



**M E M O R A N D U M**  
**COMMUNITY DEVELOPMENT RESOURCE AGENCY**  
**ADMINISTRATION**  
County of Placer

TO: Board of Supervisors DATE: May 11, 2021

FROM: Steve Pedretti, Agency Director

BY: Shawna Purvines, CDRA Deputy Director

SUBJECT: Housing Trust Placer Funding Agreement

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**ACTIONS REQUESTED**

1. Approve a multi-phase Funding Agreement with Housing Trust Placer that provides funding in two phases; \$75,000 to assist in start-up operations and planning efforts and, a subsequent \$500,000 as a cash match for affordable housing projects and programs.
2. Authorize the Community Development Resource Agency Director, or designee, to execute the Agreement upon County Counsel and Risk Management concurrence, and to take all actions necessary to implement the Agreement, including release of any authorized funds.
3. Authorize the Community Development Resource Agency staff to move the \$500,000 from FY 2020-21 CDRA Final Budget into the County's Housing Trust Fund.

**BACKGROUND**

On August 27, 2019, the Board of Supervisors (Board) received a presentation on the Affordable Housing Program, Housing Strategy and Development Plan, and the Housing Funding and Investment Strategy. The Board also authorized staff to work with stakeholders to establish a private housing trust. The proposed private housing trust would be formed to address unincorporated Placer County's affordable housing challenges and, when possible, used to assist in the implementation of the County General Plan housing policies. The trust would provide a mechanism to secure gap funding for affordable housing projects, to accommodate the donation of a variety of public, private, and nonprofit sources of funding, including acquisition of land, and administer loans to affordable homebuilders or renovators to provide additional affordable housing in the unincorporated area of the County.

On November 5, 2019, staff returned to the Board with a follow-up item and the Board affirmed support for establishment of a private housing trust led by the North State Building Industry Association for the purpose of accelerating development of affordable housing in Placer County. The Board also directed staff to proceed with development of initial funds management agreements to establish procedures for future County funds and/or future affordable housing fees to be deposited into the trust, and for development of a housing advisory group.

In December 2019, the proposed private housing trust filed Articles of Incorporation with the Secretary of State under the corporation name of Housing Trust Placer (HTP). In January 2020, Housing Trust Placer elected its Board of Directors and officers and adopted bylaws. In 2020, the County was also awarded \$310,000 of grant funding from the State SB2 (Year 1) Planning Grants Program. The project description and scope of work included a request for \$20,000 to assist the County with the formation and marketing of a Private Housing Trust. The Trust would address unincorporated Placer County's affordable housing challenges, implement County General Plan housing policies, and to meet state and regional imposed housing goals. On July 31, 2020, HTP received a determination from the Department of the Treasury Internal Revenue Service that HTP

met the qualifications as a tax-exempt entity under Internal Revenue Code (IRC) Section 501(c)(3).

On June 8, 2020, the County received a letter from HTP requesting a minimum grant of \$500,000 in support of a California State Housing Trust Fund grant with the option for additional funds to support other programs HTP envisioned implementing. Unfortunately, HTP's 2020 application to the State was not awarded. Funds in the amount of \$500,000 have been appropriated in Community Development Resource Agency's (CDRA) FY 2020-21 final budget. On February 25, 2021, the County received a letter from HTP requesting \$75,000 in funding from the County for needed support of initial startup costs (Attachment A).

### Scope of Work

This Agreement proposes to provide \$75,000 to HTP for Phase 1 to assist with initial start-up activities including but not limited to: developing a business plan, hiring a Chief Executive Officer, training, establishing appropriate accounting practices and record management systems, identifying staffing needs, conducting staff recruitments, creating a marketing campaign and collateral materials, website development and branding, mailers, developing capital campaigns, writing grant proposals, and utilizing consultants for affordable housing and first-time homebuyer programs..

After the initial start-up of HTP has been established and confirmed by the CDRA Director, the agreement will provide Phase 2 funding in support of HTP's four primary focus areas: 1) fundraising from regional businesses, 2) acquisition of properties for the construction and/or redevelopment of affordable units, 3) obtaining necessary financing licenses, and 4) assisting in educating and advocating for achievable affordable housing solutions in Placer County. HTP's efforts as part of the second phase will include but not be limited to the following activities:

- *Placer County North Auburn Government Center Affordable and Cohousing Initiative*  
As a nonprofit private housing trust, HTP will solicit private sector capital in support of affordable housing development, including the possible development of a cohousing community as part of the implementation of the Placer County Government Center Master Plan (PCGC-MP).
- *North Auburn Vacant Site*  
HTP is in discussion with the property owner of a site in North Auburn along the Highway 49 transportation corridor for development of a mixed-income residential project. The site is being considered for acquisition to develop smaller, single family homes alongside a more traditional affordable housing project.
- *Accessory Dwelling Unit (ADU) Jumpstart Development*  
HTP has initiated conversations with potential partners to provide pre-development financing to homeowners who pursue "renovation loan" financing for the construction of ADUs. HTP is evaluating a product that would advance funds to cover these costs and HTP would be reimbursed by the lender(s) upon closing of the permanent loan.
- *California Finance Lenders License*  
HTP will use a portion of the County's funds to secure and obtain a California Finance Lenders License issued by the California Department of Financial Protection and Innovation. This license requires a minimum of \$25,000 to \$250,000 of net assets, depending on the type of license requested. This license is required for HTP to fulfill its role in bridge financing and as a gap lender in affordable housing projects.

