AGENDA

City/County Manager's Technical Advisory Committee

Thursday, June 2, 2022

10:00 AM

LOCATION:

San Bernardino County Transportation Authority
First Floor Lobby Board Room
1170 W. 3rd Street, San Bernardino, CA 92410

TELECONFERENCE LOCATION:

Needles City Administration & Utility Office
817 3rd Street, Needles, CA 92363

Call to Order

Attendance

Council of Governments

1. **Housing Trust Update – Monique Reza-Arellano, SBCOG**

   An update on planning for a Housing Trust and a discussion of next steps.

   Attachment No. 1: Pg. 4
   Attachment No. 2: Pg. 17

Transportation

2. **Measure I Board Workshop – Otis Greer, SBCTA**

   This will be a preview of a workshop to be held with the SBCTA Board of Directors on Measure I. The presentation will include background on the structure of Measure I, projects completed, revenues and expenditures, and program balances.

Public Comment

Brief Comments from the General Public

ADJOURNMENT

The next meeting of the City/County Manager's Technical Advisory Committee is scheduled for **August 4, 2022.**

Meeting Procedures and Rules of Conduct

Meeting Procedures - The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Board of Directors and Policy Committees.

Accessibility - The meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk can be reached by phone at (909) 884-8276 or via email at clerkoftheboard@gosbcta.com and office is located at 1170 W. 3rd Street, 2nd Floor, San Bernardino, CA.

Agendas – All agendas are posted at www.gosbcta.com/board/meetings-agendas/ at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed online at that web address. Agendas are also posted at 1170 W. 3rd Street, 1st Floor, San Bernardino at least 72 hours in advance of the meeting.

Agenda Actions – Items listed on both the "Consent Calendar" and "Discussion" contain recommended actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors or unanimous vote of members present as provided in the Ralph M. Brown Act Government Code Sec. 54954.2(b).

Closed Session Agenda Items – Consideration of closed session items excludes members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.

Public Testimony on an Item – Members of the public are afforded an opportunity to speak on any listed item. Individuals wishing to address the Board of Directors or Policy Committee Members should complete a "Request to Speak" form, provided at the rear of the meeting room, and present it to the Clerk prior to the Board's consideration of the item. A "Request to Speak" form must be completed for each item an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. Members of the public requesting information be distributed to the Board of Directors must provide 40 copies of such information in advance of the meeting, except for noticed public hearings. Information provided as public testimony is not read into the record by the Clerk.

The Consent Calendar is considered a single item, thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.

Agenda Times – The Board is concerned that discussion take place in a timely and efficient manner. Agendas may be prepared with estimated times for categorical areas and certain topics to be discussed. These times may vary according to the length of presentation and amount of resulting discussion on agenda items.

Public Comment – At the end of the agenda, an opportunity is also provided for members of the public to speak on any subject within the Board's authority. Matters raised under "Public Comment" may not be acted upon at that meeting. "Public Testimony on any Item" still applies.

Disruptive or Prohibited Conduct – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive or prohibited conduct includes without limitation addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, bringing into the meeting any type of object that could be used as a weapon, including without limitation sticks affixed to signs, or otherwise preventing the Board from conducting its meeting in an orderly manner. Your cooperation is appreciated!

Attachment No. 1 to Agenda Item No. 1-
San Bernardino County Transportation Authority/
San Bernardino Council of Governments Housing Trust Update

DRAFT

Executive Summary

San Bernardino Housing Trust Fund Outreach

MAY 2022

Prepared for:

**SAN BERNARDINO COUCIL OF GOVERNMENTS/
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY**

Prepared by:

DUDEK

Contact: Elizabeth Dickson

DUDEK

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Introduction

In 2021, in response to increasing concern around the region's housing shortage, the Technical Advisory Committee (TAC) of the San Bernardino Council of Governments (SBCOG) expressed interest in exploring the feasibility of implementing a housing trust fund for the San Bernardino region. In response to the request of the TAC, in January 2022, SBCOG in collaboration with the San Bernardino County Transportation Authority (SBCTA) released a Draft San Bernardino Regional Housing Trust White Paper. The White Paper details the potential benefits, structures, and an assortment of relevant case studies regarding the formation of a San Bernardino Regional Housing Trust Fund (Housing Trust). Specifically, through the White Paper it is recommended that a housing trust serving the San Bernardino Region be structured as a Joint Powers Authority (JPA) made up of participating members with a non-profit component that allows the Housing Trust to solicit and accept private donations. It is further recommended that a Housing Trust should be administered by SBCTA/SBCOG to utilize existing staff resources and expertise related to the pursuit of regional grant funds and to better connect housing with regional transportation efforts.

