



## BUILDING BLOCKS TO FUND HOUSING

*A discussion at the Ventura County Housing Conference*

*October 13, 2022*

### STATE OF CALIFORNIA & HCD MANAGED PROGRAMS

9% Tax Credits– Supports new construction of **affordable housing** without any additional federal subsidies. Very competitive with rules/process subject to change. Need to have high tie-breaker points largely based on leveraged State and Local government cash resources. Suggestions include: Locate new projects in high Resources Areas; Infill; Near transit; Partnerships with other lender/investor; Utilize regional TCAC analyst; Identify time sensitive attachments; Identify documents that require prior agency approval; Complete financials after proforma has been finalized; Get started early.

4% Tax Credits – Method to finance **new affordable housing** with State bonds of at least 50% of project costs, either new construction that uses additional subsidies or the acquisition cost of existing buildings. Less competitive than 9% credits but getting more competitive each year. Suggestions: Pay attention to criteria; Location in high Resource Areas; Homeless inclusion; Tie-breaker strategies (e.g. bond amount per bedroom); Emerging developers have a separate competition.

Other State Programs - AB 434 created a Super NOFA process for obtaining funds from other State programs. The single-application utilizes universal spreadsheets and a single allocation process. Funding programs included in the Super NOFA are:

- Multi-Family Housing Program (MHP): Provides low-interest, long-term deferred-payment loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households.
- Veteran’s Housing and Homeless Prevention Program (VHHP): Provides long-term loans for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families.
- Farmworker Housing Grant Program (FHGP or Serna): Helps fund new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households.
- Infill Infrastructure Grant (IIG): Promotes infill housing development by providing financial assistance for Capital Improvement Projects that are an integral part of, or necessary to facilitate the development of, a Qualifying Infill Project or a Qualifying Infill Area.
- Transit-Oriented Development (TOD): Increases public transit ridership by funding higher density affordable housing developments within one-quarter mile of transit stations and infrastructure improvements necessary for the development of specified housing developments.
- Housing for a Healthy California (HHC) Program: Creates supportive housing for chronically homeless individuals or those who are homeless and are high-cost health users, makes funding available to developers for the acquisition, rehabilitation and/or new construction of multi-family rental housing.

Other State-managed programs include:

- Affordable Housing and Sustainable Communities (AHSC) Program: Provides affordable housing loans and capital grants for the creation of affordable housing in conjunction with transportation improvements
- Housing Accelerator Program: Reduces the backlog of projects "stuck" in the funding pipeline to accelerate the development of affordable housing. Funds are used to fill funding gaps in shovel-ready projects that have received funding under other HCD programs and have been unable to access low-income housing tax credits.
- Portfolio Reinvestment Program: Aims to preserve existing HCD-funded affordable housing projects by extending and restructuring affordability
- National Housing Trust Fund Program: Emphasizes on rental housing for extremely low-income households. Utilized to fund the majority of budget for the Housing for a Healthy California (HHC) program.

## COUNTY MANAGED PROGRAMS

HOME Investment Partnerships Program (HIPP): Provides federal grants, often in partnership with local nonprofit groups, to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. *Federal*

Community Development Block Grant (CDBG): Provides annual grants to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. Used to acquire, rehab or maintain affordable stock, not new construction. *Federal*

Permanent Local Housing Assistance (PLHA): Provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. Refer to County's five-year plan. *State HCD*

Homeless Housing Assistance & Prevention Program (HHAP): Originally a one-time program that seems to renew every year. Designed to help address immediate homelessness challenges including moving unsheltered people into housing. Can assist with operational costs. *State HCD*

Project Homekey: Provides funds to develop a broad range of housing types (including hotels, hostels, single-family homes, multifamily apartments, adult residential facilities, manufactured housing), and to convert commercial and other existing buildings to Permanent or Interim (transitional) Housing for the unsheltered or at-risk population. Quick turn-around; funds must be expended within 12 months of award. *State HCD*

Project Roomkey: Established as part of the state response to the COVID-19 pandemic, provided non-congregate shelter options (e.g. hotel) for people experiencing homelessness and are recovering from COVID-19, exposed to COVID-19, or at high risk for medical complications should they become infected. *State with Federal FEMA funds. No further funding available.*

