Permanent Local Housing Allocation Program (PLHA)

NOFA and Application Workshop
Formula Allocation for Entitlement and Non-Entitlement Jurisdictions

Department of Housing and Community Development
March 2020
Welcome and Introduction
# Presenters

## Meet our HCD PLHA Presenters

<table>
<thead>
<tr>
<th>Name</th>
<th>Email</th>
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<tbody>
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Please send PLHA inquiries to: PLHA@hcd.ca.gov
Agenda

• Welcome and Introduction
• General Program Overview
• Threshold Requirements
• Application Review & Submittal
• What’s Next
• HCD Standard Agreements
General Program Overview and NOFA
General Program Overview

• Program Purpose
• Funds Available & Authority
• Guidelines & Regulations
• Award Announcements & Contracts
• Appeals
• Timeline
Program Summary

• Purpose
  – 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.
NOFA: Funds Available and Authority

• Approximately **$195 million**
• Funding Amounts (Entitlement & Non-entitlement): Refer to NOFA Appendix A
• Non-entitled Local Government allocation:
  – 50% of funding available for Non-entitlement formula: divided equally among the number of eligible Non-entitlement Local governments.
  – Remaining 50%: allocated proportionately to said governments based on most severe housing needs.
Administrative costs related to the execution of eligible activities **shall not use** more than 5% of the allocation.
Authority

- Senate Bill 2 (SB 2) 2017 Chapter 364
  - Atkins, Building Homes and Jobs Act
- Health & Safety Code (HSC) Part 2 of Division 31, Chapter 2.5 Section 50470

<table>
<thead>
<tr>
<th>PHLA Program Subcomponents</th>
<th>Estimated % of PHLA Funds</th>
</tr>
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<tbody>
<tr>
<td>90% for Formula Allocation to Entitlement Jurisdictions and Competitive Non-Entitlement</td>
<td>90%</td>
</tr>
<tr>
<td>NOFA Round 2 expected later in 2020</td>
<td></td>
</tr>
<tr>
<td>Competitive Non-Entitlement Allocation</td>
<td>7.70%</td>
</tr>
<tr>
<td>Formula Entitlement Allocation</td>
<td>92.30%</td>
</tr>
<tr>
<td>10% for Formula Allocation to Non-Entitlement Jurisdictions</td>
<td>10%</td>
</tr>
</tbody>
</table>
Eligible Activities

- Predevelopment
- Development
- Acquisition
- Rehabilitation
- Preservation of Multifamily
- Residential live-work
- Rental housing
Eligible Activities (continue)

• Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs)

• Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund (pursuant to subdivision (d) of HSC Section 34176)

• Matching portions of funds placed into Local or Regional Housing Trust Funds

• Capitalized Reserves
Eligible Activities (continue)

• Assisting persons who are experiencing or At-risk of homelessness

• Accessibility modification in Lower-income Owner-occupied housing

• Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments

• Homeownership opportunities
Eligible Activities (continue)

• Fiscal Incentives: grant or low-interest loan
  ▪ Made by a county to a city within the county
  ▪ For approval of one or more Affordable housing projects

• Affordable Owner-Occupied Workforce Housing (AOWH)
  ▪ receive 20% of the moneys in the Fund
Award Announcements and Contracts

• Awards letters will be issued August 2020 through October 2020

• Enter into Standard Agreements (SA) with successful applicants after Awards are distributed
Opportunity to Appeal

• If the applicant is notified that they did not pass threshold requirements, they have an opportunity to appeal.

*The appeal process provided herein applies solely to decisions of the Department made in this NOFA and does not apply to any decisions to be made pursuant to future NOFAs.
## Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Dates</th>
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<tbody>
<tr>
<td>NOFA Release</td>
<td>February 26, 2020</td>
</tr>
<tr>
<td>Application Forms Available</td>
<td>February 26, 2020</td>
</tr>
<tr>
<td>Applications Due</td>
<td>Over-the-Counter April 27, 2020 – July 27, 2020</td>
</tr>
<tr>
<td>Award Announcements</td>
<td>August 2020 – October 2020</td>
</tr>
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Questions?
Threshold Requirements
Threshold Requirements

A. Housing Element Compliance

• Must have been submitted by the application deadline, and subsequently determined to be in substantial compliance with state Housing Element Law

  ("302(c)(4) Plan" in the application)

• http://www.hcd.ca.gov/community-development/housing-element

B. Annual Progress Report (APR)

• Other reports in lieu of the APR will not be accepted
Threshold Requirements (continue)

C. Complete Application (1) & (2)

• Application requesting an allocation pursuant to Section 200 in order to carry out one or more of the eligible activities described in Section 301.