The release of the White Paper garnered interest in a Housing Trust across the region. Building on this momentum, SBCTA/SBCOG conducted a robust outreach effort to engage the COG member jurisdictions, housing trust professionals, and other interested parties. This summary provides a description of the outreach conducted prior to the establishment of the Housing Trust. The contacted parties consist primarily of member jurisdictions of SBCOG. Additionally, representatives of other local or regional housing trusts, jurisdictions, and organizations in Southern California were also consulted. The outreach served to identify and gauge the interest in developing a Housing Trust, while addressing questions, and collecting information on local housing needs and priorities.

Representatives from 24 cities and towns of San Bernardino County were contacted, as well as representatives from the County of San Bernardino and its Housing Authority, and representatives from housing trusts and non-profits across Southern California. Presentations were provided to the COG Board, Planning Directors, and the City Managers TAC; ono-on-one meetings were held with all COG member jurisdictions that expressed interest; and a survey was sent out to the SBCOG listserv. Those consulted provided insight on the development of a Housing Trust for the San Bernardino region. Other local or regional housing trusts, jurisdictions, and organizations that were consulted include the County of Orange, Orange County Housing Finance Trust (OCHFT), and San Gabriel Valley Regional Housing Trust (SGVRHT).

SBCOG Member Interest

Through the outreach conducted, jurisdictions expressed their level of interest in the Housing Trust and housing-related priorities. SBCOG/SBCTA held one-on-one meetings with 11 member jurisdictions and reached out directly to all its member jurisdictions. A list of all jurisdictions is provided below, and each is categorized based on their level of interest in participating in the Housing Trust. Categories include "highly interested", "potentially interested", or "unknown/uninterested" as shown in **Table 1, Jurisdiction Interest in Housing Trust Participation**.

Table 1. Jurisdiction Interest in Housing Trust Participation

Jurisdiction	Interest Level		
	Highly Interested	Potentially Interested	Unknown or Uninterested
City of Adelanto		X	
Town of Apple Valley			X

City of Barstow			X
City of Big Bear Lake	X		
City of Chino		X	
City of Chino Hills			X
City of Colton	X		
City of Fontana	X		
City of Grand Terrace			X
City of Hesperia			X
City of Highland			X
City of Loma Linda			X
City of Montclair		X	
City of Needles			X
City of Ontario	X		
City of Rancho Cucamonga	X		
City of Redlands		X	
City of Rialto	X		
City of San Bernardino			X
City of Twentynine Palms	X		
City of Upland			X
City of Victorville			X
City of Yucaipa	X		
Town of Yucca Valley	X		
County of San Bernardino		X	

SBCOG Member Jurisdiction – Housing Priorities, Issues, Concerns, and Ideas

Through meetings with individual jurisdictions SBCOG/SBCTA provided an overview of the White Paper detailing what a Housing Trust, what varying structures can be used for administering a Housing Trust, and what we have learned from neighboring Housing Trusts. Housing Trust interest and housing-related priorities were solicited through these meetings. The following summarizes the varying housing priorities, issues, concerns, and ideas that were expressed by SBCOG member jurisdictions.

- **Organization, Structure, and Administration of the Housing Trust:** Most jurisdictions expressed strong interest in understanding the exact cost and benefits that will apply to their respective cities/county.
  - Grants should be sought after to offset the cost of membership.
  - There needs to be a clear benefit of participation.
  - A population-based methodology for determining the membership fee should be considered.
  - Offsetting the cost of the fee is important, but all participants should pay a fee to participate to demonstrate a clear commitment.
  - The structure for the allocation of funds should ensure that funds are allocated to all participating jurisdictions. Should avoid weighted voting powers for larger cities. Small cities want a seat at the table.
  - If it's weighted toward small cities, it takes the burden off the large cities to construct.

