



# HOUSING TRUST FUND

VENTURA COUNTY  
Everyone deserves a home

## *Residual Receipts Loan Program Guidelines*

Housing Trust Fund **Ventura County**

Linda Braunschweiger, CEO

(805) 407-2455

[Info@HousingTrustFundVC.org](mailto:Info@HousingTrustFundVC.org)

[www.HousingTrustFundVC.org](http://www.HousingTrustFundVC.org)

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### Introduction & Background

#### Mission

The mission of Housing Trust Fund Ventura County (HTFVC) is to *increase the supply of affordable housing for very low-, low- and moderate-income residents of Ventura County by leveraging public and private financing*. HTFVC provides a regional solution to the insufficient supply of housing that is affordable to local workers and residents throughout Ventura County – facilitating a fundamental building block of healthy communities.

By creating innovative partnerships and new sources of private and public revenue, HTFVC will help to expand the supply of affordable housing for extremely low-to-moderate-income residents of Ventura County. HTFVC supports housing developments that enhance the quality of life and preserve the long-term affordability of housing as a community resource.

#### History

High housing costs in Ventura County affect families and individuals across a broad range of income and socio-economic levels. A housing trust fund is a tool for enhancing the affordability of housing by attracting and leveraging public and private funding sources for the creation of new housing opportunities. The concept of a Housing Trust Fund for Ventura County was introduced at the First Annual Ventura County Housing Conference in 2001, as one of the *tools* in the *toolbox* of potential solutions to the deficiency of housing that is affordable to Ventura County residents.

At a subsequent Conference, Housing Opportunities Made Easier (HOME) invited Mary Brooks, a national housing trust fund expert, to lead a workshop. Once again, the response was overwhelmingly clear: housing professionals and advocates desired a housing trust fund to help create affordable housing in Ventura County. HOME proceeded with a detailed feasibility analysis. The results indicated that a countywide housing trust fund was possible and desirable. At the 2008 HOME Housing Conference, Ventura County asked HOME to create the Housing Trust Fund Subcommittee as a special initiative of HOME, a 501(c)(3) nonprofit corporation. In 2011, the Ventura County Housing Trust Fund separated from HOME, after receiving its own 501(c)(3) nonprofit status.

When California voters passed Proposition 1C, creating The Housing and Emergency Shelter Trust Fund of 2006, VCHTF applied for matching funds under the *New Local Housing Trust Fund Program* of Proposition 1C and in 2012 was awarded a \$2,000,000 grant from the California Department of Housing & Community Development. These funds were fully matched with contributions from local cities, County of Ventura, businesses and financial institutions, community and nonprofit organizations, and individuals. By 2018 all ten cities had contributed to the Residual Receipts Loan Fund at a minimum of \$50,000.

With its first loan in 2013 VCHTF launched its *Revolving Loan Fund* to provide below-market interest rate gap, predevelopment, and construction loans, to qualified Applicants of affordable housing developments.

In 2016 VCHTF was designated as a CDFI (Community Development Financial Institution) under the California COIN program (California Organized Investment Network). In 2018, VCHTF was designated as a federal CDFI under the U.S. Department of Treasury.

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### Today

In August 2019, the organization's name was changed to Housing Trust Fund Ventura County (HTFVC) and included a new logo. With the passage of Proposition 1 (the Veterans and Affordable Housing Act) in 2018, HTFVC was able to rapidly grow. Under this program, the California Department of Housing and Community Development (State HCD) will match all dollar-for-dollar funds raised and loaned on eligible projects up to \$25 million over five years. Over the 5 years of this program HTFVC has been awarded almost \$19 million to grow its Revolving Loan Fund.

In mid-2023, HCD awarded Southern California Association of Governments (SCAG) a total of \$231.5 million to develop programs that further Regional Early Action Plan (REAP 2.0) objectives. All projects funded by REAP 2.0 must meet its primary objectives, which are to accelerate infill housing development, reduce VMT, increase housing supply at all affordability levels, affirmatively further fair housing, and facilitate the implementation of adopted regional and local plans to achieve these goals. HTFVC was awarded \$4.5 million of these funds to start a Residual Receipts Loan Fund.

From the first loan in 2013 to today, HTFVC has loaned nearly \$50 million to create 1899 affordable housing units. These homes include rental apartments as well as single-family for-sale homes.

