



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 22-783

Board Meeting Date: 10/18/2022

Special Notice / Hearing: Public Hearing
Vote Required: Majority

To: Honorable Board of Supervisors
From: Raymond Hodges, Director, Department of Housing
Subject: Authorization for the Amended Plan and Application for the 2021 calendar year's Permanent Local Housing Allocation Funds from the State of California Department of Housing and Community Development

RECOMMENDATION:

Public hearing regarding the Authorization for the Amended Plan and Application for the 2021 calendar year's Permanent Local Housing Allocation (PLHA) Funds from the State of California Department of Housing and Community Development:

- A) Open public hearing
- B) Close public hearing
- C) Adopt a resolution:
 - 1. Representing and certifying that if the County of San Mateo Department of Housing (DOH) receives a grant of Permanent Local Housing Allocation (PLHA) funds from the California Department of Housing and Community Development (CA HCD) pursuant to the August 17, 2022 Permanent Local Housing Allocation Notice of Funding Availability (PLHA NOFA), attached hereto as Exhibit A, that DOH will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts DOH may have with the CA HCD; and
 - 2. Authorizing and directing DOH to receive a PLHA grant, in an amount not to exceed \$7,257,300, the five-year estimate of the PLHA formula allocations stated in Appendix C of the current California PLHA NOFA, in accordance with all applicable rules and laws; and
 - 3. Representing and certifying that DOH agrees to use the PLHA funds for eligible activities as approved by the CA HCD and in accordance with all PLHA Program requirements,

PLHA Program Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement, its Application, and other contracts between DOH and the CA HCD; and

4. Representing and certifying that DOH shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines, and any other applicable SB 2 guidelines published by the CA HCD; and
5. Representing and certifying that the County has or will subgrant some or all of its PLHA funds to another entity or entities. Pursuant to Guidelines Section 302(c)(3), “entity” means a housing developer or program operator, but does not mean an administering Local government to whom a Local government may delegate its PLHA allocation; and
6. Representing and certifying that if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years; and
7. Approving, pursuant to section 302(c)(4) of the PLHA Final Guidelines, the County’s amended PLHA Plan attached hereto as Exhibit B, and certifying compliance with all public notice, comment and hearing requirements in accordance with the Guidelines; and
8. Authorizing the Department of Housing Director to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant awarded to Applicant, as the CA HCD may deem appropriate.

BACKGROUND:

The PLHA Program, which is administered by the CA HCD, provides financial assistance to local governments for eligible housing-related projects and programs to assist in addressing the unmet housing needs of their local communities. The CA HCD is authorized to provide up to \$195 million to cities and counties for assistance under the SB 2 Permanent Local Housing Allocation Program Entitlement Jurisdiction Component from the Building Homes and Jobs Trust Fund (as described in the California Health and Safety Code section 50470, *et seq.* (Chapter 364, Statutes of 2017 (SB 2))). San Mateo County qualifies as an entitlement jurisdiction under the PLHA Program.

DOH would like to submit an application for calendar year 2021 PLHA funds as well as an amendment to its PLHA Plan on behalf of the County. If its PLHA application and amendment Plan are accepted, San Mateo County will receive \$2,068,889 in calendar year 2021 funds. Among other purposes, the funds will be used to assist persons experiencing or at risk of homelessness, increase the supply of housing for households at or below 60% of area median income, and facilitate housing affordability, particularly for lower- and moderate-income households.

PLHA funds have been committed to substitute CDBG and ESG funds as well as to support Equity Innovation Fund awarded projects currently supporting shelter and core services without any significant changes to the award and administration processes. PLHA funds have also been committed for a project that participated in the County’s annual Affordable Housing Fund (AHF) and

will be used to support the Navigation Center. The list of committed projects is in Exhibit C.

DISCUSSION:

As per the attached Amended Plan, Exhibit B, the County of San Mateo plans to use the funds in a very similar fashion as in its initial Plan:

- Direct funds toward the predevelopment, development, acquisition, rehabilitation, and/or preservation of housing that is affordable to extremely low income through moderate income households through the County's annual AHF process;
- Assist persons who are experiencing or at risk of experiencing homelessness with rental assistance; and
- Assist persons who are experiencing or at risk of experiencing homelessness by providing needed financial support for the County's emergency shelters (including the Navigation Center) and Core service providers. This includes both operational support as well as support for their intensive case management services that address the root causes of an individual's or families' barriers to housing. The main difference between this amended Plan and the initial Plan is the explicit distinction between shelter operations and case management services (in the initial Plan, these two activities had been combined into an "Emergency Shelter" category). In addition, in this Amended Plan, rapid re-housing services have been omitted as they will be largely funded via different sources and County Departments.

DOH seeks a resolution from this Board to authorize and support the DOH's application for and acceptance of PLHA funds on behalf of the County in addition to the authorization and support for the DOH's amended Plan. The resolution tracks a sample board resolution required for use by the CA HCD.

The Board is being asked to authorize DOH to approve and accept PLHA funds, to approve and accept the PLHA Plan amendment, to authorize the Director of Housing or the Director's designee to submit an application to the State California office of Housing and Community Development, and to execute the PLHA Standard Agreement as well as and any subsequent amendments or modifications thereto.

The County Attorney has reviewed and approved the resolution as to form.

FISCAL IMPACT:

The amount of the grant would be \$7,257,300 over a five-year period beginning with a \$1,209,550 disbursement of calendar year 2019 funds, \$1,880,016 in calendar year 2020 funds, and \$2,068,889 in calendar year 2021 funds. This is a revenue agreement so there is no Net County Cost.