

File No. 210875

Committee Item No. 5

Board Item No. 19

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 8, 2021

Board of Supervisors Meeting

Date September 14, 2021

### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Information Form                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

### OTHER (Use back side if additional space is needed)

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|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Permanent Local Housing Allocation Final Guidelines</u> |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>Department Presentation - September 8, 2021</u>         |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____  |
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Completed by: Linda Wong

Date August 23, 2021

Completed by: Linda Wong

Date September 10, 2021

1 [Accept and Expend Grant - California Department of Housing and Community Development -  
2 Permanent Local Housing Allocation Program - \$52,308,210]

3 **Resolution authorizing the Mayor’s Office of Housing and Community Development**  
4 **(MOHCD), on behalf of the City and County of San Francisco, to execute the annual**  
5 **Standard Agreements with the California Department of Housing and Community**  
6 **Development under the Permanent Local Housing Allocation Program for a total award**  
7 **of \$52,308,210 for the period starting on the execution date of the Standard**  
8 **Agreements through June 30, 2030, and authorizing MOHCD to accept and expend the**  
9 **grant of \$52,308,210 for programming approved by the California Department of**  
10 **Housing and Community Development.**

11  
12 WHEREAS, The Department of Housing and Community Development is authorized to  
13 provide up to \$195 million under the SB 2 Permanent Local Housing Allocation Program  
14 Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities  
15 and Counties (as described in the Health and Safety Code, Section 50470 et seq. (Chapter  
16 364, Statutes of 2017 (SB 2)); and

17 WHEREAS, The State of California (the State), Department of Housing and Community  
18 Development (Department) issued a Notice of Funding Availability (NOFA) dated February 26,  
19 2020, under the Permanent Local Housing Allocation (PLHA) Program; and

20 WHEREAS, The Board of Supervisors authorized the Mayor’s Office of Housing and  
21 Community Development to apply for PLHA funds and submit an application package to the  
22 Department through Resolution No. 320-20; and

23 WHEREAS, Through an award letter dated October 21, 2020, the Department made an  
24 award subject to the terms and conditions of the Guidelines, NOFA, Program requirements,  
25 the Standard Agreement and other contracts between the Department and MOHCD; and

1           WHEREAS, The proposed grant excludes indirect costs to maximize use of grant funds  
2 on direct services; and

3           WHEREAS, The proposed grant does not require an Annual Salary Ordinance  
4 amendment; now, therefore, be it

5           RESOLVED, The Board of Supervisors approves and authorizes the MOHCD to enter  
6 into annual Standard Agreements with the Department, substantially in the form on file with  
7 the Clerk of the Board of Supervisors in File No. 210875, with terms and conditions that  
8 PLHA Program funds are to be used for allowable operating subsidies identified in Exhibit A;  
9 and, be it

10          FURTHER RESOLVED, That the Board Supervisors authorizes the City to accept and  
11 expend the five year allocation amount of \$52,308,210 to be disbursed under the annual  
12 Standard Agreements; and, be it

13          FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
14 MOHCD (or his designee) to execute and deliver any documents in the name of the City that  
15 are necessary, appropriate or advisable to accept and expend the PLHA Program grant from  
16 the Department and ensure the use of the funds for operating subsidies in the manner  
17 presented in the application as approved by the Department and in accordance with the  
18 NOFA and Program Guidelines and Application Package; and, be it

19          FURTHER RESOLVED, That all actions authorized and directed by this Resolution and  
20 heretofore taken are ratified, approved and confirmed by this Board of Supervisors; and, be it

21          FURTHER RESOLVED, That within thirty (30) days of the agreement being fully  
22 executed by all parties, the Mayor's Office of Housing and Community Development shall  
23 provide the final agreement to the Clerk of the Board for inclusion into the official file.

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Recommended:

/s/ \_\_\_\_\_

Eric D. Shaw, Director

Approved:

/s/ \_\_\_\_\_

London N. Breed, Mayor

/s/ \_\_\_\_\_

Ben Rosenfield, Controller

**File Number:** \_\_\_\_\_  
(Provided by Clerk of Board of Supervisors)

**Grant Resolution Information Form**  
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. **Grant Title:** Permanent Local Housing Allocation Program
2. **Department:** Mayor's Office of Housing and Community Development
3. **Contact Person:** Benjamin McCloskey Telephone: 415-701-5575
4. **Grant Approval Status (check one):**  
 Approved by funding agency  Not yet approved
5. **Amount of Grant Funding Approved or Applied for:** 5 Year Award \$52,308,210/ FY 2019-20 Allocation \$8,718,035

6a. **Matching Funds Required:** \$0

b. **Source(s) of matching funds (if applicable):**

7a. **Grant Source Agency:** California Department of Housing and Community Development

b. **Grant Pass-Through Agency (if applicable):** N/A

8. **Proposed Grant Project Summary:** Local Operating Subsidy and Administration

9. **Grant Project Schedule, as allowed in approval documents, or as proposed:**

Start-Date: TBD End-Date: 6/30/2030

10a. **Amount budgeted for contractual services:** \$8,442,694 (Year 1) \$42,403,691 (Years 2 through 5)

b. **Will contractual services be put out to bid?** No, recipients will be projects that were previously procured for capital support.

c. **If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements?** N/A

d. **Is this likely to be a one-time or ongoing request for contracting out?** Ongoing

11a. **Does the budget include indirect costs?**  Yes  No

b1. **If yes, how much? \$**

b2. **How was the amount calculated?**

c1. **If no, why are indirect costs not included?**

Not allowed by granting agency  To maximize use of grant funds on direct services

Other (please explain):

c2. **If no indirect costs are included, what would have been the indirect costs?** None.

**12. Any other significant grant requirements or comments:**

**\*\*Disability Access Checklist\*\*\*(Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

- |   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> Existing Site(s)      | <input type="checkbox"/> Existing Structure(s)       | <input checked="" type="checkbox"/> Existing Program(s) or Service(s) |
| <input checked="" type="checkbox"/> Rehabilitated Site(s) | <input type="checkbox"/> Rehabilitated Structure(s)  | <input type="checkbox"/> New Program(s) or Service(s)                 |
| <input checked="" type="checkbox"/> New Site(s)           | <input checked="" type="checkbox"/> New Structure(s) |   |

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Eugene Flannery  
(Name)

Environmental Compliance Manager  
(Title)

Date Reviewed: 07/13/2021

Eugene Flannery  
(Signature Required)

**Department Head or Designee Approval of Grant Information Form:**

Eric D. Shaw  
(Name)

Director  
(Title)

Date Reviewed: 7/14/21

/s/ Eric Shaw  
(Signature Required)

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771 / FAX (916) 263-2763  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



October 21, 2020

Eric D. Shaw, Director, Mayor's Office of Housing and Community Development  
City and County of San Francisco  
1 South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103

Dear Eric D. Shaw:

**RE: Award Announcement – Permanent Local Housing Allocation (PLHA) Program  
Notice of Funding Availability Fiscal Year 2019/2020  
City and County of San Francisco  
Contract No. 20-PLHA-15188**

The California Department of Housing and Community Development (Department) is pleased to announce that the City and County of San Francisco has been awarded a Permanent Local Housing Allocation (PLHA) program award in the amount of \$8,718,035. This letter constitutes notice of the designation of PLHA program funds for use in San Francisco County.

The City and County of San Francisco will be required to enter into a state Standard Agreement that will set forth conditions for funding and milestones that are required to be met.

Except for predevelopment expenses for construction projects funded by PLHA and the costs to develop and prepare the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the PLHA application is subject to the cap on administrative fees.

Congratulations on your successful application. For further information, please contact Douglas Truong, PLHA Program Manager, Program Design and Implementation Branch, (916) 263-5022 or [Douglas.Truong@hcd.ca.gov](mailto:Douglas.Truong@hcd.ca.gov).

Sincerely,

Jennifer Seeger  
Deputy Director

**PHLA Grant Expenditure Schedule**

The following is a list of proposed expenditures for the PHLA Grant.

Operating subsidies are anticipated to be allocated to senior housing projects, including 735 Davis, 1296 Shotwell, 1005 Powell, Transbay 2 West, 4200 Geary, and 1939 Market.

<b>Agency Name</b>	<b>AMI Level</b>	<b>PHLA Funding Allocation</b>	<b>First Year (2019 Allocation Amount)</b>
Local Operating Subsidy for Affordable Housing	15%-60%	97%	\$8,442,694
Administration		3%	\$275,341

**First Year Amount; \$8,718,035**

<b>Agency Name</b>	<b>AMI Level</b>	<b>PHLA Funding Allocation</b>	<b>Year 2 through 5</b>
Local Operating Subsidy for Affordable Housing	15%-60%	97%	\$42,403,691
Administration		3%	\$1,186,484

**Year 2 through 5 Amount: \$43,590,175**

**Estimated Five-Year not to exceed allocation: \$52,308,210\*\***

**\*Note: Succeeding year allocations are to be determined by the California Department of Housing and Community Development. MOHCD will expend the succeeding year allocations in the same manner as the first year.**



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670  
Sacramento, CA 95833  
(916) 263-2771 / FAX (916) 263-2763  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



February 26, 2020

**MEMORANDUM FOR:** All Potential Applicants

**FROM:** Jennifer Seeger, Acting Deputy Director  
Division of Financial Assistance

**SUBJECT:** **Permanent Local Housing Allocation Program  
Entitlement and Non-entitlement Local Government  
Formula Component Notice of Funding Availability**

The California Department of Housing and Community Development (Department) is pleased to announce the release of this Entitlement and Non-entitlement Local government formula component Notice of Funding Availability for approximately **\$195 million** for the Permanent Local Housing Allocation (PLHA) program. This funding provides grants to Entitlement and Non-entitlement Local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

The Department will begin accepting Program applications on **April 27, 2020** through 5:00 p.m. Pacific Standard Time on **July 27, 2020**. The Department will only accept applications through a postal carrier service such as U.S. Postal Service, UPS, FedEx, or other carrier services that provide date stamp verification confirming delivery to the Department's office. Please contact the Department if delivery is not completed by fault of the carrier service. The delivery address is:

California Department of Housing and Community Development  
Division of Financial Assistance, Program Design and Implementation  
**Permanent Local Housing Allocation Program**  
2020 West El Camino Avenue, Suite 150  
Sacramento, CA 95833

Personal deliveries will not be accepted. No facsimiles, incomplete applications, application revisions, electronically transmitted, or walk-in application packages will be accepted.

