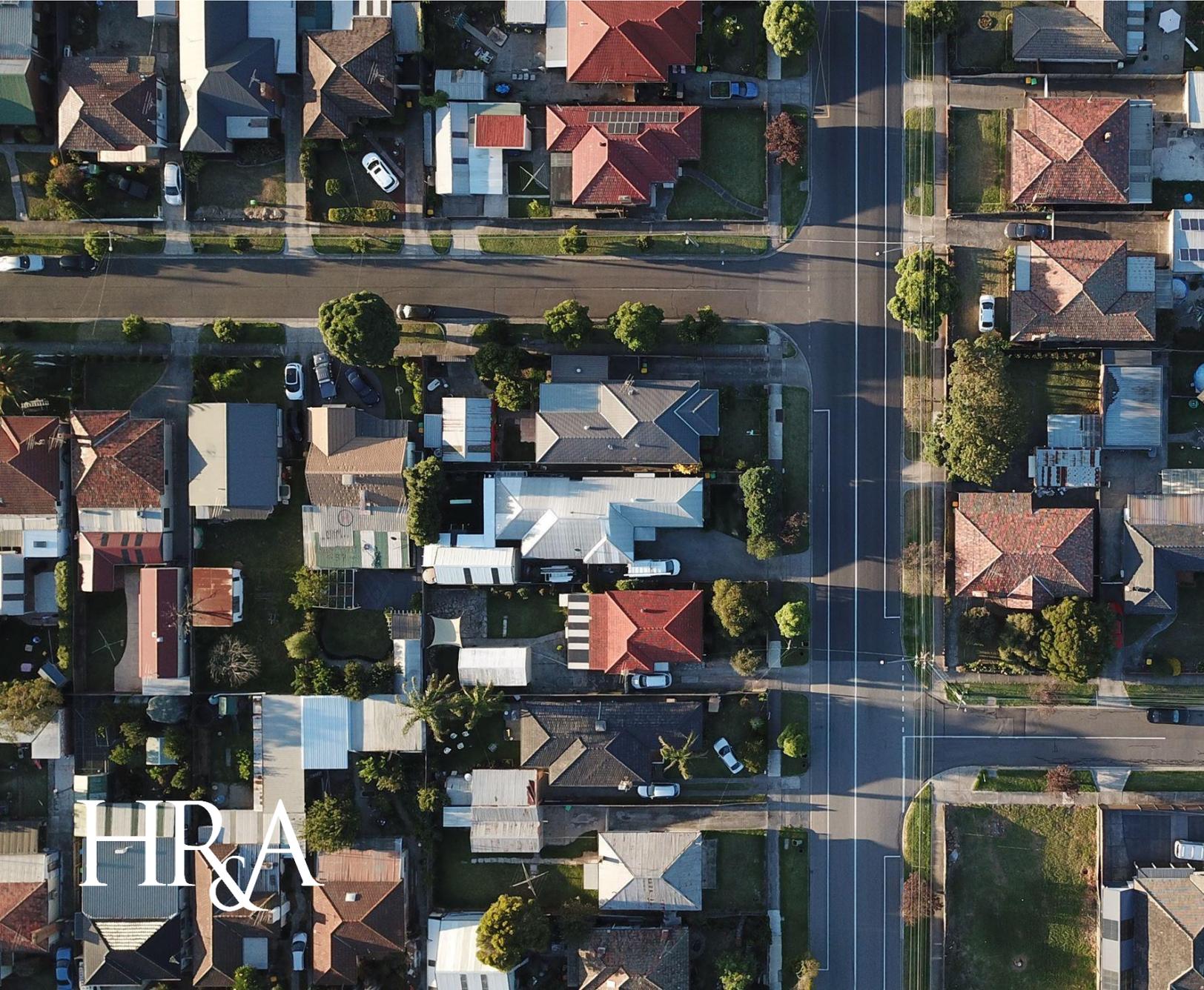

San Joaquin Regional Housing Fund, Inc.

Administrative Assessment & Plan

June 2024



HR&A

Table of Contents

Context	3
Administrative Structure	4
Council of Governments-Led Governance Model	5
Housing Fund Advisory Committee	6
Administration	6
Transparency	7
Funding Framework	8
Potential Funding Sources	8
Initial Funding Commitments	8
Startup Operating Budget	9
Appendix	10

Context

Purpose

In early 2024, the San Joaquin Council of Governments (SJCOG) created the San Joaquin Regional Housing Fund, Inc. that aims to address the critical shortage of affordable housing in the county. To date, SJCOG has achieved significant milestones to create the Regional Housing Fund (RHF), including a Financial Feasibility Analysis, an Affordable Housing Needs Assessment, and the establishment of a 501(c)(3) entity.

The Administrative Assessment & Plan provides direction on the administrative framework and governance structure to successfully manage the RHF. This document provides more detail for the following components:

Administrative Structure Framework:

- **COG-Led Governance Model:** The SJCOG elected to establish the RHF as a 501(c)(3) that is a subsidiary of SJCOG. The SJCOG Board will serve as the lead governance entity.
- **Housing Fund Advisory Committee:** The SJCOG Board will be supported by an Advisory Committee of local government representatives, housing advocates, community organizations, and financial institutions. The Advisory Committee will be responsible for providing recommendations on fund allocations and project priorities.
- **Administration:** Administering the Affordable Housing Fund requires a range of responsibilities related to the Advisory Committee, the SJCOG Board, funding applicants, and reporting. These responsibilities will require dedicated staff time and resources.
- **Transparency:** The SJCOG Board must be transparent in its expectations, priorities, and decision-making criteria through multiple stages of the funding process.

