



# COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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## NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

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**MEETING DATE:** July 14, 2020

**TO:** Board of Supervisors

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

**SUBJECT:** Presentation of the Nevada County Permanent Local Housing Allocation Plan (PLHA) and Resolutions:

1. Approving adoption of the Nevada County Permanent Local Housing Allocation Plan (PLHA) and Directing the Director of Health and Human Services, or his designee, to submit the adopted PLHA to the California Department of Housing and Community Development to secure an award of PLHA Program Funds to implement the County's PLHA Plan.
2. Approving a Memorandum of Understanding (MOU) between Nevada County, the City of Grass Valley and the City of Nevada City pertaining to the Proposed Regional Application for the Permanent Local Housing Allocations, and authorizing the formation of a Regional Housing Trust Fund for the Coordination and administration of the Permanent Local Housing Allocations.
3. Authorizing submission of an application for funding under the Low-income Housing Trust Fund (LHTF) Grant Program, certifying use of a future award of Local Housing Trust Funds in accordance with applicable state and federal statutes, rules, regulations, and laws, including all rules and laws regarding the LHTF Program, compliance with any and all contracts the County may have with the California Department of Housing and

Community Development (HCD), complying with matching requirements under the LHTF award, and authorizing the Regional Housing Trust Fund to act as the trustee in connection with the funds to eligible projects.

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**RECOMMENDATION:** Approve the Resolutions.

**FUNDING:** Up to \$3,124,155 in PLHA funding representing a combined total of all three jurisdictions is projected to be allocated over 5 years. A portion of these funds will be used to satisfy the requirement of the HCD's LHTF grant program by providing local matching funds that will allow the County to apply for additional state funds to further support the Western Nevada County Regional Housing Trust Fund. In addition, \$500,000 of Nevada County General Fund dollars will be allocated to the LHTF to further leverage the opportunity for matching state funds.

**BACKGROUND:** The Permanent Local Housing Allocation (PLHA) is an allocation of SB2 funds (\$75 dollar recording fee on real estate transactions) made to all California jurisdictions-Cities and Counties. The County of Nevada will receive a yearly allocation of PLHA dollars over the next five years totaling \$1,530,000 (\$306,319 per year beginning with FY 19/20). The application period for this allocation is currently open with applications due on July 27, 2020.

**PLHA Resolution Adopting the County Plan:**

To receive PLHA funding, the County must adopt by resolution a PLHA plan pursuant to 302(c)(4) of the program guidelines. The plan is a description of how the County and its partner jurisdictions, the City of Grass Valley and City of Nevada City, intend to use PLHA funds within certain eligible activities. The Nevada County PLHA plan proposes to use a large portion of the PLHA funding to support the creation of the Western Nevada County Regional Housing Trust Fund. By committing at least \$750,000 in PLHA funds to this activity, the County can leverage PLHA funds as a local match for State Low-Income Housing Trust Fund (LHTF) grant funds, effectively doubling the local PLHA commitment to the fund. The trust fund will provide funding to eligible housing projects in the form of 3% simple interest deferred loans to projects proposing affordability standards of at or below 80% Area Median Income. These loans can be used by development projects to secure additional financing for project costs including predevelopment, development, acquisition, and preservation and rehabilitation of multifamily rental housing and owner-occupied housing.

The County and its partner jurisdictions also propose to use a portion of PLHA funds to support existing and expanded shelter operations in both Western and Eastern County. This will include support for existing shelter operations at Hospitality House, expanded seasonal extreme weather shelters in Western and Eastern County, and to support efforts to incorporate a "navigation" model into the shelter system.

**Resolution Approving the MOU re Delegation of PLHA Program funds and authorizing the formation of the Regional Housing Trust Fund:**

PLHA guidelines allow for jurisdictions to delegate their allocation of PLHA funds to another jurisdiction by entering into a legally binding agreements with that jurisdiction who then acts as the applicant and administrator for those funds. Nevada County worked with both the City of Grass Valley and the City of Nevada City to review the eligible activities for PLHA funds and the reporting requirements necessary to administer the funds and both City jurisdictions agreed to delegate their PLHA allocations to the County and to work with the County to create a collaborative plan for use of the PLHA funds. By delegating these funds to the County, all three jurisdictions have committed to work together to maximize the PLHA funding opportunity to create greater impact across the Western County region. The legally binding agreement, presented here as an MOU, outlines the County's and the Cities' roles and responsibilities in achieving activities outlined in the County's PLHA Plan. It delegates 5 years of PLHA funds from the City of Grass Valley (\$813,049) and the City of Nevada City (\$473,190) to the County to achieve the goals laid out in the PLHA plan. Through collaboration with the Cities particularly around establishing a Regional Housing Trust Fund, which shall be administered by the County pursuant to the terms of the MOU, the PLHA plan creates a framework for greater coordination in the region around affordable housing development.

Resolution authorizing submission of an application for funding under the Low-income Housing Trust Fund grant program and to certify authorized uses of the grant funding:

To maximize the effectiveness of the County's PLHA plan, the County HHSA seeks authorization to submit a Low-Income Housing Trust Fund (LHTF) Program application and to certify that any award of LHTF Program funding will be used in accordance with applicable laws, rules, and regulations related to the LHTF program, and in compliance with any/all contracts and matching requirements with HCD. Recognizing the unique opportunity to leverage additional local dollars, the County HHSA also seeks authorization to increase their contribution to the LHTF by \$500,000 in County general fund dollars. The award of LHTF program funds will match funds provided to the trust fund by the PLHA and County general fund allocation, doubling the funding available to the trust fund and increasing the number of projects it could potentially fund over the next five years. Accordingly, it is requested that the Board authorize the Regional Housing Trust Fund to act as trustee in connection with the funds to eligible projects. Upon notification of the award of LHTF funding, the matter will be brought back before this Board for review and approval of the grant award and the LHTF Standard Agreement and authorizing the Director of the Department of Child Support, Collections, Housing and Community Services to execute the LHTF Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the LHTF Award.

Therefore, it is respectfully requested that this Board (1) approve and authorize a resolution adopting the County PLHA plan, (2) authorize the Chair to sign the attached MOU, and (3) authorize the Director of HHSA or his designee to submit an application for LHTF funding and to certify the County's uses of the grant funding for eligible projects as trustee over the Western Nevada County Regional Housing Trust Fund.

**Item Initiated and Approved by:** Mike Dent, Director – Housing and Community Services