Once HTP has demonstrated its effectiveness and progress in helping to create additional affordable housing for the County, in addition to being the recipient of the adopted Affordable Housing Fees under a separate Funds Management Agreement, this Department will recommend that the Board consider funding an additional \$500,000 for FY 2021-22.

**ENVIRONMENTAL IMPACT**

The action to approve this Agreement is not a project as defined in California Public Resources Code Section 21065 and/or California Environmental Quality Act (CEQA) Guidelines Section 15378(a) and therefore is not subject to CEQA review. The authorization, execution, and implementation of the Agreement itself will not cause any physical change to the environment, directly or indirectly. The action is also categorically exempt from CEQA per Guidelines Section 15061(b)(3) since the activity does not have the potential to cause a significant environmental effect.

**NEXT STEPS**

Staff is requesting the Board approve this multi-phase Agreement with HTP and authorize the CDRA Director, or designee to execute the Agreement (on file with the Clerk of the Board). HTP shall submit a report no later than one year following approval of the Agreement identifying the activities completed under the initial start-up phase. If HTP’s performance under the initial start-up phase successfully accomplishes the objectives set forth in the scope of work for the first funding phase, the Agreement provides that the CDRA Director, or designee can then authorize release of the \$500,000 Phase 2 amount.

**FISCAL IMPACT**

This Agreement with HTP requires the County’s contribution of \$55,000 from available funds in the FY 2020-21 CDRA Final Budget and \$20,000 from the \$310,000 SB2 Planning Grants Program awarded to the County by the State (Agreement 19-PGP-13398 executed on January 14, 2020). The Agreement provides for the release of the Phase 2 amount to HTP after the successful completion of the Phase 1 objectives.

**ATTACHMENT**

Attachment A: Letter from Housing Trust Placer dated February 25, 2021

On file with the Clerk of the Board: Agreement with Housing Trust Placer

- cc: Steve Pedretti – CDRA Director
- Shawna Purvines, CDRA Deputy Director
- Karin Schwab – County Counsel
- Dave Defanti – Deputy CEO

# ATTACHMENT A

February 25, 2021

## Board of Directors

Dave Cook – Chair  
Cook Development Consulting

Jim Bayless – Vice-Chair  
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Joe Pitzner  
BSB Design

Jim Ray  
MacKay & Soms

Mr. Steve Pedretti  
Director, CDRA  
3091 County Center Drive  
Auburn, CA 95603

emailed to: [spedretti@placer.ca.gov](mailto:spedretti@placer.ca.gov)

RE: Placer County Funding for HTP

Dear Steve,

As you recall, Housing Trust Placer, Inc. requested \$20,000 in SB2 grant funding from the County last April. We understand that funding may have been postponed until our 501(c)(3) status had been secured, which was completed on July 31<sup>st</sup>. Following up on a conversation with Shawna last week, this letter is to provide an update on our efforts to date and request additional start-up funding from the County in the amount of \$55,000 for a total of \$75,000.

During our first year of operations, we secured our 501(c)(3) status and applied for the Local Housing Trust Fund (LHTF) grant to match the County's \$500,000 commitment; unfortunately, we did not have our matching funds in place and were disqualified. In addition to significant board-donated time and effort, we received donated services in the estimated value of more than \$5,000 from the Augustine Agency for developing our website ([www.housingtrustplacer.org](http://www.housingtrustplacer.org)). We have secured insurance coverage, retained a CPA, and we are in the process of hiring our CEO and enhancing our business plan, which includes a fundraising campaign that will focus on local banks and their Community Reinvestment Act funds, and other community partner. We continue our search for potential affordable housing projects in the unincorporated areas of the County.

We have raised over \$20,000 to date, with another \$15,000 in grant funding pending. We have made good use of the in-kind contributions and pro bono work for legal, marketing and administration, but welcome the \$75,000 contribution that would allow us to cover those costs in the future, along with others as generally described below:

### Fundraising:

Grant Writing	\$10,000
Outreach	4,000
Capital Campaign Staffing	15,000
Collateral Materials	2,000

### Potential Projects:

Due Diligence	15,000
Program Administration and Compliance	20,000
Outreach and Advocacy	2,000

### Administration:

Insurance	3,500
Tax Returns and Audit	2,500
Legal	1,000

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Total requested	<u>\$75,000</u>
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As we ready ourselves for the next grant funding cycle, we appreciate your continued support and working with you and Shawna. In the meantime, please don't hesitate to contact me should you have any questions or need any additional information.

Sincerely,  
HOUSING TRUST PLACER, INC.

A handwritten signature in blue ink, appearing to read "Dave Cook".

Dave Cook  
Board Chair

CC: Shawna Purvines, Deputy Director  
HTP Board of Directors  
Dan Heldridge, CEO