### 2025 Board of Directors

Ken Trigueiro, **Chair**  
People's Self-Help Housing Corporation

Cathy Nye, Director  
Ventura County Office of Education

Elenore Vaughn, **Vice Chair**  
Housing Authority of City of Santa Paula

Sean Morreale, Director  
Bank Executive

Karen Flock, **Treasurer**  
Housing Authority, City of San Buenaventura

Anthony Mireles  
Laborers Int'l Union Local 585

Derrick Wada, **Secretary**  
Cabrillo Economic Development Corporation

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City of Thousand Oaks

Dawn Dyer, **Chair Emeritus**  
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Architect

Mary Ann Krause, **Advisor**  
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Gary Collett, Director  
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Elsa Brown, Director  
City of Oxnard

Sarah McCarthy-Garcia, Director  
McCarthy Companies

Maruja Clensay, Director  
City of San Buenaventura

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Housing Authority of City of Santa Paula

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Alex Russell, **Former Chair**  
Homes & Hope

Angel Garcia, Director  
City of Fillmore

**Chief Executive Officer**  
Linda Braunschweiger

## About the Residual Receipts Loan Fund

### Program Purpose

Established in collaboration with SCAG, the HTFVC *Residual Receipts Loan Fund* is designed to provide residual receipts loans to support new housing developments which expand Ventura County's affordable housing stock. Loan funds are used to support the production of affordable housing developments by experienced public, non-profit, or private developers. Loans are structured as 15-18 year residual receipts loans.

A residual receipts loan is a type of financing commonly used in affordable housing development, where loan repayment is based on the project's available cash flow rather than a fixed amortization schedule. Under this structure, the borrower is only required to make payments from the "residual receipts," which are the net cash proceeds remaining after all approved operating expenses, debt service on senior loans, and required reserves have been paid. Any residual receipts are then split according to a predetermined formula—often with a portion going to the developer and the remainder distributed among subordinate lenders, such as public or nonprofit entities. This approach helps preserve the financial viability of affordable housing projects by reducing the upfront repayment burden and aligning repayment with actual project performance.

In the California Tax Credit Allocation Committee (TCAC) application process, tax credit bonus points are awarded to projects that meet specific policy priorities established by the state to promote deeper affordability, geographic equity, or other public benefits. These bonus points can significantly improve a project's competitiveness for Low-Income Housing Tax Credits (LIHTCs), especially in oversubscribed funding rounds. For example, applicants may receive bonus points for incorporating deeper income targeting (such as units affordable to households at 30% of Area Median Income), securing local financial support, or aligning with state climate and equity goals. Soft financing—such as residual receipts loans or deferred-payment loans from local government or nonprofit sources—can play a critical role in securing these points, as TCAC awards bonus points for projects that demonstrate meaningful contributions of local or public funds. The points are added to a project's overall application score, which determines how it ranks relative to other applicants within the same funding category or region. Because TCAC awards credits based on score rankings, even a few bonus points can be the deciding factor in whether or not a project is awarded credits.

The HTFVC loan program will be considered soft financing.

### Eligible Housing Type

#### Housing types:

- New construction of affordable rental housing

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### Use of Funds

Funds will be used to make residual receipts loans up to a maximum of 18 years for the development of new affordable housing throughout Ventura County. All assisted units must be structured with long-term affordability provisions for a minimum length of 30 years. Projects can include mixed use developments with non-residential uses up to 35% of total floor area. When loans are repaid the capital will be redeployed adhering to the HTFVC Residual Receipts Loan Program Guidelines.

### Qualified Applicants

Eligible borrowers (Sponsors) include qualified nonprofits, private sector developers, public agencies, social service agencies, faith-based & other community groups, and partnerships between a private sector developer & qualified 501(c)(3), where the exempt purposes of the development are protected through legal agreements.

### Affordability Requirements

Eligible developments must serve households that meet federal income level definitions for housing affordability, with incomes (adjusted for household size) between:

- 0-30% of the County Area Median Income (AMI) - extremely low-income
- 31-50% - very low-income households
- 50-80% - low-income households

Developments must be structured so that their affordability is maintained for the longest feasible period, with the minimum standard being 30 years. Longer periods of affordability between 45-55 years are encouraged. When using State or Federal funding sources that require 55-year affordability, or other compliance requirements, HTFVC loans will adhere to this affordability standard. Applicants must agree to execute a Regulatory Agreement restricting the affordability of the development for the applicable period of time.

