

Measure X Housing Fund

Stakeholder Meeting Questions and Answers

On August 11, 2022, Staff from Contra Costa County Department of Development Services (DCD); Contra Costa County Health, Housing, and Homeless Services (H3); and the Housing Authority held a Measure X Housing Fund Stakeholder Meeting. The meeting was intended to convene stakeholders for a presentation on the initially proposed ideas for the Housing Fund and to gather their input and additional ideas. Stakeholders had a variety of questions about the Housing Fund. Following is a summary of questions received* and available answers, organized by topical areas. Note that many of the details of the Measure X Housing Fund are still being refined, so not all questions can be answered at this time.

*Questions below include those asked during the meeting as well as questions submitted via email in follow up to the meeting.

BACKGROUND AND ADMINISTRATION

Q Who makes up the Housing Fund Staff Team?

A The Housing Fund Staff team is comprised of staff from Contra Costa County Department of Development Services (DCD); Contra Costa County Health, Housing, and Homeless Services (H3); and the Housing Authority.

Q Does this funding distribution plan apply to all of Measure X, including emergency, hospitals, fire, etc.?

A The Stakeholder Meeting purpose was to discuss the approach for distributing the \$10 million allocated by Measure X to the Housing Fund for year 1. The Housing Fund will support a variety of activities and services related to housing and homelessness. There are several other programs supported by Measure X, which will be administered and distributed through separate processes.

Q When did collection begin on Measure X funds? How does this affect disbursement of funds?

A Measure X was approved by voters in November 2020 and collection began in April 2021. The Notice of Funding Availability and Request for Proposals to be issued in 2022 will be for the first full year of funds collected, amounting to \$10 million.

Q How much funding is available now?

A There are \$10 million dollars available through year 1 of the program. There will be \$12 million available per year in years 2-20 of the program.

- Q** Will the Housing Fund extend 20 years from 2021 or from 2023?
- A** The Measure X Housing Fund will be funded \$10 million in its first year and \$12 million for the next 19 years, beginning in 2022. Currently, disbursement is envisioned to continue for 20 years from the first year of disbursement.
- Q** Have any funds been committed to any existing projects?
- A** No Measure X Housing Funds have been committed.
- Q** Was the initial funding received prior to the fiscal year part of this?
- A** No, the initial funding was used as 'one-time' funding.
- Q** Is there a goal to maintain a year's worth of reserve with the timing of this money?
- A** Not necessarily.
- Q** What are the timing requirements for use of funds awarded?
- A** Timing requirements for utilization will be informed by input from Stakeholders and specified in the individual RFPs issued later this year.
- Q** Why is the distribution of funding broken down into 75% for Affordable Housing, Homelessness Prevention, Innovation, and Capacity Building projects and 25% for Homeless Crisis Response?
- A** Funding is intended to remain flexible to meet the evolving housing needs of Contra Costa County residents. Projects to be administered by DCD, including affordable housing production and preservation—the program's top priority—will receive 75% percent of funds. Projects to be administered by H3 will receive 25% of total funds. This level of funding distribution serves to distinguish DCD funding from H3 funding to enable each department to facilitate its RFP and award selection process.
- Q** What is the funding breakdown between assistance and prevention? Or rental and ownership?
- A** The Housing Fund Staff Team is not proposing establishing a more detailed allocation of funds beyond the split between Affordable Housing, Homelessness Prevention, Innovation, and Capacity Building (75%), and Homeless Crisis Response (25%).
- Q** What is the percent distribution between eligible project types within each pot of funding?
- A** The Housing Fund Staff Team is not proposing a recommended earmark for the distribution of funds by individual categories. Instead, the distribution of funds will remain flexible to respond to needs of the county as they evolve and direct

funding to projects based on merit and capacity to make the biggest impact, as demonstrated in the project application.

PROCESS

- Q** How was the top priority set? What about homeless prevention as a top priority?
- A** Affordable housing production and preservation was presented as the top priority in the initial request to the Measure X Community Advisory Board and was set as part of the approval by the Board of Supervisors in November 2021.
- Q** Is it correct that staff is developing criteria that the Board will use in selecting projects for funding awards? If so, what is the timeline for adopting those criteria?
- A** The Housing Fund Staff Team will go to the Board of Supervisors in September 2022 with recommendations for the Housing Fund Program funding distribution plan, informed by input from Stakeholders. Once authorized by the Board of Supervisors, staff will prepare and release the Notice of Funding Availability (NOFA) and Request for Proposals (RFP) for construction projects in October 2022. The funding distribution plan for services projects will be subject to additional input from Stakeholders, then staff will prepare a NOFA and RFP to be released in late 2022.
- Q** To what extent did community input influence the development of the priorities and criteria (e.g., testimony at Measure X Community Advisory Board meetings)? How were those criteria arrived at by the County?
- A** The Housing Fund Staff Team worked collaboratively to develop the initial funding distribution approach presented at the August 11 Housing Fund Stakeholder Meeting, informed by past experience, input from community members, and direction from the Board, including to focus on housing unit production and take a broad approach. The Stakeholder meeting was held to present the initial ideas to the community and get input before refining the proposal for Board approval.
- Q** Why isn't DCD doing a community approach to RFP development, like H3? Isn't there time to do so without disrupting the timeline?
- A** DCD will include Measure X Housing Funds in its annual RFP for affordable housing production and preservation projects. Doing so will benefit many applicants by creating a one-stop, streamlined application, and minimize the administrative costs to the program. It would not be possible to take more time to conduct additional community engagement and include Measure X funding in the annual RFP due to federal funding requirements. Administering a separate

RFP for affordable housing production and preservation would cause a delay in the final release of funds. However, based on feedback, DCD is delaying RFP for services.

