

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: David C. Moe II, Redevelopment Manager *Dcm*

DATE: June 24, 2011 (CC Meeting of 7/6/11)

SUBJECT: Consider a Request from Ventura County Housing Trust Fund for a Financial Contribution

BACKGROUND

The Housing and Emergency Shelter Trust Fund Act of 2006 (HESTF) was approved by voters to provide housing for needy families, seniors, military veterans and battered women. The HESTF authorized the sale of \$16 million in housing bonds to help finance newly created local housing trust funds dedicated to the creation or preservation of affordable housing over a series of Notice of Funding Availability (NOFA). According to the Department of Housing and Community Development (HCD) staff, authorization to move forward with the 2011 NOFA was given on June 3, 2011, and it is expected the NOFA will be officially released at the end of June.

Matching grants (dollar-for-dollar) are available to newly created local housing trust funds funded on an ongoing basis from private contributions or public sources. The maximum allocation under the HESTF is \$2 million and the minimum allocation is \$1 million. For example, if a housing trust fund was applying for the maximum allocation of \$2 million, \$1 million of local ongoing funding would be leveraged to receive \$1 million of funding through the HESTF. Trust funds providing matching funds from sources other than impact fees on residential development will receive priority in the selection process.

HESTF funds shall be used by the local housing trust fund to fund loans for construction of rental housing projects with units restricted for at least 55 years to households earning less than 60 percent of area median income, and for downpayment assistance loans to qualified first-time homebuyers.

DISCUSSION

The Ventura County Housing Trust Fund (VCHTF) has a one-time opportunity to request matching funds allocated under HESTF to fund a county-wide housing trust fund. The VCHTF is requesting contributions from local governments in Ventura County, corporations and other nonprofit organizations to achieve their \$750,000.00 goal to be used as matching funds for the HESTF.

VCHTF has secured \$500,000.00 from the County of Ventura, \$100,000.00 from the City of Camarillo, \$200,000.00 from the City of Ventura and \$65,000.00 from local banks, Housing Authority of the City of Ventura and Housing Opportunities Made Easier (HOME). The City of Simi Valley has elected not to contribute and the Cities of Thousand Oaks and Ojai are considering the VCHTF's request this month. The chart below summarizes the VCHTF requested contributions and funding commitments.

Funding Sources	Requested	Received
HOME		\$ 20,000.00
Housing Authority City of Ventura		\$ 15,000.00
Rabobank		\$ 10,000.00
Citibank		\$ 5,000.00
Wells Fargo Bank		\$ 5,000.00
Community Response Fund		\$ 5,000.00
US Bank		\$ 4,000.00
Santa Barbara Bank and Trust		\$ 1,000.00
VCCF Farmworker Housing Fund	\$ 20,000.00	
Bank of America	\$ 15,000.00	
Union Bank	\$ 10,000.00	
California Bank and Trust	\$ 5,000.00	
First California Bank	\$ 5,000.00	
California United Bank	\$ 2,000.00	
County of Ventura		\$ 500,000.00
Camarillo	\$ 200,000.00	\$ 100,000.00
Fillmore	\$ 150,000.00	
Moorpark	\$ 150,000.00	
Ojai	\$ 100,000.00	
Oxnard	\$ 200,000.00	
Port Hueneme	\$ 100,000.00	
Santa Paula	\$ 150,000.00	
Simi Valley	\$ 200,000.00	\$ -
Thousand Oaks	\$ 50,000.00	
Ventura	\$ 200,000.00	\$ 200,000.00
Total	\$ 1,557,000.00	\$ 865,000.00

The City of Moorpark (City) has received a request from the VCHTF (Exhibit A) to provide a \$150,000.00 funding commitment over the next five years (\$30,000.00 per year for five years). The state does not allow funds that are restricted by federal, state, or local practice for use in housing programs, including Community Development Block Grant, HOME, and redevelopment agency tax increment housing set aside to be used for matching funds for the local housing trust fund.

The state also requires that cities or counties have a certified Housing Element to use funds from a housing trust fund. The City is currently in the process of certifying the Housing Element with the California Department of Housing and Community Development.

Staff believes contributing to the VCHTF would be beneficial to the City. The VCHTF would provide an additional source of funding to assist the City create affordable housing opportunities. For example, housing trust funds could have been utilized for the predevelopment loan for the Charles Street Apartment project instead of the Agency making the loan at the most volatile point of the project.