The PLHA application forms, workshop details, and Guidelines are posted on the Department's [website](#). To receive information on workshops and other updates, please subscribe to the PLHA listserv. If you have any further questions, please contact [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov).

Attachment

# **Permanent Local Housing Allocation Program**

## **Entitlement and Non-entitlement Local Government Formula Component**

### **Notice of Funding Availability**



**Gavin Newsom, Governor  
State of California**

**Lourdes Castro Ramirez, Secretary  
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director  
Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 500, Sacramento, CA 95833  
Telephone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>

Email: [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov)

**February 26, 2020**

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**Permanent Local Housing Allocation  
Entitlement and Non-Entitlement Local Government Formula Component  
Notice of Funding Availability**

**I. Overview**

**A. Notice of Funding Availability**

The California Department of Housing and Community Development (Department) is announcing the availability of approximately **\$195 million** in funding for the Permanent Local Housing Allocation (PLHA) program Entitlement and Non-entitlement Local government formula component Notice of Funding Availability (NOFA). This NOFA is funded from moneys deposited in the Building Homes and Jobs Trust Fund (Fund) in calendar year 2019.

Funding for this NOFA is provided pursuant to Senate Bill (SB) 2 (Chapter 364, Statutes of 2017). SB 2 established the Fund and authorizes the Department to allocate 70 percent of moneys collected and deposited in the Fund, beginning in calendar year 2019, to Local governments for eligible housing and homelessness activities. The intent of the bill is to provide a permanent, on-going source of funding to Local governments for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

For the 2019-20 fiscal year, the Department will issue two separate NOFAs to award the (PLHA) funds:

1. Entitlement and Non-entitlement Local government formula component NOFA; and
2. Non-entitlement Local government competitive component NOFA (anticipated in August 2020).

This NOFA outlines threshold and application requirements for Entitlement Local governments and Non-entitlement Local governments as defined in Guidelines Section 101. Entitlement Local governments are metropolitan cities and urban counties that received a CDBG grant for fiscal year 2017 pursuant to the federal formula specified in 42 USC Section 5306.

**B. Timeline**

<b>NOFA Release Date</b>	February 26, 2020
<b>Application Submittal</b>	April 27, 2020 – July 27, 2020
<b>Award Announcement</b>	August, 2020 – October, 2020

## **C. Authorizing Legislation and Regulations**

SB 2 (Chapter 364, Statutes of 2017) established the PLHA program. The program operates under the requirements of Health and Safety Code (HSC), Part 2 of Division 31, Chapter 2.5 (commencing with Section 50470).

Section 50470 (b)(2)(B)(i) of the HSC authorizes the Department to allocate 70 percent of the moneys collected and deposited in the Fund, beginning in calendar year 2019, for the PLHA program.

Section 50470 (b)(2)(B)(i)(I) of the HSC requires the Department to allocate 90 percent of PLHA funds based on the federal CDBG formula specified in 42 USC, Section 5306, except that the portion allocated to Non-entitlement Local governments is required to be distributed through a competitive grant program for Non-entitlement Local governments.

Section 50470 (b)(2)(B)(i)(II) of the HSC requires the Department to allocate the remaining 10 percent of PLHA funds equitably to Non-entitlement Local governments.

Section 50470 (d) authorizes the Department to adopt Guidelines to implement the PLHA program, not subject to the rulemaking provisions of the California Administrative Procedure Act.

This NOFA governs the administration of funding from the Fund (created by Section 50470, subdivision (a)(1) and appropriated by item 2240-103-3317 in the Budget Act of 2019) and made available under the PLHA program.

Capitalized terms not otherwise defined in this NOFA shall have the meanings set forth in Guidelines Section 101.

## **II. Program requirements**

The following is provided as a summary for the allocation of the PLHA funds to Entitlement and Non-entitlement Local governments and is not to be considered a complete representation of the eligibility, threshold, or other requirements, terms and conditions.

### **A. Eligible Applicants**

An Applicant must be an Entitlement Local government, a Non-entitlement Local government, or a Local or Regional Housing Trust Fund delegated by the Local government pursuant to Guidelines Section 300.

A Local government that delegates another Local government to submit an application and administer the formula component of PLHA funds on its behalf must enter into a legally binding agreement with the Local government, as set forth in Guidelines Section 300(c).

A Local government that delegates a Local or Regional Housing Trust Fund to submit an application and administer the formula component of PLHA funds on its behalf must enter into a legally binding agreement with the Local or Regional Housing Trust Fund, as set forth in Guidelines Section 300(d).

## **B. Eligible Activities**

Pursuant to Guidelines Section 301(a), the PLHA funds allocated to eligible Applicants must be used to carry out one or more of the eligible activities listed below:

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies.
2. The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days. See Appendix B for a list of High-cost areas in California.
3. Matching portions of funds placed into Local or Regional Housing Trust Funds.
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
5. Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
6. Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
  - a. This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded California Emergency Solutions and Housing (CESH) Program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.
  - b. Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with Welfare Institutions Code (WIC) Section 8255(b)(8). An Applicant allocated funds

for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255(b).

7. Accessibility modifications in Lower-income Owner-occupied housing.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
9. Homeownership opportunities, including, but not limited to, down payment assistance.
10. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing projects, or matching funds invested by a county in an Affordable housing development project in a city within the county, provided that the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the Affordable housing project.

Twenty percent of the moneys in the Fund are required by statute to be expended for Affordable Owner-Occupied Workforce Housing (AOWH). If funding proposed in Local government Plans for AOWH activities is lower than 20 percent of the moneys available in the Fund, the Department may require Local governments to use a specific percentage of their annual formula allocations in some future year for AOWH activities as part of the annual funding process.

### **C. Allocation of Funding and Award Limits**

An Entitlement and a Non-entitlement Local government are eligible for an allocation of PLHA funds. See Appendix A for allocation of PLHA funds to each Entitlement and Non-entitlement Local government for fiscal year 2019-20.

The PLHA funds allocated to each Entitlement Local government is directly proportionate to each Entitlement Local government's share of total 2017 Community Development Block Grant (CDBG) allocation in California.

The PLHA funds allocated to each Non-entitlement Local government is based on the sum of:

1. Fifty percent of the funding available for the Non-entitlement formula component divided by the number of Local governments eligible for the Non-entitlement formula component; and
2. Fifty percent of the funding available for the Non-entitlement formula component allocated in proportion to each Non-entitlement Local government's share of the total most severe housing need in California's Non-entitlement Local governments, based upon the most recent U.S. Department of Housing and

Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) data.

Two or more Local governments may expend PLHA funds on an eligible jointly funded project, provided the project is an eligible Activity pursuant to Guidelines Section 301(a), and will be located within the boundaries of one of the Local governments.

An Applicant eligible for an allocation of PLHA funds must comply with the Deadline and Funding Requirements set forth in Guidelines Section 304.

In order to avoid amending the Department Standard Agreement each year, and to expedite the disbursement of PLHA funds, the Department Standard Agreement and the Applicant's PLHA resolution shall include a five-year estimate of PLHA formula allocations, as stated in Appendix C, as the maximum funding amount. The actual amounts may be lower, and the disbursements will be based on the actual allocation amounts. Please be advised that no funding from any subsequent year will be disbursed if the Local government is not in compliance with the Housing Element requirement and the Housing Element Annual Progress Report requirement stated in Guidelines Section 302(a) and (b), or in the event that the Local government has not submitted its annual PLHA report, as required by Guidelines Section 503. In addition, the grantee must be in compliance with Guidelines Sections 300(e) and 502. For a list of jurisdictions currently ineligible for PLHA funds due to the Housing Element and/or Annual Progress Report requirement, please refer to Appendix D.

#### **D. Program Administrative and Activity Delivery Costs**

A Local government that receives an allocation award under this NOFA shall not use more than 5 percent of the allocation for administrative costs related to the execution of eligible activities.

Staff and overhead costs directly related to carrying out the eligible activities described in Guidelines Section 301(a) are "activity costs" and not subject to the cap on "administrative costs." A Local government may share any funds available for administrative costs with entities to which it provides funding.

Predevelopment expenses for construction projects funded by PLHA funds, and costs to develop and prepare the PLHA application and Plan may be paid from the PLHA funds regardless of when the costs were incurred. Reimbursement of expenses to prepare the PLHA application and Plan are subject to the cap on administrative costs. Other costs incurred more than one year prior to commitment by the Local government may not be paid from the PLHA funds.

#### **E. Application Requirements**

An Applicant must submit a complete application and other documents by the deadline stated in this NOFA. Applications submitted in response to this NOFA must meet the threshold requirements set forth in Guidelines Section 302.



## **F. Administration and Reporting Requirements**

A grantee of the PLHA funds must meet the administration requirements set forth in Guidelines Sections 500 and 501, and reporting requirements in Section 503.

## **III. Application Submission and Review Procedures**

Applications must be on the Department's forms and cannot be altered or modified by the Applicant. Excel forms must be in Excel format, not a PDF document. Applications that do not meet the program requirements outlined in this NOFA will not be eligible for funding. Application forms are available for download on the [PLHA webpage](#).

### **A. Application Submission Process**

A complete original application with original signature, and an electronic copy on Compact Disc or USB flash drive with all applicable information can be submitted to the Department between **April 27, 2020** and **July 27, 2020**. No applications will be accepted after **5:00 p.m. Pacific Standard Time on July 27, 2020**. The Department will only accept applications through a postal carrier service such as U.S. Postal Service, UPS, FedEx, or other carrier services that provide date stamp verification confirming delivery to the Department's office. Please contact the Department if delivery is not completed by fault of the carrier service. The delivery address is:

California Department of Housing and Community Development  
Division of Financial Assistance, PDI  
**Permanent Local Housing Allocation Program**  
2020 West El Camino Avenue, Suite 150  
Sacramento, CA 95833

Personal deliveries will not be accepted. No facsimiles, incomplete applications, application revisions, electronically transmitted, or walk-in application packages will be accepted. Applications that do not meet the filing deadline requirements will not be eligible for funding.

