



COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING August 8, 2023

TO: Board of Supervisors

FROM: **Mike Dent**

SUBJECT: Resolution affirming an amendment to the California Department Housing and Community Development's Permanent Local Housing Allocation (PLHA) program which increases the maximum amount from \$1,337,254 to \$2,266,091 (an increase of \$928,837) for the term of January 25, 2021 through June 30, 2030.

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 set to receive an estimated \$306,319 per year beginning in FY20-21; however, actual funding amounts received are based upon actual real estate transactions and will vary slightly from

year to year. Program Guidelines for the PLHA program stipulate the submitted application shall have a term of 5 years with local governments required to obtain approval from Department of Housing and Community Development to amend the plan during the 5-year term.

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 an Memorandum of Understanding (MOU) between Nevada County, Grass Valley and Nevada City wherein both Cities agreed to delegate their PLHA allocations to the County and to support activities for use of the funds in line with the PLHA plan adopted by this Board (Res. 20-315) and submitted to the state for approval.

On October 21 2020, HHSa received a notice of funding award for PLHA funds including award of delegated funds. These funds supported the development of a regional housing trust fund administered by the County to provide funding to eligible housing projects in the region.

On January 5, 2022, HHSa received notice of funding award for PLHA Round 2 funds including award of delegated funds in the total amount of \$816,562. On July 26, 2022, per Resolution 22-403, this amendment was approved. These funds will support affordable housing development and can also be used to support emergency shelter and navigation programs.

On November 15, 2022, HHSa received notice of funding award for PLHA Round 3 funds including award of delegated funds. Funding for the third year allocation amounts for PLHA as part of this amendment are: **\$566,474** for Nevada County, **\$136,870** for the City of Nevada City and **\$225,493** for the City of Grass Valley.

It is recommended that the Board affirm this Amendment as it will provide additional funding for housing and homelessness related activities as identified in the adopted PLHA local plan, and therefore supporting the Board's housing and homelessness priority objectives.

Item Initiated by: Angela Masker, Senior Administrative Analyst, Nevada County Housing and Community Services
Item Approved by: Mike Dent, Director, Child Support, Collections, Housing and Community Services