



SUMMARY REPORT

Agenda Date: 8/18/2020

To: Sonoma County Board of Supervisors
Department or Agency Name(s): Community Development Commission
Staff Name and Phone Number: Diedre Duncan, 565-7537
Vote Requirement: Majority
Supervisorial District(s): All

Title:

Authorization and Approval of Permanent Local Housing Allocation (PLHA) Five-Year Plan

Recommended Action:

1. Authorize and adopt by resolution the Plan for Permanent Local Housing Allocation Program (PLHA) funds to be used over the next 5 years.

Executive Summary:

On July 7, 2020, your board authorized the Community Development Commission to submit an application to the California Department of Housing and Community Development (Department). Sonoma County has been allocated \$899,393 in formula funds for 2019-2020, and an estimated \$5,396,358 over the next five years. As part of the July 7 board item, the Commission submitted an outline of the plan for use of these funds, and stated that the plan would be finalized and undergo public review and come back to your board for authorization and adoption at a later date. The attached plan was reviewed by the Community Development Committee and Cities & Towns Advisory Committee at concurrent virtual meetings on July 15, 2020 and was unanimously recommended for your approval. It was made available for public comment from July 10 to July 21, 2020. An application for these funds was submitted on July 27th, 2020 and a resolution authorizing and adopting the plan must be submitted within thirty days of application submittal (August 27th, 2020).

Discussion:

As part of a 15-bill housing package, Senate Bill (SB) 2 was signed into law in 2017 to address California's housing shortage and high housing costs. SB-2 established a permanent funding source to increase California's affordable housing stock. The bill allocates 70 percent of the revenue deposited in the Building Homes and Jobs Trust Fund, which began in Calendar Year 2019 for the Permanent Local Housing Allocation (PLHA) program.

The principal goal of this program is to make funding available to eligible local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. Twenty percent of the funding is required to be expended for Affordable Owner-Occupied Workforce Housing (AOWH), and the balance of 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.

Funding will help cities and counties:

- Increase the supply of housing for households at or below 60% of area median income
- Increase assistance to affordable owner-occupied workforce housing (AOWH)
- Assist persons experiencing or at risk of homelessness
- Facilitate housing affordability, particularly for lower- and moderate-income households
- Promote projects and programs to meet the local government’s unmet share of regional housing needs allocation and,
- Ensure geographic equity in the distribution of the funds

Proposed Plan

To receive the funds, the Commission must adopt and submit a plan approved by governing board resolution that describes how the County’s annual allocation will be used over the next five years. The Commission will award funds through a Notice of Funding Availability issued concurrently with the annual County Fund for Housing Notice of Funding Availability to solicit projects to be funded. The Commission will follow the guidance in the it’s County Fund for Housing Funding Policies and the Sonoma County Community Development Commission Loan Policies, making any addendums or modifications needed to comply with the Department of Housing and Community Developments Program Guidelines.

Staff proposes the attached plan for awarding PLHA funds. If this plan is accepted for this year, this rubric can be changed year-to-year depending on community need. Should more than 10% be shifted to a new category, the plan will undergo a public hearing process facilitated by the Commission’s advisory Committees to receive public comment prior to revision.

Category	Amount	Percent
First Year Amount	899,393	100%
Administration	\$44,969	5%
Affordable Workforce Ownership Housing Projects/Programs*	\$179,878.60	20%
Low-Interest, deferred loans for development of rental affordable housing with scoring criteria that prioritize projects with deep income targeting	\$674,544.75	75%

**As required by program guidelines*

Through the Notice of Funding Availability issued concurrently with the County Fund for Housing NOFA, projects that include homeless dedicated units as a portion of overall units and that include deep income targeting will be ranked highly in the applicable categories.

Approval of the plan will allow the Community Development Commission to receive funds from the Department and to proceed with the preparation of a Notice of Funding Availability.

Prior Board Actions:

July 7, 2020 - Item #5, Authorization to enter into grant agreement and prepare program guidelines for the

State Permanent Local Housing Allocation (PLHA)

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses	\$899,393	\$899,393	
Additional Appropriation Requested			
Total Expenditures	\$899,393	\$899,393	
Funding Sources			
General Fund/WA GF			
State/Federal	\$899,393	\$899,393	
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$899,393	\$899,393	

Narrative Explanation of Fiscal Impacts:

The fiscal impacts described here and in the table above are reiterative of the authorization to receive funds granted in July 7, 2020. Approval of this item will not result in receipt of funds additional to the previously approved Resolution 20-0236. Funds will supplement and leverage other funding sources that are used to advance development of affordable rental units and deepen affordability of rental and homeownership opportunities. Funding allocation is anticipated to be approximately \$899,393 annually, but may fluctuate due to increases or decreases in the revenue source.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

1. Authorizing Resolution approving Sonoma County PLHA Plan
2. Plan for use of Funds
3. Public Comments Received during Comment Period

Related Items "On File" with the Clerk of the Board:

Agenda Date: 8/18/2020

Resolution 20-0236