It is the Applicant's responsibility to ensure that the application is clear, complete, and accurate. The Department may request additional clarifying information and/or inquire as to where in the application specific information is located. However, missing and/or forgotten application information or documentation may cause the application not to pass threshold.

Those Applicants that are notified they did not pass threshold requirements will have the opportunity to appeal.

### **B. Application Workshops**

Applicants are strongly encouraged to attend a PLHA workshop to gain information critical for preparing the application, which will be discussed at the workshop. PLHA

workshop dates, times, and locations are located on the Department's [PLHA webpage](#). These in-person workshops will cover the NOFA and application.

#### IV. **Appeals**

##### **A. Basis of Appeals**

1. Upon receipt of the Department's notice that an application has been determined to be incomplete, ineligible, or fail threshold review, Applicants under this NOFA may appeal such decision(s) to the Department pursuant to this section.
2. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's eligibility, award, denial of award, or any other matter related thereto.
3. The appeal process provided herein applies solely to decisions of the Department made in this NOFA and does not apply to any decisions to be made pursuant to future NOFAs.

##### **B. Appeal Process and Deadlines**

1. **Process.** In order to file an appeal, an Applicant must submit a written appeal to the Department, which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the Applicant must provide a detailed description of how the application is complete, eligible or meets threshold requirements, as applicable, or provide additional information to resolve the Department's determination. Appeals are to be submitted to the Department at [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov) according to the deadline set forth in Department review letters.
2. **Filing Deadline.** Appeals must be received by the Department no later than five (5) business days from the date of the Department's threshold review letter representing the Department's decision made in response to the application.

##### **C. Decisions**

Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with the Guidelines and this NOFA. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

##### **D. Award Announcements and Contracts**

The Department anticipates issuing award letters between August 2020 and October 2020. Award recommendations will be posted on the [PLHA webpage](#).

## **V. Other terms and conditions**

### **A. Right to Modify or Suspend**

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website.

### **B. Disclosure of Application**

Information provided in the application will become a public record and available for review by the public, pursuant to the California Public Records Act (Gov. Code section 6250 et seq.). As such, any materials provided will be disclosed to any person making a request under this Act. The Department cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

### **C. Conflicts**

In the event of any conflict between the terms of this NOFA and either applicable state or federal law or regulation, the terms of the applicable state or federal law or regulation shall control. Applicants are deemed to have fully read and understand all applicable state and federal laws, and regulations pertaining to PLHA, and understand and agree that the Department shall not be responsible for any errors or omissions in the preparation of this NOFA.

## APPENDICES

### Appendix A: Entitlement and Non-entitlement Local Government Formula Allocation for Fiscal Year 2019-20.

Entitlement Local Government		Non-entitlement Local Government	
Local Government	Funding Amount	Local Government	Funding Amount
Alameda	\$558,765	Alpine County	\$68,065
Alameda County	\$933,865	Alturas	\$79,305
Alhambra	\$465,628	Amador City	\$65,861
Aliso Viejo	\$119,177	Amador County	\$134,185
Anaheim	\$2,155,285	American Canyon	\$117,435
Antioch	\$394,235	Anderson	\$103,770
Apple Valley	\$287,561	Angels	\$81,289
Bakersfield	\$1,730,902	Arcata	\$176,062
Baldwin Park	\$488,178	Artesia	\$135,728
Bellflower	\$513,624	Arvin	\$138,593
Berkeley	\$1,293,584	Atwater	\$158,209
Buena Park	\$369,242	Auburn	\$119,859
Burbank	\$477,182	Avenal	\$104,652
Camarillo	\$135,354	Benicia	\$141,459
Carlsbad	\$272,582	Biggs	\$70,710
Carson	\$414,730	Bishop	\$83,713
Cathedral City	\$283,223	Blue Lake	\$68,285
Cerritos	\$109,213	Brawley	\$151,156
Chico	\$390,348	Butte County	\$333,428
Chino	\$249,365	Calaveras County	\$206,477
Chino Hills	\$177,285	Calexico	\$203,832
Chula Vista	\$1,059,483	Calimesa	\$88,783
Citrus Heights	\$312,759	Calipatria	\$77,101
Clovis City	\$365,609	Calistoga	\$85,256
Compton	\$769,720	Capitola	\$105,092
Concord	\$488,785	Carmel-by-the-Sea	\$81,950
Contra Costa County	\$2,170,178	Chowchilla	\$110,382
Corona	\$582,003	Clearlake	\$145,867
Costa Mesa	\$528,581	Coalinga	\$103,109
Cupertino City	\$165,510	Colfax	\$72,032
Daly City	\$511,821	Colusa	\$85,917
Davis	\$302,924	Colusa County	\$83,493
Delano City	\$325,124	Corcoran	\$113,908
Downey	\$520,279	Corning	\$92,529
El Cajon	\$645,382	Crescent City	\$80,848
El Centro (Colonia Only)	\$245,998	Del Norte County	\$140,797

Entitlement Local Government		Non-entitlement Local Government	
Local Government	Funding Amount	Local Government	Funding Amount
El Monte	\$847,292	Dinuba	\$148,291
Elk Grove	\$439,787	Dixon	\$115,451
Encinitas	\$156,044	Dorris	\$66,522
Escondido	\$842,911	Dos Palos	\$82,832
Fairfield	\$390,910	Dunsmuir	\$72,032
Fontana	\$981,122	El Centro	\$216,175
Fountain Valley	\$144,608	El Dorado County	\$479,995
Fremont	\$641,160	Etna	\$67,183
Fresno	\$3,407,603	Eureka	\$187,522
Fresno County	\$1,643,348	Exeter	\$97,819
Fullerton	\$688,452	Farmersville	\$98,260
Garden Grove	\$994,343	Ferndale	\$71,150
Gardena	\$329,877	Firebaugh	\$95,395
Gilroy City	\$244,259	Fort Bragg	\$106,856
Glendale	\$867,025	Fort Jones	\$69,167
Glendora City	\$130,258	Fortuna	\$108,619
Goleta	\$94,015	Fowler	\$81,069
Hanford	\$295,468	Glenn County	\$106,856
Hawthorne	\$612,819	Grass Valley	\$135,508
Hayward	\$651,735	Greenfield	\$139,916
Hemet	\$402,536	Gridley	\$92,529
Hesperia	\$505,777	Grover Beach	\$121,182
Huntington Beach	\$548,495	Guadalupe	\$101,125
Huntington Park	\$651,678	Gustine	\$73,575
Indio City	\$455,962	Hidden Hills	\$71,371
Inglewood	\$735,776	Hollister	\$180,249
Irvine	\$757,977	Holtville	\$82,611
Kern County	\$2,160,344	Humboldt County	\$344,448
La Habra	\$388,867	Huron	\$99,582
La Mesa	\$188,809	Imperial	\$91,427
Laguna Niguel	\$153,414	Imperial County	\$173,858
Lake Elsinore	\$248,527	Indian Wells	\$88,783
Lake Forest	\$221,070	Industry	\$65,596
Lakewood	\$270,847	Inyo County	\$103,770
Lancaster	\$694,855	lone	\$75,338
Livermore	\$208,540	Jackson	\$87,460
Lodi	\$336,265	King City	\$134,185
Lompoc	\$227,027	Kings County	\$163,499
Long Beach	\$2,926,784	Lake County	\$241,741
Los Angeles	\$26,219,573	Lakeport	\$79,305
Los Angeles County	\$11,025,126	Lassen County	\$102,007
Lynwood	\$631,387	Lemoore	\$145,205

Entitlement Local Government		Non-entitlement Local Government	
Local Government	Funding Amount	Local Government	Funding Amount
Madera	\$422,319	Lincoln	\$203,171
Marin County	\$725,571	Lindsay	\$117,214
Menifee	\$251,604	Live Oak	\$89,664
Merced	\$518,719	Livingston	\$108,839
Milpitas City	\$238,595	Loomis	\$81,730
Mission Viejo	\$206,683	Los Banos	\$188,184
Modesto	\$969,747	Loyalton	\$67,624
Montebello	\$316,758	Madera County	\$273,920
Monterey	\$116,419	Mammoth Lakes	\$81,730
Monterey County	\$648,380	Maricopa	\$66,742
Monterey Park	\$318,871	Marina	\$157,548
Moreno Valley	\$1,029,809	Mariposa County	\$128,455
Mountain View	\$256,551	Marysville	\$110,382
Napa City	\$318,210	McFarland	\$112,806
National City	\$393,191	Mendocino County	\$349,958
Newport Beach	\$169,613	Merced County	\$310,947
Norwalk	\$592,762	Modoc County	\$76,440
Oakland	\$3,704,475	Mono County	\$77,101
Oceanside	\$649,151	Montague	\$68,726
Ontario	\$920,018	Mount Shasta	\$89,885
Orange	\$607,483	Napa County	\$143,222
Orange County	\$1,272,164	Nevada City	\$78,865
Oxnard	\$1,158,429	Nevada County	\$306,319
Palm Desert	\$171,306	Orange Cove	\$101,345
Palm Springs	\$192,237	Orland	\$92,529
Palmdale	\$779,064	Oroville	\$137,051
Palo Alto	\$231,496	Pacific Grove	\$118,757
Paradise	\$93,596	Palos Verdes Estates	\$96,717
Paramount City	\$438,197	Parlier	\$133,524
Pasadena	\$936,076	Pismo Beach	\$99,582
Perris City	\$466,532	Placer County	\$455,090
Petaluma	\$184,357	Placerville	\$110,823
Pico Rivera	\$338,973	Plumas County	\$121,182
Pittsburg	\$317,683	Plymouth	\$67,404
Placentia	\$214,774	Point Arena	\$67,404
Pleasanton City	\$151,089	Portola	\$75,338
Pomona	\$1,068,445	Rancho Mirage	\$172,094
Porterville	\$342,754	Red Bluff	\$124,047
Rancho Cordova City	\$285,366	Rio Dell	\$79,085
Rancho Cucamonga	\$450,476	Rio Vista	\$96,276
Rancho Santa Margarita	\$101,396	Riverbank	\$122,063
Redding	\$336,814	San Benito County	\$121,182