### Funding Availability

Currently \$4,500,000 is available. Applicants will be selected via a competitive process with details of the selection process made widely available via a Notice of Funds Available (NOFA).

HTFVC continuously seeks additional capital for the *Residual Receipts Loan Fund* from public and private sources.

### Selection Criteria:

Scoring Category	Points Available	Scoring Notes
<b>Threshold Item: Infill Compliance (REAP 2.0 Definition)</b>	<b>Required</b>	Projects must fully meet REAP 2.0 infill criteria. The REAP 2.0 infill definition can be found in Appendix A.
<b>Project Readiness (Construction Start)</b>	<b>25 points</b>	Full points if construction is expected to start within 24 months. Projects must be in development by 6/30/2031, meaning fully entitled and ready to break ground with only final funding remaining - 5 Points for application completeness determination letter.

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Scoring Category	Points Available	Scoring Notes
		- 5 Points for streamlined/ministerial approval or planning permits issued. - 15 Points based on competitiveness for Low Income Housing Tax Credits.
<b>HTFVC Funding Commitment</b>	<b>15 points</b>	Full points for projects with an existing HTFVC funding commitment.
<b>Developer Experience and Capacity</b>	<b>15 points</b>	Full points for experienced sponsors with a demonstrated track record of successful affordable developments.
<b>Priority Populations (Homeless Units)</b>	<b>15 points</b>	Full points for projects including a special needs (e.g. homeless) set-aside of at least 25% of the units.
<b>Cost Efficiency (Loan per Affordable Unit)</b>	<b>15 points</b>	Full points for projects with the lowest loan request per affordable unit.
<b>Affordability Depth (AMI Levels)</b>	<b>10 points</b>	<p><b>Rule 1 — Full points:</b></p> <ul style="list-style-type: none"> <li><b>10 points</b> if <math>\geq 50\%</math> of income-restricted units are <math>\leq 50\%</math> AMI (count both <math>\leq 30\%</math> and 30–50% AMI).</li> </ul> <p><b>Rule 2 — Otherwise, partial credit:</b></p> <ul style="list-style-type: none"> <li><b>Score = <math>(10 \times \text{share at } \leq 50\% \text{ AMI}) + (5 \times \text{share at } 60\% \text{ AMI})</math></b></li> <li>Cap at <b>10 points</b>; round to <b>0.1</b>.</li> </ul> <p><b>Definitions:</b></p> <ul style="list-style-type: none"> <li><i>Share at <math>\leq 50\%</math> AMI</i> = percent of income-restricted units at <math>\leq 30\%</math> or 30–50% AMI.</li> <li><i>Share at 60% AMI</i> = percent of income-restricted units at <math>&gt;50\text{--}60\%</math> AMI.</li> <li>Unrestricted or <math>&gt;60\%</math> AMI units receive <b>0</b>.</li> </ul> <p><b>Example:</b></p> <ul style="list-style-type: none"> <li>40% of units at 50% AMI, 30% at 60% AMI, 30% unrestricted <ul style="list-style-type: none"> <li>Majority at <math>\leq 50\%</math> AMI? <b>No</b> → use Rule 2</li> <li>Score = <math>(10 \times 0.40) + (5 \times 0.30) = \mathbf{5.5 \text{ points}}</math>.</li> </ul> </li> </ul>
<b>Other Community Benefit(s)</b>	<b>5 points</b>	Full points for projects committing to provide accessible units beyond Section 504 and California Building Code minimums: at least 15% mobility accessible and 10% hearing/vision accessible units.

### Detailed Cost Efficiency Scoring (Loan per Affordable Unit)

Loan per Affordable Unit	Points Awarded
<\$10,000 per unit	15 points
\$10,001 - \$20,000 per unit	12 points
\$20,001 - \$30,000 per unit	8 points
\$30,001 - \$50,000 per unit	4 points
>\$50,000 per unit	0 points

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### Geographic Area to Be Served

The HTFVC *Residual Receipts Loan Fund* is restricted to assisting developments located within Ventura County, and it is the intention of the HTFVC to encourage developments across the entire County. Projects must fully meet REAP 2.0 infill criteria. The REAP 2.0 infill definition can be found in Appendix A.

