

Permanent Local Housing Allocation 5-Year Plan and Application for Funding



County of Shasta County
Housing & Community Action Agency
1450 Court Street #108
Redding, CA 96001
(530) 225-5160
Published for public comment on December 3, 2021

Draft Permanent Local Housing Allocation 5-Year Plan

The public comment period opens December 3, 2021 and will conclude on December 14, 2021. Residents are encouraged to submit comments by one of the following methods:

Submit comments by Mail:

County of Shasta
Housing & Community Action Agency
Attn: Wendy Taylor
1450 Court Street #108
Redding, CA 96001

Submit Comments by Email:

wtaylor@co.shasta.ca.us
Please include "PLHA Draft Comments" in the subject line

Submit Comments by Phone:

(530) 225-5160

The details of this Plan were posted on the Shasta County Housing and Community Action Agency's website on December 3, 2021. Residents are also invited to submit comments during the December 14, 2021 Board of Supervisor's meeting at 9 a.m. prior to the Board of Supervisors consideration of the Plan. Participation instructions will be posted with the agenda at co.shasta.ca.us/index/bos/meeting-agendas. Additional accommodations are offered by request to the office of the Clerk of the Board at (530) 225-5550 at least 48 hours prior to the meeting.

Summary

The California Department of Housing and Community Development (California HCD) has issued a Notice of Funding Availability for the Permanent Local Housing Allocation (PLHA). The PLHA provides a fund for eligible housing and homelessness activities to local governments with the intention of providing a permanent, on-going source of funding for housing-related projects and programs that assist in addressing unmet housing needs.

As a non-entitlement local government for PLHA funds, the County of Shasta (County) will receive an annual allocation for 2019 to 2023, pursuant to the approval of a five-year plan. The County's first annual allocation is \$286,924; and the estimated PLHA 5-year allocation is \$1,721,544. This document will provide a summary of the County of Shasta's 2019-2023 application to California HCD.

Eligible activities for the PLHA are limited to the following:

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 households¹, including necessary operating subsidies.
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. ADUs shall be available for occupancy for a term of no less than 30 days.
3. Matching portions of funds placed into Local or Regional Housing Trust Funds.
4. Matching portions of funds available through the Low-and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
5. Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.
6. Assisting persons who are experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, 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.

Draft Permanent Local Housing Allocation 5-Year Plan

7. Accessibility modifications in Lower-income Owner-occupied housing.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
9. Homeownership opportunities, including, but not limited to, down payment assistance.
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. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.

Eligible activities must also be consistent and compliant with the County's adopted Housing Element, and at least 20% of the allocation must be used for Affordable Owner-Occupied Workforce Housing (AOWH) defined as housing that is affordable to persons and families of low- or moderate-income. Funds available for administrative expenses are limited to 5% of the allocation.

¹ Extremely low income is household income at or below 30% of Area Median Income (AMI); Very low income is at or below 50% AMI; Low Income is at or below 80% AMI; and Moderate Income is at or below 120% of AMI. Income limits are adjusted for household size.

The County of Shasta' 5-year PLHA plan allocates the proposed funding according to the following percentages:

Percentage of Funds Allocated For:	2019²	2020	2021	2022	2023
(2) Ownership Predevelopment	95%	95%			
(2) Ownership Development			95%	95%	95%
Program Administration	5%	5%	5%	5%	5%

²The year, for the purposes of this document, is defined as the year in which a standard agreement is issued.

Permanent Local Housing Allocation Formula Allocation Plan Application

Manner in which allocated funds for all five years will be used for Activities eligible under the PLHA statute and guidelines:

The County will use allocated funds for the following activity: Predevelopment and development of Affordable ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120% of Area Median Income (AMI). The County of Shasta will utilize PLHA funds to create more affordable housing in our community and strive to serve Households of extremely low, very low, low, and moderate income.

Description of how the County will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of the Area Median Income, adjusted for household size:

PLHA funds will support multiple housing projects and programs located within Shasta County, including predevelopment and development of Affordable housing projects. Projects and programs will adhere to PLHA Guidelines and in accordance with Section 301 (a). Projects and programs will reflect the priorities set forth in the application, including a focus on Households at or below 60% AMI.

Description of how the Plan is consistent with the programs set forth in the County's Housing Element:

The County's 2020-2028 Housing Element includes Objectives and Policies that are targeted towards supporting and increasing the supply of affordable housing to lower income and special groups.

Objective H-1: Establish and implement policies and programs that will contribute to the provision of an adequate supply and diversity of safe, healthy, and affordable housing in the unincorporated areas of Shasta County for residents of all income levels and special needs.

Policy HS-e: County will promote new and infill development , including affordable housing, in areas where public sewer and water services exist or can cost-effectively be provided or where plans have been approved for phased implementation of thee and other services such as road systems, schools, fire protection, and law enforcement.

Policy HS-h: County will coordinate it housing programs, where practical, with the Cities of Anderson, Redding, and Shasta Lake to help regional housing needs.

Draft Permanent Local Housing Allocation 5-Year Plan

Policy HS-i: County will cooperate with local private and non-profit agencies and entities. Including housing developers and Native American tribes, to promote a variety of low-cost home ownership/rental options as a means to reduce overcrowding and the price of housing.

Policy HS-j: County will encourage and support new projects containing a mixture of housing types of the highest quality affordable to all income groups.

Policy HR-g: County will support efforts by local, State and federal agencies and private groups to identify and implement rehabilitation and purchase programs that have the greatest potential for addressing housing stock deficiencies.

Program Income Reuse Plan:

Program income received from activities in this plan will be utilized to deliver projects and programs within the perimeters of the PLHA Program and activities in accordance with Section 301 (a). The full Reuse Plan can be found in Appendix A.