Entitlement Local Government		Non-entitlement Local Government	
Local Government	Funding Amount	Local Government	Funding Amount
Redondo Beach	\$130,830	San Joaquin	\$78,644
Redwood City	\$347,719	San Juan Bautista	\$75,999
Rialto	\$597,786	San Juan Capistrano	\$236,452
Riverside	\$1,622,125	Sand City	\$67,139
Riverside County	\$3,996,171	Santa Cruz County	\$565,952
Rocklin City	\$134,638	Scotts Valley	\$103,770
Rosemead	\$343,238	Shasta County	\$286,924
Roseville	\$313,366	Shasta Lake	\$102,227
Sacramento	\$2,357,067	Sierra County	\$67,624
Sacramento County	\$2,720,826	Siskiyou County	\$142,120
Salinas	\$1,006,847	Solano County	\$128,234
San Bernardino	\$1,622,027	Soledad	\$120,961
San Bernardino County	\$3,459,141	Sonora	\$91,427
San Buenaventura	\$357,439	South Lake Tahoe	\$165,703
San Clemente	\$189,040	St. Helena	\$89,003
San Diego	\$5,790,183	Suisun City	\$154,683
San Diego County	\$1,979,966	Susanville	\$93,191
San Francisco	\$8,718,035	Sutter County	\$116,333
San Joaquin County	\$1,310,193	Sutter Creek	\$78,644
San Jose	\$4,348,646	Taft	\$90,546
San Leandro	\$349,960	Tehama	\$65,596
San Luis Obispo County	\$872,502	Tehama County	\$186,685
San Marcos City	\$319,178	Trinidad	\$66,081
San Mateo	\$341,894	Trinity County	\$121,622
San Mateo County	\$1,209,550	Truckee	\$104,652
Santa Ana	\$2,803,706	Tulare County	\$583,584
Santa Barbara	\$453,109	Tulelake	\$68,506
Santa Barbara County	\$569,787	Tuolumne County	\$242,182
Santa Clara	\$479,491	Ukiah	\$129,777
Santa Clara County	\$736,733	Vernon	\$65,376
Santa Clarita	\$588,259	Wasco	\$135,508
Santa Cruz	\$264,744	Weed	\$76,661
Santa Maria	\$733,471	Westmorland	\$72,693
Santa Monica	\$547,516	Wheatland	\$72,032
Santa Rosa	\$694,325	Williams	\$80,848
Santee	\$134,374	Willits	\$92,309
Seaside	\$193,124	Willows	\$93,631
Simi Valley	\$290,357	Winters	\$88,783
Sonoma County	\$899,393	Woodlake	\$89,885
South Gate	\$721,320	Yolo County	\$136,610
South San Francisco	\$217,980	Yountville	\$81,069
Stanislaus County	\$1,154,982	Yreka	\$102,007

Stockton	\$1,711,430	Yuba County	\$272,377
<b>Entitlement Local Government</b>			
<b>Local Government</b>	<b>Funding Amount</b>		
Sunnyvale	\$533,023		
Temecula	\$273,393		
Thousand Oaks	\$296,040		
Torrance	\$444,374		
Tulare	\$318,433		
Turlock	\$309,854		
Tustin	\$385,545		
Union City	\$253,935		
Upland	\$277,837		
Vacaville	\$240,500		
Vallejo	\$505,369		
Ventura County	\$859,749		
Victorville	\$632,770		
Visalia	\$630,815		
Vista	\$408,882		
Walnut Creek	\$138,449		
Watsonville	\$362,515		
West Covina	\$388,763		
West Sacramento	\$236,679		
Westminster	\$510,577		
Whittier	\$383,190		
Woodland	\$248,989		
Yorba Linda	\$106,529		
Yuba City	\$311,140		



## Appendix B: List of High-cost Areas in California

High-cost Area by County	High-cost Area pursuant to Federal Housing Finance Agency's Maximum Loan Limits for Mortgages Acquired in Calendar Year 2020	High-cost Area pursuant to Department of Housing and Urban Development Very low-Income Adjustments due to High-Housing Cost for Fiscal Year 2020
Alameda	X	
Butte		X
Contra Costa	X	
El Dorado	X	
Los Angeles	X	
Madera		X
Marin	X	
Mendocino		X
Mono	X	
Monterey	X	
Napa	X	
Orange	X	
Placer	X	
Riverside		X
Sacramento	X	
San Benito	X	
San Bernardino		X
San Diego	X	
San Francisco	X	
San Luis Obispo	X	
San Mateo	X	
Santa Barbara	X	
Santa Clara	X	
Santa Cruz	X	
Sierra		X
Sonoma	X	
Tulare		X
Ventura	X	
Yolo	X	

**Appendix C: Estimate of Five-Year PLHA Allocation for Entitlement and Non-entitlement Local Government**

Entitlement Local Government		Non-entitlement Local Government	
Local Government	Estimate 5-Year Funding Amount	Local Government	Estimate 5-Year Funding Amount
Alameda	\$3,352,590	Alpine County	\$408,390
Alhambra	\$2,793,768	Alturas	\$475,835
Aliso Viejo	\$715,062	Amador City	\$395,168
Anaheim	\$12,931,710	Amador County	\$805,115
Antioch	\$2,365,410	American Canyon	\$704,612
Apple Valley	\$1,725,366	Anderson	\$622,622
Bakersfield	\$10,385,412	Angels	\$487,737
Baldwin Park	\$2,929,068	Arcata	\$1,056,372
Bellflower	\$3,081,744	Artesia	\$814,372
Berkeley	\$7,761,504	Arvin	\$831,563
Buena Park	\$2,215,452	Atwater	\$949,257
Burbank	\$2,863,092	Auburn	\$719,158
Camarillo	\$812,124	Avenal	\$627,912
Carlsbad	\$1,635,492	Benicia	\$848,754
Carson	\$2,488,380	Biggs	\$424,261
Cathedral City	\$1,699,338	Bishop	\$502,283
Cerritos	\$655,278	Blue Lake	\$409,715
Chico	\$2,342,088	Brawley	\$906,940
Chino	\$1,496,190	Butte County	\$2,000,572
Chino Hills	\$1,063,710	Calaveras County	\$1,238,865
Chula Vista	\$6,356,898	Calexico	\$1,222,996
Citrus Heights	\$1,876,554	Calimesa	\$532,699
Clovis City	\$2,193,654	Calipatria	\$462,611
Compton	\$4,618,320	Calistoga	\$511,540
Concord	\$2,932,710	Capitola	\$630,557
Corona	\$3,492,018	Carmel-by-the-Sea	\$491,704
Costa Mesa	\$3,171,486	Chowchilla	\$662,295
Cupertino City	\$993,060	Clearlake	\$875,203
Daly City	\$3,070,926	Coalinga	\$618,655
Davis	\$1,817,544	Colfax	\$432,196
Delano City	\$1,950,744	Colusa	\$515,507
Downey	\$3,121,674	Colusa County	\$500,961
El Cajon	\$3,872,292	Corcoran	\$683,453
El Centro	\$1,475,988	Corning	\$555,180
Elk Grove	\$2,638,722	Crescent City	\$485,092
El Monte	\$5,083,752	Del Norte County	\$844,787
Encinitas	\$936,264	Dinuba	\$889,749
Escondido	\$5,057,466	Dixon	\$692,710

Entitlement Local Government		Non-entitlement Local Government	
Local Government	Estimate 5 Year Funding Amount	Local Government	Estimate 5 Year Funding Amount
Fairfield	\$2,345,460	Dorris	\$399,135
Fontana	\$5,886,732	Dos Palos	\$496,994
Fountain Valley	\$867,648	Dunsmuir	\$432,196
Fremont	\$3,846,960	El Centro	\$1,297,051
Fresno	\$20,445,618	El Dorado County	\$2,879,974
Fullerton	\$4,130,712	Etna	\$403,103
Gardena	\$1,979,262	Eureka	\$1,125,138
Garden Grove	\$5,966,058	Exeter	\$586,917
Gilroy City	\$1,465,554	Farmersville	\$589,562
Glendale	\$5,202,150	Ferndale	\$426,906
Glendora City	\$781,548	Firebaugh	\$572,371
Goleta	\$564,090	Fort Bragg	\$641,136
Hanford	\$1,772,808	Fort Jones	\$415,004
Hawthorne	\$3,676,914	Fortuna	\$651,715
Hayward	\$3,910,410	Fowler	\$486,414
Hemet	\$2,415,216	Glenn County	\$641,136
Hesperia	\$3,034,662	Grass Valley	\$813,049
Huntington Beach	\$3,290,970	Greenfield	\$839,497
Huntington Park	\$3,910,068	Gridley	\$555,180
Indio City	\$2,735,772	Grover Beach	\$727,093
Inglewood	\$4,414,656	Guadalupe	\$606,754
Irvine	\$4,547,862	Gustine	\$441,452
Laguna Niguel	\$920,484	Hidden Hills	\$428,228
La Habra	\$2,333,202	Hollister	\$1,081,498
Lake Forest	\$1,326,420	Holtville	\$495,671
Lake Elsinore	\$1,491,162	Humboldt County	\$2,066,693
Lakewood	\$1,625,082	Huron	\$597,497
La Mesa	\$1,132,854	Imperial	\$548,568
Lancaster	\$4,169,130	Imperial County	\$1,043,148
Livermore	\$1,251,240	Indian Wells	\$532,699
Lodi	\$2,017,590	Industry	\$393,581
Lompoc	\$1,362,162	Inyo County	\$622,622
Long Beach	\$17,560,704	Ione	\$452,032
Los Angeles	\$157,317,438	Jackson	\$524,764
Lynwood	\$3,788,322	King City	\$805,115
Madera	\$2,533,914	Kings County	\$980,995
Menifee	\$1,509,624	Lake County	\$1,450,450
Merced	\$3,112,314	Lakeport	\$475,835
Milpitas City	\$1,431,570	Lassen County	\$612,043
Mission Viejo	\$1,240,098	Lemoore	\$871,235
Modesto	\$5,818,482	Lincoln	\$1,219,029

