



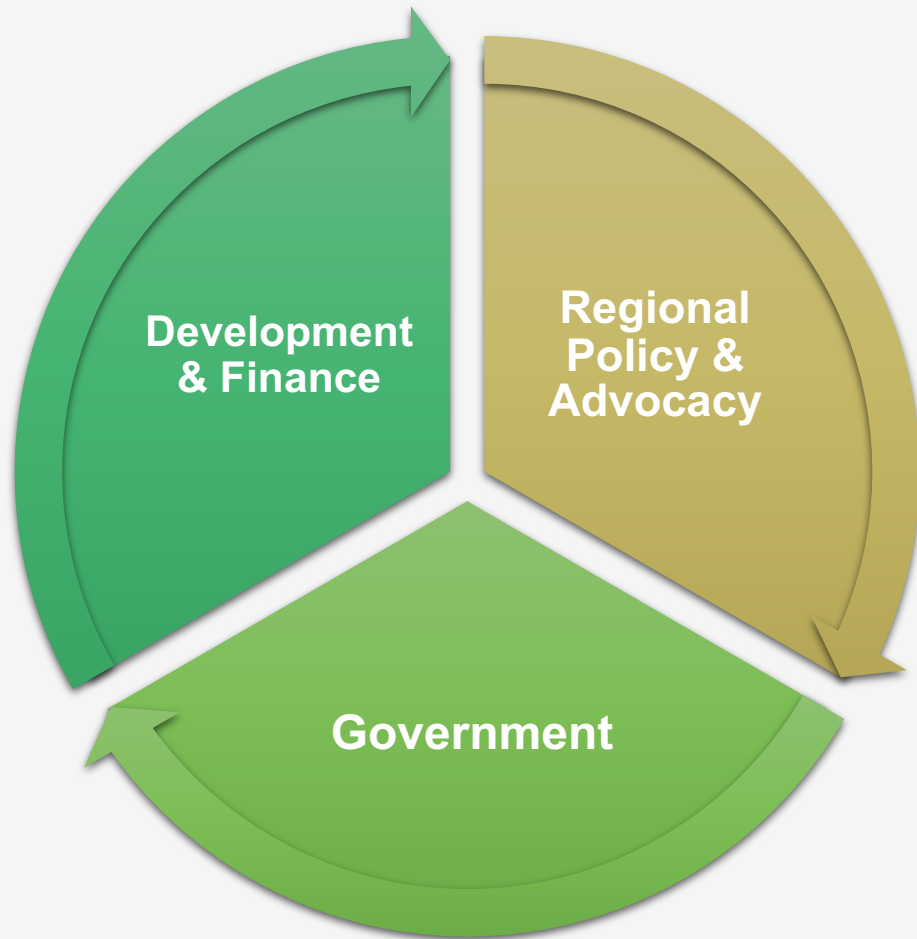
# **Overview of Models for a Permanent Housing Organization**

