



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND COUNCIL DATE: AUGUST 18, 2020

FROM: OFFICE OF HOMELESS SOLUTIONS WARD: ALL

SUBJECT: RESOLUTION AMENDING RESOLUTION NO. 23598 TO INCREASE THE ESTIMATED PERMANENT LOCAL HOUSING FIVE-YEAR ALLOCATION, MEMORIALIZING THE ADOPTION OF THE FIVE-YEAR FUNDING PLAN AND THE CITIZEN PARTICIPATION PLAN, AND PROVIDING ADDITIONAL AUTHORIZATIONS AND CERTIFICATIONS IN CONNECTION WITH THE APPLICATION FOR AND RECEIPT OF PERMANENT LOCAL HOUSING ALLOCATION FUNDS UNDER THE SENATE BILL 2 PERMANENT LOCAL HOUSING ALLOCATION PROGRAM ENTITLEMENT JURISDICTION COMPONENT FROM THE BUILDING HOMES AND JOBS TRUST FUND

ISSUE:

Adoption of a Resolution amending Resolution No. 23598 to increase the estimated Permanent Local Housing Five-Year Allocation, memorializing the adoption of the Five-Year Funding Plan and the Citizen Participation Plan, and providing additional authorizations and certifications in connection with the application for and receipt of Permanent Local Housing Allocation funds under the Senate Bill 2 Permanent Local Housing Allocation Program entitlement jurisdiction component from The Building Homes and Jobs Trust Fund.

RECOMMENDATIONS:

That the City Council:

1. Adopt the attached Resolution amending Resolution 23598 to increase the estimated Permanent Local Housing Five-Year Allocation, memorializing the adoption of the Five-Year Funding Plan and the Citizen Participation Plan, and providing additional authorizations and certifications in connection with the application for and receipt of Permanent Local Housing Allocation funds under the Senate Bill 2 Permanent Local Housing Allocation Program entitlement jurisdiction component from The Building Homes and Jobs Trust Fund.
2. Authorize additional appropriations to the Permanent Local Housing Allocation 223 Fund 223 - Development Grants Fund, in subsequent years pursuant to a State award, to receive Permanent Local Housing Allocation Program funds.

BACKGROUND:

On February 26, 2020, the State of California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for the current round of Permanent Local Housing Allocation (PLHA) Program funding. According to the NOFA, the City is estimated to receive \$1,622,125 in FY 2019/20 and \$9,732,750 over the first five years of PLHA funding activities. However, it is expected that award appropriations in future years will vary depending on the number of local real estate transaction fees, which is the basis of PLHA funding. On July 7, 2020 the City of Riverside adopted a five-year funding strategy and application for, and receipt of, Senate Bill 2 Permanent Local Housing Allocation Program application to the California Department of Housing and Community Development for an amount not to exceed \$1,622,125, in order to provide funding to the Golden and Pierce and The Aspire affordable housing projects.

DISCUSSION:

After the City's passage of Resolution No. 23598, the State Department of Housing and Community Development contacted all statewide formula grantees, requesting changes to authorizing resolutions that document the outcome of the public participation process and approval of the five-year funding allocation plan of the PLHA Program that include the following:

- a. How the allocated funds will be used for eligible activities; and
- b. 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

The requested additions in the attached Resolution discussed in this staff report are ministerial in nature and specify the following:

- Outcomes of public participation for the required five-year funding allocation plan;
- Adoption of the five-year funding allocation plan;
- When funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the City will record a deed restriction against the property that will ensure compliance with one of the requirements stated in the Program Guidelines Section 302(c)(6)(A), (B) and (C); and
- When funds are used for the development of an affordable rental housing development, the City will make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with the City approved underwriting of the Project for a term of at least 55 years.
- Correct (increases) a five-year State estimate of PLHA receipts to the City to \$9,732,750.

FISCAL IMPACT:

There is no fiscal impact associated with approving the amendment to Resolution 23598.

Prepared by: Michelle Davis, Housing Authority Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment: Resolution