



CITY OF LAKEPORT

- City Council
City of Lakeport Municipal Sewer District
Lakeport Industrial Development Authority
Municipal Financing Agency of Lakeport

STAFF REPORT

RE: Permanent Local Housing Allocation (PLHA)	MEETING DATE: 10/18/2022
SUBMITTED BY: Nick Walker, Assistant City Manager/ Finance Director Jenni Byers, Community Development Director	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to adopt a resolution authorizing the City Manager to apply for PLHA funding allocations in accordance with the 5-year plan.

BACKGROUND/DISCUSSION:

The California Department of Housing and Community Development (HCD) has announced the availability of approximately \$195 million in funding for the Permanent Local Housing Allocation (PLHA) program Entitlement and Non-entitlement Local government formula component Notice of Funding Availability (NOFA). This NOFA is funded from funds deposited in the Building Homes and Jobs Trust Fund (Fund) in calendar year 2019.

Funding for this NOFA is provided pursuant to Senate Bill (SB) 2 (Chapter 364, Statutes of 2017). SB 2 established the Fund and authorizes HCD to allocate 70 percent (70%) of monies collected and deposited in the Fund, beginning in calendar year 2019, to local governments for eligible housing and homelessness activities. The intent of the bill is to provide a permanent, on-going source of funding to local governments for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

As a Non-Entitlement Local government, the City of Lakeport is currently eligible for a three years of formula allocation of PLHA funds estimated in the amount of \$206,007.

In order to participate in the formula allocation an Entitlement Local government must develop a five-year plan detailing the manner in which allocated funds will be used for eligible activities. The Plan must be authorized and adopted by the City Council by Resolution, and the public must have adequate opportunity to review and comment on its content. The five-year estimate of funding available for the City of Lakeport is \$475,835. PLHA funds must be used to carry out one or more of the eligible activities listed below:

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies.

2. The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent (120%) of Area Median Income (AMI), or 150 percent (150%) of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than thirty (30) days. See Appendix B for a list of high-cost areas in California.

3. Matching portions of funds placed into Local or Regional Housing Trust Funds.

4. Matching portions of funds available through the Low- and Moderate Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.

5. Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.

6. Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

7. Accessibility modifications in Lower-income Owner-occupied housing.

8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.

9. Homeownership opportunities, including, but not limited to, down payment assistance.

10. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing projects, or matching funds invested by a county in an Affordable housing development project in a city within the county, provided that the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the Affordable housing project.

The deadline to submit an application and the five-year plan is October 31, 2022. Suggested uses as outlined in the plan are to develop a vacant site into a navigation center with a emergency and/or transitional housing component. Costs associated with this project could include site acquisitions, pre-construction costs, construction costs and operational costs in accordance with eligible activity #6 above.

Program guidelines allow jurisdictions to amend plans over time. If necessary, an alternative to the program expenditures outlined above would be to solicit proposals from developers for the construction of additional affordable housing units as outlined in eligible activity #1.

The resolution previously approved by Council required some minor amendments required by HCD. Staff believed the resolution included in this agenda item will be approved by the department.

OPTIONS:

1. Adopt a resolution authorizing the City Manager to apply for PLHA funding allocations in accordance with the 5-year plan.
2. Provide alternative direction to staff

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Water OM Fund Sewer OM Fund Other:

Comments:

COUNCIL PRIORITIES:



Priority #1: Public Safety & Crisis Response



Priority #2: Disaster Resiliency



Priority #3: Good Governance & Fiscal Stability



Priority #4: Capital Infrastructure Improvement



Priority #5: Safe, Sustainable & Attractive Neighborhoods



Priority #6: Economic Development

SUGGESTED MOTIONS:

Move to adopt a resolution authorizing the City Manager to apply for PLHA funding allocations in accordance with the 5-year plan.