Progress Report for MHC Quarterly Meeting

# Scope of Work

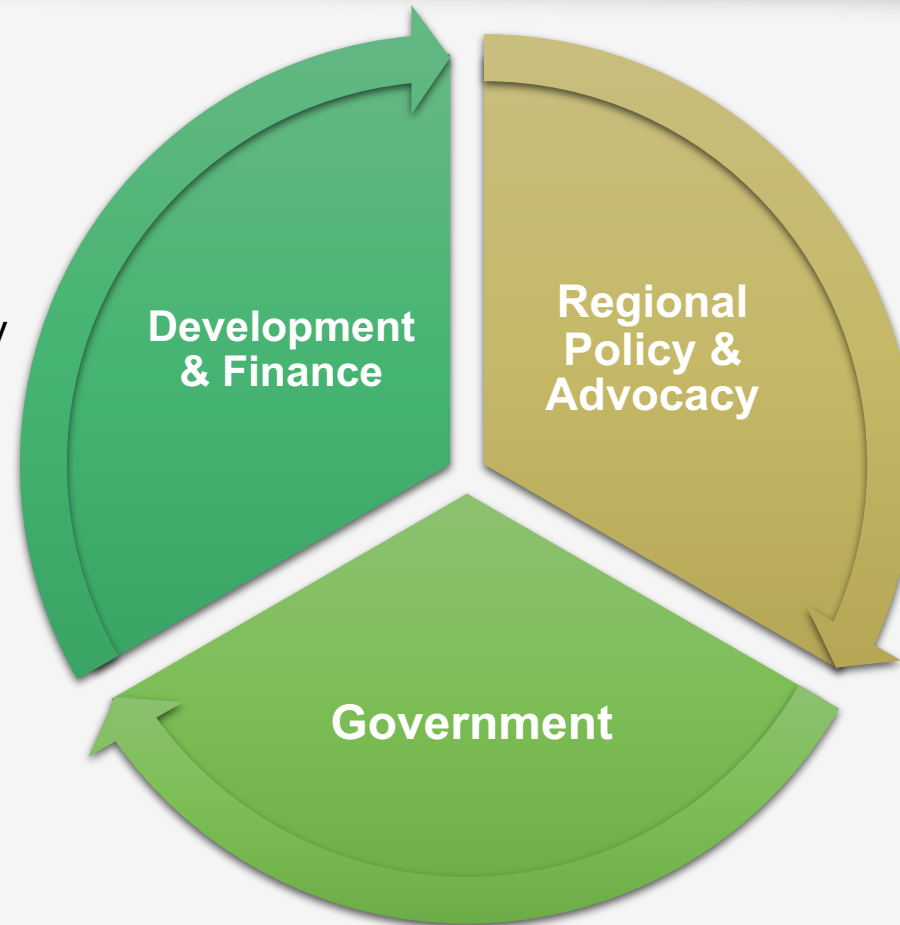
- Review existing housing organizations in Tahoe Truckee region
- Identify and evaluate “models” for one or more entities to provide regional policy innovation, education/community engagement, project facilitation, access to financing, and project development
- Present findings at MHC meeting and solicit feedback
- Recommend entities and describe next steps for entity formation

# Housing Production



# Housing Production + Preservation Levers

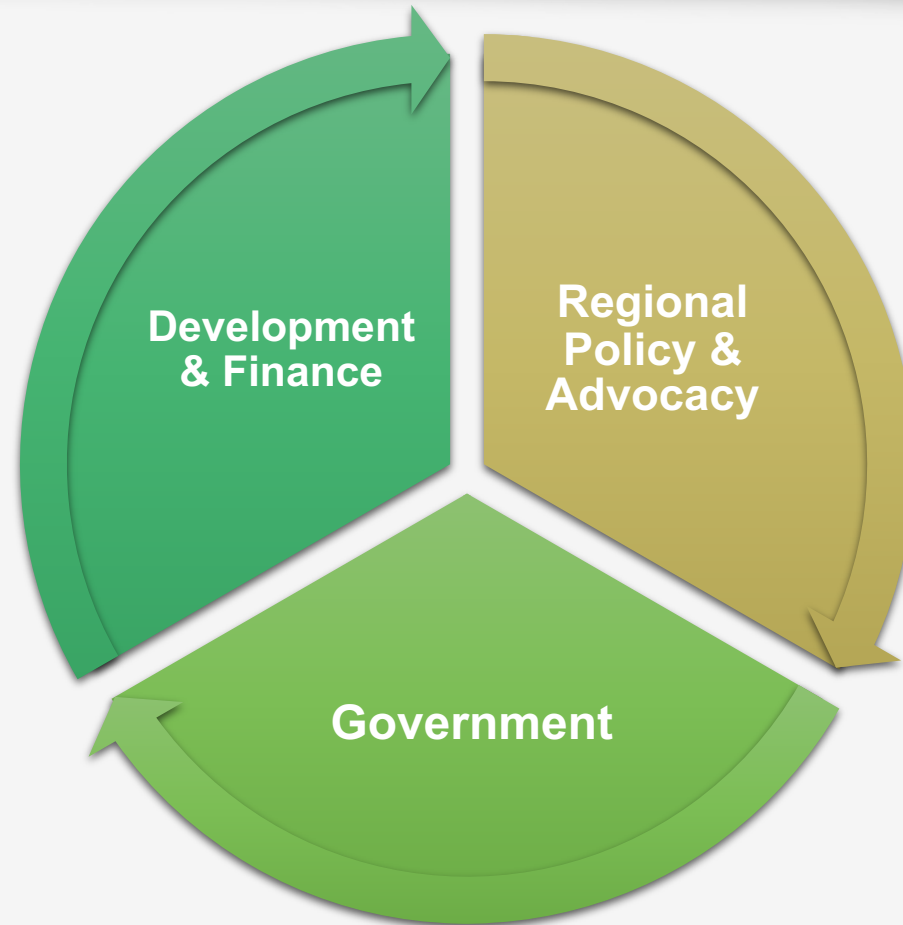
- Housing Production
  - Market-rate and affordable
- Management
- Stewardship of long-term affordability covenants (deed restrictions)
- Financing for projects
  - Private lenders
  - CDFIs



