

Board of County Commissioners

**Affordable Housing Program
Ordinance**

Public Hearing

March 24, 2020



Outline

- **Background**
- **Purpose**
- **Program Structure and Funding**
- **The Housing Trust Fund Plan**
- **Action Requested**



Background

Housing for All Task Force

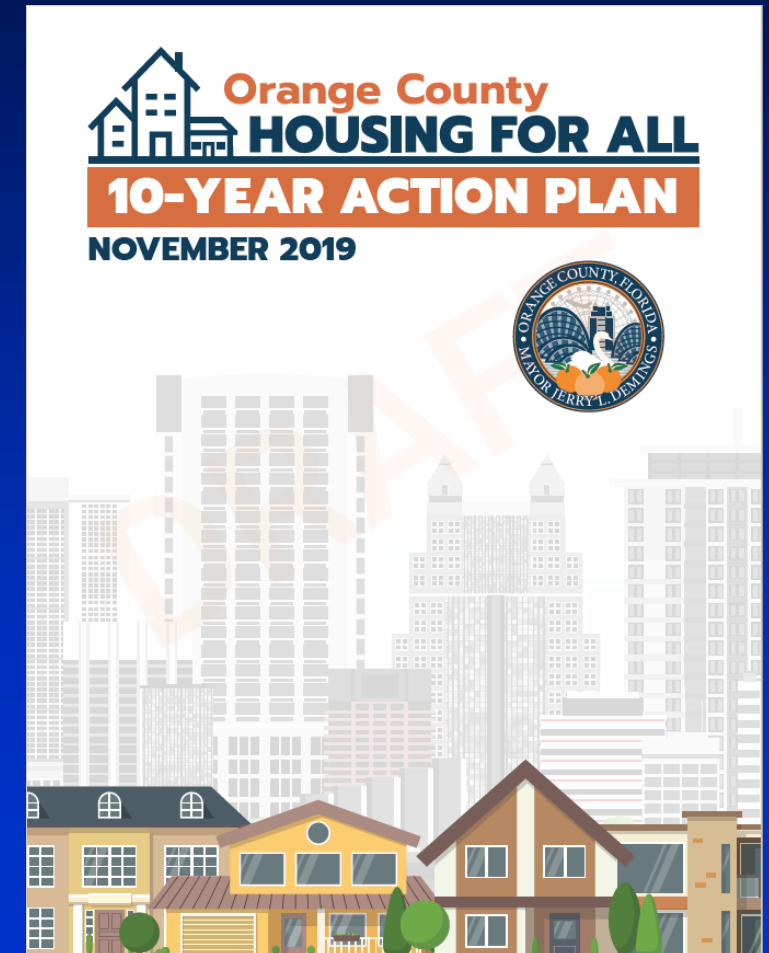
- **Mission:** To create lasting, community-based solutions for expanding housing options, improving affordability, and providing access to diverse and vibrant neighborhoods
- **Housing for All 10-Year Action Plan:** accepted by the BCC on December 17, 2019
- The Action Plan outlined recommendations and associated strategies for the production and preservation of affordable and attainable housing



Background

10-Year Action Plan – Main Recommendations

- Remove Regulatory Barriers
- Target Areas of Access and Opportunity
- Engage the Community and Industry
- **Create New Financial Resources**





Background

10-Year Action Plan – Main Recommendations

▪ Create New Financial Resources

1. Establish a **Housing Trust Fund** as a local funding source for affordable housing and as a vehicle for public-private partnership opportunities
2. Pursue a Nexus Study to evaluate the feasibility of a linkage fee for the region
3. Introduce a Revolving Loan Fund to provide low-interest access to capital for non-profit developers
4. Develop a preservation strategy for existing affordable units



Purpose

- **The proposed Ordinance establishes the Affordable Housing Trust Fund Program and the Affordable Housing Trust Fund itself.**
- **The Ordinance also requires the Orange County Housing and Community Development Division to develop and recommend an Affordable Housing Trust Fund Plan to this Board.**



Purpose (cont.)

- **Create and preserve affordable rental and ownership housing for moderate-income, low-income and very-low income persons and households in Orange County.**
- **Allow private individuals, as well as corporations, foundations and other entities, to make charitable contributions to the Affordable Housing Trust Fund to be used for the County's Affordable Housing Trust Fund Program.**



Structure of the Program and the Trust Fund

- **The Comptroller is directed to establish a fund known as the “Affordable Housing Trust Fund” within the accounts of the Board.**
- **The Trust Fund will be separately stated as an individual revenue fund.**
- **The Trust Fund Program and the Trust Fund are to be administered by the Orange County Housing and Community Development Division.**



Funding for the Program and the Trust Fund

- Starting this fiscal year (2019-2020) and continuing for each of the next 9 consecutive fiscal years thereafter, unless this Board (or any future Board) changes the amounts, the Office of Management and Budget is required to ensure that each such budget includes at least \$10 Million in general revenue fund monies for the Trust Fund Program.
- Such amount will increase each fiscal year thereafter (fiscal years 2-10) by 10% over the immediately preceding fiscal year.



Funding (cont.)

- In addition to County budgeted amounts, external donors may make charitable contributions in the form of cash, check and real property to the Trust Fund, and the Ordinance sets forth the mechanics of how that process works.
- All monies in the Trust Fund are to be exclusively used for the Trust Fund Program, and no monies may be used for administrative expenses.



The Affordable Housing Trust Fund Plan

- **Within 3 months after the adoption of the Ordinance, the Housing and Community Development Division is required to submit a recommended Trust Fund Plan to the Board.**
- **The Trust Fund Plan is required to include (at a minimum) strategies and priorities with a description of each strategy, but may also include one or more of the following for each strategy:**



The Affordable Housing Trust Fund Plan

- **Income Categories**
- **Affordability Terms**
- **Loan Terms/Interest Rate/Repayment**
- **Recipient Selection Criteria**
- **Public-Private Partnership Selection Criteria**



The Affordable Housing Trust Fund Plan

- Plan priorities are aligned with the Housing for All 10-Year Action Plan goals:
 - 1) **Create** new housing units
 - 2) **Diversify** the County's housing stock
 - 3) **Preserve** existing affordable units
 - 4) **Integrate** social capital and economic development
 - 5) **Educate** potential homeowners and renters



The Affordable Housing Trust Fund Plan

Strategies/Potential Uses of Funds:

- Gap financing
- Leveraging and incentives for preservation
- Impact fee subsidies
- Land banking for affordable housing
- Revolving Loan Fund
- Local rental assistance program
- Implementation of Missing Middle housing types & Pilot Projects
- Incentives for housing construction



The Affordable Housing Trust Fund Plan

- **The Trust Fund Plan is also required to include annual reporting requirements including, but not limited to, sources and uses of funds and an indication of the progress made toward the goals set forth in the Housing for All 10-Year Action Plan.**
- **Within 6 months after the adoption of the Ordinance, the Board is expected to adopt a Trust Fund Plan, and any Trust Fund Plan will be effective for 3 years unless a new or amended Trust Fund Plan is adopted in the meantime.**



Board Action Requested

Approval of the Ordinance pertaining to Affordable Housing; amending Article VIII of Chapter 2, Orange County Code, by creating Division 2; providing for an effective date.