- **Funding Sources:** Many jurisdictions expressed ideas about potential funding sources for the Housing Trust.
  - The trust should pursue grants on behalf of the participants.
  - A ballot measure could bring funds in to support the Housing Trust.
  - Seek opportunities to coordinate with large employers. This could be a linkage fee, or a donation tied to the number of employees. Many employees in the warehouse sector are commuting long distances.
  - Consider linking fees for housing to VMT fees.
  - There is money to spend but no staff to administer funds.
- **Housing for those Experiencing Homelessness:** Jurisdictions expressed a need to support housing and services for those experiencing homelessness.
  - The County oversees many homelessness services.
  - Existing Permanent Supportive Housing can serve as models for developers. There are some waiting in households for supportive housing units to become available.
  - Staffing can be a challenge for administering programs.
  - The supply and availability of affordable housing is directly tied to homelessness.
  - Emergency shelters are needed in the interim until people can get into housing.
  - There is a need for a taskforce on homelessness.
  - Need to pair with services tied to mental health.
- **Housing Rehabilitation:** Some expressed a need for the rehabilitation and conversion of existing structures.
  - Adaptive reuse can increase units, expedite the development process, and reduce development costs. This can be particularly useful for Supportive Housing, as these units tend to fill up quickly.
  - New construction takes too long. Rehabilitation and conversion can be used to expedite the process. Modular housing is another solution for reducing the cost of development.
  - Acquisition and rehabilitation projects are not competitive for funding.
  - Reserves are limited and do not provide enough for acquisition and rehabilitation.
- **Workforce and Missing Middle Housing:** Workforce and missing middle housing refers to housing types that fall somewhere between a single-family home and a mid-rise apartment building, such as townhomes duplexes, triplexes, and bungalow courts, offering increased housing opportunities for households earning between 80-percent and 120-percent of the area median income. These housing types are an important component of a diverse housing stock, as they can expand the diversity and affordability of housing, especially in lower density neighborhoods. Many conversations led to a focus on the need for more workforce and missing-middle housing.
  - Much of the affordable housing that is being developed in the region is affordable to households earning between 30-percent and 60-percent of the area median income.
  - Housing vouchers support households earning up to 80-percent of the area median income, but there are few housing types for those earning up to 120-percent of the area median income.
  - Single-bedroom units are in high demand. This is the most desirable unit type for older and aging adults.
- **Land Banking:** Land banks acquire, hold, manage, and sometimes redevelop property in order to return these properties to productive use to meet community goals, such as increasing affordable housing or stabilizing property values. Many jurisdictions expressed an interest in land banking.
  - When surplus land is available, it is good to take the opportunity. Few surplus sites are suited for residential uses. They are typically industrial, too small, not zoned for housing, or not a developable piece of property.

- **Community Land Trusts (CLTs):** CLTs are a form of shared-equity homeownership that maintain the units as affordable over a long-term. CLTs typically make units affordable through the use of subsidies and maintain long-term affordability to future purchasers through a legally binding mechanism, such as a long-term ground lease or a deed covenant. CLTs are generally managed by a nonprofit or quasi-governmental organization and governed by a body comprised of purchasers of CLT homes, members of the public, and governmental and nonprofit stakeholders to ensure they remain grounded in the needs of the community.
    - CLTs and land banking can go hand in hand. As land can be donated for the purposes of support a CLT.
    - Some CLT models do not prioritize ownership and it can be difficult to see the benefits.
    - The benefits of the CLT model should be communicated clearly.
- **Coordination with Other Agencies and Organizations:**
    - It's important to reach out to the tribal groups and work with the San Bernardino Valley Community College District.
    - Loma Linda hospital and the university could certainly be interested in participating.
    - Potential coordination with the federal government, although it may be challenging, the Department of Defense.
    - Seek opportunities to coordinate with Western Riverside COG.
- **Other:** A variety of other housing priorities, concerns, and needs were discussed that are not categorized. They are as follows.
    - There is a strong need for more housing overall. All types of housing at all income levels.
    - There is a need for funds to support soft costs of development such as predevelopment, land acquisition, and funding for entitlements.
    - The loss of Redevelopment Agencies has left a large gap in the localities ability to support households with grants and loans for home improvement, provide rent relief, and financial support for housing production and rehabilitation.
    - There are no sustainable sources of funding for cities to support affordable housing.
    - The cost of land is rising, and residents are driving to jobs outside of the region. It is important to do more locally (jobs and housing).
    - There may be more that can done in the realm of accessory dwelling units.