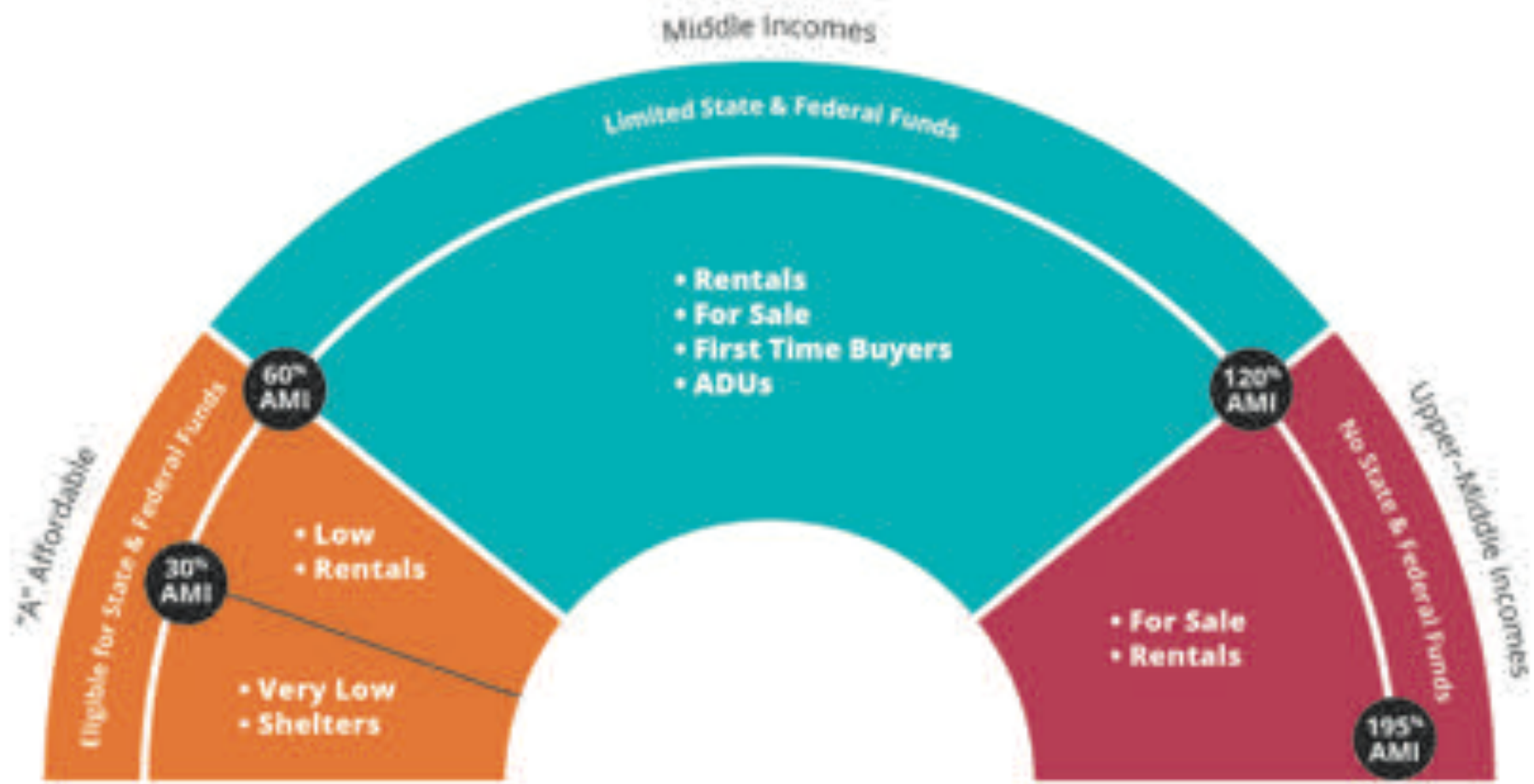
- Regional collaboration
  - Policy research
  - Education
  - Community engagement
  - Advocacy
- 
- Zoning
  - Entitlements and approvals
  - Housing policies
  - Subsidy funding
  - Land donation