Q Will there be additional opportunities for input to refine the funding distribution plan?

A Provided the Board approves of the approach recommended in September, year 1 funding for affordable housing production and preservation will be distributed in concurrence with the annual DCD-administered NOFA, in accordance with the Board approved approach, without further input.

The approach to distributing funds for services, including those administered by DCD* and H3, will be refined through additional community involvement.

*The initially presented funding approach proposed all DCD-administered funding would be included in the annual NOFA administered by the Department. In accordance with input from Stakeholders at the August 11 meeting, the approach was revised to recommend that the plan to distribute DCD-administered funds for services projects be informed by additional community input, similar to what was initially presented for H3-administered fund distribution.

Q How are developers being engaged in development of the funding distribution plan?

A Developers were invited to participate in the August 11, 2022, Stakeholder meeting.

Q How will the program ensure smaller, newer developers also have a chance at the funds?

A The list of eligible projects presented to the Board of Supervisors in November 2021, when the Program was formed, included innovation and capacity building grants, which newer and smaller developers that may not have a significant track record to demonstrate capability, can more readily compete for.

Q How will accountability and oversight of funds be ensured?

A Funding will be issued on a reimbursement basis and recipients will be required to submit documentation and reports to ensure funds are directed to the approved project costs and that projects meet all requirements specified in the funding agreement.

Q Does the NOFA process apply to acquisition and rehabilitation projects?

A Yes. All funding for affordable housing production or preservation projects will be distributed through the NOFA administered by DCD.

ELIGIBILITY

- Q** For the DCD-administered affordable housing production and preservation projects, can we still apply for Measure X funds if we aren't also applying for Federal Funds?
- A** Yes, applicants can apply for Measure X Funding only. However, DCD intends to streamline the application process, to the extent possible, to enable applicants to submit applications for multiple programs without creating an additional, unnecessary burden on applicants.
- Q** Can cities apply for these funds? What if they have an inclusionary ordinance or affordable housing program?
- A** Yes. Any city with an eligible project may apply for the funds.
- Q** Will developer qualifications for the 75% of funds to be distributed for Affordable Housing, Homelessness Prevention, Innovation, and Capacity Building projects be guided by County guidelines for CDBG + HOME?
- A** To the extent possible, developer qualifications will be coordinated with CDBG + HOME guidelines, unless they're preventing worthy projects from being funded.
- Q** Are nonprofits providing direct services and homeless service providers outside of housing (e.g., mobile showers, food programs, etc.) eligible?
- A** Yes, services are included in the proposed list of eligible projects.
- Q** Do you need to already be receiving services to qualify for the program?
- A** Service providers with an eligible project in Contra Costa County may apply for funding, regardless of whether they have received County funding previously.
- Q** Under the proposed funding distribution approach, are supportive services covered in the 25% for Homeless Crisis Response or the 75% for Affordable Housing, Homelessness Prevention, Innovation, and Capacity Building?
- A** Depending on the specific project, supportive services could be included in the category of Homelessness Prevention OR Homeless Crisis Response. Homeless Crisis Response will fund more immediate supportive services while Homelessness Prevention would include legal services, eviction prevention services, and more.
- Q** Will you be offering homeowner assistance?
- A** Homeowner assistance is not included in the initially proposed list of eligible projects, which is based on the eligible projects list presented to the Board of Supervisors when the program was originally approved.
- Q** What types of pilot projects will be eligible under 25% of funds for homeless crisis response?

- A** A pilot project funded by the homeless crisis response dollars might include, but would not be limited to, an agency expanding their offerings with funding to pilot a new program or service they do not already provide, or an agency piloting an innovative solution to serving people in the homeless crisis response system that has not previously been provided by any local agencies.
- Q** First dollars in? Last dollars in? What is the county expecting and how can we compete for these funds?
- A** Most federal funds have strict spend down or commitment deadlines, so the funds distributed through the annual DCD NOFA are typically treated as "gap financing" and the last money needed to make the project ready for construction. Measure X Housing Fund spend down requirements have not been firmly established at this point but will be clarified in the NOFA.

OTHER QUESTIONS

- Q** Is there any more information on the proposed operating grants through H3? Will this function like the State's capitalized operating subsidy reserve through No Place Like Home? If not, is it possible to propose such support for Permanent Supportive Housing projects?
- A** H3 will engage with stakeholders to develop more detailed parameters for funding distribution.
- Q** Would the County support technical assistance or would it be an intermediary (e.g., Local Initiatives Support Corporation (LISC))?
- A** Technical support is an eligible project that interested applicants, such as LISC could apply for funds to administer. The County may also explore opportunities to use funds to offer technical assistance.
- Q** Is there a plan to set aside some funds to increase the number of interim and permanent housing beds for vulnerable communities, prioritizing seniors?
- A** There is no current target for interim and permanent housing beds for vulnerable communities set by the Measure X Housing Fund. However, this would be an eligible use of program funds.
- Q** Richmond city council has been unwilling to identify any areas where unhoused residents might be able to create communities. Is there some way that the county can address this?
- A** The Measure X Housing Fund is a funding program only. The County does not have control over local municipalities.

- Q** Does it have to be an individual household/family per unit or are group shared housing situations eligible?
- A** On the construction side, household size would include everyone in the household, regardless of whether it is more than one family. This means that the income of the entire household would be reviewed to establish eligibility as opposed to each family separately.
- Q** Are you considering opening a walk-up shelter in the County?
- A** The County will consider all eligible projects, including emergency shelters.
- Q** Where is rapid rehousing?
- A** Rapid rehousing projects will fall under the Homeless Crisis Response services.
- Q** How re preservation and capacity building being defined?
- A** The NOFA will include definitions for preservation and capacity building