



Health and Human Services Agency

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DEPARTMENT OF HOUSING & COMMUNITY SERVICES

NEVADA COUNTY BOARD OF SUPERVISORS

Board Agenda Memo

MEETING DATE: August 11, 2026

TO: Board of Supervisors

FROM: Tyler Barrington, Housing and Community Services Director

SUBJECT: Resolution approving an amendment to the Memorandum of Understanding (MOU) between Nevada County, the City of Grass Valley and the City of Nevada City pertaining to the delegation and administration of allocated Permanent Local Housing Allocation (PLHA) funds to extend the term of the MOU through the completion of administration of funds for rounds one (1) through five (5).

RECOMMENDATION: Approve the attached Resolution.

FUNDING: Beginning in 2020, \$3,074,180 in PLHA funding representing a combined total for Nevada County, Nevada City, and the City of Grass Valley, has been allocated over 5 years. To date, funds from rounds one through three have been used towards activities in the PLHA plan to further support affordable housing development, owner occupied construction, and homeless services. Rounds four and five applications for PLHA funding allocate a combined total of \$808,089 and will continue to be used towards activities in the amended PLHA plan, supporting affordable housing development, owner occupied construction, and homeless services.

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 receives a yearly allocation of PLHA dollars; Nevada County uses PLHA dollars to fund projects as outlined in the PLHA plan.

PLHA guidelines allow for jurisdictions to delegate their allocation of PLHA funds to another jurisdiction by entering into a legal binding agreement with that jurisdiction who then acts as the applicant and administrator for those funds. On July 14, 2020, this Board approved Resolution 20-316, authorizing a Memorandum of Understanding (MOU) between Nevada County, Nevada City, and Grass Valley, appointing Nevada County as the applicant and administrator for PLHA funds for five years.

On the same date, this Board approved Resolutions_20-247 and 20-315, authorizing an application for PLHA funding and adoption of the PLHA five (5) year plan to support affordable housing development, owner-occupied housing development, and homeless services. On June 16, 2026, this Board approved an amendment to the five (5) year plan through Resolution 26-317.

The original MOU adopted in 2020, includes an expiration date of 5-years from the effective date of the MOU, which was June 1, 2020; therefore, the MOU has effectively expired. The PLHA plan process, however, has taken longer than originally anticipated and has not followed a calendar year timeline. The most recent PLHA Plan update adopted by the Board of Supervisors is specific to PLHA Rounds 4 and 5, which was originally anticipated to be expended in 2024 and 2025 respectively and the County is currently working towards expending funds associated with Round 3 allocated to the Lone Oak II Senior Apartments and the Habitat for Humanity Ventana Sierra projects through the Western Nevada County Regional Housing Trust Fund. Subsequently, to continue the relationship with the two cities and the County's for the expenditure of funds associated with Rounds 4 and 5, the extension of the MOU is required. The proposed MOU extension has been reviewed and updated with the assistance of staff from both the City of Grass Valley and the City of Nevada City. The MOU extension will also go before both cities City Council's prior to execution. Assuming the extension to the MOU is approved, the County will work with the City's when scoring proposals for future projects that will be funded through PLHA Rounds 4 and 5.

Therefore, it is recommended that this Board approve the attached Resolution amending the MOU between Nevada County, Nevada City, and the City of Grass Valley to extend the term of the MOU through the completion of administration of funds for rounds one (1) through five (5).

Item Initiated by: Angela Masker, Senior Administrative Analyst

Approved by: Tyler Barrington, Housing and Community Services Director