



2021 Business Plan

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EXECUTIVE SUMMARY

Housing Trusts are non-profit, community-based organizations that secure private and public capital for the purpose of acquiring or developing affordable housing. The types of projects and activities may include developing affordable housing, redeveloping properties to create affordable housing, providing gap financing to affordable housing builders to facilitate affordable housing, and in some instances, taking on certain County services which promote affordable housing within the community.

In line with its mission, Housing Trust Placer will focus on four areas:

Fundraising

Leverage County funding with donations from regional businesses including banks and hospitals, individuals, and charitable foundations, as well as county, state and federal grants, tax credits, and/or other funding opportunities.

Acquisition

Leverage local knowledge, contacts, and partners to locate, evaluate, and perhaps option properties to help facilitate the construction and/or redevelopment of affordable housing units.

Financing

Provide gap financing through public and private sources to facilitate affordable housing, and work in coordination with Placer County priorities to fulfill mutual objectives which promote affordable housing within the community.

Advocacy & Education

Educate the public and advocate for achievable affordable housing solutions in Placer County that deliver safe and sanitary shelter to those families and individuals in need.

BACKGROUND

On November 5, 2019, the Placer County Board of Supervisors authorized establishment of a private housing trust led by the North State Building Industry Association (NSBIA). Housing Trust Placer, Inc. (“HTP”) was incorporated in late December 2019 as a non-profit public benefit corporation, began operations in January 2020 and is a 501(c)(3) non-profit corporation.

The overall mission for the Corporation is as follows:

To provide financing and services through public-private partnerships and public and private financing that will increase the opportunities available for lower income families and individuals to obtain decent, safe, and sanitary affordable housing in Placer County.

The Housing Trust will be a partner and/or facilitate affordable housing through financing programs, marketing, partnership development, and implementing the development projects that involve acquisition, pre-development, construction, rehabilitation, preservation, and reuse. The Housing Trust will work with public and private sector developers, property owners, banking and lending institutions, real estate brokers, regional, state and federal grant programs for the purpose of expanding affordable housing opportunities in Placer County.

FUNDING

There are multiple mechanisms available to fund a Housing Trust. These sources include, but are not limited to:

- County General Fund subsidies or contracts for work performed
- Special Revenue Funds (Enterprise and Opportunity Zones; Housing and Community Development contracts (HCD), Federal Grants, etc.)
- Tax Credits
- Loans
- State and Federal grants
- Gifts and Bequests

Housing Trust Funds (“HTF”) are able to attract capital from sources not traditionally dedicated to housing. They leverage these funds by combining private resources with foundation and public agency funds to build a revolving loan fund dedicated to expanding affordable and workforce housing. HTF loans are typically short term (e.g., 3 years) and often made early in the development cycle, before traditional funding is available and thus can provide the financial support and credibility necessary to attract other money.

The revolving loan fund concept, coupled with strong risk management, ensures that HTP funds will be “recycled” for future use. Interest will be charged, but below-market rates may be necessary to ensure project interest reserves are sufficient.

MAJOR TASKS

In Housing Trust Placer's initial year, the organization completed the following:

- Completed the necessary tasks to form the corporation and develop an operating structure:
 - Incorporated as a non-profit public benefit corporation
 - Obtained IRC Section 501(c)(3) charitable status
 - Created a board of directors
 - Developed an initial business plan and budget
 - Secured service of a CPA and an attorney
 - Was licensed as a California Charitable Trust to conduct fundraising
 - Obtained start-up funding from a variety of sources
 - Established bank accounts, insurance, and financial oversight
 - Established Loan Guidelines and Underwriting Standards
 - Approved a Conflict of Interest Policy and Board Roles and Responsibilities
 - Created a logo and website landing page (donated by Augustine Agency)

- Took initial steps toward program funding
 - Applied for HCD Housing Trust Grant (unsuccessful due to no matching funds)
 - Raised \$20,000 in donations, with an additional \$15,000 committed
 - Requested \$75,000 in additional start-up funding from Placer County
 - Negotiated for pro bono and in-kind services for legal, marketing, and administrative services

In 2021 and subsequent years, our goals are:

- Secure funding for projects and ongoing operations
 - Complete the Funds Management Agreement with the County and deposit funds for fiscal 2020 and fiscal 2021
 - Apply for HCD grants and other funding opportunities
 - Apply for California Finance Lender license
 - Receive funding from local community partners
 - Local Banks (Community Reinvestment Act funds)
 - Healthcare providers (Adventist Health, Dignity Health, Kaiser, and Sutter)
 - Major Employers

