



Legislation Details (With Text)

**File #:** ID 20-00944    **Version:** 1    **Name:**

**Type:** Action Item    **Status:** Agenda Ready

**File created:** 7/16/2020    **In control:** City Council

**On agenda:** 8/20/2020    **Final action:** 8/20/2020

**Title:** Actions pertaining to the Permanent Local Housing Allocation 5-Year Plan:  
 1. HEARING to obtain public comments regarding Permanent Local Housing Allocation 5-Year Plan  
 2. \*\*\*RESOLUTION - Adopting and authorizing submission of a five-year Plan to the California Housing and Community Development Department in application for funding from the Permanent Local Housing Allocation (PLHA) for the development of affordable multifamily and single family housing, owner occupied home rehabilitation, and down payment assistance to benefit low- and moderate- income persons and authorizing the City Manager to sign all necessary implementing documents (Subject to Mayor's Veto)  
 3. \*\*\*RESOLUTION - 2nd amendment to the Annual Appropriation Resolution No. 2020-159 appropriating \$3,407,700 for affordable housing development, housing rehabilitation, and homebuyer assistance through state entitlement grant programs (Requires 5 affirmative votes) (Subject to Mayor's veto)

**Sponsors:** Planning and Development Department

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution, 2. Resolution - 2nd Amendment to the AAR No. 2020-159 appropriating \$3,407,700, 3. Summary, 4. Public Draft of Permanent Local Housing Allocation 5-Year Plan, 5. Additional Information - Public Comments and City Responses.pdf, 6. Revised - Resolution, 7. Revised - Summary, 8. Revised - Public Comments and City Responses, 9. Redline of Permanent Local Housing Allocation 5-Year Plan, 10. Additional Information - Permanent Local Housing Allocation 5-Year Plan.pdf, 11. Additional Information - Public Comment from Leadership Counsel.pdf

Date	Ver.	Action By	Action	Result
8/20/2020	1	City Council	approved as amended	Pass

**REPORT TO THE CITY COUNCIL**

**August 20, 2020**

**FROM:** JENNIFER CLARK, Director  
Planning and Development Department

**THROUGH:** THOMAS MORGAN, Housing Manager  
Housing and Community Development Division

KAREN JENKS, Administrative Manager  
Housing and Community Development Division

**BY:** EDWARD CHINEVERE, Senior Management Analyst  
Housing and Community Development Division

## **SUBJECT**

Actions pertaining to the Permanent Local Housing Allocation 5-Year Plan:

1. HEARING to obtain public comments regarding Permanent Local Housing Allocation 5-Year Plan
2. \*\*\*RESOLUTION - Adopting and authorizing submission of a five-year Plan to the California Housing and Community Development Department in application for funding from the Permanent Local Housing Allocation (PLHA) for the development of affordable multifamily and single family housing, owner occupied home rehabilitation, and down payment assistance to benefit low- and moderate- income persons and authorizing the City Manager to sign all necessary implementing documents (Subject to Mayor's Veto)
3. \*\*\*RESOLUTION - 2nd amendment to the Annual Appropriation Resolution No. 2020-159 appropriating \$3,407,700 for affordable housing development, housing rehabilitation, and homebuyer assistance through state entitlement grant programs (Requires 5 affirmative votes) (Subject to Mayor's veto)

## **RECOMMENDATION**

Staff recommends the City Council adopt and authorize submission of the PLHA five-year Plan to the California Housing and Community Development Department (California HCD) and authorize the City Manager to sign all necessary implementing documents as approved to form by the City Attorney.

## **EXECUTIVE SUMMARY**

The PLHA provides a source of annual funding for housing activities that address the needs identified in the City's Housing Element which primarily benefit low- and moderate-income persons. California HCD requires the City to submit a 5-year Plan outlining how funding will be allocated to the activities eligible for funding, which is required for the City to receive its first-year allocation of \$3,407,603. If adopted, first-year funds will be used for the development of 11 affordable rental units and eight single-family homes; the rehabilitation of four homes; and down payment assistance for 20 first-time homebuyers.

## **BACKGROUND**

California Senate Bill 2 was signed by the Governor on September 29, 2017, creating a source of funding for the PLHA from a recording fee imposed on real estate documents, and providing the framework for allocating and administering the funds. California HCD announced the availability of \$195 million of the 2019 funds deposited into the account for local governments to administer eligible activities. California HCD uses the formula developed to allocate the Community Development Block Grant (CDBG) funds administered by the U.S. Department of Housing and Urban Development (HUD) to allocate the PLHA funds to Local Entitlement Governments, including the City of Fresno (City). The City's first-year allocation is \$3,407,603. Annual allocations will fluctuate based on variability in the collection of the recording fee that funds the program, and changes in the CDBG allocation formula, which are driven primarily by demographic changes.

