



MEMORANDUM
COMMUNITY DEVELOPMENT RESOURCE AGENCY
ADMINISTRATION
County of Placer

TO: Board of Supervisors

FROM: Steve Pedretti, Agency Director

BY: Shawna Purvines, Principal Planner

SUBJECT: Permanent Local Housing Allocation Funding Application

DATE: July 28, 2020

ACTIONS REQUESTED

1. Conduct a public hearing and adopt a resolution outlining the proposed activities to be funded under the Permanent Local Housing Allocation.
2. Approve submittal of the resolution and program plan required under Section 302(c)(4) of the grant to the State of California for implementation of the Permanent Local Housing Allocation and authorize the Agency Director or designee to execute any amendments thereto and to sign any required documentation for the grant.

BACKGROUND

On February 26, 2020, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for the Permanent Local Housing Allocation (PLHA) program. Funding for this NOFA is provided pursuant to Senate Bill (SB) 2 (Chapter 364, Statutes of 2017). SB 2 established the Building Homes and Jobs Trust Fund (Fund) and authorizes the Department to allocate 70 percent 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.

Twenty percent of the Fund is required to be expended for affordable owner-occupied workforce housing, and the program prioritizes investments that increase the supply of housing to households that are at or below 60 percent of the Area Median Income (AMI), adjusted for household size.

The funding available in this NOFA is for a five-year period based on the anticipated revenue and formula allocation. The County's five-year period of available funds is estimated to be \$2,730,542. A five-year plan ("Plan") on how the County proposes to utilize the funds is part of the application and requires a separate approved resolution by the Board outlining the anticipated use of the funds. Consistent with the PLHA eligible activities and the County's focus to support a mix of housing opportunities affordable to a range of household incomes, the following two eligible activities are proposed for use of these funds.

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

The County is required to obtain approval from HCD for amendments made to the Plan in each succeeding year of the term of the Plan. Reallocations of the funds are allowed, however more than 10 percent of funds among the various activities would require an amendment of the Plan, with approval granted by the Board at a publicly noticed public meeting.

ENVIRONMENTAL IMPACT

The proposed filing for an application for grant funds to use for housing planning activities is exempt under the California Environmental Quality Act Guidelines Sections 15301, 15302 and 15262, and is an administrative action, not a project, pursuant to CEQA Guidelines 15378(b)(2), (4) and (5).

FISCAL IMPACT

There is no County match required under the grant. Administrative and activity delivery funds will be included in the allocation the County for the PLHA Funding Application NOFA, should the allocation be awarded. If the department is successful in this grant application, the appropriate funding amount will be budgeted in the respective Department's FY budget(s).

ATTACHMENTS

Attachment A: Draft Application Resolution

Attachment B: Public Notice

ATTACHMENT A

Before the Board of Supervisors County of Placer, State of California

In the matter of: Authorizing Resolution for
Projects Utilizing Permanent Local Housing
Allocation Funds

Resolution No.: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on July 28, 2020, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

All or a necessary quorum and majority of the Board of Supervisors of the County of Placer (“Applicant”) hereby consents to, adopts, and ratifies the following resolution:

WHEREAS, the State of California (the “State”), Department of Housing and Community Development (“Department”) is authorized to provide up to \$195 million to Cities and Counties for assistance under the SB 2 Permanent Local Housing Allocation Program Entitlement Jurisdiction Component from the Building Homes and Jobs Trust Fund (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)));

WHEREAS, the Department issued Permanent Local Housing Allocation Final Guidelines (“PLHA Program Guidelines”) in October 2019;

WHEREAS, the Department issued a Notice of Funding Availability (“NOFA”) dated 02/26/2020 under the Permanent Local Housing Allocation (“PLHA”) program;

WHEREAS, the County applied for PLHA Funds on May 4, 2020; and

WHEREAS, County staff has prepared a plan consistent with the requirements of Section 302(c)(4) of the PLHA Guidelines (“302(c)(4) Plan”) and shared it with the public on July 17, 2020; and

