



Legislation Text

File #: 21-880, **Version:** 1

FROM:

Community Development

SUBJECT:

Resolution approving Amendment to Five-Year Permanent Local Housing Allocation Plan

RECOMMENDATION:

Adopt **Resolution No. 2021-099**, approving the amendment to the five-year Permanent Local Housing Allocation (PLHA) Plan that will be submitted to the California Department of Housing and Community Development (HCD).

COUNCIL GOALS:

- To concentrate on inter-governmental relations by pursuing financial participation from county, state and federal governments.

DISCUSSION:

Background

In 2020, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) of approximately \$195 million for the Permanent Local Housing Allocation (PLHA) program. Funding for the NOFA is provided pursuant to Senate Bill 2 (SB 2). SB 2 was signed into law by Governor Brown on September 29, 2017 and took effect January 1, 2018. It creates a \$75 fee on certain real estate transaction documents when they are recorded, capped at \$225 per transaction. The fee does not apply to sales of residential and commercial properties but instead to other transactions like mortgage refinancing and county fixture filings.

SB 2 established the Building Homes and Jobs Trust Fund in order to allocate 70 percent of the moneys collected and deposited in the Fund, beginning in 2019, to local governments for eligible housing activities. The intent of SB 2 is to provide a permanent source of funding to local governments for housing-related projects and programs that address the unmet housing needs in their communities.

Discussion

The City of Fontana approved a five-year plan on July 14, 2020, which included four activities:

1. Acquisition/ Rehabilitation for owner-occupied and rental-occupied units, including ADUs
2. Homebuyer Assistance
3. Acquisition/ Rehabilitation of foreclosed or vacant properties
4. Homelessness Assistance

The proposed amendment removes Activity #3 (Acquisition/ Rehabilitation of foreclosed or vacant properties) and allocates the share of funding to Activity #1 (Acquisition/ Rehabilitation for owner-occupied and rental-occupied units, including ADUs) and Activity #4 (Homeless Assistance). This amendment will provide more flexibility in identifying available properties for conversion to affordable housing within the City of Fontana.

The resolution authorizes City staff to distribute funds according to this plan for the approved, eligible activities referenced above.

Activity	Allocation (% of annual allocation)				
	2019	2020	2021	2022	2023
Acquisition/ Rehabilitation	50%	85%	55%	55%	55%
Homeless Assistance (Navigation Center operating costs and Emergency Shelter capital costs)	50%	15%	15%	15%	15%
Homebuyer Assistance	0%	0%	30%	30%	30%

In addition, the City can use up to five percent of its annual allocation for administrative costs.

FISCAL IMPACT:

The impact of the Permanent Local Housing Allocation Fund #295 will be approximately \$7,000,000 over the five-year period depending on the annual allocation provided by HCD. Revenues and expenditures will be recognized accordingly at the appropriate quarterly budget periods.

MOTION:

Approve staff recommendation.