Entitlement Local Government		Non-entitlement Local Government	
Local Government	Estimate 5 Year Funding Amount	Local Government	Estimate 5 Year Funding Amount
Montebello	\$1,900,548	Lindsay	\$703,289
Monterey	\$698,514	Live Oak	\$537,988
Monterey Park	\$1,913,226	Livingston	\$653,038
Moreno Valley	\$6,178,854	Loomis	\$490,382
Mountain View	\$1,539,306	Los Banos	\$1,129,105
Napa City	\$1,909,260	Loyalton	\$405,747
National City	\$2,359,146	Madera County	\$1,643,522
Newport Beach	\$1,017,678	Mammoth Lakes	\$490,382
Norwalk	\$3,556,572	Maricopa	\$400,458
Oakland	\$22,226,850	Marina	\$945,290
Oceanside	\$3,894,906	Mariposa County	\$770,732
Ontario	\$5,520,108	Marysville	\$662,295
Orange	\$3,644,898	McFarland	\$676,841
Oxnard	\$6,950,574	Mendocino County	\$2,099,753
Palmdale	\$4,674,384	Merced County	\$1,865,687
Palm Desert	\$1,027,836	Modoc County	\$458,644
Palm Springs	\$1,153,422	Mono County	\$462,611
Palo Alto	\$1,388,976	Montague	\$412,359
Paradise	\$561,576	Mount Shasta	\$539,311
Paramount City	\$2,629,182	Napa County	\$859,334
Pasadena	\$5,616,456	Nevada City	\$473,190
Perris City	\$2,799,192	Nevada County	\$1,837,916
Petaluma	\$1,106,142	Orange Cove	\$608,076
Pico Rivera	\$2,033,838	Orland	\$555,180
Pittsburg	\$1,906,098	Oroville	\$822,306
Placentia	\$1,288,644	Pacific Grove	\$712,546
Pleasanton City	\$906,534	Palos Verdes Estates	\$580,305
Pomona	\$6,410,670	Parlier	\$801,148
Porterville	\$2,056,524	Pismo Beach	\$597,497
Rancho Cordova City	\$1,712,196	Placer County	\$2,730,542
Rancho Cucamonga	\$2,702,856	Placerville	\$664,940
Rancho Santa Margarita	\$608,376	Plumas County	\$727,093
Redding	\$2,020,884	Plymouth	\$404,425
Redondo Beach	\$784,980	Point Arena	\$404,425
Redwood City	\$2,086,314	Portola	\$452,032
Rialto	\$3,586,716	Rancho Mirage	\$1,032,569
Riverside	\$9,732,750	Red Bluff	\$744,284
Rocklin City	\$807,828	Rio Dell	\$474,513
Rosemead	\$2,059,428	Rio Vista	\$577,661
Roseville	\$1,880,196	Riverbank	\$732,382
Sacramento	\$14,142,402	San Benito County	\$727,093

Entitlement Local Government		Non-entitlement Local Government	
Local Government	Estimate 5 Year Funding Amount	Local Government	Estimate 5 Year Funding Amount
Salinas	\$6,041,082	San Joaquin	\$471,868
San Bernardino	\$9,732,162	San Juan Bautista	\$455,999
San Clemente	\$1,134,240	San Juan Capistrano	\$1,418,712
San Diego	\$34,741,098	Sand City	\$402,838
San Francisco	\$52,308,210	Santa Cruz County	\$3,395,713
San Jose	\$26,091,876	Scotts Valley	\$622,622
San Leandro	\$2,099,760	Shasta County	\$1,721,544
San Marcos City	\$1,915,068	Shasta Lake	\$613,366
San Mateo	\$2,051,364	Sierra County	\$405,747
Santa Ana	\$16,822,236	Siskiyou County	\$852,722
Santa Barbara	\$2,718,654	Solano County	\$769,410
Santa Clara	\$2,876,946	Soledad	\$725,770
Santa Clarita	\$3,529,554	Sonora	\$548,568
Santa Cruz	\$1,588,464	South Lake Tahoe	\$994,219
Santa Maria	\$4,400,826	St. Helena	\$534,021
Santa Monica	\$3,285,096	Suisun City	\$928,099
Santa Rosa	\$4,165,950	Susanville	\$559,147
Santee	\$806,244	Sutter County	\$698,000
Seaside	\$1,158,744	Sutter Creek	\$471,868
Simi Valley	\$1,742,142	Taft	\$543,278
South Gate	\$4,327,920	Tehama	\$393,581
South San Francisco	\$1,307,880	Tehama County	\$1,120,113
Stockton	\$10,268,580	Trinidad	\$396,491
Sunnyvale	\$3,198,138	Trinity County	\$729,738
Temecula	\$1,640,358	Truckee	\$627,912
Thousand Oaks	\$1,776,240	Tulare County	\$3,501,506
Torrance	\$2,666,244	Tulelake	\$411,037
Tulare	\$1,910,598	Tuolumne County	\$1,453,095
Turlock	\$1,859,124	Ukiah	\$778,667
Tustin	\$2,313,270	Vernon	\$392,259
Union City	\$1,523,610	Wasco	\$813,049
Upland	\$1,667,022	Weed	\$459,966
Vacaville	\$1,443,000	Westmorland	\$436,163
Vallejo	\$3,032,214	Wheatland	\$432,196
San Buenaventura	\$2,144,634	Williams	\$485,092
Victorville	\$3,796,620	Willits	\$553,857
Visalia	\$3,784,890	Willows	\$561,792
Vista	\$2,453,292	Winters	\$532,699
Walnut Creek	\$830,694	Woodlake	\$539,311
Watsonville	\$2,175,090	Yolo County	\$819,661
West Covina	\$2,332,578	Yountville	\$486,414

Entitlement Local Government		Non-entitlement Local Government	
Local Government	Estimate 5 Year Funding Amount	Local Government	Estimate 5 Year Funding Amount
Westminster	\$3,063,462	Yreka	\$612,043
West Sacramento	\$1,420,074	Yuba County	\$1,634,265
Whittier	\$2,299,140		
Woodland	\$1,493,934		
Yorba Linda	\$639,174		
Yuba City	\$1,866,840		
Alameda County	\$5,603,190		
Contra Costa County	\$13,021,068		
Fresno County	\$9,860,088		
Kern County	\$12,962,064		
Los Angeles County	\$66,150,756		
Marin County	\$4,353,426		
Monterey County	\$3,890,280		
Orange County	\$7,632,984		
Riverside County	\$23,977,026		
Sacramento County	\$16,324,956		
San Bernardino County	\$20,754,846		
San Diego County	\$11,879,796		
San Joaquin County	\$7,861,158		
San Luis Obispo County	\$5,235,012		
San Mateo County	\$7,257,300		
Santa Barbara County	\$3,418,722		
Santa Clara County	\$4,420,398		
Sonoma County	\$5,396,358		
Stanislaus County	\$6,929,892		
Ventura County	\$5,158,494		

**Appendix D: Ineligible Jurisdictions Due to Housing Element Requirement and/or Annual Progress Report (APR) Requirement stated in Guidelines Section 302(a) and (b)**

As of the date of this notice, 72 jurisdictions are not in compliance with the Housing Element and/or Housing Element Annual Progress Report (APR) Requirements stated in Guidelines Section 302(a) and (b). PLHA is an over-the-counter program, so as these jurisdictions reach compliance with the Housing Element and APR requirements, they will be eligible for these funds. We acknowledge that many jurisdictions listed below are in process of obtaining compliance, and they will be eligible for this program once compliance is obtained during the application period.

Jurisdictions	Housing Element Compliance Status	2018 and 2019 APRs
Alturas	Out	
Amador City	Due- June 30, 2014	Neither received
Bell	Out	Neither received
Blue Lake	Out	Neither received
Blythe		Neither received
Bradbury		Neither received
California City		Neither received
Calipatria		Neither received
Canyon Lake	In Review	
Chowchilla	In Review	
Commerce		Neither received
Compton	Out	
Covina	Due- October 15,2013	
Crescent City		Neither received
Cudahy		Neither received
Del Rey Oaks	In Review	
Desert Hot Springs	Out	
Dos Palos	In Review	
Eureka	In Review	
Ferndale		Neither received
Fort Jones	Out	
Fowler		Neither received
Glenn County		Neither received
Hesperia		Neither received
Holtville		Neither received
Huntington Beach	In Review	Neither received
Huntington Park	Out	Neither received
Inyo County		Neither received
La Habra Heights	Due- October 15, 2013	
La Puente	Out	
Lake County	Out	

Jurisdictions	Housing Element Compliance Status	2018 and 2019 APRs
La Mirada		Neither received
Lassen County		Neither received
Loyalton		Neither received
Marina	In Review	
Maywood	In Review	Neither received
Mendocino County	Out	
Mendota		Neither received
Modoc County		Neither received
Mono County	Out	
Montebello	Out	Neither received
Orange Cove	Out	
Parlier		Neither received
Patterson		Neither received
Pismo Beach	In Review	
Red Bluff	Due- August 31, 2019	
Rialto	In Review	Neither received
Ridgecrest		Neither received
Rio Dell	Due- August 31, 2019	
Ripon		Neither received
Rolling Hills	Out	Neither received
Sanger	In Review	
Seaside	In Review	
Selma	Out	
Shafter		Neither received
Soledad	In Review	
Sonora	Out	
South El Monte	Out	
Susanville	Out	
Trinidad	Due- August 31, 2019	
Trinity County	In Review	
Victorville	In Review	
Westlake Village	Out	
Westmorland	Out	
Wheatland	In Review	Neither received
Willows	In Review	
Woodlake	In Review	

Please note – the information provided above is current as of February 25, 2020. Please contact Paul McDougall, Housing Policy Manager, at [paul.mcdougall@hcd.ca.gov](mailto:paul.mcdougall@hcd.ca.gov) with questions or to verify status of housing element compliance. For questions about APR compliance, please email [APR@hcd.ca.gov](mailto:APR@hcd.ca.gov).