- Execute goals in line with mission statement
 - Increase affordable housing supply
 - Identify acquisition, construction, and preservation opportunities to help meet RHNA goals for the region
 - Develop strategies with local partners
 - Assist with financial and tactical support for affordable projects
 - Promote efficiencies in affordable housing construction and preservation
 - Identify key obstacles, best practices and potential improvements by surveying public, private and non-profit sectors within and outside the region

- Be a unifying force promoting collaboration as a Region to address affordable housing
 - Be a trusted partner of Placer County and Placer Cities
 - Work towards attaining Urban County status
 - Leverage Placer brand and purchasing power as a Region
 - Have a stronger presence at the State level
- Be the information clearinghouse for affordable housing matters in the Region
 - Produce data and original research supported by local colleges
 - Network with industry
 - Programs and best practices

COMPETITIVE ADVANTAGE

The HTP Board and staff has a great deal of experience and very strong knowledge base regarding the challenges of real estate development in Placer County. The organizational structure of HTP provides a working group of real estate, finance and development professionals that serve as members of the Board of Directors, staff and volunteers. These individuals will be able to provide their knowledge and contacts to the benefit of HTP, facilitating the development of affordable housing.

HTP will be capable of utilizing relationships with property owners to move projects forward and to this end, the relationship between the County and HTP will help facilitate rapid resolution to common challenges that often occur during the entitlement and development process. HTP will be able to tap into a variety of funding resources that become available to a non-profit and housing trust which may not be available within Placer County.

Another differentiating feature will be HTP's network of community resources and service providers, which helps bring ancillary services to projects and produce superior outcomes for residents.

MARKETING STRATEGY

The HTP Marketing Strategy will create an identity and recognition as a solution-oriented entity focused on delivering affordable housing. This will be accomplished through tasks including but not limited to:

- Develop a brand identifying HTP
- Develop an HTP promotional video
- Direct mailing to multiple development contacts generated through NSBIA and various trade organizations
- Hold a recruitment event to market HTP and its services to developers and real estate professionals
- Contact key property owners to discuss donation, purchase, and/or partnership opportunities

- Utilize a Notice of Funding approach to generate interest from potential development partners
- Expand the existing HTP Web page to include advertising the benefits and potential investment opportunities with HTP
- Network with Lenders and Finance companies, Developers and Housing Advocates. Roseville Community Development Corporation Economic Development and other local Businesses

HTP developed its brand and initial website and began meeting with key property owners and affordable housing builders in its initial year.

A Business Development Pipeline has been created to track opportunities, monitor progress, and capture important impact metrics (MSA data, temporary and permanent jobs, ancillary services, and outcomes).

MANAGEMENT AND ORGANIZATION

The basic components of the HTP Non-Profit Corporation are as follows:

- A charitable non-profit public benefit corporation (IRC Section 501(c)(3) status)
- An independent board of directors from the community with development, financing and/or business operations related experience
- Responsibilities of the board include operations and management, approving the budget of HTP, developing implementation strategies consistent with the organization's goals, and hiring and management of the Chief Executive Officer
 - The Chief Executive Officer is responsible for overseeing all operational aspects of the corporation
- Financial & Internal Controls
 - QuickBooks
 - 2 approvers on all checks
 - Separate person handles cash receipts/disbursement versus monthly bank reconciliations
 - Regular monthly review looking for unusual vendors or charges
 - Financials prepared each month and presented at monthly board meetings with a system report of all checks written for review
 - Ongoing monitoring and auditing of grant funds as required by any applicable codes or statues
- Insurance Policies
 - Directors & Officers Liability
 - General Liability & Auto Liability
 - Workers Compensation
- Employment Policies
 - Will adhere to all state and federal employment laws

- Current Board of Directors

Dave Cook – Chair
Cook Development Consulting, LLC

Jim Bayless – Vice-Chair
Summit Development

Gabriel Brown - Treasurer
Bank of the West

Bruce Inman
Inman Law Group LLP

Patrick McHone
River City Bank

Joe Pitzner
BSB Design

Jim Ray
MacKay & Soms

Holly Tiche – Secretary
Placer Ranch, Inc.

Robyn van Ekelenburg
Community Development Consultant

- Staff to HTP

Dan Heldridge, CEO
Jeff Short, volunteer

- Professional Services

Legal Counsel: Law Offices of Marcus J. Lo Duca, P.C. (providing pro bono legal services) and Stephen Greene, Greene & Roberts, LLP
Marketing Firm: Augustine Agency (providing pro bono marketing services)
CPA: David Chavez, Chavez Accountancy Corporation