Additional governance details are included in the Corporate Bylaws.

Funding Framework:

- **Potential Funding Sources:** This section provides an outline of potential sources of operational funding and capital for the RHF.
- **Initial Funding Commitments:** The SJCOG will need to secure initial funding commitments to support early operations of the RHF.
- **Startup Operating Budget:** An estimate of costs for Year 1 operations.

Appendix:

- **Roles and Responsibilities:** This section lists critical elements related to managing the RHF and facilitating the governance process.
- **Structural Options:** This section outlines three potential options for governance structures for the proposed fund that were considered prior to the selection of the SJCOG-led model.
- **Evaluation of Options for San Joaquin County:** This section provides further evaluation of the three governance models and their potential to be effective in San Joaquin County.

Administrative Structure

The administrative and governance structure of the San Joaquin Regional Housing Fund, Inc. (RHF or "Housing Fund") will shape the efficacy and equity of decision-making, which ultimately determine housing program implementation and community outcomes. One of the most important decisions will be who is the lead governing entity.

The governance structure needs a diversity of perspectives, not just from housing professionals but inclusive of community voices and beneficiaries of housing programs. The RHF is an opportunity to build trust and establish an entity that advocates for affordable housing resources across the county.

The RHF will be a resource to meet the evolving housing needs of San Joaquin County, independent of annual decisions made about existing housing funding sources in the region, including CDBG and HOME grants. This separation is important for ensuring that the RHF has the flexibility to meet a range of housing needs and to adapt to those changing needs over time, and not infringe on city-specific priorities. Further, this separation ensures that diverse perspectives can play a real role in supporting priorities for local, flexible spending.

Successful governance practices include:

- Formalize the process to set priorities for the use of funds
- Include and empower community voices, including those who benefit from publicly-funded housing programs, in decision-making processes
- Build trust in the governance process by providing clear communication about priorities and reducing real and perceived conflicts of interest

There are several best practices from experience across the state and country that suggest it is critical to clearly define both the priorities, roles and decision-making processes up front. Many of these decisions are interdependent but all are essential for ensuring that there is an open, transparent and inclusive process.

After careful consideration of three potential models of administration of a regional affordable housing fund, the Board of Directors for the San Joaquin Council of Governments (SJCOG) determined that a SJCOG-led nonprofit was the most suitable model. The following pages lay out key considerations for moving forward with a RHF as a nonprofit entity in San Joaquin. It reviews the necessary administrative roles and responsibilities for a SJCOG-led nonprofit with an Advisory Committee that reports to and advises the SJCOG Board.

Initially, the SJCOG contemplated forming a Joint Powers Authority "JPA" to secure special state allocations of funds. At this point, a JPA is not recommended because there have been limited conversations exploring the possibility with state legislators. In the future, the SJCOG and the RHF may explore creation of a JPA.

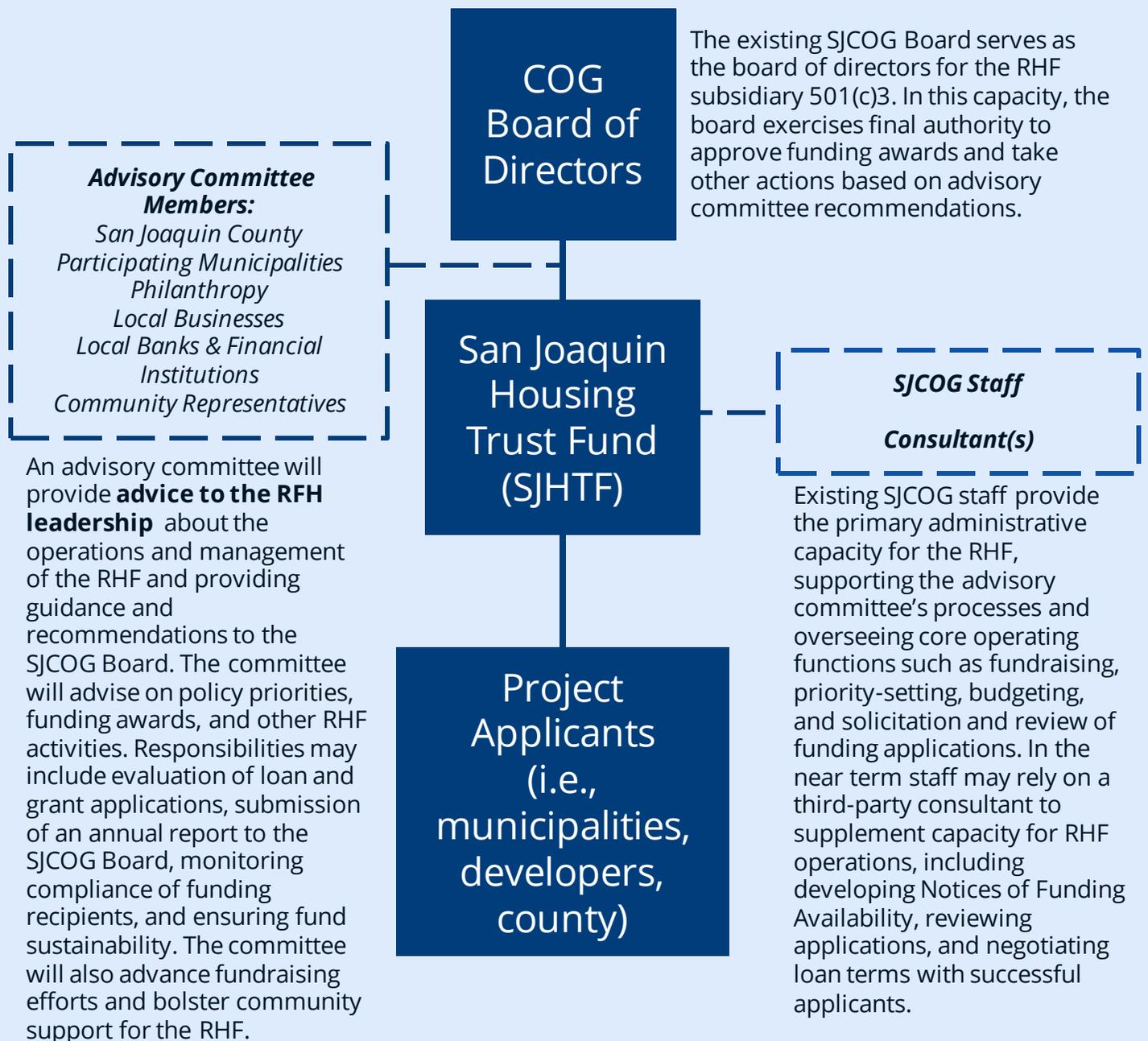
The Appendix provides a summary of three previously considered models of administration, an evaluation of each model for San Joaquin, and the initial steps for moving forward with each option.