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
ADMINISTRATION AND MANAGEMENT DIVISION**

**Business and Contract Services Branch**

2020 W. El Camino Avenue, Suite 130, 95833  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-6928 / FAX (916) 263-6917  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



February 24, 2021

Eric D. Shaw, Director, Mayor's Office of Housing and Community Development  
City and County of San Francisco  
1 South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103

Dear Eric D. Shaw:

**RE: City and County of San Francisco  
Contract No. 20-PLHA-15188**

Congratulations on your Permanent Local Housing Allocation (PLHA) Program NOFA award. Attached is an electronic copy of the Standard Agreement with Exhibits A through E:

**A. Standard Agreement Contents (STD 213 and Exhibits A through E)**

**STD 213 – Cover page**

**Exhibit A – Authority, Purpose and Scope of Work**

**Exhibit B – Budget Detail and Payment Provisions**

**Exhibit C\* – State of California General Terms and Conditions - GTC 04/2017**

*\*Exhibit C is now incorporated by reference; please see the STD 213 for additional information.*

**Exhibit D – PLHA General Terms and Conditions**

**Exhibit E – Special Conditions**

**B. For expeditious handling of the contract, the Department offers two options for returning signed STD 213; please review and complete one of the following options:**

1. Review the entire Agreement thoroughly and, if necessary, discuss the requirements with your legal and financial advisors.

2. The person or persons authorized by the Resolution(s), must provide an **original signature, printed name, title and date, using blue ink**, on the lower left-hand section entitled "Contractor" on the STD 213 and/or on the additional Signature Page(s), if applicable.
3. **Option One:** For electronic signature processing, reply to this Standard Agreement email notification with the attached, fully signed STD 213 page. All signatures must be in **blue ink**. All signers must be included in the reply email and confirm acceptance of e-signing the Agreement.
4. **Option Two:** Print one copy of the Standard Agreement, STD 213. Do not send photocopies of the signed STD 213 page. The hard copy must be an original, **wet** signature and in **blue ink**; do not return the Exhibits to HCD.
5. **Note:** If the resolution did not authorize a designated official to sign the STD 213 and amendments thereto, your governing body must adopt a resolution authorizing a designated official(s) to sign the STD 213 and any subsequent amendments. If the authorized designee as reflected in the resolution, the awarded NOFA amount or your entity status has changed, you are required to provide, to the Department, a new resolution consistent with the terms of the NOFA award and adopted by your Board.
6. Return the e-signed copy or the signed hard copy of the STD 213; and, if applicable, the certified resolution within 30 days from the date of this letter to the following address:

**Department of Housing and Community Development  
Business & Contract Services Branch  
Contracts Office, Attention: LaTasha Jackson  
2020 W. El Camino Avenue, Suite 130  
Sacramento, CA 95833**

7. Maintain a complete electronic version of the STD 213 and Exhibits for your pending file. **Note: The Standard Agreement contract is not effective until it is signed by the Awardee's designated official and the Department.**

**The Department reserves the right to cancel any pending Standard Agreement in its entirety if not returned within the required 30-day period.**

Please contact Douglas Truong, PLHA Program Manager, Program Design and Implementation Branch, at (916) 263-5022 or [Douglas.Truong@hcd.ca.gov](mailto:Douglas.Truong@hcd.ca.gov), if you have any questions regarding the Standard Agreement or the provisions therein.

Sincerely,

*LaTasha Jackson*

LaTasha Jackson  
Contracts Analyst  
Business and Contracts Services Branch

Enclosure(s)

**STANDARD AGREEMENT**

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER 20-PLHA-15188
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PURCHASING AUTHORITY NUMBER (if applicable)
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME  
City and County of San Francisco

2. The term of this Agreement is:

START DATE  
Upon HCD Approval

THROUGH END DATE  
6/30/2030

3. The maximum amount of this Agreement is:  
\$8,718,035.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	PLHA Program Terms and Conditions	9
Exhibit E	Program-Specific Provisions and Special Conditions	3
TOTAL NUMBER OF PAGES ATTACHED		20

*Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.  
These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>*

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

City and County of San Francisco

CONTRACTOR BUSINESS ADDRESS 1 South Van Ness Avenue, 5th Floor	CITY San Francisco	STATE CA	ZIP 94103
PRINTED NAME OF PERSON SIGNING	TITLE		
CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED		

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME  
Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS 2020 W. El Camino Ave., Suite 130	CITY Sacramento	STATE CA	ZIP 95833
PRINTED NAME OF PERSON SIGNING Shaun Singh	TITLE Contracts Manager, Business & Contract Services Branch		
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED		

California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 6/12/1981)

**EXHIBIT A****AUTHORITY, PURPOSE AND SCOPE OF WORK****1. Authority**

Pursuant to Part 2 Chapter 2.5 of Division 31 of the Health and Safety Code (commencing with Section 50470) Statutes of 2017 (SB 2, Atkins), which created the Building Homes and Jobs Trust Fund and the Permanent Local Housing Allocation (“PLHA”) Program (“Program”), this Standard Agreement along with all its exhibits (the “Agreement”) is entered under the authority of and in furtherance of the Program. Pursuant to Health and Safety Code, Section 50470 (b), the California Department of Housing and Community Development (referred to herein as “HCD” or “Department”) has issued a Notice of Funding Availability (the “NOFA”), dated February 26, 2020, to govern administration of the fund and carry out the Program.

**2. Purpose**

In accordance with the authority cited above, an application was made to the State (the “Application”) for assistance from the Program for the purpose of making funding available to eligible local governments in California for housing related projects and programs that assist in addressing the unmet housing needs of their local communities. By entering into this Agreement and thereby accepting the award of the PLHA grant funds (the “Grant”), the Contractor (sometimes referred to herein as the “Applicant”) agrees to comply with the terms and conditions of the NOFA, this Agreement, the representations contained in the Application, and the requirements of the authorities cited above.

**3. Definitions**

Capitalized terms not otherwise defined herein shall have the meaning of the definitions set forth in Health and Safety Code Section 50470 and Section 101 of the Guidelines.

**4. Scope of Work**

- A. The scope of work (“Work”) for this Agreement shall consist of one or more of the following eligible uses:
- 1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies.

Permanent Local Housing Allocation (PLHA) Program – Grant

NOFA Date: 02/26/2020

Approved Date: 10/05/2020

Prep. Date: 11/05/2020

**EXHIBIT A**

- 2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for a term of no less than thirty days.
- 3) Matching portions of funds placed into local or regional housing trust funds.
- 4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
- 5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
- 6) Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
  - a) This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded California Emergency Solutions and Housing (CESH) program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.
  - b) Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255, subdivision (b).
- 7) Accessibility modifications in Lower-income Owner-occupied housing.

**EXHIBIT A**

- 8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
  - 9) Homeownership opportunities, including, but not limited to, down payment assistance.
  - 10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low interest deferred loan to the Affordable housing Project.
- B. A Local government that receives an allocation shall use no more than five percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in Section 301 are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.
- C. Two or more local governments that receive PLHA allocations may expend those moneys on an eligible jointly funded project as provided in Section 50470 (b)(2)(B)(ii)(IV). An eligible jointly funded project must be an eligible Activity pursuant to Section 301(a) and be located within the boundaries of one of the Local governments.
- D. Entitlement Local governments may use the flow of PLHA funds to incentivize private lender loans and to guarantee payments for some or all public agency bond financings for activities consistent with the uses identified in Section 301 “Eligible Activities”. This loan guarantee Activity must be identified and fully explained in the Applicant’s “Plan”.

**EXHIBIT A**

**5. Department Contract Coordinator**

The Department’s Contract Coordinator for this Agreement is the Division of Financial Assistance, Grant Management Section PLHA Manager or their designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development  
Attention: Permanent Local Housing Allocation (PLHA)  
Grant Management Section, Suite 400  
2020 West El Camino Avenue, CA 95833  
P. O. Box 952050  
Sacramento, CA 94252-2050

**6. Contractor Contract Coordinator**

The Contractor’s contract coordinator for this Agreement is the Authorized Representative listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement may be mailed by first class mail, or sent through a commercial courier to the Authorized Representative at the following address:

Authorized Representative Name:	Eric D. Shaw
Authorized Representative Title:	Director, Mayor's Office of Housing and Community Development
Agency Name:	City and County of San Francisco
Address:	1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103
Phone No.:	(415) 701-5500
Email Address:	<a href="mailto:eric.shaw@sfgov.org">eric.shaw@sfgov.org</a>

**7. Effective Date, Term of Agreement, and Deadlines**

- A. This Agreement is effective upon approval by the Department, which is the date executed by all parties (such date, the “Effective Date”).
- B. This Agreement shall terminate on June 30, 2030.



**EXHIBIT A**

- C. Except for predevelopment expenses for construction projects funded by PLHA and costs to develop and prepare the Plan and the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the Plan and the PLHA application are subject to the cap on administrative fees.
  
- D. Any Grant funds which have not been expended by the expenditure deadline shall be disencumbered and revert to the Department. The expenditure deadline is fifty-eight months from the date of the budget appropriation for each year of funds included in this Agreement.

**EXHIBIT B**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

**1. Budget Detail**

The budget detail is contained in Exhibit E in this Agreement.

Contractor will be responsible for maintaining oversight of grant amounts and determining whether an amended PLHA Plan is required due to reallocation of more than ten percent among Activities funded per Section 302(c)(5).

**2. Conditions of Disbursement**

Prior to receiving any Grant funds, the Contractor shall submit the following for the Department's approval:

- A. Government TIN Form, as applicable.
- B. No Funding will be disbursed to Contractor unless Contractor and any delegating Local government has an approved Housing Element and is in compliance with the Housing Element Annual Progress Report requirements, pursuant to PLHA Program Guidelines section 302(a) and (b).
- C. Contractor shall not be eligible to receive a new allocation if the Contractor has accrued an uncommitted amount of four times the pending allocation if the pending allocation is \$125,000 or less; or \$500,000 if the pending allocation is greater than \$125,000 and less than \$500,000; or the amount of the pending allocation if the allocation is \$500,000 or more.

**3. Performance**

- A. All funds must be disbursed within fifty-eight months of the budget appropriation. Funds that are not disbursed within fifty-eight months of the budget appropriation will revert to the Housing Rehabilitation Loan Fund.