• Submission of the application is authorized by the governing boards of the Applicant.
C. Complete Application (3)

- Certification in the Resolution that if the Local government allocates funds to another housing developer or program operator, the selection process must avoid conflicts of interest and be accessible to the public.
C. Complete Application (4)

A plan detailing:

(A) How the allocated funds will be used for eligible activities
(B) A description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of AMI

Programs targeted at households at or below 60 percent of AMI will be deemed to meet this requirement.
Threshold Requirements (continue)

C. Complete Application (4) (cont.)

(C) A description of how the Plan is consistent with the programs set forth in the Local government’s Housing Element.

(D) Evidence that the Plan was authorized and adopted by resolution by the Local government.

C. Complete Application (5)

• Plan shall be for a term of five years
## The Plan

### Application Tab: “Section 302(c)(4) Plan”

<table>
<thead>
<tr>
<th>Type of Affordable Housing Project</th>
<th></th>
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<tbody>
<tr>
<td>8.302(c)(4)(I) (A)</td>
<td></td>
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<tr>
<td>Percentage of Funds Allocated for the Proposed Activity</td>
<td></td>
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<tr>
<td>8.302(c)(4)(I)(b)</td>
<td></td>
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<tr>
<td>Area Median Income Level Served</td>
<td>TOTAL</td>
</tr>
<tr>
<td>8.302(c)(4)(I)(c)</td>
<td></td>
</tr>
<tr>
<td>Income Share of the FMR &amp; AMI Level</td>
<td>0</td>
</tr>
<tr>
<td>8.302(c)(4)(I)(d)</td>
<td></td>
</tr>
<tr>
<td>Projected Number of Households Served</td>
<td>0</td>
</tr>
<tr>
<td>8.302(c)(4)(I)(e)</td>
<td></td>
</tr>
<tr>
<td>Percent of Affordability for the Proposed Activity; 100 percent required for rental housing projects</td>
<td></td>
</tr>
<tr>
<td>8.302(c)(4)(I)(f)</td>
<td>A description of main steps, actions, and a proposed schedule for the implementation and completion of the activity.</td>
</tr>
</tbody>
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The Plan (continue)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | AA | AB | AC | AD | AE | AF | AG | AH | AI | AJ | AK | AL |
| $302(e)(4)(E)(i)$ Provide a description of how allocated funds will be used for the proposed Activity. | Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing (AOWH) |

Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).

<table>
<thead>
<tr>
<th>Funding Allocation Year</th>
<th>Type of Activity</th>
<th>Type of Affordable Housing Project</th>
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26
The Plan (continue)

<table>
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<tr>
<th>File Name:</th>
<th>Plan Adoption</th>
<th>§302(c)(4)(D) Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content</th>
<th>Attached and on USB?</th>
</tr>
</thead>
</table>
Threshold Requirements

C. Complete Application (6)

• A certification that, if funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, Grantee shall record a deed restriction against the property.
Threshold Requirements (continue)

C. Complete Application (7)

• A Certification that, if funds are used for the development of Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project.
Threshold Requirements (continue)

C. Complete Application (8)

• A Program income reuse plan describing how repaid loans will be reused for eligible activities specified in Section 301.
Questions?
15 Minute Break
Application Review and Submittal
Where to find the application

- PLHA Website: https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml

Current NOFAs

Application due date: April 27, 2020 through July 27, 2020. Please be sure you are subscribed to the PLHA emailing list to receive notifications and announcements.

- New! PLHA Entitlement and Non-Entitlement Local Government Formula Component NOFA (PDF)
  - New! PLHA Formula Allocation Application (XLS)
Application: Required Information

§302(c)(4) Plan

§302(c)(4)(A) Describe the manner in which allocated funds will be used for eligible activities.

§302(c)(4)(B) Provide a description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of Area Median Income (AMI).

§302(c)(4)(C) Provide a description of how the Plan is consistent with the programs set forth in the Local government’s Housing Element.