Council of Governments (COG) Led Governance Model

The SJCOG elected to establish the RHF as a 501(c)3 that is a subsidiary of SJCOG. The COG-led structure has several key advantages. A COG-led RHF offers a trusted entity to coordinate and administer a new source of funding. COG's regional role, experience coordinating strategies, and distributing funding offers additional efficiencies. Furthermore, the COG governing board makes it easier to provide early governance and oversight.

RHF Startup Administrative and Governance Structure: Roles and Responsibilities

The startup governance structure leverages the existing capacity of the SJCOG and its Board of Directors, while relying on additional expertise and capacity from an advisory committee. Over time it may become appropriate for the RHF to form its own board of directors.



Housing Fund Advisory Committee

The primary roles of the Advisory Committee will be to build community support for the RHF (including through fundraising) and to provide expert guidance to the SJCOG board of directors, by reflecting the public interest to the best of their ability in the annual prioritization of funds, or an Annual Allocation Plan (“AAP”), distributed through the RHF.

The Advisory Committee should represent the community in annual funding allocation decisions through both representation and regular engagement.

The level of involvement of the Advisory Committee in final decisions regarding funding allocation and expenditures will ultimately depend on organizational decisions. The specific rules of the AAP will depend on the bylaws, the funding sources and annual scoring criteria that will be approved by the Advisory Committee that cannot be determined in advance.

However, in any scenario, the Advisory Committee will play a key role in engaging the community and providing recommendations on the allocation of funding across different policy priorities and programs. As such, it is essential that the Advisory Committee includes members of the community, both recipients of housing programs and resources and providers of those resources.

The Advisory Committee has several key responsibilities that need to be defined:

- 1. Oversee regular (annually or bi-annually) community engagement** to gauge community priorities for the fund by partnering with a local engagement organization;
- 2. Develop a draft Annual Funding Allocation Plan**, reflective of community engagement, subject to approval by the lead governing entity;
- 3. Review funding applicants at a high level** and provide recommendations on the disbursement of funds; and,
- 4. Make recommendations to the SJCOG Board** regarding funding levels, potential additional fundings sources, and potential new funding priorities.

Administration

Administering the Affordable Housing Fund requires a range of responsibilities related to the Advisory Committee, the SJCOG Board, funding applicants, and reporting.

These responsibilities will require dedicated staff time and resources, and the division of responsibilities between entities should be clearly defined in the governing bylaws. There is no perfect formula for the division but rather determining a mix that will work within the local context.

These administrative responsibilities can be held by public officials, a community partner or third-party subject-matter experts/consultants. The Bylaws will need to address the following administrative responsibilities:

- 1. Scheduling and coordination of meetings:** There needs to be individuals dedicated to scheduling Advisory Committee meetings and coordinating the meetings in advance, including writing the agendas, gathering the necessary materials, and providing that information to Committee members in advance.
- 2. Managing the allocation process:** Soliciting and reviewing applicants is a critical process t which requires outreach. The administrator will need to understand the potential pipeline. Then a notice of funding available (NOFA) will need to be adjust to issue clear funding guidelines from potential applicants The Advisory Committee will oversee the drafting of NOFAs, there will need to be a staff person dedicated to write them, answer questions about them and organize responses.
- 3. Tracking funding resources:** It will also be important to have a clear tracking of potential sources of funding and any requirements that might influence the distribution of funds.
- 4. Annual reporting:** Annual reporting on the allocation of funding across programs and to specific funding recipients is critical for ensuring proper public oversight of the Affordable Housing Fund. An annual report should be written by staff and distributed through public channels.

