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Title: ***RESOLUTION - Authorizing application for and acceptance of funding from the Permanent Local Housing Allocation (PLHA) program of the California Housing and Community Development Department 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)

Sponsors: Planning and Development Department

Indexes:

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Attachments: 1. Resolution to Apply for 2022 PLHA Allocations, 2. 2022 PLHA Formula Streamlined Application - City of Fresno

Date	Ver.	Action By	Action	Result
10/13/2022	1	City Council	ADOPTED	Pass

REPORT TO THE CITY COUNCIL

FROM: JENNIFER CLARK, Director
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SUBJECT

***RESOLUTION - Authorizing application for and acceptance of funding from the Permanent Local Housing Allocation (PLHA) program of the California Housing and Community Development Department 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)

RECOMMENDATION

Staff recommends the City Council approve the resolution to submit an application for funding from the Permanent Local Housing Allocation (PLHA) program and authorize the City manager to sign all necessary implementing documents as approved to form by the City Attorney.

EXECUTIVE SUMMARY

The City of Fresno (City) is eligible for a third round of PLHA (2022 PLHA Allocation) funding in the amount of \$5.8 million to be used 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. The California Housing and Community Development Department (CalHCD) requires all eligible and formally awarded applicants to submit a streamlined application for the 2022 PLHA Allocation no later than October 31, 2022. By submitting the streamlined application, the City will receive the 2022 PLHA total allocation. Any applicant that does not submit an application by the deadline will not be eligible for funding until the next NOFA release date.

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. CalHCD 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, second-year allocation is \$5,296,470, and third-year allocation is \$5,828,601. 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.

On August 20, 2020, City Council approved a PLHA 5-Year Plan that included the development of affordable multifamily and single-family housing, owner occupied home rehabilitation, and down payment assistance to benefit low- and moderate-income persons. Given the significant increase in the costs of construction, on April 21, 2022, Council approved an amendment to the PLHA 5-Year Plan to increase the maximum AMI percentage for both multifamily and single-family housing development projects to 80% AMI. The amendment to the maximum AMI percentages did not affect the goal of the PLHA funds or the activities identified by the City in the adopted PLHA 5-Year Plan.

In order to receive the City's annual PLHA allocation, the City is required to submit a streamlined application for the 2022 PLHA Formula Allocation no later than October 31, 2022. Any applicant that does not submit an application by the deadline will not be eligible for funding until the next NOFA release date.

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

Approval of the 2022 PLHA Streamlined Application will allow the City to receive its third allocation of PLHA grant funds in the amount of \$5,828,601 for eligible housing activities.

Attachments:

1. Resolution to Apply for 2022 PLHA Allocations
2. 2022 PLHA Formula Streamlined Application - City of Fresno