WHEREAS, Section 302(c)(4) of the PLHA Guidelines also requires that the plan be authorized and adopted by resolution by the local government and that the public should have an adequate opportunity to review and comment on the content of the plan.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER THAT:

1. The document attached hereto marked as Exhibit A is hereby authorized and adopted as the 302(c)(4) Plan for Funding Allocation Years 2019-2023 for the County of Placer.
2. 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 the attached 302(c)(4) Plan 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.
3. 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 \$2,730,542 in accordance with all applicable rules and laws.
4. Applicant hereby agrees to use the PLHA funds only for Eligible Activities as approved by the Department and in accordance with all Program requirements, PLHA Program Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement, its Application, and other contracts between the Applicant and the Department.
5. 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.
6. The Community Development Resource Agency Director, or his designee 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.

BE IT FURTHER RESOLVED that this resolution shall become effective immediately.

EXHIBIT

Exhibit A: PLHA - 302(c)(4) Plan

EXHIBIT A
Placer County
Permanent Local Housing Allocation (PLHA)
302(c)(4) Plan

Eligible Applicant Type:	Non-Entitlement
Local Government Recipient of PLHA Formula Allocation:	Placer County
Approximate PLHA Formula Allocation Amount:	\$2,730,542
Allowable Local Admin (5%):	\$136,527

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

The County of Placer plans to use PLHA funds for 2 activities: 1) A predevelopment loan rolling over to a permanent financing gap loan for a multifamily rental housing project that will be occupied by households with incomes of up to 60%. 2) To make down payment assistance loans to moderate income households primarily for affordable owner-occupied workforce housing.

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)

The rental housing project will be occupied by households with incomes of no more than 60% AMI with the County's PLHA loan. This multifamily rental project is the first priority for the County with the PLHA funds. Due to the large gap between household incomes and median sales prices, it is anticipated that most of the funds for down payment assistance would be utilized by moderate income households, however due to fluctuating markets the affordability gap may decrease within the next 5 years allowing lower income households to utilize funds from the down payment assistance 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 County's Housing Element has a program to assist affordable housing developers in the construction of affordable and workforce housing. The Housing Element also has a program to provide down payment assistance and multiple programs to encourage workforce housing which could be accomplished with down payment assistance. It is anticipated that the PLHA down payment assistance funds will be used for affordable owner-occupied work force housing.

Regional Housing Needs Allocation (RHNA) – Background and Local Requirements

Table 1 illustrates the current RHNA requirements and accomplishments for the County of Placer for Very-low, low-, Moderate, and Above-Moderate income levels. Table 2 illustrates the RHNA requirements that will be imposed on the County of Placer during the next Housing Element Cycle from 2021-2029. The County will offer PLHA funds to assist a developer in building units and to make down payment assistance loans that will meet the local RHNA goals.

Table 1. Placer County Regional Housing Needs Allocation 2013-2021				
Income Category	2013-2021 RHNA	2019 Units	Total Units To Date	Percent Complete
Very Low/Extremely Low	1,365	0	36	2.6%
Low	957	0	84	8.8%
Moderate	936	24	139	14.8%
Subtotal	3,258		259	7.2%
Above Moderate	1,773	386	2,159	122%
Total	5,031		2,418	48%

Table 2. Placer County Regional Housing Needs Allocation 2021-2029

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA Allocation (Units)	2,127	1,282	1,319	3,126	7,854

Activities Detail
301(a)(1) Activity: The preservation, predevelopment and development of multifamily, residential, rental housing that is Affordable to Extremely low-, Very low-, and Low-income households.
302(c)(4)(E)(i) Provide a description of how allocated funds will be used for each proposed Affordable Rental Housing Activity.