Transparency

Transparency requires identifying Affordable Housing Fund expenditures and publishing metrics on program funding, capacity, and impacts to create accountability and measure progress towards goals.

The SJCOG Board must be transparent in its expectations, priorities, and decision-making criteria through multiple stages of the funding process. Transparency of funding allocations and uses serve to maximize the impact of public funds strategies by increasing the competitiveness of programs and deals, and by increasing public accountability towards the use of funding.

A critical part of building this transparency will be publishing annual scoring criteria and results so that all applicants understand how funding decisions were made. It is also often useful to allow applicants to follow up about their results to understand how they might be successful in the future.

The County of San Joaquin, SJCOG, local municipalities, the Advisory Committee, and any community partners should commit to transparency using the following set of guidelines.

The following table lays out some of the most important steps to take to ensure transparency.

Visibility of spending	Clearly report on housing funding allocations and expenditures. The full extent of the spending through the Affordable Housing Fund should be made clear through an annual housing report, both to give credit to existing efforts around housing, and to be able to more accurately monitor trends in spending on housing over time.
Availability of monitoring data	Provide production and cost data for homes created and households served. The per-unit or per household cost, total program costs, and total program capacity of different affordable housing programs should be published and monitored. This data would allow funders, Trust Fund staff, and civic leaders track the impact of public funds in delivering housing services.
Measurement and evaluation of impacts of housing spending	Adopt best practices in performance measurement for housing, disaggregating performance data by outputs (what the Trust Fund is <i>doing</i>) and outcomes (what ultimate impacts the funds are <i>having</i> on housing affordability). This data should be monitored regularly, with data collected on an ongoing basis and reviewed on a monthly to quarterly cycle. These metrics should be directly incorporated into budget requests and funding applications. Data should also be disaggregated by race and income level.
Competitiveness and standardization of RFP process	Create transparent and rigorous process for evaluating projects, programs, and program administrators that receive public funds. The Affordable Housing Fund should award funds through a competitive process, in most cases by request for proposals that are scored based on experience, capacity, alignment with public policy goals, efficiency, leverage, and other relevant criteria.

Funding Plan

Potential Funding Sources

Based on the housing investment priorities set by the Board in consultation with the Advisory Committee, SJCOG will need to identify funds for capital investments and operations that can support project delivery and ongoing operations. This should include a mix of funding sources that are aligned with the housing needs that the HTF will seek to address. Housing investment priorities should also align with the types of projects that are eligible for state and other funding. Possible funding sources are listed below.

- **SJCOG-controlled funding sources:** Existing COG-controlled funding sources will be the easiest to secure and can provide a predictable source of annual operating funding. SJCOG also controls the Regional Early Action Planning Grant (REAP) which is a state program that funds planning and development activities to accelerated infill housing and address other policy goals.
- **Funding from member jurisdictions:** Funds from SJCOG members, either in the form of one-time capital commitments (“seed funds”) or ongoing commitments of operating funds, could come from general fund allocations, dedicated tax revenue for affordable housing, or bond funds. Commitments of funding from local jurisdictions will be necessary to access state matching funds. Local jurisdictions could also allocate entitlement funds such as HOME and CDGB, however funds restricted for housing use by state or federal law, such as these entitlements programs, cannot be used to access the Local Housing Trust Fund Matching Grant.
- **State funding:** State funding sources such as the California Department of Housing and Community Development (HCD)’s Local

Housing Trust Fund Matching Grant program, provide a critical opportunity to leverage funds from outside the region. Eligible uses for this funding include construction loans and permanent financing loans for development and rehabilitation of affordable rental housing, emergency shelters, Permanent Supportive Housing, and affordable homebuyer or homeowner programs. To access these funds the RHF will need to secure local funding commitments.

- **Philanthropic funding:** funds from philanthropic organizations, such as from a local community foundation, could be most helpful in supporting startup operations for the Housing Trust Fund.

Initial Funding Commitments

Securing initial funding commitments will be critical to build momentum for the RHF. The SJCOG has already dedicated to support initial operations, and is in the process of pursuing multiple grants for operating funds and seed capital. In preparation to apply for HCD’s Local Housing Trust Fund Matching Grant, the SJCOG is working to secure commitments of eligible local funds.

Startup Operating Budget

The RHF will rely on capacity from a consultant to manage launching the fund and operations during the startup period. The consultant will supplement capacity and leadership of SJCOG staff. A preliminary budget for Year 1 operations is provided below.

Task	SJCOG Staff	Consultant	Total
Start Up Costs			
Underwriting Guidelines	10,000	\$20,000	\$30,000
Annual Allocation Rules & Plan	10,000	\$20,000	\$30,000
NOFA Drafting	20,000	\$30,000	\$50,000
Operating Costs			
Application Review	50,000	\$70,000	\$120,000
Underwrite & Close Investments	100,000	\$200,000	\$300,000
Annual Reporting & Board of Directors Decision making support	30,000	\$20,000	\$50,000
Total Costs	\$220,000	\$360,000	\$580,000

Appendix

Roles and Responsibilities	11
Structural Options for Administration	12
County Led	13
COG Led	14
Nonprofit Led	15
Evaluation of Options for San Joaquin	16
Potential Administrative Structures	16
Comparison of Options	17
San Joaquin County-Led Implementation Plan	18
San Joaquin COG Led Implementation Plan	19
Nonprofit Implementation Plan	20

Roles and Responsibilities

To ensure that the RHF is responsibly managed there are critical roles and responsibilities that need to be defined. Many of these of roles will be further defined in a set of bylaws that determine the operating rules for the RHF but the first step is recognizing these roles and planning for filling all the roles..