SBCOG Member Jurisdiction Interviews

City of Chino

The City of Chino expressed interest in pursuing the San Bernardino Housing Trust as it will provide necessary means to addressing homelessness in the region. Homelessness is a priority for the City, among other priorities such as transportation and infrastructure. One of the City's goals is to develop a 90-day emergency shelter. Further, Chino seeks to increase housing opportunities through Measure Y, permitting an affordable housing and mixed-use overlay across 91 sites, if approved.

A concern for Chino is that there is no sustainable source of housing revenue for the City to implement their housing programs and the City will need to carefully evaluate where funds are allocated as their affordable housing funds risk becoming depleted. They see the Housing Trust as a potential avenue for providing funding in the City. In prior years, the City had a strong Redevelopment Agency (RDA) providing funds for home improvement, rent relief. Staff noted that the permanent local housing allocation (PLHA) funds are not a long-term solution if the City decides to

expand on their programs, but will be eligible to be placed into the housing trust. The seed money or administrative cost of the Housing Trust that is required for startup may be a financial burden to the City. However, the utilization of REAP 2.0 funds could reduce the impact.

Chino faces additional barriers to the development of affordable and emergency housing such higher land costs compared to the County. Three ownership units for low-income for example, would require approximately $1 million to develop, which is more than what is available in reserves for rehabilitation. Additionally, there is concern for insufficient staffing resources and the City could use assistance in seeking and applying for grants. Therefore, the establishment of a housing trust that will be pursuing grants and other funding on the City's behalf would be beneficial. Regarding these issues, the City has questions and concerns about the housing trust that include the following:

- Whether a certain number of agencies would need to sign on.
- Whether there are annual requirements in order to join, including fees for membership and full- or part-time staff.
- If there is available seed funding to assist in the startup of the housing trust.
- Whether the City will obtain credit towards its share of the regional housing needs assessment (RHNA).

City of Colton

The City of Colton expressed interest in pursuing the San Bernardino Housing Trust Fund. Further, affordable housing developers which are one of Colton's financial incentives for building affordable housing in the city, have indicated the need for gap financing. While interested, the City would like to know the following:

- What the actual administrative costs involved will be.
- What other jurisdictions are considering regarding the housing trust.
- Whether the funds can be dedicated to the actual purchase of land, regarding land banking or land write-downs.

City of Fontana

The City of Fontana expressed interest in participating in the housing trust as homelessness is a priority of their council. It may be beneficial to tailor the Housing Trust to address homelessness and mental health services as that is what their residents are primarily concerned about. They believe that affordable housing developers will benefit from this program and the City has sites that could benefit from funding. The City of Fontana had met with two western cities in the county, Ontario, and Rancho Cucamonga, which have expressed similar interest in participating in the housing trust. Additionally, it was discussed that an inventory of projects in the County could be used for analysis. Questions that the City had include:

- How affordable housing is being defined.
- What the benefits are for being a participating city.
- Whether cities obtain credit from the State towards the RHNA.

City of Ontario

The City of Ontario expressed interest in participating in the housing trust if there is a fair distribution of funds. The City had adopted the neighborhood preservation strategy, which includes an in-fill housing model implemented three years prior. According to a City-wide resident satisfaction survey, a common complaint was that vacant lots in single-family residential neighborhoods are often subject to illegal dumping and accumulation of debris. These vacant lots have potential for housing development and could be a priority for funds from the Housing Trust.

