

San Joaquin Regional Housing Fund Inc.



Increasing and Preserving
Affordable Housing in San
Joaquin County

THE CHALLENGE

San Joaquin County currently faces a significant deficit in affordable housing units and bears a higher percentage of low-income households than the rest of the Central Valley and state. The Regional Housing Needs Allocation (RHNA) identifies a need for 53,640 units in San Joaquin County through 2031, with a majority of those units required to serve low- and moderate-income households. According to the Justice40 Initiative's Climate and Economic Justice Screening Tool (CEJST), more than 50% of census tracts in San Joaquin County are disadvantaged. This demonstrates the urgency of increasing affordable housing options to promote equity, mitigate economic displacement and meet the demands of a rapidly growing population.

BACKGROUND

The possibility of a housing fund has been discussed by the San Joaquin Council of Governments (SJCOG) and several of its member jurisdictions for many years. However, it wasn't until Regional Early Action Program (REAP) 1.0 funding was allocated to regional planning agencies across the state in 2020 that the concept had a dedicated regional funding source. Through a process involving substantial stakeholder engagement, a housing fund feasibility study became one of four priorities for REAP 1.0 funds approved by the SJCOG Board. As such, SJCOG, with the help of key project partners, advocates and stakeholders, established the nonprofit San Joaquin Regional Housing Fund Inc. (SJRFH) to address the critical shortage of affordable housing and displacement risks in San Joaquin County. It will do that by providing a dedicated and flexible financial resource to support the development and preservation of affordable housing to meet the specific needs of the community regardless of income level or background.

WHY A HOUSING TRUST FUND?

Housing Trust Funds (HTFs) are one of the most flexible sources of funding a developer can use to move projects forward. Unlike highly restrictive federal program funds, HTFs can be structured to suit local conditions. The flexibility of HTFs results in a wide range of investment approaches. The most common types of investments include new construction, preservation of existing housing, land acquisition and predevelopment costs, homeless shelters and permanent supportive housing, and homeownership assistance. The allocation of funds among these and other uses is determined by the fund's Board of Directors and administrators, giving the fund flexibility to reallocate funds as needs and conditions change.

ABOUT THE SJHRF

The SJHRF will enhance housing accessibility and affordability in the region by implementing targeted financial interventions, including innovative financing approaches, flexible subsidy funds, and other strategic efforts. The SJHRF will be transformative for the San Joaquin region by directly facilitating the production and preservation of affordable housing units. It will supply essential capital to overcome financial shortfalls and foster a more equitable environment in which all San Joaquin County residents can thrive. The SJHRF so far has secured charitable documents and worked with local jurisdictions to pass resolutions demonstrating their commitment to support the administration of the fund.

GOALS AND ACCOMPLISHMENTS

- Finalize policy goals and investment strategies
- Finalize one- and five-year action plans
- Developed affordable Housing Needs Assessment
- Develop Financial Feasibility Analysis.
- Finalize Administrative Assessment and Governance Structure.
- Solicit seed money beyond SJCOG's initial commitment.
- Develop state and federal grant applications.
- Secure approval of fund documents.
- Secure fund manager.

FUNDING SOURCES SECURED TO DATE

- SJCOG has committed \$5.5 million from local funding sources for administration of the fund over its first five years to seed initial projects and programs.
- SJCOG has committed an estimated \$850 million in state Regional Early Action Planning (REAP) Grant funding.
- SJCOG also received \$75,000 in funding from the Stockton Housing Innovation Fund (SHIF) through the San Joaquin Community Foundation.

These funds are being leveraged to apply for available matching funds from federal, state and local grants this fall.

THE NEED

With a current pipeline of projects totaling nearly \$72 million, the needs are expected to grow considerably based on the significant deficit in affordable housing units.



TYPES OF POTENTIAL PROJECTS

- Grants, forgivable loans, or low-interest loans to support:
 - Capital stack financing gaps for larger, more traditional affordable housing projects.
 - Small rental developments or innovative financing structures (e.g., cooperative projects) for technical assistance, predevelopment, or infrastructure needs.
 - Predevelopment or infrastructure needs for workforce housing.
- Homeownership and rental assistance programs.

MANAGEMENT AND GOVERNANCE STRUCTURE

The initial administrative structure of the San Joaquin Housing Fund includes the existing San Joaquin Council of Governments (SJCOG) Board of Directors as responsible for overseeing the fund's activities. SJCOG will establish a fund advisory committee that will comprise representatives from key stakeholders, including local government, housing advocates, community organizations, and financial institutions. They will be responsible for advising on project selection, funding allocation, and monitoring and evaluation. It is anticipated that the composition of the committee may change over time as the fund matures, long-term sources of funding are secured, and program and project types expand. SJCOG will also secure a housing fund manager to manage operations and develop action plans.

ABOUT SJCOG

The San Joaquin Council of Governments (SJCOG) is the planning, financing and coordinating agency for the San Joaquin region overseeing transportation, housing and habitat conservation. SJCOG is a joint-powers authority with a board of directors comprised of elected representatives from Escalon, Lathrop, Lodi, Manteca, Mountain House, Ripon, San Joaquin County, Stockton, and Tracy.

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