

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: MEGAN BASINGER, DIRECTOR, HOUSING AND COMMUNITY SERVICES
SUBJECT: AMENDMENT TO THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM PLAN

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Housing and Community Services Department recommends that the Council, by resolution, approve a minor amendment to the Permanent Local Housing Allocation Program Plan (PLHA Plan), approved by Council on January 28, 2025, to allocate forty percent of Round 5 PLHA funds, estimated at \$456,230, to Affordable Owner-Occupied Workforce Housing (AOWH), for low- or moderate-income households, as required by the State of California Department of Housing and Community Development (HCD). This item has no impact on current fiscal year budget.

EXECUTIVE SUMMARY

On October 15, 2024, HCD issued a memorandum amending their Notice of Funding Availability (NOFA) of PLHA funds for Round 5 and requiring applicants to allocate forty percent of Round 5 funds, estimated at \$456,230, to Affordable Owner-Occupied Workforce Housing (AOWH), for low- or moderate-income households. This requires the City to amend its existing PLHA Plan, which was previously approved by Council resolution and submitted as part of the application. Following the City's submission of the application and amended PLHA Plan for Round 5, HCD requested minor revisions to clarify eligible uses by activity, requiring Council approval.

GOAL

This item relates to Goal #5 - Plan for and Encourage Housing for All and Reduce Homelessness by expanding access to more affordable housing opportunities for low- and moderate-income households.

BACKGROUND/PRIOR COUNCIL REVIEW

In August 2020, the City was awarded a PLHA program grant up to \$4,165,950 over five years for rental housing. In connection with this award of funds, the Council adopted a PLHA Plan. To date the City has received four rounds of funding totaling \$3,556,382. The City must submit an annual application to HCD and any amendments to the PLHA Plan must be approved by Council.

Several resolutions have been adopted by Council since 2020 related to the initial PLHA Plan and subsequent updates in alignment with HCD requirements:

- On June 2, 2020, the Council, by Resolution, approved RES-2020-082 authorizing the submittal of an application to HCD for up to \$694,325 annually for up to five years from the PLHA program.
- On August 25, 2020, the 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 and adopt the PLHA plan.
- On May 25, 2021, the Council, by Resolution, approved RES-2021-075 removing the name of the former Director of Housing and Community Services and keeping authorization with the position of Director of Housing and Community Services to execute the necessary documents and standard agreement and adopt the PLHA Plan.
- On January 28, 2025, the Council, by Resolution, approved RES-2025-006 approving a revision to the PLHA Program Plan consistent with the new requirements of the NOFA, Round 5.

ANALYSIS

Approval of this item complies with HCD's request to make minor revisions to the City's PLHA Plan for the Round 5 funds (\$456,230) for a total of \$4,012,612 to the City to support affordable housing in Santa Rosa. This will be the final round of PLHA funds.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

The proposed action is not considered a "project" under CEQA pursuant to CEQA Guidelines Section 15378(b)(4). The action involves administrative and fiscal decisions regarding the allocation of State housing funds and does not commit the City to any

specific physical development that could result in a significant environmental impact.

In addition, the action qualifies for the common sense exemption under CEQA Guidelines Section 15061(b)(3), as it can be seen with certainty that this minor amendment, in itself, will not have any direct or indirect physical effect on the environment. Any future housing development undertaken using these funds would be subject to separate discretionary approvals and, if applicable, environmental review.

Accordingly, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Exhibit A – Amended PLHA Plan

PRESENTER(S)

Angela Morgan, Program Specialist II