



Agenda Report

File #: 20-0569

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 07/01/2020

TO: Honorable Mayor and City Council Members

FROM: Management Services Department

SUBJECT:

Public Hearing for City Council consideration of the State Permanent Local Housing Allocation (PLHA) Grant Application and Five-Year Plan.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the PLHA Formula Allocation Grant Application.
- b. Adopt Resolution No. 2020-081, approving the City of Corona's PLHA Five-Year Plan.
- c. Authorize the City Manager or his designee to execute the PLHA Program Application and Five-Year Plan, the PLHA Standard Agreement and related documents as well as any subsequent amendments or modifications related to the PLHA Program Grant.

ANALYSIS:

SB2 was part of a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it establishes a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB2 will vary from year to year, as revenue is dependent on real estate transactions with fluctuating activity.

The legislation directs the California Department of Housing and Community Development to use 70 percent of the revenue collected to provide financial assistance to local governments for eligible housing-related projects and programs to assist in addressing the unmet housing needs of their local communities. This program is referred to as the Permanent Local Housing Allocation (PLHA) Program. The PLHA Program provides a permanent source of funding for local governments to

implement plans that increase the affordable housing stock in the following manners:

1. Increase the supply of housing for households at or below 60% of area median income;
2. Increase assistance to affordable owner-occupied workforce housing;
3. Assist persons experiencing or at-risk of homelessness;
4. Facilitate housing affordability, particularly for low and moderate-income households;
5. Promote projects and programs to meet the local government's unmet share of regional housing needs allocation;
6. Ensure geographic equity in the distribution of the funds.

To be eligible for PLHA grant funds, the City must meet the following threshold requirements:

1. The City's Housing Element must be in compliance with State Housing Element Law;
2. The City's General Plan Annual Progress Report must be submitted to the State by the deadline;
3. The PLHA Application must be authorized by City Council and include a five-year plan;
4. PLHA Plan must be authorized by City Council and adopted by resolution;
5. The public must have adequate opportunity to review and comment on the content of the PLHA Plan;
6. If the City allocates PLHA funds to another entity, the selection process must have no conflicts of interest and must be accessible to the public for comment.

The City of Corona Five-Year PLHA Plan provides the following information:

1. The manner in which allocated funds will be used for eligible activities;
2. A description of the way the City will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of the Area Median Income. Programs serving the homeless meet this requirement;
3. A description of how the Plan is consistent with the programs set forth in the City's Housing Element;
4. A description of how allocated funds will be used for proposed activities;
5. A description of major steps/actions and a proposed schedule for implementation and completion of proposed activities.

Although SB2 PLHA funds have an emphasis on affordable housing, the funds can be used to support emergency shelter activities. Section 301 of the PLHA Final Guidelines specifically states that funds can be used to assist persons who are experiencing homelessness through activities such as operating costs for navigation centers and emergency shelters.

On May 27, 2020, City Council conducted a Homeless Strategic Plan Study Session to review and discuss budget, policy, and program options related to a system of homeless services that utilizes the State PLHA funds and City general funds for emergency shelter/navigation center activities and Federal HOME funds and the City's 12 Housing Units for affordable housing activities. By using this comprehensive approach, the City can demonstrate that a path to affordable housing is created through emergency shelter/navigation center activities.

On June 17, 2020, City Council adopted the Homeless Strategic Plan which includes an implementing strategy to use PLHA funds to support the City's emergency shelter/navigation center. The City is eligible to receive \$582,003 for first year of funding. The allowable administrative cost for the PLHA grant is 5%. According to State HCD, over the five-year plan period, the City could receive up to \$3,492,018 in funding. HCD's five-year projection was based on anticipated revenues which may fluctuate due to COVID-19's impact on the economy.

In compliance with State requirements, a public notice was published in the Corona Sentinel on June 17, 2020. The notice invited members of the public to review and comment on the City's Draft Five-Year PLHA Plan and Grant Application which was available for review on the City's Homeless Solutions Website beginning June 17, 2020. In addition, members of the public were invited to attend the public hearing at the Corona City Council meeting on July 1, 2020 regarding the City's Five-Year PLHA Plan and Grant Application. Any public comments received will be presented to City Council at the time of the public hearing.

COMMITTEE ACTION:

On June 24, 2020, the Homeless Strategic Plan Ad Hoc Committee met and concurred with staff recommendations.

STRATEGIC PLAN:

The item supports the City's Strategic Plan Goal 4: Actively Engage in Public and Private Partnerships to Provide Services and Amenities.

FISCAL IMPACT:

Approval of the recommended actions will not have a fiscal impact at this time. On May 27, 2020, City Council selected Budget and Revenue Option #2A during the Homeless Strategic Plan Study Session. On June 17, 2020, City Council adopted the Homeless Strategic Plan. These actions included direction to staff to apply for a State PLHA Entitlement Grant of \$582,003. The \$582,003 grant will be included in the FY 2021 Homeless Solutions Annual Action Plan (HSAAP) which will include the budget for Phase I of the Homeless Strategic Plan. The HSAAP will be submitted for City Council consideration on July 15, 2020. If the PLHA grant is approved by the State, staff will return to City Council with an agenda item for the associated budget adjustments.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

PREPARED BY: KAREN ROPER, HOMELESS SOLUTIONS MANAGER

REVIEWED BY: KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Resolution No. 2020-081

2. Permanent Local Housing Allocation Application and Five-Year Plan