# Existing Housing Ecosystem

- For Profit Developers
- Non-Profit Developers
  - Regional Housing Authority of Sutter and Nevada Counties
  - St. Joseph's Community Land Trust
- Finance
  - Martis Fund
  - Sierra Business Council
- Other Programs
  - Tenant legal rights
  - Rental assistance programs



- TTCF/Mountain Housing Council
- Sierra Business Council
- MAP/CATT/FRC's
- Strong Towns
  
- TRPA
- Placer County
- Nevada County
- Town of Truckee
- Special Districts



# Housing Delivery By Income Band

# Gaps in Existing Ecosystem

Stakeholder-identified needs:

- Non-Profit Housing Developer
- Continued Regional Dialogue and Policy Collaboration
- Development Champion for Good Achievable Local Housing
- Active Advocate
- Local Sustainable Housing Subsidy Funding Source
- Third Party to Administer Deed Restrictions and/or Buyer Assistance Programs

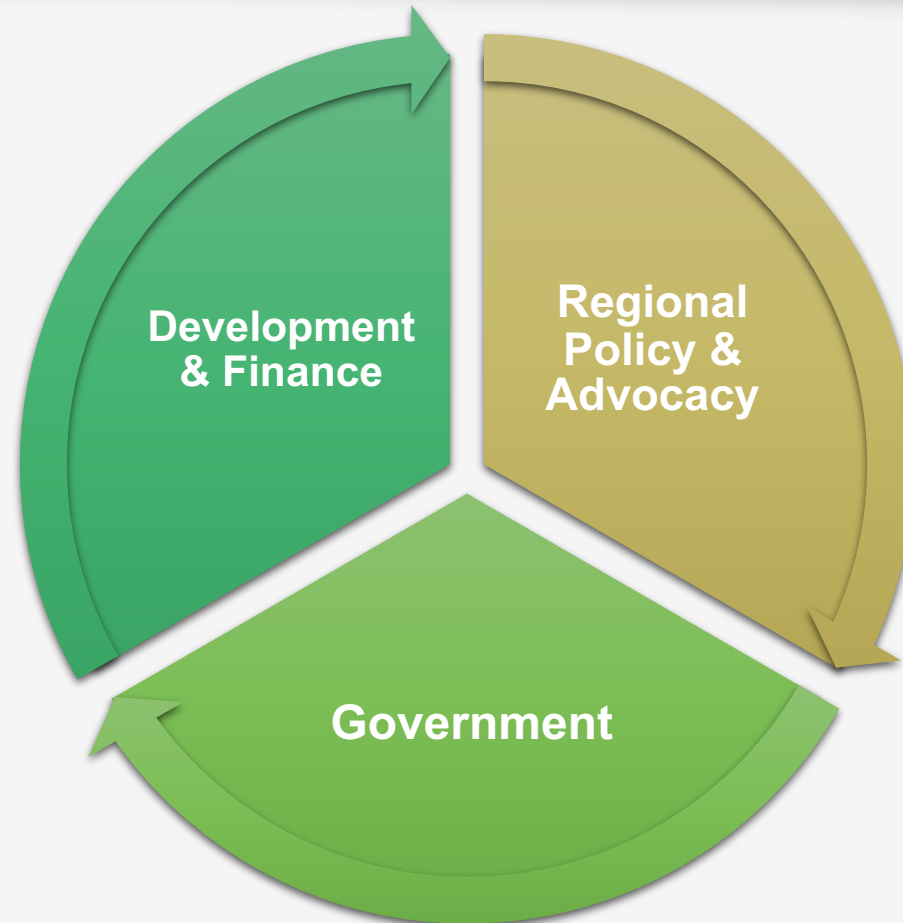
# Model Organizations

## Non-Profit Developers

- Resources for Community Development
- Sonoma County Housing Land Trust

## Finance

- SF Housing Accelerator Fund
- Opportunity Zone Incentive



- SPUR
- SV@Home
- EBHO
- Sacramento Housing Alliance

- TRPA
- Placer County
- Nevada County
- Town of Truckee
- Special Districts



# Regional Policy Models

## SPUR

- Policy research & advocacy
- Covers housing, land use, good government topics (broader than just housing)
- Full menu of events, speakers, publications,, research
- Focused on 3 major cities in Bay
- 6,000 members inc. major corporations

## EBHO

- Policy, research, and advocacy
- Strong voice to local government
- Grew out of grass-roots advocacy
- Evolved into more professional advocacy approach
- East Bay only

## SV@Home

- Primarily advocacy to local government
- Relatively new (2014)
- Silicon Valley housing only
- Looked at other models and chose independent

## SAC Housing Alliance

- Research & advocacy
- Has had ups and downs, rebuilding right now
- Sacramento focus

# Housing Development & Finance Models

## Housing Land Trust of Sonoma County

- Does not directly develop new housing units. Units developed by others via inclusionary, then transferred to CLT. CLT retains land ownership; units resold to buyers at low cost
- Supports developers during entitlements
- Determines eligibility and manages resales
- Provides homeownership education

## Resources for Community Development

- Non-profit developer initially seeded with City funding to support affordable production
