

CA HCD Permanent Local Housing Allocation (PLHA) Grant Program – Formula Funding Component

CITY OF MONTEBELLO'S PLHA EXPENDITURE PLAN FOR THE 2019-2023 ALLOCATIONS

1. BACKGROUND: In 2017, Governor Jerry Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. The Building Homes and Jobs Act (SB 2, 2017), established a \$75 recording fee on real estate documents to increase the supply of affordable homes. 70% of the fees collected fund the PLHA Program, which is administered by the California Department of Housing and Community Development (CA HCD) See: <https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>

2. PURPOSE OF PLHA FORMULA FUNDS: Provide a permanent source of funding to all local governments to:

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

3. MONTEBELLO'S PLHA FORMULA ALLOCATIONS: TOTAL (Estimated): **\$1,900,548**

- 2019 allocation: \$316,758 (can be claimed now)
- 2020 allocation: \$492,340 (can be claimed now)
- 2021 allocation: \$541,805 (can be claimed now)
- 2022 and 2023 allocations: \$549,645 (can be claimed in FUTURE call for projects)

4. MONTEBELLO'S PLAN TO SPEND PLHA FORMULA FUNDS: (See list on next page of eligible PLHA formula activities; source: 2022 Notice of Funding Opportunity, pp. 7-9)

- 1) Rental assistance for up to six months for homeless persons and low-income older adults in Montebello** (i.e., persons below 30% of Area Median Income – below \$21,407).
 - The City estimates it will be able to provide rental assistance to 19 persons during Years 1-3. (see Eligible Activity 6b, next page).
- 2) Operating Support for the Montebello Community Assistance Program (MCAP).** MCAP provides street outreach and supportive case management services to assist homeless persons in acquiring employment, housing, and other needed services.
 - The City estimates that MCAP will provide services for 245 homeless persons during Years 1-3 (see Eligible Activity 6c, next page).
- 3) Capital Reserves for Services Related to Permanent Supportive Housing.** PSH is long-term leasing or rental assistance and supportive services for the chronically homeless and persons with disabilities (i.e., persons below 30% of Area Median Income).
 - The City estimates that funding for PSH will serve 120 households during Years 4-5 (see Eligible Activity 5, next page).

5. ELIGIBLE ACTIVITIES: PLHA funds allocated to eligible Applicants must be used to carry out **one or more** of the eligible activities listed below. All activities must be provided within the county containing the Local government recipient and must be consistent with the Housing Element. (See 2022 Notice of Funding Opportunity, p. 7-9)

1. The predevelopment, development, acquisition, rehabilitation, and preservation of **multifamily, residential live-work, or rental housing** that is Affordable to extremely low-, very low-, low-, or Moderate-income households (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas, see appendix B for a list of High-cost areas, including necessary Operating subsidies). Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.
2. 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. ADUs shall be available for occupancy for a term of no less than 30 days. See Appendix B for a list of High-cost areas in California. Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of Affordable rental and ownership housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.
3. **Matching portions of funds placed into Local or Regional Housing Trust Funds**. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
4. **Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund** pursuant to subdivision (d) of HSC Section 34176. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
5. **Capitalized Reserves for Services connected to the preservation and creation of new Permanent Supportive Housing** (up to 30 percent of AMI).
6. **Assisting persons who are experiencing or At risk of homelessness** in conformance with [24 Code of Federal Regulations \(CFR Section 578.3\)](#), (up to 30 percent of AMI), including
 - a. Rapid rehousing in conformance with federal rules contained in 24 CFR Section 576.104, except for legal services;
 - b. Rental assistance with a term of at least six (6) months (rental arrears is not eligible);
 - c. Street outreach, and other supportive/case management services in conformance with federal rules contained in 24 CFR Section 576.101 that allow people to obtain and retain housing;
 - d. Operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
7. **Accessibility modifications in Lower-income Owner-occupied housing** (up to 80 percent of AMI).
8. Efforts to **acquire and rehabilitate foreclosed or vacant homes and apartments** (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High- cost areas).
9. **Homeownership opportunities, including, but not limited to, down payment assistance** to those earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas.
10. **Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing projects**, or matching funds invested by a county in an Affordable housing development project in a city within the county, provided that the city has made an equal or greater investment in the project.