

CITY OF SANTA ROSA,  
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS  
FROM: NICOLE RATHBUN, INTERIM HOUSING AND COMMUNITY  
SERVICES MANAGER  
SUBJECT: HOUSING AND COMMUNITY SERVICES DEPARTMENT  
ACCEPTANCE OF THE PERMANENT LOCAL HOUSING  
ALLOCATION PROGRAM GRANT AWARD AND FIVE -YEAR  
BUDGET APPROPRIATION

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, accept the Permanent Local Housing Allocation Program grant award and approve an appropriation to the Housing Authority's budget of up to \$4,165,950 over a five year period for the Permanent Local Housing Allocation Program.

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EXECUTIVE SUMMARY

The City of Santa Rosa has been awarded grant funds by the California Department of Housing and Community Development (HCD) from the Permanent Local Housing Allocation (PLHA) Program for production of affordable housing in Santa Rosa. Through a series of City Council actions between June 2, 2020 and May 25, 2021, the City Council authorized the submittal of the PLHA Program Application, execution of the PLHA Standard Agreement, delegation of program administration to the Housing Authority, and authorization to the Director of Housing and Community Services to execute all program documents. To administer these funds, the Housing Authority must accept the grant award and appropriate funds to the Housing Authority budget starting in Fiscal Year 2021-2022.

BACKGROUND

The Permanent Local Housing Allocation Program was created through California Senate Bill 2 (SB2), which established a \$75 recording fee on real estate documents to provide a permanent source of funding for local governments in California to increase the supply of affordable housing. The bill was signed into law in 2017 by Governor

Brown, with ongoing funding now being made available through the PLHA grant program administered by HCD.

As an entitlement jurisdiction, the City of Santa Rosa was identified to receive up to \$4,165,950 over a five-year period, with the first year's allocation set at \$694,325.00. Through a series of actions over the past year, the City Council authorized the submittal of the PLHA Program Application, execution of the PLHA Standard Agreement, delegation of program administration to the Housing Authority, delegated authorization to the Director of Housing and Community Services to execute all program documents, and approved a PLHA Plan for the use of the program funds. A Standard Agreement for the PLHA Program was executed with HCD on June 23, 2021.

Eligible uses of PLHA Program funds under the City's approved PLHA Plan include new construction of housing units affordable to households at or below 60% of the Area Median Income (AMI). For the Housing Authority to administer these funds, and include the inaugural allocation of \$694,325.00 in a Notice of Funding Availability (NOFA) solicitation, action is needed by the Housing Authority to accept the grant award and appropriate the funds into the Housing Authority's Fiscal Year 2021-2022 budget.

## ANALYSIS

The PLHA program is administered by HCD and is an on-going source of grant funding for affordable housing-related projects. As a HUD entitlement jurisdiction for CDBG, the City of Santa Rosa is an entitlement jurisdiction for the PLHA program, and eligible to apply to HCD for the non-competitive, formula allocation annually. The PLHA Program Standard Agreement commits up to \$4,165,950 to the City of Santa Rosa over a five-year period, beginning with a \$694,325.00 allocation available in 2021 for the first year of the program. To receive funding for years two through five identified in the Standard Agreement, the City will submit subsequent applications for funding to HCD. The amount of each year's funding allocation will vary based on the number of recorders fees collected and as determined by HCD, up to \$4,165,950 for the five-year period covered in the Standard Agreement.

At their August 25, 2020 meeting, the City Council delegated administration of PLHA program funds to the Housing Authority as part of the approved PLHA Plan, as required by HCD. The PLHA Standard Agreement was executed by HCD on June 23, 2021. For a NOFA to solicit developer proposals for these funds to be published, action is needed by the Housing Authority to accept the grant award as delegated by the City Council, and appropriate up to \$4,165,950 to the Housing Authority's budget over a five-year period beginning with \$694,325.00 in Fiscal Year 2021-2022, to Fund 4421 State Grants, Project Key 42137.

## FISCAL IMPACT

Acceptance of the grant award and appropriation of program funds to the Housing Authority budget would increase the Housing Authority's budget by \$694,325 in Fiscal Year 2021-2022, and up to \$4,165,950 over the five-year period of the awarded grant.

### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

### COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On June 2, 2020, the City Council, by Resolution, approved RES-2020-082 authorizing the submittal of an application to the California State Department of Housing and Community Development for up to \$694, 325 annually for up to five years from the Permanent Local Housing Allocation program, approving a standard agreement and authorizing the Director of Housing and Community Services to execute the necessary documents and standard agreement.

On August 25, 2020, the City Council, by Resolution, approved RES-2020-139 to rescind RES-2020-082 to clarify the grant award of up to \$4,165,950 over five years from the Permanent Local Housing Allocation program, authorize David Gouin, the Director of Housing and Community Services to execute the necessary documents and standard agreement, and adopt the PLHA plan.

On May 25, 2021, the City Council, by Resolution, approved RES-2021-074 to rescind RES-2020-139, to authorize the Director of Housing and Community Services to execute documents, and to remove the former director's name.

### NOTIFICATION

Not applicable.

### ATTACHMENTS

- Resolution

### CONTACT

Nicole Rathbun, Interim Housing and Community Services Manager,  
[nrathbun@srcity.org](mailto:nrathbun@srcity.org)