Reporting:

The County will provide an annual report of the uses and expenditures of any allocated funds annually to the Department of Housing and Community Development, according to their specifications.

Describe each proposed activity and the percentage of funding allocated to it for each year of the Five-Year Plan:

Activity 1 – 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.

Activity Description:

PLHA funds will be used for multiple programs and projects geared towards increasing the supply of housing for households at or below 120% AMI, prioritizing those at or below 60% AMI. Following award of funds, the County will solicit for qualified developer proposals to consider for funding. Funding will be in the form of a low-interest, deferred loan, with the loan amount and terms delineated at the time the loan commitment is approved. All programs and projects will adhere to the PLHA Program Guidelines.

Description of Major Steps/Actions and Proposed Schedule for Implementation of the Activity:

Following awarding of funds, the County will solicit for qualified proposals from affordable housing developers to consider for funding. Funding will be in the form of a low-interest rate, deferred loan. The loan amount and loan terms will be delineated at the time of loan commitment/approval. All programs and projects will adhere to the PLHA program guidelines.

Percentage of Funds Allocated for Affordable Owner-Occupied Workforce Housing: 100%

Funding Allocation Year	2019	2020	2021	2022	2023
Type of Activity	Ownership Predevelopment	Ownership Predevelopment	Ownership Development	Ownership Development	Ownership Development
% of Funds Allocated for Proposed Activity	100%	100%	100%	100%	100%
Area Median Income Level Served	120%	120%	120%	120%	120%
Unmet Share of the RHNA at AMI Level	56	47			
Projected Number of Households Served	4	4	4	4	4
Period of Affordability	20	20	20	20	20

Appendix A: Program Income Reuse Plan

Introduction

- A. The purpose of this plan is to establish guidelines for the administration and utilization of loan repayments of principal and interest received by the County of Shasta (County) through its Department of Housing and community Action Programs (Department) as a result of activities funded under the California Permanent Local Housing Allocation Program (PLHA).
- B. All repayments of loan principal and any loan interest shall be deposited into a separately maintained PLHA reuse Project Ledger governed by a reuse plan approved by the California Department of Housing and Community Development (HCD).
- C. PLHA was established by Chapter 364, Statutes of 2017 (SB2, Atkins) and was part of a 15-bill package aimed at addressing the state's housing shortage and high housing costs. SB 2 was authorized by Health and Safety Code (HSC) Section 50470.

II. Definition of Program Income

- A. Program Income (PI) is defined as the gross income which is received by the jurisdiction that has been directly generated from the use of PLHA funds. Most commonly, PI is generated from payments of principal and interest on loans made using PLHA funds.
- B. Other examples of PI include:
 - 1. Interest earned on PI pending its disposition; and
 - 2. Interest earned on funds that have been placed in a Reuse Project and Activity Account.
- C. The actual amount accounted for as PLHA PI shall be directly proportionate to the actual percentage of PLHA participation in a project.
- D. If PLHA loan funds are allocated for a project but not spent, they shall be returned to the County's PLHA loan pool as unspent (unused) funds.

III. Reuse limits

- A. All assistance provided to activities under this Reuse Plan shall be used for activities that are located within the County's boundaries.
- B. The PI shall provide one hundred percent (100%) benefit to the Targeted Income Group (TIG), defined as one hundred twenty (120%) or less of the area median income as determined annually by HCD.

Draft Permanent Local Housing Allocation 5-Year Plan

- C. PLHA funding of loans using PI funds will be consistent with the most recent PLHA Program Guidelines adopted by the County.

IV. Eligible use of funds

- A. Eligible uses of funds must be consistent with Section 301 in the State's PLHA Guidelines.

V. PLHA reuse account requirements

- A. All PI will be deposited into the Project and Activity Ledger specifically designated for PLHA funds so that it will be separated from any other funding source. The Project and Activity Ledger will provide:
 - 1. A tracking system to ensure reuse of funds are used for appropriate activities;
 - 2. Appropriate reporting ability;
 - 3. Timely processing; and
 - 4. Any accrued interest earned on PLHA funds is to accrue to the PLHA Reuse Project and Activity Ledger.
- B. The County will monitor the reuse Project and Activity Ledger according to the most current PLHA requirements.

VI. Tracking PLHA PI

- A. All PI will be tracked by one or more of the following:
 - 1. Borrower Name
 - 2. Grant Agreement
 - 3. Site Address
 - 4. Amount
 - 5. Interest rate
- B. As PLHA loans are paid in full, all principal and interest from the payoff will be deposited into the PLHA Reuse Project and Activity Ledger for future projects to take place.

Appendix B: PLHA Application and 5-Year Plan

The County will submit a PLHA application and 5-Year plan to the State of California Department of Housing and Community Development (HCD) in accordance with the instruction from HCD to submit the plan by December 31, 2021. At the time of submission, a resolution and evidence of public comment will be included. The County will conduct its required public hearing, after which the County Board of Supervisors will have the opportunity to adopt a resolution to both accept the 5-Year Plan and authorize the submission of the application.

§302(c)(4)(E)(ii) Projected Number of Households Served	4	4	4	4	4									20
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	20	20	20	20	20									
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of each Affordable Rental and Ownership Housing project.														
Following awarding of funds, the County will solicit for qualified proposals from affordable housing developers to consider for funding. Funding will be in the form of a low-interest rate, deferred loan. The loan amount and loan terms will be delineated at the time of loan commitment/approval. All programs and projects will adhere to the PLHA program guidelines.														
§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 (d) 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.														
§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.														
§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance.														
§301(a)(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. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.														