California HCD requires the City to prepare a five-year Plan describing how the program funds will be allocated over the Plan timeframe. The Plan identifies which of the nine eligible activities the City will fund with the program. For each activity, the Plan outlines the median income of beneficiaries, the projected number of beneficiaries, and the period of affordability for the activity if applicable.

Evidence that the Plan was adopted following a public participation process and the application is authorized for submission is due August 26, 2020 in order for the City to receive funding in 2020. Changes of +/- 10% to activity allocations in subsequent years require a Plan amendment to include a public hearing.

A major goal of the PLHA is to provide affordable owner-occupied workforce housing (AOWH) defined as housing that is affordable to persons and families of low or moderate income, and requires that at least 20% of the Plan be allocated for this purpose. The City's Plan allocates 40% of funding towards AOWH. All activities are also required to be consistent with the City's adopted Housing Element. The City's Plan addresses eligible activities that are included among the Housing Element programs, with special focus on activities for which alternative funding sources are not available.

The activities included in the five year Plan are:

- 28.5% of annual allocation for the development of multifamily rental housing affordable for very low-income persons through low-interest deferred loans to project sponsors with a period of affordability of 55 years, with development focused in areas of opportunity.
  - First-year funding: \$971,100
- 28.5% of annual allocation for the construction of single-family homes affordable to low-income persons, also focusing development in areas of opportunity.
  - First-year funding: \$971,100
- 28.5% of annual allocation for a down payment assistance program for low- and moderate-income first-time home buyers.
  - First-year funding: \$971,100
- 9.5% of annual allocation for owner-occupied home rehabilitation, focusing on low-income persons not eligible for funding through other programs, such as mobile home residents.
  - First-year funding: \$323,923
- 5% of annual allocation for City administration of the program.
  - First-year funding: \$170,380

Following adoption of the Plan, City staff will prepare one or more Notices of Funding Availability (NOFA) to identify eligible organizations with the capacity and expertise to provide the activities described in the Plan, and will return to the City Council with recommended subrecipients following a competitive selection process to be outlined in a NOFA. If an eligible and qualified organization is not available, the City may consider providing the services directly.

### **Citizen Participation**

- June 26, 2020: Public notice distributed via Fresno Bee
- June 26, 2020: English and Spanish language public notice distributed on social media, through HCDD email distribution list, and City Clerk website
- Week of June 26, 2020: Public notice read in Hmong on KBIF radio
- July 1, 2020: Spanish Language Notice distributed via Vida en el Valle
- July 3, 2020: Webinar outlining plan details published to City website
- July 3, 2020: Draft documents published to HCDD website and City Clerk website for 10-day public comment period
- July 3, 2020: Availability of draft documents and webinar communicated to HCDD email distribution list and on social media
- July 15, 2020: Public Hearing at a meeting of the Housing and Community Development

Commission - CANCELLED due to lack of quorum and rescheduled for August 20, 2020 City Council meeting

- July 15, 2020: End of 10-day written public comment period
- July 16, 2020: City Council consideration continued to August 20, 2020
- July 19, 2020: Public Notice of rescheduled hearing distributed via Fresno Bee
- Week of July 20: Public notice of rescheduled hearing read in Hmong on KBIF radio
- July 20, 2020: English and Spanish language public notice of rescheduled hearing distributed on social media, through HCDD email distribution list, and City Clerk website
- July 29, 2020: Spanish language public notice of rescheduled hearing distributed via Vida en el Valle

The written public comment period concluded on July 15, 2020 with 2 comments received. The comments and City Responses are attached to this report.

### **ENVIRONMENTAL FINDINGS**

This is not a project for purposes of CEQA pursuant to CEQA guidelines Section 15378. Furthermore, plans, strategies and studies are an exempt activity under HUD NEPA Requirements (24 CFR 58.34 (1)).

### **LOCAL PREFERENCE**

Local preference is not applicable because of state funding.

### **FISCAL IMPACT**

Adoption of the Plan will allow the City to receive grant funds of \$3,407,603 for eligible housing activities.

Attachments: Resolution

Resolution - 2nd Amendment to the AAR No. 2020-159 appropriating \$3,407,700

Summary

Public Draft of Permanent Local Housing Allocation 5-Year Plan

Public Comments and City Responses

Revised - Resolution

Revised - Summary

Revised - Public Comments and City Responses

Redline of Permanent Local Housing Allocation 5-Year Plan