Given the limited sources of funding that can be utilized as matching funds and the current economy, staff is recommending the City commit to a \$50,000.00 funding contribution over the next five years (\$10,000.00 per year). This would be funded from the City's Affordable Housing Fund. With uncertainty surrounding redevelopment agencies and tax increment financing, the City's Affordable Housing Fund is even more critical for the City to assist in meeting our Housing Element goals as well as RHNA requirements. Nonetheless, staff feels VCHTF should be supported and we feel this recommended amount can be funded with City Affordable Housing Funds .

FISCAL IMPACT

If the VCHTF's application for funding is approved, staff will return to the City Council for an allocation at that time. Staff is recommending utilizing City Affordable Housing Funds to fund this \$50,000.00 commitment.

STAFF RECOMMENDATION

Provide a financial commitment to the Ventura County Housing Trust Fund in the amount of \$50,000.00 paid over a period of five years.

Exhibit A: VCHTF Request for Contribution



Ventura County Housing Trust Fund

Board of Directors

- Dawn Dyer – Chair
Dyer Sheehan Group, Inc.
- Mary Ann Krause – V.C.
Urban Planner, AICP
- Fred Ferro – Secretary
NAI Capital
- Cathy Brudnicki
*Ventura County Homeless
& Housing Coalition*
- Rodney Fernández
*Cabrillo Economic
Development Corporation*
- Karl Lauterbach
Lauterbach & Associates
- Stan Mantooth
*Ventura County Office
of Education*
- Loretta McCarty
*Housing Authority of the
City of San Buenaventura*
- Stacy Swanson
Habitat for Humanity

March 17, 2011

The Honorable Mayor Parvin
 City of Moorpark
 799 Moorpark Ave.
 Moorpark, CA 93021

Dear Ms. Parvin:

The residents of California approved Proposition 1C, also known as the Housing and Emergency Shelter Trust Fund Act of 2006, to provide more housing for needy families, seniors and military veterans as well as shelters for battered women. **Today**, the Ventura County Housing Trust Fund (VCHTF) has a one-time opportunity to request matching funds allocated under Proposition 1C for newly formed Housing Trust Funds. VCHTF has set a goal of raising **\$750,000 by the end of July 2011**. A generous \$500,000 commitment from the County of Ventura for Proposition 1C Matching Funds has given us a great foundation on which to build; however we have only one chance to apply for this funding, so we are seeking additional public support to increase Ventura County’s financial leveraging opportunity. **To reach this goal, we respectfully request that the City of Moorpark help to maximize the State match by making a \$ 150,000 five-year commitment (\$30,000/year for 5 years = \$ 150,000).**

There is no doubt these are difficult times and we recognize that the City of Moorpark faces an extremely tight budget. The funds we are requesting will be combined with other public and private funds to be leveraged to the maximum benefit of your scarce resources. In addition to helping fund the creation of new affordable rental housing, the Ventura County Housing Trust Fund will prioritize funding for the construction of shelter beds for persons who are currently homeless, and the creation of affordable housing opportunities for emancipated foster youth and veterans. **Your funds will directly assist the City of Moorpark in meeting its commitment to both the Ten Year Strategy to End Homelessness and Housing Element requirements.**

The Ventura County Housing Trust Fund is a regional solution to the insufficient supply of housing that is affordable throughout Ventura County. Our mission is 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. VCHTF aims to become a critical, sustainable and ongoing source of local funding to support the production of new housing for hard-working low- and moderate-income families and individuals across Ventura County, with a focus on multi-family and special needs housing for households earning 80% or below the Area Median Income in Ventura County, California, MSA 37100.

Chief Executive Officer

Linda Braunschweiger

Ventura County Housing Trust Fund

Linda Braunschweiger, VCHTF CEO, will follow up with a phone call to you to discuss the involvement of City of Moorpark in this important initiative. Alternatively, please feel free to contact Linda with any questions at LBAssociates@aol.com or 805-407-2455. We look forward to speaking with you shortly. Thank you in advance for helping to create a sustainable way to finance housing production for working families for generations to come.

Sincerely,



Dawn Dyer
Chair
Ventura County Housing Trust Fund

Cc: City Manager Steven Kueny
Councilmember Rosann Mikos