

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

July 14, 2020

FROM

GARY HALLEN, Director, Department of Community Development and Housing

SUBJECT

Grant Application to the California Department of Housing and Community Development for the Permanent Local Housing Allocation Funding

RECOMMENDATION(S)

1. Approve and authorize the submission of a grant application to the California Department of Housing and Community Development, in a total amount not to exceed \$20,754,846 for Permanent Local Housing Allocation Formula Allocation funding for a five-year term commencing fiscal year 2020-21.
2. Adopt a **Resolution 2020-139**, as required by the California Department of Housing and Community Development, certifying that the County of San Bernardino is authorized and directed to receive a grant in an amount not to exceed the five-year estimate of the formula allocations derived by the State of \$20,754,846.
3. Designate and authorize the Chair of the Board of Supervisors, the Chief Executive Officer or the Director of Community Development and Housing to execute the grant application and any related grant documents, including the State of California Standard Agreement, amendments or modifications subject to review by County Counsel.
4. Direct the Community Development and Housing Department Director to transmit all documents to the Clerk of the Board within 30 days of execution.

(Presenter: Gary Hallen, Director, 387-4411)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

This item will not result in the use of any Discretionary General Funding (Net County Cost). The California Department of Housing and Community Development (HCD) requires no match for the Permanent Local Housing Allocation (PLHA) Program funds. Necessary appropriation and revenue adjustments are not requested at this time, but will be presented to the Board of Supervisors (Board) for approval at a future date, if needed.

BACKGROUND INFORMATION

The California Legislature has recognized the critical need for funding at the local level to increase the affordable housing stock. The Notice of Funding Availability (NOFA) issued for the PLHA Program, enacted under SB 2, was released February 26, 2020, and will provide approximately \$195 million in grant funding through HCD. The NOFA indicates the County of

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San Bernardino (County) is eligible to receive a grant in an amount not to exceed the five-year formula allocation estimate of \$20,754,846. The five-year estimate of funds to be received by the County is derived by multiplying the first-year allocation amount by five (the number of years of annual allocation for the program) and adding a 20% cushion to the cumulative allocation amount. The County will receive year one revenue of \$3,459,141, but due to the impact of COVID 19, the future projected allocations may not be realized at the projected amounts. However, to apply for the funding the County is required to use the State derived allocations in all related documents associated with the application to be eligible for the award.

The purpose of the PLHA Program is to provide a permanent source of funding to help local governments increase the supply of housing for households at or below 60% of area median income. The PLHA Program was designed to be very flexible in order to allow local governments to target funding based on regional needs. Approval of this item by the Board will allow the County to apply for and receive the PLHA grant.

Funds can be used for the following eligible use categories:

- a. 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.
- b. The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in high-cost areas.
- c. Matching portions of funds placed into Local or Regional Housing Trust Funds.
- d. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund.
- e. Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.
- f. Assisting persons who are experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
- g. Accessibility modifications in Lower-income Owner-occupied housing.
- h. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
- i. Homeownership opportunities, including, but not limited to, down payment assistance.
- j. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects.

The table below summarizes the County's application:

ELIGIBLE ACTIVITY	PROPOSED COUNTY ACTIVITY	PERCENTAGE OF ALLOCATION
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	Provide necessary capital and/or operating subsidies	50%

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ELIGIBLE ACTIVITY	PROPOSED COUNTY ACTIVITY	PERCENTAGE OF ALLOCATION
households, including necessary operating subsidies		
Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing	Assist with services for permanent support housing units	5%
Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.	Assist with capital and/or operating subsidies	15%
Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects	Assist with capital and/or operating subsidies	25%
Administration – includes staff time and overhead costs directly related to carrying out the eligible activities.	No more than 5 percent of the allocation	5%
Total		100%

The PLHA funding to be allocated to the County is for a 5-year period, with reports to be submitted to HCD annually. Over the course of five years, the County has the flexibility of modifying the five-year budget upon review and approval by the State through an administrative process.

The HCD PLHA application submission deadline is July 27, 2020. Awards are anticipated to be announced by October 2020. Although it is not standard County policy, the State of California is requiring a resolution to be adopted as part of the application process. In accordance with County policy, the grant agreement and ancillary documents will be brought back to the Board for acceptance and execution. The completed PLHA application and required resolution have been attached to this item for Board and public review.

PROCUREMENT

No procurement is required for this action.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-8979) on June 24, 2020; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412) on June 24, 2020; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on June 29, 2020.

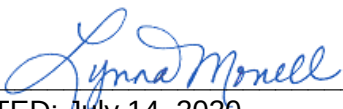
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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales
Ayes: Robert A. Lovingood, Janice Rutherford, Curt Hagman, Josie Gonzales
Absent: Dawn Rowe

Lynna Monell, CLERK OF THE BOARD

BY _____
DATED: July 14, 2020



cc: W/RESOLUTION
 CDH- Hallen w/grant app for sign w/attach for sign
 File- Community Development and Housing w/grant app
 w/attach
la 07/15/2020