The City is curious to learn more about the community land trust model. They were approached by an interested community land trust which requested that the City donate land and pay for the development. The City did not see the benefit of this specific model, because it did not allow for wealth accumulation for residents. The City would like to see community land trust models that provide benefits for homeowners by providing wealth accumulation and equity. Additionally, the City would like to ensure a variety of projects and product types. The State's focus is dense housing, which is not always successful in the Inland Empire region. The City would also like more ADU development but are struggling to have homeowners understand that a covenant is required to have them count as affordable. Questions that the City had include:

- How to ensure the funds will be distributed fairly among members.

City of Rancho Cucamonga

The City of Rancho Cucamonga is highly interested in small-lot residential development and creative housing models. This includes housing through cost-saving methods of construction such as 3D-printing or hemp block construction, which in turn will allow for a more affordable price point. The City is also highly interested in community land trusts and how a Housing Trust could assist with, or potentially set up and administer a community land trust. One such strategy for supporting community land trusts could be through land banking and donation.

As part of the conversation pertaining to ongoing revenue sources, it was brought to attention that the region is home to many large employers, particularly within the warehouse sector. A suggestion was made regarding a possible requirement imposed on warehouses to provide donations to the housing trust based on the number of employees they have. Many employees of those warehouses often have long commutes from their home to work. As a result, another method for funding the trust would be to implement a linkage fee for housing and vehicle miles travelled (VMT).

The City recognizes that there will be some administrative costs to be involved and expressed that it is necessary to establish membership fees from the beginning to ensure long-term commitment from cities. The City prefers to have broad based geographic representation for all cities, large and small, to be involved in the housing trust. They are supportive of a population-based methodology as a reasonable approach for membership fees. The inquired about overall amount of fees needed and if REAP 2.0 grant funding can be used to reduce the burden of these fees.

In addition to the items previously mentioned, the City would like to know the following:

- What the next steps are.
- How the board will be selected.
- How soon the trust will be formed.

City of Twentynine Palms

The City of Twentynine Palms expressed strong interest in joining the Housing Trust as housing is increasingly becoming an issue for the City. The City sees a benefit in the housing trust as it provides a central location for available funding resources and expressed that there was little to no downside to a regional Housing Trust.

They expressed concerns over the challenges that the City may face as a small city applying for funds. Funds may be allocated to different cities through a competitive process and the City may not have the leverage it needs to pursue its own projects. It was proposed that funding can be allocated according to subregion, and further distributed to specific cities. This model may be more beneficial for smaller cities by leveling the playing field. The takeaway of this outreach was that it would be important to weigh the scales towards small cities and remove the burden on larger cities to build housing. It would also be beneficial to involve nonprofit participation, including utility companies, tribes, and community colleges. Questions from the City includes:

- Whether fees will be proportional based on city size, or a standard fee; and
- The timing of the Housing Trust.

City of Yucaipa

The City of Yucaipa is interested in participating in the Housing Trust. The outreach with the City has resulted in the following updates. Through AB 1150, Yucaipa is given another year to rezone. It was recommended by the City that SBCTA/SBCOG to reach out to tribal groups, community colleges, and the Loma Linda Hospital to solicit interest in the Housing Trust. A goal of Yucaipa is for the county to be more competitive with State housing opportunities and funding, as development opportunities tend occur more frequently in Los Angeles, San Francisco, and San Diego regions.

County of San Bernardino

The County is the recipient of a number of funding sources to assist extremely low-income households. The County's priority is to develop a wide variety of housing types. Funding is the main driver for the development of new housing and the funding is tied to lower-income households. There are few funding sources to support moderate-income housing. Another priority is moving people into housing, particularly those who are experiencing homelessness, through rapid re-housing. The County noted that the housing voucher waiting list is approximately eight-years.

Additional priorities include funding for pre-development, land acquisition, and entitlement costs. The County discussed the need for operating subsidies or rental assistance to support and maintain affordable and supportive housing developments for extremely low-income households.