**EXHIBIT B**

- B. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be reduced proportionate to those years already allocated, calculated at the time that the appropriation is reduced or terminated and reduced accordingly. All subsequent years shall be terminated, and the grant agreement shall be of no further force and effect, after amounts due for the period upon the reduced appropriation or termination are returned by the Contractor to the State. In this event, the State and Contractor shall be relieved of any and all obligations under this Agreement. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the State, or amend the Agreement and amount allocated to Contractor.

**4. Fiscal Administration**

- A. The Contractor may request a disbursement of 100 percent of total awarded Grant funds after executing the Standard Agreement. Administrative costs related to the planning and execution of eligible activities shall not exceed five percent of the Grant amount.
- B. A separate checking account for the Grant funds is not required. However, the Contractor shall deposit Grant funds in an interest-bearing checking or savings account insured by the federal or state government. All interest earned from the deposit of Grant funds shall be used for eligible Program activities and accounted for in Contractor's annual report.
- C. The Contractor shall make a good faith effort to minimize the number of disbursement requests by anticipating and requesting funds in advance.
- D. The Contractor may request that Grant funds awarded for a certain eligible activity be moved to another activity without an amendment to this Agreement. This request must be made in writing to HCD if the change from one activity to another exceeds ten percent of the grant amount and shall be effective only upon written HCD approval. HCD's decision to approve or deny any such request shall be final, absent fraud, mistake or arbitrariness per Section 302(c)(5).

**EXHIBIT B**

**5. Budget Contingency Clause**

- A. It is mutually agreed that if the Budget Act of the subsequent years covered under this Agreement does not appropriate sufficient funds for the program this Agreement shall remain in force and effect until the time of notice of reduced or terminated appropriation, The Agreement shall be terminated by the State by providing Contractor written notice of not less than thirty days prior to the effective date of the termination. In the event of termination by the State due to lack of Budget appropriation, the State and Contractor shall be relieved of any and all obligations under this Grant Agreement on the effective date of termination and the Contractor shall return the amount for subsequent year allocations.
  
- B. Subject to Section 5A. above, if funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the State, or amend the current Grant Agreement and amount allocated to Contractor.

**EXHIBIT D**

**PLHA PROGRAM TERMS AND CONDITIONS**

**1. Effective Date, Commencement of Work**

This Agreement is effective upon the date of the Department representative's signature on page one of the fully executed Standard Agreement, STD 213. Contractor agrees that work under this agreement shall not commence until execution of the STD 213, (the "Effective Date").

**2. Strict Compliance**

Contractor will strictly comply with the terms, conditions and requirements of the Permanent Local Housing Allocation (PLHA) Statutes, Guidelines, the Notice of Funding Availability (NOFA), and this Agreement.

**3. Contractor's Application for Funds**

- A. Contractor has submitted to the Department an Application for a Grant under the Program. The Department is entering into this Agreement based on, and in substantial reliance upon, Contractor's facts, information, assertions and representations contained in that Application, and in any subsequent modifications or additions thereto approved by the Department. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.
- B. Contractor warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of Contractor's knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect the Department's approval, disbursement, or monitoring of the funding and the Grants or activities governed by this Agreement, then the Department may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

**EXHIBIT D****4. Eligible Activities**

Grant funds awarded to the Contractor and expended by either the Contractor or any entity to which Contractor awards funds shall be used for the eligible activities set forth in Exhibit A as required by the PLHA Statutes. The following additional requirements shall apply:

- A. Each Contractor shall submit a Plan detailing:
- 1) The manner in which allocated funds will be used for eligible activities.
  - 2) A description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below sixty percent of AMI. Programs targeted at households at or below sixty percent of AMI will be deemed to meet this requirement.
  - 3) A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.
  - 4) Evidence that the Plan was authorized and adopted by resolution by the Local government and that the public had an adequate opportunity to review and comment on its content.
  - 5) The following for each proposed Activity:
    - a) A description of each proposed Activity, pursuant to Section 301 of the Guidelines and the percentage of funding allocated to it. The description shall specifically include the percentage of funds, if any, directed to Affordable Owner-Occupied Workforce Housing (AOWH).
    - b) The projected number of households to be served at each income level and a comparison to the unmet share of the Regional Housing Needs Allocation (RHNA) at each income level.
    - c) A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.
    - d) The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least fifty-five years.

**EXHIBIT D**

- 6) The Plan is required to be for a term of five years. Local governments shall obtain approval of the Department for amendments made to the Plan in each succeeding year of the term of the Plan. Reallocations of more than ten percent of funds among Activities require amendment of the Plan, with approval granted by the governing body at a publicly noticed public meeting.
- 7) If funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the following requirements if the property is no longer the primary residence of the homeowner due to sale, transfer or lease, unless it is in conflict with the requirements of another public funding source or law:
  - a) PLHA loan and any interest thereon shall be repaid to the Local government's PLHA account. The Local government shall reuse the repayments consistent with the Eligible Activities per Section 301 of the Guidelines; or,
  - b) The initial owner and any subsequent owner shall sell the home at an Affordable housing cost to a qualified Lower-Income or Moderate-Income household; or,
  - c) The homeowner and the Local government shall share the equity in the unit pursuant to an equity-sharing agreement. The grantee shall reuse the proceeds of the equity-sharing agreement consistent with the Eligible Activities per Section 301 of the Guidelines.
- 8) If funds are used for the development of an affordable rental housing project, the Local government shall make the PLHA assistance in the form of a loan to the Sponsor of the project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust.
- 9) A program income reuse plan describing how repaid loans shall be reused for eligible activities specified in Section 301 of the Guidelines.

**EXHIBIT D****5. Core Practices**

- A. A Contractor or Subrecipient must provide eligible activities in a manner consistent with the housing first practices described in California Code of Regulations, title 25, section 8409(b)(1)-(6). A Contractor or Subrecipient allocated funds for eligible activities that provide permanent housing shall incorporate the core components of Housing First as provided in Section 8255(b) of the Welfare and Institutions Code.

**6. Monitoring Grant Activities**

- A. Contractor shall monitor the activities selected and awarded by them to ensure compliance with PLHA requirements. An onsite monitoring visit of Subrecipients and any other service providers shall occur whenever determined necessary by the Contractor, but at least once during the Grant period.
- B. The Department will monitor the performance of the Contractor based on a risk assessment and according to the terms of this Agreement. The Department may also monitor any Subrecipients of the Contractor as the Department deems appropriate based on a risk assessment.
- C. As requested by the Department, the Contractor shall submit to the Department all PLHA monitoring documentation necessary to ensure that Contractor and its Subrecipients are in continued compliance with PLHA requirements. Such documentation requirements and the submission deadline shall be provided by the Department at the time such information is requested from the Contractor.

**7. Reporting/Audits**

- A. Commencing with the Effective Date of this Agreement and continuing through the Expiration Date, the Contractor shall submit an annual report to the Department by July 31 of each year that reports all activities from the previous fiscal year (7/1–6/30), on forms provided by the Department.

The first report will be due on July 31, 2021 and will report all activities from date of initial fund disbursement through June 30, 2021.

- B. The annual report shall contain a detailed report which must include, at a minimum:
- 1) Identification of the Eligible Activities to which the Contractor committed program funds, and the income levels of households assisted.



**EXHIBIT D**

- 2) Amounts awarded to Subrecipients with the activity(ies) identified;
  - 3) Identification of the Eligible Activities upon which the Contractor expended program funds, and the income levels of households assisted and the affordability level for any units assisted; and,
  - 4) Close out report for contracts that were fully expended and in which all activities funded were completed during the fiscal year.
- C. The Department may request additional information as needed to meet other applicable reporting or audit requirements.
- D. The Contractor is responsible for the completion of audits and all costs of preparing audits.
- E. The Department reserves the right to perform or cause to be performed a financial audit. At the Department's request, the Contractor shall provide, at its own expense, a financial audit prepared by a certified public accountant.
- F. If a financial audit is required by the Department, the audit shall be performed by an independent certified public accountant. Selection of an independent audit firm shall be consistent with procurement standards contained in 24 CFR 85.36.
- 1) The Contractor shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by the Department to the independent auditor's working papers.
  - 2) The Contractor is responsible for the completion of audits and all costs of preparing audits.
  - 3) If there are audit findings, the Contractor must submit a detailed response acceptable to the Department for each audit finding within ninety (90) days from the date of the audit finding report.

**8. Retention and Inspection of Records**

- A. The Contractor is responsible for maintaining records, which fully disclose the activities funded by the Grant. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records and the allowability of expenditures charged to Grant funds.

**EXHIBIT D**

- B. The Contractor agrees that the Department or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. The Contractor agrees to provide the Department or its designee, with any relevant information requested. The Contractor agrees to permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with the PLHA Statutes, the NOFA, and this Agreement.
- C. The Contractor further agrees to retain all records for a period of five years after the end of the term of this Agreement:
- 1) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues, which arise from it.
  - 2) The Contractor also agrees to include in any contract that it enters into in an amount exceeding \$10,000, the Department's right to audit the contractor's records and interview their employees. The Contractor shall comply with the caveats and be aware of the penalties for violation of fraud and for obstruction of investigation as set forth in California Public Code Section 10115.10.
- D. The determination by the Department of the eligibility of any expenditure shall be final. If the eligibility of any expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and HCD shall determine the reimbursement method for the amount disallowed.
- E. The Contractor shall retain all books and records relevant to this Agreement for a minimum of five years after the end of the term of this Agreement. Records relating to any and all audits or litigation relevant to this Agreement shall be retained for five years after the conclusion or resolution of the matter.

**9. Breach and Remedies**

- A. The following shall each constitute a breach of this Agreement:
- 1) Contractor's failure to comply with the terms of this Agreement.