RHF Element	Initial Considerations for San Joaquin
Board composition	Board representation, including number of members and community representation
Board responsibilities	Clearly define the core responsibilities of the Board, including applicant review and setting annual policy priorities
Officer roles	Determine officer roles in addition to the Chair and Vice-Chair as needed and define responsibilities
Selection of an Executive Director	Identify an individual to lead the day-to-day operations of the Housing Fund. This role can be part-time or full-time.
Process for confirming bylaw changes	Define whether a change in bylaws requires a simple or two-thirds majority vote of the Board
Terms and appointments	Length and rotation of Board terms
Frequency of meetings	Meetings should occur at least quarterly, with working group meetings as needed
Attendance	Requirements around the permitted number of missed meetings for Board members
Voting	A vote of the Board should require a quorum in order for the Board to conduct business
Public vs. private meetings	While regular Board meetings should be public, the bylaws should also define whether additional meetings and working group meetings are public and subject to the Brown Act, or private
Ongoing public engagement	Responsibilities for planning and executing annual public engagement to inform Fund priorities
Working groups	Requirements for forming and confirming a working group
Identification of Initial Capital Sources	Funding for the initial set up and round of investments needs to be identified and negotiated.
Identification of Operating Sources	Funding for the housing fund operations and administrative costs need to be identified and structured so that funds can be properly administered
Allocation of funds	Requirements for drafting, soliciting, and reviewing Requests for Proposals (RFPs)
Annual reporting	Drafting and publishing an annual public report of Housing Fund expenditures

Structural Options

Three Options

Based on prior HR&A research, there are three potential options for structuring a RHF for San Joaquin County that have distinct advantages and challenges. The three options are:

- 1. County Led:** This structure would be organized as an internal County agency or other operating unit reporting to the Board of Supervisors. All municipalities could participate in an Advisory Committee, and eventually become a Joint Powers Authority with access to state level funding opportunities.
- 2. Council of Governments Led:** Operating within the San Joaquin Council of Governments, this structure provides pre-existing governance structures, staffing, and operating rules that can be built on. Past precedent with structuring a separate 501 c3 offers a feasible administrative structure for moving forward.
- 3. New Independent Non-profit Led:** Formation of a new tax-exempt organization with cities, the County and other entities as members offers the chance to set new expectations and full independence from existing structures.

Each of the three options has important implications on key governance areas that need to be considered as San Joaquin determines the most feasible path forward:

- **Timeline:** The three options imply different timelines and processes for setting up the RHF.
- **Administration:** The options also imply different administrative requirements and representation. Critically this will influence the approach to prioritization and likely the type of community input for the RHF.
- **Transparency:** All the options have different requirements for transparency.
- **Long-term Funding Strategy:** Finally, the long-term funding strategies change based on the structure of the RHF.

Ultimately, the structural model needs to balance the viability of each of these three areas to best meet the needs of the community.

Advantages

Challenges

	Advantages	Challenges
County <i>Ex. Orange County</i>	<ul style="list-style-type: none"> • Full county coverage • Access to bond financing & HCD Funding • Existing staff and organization makes administration easier 	<ul style="list-style-type: none"> • Requires county resources • County leaders need to consider affordable housing a top priority • Buy-in from local jurisdictions
Council of Governments <i>Ex. ABAG/MTC</i>	<ul style="list-style-type: none"> • Full county coverage • Administration is simplified using COG structure & 501c3 • Access to many financing resources 	<ul style="list-style-type: none"> • Potentially long-term process of building support • Voter willingness to support bond measures related to housing
Independent Non-Profit <i>Ex. Ventura County</i>	<ul style="list-style-type: none"> • Fully independent entity • Option for direct participation by cities and county • Administration by nonprofit staff 	<ul style="list-style-type: none"> • Create a new organization and administrative support systems • Obtaining startup funding • Ensuring public agency input

County Led

Opportunity

The county level structure has several key advantages. There would be full coverage of the county making it easier to meet the needs of the wider market across the entire region. The county level structure can be rapidly formed through Board of Supervisor approval of its mission, staffing, and budget. The municipalities could join an Advisory Committee. This also simplifies the administration of the Affordable Housing Fund, while also making a variety of funding instruments available.

Accessing large and recurring funding would also be most feasible under a county led model. There are critical county level sources of funding for housing and homelessness services that offer an opportunity for long term recurring funding. There are also state level appropriations and funding streams that are easier for the county to access than municipalities. Finally, the county provide bonds for individual projects and even advocate for countywide voter approved issuance.