The County expressed that there are few resources to assist with pre-development or acquiring land. Permanent Local Housing Allocation (PLHA) funds have become difficult to align for shovel-ready development due in part to the length of time needed to compete for funds. There is also inadequate staffing for work that needs to be done regarding affordable housing and homelessness. Further, many projects that compete for rental assistance that is obtained from the housing authority, but if there are no housing vouchers to assist the developers with higher scores, raising challenges in remaining competitive for funds.

Housing Authority of the County of San Bernardino

The housing authority administers funding for housing production, rehabilitation, and preservation primarily through HUD. Its core program is the voucher program. The Housing Authority serves all cities and the County in the region, except for the City of Needles.

Staff noted concerns regarding the number of people experiencing homelessness and its direct connection to the supply and availability of affordable housing. Available supportive housing units are quickly occupied, and residents who are unable to immediately secure a spot often wait in motels. Conversion and adaptive reuse projects for supportive housing and affordable housing can help to get units on the ground more quickly to serve this growing need. The Housing Authority expressed similar concerns to the County related to the lack of funding to support workforce and middle-income housing. They would like to see funding to support housing development reach a broader range of incomes. The most affordable housing development that is being developed is through the Low-Income Housing Tax Credit (LIHTC) program for households earning between 30 and 60% of the area median income (AMI). The housing voucher program accommodates households earning up to 80% of the AMI. The Housing Trust should support homeownership, workforce housing, and middle-earning households.

A key priority for the housing authority is to have the funding available to create units quickly, as well as providing incentives for market-rate developers. They noted there is a large demand for single-bedroom units due to the growing population of older adults. They also expressed interest in some innovative solutions such as modular developments. They see limited opportunity in surplus lands as available sites are often unfeasible for development. For example, these sites might be industrial in nature, small, not zoned for housing, or may lack adequate infrastructure.

There is also differing opinions of housing across the county. Western cities have higher costs and are likely to have NIMBY opposition. However, in these higher income areas, cities are better funded because of the tax base, and they can devote funds to housing development. Cities located in the desert region have little financial resources for housing. The housing authority finds that NIMBYism could be a greater discussion among city managers.

Outside Organizations Consulted

In addition to the outreach conducted to the SBCOG member jurisdictions, the following organizations were consulted to provide insight into best practices and strategies for housing trust funds. The following organizations were consulted:

- Orange County Housing Finance Trust (OCHFT)
- County of Orange
- San Gabriel Valley Regional Housing Trust (SGVRHT)
- Inland SoCal Housing Collective (ISCHC)

Key takeaways from meetings with these organizations are detailed below.

Orange County Housing Finance Trust (OCHFT)

Orange County Housing Finance Trust (OCHFT) was established by statute in 2018 as a Joint Powers Authority (JPA) consisting of the County of Orange and 23 cities in Orange County. OCHFT provides funding for housing and services

to support those experiencing homelessness. Funding for projects is allocated between Service Planning Areas (SPAs), where are geographic boundaries that guide public health planning.

The OCHFT receives much of its support through the County of Orange, including significant financial contributions. The County of Orange provided seed funding for administrative costs to the OCHFT for the first year and provides annual contributions. OCHFT notes that the County of Orange is one of their largest contributors and the funding allows the trust to maximize funds provided through the state Local Housing Trust Fund grant program. The Trust partners with the Orange County Community Foundation, which accepts funding on their behalf while pursuing philanthropic opportunities without having a separate board and separate audit.

The County of Orange recognized the challenges of starting up the trust fund, so it provided support by covering all administrative costs for the first year of the housing trust. During the second year, all members contributed based on population size as detailed by the JPA bylaws. By year three, the housing trust received administrative grant funding. The County continues to provide $200,000 in contributions each year regardless of grant funding. A trust can receive grant funding as soon as the trust is formed, and the OCHFT has recommended to pursue grants as early as possible. There were two NOFAs released in two years, and the trust is currently on their third round. The County currently provides five percent of the local housing trust fund (LHTF) towards administrative expenses, and REAP funding is though the Orange County Council of Governments (OCCOG). Since the agency matches dollar to dollar with the state, up to $5 million, more funds are available for more projects.