Activities Detail (Activities Detail (Must Make a Selection on Formula Allocation Application worksheet under Eligible Activities, §301))

§301(a)(1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily residential live-work, rental housing that is Affordable to Extremely Low, Very Low, Low, or Moderate-income households, including necessary Operating subsidies.

§301(a)(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 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.

§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.

§301(a)(4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (c) of HSC Section 34176.

§301(a)(5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.

§301(a)(6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

§301(a)(7) Accessibility modifications in Lower-Income Owner-Occupied Housing.

Formula Allocation Application 302(c)(4) Plan Legislative Contacts Application
Examples of PLHA eligible activities that do not meet RHNA standards:

- Operating assistance to emergency homeless shelters
- Rehabilitation of owner-occupied housing
Annual Report

• Annual Report of ongoing tracking of the uses and expenditures of any allocated funds. Every July 31st submit to Department’s grant management division.
• Funds will not be distributed if not received by deadline
• For questions about Housing Element APR compliance, email APR@hcd.ca.gov
Application Tips

• Select eligible applicant type & city or county
• Do not copy and paste
• Complete the tabs in order
• Do not alter or modify
• Do not submit via Apple products.
• Application signatory = authorized signer
• Submit the most recent application version
• TIN must match the applicant name.
Application Submission

• Complete original application in a three-ring binder
  – Include electronic copies on a flash drive with all applicable information

• Must be received by the Department no later than 5:00 p.m. PST on July 27, 2020
Application Submission

Delivery Address

• Mail to:

California Department of Housing and Community Development
Division of Financial Assistance, PDI
Permanent Local Housing Allocation Program
2020 West El Camino Avenue, Suite 150
Sacramento, CA 95833

*Walk-in, personal, and electronically transmitted applications will not be accepted
Application Highlights
Application

appsupport@hcd.ca.gov and PLHA@hcd.ca.gov
Application Review

A. Applicants must submit a complete application by the deadline, meet threshold requirements.

B. The Department may request additional information to complete its review.

C. Applications recommended for funding are subject to conditions specified by the Department.
Disclosure of Application

• Information becomes public record available for review by the public

• Use Discretion - Applicant is waiving any claim of confidentiality and consents to the disclosure of all submitted material upon request
Questions?
What’s Next?

1. Internal Loan Committee receives award recommendations
2. Award letters
3. Standard Agreements
4. Grants Management Team
HCD Standard Agreements
HCD Standard Agreements (continue)

- Goal: send standard agreements to awarded applicants within 90 days
- S.A.’s are a 5-Year Term
- Once reviewed, passing to Grants Management Team
HCD Standard Agreements (continue)

• **Steps for future years of allocation:**
  1. HCD will publish a *Memo* with the allocations for each Entitlement and Non-Entitlement jurisdictions
  2. Eligible applicant submits a letter accepting the funds allocated
     - Applicant must have Housing Element compliance
     - Submit Annual Progress Report
     - Annual Report for PLHA
  3. STD 215 will allow the applicant to spend next year’s allocation
Common Mistakes

• Authorizing Resolutions
  – Applicant Name & Org. Type
    • Matches Org. Docs. exactly
    • Matches TIN exactly
    • TIN is for the correct Department or Subdivision
  – Authorized Representative
    • Name
    • Title
    • Designee Letter (if applicable)
    • Matches signature block exactly
      – E.G. “ABC L.P.” vs. “ABC LP”
Common Mistakes (continue)

- Authorizing Resolutions
  - Vote Count
    - Not filled in completely
  - Signatory on Resolution
    - Must be different from Authorized Representative
Resources

Permanent Local Housing Allocation (PLHA) Website
https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml

Senate Bill 2, Atkins. Building Homes and Jobs Act
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB2


PLHA Final Guidelines

PLHA Notice of Funding Availability
https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml#funding

Housing Element Compliance
https://www.hcd.ca.gov/community-development/housing-element/index.shtml
Stay in the know:
Sign up for HCD email at

www.hcd.ca.gov
Stay in the know . . . (continue)
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Follow us on Twitter: @California_HCD

Follow us on LinkedIn: /company/californiahcd
Contact

Additional questions may be sent to PLHA mailbox

PLHA@hcd.ca.gov
Questions?