

STAFF REPORT

City of Lancaster

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6/25/2024
JC

Date: June 25, 2024

To: Mayor Parris and City Council Members

From: Larissa De La Cruz, Director - Community Development
Christopher Aune, Housing Manager – Housing and Economic Development

Subject: 2022 Application to the California Department of Housing and Community Development Permanent Local Housing Allocation Program

Recommendations:

1. Adopt **Resolution 24-XX**, authorizing the City of Lancaster to apply for CY 2022 Permanent Local Housing Allocation (PLHA) funds from the State of California Department of Housing and Community Development.
2. Authorize the City Manager or his designee to execute all related documents.

G.C. Section 84308: No

Fiscal Impact:

This is a revenue agreement so there is no net City cost. PLHA funds will be appropriated to existing General Ledger account fund 30022000.4998

Background:

The HCD is authorized to provide up to \$296 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties. HCD issued a Notice of Funding Availability (NOFA) dated December 29, 2023 under the Permanent Local Housing Allocation (PLHA) Program.

In July 2020, the City Council adopted a resolution authorizing the submission of an initial application and required 5-Year Plan (Plan) for California Department of Housing and Community Development (HCD) Permanent Local Housing Allocation (PLHA) program funds. In May 2021, following submission and approval of the City's initial Plan, agreements to allow access to first-year 2019 funds in the amount of \$694,855.00 were executed. Shortly thereafter, the City submitted a streamlined HCD PLHA application for its 2020 allocation of \$1,080,020.00 on June 11, 2021.

On August 17, 2022, HCD released a NOFA for 2021 PLHA funds advising of an intended City of Lancaster allocation of \$1,188,528.00. In response staff prepared the required application and an accompanying amended Plan to allow for utilization of the funds in alignment with the City Council's goals and previously approved commitments. On January 10, 2023, the City Council authorized staff to apply for the 2021 funds and approved the amended Plan reallocating the percentages of funds among selected eligible activities for year two (2020) and three (2021).

The PLHA Plan reflects varying annual percentage allocation of PLHA funds to three (3) eligible activities:

- 1) To make a construction loan for a 113-unit multifamily rental housing development currently owned by the Housing Authority, as well as predevelopment and/or construction loans for 1-2 additional multifamily rental developments; and
- 2) To make deferred loans for pre-development costs and non-recurring closing costs to assist low-and moderate- income owner occupied households with incomes of no more than 120% AMI to construct an Accessory Dwelling Unit (ADU) on their property; and
- 3) To provide down payment assistance loans to low- and moderate-income workforce households to purchase their first home.

As required by HCD, the City initiated the required 10-day public notice on May 31, 2024, inviting public review and comment. Copies of applicable documents were made available online, in person at the City Clerk's Office, and through email request.

CA/js

Attachments:

Resolution 24-XX

PLHA Streamlined Application