- Attachments:**
1. Resolution
 2. Application including Plan

RESOLUTION NO. _____ (2022)

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKEPORT
AUTHORIZING THE APPLICATION AND ADOPTING THE PLHA
PLAN FOR THE PERMANENT LOCAL HOUSING ALLOCATION
PROGRAM**

WHEREAS, the Department is authorized to provide up to \$304 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq.(Chapter 364, Statutes of 2017 (SB 2)); and

WHEREAS, the State of California (the “State”), Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability(“NOFA”) dated 8/17/22 under the Permanent Local Housing Allocation (PLHA) Program; and

WHEREAS, the City of Lakeport (“Applicant”) is an eligible Local government who has applied for program funds to administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation; and

WHEREAS, the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the Department and PLHA grant recipients; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Lakeport determines that:

1. If Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
2. Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA \$475,835 in accordance with all applicable rules and laws.
3. Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.
4. Pursuant to Section 302(c)(4) of the Guidelines, Applicant’s PLHA Plan for the 2019-2023 Allocations is attached to this resolution, and Applicant hereby adopts this PLHA Plan and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.
5. Applicant certifies that it was delegated by [if applicable insert name of the delegating local government] to submit an application on its behalf and administer the PLHA grant award for the formula allocation of PLHA funds, pursuant to Guidelines Section 300(c)and 300(d), and the legally binding agreement between the recipient of the PLHA funds and the Applicant is submitted with the PLHA application.
6. Applicant certifies that it has or will subgrant some or all of its PLHA funds to another entity or entities. Pursuant to Guidelines Section 302(c)(3), “entity” means a housing developer or program

operator, but does not mean an administering Local government to whom a Local government may delegate its PLHA allocation.

7. Applicant certifies that its selection process of these subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest.
8. Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.
9. Applicant certifies that, if funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A),(B)and (C).
10. Not Applicable
11. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.
12. The City Manager is authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.

ADOPTED by the City Council of the City of Lakeport at a regular meeting held on October 18, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

STACEY MATTINA, Mayor

ATTEST: The undersigned, City Clerk does hereby attest and certify that the attached Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the City of Lakeport which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

KELLY BUENDIA, City Clerk

§302(c)(4) Plan

Rev. 2/16/22

§302(c)(4)(A) Describe the manner in which allocated funds will be used for eligible activities.

Allocated funds will be used to assist persons who are experiencing or at risk of homelessness by developing and operating a navigation center in accordance with Section 301(a)(6).

§302(c)(4)(B) Provide a description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of Area Median Income (AMI).

Individuals who are homeless or at risk of homelessness are some of our most vulnerable citizens. Emergency and transitional housing for these individuals will be a priority of this allocation. Income verification will be a requirement for access to the program.

§302(c)(4)(C) Provide a description of how the Plan is consistent with the programs set forth in the Local Government's Housing Element.

The City of Lakeport's Housing Element includes a program that aims to expand housing and resource opportunities for households with very low to moderate incomes. In particular, Housing Element Goal 3C, includes facilitating housing opportunities for the homeless and households at-risk of homelessness, which includes allowing emergency shelters and transitional housing to accommodate homeless housing needs. The allocated funds will be used to develop and support the navigation center.

Activities Detail (Activities Detail (Must Make a Selection on Formula Allocation Application worksheet under Eligible Activities, §301))

§301(a)(6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for the proposed Activity.

Funds will be used to develop a vacant site into a navigation center with a emergency and/or transitional housing component. Costs associated with this project could include site acquisitions, pre-construction costs, construction costs and operational costs.

Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).

Funding Allocation Year	2019	2020	2021	2022	2023										
Type of Activity for Persons Experiencing or At Risk of Homelessness	Navigation Center Capital Costs	Navigation Center Capital Costs	Navigation Center Capital Costs	Navigation Center Capital Costs	Navigation Center Capital Costs										
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	100.00%	100.00%	100.00%	100.00%	100.00%										
§302(c)(4)(E)(ii) Area Median Income Level Served	30%	30%	30%	30%	30%										TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level Note: complete for years 2019, 2020, 2021 only	n/a	n/a	n/a												0
§302(c)(4)(E)(ii) Projected Number of Households Served					50										50

§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	n/a	n/a	n/a	n/a	n/a									
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.														
6/30/23 - Site acquisition 6/30/24 - Complete Pre-Construction Activities 6/30/25 - Complete Construction Activities														