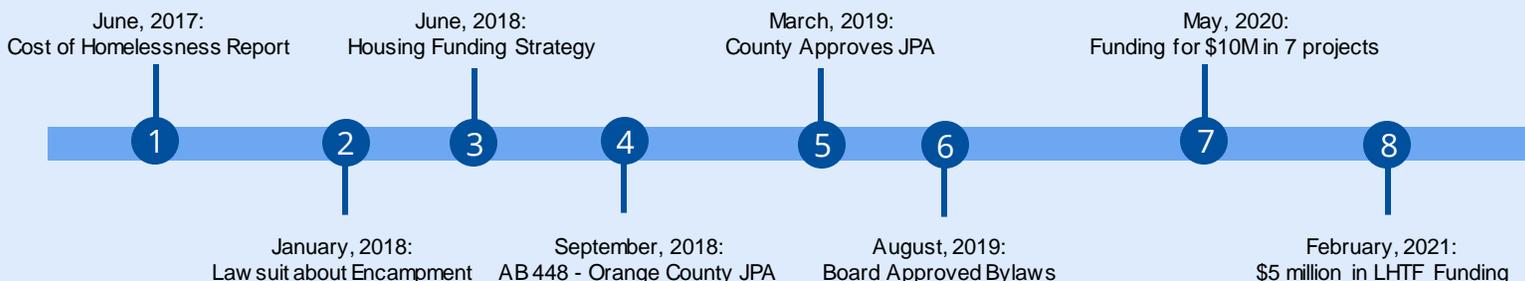
Challenges

Nonetheless there are also challenges that need to be addressed with a county led structure. While it may be straight forward to have the county create the initial structure and bylaws, over the long term the RHF will require input and feedback from a disparate group of local governments that will have competing priorities, resources and staff capacity. Furthermore, a county would need to work to remain transparent with an open process.

Governance Area	Implications
Timeline	Rapid Formation
Administration	County staff or outside administrator
Transparency	Moderately regulated
Start-Up Funding	MHSA; REAP grant; County General Fund; HCD grant

Example: [Orange County, CA](#)

A 2017 study by United Way, Jamboree and UC Irvine showed that the county was spending nearly \$300 million per year on homelessness related costs and could save at least \$40 million per year by putting these individuals into housing. Then in 2018 a group of homeless individuals filed a class action suit related to homeless encampment clearance without provision of alternative shelter. Partially in response to these pressures the county released a housing funding strategy that that recommended a housing trust fund that would sit at the county level with individual municipalities as members. In September 2018, the California legislature approved AB 448 which created a joint powers authority (JPA) for the Orange County Housing Trust Fund. The county approved the JPA in March 2019 and formed a committee to oversee homelessness. In August 2019, the trust fund board approved bylaws that officially launched the trust fund. In response to the first Notice of Funding Available (NOFA) the board approved \$10 million in funding for 7 projects in May 2020. With this track record the Orange County Trust Fund received additional support from HCD’s local housing trust fund (LHTF) pool in 2021 and again in 2022. Orange County also sought additional support at the state level for direct appropriations, but they were unsuccessful.



Council of Governments (COG) Led

Opportunity

The COG led structure has several key advantages. A COG-led RHF offers a trusted entity to coordinate and administer a new source of funding. COG’s regional role, experience coordinating strategies, and distributing funding offers additional efficiencies. Furthermore, the COG governing board makes it easier to structure a board specific to a HTF.

As an already highly transparent public agency in the region, a COG would be required to be ‘transparent with the overall administration and management of the Affordable Housing Fund and address community needs. In addition, COG’s have existing access to state level funds that could be dedicated to the RHF. This position simplifies COG leadership of the Affordable Housing Fund.

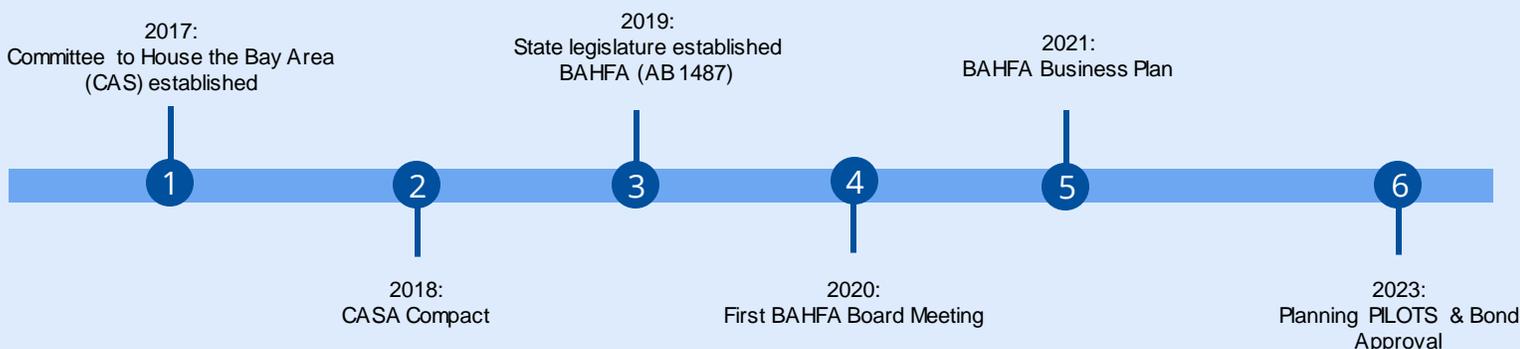
Challenges

Since the COG structure solves many of the coordination and governance issues the main challenge has to do with funding. Therefore, securing a long-term stream of local recurring funding sources may require a voter approved bond, fee or other tax. This would require a multi-year effort but may be needed for any form of healthy long-term strategy for a RHF.