- Org builds affordable family, senior, & supportive housing
- Also manages properties and conducts community development
- Current portfolio: homes to 5,000 people in 24 cities

## SF Housing Accelerator Fund

- Non-profit bridge loan fund combining capital from city, foundations, donors, and lending institutions
- Nimble source of \$ for acquisition (mostly small rental buildings up for sale)
- Takeout financing guaranteed by City if not obtainable
- \$88M loaned on 432 units (\$200K/unit)

## Opportunity Zone Fund

- New fed program to simulate ec dev + aff housing
- Tahoe-Truckee has OZ (northern half of Nevada County surrounding Truckee).
- Funds attract private equity capital for real estate projects, Investor gets capital gains tax deferral.
- Designed to improve financial returns for projects needing subsidy.

# Models and Income Targets

	Affordable Rental	Missing Middle	Moderate Income
Gaps	0-60% AMI	60-120% AMI	120-195% AMI
Regional Dialogue and Policy Collaboration	SV@Home, SPUR, Sacramento Housing Alliance		
Development Champion for Achievable Local Housing	SV@Home		
Active Advocate	EBHO		
Non-Profit Housing Developer	RCD		
Administrator for Deed Restrictions/ Assistance		Sonoma County Housing Land Trust	
Sustainable Housing Subsidy Funding Source		San Francisco Housing Accelerator Fund	
		Opportunity Zone Fund	



# **Next Entity Model Options**

For Tahoe-Truckee Region

# Considerations Moving Forward

- Adapt models to local conditions and financial resources
- Leverage existing resources (e.g., existing organizations and \$\$) when possible
- Consider trade-offs of a new regional entity vs. expanding existing orgs
- Build the next entity on a sustainable funding model

## Next Steps/Actions

- Formulate a detailed Regional Housing Action Plan

# Entity 1: Regional Policy + Professional Advocacy

- Responsibilities:
  - Convene stakeholder meetings and events to monitor and report on housing progress/goals
  - Conduct educational campaign re: need for achievable housing
  - Conduct and publish regional policy research
  - Support local housing initiatives and planning through professional advocacy
  - Fund management for grants and contract services with existing housing ecosystem
- **Considerations:** Should we nest the regional policy and professional advocacy function within an existing entity (TTCF) or create a new single-purpose housing organization like SV@Home?

