



COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING October 24, 2023

TO: Board of Supervisors

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

SUBJECT: Resolution to approve a contract between Nevada County and Nevada County Habitat for Humanity to develop and construct an owner-occupied housing project to a lower-income household through the use of California Department of Housing and Community Development's (HCD) Permanent Local Housing Allocation (PLHA) funds in the amount of \$171,000 and an informational presentation to the Board.

RECOMMENDATION: Approve the attached Resolution.

FUNDING: PLHA grants are state funded formula grants established by the 2017 Building Homes and Jobs Act (SB2) and distributed through the California Department of Housing and Community Development. Funding for this agreement is within the Housing and Community Services Division FY 23-24 budget. No County general fund dollars are required in this agreement.

BACKGROUND: In 2017, the State Legislature passed, and the Governor signed, SB2 establishing a \$75.00 local recording fee on real estate documents to create a permanent ongoing source to local governments for housing-related projects and programs that assist in addressing the unmet housing needs in local communities. These funds are deposited into the State Treasury's Building Homes and Jobs Trust fund and, under statute, are distributed to local governments using a formula allocation.

The Fiscal Year 19-20 Notice of Funding Availability authorized approximately \$195,000,000 to be distributed to local governments out of the Trust fund to be used for eligible activities as outlined in the program guidelines. Per Resolution 21-036, the Board of Supervisors approved an agreement for California Department of Housing and Community Development's Permanent Local

Housing Allocation (PLHA) for housing related projects. Under the formula allocation, Nevada County was estimated to receive \$306,319 per year beginning in FY 20-21; however, actual funding amounts received are based upon actual real estate transactions and have varied considerably since that initial estimate. In FY 21-22 and FY 22-23, Nevada County received \$465,936 and \$566,474 respectively. Program Guidelines for the PLHA program require a five-year spend plan. Proposed changes to the plan require approval from the Department of Housing and Community Development.

Under PLHA program guidelines, a local government can delegate to another local government the authority to submit an application and administer on its behalf its formula allocation of program funds, provided that the local governments enter into a legally binding agreement and the funds are expended for eligible activities and consistent with program requirements. This Board approved Resolution 20-316 authorizing a Memorandum of Understanding (MOU) between Nevada County, Grass Valley, and Nevada City, wherein both Cities agreed to delegate their PLHA allocations to the County to support activities in line with the PLHA plan adopted by this Board (Res. 20-315) and submitted to the state for approval.

Nevada County's 5-year plan for PLHA funding, approved by Board Resolution 20-315, primarily allocates funds to the Western Regional Housing Trust Fund (WRHTF) to maximize leveraged funding for the development of affordable housing, and also allocates funds for development of owner-occupied housing, and support of shelter and navigation center operations. To date, PLHA funding, through the WRHTF, has supported the development of Cashin's Field, a 51-unit affordable workforce housing development, and PLHA funds have supported operations of low barrier and emergency shelter. PLHA, through the WRHTF, will also support the development of Lone Oak II, a 31-unit apartment complex for low-income seniors.

The proposed contract before you with Habitat for Humanity will support development of owner-occupied housing as outlined in the PLHA plan. This grant will have a restrictive deed of trust limiting ownership of the property to an 80% Annual Medium Income limit occupant during a 30-year term.

It is recommended that the Board approve the contract with Habitat for Humanity to support development of low-income owner-occupied housing in Nevada County in furtherance of Nevada County's adopted PLHA plan.

Item Initiated by:

Angela Masker, Senior Administrative Analyst, Housing and Community Services

Item Approved by:

Mike Dent, Director, Child Support, Housing and Community Services