account(s) specifically for administrative purposes.
- Enacting annual reporting procedures to maintain and publish efforts for members' jurisdiction to review.
- Establish procedures to allow member jurisdictions to enter or leave the trust in the future.



# Administration

- It is anticipated that the County of Lake will be the organization authorized to administer the LCRHTF.
- Administration includes holding, investing, and managing the fund account, with administrative costs typically covered by a percentage of fees collected for the LCRHTF.
- Administrative costs are typically capped at 10% of the fund.





# Best Practices

- **NOFAs:** Release NOFA's on a consistent schedule. This allows developers to anticipate the funds and better plan for affordable housing projects.
- **Collaboration:** Establish strong relationships between local jurisdictions.
- **Point of Contact:** foster open and strong relationships with the development community. Providing a developer a single point of contact allows for a more streamlined process.
- **Developer Portal:** website that has current funding opportunities, possible building sites, and other housing related information that is helpful for a developer when performing an analysis for a development.

Regional Housing Trust Funds  
create housing opportunities!

“The popularity and  
proliferation of housing trust  
funds is due to their  
flexibility, sustainability, and  
success in addressing  
critical housing needs.”

Thank you!

