

RESOLUTION NO. _____

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR UP TO \$4,165,950 OVER FIVE YEARS FROM THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM, AUTHORIZATION FOR THE DIRECTOR OF HOUSING AND COMMUNITY SERVICES TO EXECUTE THE NECESSARY DOCUMENTS AND STANDARD AGREEMENT, AND ADOPTION OF THE PERMANENT LOCAL HOUSING ALLOCATION PLAN

[REPLACING RESOLUTION RES-2020-139]

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)); and

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

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

WHEREAS, the City of Santa Rosa (“Applicant”) is a City or County eligible to submit an application for and administer Permanent Local Housing Allocation Funds; and

WHEREAS, the Department may approve funding allocations for the PLHA Program, subject to the terms and conditions of the PLHA Program Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the Department and PLHA grant recipients; and

WHEREAS, Section 302(c)(4) of the PLHA Guidelines also requires that a five-year PLHA 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; and

WHEREAS, City staff 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 27, 2020.

NOW, THEREFORE, BE IT RESOLVED, that Council approves the submittal of a grant application to the Department’s PLHA program for an entitlement grant in an amount not to exceed the five-year estimate of \$4,165,950.

BE IT FURTHER RESOLVED that the Council authorizes and adopts the PLHA Plan incorporated as Exhibit A.

BE IT FURTHER RESOLVED that if Applicant receives a grant of PLHA funds from

Reso. No. _____

the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent 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.

BE IT FURTHER RESOLVED that 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 \$4,165,950 in accordance with all applicable rules and laws.

BE IT FURTHER RESOLVED that 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.

BE IT FURTHER RESOLVED that 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.

BE IT FURTHER RESOLVED that ~~the David E. Gouin~~, Director of the Housing and Community Services Department of the City of Santa Rosa, or their designee, is authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, the Acceptance Form, 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.

IN COUNCIL DULY PASSED this 18th day of August, 2020.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
City Clerk

APPROVED: _____
Mayor

APPROVED AS TO FORM:

City Attorney



**Permanent Local Housing Allocation Program
Plan for 2020-2024
(PLHA Plan)**

The California Department of Housing and Community Development (HCD) has announced the Permanent Local Housing Allocation (PLHA) program for 2020. The PLHA program is funded from moneys deposited in the Building Homes and Jobs Trust Fund (Fund) in calendar year 2019. The City of Santa Rosa has been allocated a grant amount not to exceed the five-year estimate of \$4,165,950. More information about the PLHA program is available on [HCD's website](#).

Allocation of Funds

The City of Santa Rosa will utilize Permanent Local Housing Allocation program funds for the creation of affordable housing in Santa Rosa to assist in addressing the community's housing needs. Allocated funds will be loaned to eligible affordable housing developers selected through a competitive process initiated by a Notice of Funding Availability, with applications vetted by staff and selected for award by the Housing Authority of the City of Santa Rosa in conjunction with the City's other affordable housing resources. Applicants may apply for program funding for predevelopment, development, acquisition, rehabilitation, and preservation of multi-family rental housing that is affordable to Extremely Low-, Very Low-, Low-Income households. Program funds are planned to be distributed to awarded applicants in the form of a deferred loan, at 3% simple interest, with a provision for repayment in the event of project surplus cash. The loan will be secured by a Loan Agreement, Deed of Trust, Promissory Note, and Regulatory Agreement. Program income (generated through any surplus cash repayment, loan repayment, etc.) will be reused for program-eligible expenses based on applications submitted in response to a subsequent competitive solicitation.

Investment Priorities

The City of Santa Rosa will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of Area Median Income, by soliciting developer proposals for predevelopment, development, acquisition, rehabilitation and preservation of multifamily rental housing that is affordable to extremely low-, very low-income households through a Notice of Funding Availability (NOFA). The NOFA will identify the funds that are available and will outline the eligible uses of the funds, selection criteria, terms and conditions for the funds, application requirements, and due date for applications. Selection criteria will include a preference for applications which include the highest number of affordable units at the deepest level of affordability.

Consistency with the Housing Element of the General Plan

The City of Santa Rosa operates numerous programs aimed at maintaining and expanding affordable housing opportunities in the community. The City's Housing Authority was established in 1971 with a

goal to provide decent, safe, and sanitary housing in Santa Rosa. The Housing Authority has four basic approaches to meeting this goal: development of new units, rehabilitation of existing units, rental assistance, and special housing projects. In the area of new affordable housing, the City focuses primarily on the development of rental units. The City's Inclusionary Housing Ordinance aligns with the PLHA Plan through the collection of impact fees from residential, market rate developments for affordable housing production and rehabilitation. The City receives Community Development Block Grant (CDBG) funds from the US Department of Housing and Urban Development (HUD), a majority of which are allocated for new development and rehabilitation of affordable housing. Home Investment Partnership Program (HOME) funds are federal funds generally available for acquisition, and new development. The City also designates twenty-five percent of the income from tax on residential properties sold (Real Property Transfer Tax) to support affordable housing and homeless services. Each of these programs is consistent with the Plan by creating and maintaining housing that is affordable to Santa Rosa households that are Extremely-, Very-, and Low-Income.

Proposed Housing Activity

§301(a)(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.

Funding Allocation Year	2019	2020	2021	2022	2023
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	100%	100%	100%	100%	100%
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	60%	60%	60%	60%
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level (units)	556	531	506	481	456
§302(c)(4)(E)(ii) Projected Number of Households Served	25	25	25	25	25
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Affordable Rental Housing Activity (55 years required for rental housing projects)	55 Years	55 Years	55 Years	55 Years	55 Years

Upcoming Steps and Preliminary Schedule

Once grant funds are awarded and a Standard Agreement is executed, the PLHA funds will be made available to developers through the publication of a Notice of Funding Availability (NOFA). Typically, NOFAs are published twice each year and stay open for 30-60 days. Developer applications are then analyzed by staff for completeness and alignment with the NOFA preferences, program funding requirements, and Housing Authority lending guidelines. Applications are reviewed and award determinations are made by the Housing Authority of the City of Santa Rosa, during a public meeting held usually within 30 days of the completion of the staff analysis. Once a project is awarded, loan documents (loan agreement, regulatory agreement, promissory note, deed of trust, etc.) will be executed and recorded against the property as applicable. The developer will then begin the awarded activity and submit invoices for cost reimbursement.

We welcome public comment and review on this PLHA Plan through August 18, 2020. Comments may be emailed to Nicole Rathbun at NRathbun@srcity.org or mailed to:

City of Santa Rosa – Housing and Community Services Department
Attn: Nicole Rathbun
90 Santa Rosa Avenue
Santa Rosa, CA 95404