# Entity 2: Grassroots Advocacy

- Responsibilities:
  - Organize community residents to shape development that supports community values
  - Advocate on behalf of housing projects and housing-supportive policies
  - Educate and demystify affordable housing
  - Collaborate with a diverse range of decision-makers to highlight the need for more affordable housing
- **Considerations:** Can other existing entities fill this need (e.g. Strong Towns) or does a new grassroots advocacy group need to be created? Is there need for another advocacy group distinct from Entity 1?

# Entity 3: Non-Profit Housing Entity

- Responsibilities:
  - Directly develop, build, and manage housing units (land acquisition, manage design and entitlements, obtain financing, oversee construction, manage rental or sale program)
  - Partner with existing organizations (inc. for-profit developers)
    - Can also be a community land trust model
    - Receive and leverage broad range of funding
  - Can also play a strong advocacy role (but would be secondary, not primary focus)
- **Considerations:** Does the region need a new 501(c)3 non-profit housing entity, or can affordable housing production be accomplished by funding the expansion of the existing Housing Authority with dedicated staff in Tahoe-Truckee region or expanded staff at St. Joseph's Community Land Trust?



# Entity 4: Regional Steward for Affordable Units (Deed Manager)

- Responsibilities:
  - Manage and preserve existing affordable housing inventory
  - Long term protection of community housing assets
  - Ensure initial and/or future sales/rentals are compliant with affordability covenants
- **Considerations:** Should this function be nested within the non-profit housing entity or other agency, or does the region need to create a new entity for this purpose?

	<b>Entity 1: Regional Policy and Professional Advocacy</b>	<b>Entity 2: Grassroots Advocacy Group</b>	<b>Entity 3: New Non-Profit Housing Development Entity</b>	<b>Entity 4: Regional Steward of Affordable Units</b>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Provides independent voice with housing focus</li> <li>• Allows for clear metrics on one issue</li> <li>• May broaden attraction of funders</li> <li>• Would enable board composition with housing focus</li> <li>• Nesting within existing org allows entity to leverage existing resources</li> </ul>	<ul style="list-style-type: none"> <li>• Provides a platform for active citizens to collaborate and voice their opinions</li> <li>• Direct organizing and advocacy is an effective tool to put pressure on government officials to support achievable policies and projects</li> <li>• Provides a counter-opinion to NIMBYs</li> </ul>	<ul style="list-style-type: none"> <li>• Focuses on unit production in local context</li> <li>• Can partner with established orgs until it gets a few projects done</li> <li>• Can attract broadest range of funding</li> <li>• Could also fill regional advocacy role but would be secondary (will be too busy)</li> </ul>	<ul style="list-style-type: none"> <li>• Assemble all deed restricted affordable housing in the region under one roof</li> <li>• Straightforward interface with clients (InDeed in Vail)</li> <li>• Ensure compliance with covenants and preserves affordability for future generations</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• A newly created entity would be “starting over”, which takes time and strategy</li> <li>• Sustainable funding may be challenging due to small region</li> <li>• Nesting within an existing entity may not fit well (different missions)</li> </ul>	<ul style="list-style-type: none"> <li>• Methods tend to be more “prickly”</li> <li>• May undercut other initiatives (Strong Towns)</li> <li>• Government agencies don’t typically provide funding</li> </ul>	<ul style="list-style-type: none"> <li>• Bears some risk of failure (real estate has risk)</li> <li>• May not be able to address all categories of need</li> </ul>	<ul style="list-style-type: none"> <li>• Can be accomplished by other entities (government, contracts with management companies)</li> <li>• Putting units in CLT may be risky if CLT becomes unstable</li> </ul>

# Next Entity Income Targets



	Affordable Rental	Missing Middle	Moderate Income
	0-60% AMI	60-120% AMI	120-195% AMI
Entity 1: Regional Policy and Professional Advocacy	All		
Entity 2: Grassroots Advocacy	All		
Entity 3: New Non-Profit Housing Development Entity	Primary Focus	Some Focus	Not Wheel House
Entity 4: Regional Steward (Deed Manager)	Some Focus	Primary Focus	