Governance Area	Implications
Timeline	Rapid Formation
Administration	COG staff
Transparency	Highly Regulated
Start-Up Funding	REAP grant; existing COG funding; HCD grant; member contributions

Example: [Bay Area Housing Finance Authority \(BAHFA\)](#)

BAHFA was established in 2019 by the California State Legislature at the recommendation of ABAG and MTC to create regional housing solutions that meet the Bay Area’s affordable housing needs. As the first regional finance authority in California, BAHFA focuses on protecting residents from displacement pressures, preserving housing that is affordable and producing new housing options for all income levels. The authority coordinates across all 9 Bay Area counties and is governed by a board (MTC Commission) in addition to the ABAG Executive Board. BAHFA is also required to have an advisory committee comprised of housing experts regionally to advise the authority. BAHFA administers multiple programs that vary from supplying information on housing options to supporting developers with site acquisition for affordable housing projects.



Independent Nonprofit Led

Opportunity

The nonprofit led structure has several key advantages. Forming a new nonprofit to manage and administer the Affordable Housing Fund would not require a long public engagement process to establish and vote on bylaws and a board structure. The newly formed nonprofit entity would determine its own process for establishing bylaws and a board, separate from public processes.

Local government entities could be members of the nonprofit. The availability of funding from public entities would require additional negotiation and discussion to identify the appropriate sources.

A nonprofit led structure would also allow easier access to corporate and philanthropic funding. Access to these sources could relieve dependency on limited, public sources.

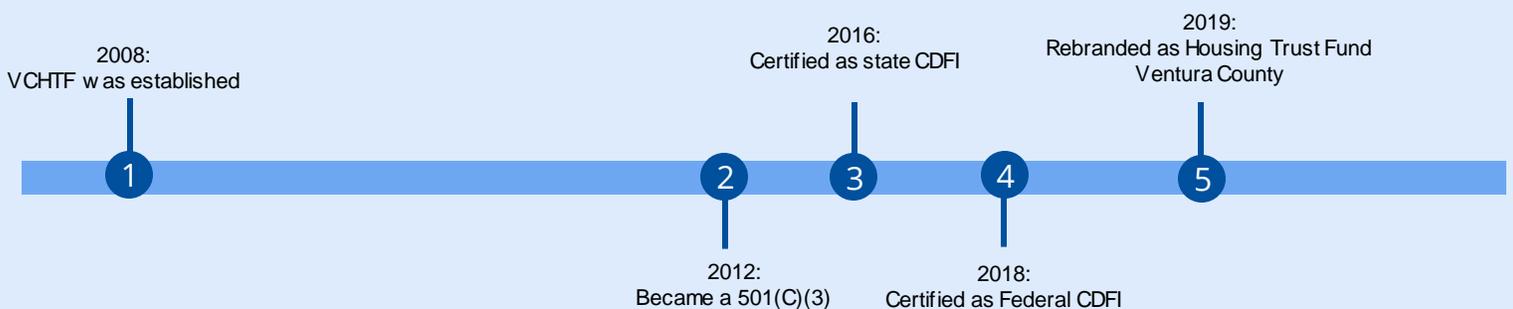
Challenges

There are also challenges associated with a nonprofit led structure. Given this would be a new entity, the nonprofit would require more time to build relationships and make connections with established regional and local governments. The nonprofit would have to work to become a key stakeholder in policy discussions related to affordable housing in the region. Another challenge is the level of transparency required by the nonprofit would not be at the same level of transparency as required by publicly administered agencies due to its legal structure.

Governance Area	Implications
Timeline	Medium term process
Administration	New staff
Transparency	Articles & By-laws
Start-up Funding	REAP grant; Philanthropic; HCD grant

Example: [Housing Trust Fund Ventura County](#)

The Ventura County Housing Trust Fund (VCHTF) was created in 2008 to respond to housing needs in the county and support closing the funding gaps to finance affordable housing developments. To continue the mission of being a financial supporter, VCHTF became a state and federally Certified Development Financial Institution (CDFI) to receive financial support from all 10 cities in Ventura County. Funding support comes from a mix of public, private and corporate sources to fund workforce housing for low to moderate income families and individuals in Ventura County.



Evaluation of Options for San Joaquin County

Potential Administrative Structures

Each of the pathways could be viable in San Joaquin County but there are tradeoffs for each. That needs to be considered:

- **County Led:** Could be established quickly and build on existing staff capacity at the county with access to long term sources of funding but without buy in from local jurisdictions or open prioritization process.
- **COG Led:** There is precedent that SJCOG could establish the RHF as a 501c3 that would create the necessary governing structure while retaining the governance advantages of the COG. Furthermore, the COG's role in the RHNA process gives them an important role and view on housing needs.
- **New Independent Nonprofit:** There is not a clear existing institution that could serve as the host of the RHF therefore a new entity would need to be created which would take at least 6 months to establish and could make it difficult to meet statewide funding opportunities. Nonetheless, there would be opportunities to fundraise from philanthropic sources and reduce the long-term needs for regulation and transparency that could slow down the process.