In the event that two or more competing developments from separate participating jurisdictions have overall equal point totals, the award shall be made to the development in the participating jurisdiction which had not previously been awarded a development. Further, in the event that all participating jurisdictions have previously received at least one development award, the award shall be given to the jurisdiction experiencing the longest time period between awards.

### Application Process

Projects interested in receiving a HTFVC Residual Receipts loan will be screened and reviewed based on the scoring system outlined in the NOFA. The highest scoring projects will be invited to apply for a loan. The HTFVC Underwriting Committee will make preliminary loan decisions, underwriting determinations and forward a formal recommendation to the Board of Directors. HTFVC's Board of Directors will make the final funding decision. HTFVC staff is available at (805) 407-2455 or email: [Jason@HousingTrustFundVC.org](mailto:Jason@HousingTrustFundVC.org) to answer questions and clarify development and sponsor eligibility requirements, funding standards and development evaluation criteria.

### Development Application

Upon invitation, applicants can submit a Full Application along with documents and analysis required for loan underwriting. The formal loan application is available on-line for completion. A completed loan application will include some or all of the documents in the Full Application Check list. (See Appendix B)

### Underwriting

The application will be reviewed by HTFVC staff. The Underwriting Committee will review the application and the staff's evaluation and recommend to the HTFVC Board of Directors to approve or decline the loan application. Provided all information is submitted, the Board of Directors can make a final decision in 60 days. If the loan is approved, a funding commitment letter will be issued, and funds will be reserved for the development.

### Closing and Funding

Following loan approval, loan documentation will be completed. Applicant will be notified of date and location to obtain requisite signatures. A loan origination fee of 2% of the total loan amount will be due at this time. Normally, loan fund dispersal shall occur in one lump payment.

### Eligibility

**Sponsor Eligibility:** Current nonprofit 501(c)(3) agency or public agency status; or private developer; or a nonprofit/private partnership legal or ownership structure of the entity.

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**Site Control:** Demonstration of site control through an option or purchase agreement, deed of trust or similar legal instrument. (The HTFVC recognizes issues of timeliness involved in land transactions and is willing to work with applicants to evaluate the feasibility of *Residual Receipts Loan Fund* financing.)

**Land Use:** Ability of the Sponsor to develop the development under current local land use regulations.

**Funding Sources:** Demonstration of committed or proposed funding sources for the development (local, state, or federal government, private lenders or philanthropic).

**Local Support:** Demonstration of local support for the development (such as other funding or a letter from the jurisdiction stating that the development is in compliance with their HUD Consolidated Plan and Housing Element).

**Development Affordability and Targeted Incomes:** Number of units and percentage affordable; targeted income levels for extremely low, very low, low, and moderate-income households.

**Term of Affordability:** Commitment to maintaining the affordability of the development for a minimum of 30 years. Developments with longer affordability requirements of 45-55 years are encouraged.

**Development Capacity:** Indication of the capacity and ability of the development Sponsor and proposed Development Team to complete the development, including payoff financing, in a timely manner.

**Proposed Ownership and Management Structure:** Ability of the Sponsor/ownership entity to manage the asset and maintain development affordability over time.

**Completion of Development Due Diligence:** Completion of development due diligence materials, as appropriate for the development stage, including but not limited to:

- Preliminary Title Report
- Appraisal
- Phase I Environmental Report
- Identification of barriers to development (e.g., required relocation assistance, environmental issues, etc.)
- Preliminary development estimate and proposed sources of funding
- Unusual site conditions

Updated reports may be required.

### Loan Terms

**The following general HTFVC program loan terms are currently effective but may be subject to change, depending upon funding availability, the requirements of participating lenders, and unique loan needs.**

In general, the terms for HTFVC *Residual Receipts Loan Fund* loans are outlined below. The HTFVC Underwriting Committee, in consultation with its participating lenders, may at its discretion consider any exceptions or refinements to the loan terms.

**Maximum Loan Amount:** The maximum loan amount is \$2,000,000.

**Loan to Value Ratio:**

The HTFVC loan, in combination with other funding sources, generally does not exceed 100% of appraised value.

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### **Debt coverage:**

The first year Debt Service Coverage Ratio shall not be:

- (1) less than 1.10:1

The Project must demonstrate a positive cash flow for 15 years, using income and expenses increase rate assumptions specified in California Code of Regulations, Title 4, Section 10327. If projected Project income includes rental assistance or operating subsidy payments under a renewable contract, HTFVC and/or State HCD may assume that this contract will be renewed, where the renewal of the rental assistance or operating subsidy is likely.