American Rescue Plan Act (ARPA): Provides stimulus fund for economic recovery from the economic impacts caused by the COVID-19 pandemic. The County prioritizes ARPA spending for Housing & Homelessness, Mental

Health, Public Health COVID-19, Sustainability, Infrastructure, Farmworkers, Economic Recovery, Early Childhood, Park & Recreation, Arts Community, & Emergency Preparedness. *Federal*

Regional Early Action Program (REAP 2.0): Helps facilitate local housing production to help meet RHNA goals. Local emphasis is on infill, reducing vehicle miles travelled, and “affirmatively further fair housing”. *State thru SCAG.*

## OTHER LOCAL

Housing Trust Fund Ventura County: A 501c3 Revolving Loan Fund for the creation of **affordable housing** (new construction and conversion from market-rate or other to affordable). Provides short term (1-5 years) funds for acquisition, predevelopment, construction, gap needs. Can provide fast loan turn-around and flexibility.

[www.housingtrustfundvc.org](http://www.housingtrustfundvc.org)

In-Lieu Funds: Municipalities typically have an Inclusionary Housing program requiring new housing developments (typically both single- and multi-family) to set aside a certain percentage of the units for low-to-moderate income buyers/renters – OR – pay a fee in lieu of producing those Inclusionary Housing units. Funds collected through these fees are used to support development of more affordable housing. *Refer to each city or county.*

Surplus Land: The State and local agencies are required to identify and prioritize excess public property, identifying those parcels that are available and suitable for housing development and aggressively pursue sustainable, innovative, cost-effective housing projects. Developers need to notify State HCD of their interest in developing affordable housing on surplus local public land. *State HCD and each public agency including special districts*

Local Financial Institutions: Local banks, credit unions and other lending institutions can provide Lines of Credit, Business loans, 2<sup>nd</sup> Mortgages, Traditional and other products to help fund projects of all size. Their financial practices and programs are constantly evolving and will differ from one institution to another.

## HOME OWNERSHIP ASSISTANCE

Ventura County Community Development Corporation (VCCDC): A non-profit organization dedicated to helping low-and moderate-income individuals & families get on a path to homeownership. Services include: Workshops to help navigate the buying process; one-on-one Coaching; Down-payment and Closing-cost assistance; help with Loan products (new, refi, reverse mortgage); programs for Veterans and other target groups.

[www.vccdc.org](http://www.vccdc.org)

Bank of America: B of A provides assistance to First-time and Low-to-Moderate Income homebuyers, including: Down-payment grants (e.g. 3% up to \$10,000), Closing cost grants (e.g. up to \$7,500), 100% financing with completion of education program. Developers can pre-qualify their units based on affordability and specific tracts. [www.bankofamerica.com](http://www.bankofamerica.com)

Union Bank: Provides a variety of assistance including: 1<sup>st</sup>-time Homeowner Education programs; Down payment assistance; and ADU financing through Equity and Refinance loans. [www.unionbank.com](http://www.unionbank.com)

## OTHER HELP

California Housing Partnership: A private nonprofit organization, created by the Legislature, they are California's experts in sustainable affordable housing finance and policy. CHPC combines on-the-ground technical assistance with advocacy leadership at the state and national level to increase the supply of affordable homes in California. They work to improve and expand existing funding programs and create new ones, as well as provide statewide publications and data tools to facilitate housing research and track outcomes. Partners include State, local government and agencies, housing providers and other non-profits. [www.chpc.net](http://www.chpc.net)

Coastal Housing Partnership: A nonprofit organization dedicated to helping local employers attract and retain valued employees by offering their workforce a wide range of housing benefits. Offered benefits include: Homebuyer education; Lender credit; R/E Agent credit; Inspection savings; Mortgage and Refinance benefits; Rental rates; Rental search site; Moving expenses, Letter of Authorization, etc. [www.coastalhousing.org](http://www.coastalhousing.org)

*Please contact HOME to suggest edits or new information that will help keep this resource current and relevant. Karen, Executive Director (805) 323-6534 or email: [info@vchome.org](mailto:info@vchome.org)*

