



# COUNTY of VENTURA

## COUNTY EXECUTIVE OFFICE

**Sevet Johnson, PsyD**  
County Executive Officer

**Mike Pettit**  
Assistant County Executive Officer

**Kaye Mand**  
County Chief Financial Officer

**Shawn Atin**  
Assistant County Executive  
Officer/  
Human Resources Director  
Labor Relations

March 14, 2023

Board of Supervisors  
County of Ventura  
800 S. Victoria Ave.  
Ventura, CA 93009

**Subject:** Approve a Strategy to Direct the Use of \$15,000,000 Allocated for Affordable Housing Construction and Loan Capital in the County of Ventura Funding Plan into Three Categories: Homekey Match, Housing Trust Fund Ventura County, and County Affordable Housing Fund; and Authorize the County Executive Officer, or their Designee, to Execute Grant Agreements and other Grant Related Documents for Funding to be Granted to the Housing Trust Fund Ventura County.

### **Recommended Actions:**

1. Approve a strategy to direct the use of \$15,000,000 allocated for Affordable Housing Construction and Loan Capital in the County of Ventura Funding Plan into three categories: Homekey Match, Housing Trust Fund Ventura County, and County Affordable Housing Fund.
2. Authorize the County Executive Officer (CEO), or their designee, to execute grant agreements and other grant related documents, subject to review and approval by County Counsel as to form, for funding to be granted to the Housing Trust Fund Ventura County.

### **FISCAL/MANDATES IMPACT:**

Appropriations for the proposed activities have been brought for approval as a separate item approving budget adjustments for the projects identified in the County's Revised Funding and Reporting Strategy for previously approved American Rescue Plan Act (ARPA) projects.

### **BACKGROUND**

On October 11, 2022, your Board approved the County of Ventura Funding Plan (Funding Plan) that identified programs and projects to be funded by the County's entire \$164.3 million ARPA State and Local Fiscal Recover Fund (SLFRF) allocation.

On December 13, 2022, your Board approved the use of General Funds, instead of the SLFRF allocation, to fund all the programs and projects identified in the Funding Plan. Funding for "Housing and Homelessness" was included in the Funding Plan and included an allocation of \$15,000,000 for "Affordable Housing Construction and Loan Capital" and \$3,160,000 for "Project Homekey – Transitional & Other Supportive Housing" needs.

## DISCUSSION

Prior to the October 2022 approval of the County of Ventura Funding Plan, the County Executive Office staff undertook an extensive public outreach process in partnership with multiple County agencies, community-based organizations, stakeholders, and the public at large, to engage, survey, intake, review, analyze, and recommend the programs and projects ultimately included in the County of Ventura Funding Plan. Outreach efforts included:

- Discussions with local non-profits;
- Public engagement through the County of Ventura's ARPA multilingual website and public survey, with tri-lingual translation and interpretation made available in Spanish, English and Indigenous Languages during Board Meetings;
- Review and assessment of more than 600+ survey responses through the May 1, 2022 survey period; and
- Additional engagement and discussions with stakeholders and potential partners including the Ventura County Housing Coalition and the Housing Trust Fund Ventura County.

In October 2022, after your Board approved the Funding Plan, staff released an informal survey to identify the pipeline of potential affordable housing and Homekey projects that could benefit from investment of funding and to seek additional input from community partners on the best uses of the program funds for affordable housing development. The survey results indicated a strong pipeline of affordable housing projects in various phases of development, strong support for match funding for the final round of Homekey funds from the State of California, and support for long term permanent financing and short term/acquisition funding. Additionally, in anticipation of the final round of funding from the State of California's Homekey program and to support a Project Roomkey transition plan, the County released a Request for Letters of Interest in December to identify potential County partners for Homekey projects. Thirteen initial responses were received by the deadline. The strong response to the Request for Letters of Interest indicated significant support for match funding for proposed Homekey projects, and included proposals for permanent supportive housing, navigation center beds, and transitional housing.

Based upon these responses, staff is seeking approval of the strategy to utilize the \$15,000,000 Affordable Housing Construction & Loan Capital allocation in the following categories:

<b>Category</b>	<b>Funding Available</b>
Homekey Match	\$5,840,000
Housing Trust Fund Ventura County	\$1,500,000
County Affordable Housing Fund	\$7,660,000
<b>TOTAL</b>	<b>\$15,000,000</b>

Funding in the Homekey Match category would supplement the \$3.16 million already included in the Funding Plan for "Project Homekey – Transitional and Other Supportive Housing", increasing the amount of funding available to \$9 million. Funds would be available to leverage investments from the third and final round of the State of California's Homekey program, which is expected to be released in late March or April of this year. The Homekey program was created for the purpose of rapidly expanding housing and shelter opportunities for persons experiencing or at-risk of homelessness, and who are thereby inherently impacted by or at increased risk for medical diseases or death due to the COVID-19 pandemic. Based upon the allowed uses of Homekey funds and letters of interest received, funding for navigation centers and transitional housing would be deemed an allowed use under this category, although priority will continue to be placed upon creation of permanent supportive housing units since this continues to be the greatest need for persons experiencing homelessness in our community. Staff is bringing recommendations of Homekey projects to fund in this category to your Board for consideration as a separate item. Should available funds remain after selection of all Homekey projects for submission to the State or should a project submitted to the Homekey program not receive Homekey funding, the unutilized funds would roll into the "County Affordable Housing Fund" category.

Funding designated for the Housing Trust Fund Ventura County (HTF VC) would be provided as a grant to further their mission of increasing affordable housing options throughout Ventura County by leveraging public-private partnerships to provide low-cost, flexible short and/or long-term loans early in the housing development cycle. The HTF VC provides short-term acquisition, pre-development and construction financing to affordable rental and homeownership housing developments. Beyond providing resources to support the development of affordable housing in our community, the HTF VC has a unique opportunity to utilize this funding to apply for matching funding from the State of California's Local Housing Trust Fund program. The HTF VC has been successful in its applications for more than \$9,000,000 in matching funding in two previous funding rounds in part through County investments of \$300,000 in General Fund contributions and more than \$1,400,000 in Permanent Local Housing Allocation Funds over three years. With two final funding cycles remaining, the allocation of funds in this category will support the HTF

VC's ability to leverage state match funding for affordable housing development to our community

The final category proposed in our strategy is to allocate \$7,660,000 for the County Affordable Housing Fund. This funding would be managed by the County of Ventura Community Development Department to provide long term financing (minimum 15 year residual receipts or deferred payment loans) at below market interest rates (0 – 3%) to affordable rental and homeownership housing projects in the County subject to a Notice of Funding Availability, anticipated to be released in the summer/fall of 2023. Staff anticipates returning to your Board with funding recommendations in the fall of 2023.

### CONCLUSION

It is recommended that your Board approve the strategy to direct the use of \$15,000,000 in Affordable Housing Construction & Loan Capital in the three categories described above and authorize the CEO to execute grant agreements and other grant related documents, subject to review and approval by County Counsel as to form, for funding to be granted to the Housing Trust Fund Ventura County.

This item has been reviewed by the offices of the Auditor-Controller and County Counsel. Questions should be directed to the undersigned.

Sincerely,



Christy Madden  
Sr. Deputy Executive Officer



Sevet Johnson, PsyD.  
County Executive Officer