**Term:** 15 – 18 years.

### **Projected Vacancy Rate:**

In analyzing Project feasibility, HTFVC, at a minimum, will utilize the following assumptions and criteria:

(a) Residential vacancy rates shall be assumed to be 5%, unless a different figure is required by another funding source (including TCAC) or supported by compelling market evidence.

(b) Vacancy rates for Commercial Space shall be assumed to be 50%, except the Department may use the vacancy loss assumption of the Project's senior lender or equity investor under either of the following circumstances:

(1) where the commercial income is guaranteed by the Sponsor through a long-term master lease and the amount of the Sponsor's annual master lease payment is both:

(A) less than one percent of the Sponsor's cash and cash equivalent current assets; and

(B) less than or equal to the projected commercial income, as evidenced by a market study or appraisal commissioned by the first lien lender or equity investor, and reflected in the final pro forma approved by the first lien lender or equity investor; or

(2) where the Commercial Space has been leased to a national or regional firm widely recognized by the public, and the term of the lease extends at least five years past the projected date of construction completion.

### **Interest Rate:**

3% subject to change. Rate will be set at time of submittal of the application.

### **Collateral/Security:**

Deed of Trust, secured by real property, or other security as approved by the HTFVC Underwriting Committee. HTFVC may consider a loan guaranty from an entity that can demonstrate significant financial strength. HTFVC will consider subordinating its lien position to other lenders.

### **Debt Service Coverage Ratio:**

"Debt Service Coverage Ratio" means the ratio of (1) Operating Income less the sum of Operating Expenses and required reserves to (2) debt service payments, excluding voluntary prepayments and non-mandatory debt service. In calculating Debt Service Coverage Ratio, HTFVC and/or State HCD may include all Operating Income and may exclude Operating Income that cannot be reasonably underwritten by lenders making amortized loans or that is approved by State HCD to be deposited into a reserve account to defray projected operating deficits.

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### **Operating Expenses:**

“Operating Expenses” means the amount approved by HFTVC and/or State HCD that is necessary to pay for the recurring expenses of the Project, such as utilizes, maintenance, management, taxes, licenses, and Supportive Services Costs, but not including debt service or required reserve account deposits.

**Fees:** A loan origination fee of 2% of the loan amount will be charged for all loans at closing.

### **Loan Payments:**

The borrower is only required to make payments from the “residual receipts,” which are the net cash proceeds remaining after all approved operating expenses, debt service on senior loans, and required reserves have been paid. Any residual receipts will then be split according to a predetermined formula—with a portion going to the developer and the remainder distributed among subordinate lenders. Payments are due within 120 days of the project’s Fiscal Year end.

**Guarantors:** In some instances, HTFVC may require loan guarantees provided by an acceptable third party.

### **Regulatory Agreement:**

All developments receiving HTFVC funding derived from State or Federal sources must have a regulatory agreement recorded against the title to ensure the affordability of assisted units and occupancy by income-eligible households for the required minimum. Developer must submit (within 30 days) any compliance monitoring reports it receives from any local, State, or Federal agencies.

### **Loan Documents:**

HTFVC loans will require an executed Promissory Note, Loan Agreement, Deed of Trust, Affordable Regulatory Agreement, and other documents appropriate to the transaction.

### **Documentation & Conditions:**

The applicant must provide HTFVC and participating lenders with any other documents, records and information needed and requested to determine whether to approve the loan request. The applicant will provide HTFVC with all appropriate development cost estimates, contracts, income/expense budgets, and financial statements as required by HTFVC. HTFVC’s underwriting guidelines and loan policies are consistent with the current California Tax Credit Allocation Committee Regulations Implementing the Federal and State Low Income Housing Tax Credit Laws, California Code of Regulations, Title 4, Division 17, Chapter 1, Section 10327 Financial Feasibility and Determination of Credit Amounts (7) A & B.

### **Documentation During Life of Loan:**

Applicants are required to provide HTFVC within 120 days of the project’s Fiscal Year end: documentation set forth in the Loan Agreement. Default provisions may apply for noncompliance.

### **Equal Housing Opportunity:**

All developments receiving HTFVC funding from governmental revenue sources must comply with applicable Equal Housing Opportunity laws.

### **Prevailing Wages and State or Federal Laws:**

Prevailing wages may apply depending on funding sources.