

## **Permanent Local Housing Allocation Program Plan for 2020-2024**

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 \$694,325 annually beginning in 2020, and an estimated \$3,471,625 over the next five years. On June 2, 2020, the Santa Rosa City Council approved a resolution authorizing the Department of Housing and Community Services to apply for these non-competitive grant funds. 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% 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-, and 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 this

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 25% 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-, or Low-, -income households, including necessary operating subsidies.

<b>Funding Allocation Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>§302(c)(4)(E)(i)</b> Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	100%	100%	100%	100%	100%
<b>§302(c)(4)(E)(ii)</b> Area Median Income Level Served	60%	60%	60%	60%	60%
<b>§302(c)(4)(E)(ii)</b> Unmet share of the RHNA at the AMI Level	556	531	506	481	456
<b>§302(c)(4)(E)(ii)</b> Projected Number of Households Served	25	25	25	25	25
<b>§302(c)(4)(E)(iv)</b> 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. Comments may be emailed to Nicole Rathbun at [NRathbun@srcity.org](mailto:NRathbun@srcity.org) or mailed to:

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