Each of these analyses indicate that there are viable pathways, despite major drawbacks, to any of the structures in San Joaquin County. Moving forward will require decision makers to agree on the most expedient path to making sure that an entity can better access state-level funding, obtain a sustainable source of recurring funding, create a board that represents a wide range of stakeholders and support not just the large urban areas but also smaller more rural settings.

There is a path for each of the options in San Joaquin County but they will take time and political will to move forward. What remains abundantly clear is that there are currently limited sources to support the production and preservation of affordable housing in San Joaquin.

Major Administrative Considerations in San Joaquin:

- **Accessing State-level Funding Opportunities**
- **Obtaining source of recurring funding**
- **Creating a board that represents wide range of stakeholders**
- **Supporting rural and urban areas of the County**

Comparison of Options

Each option demonstrates varying funding structures, levels of accountability, and ease of regulatory processes.

	COUNTY LED	COG LED	NONPROFIT LED
Administration	County staff or consultant	COG staff or consultant	TBD Executive Director or consultant
Annual Allocation Plan (AAP)	Board of Supervisors with County staff and Advisory Committee input	COG and Board	Community partner and Board
Approval of Funding Requests	Board of Supervisors	COG Board	New non-profit Board
Mix of Funding	County MHSA; County General Fund; REAP 2.0 grant; HCD grant	COG General Fund; REAP 2.0 grant; HCD grant ; county and/or city contributions	County and/or city contributions; REAP 2.0 grant; HCD grant; philanthropy
Timeline	3-6 months	3-6 months	6-12 months
Board	County Board of Supervisors	COG Board	New non-profit Board
Transparency	Moderate	High	Unclear (depends on Articles & By-laws)
Risks	Sustained County support	Sustained COG support	Sustained County and city support

San Joaquin County Led Implementation Plan

A San Joaquin County led RHF seems to have the fewest hurdles and could be rapidly established within a few months. The following summarizes the key implementation steps that would be necessary to move forward with a county led effort.

Key Implementation Steps

1. Establish an Affordable Housing Fund Fund

- Secure County support as lead entity for a county-run entity
- Obtain Board of Supervisors approval for RHF plan that establishes an Advisory Committee for the fund

2. Set Up Administrative Processes

- Determine the composition and staffing plan of the RHF Board
- Draft underwriting guidelines
- Define process for evaluating and approving projects

2. Develop Program Design

- Identify pipeline of eligible housing projects
- Draft Notices of Funding Availability with scoring criteria

3. Secure Seed Funds

- Secure County contribution of MHSA or PHLA funds—with the goal of raising \$5 million
- Apply for HCD LHTF matching grant in Spring 2024
- Explore other funding sources options

San Joaquin COG Led Implementation Plan

A COG led RHF offers a trusted route to launching this effort. Past precedent with establishing a separate 501 c3 for similar efforts offers a path forward. There are clear synergies with other planning roles and responsibilities held by the COG that present opportunities for funding and programmatic efficiency across the state. Furthermore, SJCOG has already signaled support with allocations from REAP 2.0 funding including an additional \$1 million to set up the RHF. The biggest challenge would be securing long term recurring funding. The following provides a summary of the key implementation steps to move forward with a COG led RHF.

Key Implementation Steps

1. Establish an Affordable Housing Fund	<ul style="list-style-type: none">• Finalize study plans for prioritize and needs assessment at COG level• Establish a separate subsidiary 501 c3 to house the RHF• Create initial by-laws• Identify governing board• Gain approval from COG Board and individual members
2. Set up Administrative Processes	<ul style="list-style-type: none">• Identify staffing plan to utilize a combination of COG staff and outside consultant support• Establish underwriting guidelines• Establish membership rules and contribution plans that are tied to allocation of resources
3. Develop Program Design	<ul style="list-style-type: none">• Define process for evaluating and approving projects including distribution rules• Identify pipeline of eligible housing projects• Draft and approve Notices of Funding Availability with clear scoring criteria and communication of results
4. Secure Seed Funds	<ul style="list-style-type: none">• Establish plan to advocate for state level appropriations• Determine level of support from local governments entities• Allocate REAP 2.0 funds• Determine plan to obtain additional state level resources (e.g., HCD grant)• Develop long term financing plan to secure recurring source of funding

Nonprofit Implementation Plan

A nonprofit led RHF would require establishing a new entity. Our initial analysis did not identify a clear entity that would serve in this role and therefore it is likely that a new entity and staff would need to be found to run this effort. Furthermore, a large donor has not yet been identified and would likely require a long term development strategy to make a reality in San Joaquin.

Key Implementation Steps

1. Establish new non-profit entity

- Socialize idea among the San Joaquin County cities and obtain commitments to join the new entity.
- Draft Articles of Incorporation and By-laws
- Obtain State and federal tax exemptions
- Reach out to developers to identify project pipeline

2. Establish an Affordable Housing Fund

- Establish a board with bylaws and full set of operating procedures
- Create clear oversight and input opportunities for local and regional government entities on RHF board

3. Set Up Administrative Processes

- Define process for evaluating and approving projects
- Determine composition of the RHF board

3. Develop Program Design

- Hire staff to administer and draft underwriting guidelines
- Identify pipeline of eligible housing projects
- Draft and approve Notices of Funding Availability

4. Secure Seed Funds

- Secure funding commitment from COG, county, or other local governments
- Apply for HCD grant
- Outreach to philanthropic and other non-government sources of funding