

December 18, 2019 –

Linda Braunschweiger, CEO, Housing Trust Fund VC

City of Santa Paula Council & Planning Commission learning session

Thank you for the opportunity to speak to you this afternoon. I wanted to start by giving a little history on the HTF. Back in the early 2000s businesses were expressing concern for the lack of affordable housing and its impact on their ability to hire and retain their workforce. A committee was formed through HOME (Housing Opportunity Made Easier), a nonprofit housing education and advocacy group started by VCEDA) to research models addressing the need for more funding for affordable housing develop.

Mission

To support more housing choices, by generating and leveraging financial resources, working in partnership with the public, private, and non-profit sectors throughout Ventura County.

The Housing Trust Fund Model

In this era of limited resources, HTFs are able to attract capital from sources not traditionally dedicated to housing. They leverage these funds by combining private resources with foundation and public agency funds to build a revolving loan fund dedicated to expanding affordable and workforce housing. HTF loans often are made early in the development cycle, before traditional funding is available and thus provide financial support necessary to attract other money.

VCHTF's Products

The “Revolving Loan Fund” provides below-market interest rate loans to developers who create new affordable housing (**80% of AMI or below**) within Ventura County.

Eligible projects include:

- New construction of affordable housing
- Acquisition and conversion of market rate housing to affordable housing
- Acquisition and conversion of non-residential properties to affordable housing

Loans are awarded for:

- Acquisition, pre-development, gap financing, and/or construction of multi-family projects.
- Construction funding for deed restricted affordable single family homes.
- Short-term (1 to 5 years)
- Minimum amount \$50,000; maximum amount \$2M
- Projects with a long-term affordability requirement (30 to 55 years)

Priority is given to projects that serve:

- Extremely low income, veterans, homeless, farmworkers, and young adults transitioning from foster care.
- Families and individuals at the lowest income levels.

In 2006, California voters passed Prop 1C which was a bond measure that included a \$2M match grant for Local HTFs. The local committee decided this was real money that could be brought back to Ventura County and moved forward with raising the \$2M. The County was the first to provide a \$500,000 grant to the HTF. Their goal was to help with the “Ten Years Strategy to End Homeless.” We are proud to be able to say that ALL 10 cities have now invested in the HTF. The cities of Ventura, Camarillo and Simi have all made second and third time investments. The City of Santa Paula invested \$50,000 a number of years ago.

VCHTF was incorporated in 2009, received our 501c3 in 2011, and began lending in 2013. To date we have approved a little over \$9M since 2013. Over \$4.2 has been repaid, with \$1,4M paying off in January 2020. These loans have or will produce 365 units. This year our pipeline and approved loans has exploded. We approved \$4.3M in 2019 alone to produce 219 units. In addition we have many millions in projects in our pipeline. New units have been built or approved in Camarillo, Moorpark, Oxnard, Santa Paula, Simi and Ventura.

In Santa Paula alone, the Housing Trust Fund funded three different new developments for the SP Housing Authority for a total of \$850,000 creating 25 units (Citrus Grove, Oakwood Court, & Citricos de SP). SP’s original \$50,000 investment was leveraged at least 17 times and leveraged many millions in additional development funds for each project.

In 2018, the CA voters approved Prop 1 a housing bond act which provides Local Housing Trust Funds with up to \$25M in matching funds for the development of workforce affordable housing. HTFVC has been working hard to raise the first \$5M to be matched when the notice of funding is announced in April 2020. To date we have raised over \$3M from banks, private corporations, foundations, individuals and local government. We encourage the City of Santa Paula to make a financial commitment in early 2020 so we can reach our first goal of \$5M.

In 2017, HTFVC was certified as a State of California Community Development Financial Institution (a nonprofit bank for affordable housing lending). Then in 2018 HTFVC was certified by the US Department of Treasury as a Federal CDFI. Federal certification opens the doors to many millions in funding grants and low interest loans for VC AH development. In September, it was announced that the HTF was awarded a Federal TA grant of \$125,000 which we expect to be matched by the Prop. 1 matching LHTF program. These funds will be used for capacity building, program expansion, and lending.

Finally, we were honored to be recently selected Nonprofit of the Year by the Ventura Chamber.

If time permits:

Why Support VCHTF

- As an independent non-profit, VCHTF attracts support across the political landscape, from traditional allies of affordable housing and others who see HTF's independence from government as a key value.
- Grants to VCHTF support a critical community need and are leveraged many times to provide new housing funding not easily accessible in a time of diminished resources.
- The HTF is a revolving loan fund—that when loans are repaid those funds become available to lend to another project, allowing the original deposit to the fund to work over and over again.
- VCHTF board members and staff are highly knowledgeable and have significant expertise in affordable housing finance which can be beneficial to cities during times of reduced city staff.

- VCHTF has a broad regional focus and understands the affordable housing industry in Ventura County.
- VCHTF has strong existing partnerships with lenders, the real estate and development community, housing providers, the business community, and local and county government.