County of Orange

In 2017 there was momentum building around the Orange County housing need, specific to housing for those experiencing homelessness. The County of Orange (County) has always seen themselves as a regional participant, especially in the housing realm and wanted to leverage their positions to bring cities together to collaborate, which is what led to the formation of the OCHFT. The County looked into different Housing Trust models and coordinated with participants to develop a JPA Housing Trust. This strategy unified the participants to use one strong voice to garner support from the State, rather than 34 different voices. The JPA was structured so that the cities have the majority of the appointments to the board and the chair and vice chair switch out between county and non-county. This allows the County to react to the needs of the cities.

The County supported the OCHFT in the first year through staffing to set up the Trust as a separate JPA governing body. Through a Master Services Agreement, the County contributes $20 million to the OCHFT and $5 million through its General Fund. The Local Housing Trust Fund matching grants helps their money go further. The OCHTF also has a Memorandum of Understanding (MOU) with the County for services annually, not to exceed $165,550. The services provided include but are not limited to accounting services; cost, revenue, and budget services; financial reporting; and information technology. At least 90% the projects that receive funding from the County also receive funding from the OCHFT.

San Gabriel Valley Regional Housing Trust

The San Gabriel Valley Regional Housing Trust (SGVRHT) is established as a JPA and includes member cities from San Gabriel Valley, a region in Eastern Los Angeles County. The trust is restricted to affordable housing and is legislatively able to accept public and private financing and funds. The SGVRHT negotiated with city managers of participating cities to have an administrative fee. The administrative fee is divided between 20 cities and supports at least one full-time staff person and one part-time staff person at a cost of $300k a year. The contributions made per city is population based and the most any city provides is $20,000 annually. The trust allows for affiliate

membership for those jurisdictions that wish to participate but do not need funds invested back into their boundaries, an affiliate membership rate is fixed at $2,000 annually. This provides a benefit for both the trust and for partners who wish to contribute.

The trust provides gap financing on a competitive basis for affordable housing developments, applicants that receive funding from the participating jurisdictions are prioritized for funding awards. Additional projects that the trust has provided funding for include a tiny home shelter pilot project and surplus property that was converted into veteran housing. They are looking to the community land trust model, as well as affordable senior housing that is at-risk of converting to market-rate. One of the key challenges faced by households in the region is that they cannot apply for the first-time homebuyer program because the median household income and income limits are incompatible.

The San Gabriel Valley Regional Housing Trust expressed interested in pursuing a 501(c)3 component, which would qualify it for additional grant programs and would provide incentives for donors. This would aid in diversifying funds from a variety of sources including those from both public and private investments. In order to establish SGVRHT for 501(c)3, the trust will be required to identify a fiscal sponsor before pursuing private funding sources. The County is not a member of the SGVRHT, but provides financial assistance through Measure H. Through the State's 2022 budget SGVRHT was awarded a $21 million dollar grant. This will be divided up between several programs, including approximately $8 million for pipeline projects, $4 million for projects to support those experiencing homelessness, and $8 million for its revolving loan program.

Pending Outreach

Additional organizations, agencies, and jurisdictions have been contacted and some have expressed interest in scheduling a meeting for further discussion. Anticipated meetings that are currently in the process of being scheduled include the following organizations:

- San Diego County Innovative Housing Trust
- Inland Empire Health Plan
- San Bernardino Community College District

5/25/2022

Attachment No. 2 to Agenda Item No. 1-
San Bernardino County Transportation Authority/
San Bernardino Council of Governments Housing Trust Update
(PowerPoint)