Predevelopment funds would be drawn as the project proceeds through the entitlement process, at construction loan closing the predevelopment loan would convert to a gap permanent financing loan. The County owns a site where a portion of the site will be developed with affordable housing serving households earning up to 60 percent of the Area Median Income.

302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	Average of 50% (annually)
302(c)(4)(E)(ii) Area Median Income Level Served	60% AMI
302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level	91%
302(c)(4)(E)(ii) Project Number of Households Served	75 (total)
302(c)(4)(E)(ii) Period of Affordability for the Proposed Affordable Rental Housing Activity (55 years required for rental housing projects)	55 years

302(c)(4)(E)(iii) A description of major steps/actions and proposed schedule for the implementation and completion of the Activity

An affordable workforce housing developer is partnering with the County to develop a multifamily rental housing development on a County owned parcel in North Tahoe. The project is in the planning stages and anticipated to began the entitlement process during 2020-21 fiscal year. Primary source of funds will be tax credits.

302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity
--

The PLHA funds will be used to expand the County's down payment assistance program to households whose income is between 81-150%.

Type of Homeowner Assistance	Home Buyer Assistance
302(c)(4)(E)(i) Percentage of Funds Allocated for Proposed Activity	40% of total funds allocated
302(c)(4)(E)(ii) Area Median Income Level Served	150%
302(c)(4)(E)(ii) Unmet share of RHNA at AMI Level	85%
302(c)(4)(E)(ii) Projected Number of Households Served	21
302(c)(4)(E)(ii) Period of Affordability for the Proposed Activity	30 years

302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity

The county will modify its existing down payment assistance program to increase the income limits to allow households of up to 150% of median income to apply funding. It is anticipated that applications can be accepted as soon as the funding is available.

ATTACHMENT B

NOTICE OF PUBLIC HEARING PLACER COUNTY BOARD OF SUPERVISORS

WHERE: Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, CA 95603

WHEN: July 28, 2020 – 9:00 AM or as soon thereafter as possible

SUBJECT: Public hearing to consider approval of Permanent Local Housing Allocation Program

NOTICE IS HEREBY GIVEN that the Placer County Board of Supervisors will conduct a public hearing at the above place and time to consider the approval of a program plan required under Section 302(c)(4) of the Permanent Local Housing Allocation Grant (PLHA) Notice of Funding Availability (NOFA) and to solicit citizen input.

The Community Development Resource Agency following authorization by the Board on April 21, 2020 applied for the PLHA on behalf of the County of Placer for up to \$2,730,542 under the NOFA for eligible housing activities over a five-year plan period.

The purpose of the public hearing is to give citizens an opportunity to make their comments known on the proposed activity plan for the funding allocation. The proposed funding plan can be reviewed on the Placer County Housing webpage at www.placer.ca.gov/housing.

Accommodations for disabled or non-English speaking residents will be made available upon advance request; please contact the Clerk of the Board at (530) 886-4020.

You may direct written comments to the Clerk of the Board of Supervisors, 175 Fulweiler Avenue, Auburn, CA 95603, or you may telephone the Clerk of the Board at (530) 886-4020. In addition, information is available for review by calling the Clerk of the Board between the hours of 8:00 a.m. and 5:00 p.m. on Monday through Friday.

Interested persons are invited to attend the hearing telephonically through the means provided on the meeting agenda, found at <https://www.placer.ca.gov/6322/2020>. All letters, written materials, studies or reports, in excess of one (1) page should be delivered to the Clerk of the Board, 175 Fulweiler Avenue, Auburn, CA 95603, at least 24 hours or (1) business working day prior to the beginning of the meeting.

The Community Development Resource Agency contact for this project, Shawna Purvines, can be reached at (530) 745-3031 or spurvines@placer.ca.gov.

BOARD OF SUPERVISORS

Clerk of the Board, Megan Wood

Community Development Resource Agency Staff: Shawna Purvines

By: Administrative Secretary, Rachel McGuigan

