



## Legislation Text

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File #: 22-652, Version: 2

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### Memorandum

Date: June 28, 2022

To: The Honorable Lake County Board of Supervisors

From: Todd Metcalf, Director Behavioral Health Services

Subject: Consideration of Resolution of the Lake County Board of Supervisors Authorizing the Application for the Permanent Local Housing Allocation Program for the Collier Avenue Apartment Project.

Executive Summary:

### Background

In 2017, after many years of advocacy by California's affordable housing proponents, the state's legislature established a permanent source of funding intended to increase the affordable housing stock in California. Revenue is collected from a fee assessed recorded real estate transactions. Effective in 2019, the California Department of Housing and Community Development (HCD) is directed to use 70 percent of collected revenue 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 now named the Permanent Local Housing Allocation (PLHA) program.

### Funding Allocations

The first Notice of Funding Availability (NOFA) for the PLHA program was released by HCD in 2020, with a second NOFA release in 2021. A third NOFA is anticipated in June 2022. These NOFAs provided a formula-based noncompetitive allocation for each California local government, to be accessed over a five-year period through a formal application process with certain threshold requirements listed in the attached draft Housing Plan. Local governments may transfer some or all of their allocations to other local governments of a local or regional housing trust fund, also to be used for an eligible purpose. Additional funding is available through a competitive application.

Lake County's noncompetitive, or formula, PLHA allocations authorized through the respective Notice of Funding Availability were \$241,741 for 2019-2020 Year One and \$360,728 for 2020/2021 Year Two. The current estimate for the total five-year formula commitment is \$1,450,450.

Local governments must also, in general, submit a formal application to utilize its first three years of noncompetitive funding allocations prior to December 31, 2022. Otherwise the Year One 2020 allocation will be lost. The same can happen with Year Two funding if the local government does not submit a complete application requesting that allocation by the end of calendar year 2023.

## Eligible Activities

PHLA funds may be utilized for a variety of programs or projects benefitting Lake County low-income households. Rental and homeownership, new construction and rehabilitation, emergency shelters and services, are among the allowed uses. Details on these eligible activities are provided in the attached draft Five-Year Plan.

## Housing Plan Requirements

The Board of Supervisors must adopt a Five-Year Plan, after consideration of any public comments received at a regular meeting, for use of any PHLA funds either obtained through formula allocation or accessed by competitive applications. The Plan must include the following information (detailed within the Plan):

1. How funds will be allocated and used for eligible activities.
2. How the county will prioritize increasing housing for households with incomes at or below 60 percent of Area Median Income.
3. A description of how the Plan is consistent with the programs set forth in the county's adopted Housing Element.
4. A Board of Supervisors resolution stating the Plan was adopted after public review and comment.

## Selected Collier Avenue Project

The Board of Supervisors in August 2019, after soliciting public comment, adopted its No Place Like Home Housing Plan which prioritized several urgent affordable housing needs. Subsequently the county submitted to HCD in early 2022 a noncompetitive allocation application and a competitive funding application, respectively, for a long-planned permanent supportive multifamily housing project for the chronically homeless mentally ill.

The NPLH funding was committed to the proposed Collier Avenue housing project, as it is currently known, after release of a formal Request for Proposals in accordance with the county's adopted procurement policy and the NPLH requirements. The Rural Communities Housing Development Corporation (RCHDC), a Mendocino County-based nonprofit affordable housing developer and management company with a long history in Lake County, was the sole responding entity. RCHDC proposed the development of a multifamily housing project on a site it had acquired from the county many years before for a different project that, for several reasons, never broke ground.

This Five-Year Plan builds on that adopted No Place Like Home Housing Plan and its stated objective of developing and supporting that permanent supportive multifamily housing project for the chronically homeless mentally ill residents of Lake County. The attached Permanent Local Housing Allocation Five-Year Housing Plan addresses both the currently available \$602,469 funding (also to be committed by BOS resolution to the RCHDC Collier Avenue project as discussed) as well as the anticipated \$847,981 funding remaining for Years Three, Four and Five.

**If not budgeted, fill in the blanks below only:**

Estimated Cost:   N/A   Amount Budgeted:   N/A   Additional Requested:   N/A   Future Annual Cost:   N/A  

**Consistency with Vision 2028** (check all that apply):

☐ Not applicable

- ☒ Well-being of Residents
- ☒ Economic Development
- ☒ Community Collaboration

- ☐ Public Safety
- ☒ Infrastructure
- ☐ Business Process Efficiency

- ☐ Disaster Prevention, Preparedness, Recovery
- ☐ County Workforce
- ☐ Clear Lake

**Recommended Action:** Adopt Resolution of the Lake County Board of Supervisors Authorizing the Application for the Permanent Local Housing Allocation Program for the Collier Avenue Apartment Project.