



Contra
Costa
County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: September 21, 2021

Subject: Authorization of Application for Permanent Local Housing Allocation Grant of Estimated \$13 Million

RECOMMENDATION(S):

1. OPEN the hearing on submittal of Permanent Local Housing Allocation grant application; RECEIVE and CONSIDER oral and written testimony; and CLOSE the hearing.
2. ADOPT Resolution No. 2021/286 authorizing the submittal of a Permanent Local Housing Allocation grant application to the State of California for an allocation up to \$13,061,028.
3. AUTHORIZE the Conservation and Development Director, or designee, to execute the grant Standard Agreement and all related documents.

FISCAL IMPACT:

The grant allows up to 5% administrative costs, and staff has prepared an application that includes that 5% allocation. Staff anticipates all costs to the County being funded by that amount. This will result in no net costs to the County if the grant application is approved as submitted.

BACKGROUND:

The Permanent Local Housing Allocation (PLHA) program is a new State program with entitlement and competitive components. The State designated Contra Costa County as the

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **09/21/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: September 21, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: Amalia Cunningham,
925-655-2881

By: June McHuen, Deputy

cc:

administrator of the entitlement grant award for the Contra Costa “Urban County,” which includes the unincorporated communities and all

BACKGROUND: (CONT'D)

the cities except for Antioch, Pittsburg, Walnut Creek, and Concord, which have their own entitlements. The State estimates the Urban County will receive approximately \$13 million over the program's first five years, but the amount may fluctuate from year to year as it is based on recording fees from actual real estate transactions.

The required submittal includes an expenditure plan called a "Five Year Plan" (Plan) for the Board's approval as part of the complete application package. The draft Plan (attached) identifies the broad categories of planned uses of the PLHA award to comply with the program parameters. The anticipated category of use is new multifamily rental housing construction for households earning up to 80% of the Area Median Income (AMI) anywhere in the Urban County. This is consistent with the Board's direction on August 9, 2021, when it authorized staff to prepare the full PLHA application and include the funding source in the Housing and Community Improvement (HCI) group's annual Notice of Funding Available. In accordance with the State's PLHA Guidelines, proposals that include even deeper levels of affordability, 60% AMI and below, will be given priority consideration for the funds.

While it is a cumbersome application process, PLHA is an entitlement grant so the County will receive it once a complete application is accepted. It is expected to be permanent, but programmed on a five year basis, with annual funding amounts for the following year announced each spring. The Plan and the complete application must be authorized by the Board of Supervisors for the initial submittal, with subsequent annual requests submitted administratively. PLHA funding for new construction will be low-interest deferred loans to eligible projects, restricted to the target household income limit for 55 years, in accordance with the State guidelines. The State allows a plan amendment process to provide some flexibility in the event that the funds are undersubscribed, but HCI staff has already received multiple inquiries about PLHA funds, and expects them to be fully subscribed.

Affordable developments throughout the Urban County will be eligible for the program. Every city in the Urban County was invited to a meeting with DCD staff in December 2020 to learn more about PLHA. While some cities considered requesting a sub-allocation of funds, ultimately none pursued it due to the administrative burden of meeting the State's requirements.

The Board's review of this item was advertised in the East Bay Times 10 days in advance of the meeting date, and the Plan and application were posted online for public review, meeting the State's public notice requirements.

CONSEQUENCE OF NEGATIVE ACTION:

If the Board does not authorize the submittal of the PLHA grant application, the Urban County will not receive an estimated \$13 million to help fund new housing affordable to households making 80% or less of the Area Median Income over the next five years.

CLERK'S ADDENDUM

Name not given;

ATTACHMENTS

Resolution 2021/286

PLHA Application

PLHA Five-Year Plan