



Legislation Text

File #: 2023-0952, Version: 1

Report to Mayor and City Council

Tuesday, January 09, 2024

Special Orders of the Day

SUBJECT:

PUBLIC HEARING TO CONSIDER AMENDMENT TO THE CITY'S PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FIVE-YEAR PLAN AND GRANT AGREEMENT

I. SUMMARY

The California Department of Housing and Community Development (HCD) had previously approved the City's application for the Permanent Local Housing Allocation (PLHA) Program and executed a Standard Agreement with the City. The application and Standard Agreement included a Five-Year Plan for allocation of the Program funds, which the City now seeks to amend. HCD provides cities the flexibility to amend their Five-Year Plan by means of proper notice to the community, a public hearing, and adoption of an amending resolution. Thus, a public hearing is slated for this meeting, and an accompanying resolution is being presented for Council's consideration.

II. RECOMMENDATION

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing;
2. WAIVE further reading and ADOPT Resolution No. 24-003, "A Resolution of the City Council of the City of Carson, California, Amending the Five-Year Plan for the Permanent Local Housing Allocation Grant";
3. AUTHORIZE the City Manager to administer the program funds for each activity as per the amendment.

III. ALTERNATIVES

Take any other action the city council deems appropriate.

IV. BACKGROUND

The California Department of Housing and Community Development had previously issued a Notice of Funding Availability (NOFA) for the Permanent Local Housing Allocation (PLHA) Program. The Building Homes and Jobs Act of 2017 (SB 2) established a \$75 recording

fee on real estate documents to provide affordable housing options. Through this Act, HCD was authorized to provide up to \$335 million statewide for this program. Carson was deemed eligible for a noncompetitive grant in the amount of \$2,488,380 over a five-year period. Following a public hearing held December 7, 2021, City Council adopted Resolution No. 21-153, (Exhibit No. 1), which included, as required by HCD, a Five-Year Plan for expenditure of program funds. On April 21, 2022, the City was notified that it had been awarded a grant in the amount of \$1,059,349 for the 2019 (\$414,730) and 2020 (\$644,619) allocations. On August 3, 2022, HCD provided the PLHA Standard Agreement (Exhibit No. 2), which the City Manager signed.

The approved Five-Year Plan included the following three activities at an even funding allocation for each:

- First time home buyer program: (33.33%)
- Rehabilitation, and preservation of affordable ownership housing: (33.33%); and
- Assisting persons who are experiencing or at risk of homelessness: (33.33%)

HCD is authorized to provide up to \$335 million under the Senate Bill 2 Permanent Local Housing Allocation Program Formula component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties. Eligible uses of program funds include:

- The 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, including necessary operating subsidies.
- The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling units that meets the needs of a growing workforce earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in high-cost areas.
- Assisting persons who are experiencing or at risk of homelessness.
- 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.

HCD gives cities flexibility to amend the PLHA Plan with proper notice to the community and approval by the City Council and HCD. Changes in funding allocation of approved activities that are less than 10% do not require HCD approval and can be approved administratively. However, if the City proposes changes greater than 10% to approved activities or if new eligible activities are proposed, formal amendment of the plan. This entails: (1) soliciting public comments on the new draft PLHA Plan; (2) City Council adoption of a new resolution, including a new PLHA plan, at a public hearing; and (3) re-submission of the resolution including the new PHLA plan to HCD for final approval. Thus, a public hearing is slated for this meeting, and an accompanying resolution is being presented for Council's consideration.

Staff is recommending adoption and re-submission to HCD of Resolution No. 24-003 to amend the current executed PLHA Standard Agreement to correct and re-direct percentages to reflect the new percentage allocation of the funding as follows:

- Rehabilitation, and reservation of affordable ownership housing (Activity 2): 50% of the 2019 and 2020 funding;
- Assisting persons who are experiencing homelessness or at risk of homelessness (Activity 6): 50 % of the 2019 and 2020 funding; and
- First time home buyer program (Activity 9): 100% of the 2021, 2022 and 2023 funding.

Previous Council actions in this matter included:

- Resolution No. 23-162, on October 3, 2023, accepting and allocating \$353,116 for the rehabilitation and preservation of affordable ownership housing
- Resolution No. 23-178, on November 7, 2023, to allocate funds received in the amount of \$276,486.67 for assisting persons who are experiencing or at risk of homelessness.

Staff will be requesting the balance of funds remaining for 2020 in the amount of \$429,746.33 after the amended Five-Year Plan has been approved by HCD. Staff is also recommending that the balance of funding be allocated to the First Time Home Buyer program to assist families with down payment assistance.

V. FISCAL IMPACT

PLHA funding will vary from year to year as the revenue is dependent on fluctuating real estate transactions. HCD has allocated to the City an estimated total of \$2,488,389 over a five-year period ending in 2023. The City has received revenues for 2019 and 2020 totaling \$1,059,349.00. The remaining balance for years 2021, 2022, and 2023 totals \$1,429,031.00.

VI. EXHIBITS

1. Executed Standard Agreement (pgs. 4-25)
2. Resolution No. 21-153 (pgs. 25-26)
3. Resolution No. 24-003 (pgs. 27-28)
4. (draft) PLHA plan (pgs. 29-32)

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