

STAFF REPORT – CITY COUNCIL MEETING

November 20, 2024

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development

PREPARER: Jennifer Dart, Deputy Director of Community Development

DATE: November 12, 2024

TITLE: **Consider Adopting Resolution No. 245-15 Authorizing the Submission of a Streamlined Application for Funding Under the Permanent Local Housing Allocation Program (PLHA) Notice of Funds Availability (NOFA) 2024 and Amended PLHA Plan.**

RECOMMENDATION:

It is recommended that the Council:

- 1) Open the Public Hearing and receive public comment on potential projects for funding under the 2024 Permanent Local Housing Allocation Program (PLHA) Notice of Funds Availability (NOFA); and
- 2) Adopt Resolution No. 245-15 authorizing the submission of a streamlined application for funding under the Permanent Local Housing Allocation Program (PLHA) Notice of Funds Availability (NOFA) 2024 and amended PLHA Plan.

INTRODUCTION:

The State Department of Housing and Community Development (HCD) released the Permanent Local Housing Allocation (PLHA) Program NOFA on August 17, 2022. The City submitted an application in November 2022, and was awarded an estimated 5-year allocation of \$1,056,372 for the period of 2019-2023. At that time, the 2022 and 2023 allocations were listed as estimates only. In order for the city to receive access to the 2022 and 2023 allocations of \$183,976, HCD requires submission of a streamlined application.

BACKGROUND:

Due to the new requirement from HCD, the City needs to amend its existing PLHA plan to ensure that 40% of the funds are allocated to homeownership activities. To meet the homeownership activities requirement, staff proposes adding both downpayment assistance and owner-occupied rehabilitation activities to the City's 5-year plan. Staff recommends adopting the Resolution 245-15, which authorize the City submit a streamlined application and the amended plan (Attachment B). The Plan must be formally amended, including discussion and approval at a publicly noticed meeting of the Local government's governing board, and be submitted to the Department for approval.

DISCUSSION:

Based on the available funding and requirements of the 2024 NOFA, Staff proposes amending the Plan to reflect the following activities:

- 1) Predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, or rental housing that is Affordable to extremely low-, very low-, low-, or moderate-income households (respectively, households making less than 30%, 50%, 80%, and 120% AMI).
- 2) Accessibility modifications in lower-income owner-occupied housing.
- 3) Homeownership opportunities, including, but not limited to, down payment assistance.

ENVIRONMENTAL REVIEW (CEQA):

The action is applying for funding, which will not have an impact on the environment. Individual projects that may be funded by the PLHA funding are speculative at this time. Any impacts associated with activities funded by PLHA will required additional environmental review. However, since it can be seen with certainty that applying for funding, that has no current project associated with it, will not have an impact on the environment, the common sense exemption pursuant to CEQA Guidelines Sec. 15061(b)(3) applies.

BUDGET/FISCAL IMPACT:

This NOFA allows for grantees to use a total of 5% of the award for administrative costs related to the execution of eligible activities. Staff and overhead costs directly related to carrying out eligible activities are “activity costs,” and are not subject to the 5% cap on administrative costs.

ATTACHMENTS:

- A. Resolution 245-15 (PDF)
- B. Amended PLHA Plan 2021-2023 (PDF)