



COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING April 13, 2021

TO: Board of Supervisors

FROM: **Mike Dent Director of Child Support, Collections, Housing and Community Services**

SUBJECT: Resolution accepting funding award from the California Department of Housing and Community Development's Local Housing Trust Fund ("LHTF") program in the amount of \$1,345,692 for Fiscal Year 20/21 to be used for housing related projects and authorizing and directing the Auditor-Controller to release General Fund unassigned fund balance and amend the FY 2020-21 General Fund and Housing and Community Services Division's Regional Housing Projects Budgets. (4/5 vote required)

RECOMMENDATION: Approve the attached Resolution.

FUNDING: The LHTF program is a State match of Permanent Local Housing Allocation ("PLHA") funds (\$520,692 of FY 20/21 funds that were accepted by Resolution 21-036 on February 23, 2021, plus \$325,000 of FY 21/22 funds that will be brought to the Board for acceptance in the future) and \$500,000 in County general fund dollars previously committed by Resolution 20-317 on July 14, 2020. PLHA and County general funds were identified in the LHTF application (SF20-3274) in order to qualify for the state match funding. The LHTF award provides additional funding towards the establishment of the Western Nevada County Regional Housing Trust Fund ("WNCRHTF"). A budget amendment for the 2020-2021 Housing and Community Services Division's Regional Housing Projects budget and to release \$500,000 of general fund balance is included in this resolution.

BACKGROUND: In 2018, Proposition 1 was approved by California voters and provided up to \$57 million in grant funding under the LHTF Program from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) (as described in Health and Safety Code section 50842.2 et seq.

(Chapter 365, Statutes of 2017 (SB 3)), which authorized the California Department of Housing and Community Development (“Department”) authority to provide matching grants to Local Housing Trust Funds established by cities and counties, Native American tribes, and/or incorporated 501(c)(3) nonprofit organizations. Funds may be used for construction loans and/or permanent financing loans to pay for predevelopment costs, acquisition costs, and other costs associated with development or rehabilitation of affordable rental housing projects, emergency shelters, permanent supportive housing, transitional housing, or affordable homebuyer/homeowner projects, including assistance to income-eligible households to purchase for-sale units. Funds may also be used for the construction, conversion, repair, reconstruction or rehabilitation of accessory dwelling units.

The LHTF matching fund application was authorized on July 14, 2020, in Resolution 20-317 following the Board’s acceptance of the Permanent Local Housing Allocation Plan in Resolution 20-315 which was created by a Memorandum of Understanding between Nevada City, Grass Valley and the County to form and administer the WNCRHTF in Resolution 20-316 also on July 14, 2020.

On February 3 2021, HHSa received a notice of funding award for LHTF funds including award of matched delegated funds from partner agencies. These funds will be resources for the WNCRHTF which is administered by the County as the lead agency to provide loans for acquisition, predevelopment expenses and development of affordable rental housing projects, transitional housing projects, emergency shelters and homeownership projects in the region.

Also on this date, April 13, 2021, in another related Board Item, the Board of Supervisors will consider awarding a loan from the WNCRHTF to a recommended affordable housing project in the amount of \$1,575,000 for Fiscal Year 20/21.

Item Initiated and Approved by: Mike Dent, Director, Child Support, Collections,
Housing and Community Services