SBCTA/SBCOG in Collaboration with DUDEK

SAN BERNARDINO
REGIONAL HOUSING TRUST

Regional Housing Trust Fund
San Bernardino Region

OUTREACH SUMMARY   **JUNE 02, 2022**

01 Outreach Overview

SAN BERNARDINO
REGIONAL HOUSING TRUST

Participants

Outreach to all SBCOG member jurisdictions

Individual meetings with 11 member jurisdictions

Interviews with outside organizations

- Orange County Housing Finance Trust
- County of Orange
- San Gabriel Valley Regional Housing Trust
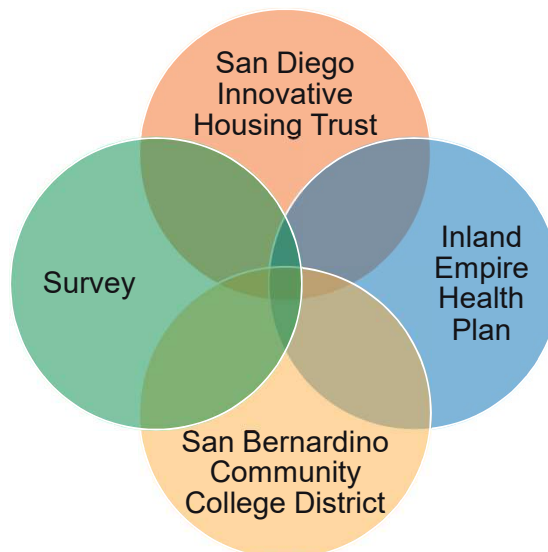- Inland SoCal Housing Collective

Group Presentations

- SBCOG Board
- City Managers
- Planning Directors

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Pending Outreach

San Diego Innovative Housing Trust

Survey

Inland Empire Health Plan

San Bernardino Community College District

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02 What We Heard

SAN BERNARDINO
REGIONAL HOUSING TRUST

Housing Trust Organization and Administration

- Clear benefit of participation
- Grants to offset the cost of membership
- Participants should pay a fee to participate to demonstrate a clear commitment
- The structure for the allocation of funds should ensure that funds are allocated to all participating jurisdictions
- Small cities want a seat at the table

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Funding Sources

- Pursue grants on behalf of participants.
- Ballot measures.
- Linkage fees, benefit agreements, or a donation tied to large employers.
- Link housing funds to VMT fees.
- Support for administering existing local funds.

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Housing for those Experiencing Homelessness

- Need for Permanent Supportive Housing.
- Staffing can be a challenge for administering programs.
- The supply and availability of affordable housing is directly tied to homelessness.
- Emergency shelters are needed in the interim until people can get into housing.
- There is a need for a taskforce on homelessness.
- Need to pair housing with services tied to mental health.

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Housing Rehabilitation

- New construction takes too long. Consider rehabilitation and conversion:
  - Get units on the ground quickly.
  - Expedite the development process.
  - Reduce development costs.
- Acquisition and rehabilitation projects are not competitive for available funding.
- Funds are limited and do not provide enough for acquisition and rehabilitation.

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Workforce and Missing Middle Housing

- Available funding sources do not support the development of moderate-income housing.

- Housing vouchers support households earning up to 80-percent of the area median income, but not middle-income earners.

- There are few housing types for those earning up to 120-percent of the area median income.

- Single-bedroom units are in high demand due to an increase in older adults.

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Land Banking and Community Land Trusts

- Few surplus sites are suited for development.

- CLTs and land banking can go hand in hand. As land can be donated for the purposes of support a CLT.

- Some CLT models do not prioritize ownership and it can be difficult to see the benefits.

- The benefits of the CLT model should be communicated clearly.

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Coordination with Other Agencies and Organizations

- Reach out to the tribal groups and work with the San Bernardino Valley Community College District.

- Loma Linda hospital and the university could certainly be interested in participating.

- Potential coordination with the federal government, the Department of Defense.

- Seek opportunities to coordinate with Western Riverside COG.

- Reach out to the County of San Diego Innovative Housing Trust.

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Other Points of Discussion

- Need for a variety of housing types.
- Funding needed to support soft costs of development
    - Predevelopment
    - Land acquisition
    - Entitlements
- The loss of Redevelopment Agencies has left a large gap in the localities ability to support households.
- There are few sustainable sources of funding for cities to support affordable housing.
- The cost of land is rising, and residents are driving to jobs outside of the region. It is important to do more locally (jobs and housing).
- Affordable Accessory Dwelling Units.

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Thank you

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