Permanent Local Housing Allocation (PLHA) Program – Grant

NOFA Date: 02/26/2020

Approved Date: 10/05/2020

Prep. Date: 11/05/2020

**EXHIBIT D**

- 2) Use of, or permitting the use of, Grant funds provided under this Agreement for any ineligible costs or for activities not approved under this Agreement.
  - 3) Any failure to comply with the deadlines set forth in this Agreement.
- B. In addition to any other remedies that may be available to the Department in law or equity for breach of this Agreement, the Department may:
- 1) Bar the Contractor from applying for future PLHA and other HCD funds;
  - 2) Revoke any other existing PLHA award(s) to the Contractor;
  - 3) Require the return of any unexpended PLHA funds disbursed under this Agreement;
  - 4) Require repayment of PLHA funds disbursed and expended under this agreement;
  - 5) Require the immediate return to the Department of all funds derived from the use of PLHA funds including, but not limited to recaptured funds and returned funds;
  - 6) Seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the technical assistance in accordance with the PLHA Program requirements; and,
  - 7) Seek such other remedies as may be available under the relevant agreement or any law.
- C. All remedies available to the Department are cumulative and not exclusive.
- D. The Department may give written notice to the Contractor to cure the breach or violation within a period of not less than fifteen days.

**EXHIBIT D**

**10. Termination**

- A. The Department may terminate this Agreement at any time for cause by giving a minimum of thirty days' notice of termination, in writing, to the Contractor. Cause shall consist of, violations of any terms and/or special conditions of this Agreement, the PLHA Statutes, or the NOFA. Upon termination of this Agreement, unless otherwise approved in writing by the Department, any unexpended funds received by the Contractor shall be returned to the Department within thirty days of the notice of termination.
- B. This Agreement is subject to any additional restrictions, limitations or conditions, or statute, regulations or any other laws, whether federal or those of the State of California, or of any agency, department, or any political subdivision of the federal or the State of California governments, which may affect the provisions, terms or funding of this Agreement in any manner.
- C. The Department has the option to terminate this Agreement under the thirty-day cancellation clause or to amend this Agreement to reflect any reduction of funds.

**11. Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement, or to require at any time, performance by the Contractor of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

**12. Relocation**

Contractor shall comply with all requirements of applicable California relocation law (Gov. Code, § 7260 et seq. and the regulations promulgated thereunder at Cal. Code Regulations, Title. 25, § 6000 et seq.). Any relocation plan for the Development shall be subject to the review and approval by the State.

## EXHIBIT D

### 13. **Special Conditions Contractors and Subrecipients**

The Contractor agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Exhibit E. These conditions shall be met to the satisfaction of the Department prior to disbursement of funds. The Contractor shall ensure that all Subrecipients are made aware of and agree to comply with all conditions of this Agreement and the applicable State requirements governing the use of Grant funds. The Contractor shall ensure that all Subrecipients are qualified to do business and in good standing with the California Secretary of State and the California Franchise Tax Board. Failure to comply with these conditions may result in cancellation of this Agreement.

### 14. **Compliance with State and Federal Laws, Rules, Guidelines and Regulations**

The Contractor agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Grant, the Contractor, its Subrecipients, and any other Grant activity.

### 15. **Litigation**

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Contractor shall notify the Department immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

**EXHIBIT E**

**PROGRAM-SPECIFIC PROVISIONS AND SPECIAL CONDITIONS**

**1. Program-Specific Provisions**

The following are project-specific terms and conditions (referred to as enumerated provision(s) for ease of reference in prior exhibits) and shall inform the references made to project-specific information not contained in those prior exhibits.

**Budget Detail:**

Contractor has been awarded the following grant activity amounts for 2019: **\$8,718,035**

Estimated five year allocation may not exceed: **\$52,308,210**

**Payees:**

A. The authorized Payee(s) is/are as specified below:

Name: **City and County of San Francisco**

Amount: **\$8,718,035**

**Plan:**

Activity 1 - Provide a description of how allocated funds will be used for the proposed activity.

In 2020, MOHCD has approximately 352 units of affordable housing coming on line for households earning between 50-60 percent AMI. With an available operating subsidy from the City, project sponsors will be able to market to households earning 15% and 25% SFAMI. MOHCD will provide the rental subsidy directly to the Sponsor through an agreement for 15 years, and hold a city-wide transition reserve sized at the Year 16 anticipated contract amount. As is standard City policy, all City developments with a capital loan will have a 55 year Declaration of Restriction placed on the property to ensure ongoing affordability.

Permanent Local Housing Allocation (PLHA) Program - Grant

NOFA Date: 02/26/2020

Approved Date: 10/05/2020

Prep. Date: 12/29/2020

**EXHIBIT E**

<b>Funding Allocation Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Type of Activity	Affordable Rental Housing	Affordable Rental Housing	Affordable Rental Housing	Affordable Rental Housing	Affordable Rental Housing
Percentage of Funds Allocated for each Activity	49%	49%	49%	49%	49%
Area Median Income Level Served	15%	15%	15%	15%	15%

<b>Funding Allocation Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Type of Activity	Affordable Rental Housing	Affordable Rental Housing	Affordable Rental Housing	Affordable Rental Housing	Affordable Rental Housing
Percentage of Funds Allocated for each Activity	46%	46%	46%	46%	46%
Area Median Income Level Served	25%	25%	25%	25%	25%
Total Administrative Cost	5%	5%	5%	5%	5%

Permanent Local Housing Allocation (PLHA) Program - Grant

NOFA Date: 02/26/2020

Approved Date: 10/05/2020

Prep. Date: 12/29/2020

**EXHIBIT E**

**2. Special Terms and Conditions**

The following Special Conditions are applicable to this Standard Agreement:

None.



# **Permanent Local Housing Allocation Final Guidelines**



**Gavin Newsom, Governor  
State of California**

**Alexis Podesta, Secretary  
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director  
California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 150  
Sacramento, CA 95833

**October 2019**

The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

Quasi-legislative regulations ... have the dignity of statutes ... [and]... delegation of legislative authority includes the power to elaborate the meaning of key statutory terms...

*Ramirez v. Yosemite Water Co.*, 20 Cal. 4th 785, 800 (1999)

In consultation with stakeholders, the California Department of Housing and Community Development (Department) may adopt Guidelines to implement this Section, including determining allocation methodologies. Any guideline, rule, policy, or standard of general application employed by the Department in implementing this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Title 2 Government Code, Part 1 of Division 3).

NOTE: Authority Cited: Health and Safety Code Section 50470, subdivision (d).

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of these Guidelines, including, but not limited to, grant award amounts.

## INTRODUCTION

Chapter 364, Statutes of 2017 (SB 2, Atkins) was part of a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it establishes a permanent source of funding intended to increase the affordable housing stock in California. The revenue from SB 2 will vary from year to year, as revenue is dependent on real estate transactions with fluctuating activity. The legislation directs the California Department of Housing and Community Development (Department) to use 70 percent of the revenue collected, beginning in calendar year 2019, to provide financial assistance to local governments for eligible housing-related projects and programs to assist in addressing the unmet housing needs of their local communities. This program is hereafter referred to as the Permanent Local Housing Allocation (PLHA) program.

Guidelines for the PLHA program are organized into five Articles as follows:

Article I. General provisions: This article includes information on the purpose of the Guidelines, program objectives, and definitions used throughout the document.

Article II. Program funding: This article describes allocation formulas and methodologies, and award amounts.

Article III. Formula allocation component: This article describes the requirements for Applicants to apply for funds under the formula allocation of the PLHA program.

Article IV. Competitive allocation component: This article describes requirements and uses for PLHA competitive allocation funds.

Article V. Administration: This article describes administrative functions such as terms, non-performance remedies, and reporting and monitoring requirements.

# Permanent Local Housing Allocation (PLHA) Program: 2019 Guidelines

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## **ARTICLE I. GENERAL PROVISIONS**

### **Section 100. Purpose and Scope**

- (a) These Guidelines (hereinafter “Guidelines”) implement, interpret, and make specific Chapter 364, Statutes of 2017 (SB 2, Atkins - hereinafter “SB 2”) as authorized by Health and Safety Code (HSC) Section 50470, which created the Building Homes and Jobs Trust Fund and the PLHA program. The principal goal of this program is to make funding available to eligible local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. Twenty percent of the funding in the Building Homes and Jobs Trust Fund is required to be expended for Affordable Owner-Occupied Workforce Housing, and the program prioritizes investments that increase the supply of housing to households that are at or below 60 percent of the Area Median Income (AMI), adjusted for household size.
- (b) These Guidelines establish terms, conditions, and procedures for local governments to submit applications to the Department for funds from the PLHA program’s three components, as listed below:
  - (1) Entitlement formula component per HSC 50470(b)(2)(B)(i)(I)
  - (2) Non-entitlement formula component per HSC 50470(b)(2)(B)(i)(II)
  - (3) Non-entitlement competitive grant program component per HSC 50470(b)(2)(B)(i)(I) (eligible Applicants are the same as for component 2 above)
- (c) The non-entitlement competitive grant program component prioritizes assistance to persons experiencing or At risk of homelessness.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(A), subdivision (b)(2)(B)(i) and subdivision (b)(2)(B)(ii)(I-V).

### **Section 101. Definitions**

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms described in HSC Section 50470.

- (a) “Accessory dwelling unit” (ADU) means a dwelling unit which is attached, detached or located within the living area of the existing dwelling or residential dwelling unit and which provides complete independent living facilities for one or more persons pursuant to Government Code (GC) Section 65852.2 and 65852.22. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling. An Accessory dwelling unit also includes the following: an efficiency unit, as defined in Section 17958.1 of the HSC, or a manufactured home, as

defined in Section 18007 of the HSC.

- (b) "Activity" means any single eligible undertaking carried out as part of an Applicant's allocation(s) under the Program.
- (c) "Affordable" means a housing unit that satisfies at least one of the following criteria:
1. If the unit is being rented to low-income, Very low-income or Extremely low-income households, it complies with the Multifamily Housing Program guidelines Section 7312 and the Section 7301 definition of "Affordable Rent"; or
  2. If the unit is being sold, it is offered at an "Affordable housing cost", as published in the Fannie Mae Selling Guide, Part B, Debt to Income Ratios, as updated annually (<https://www.fanniemae.com/content/guide/selling/b3/6/02.html#DTI.20Ratios>), and it complies with the income limits stated in the definitions of Moderate-Income and Lower-Income in this section; or
  3. If the unit is being rented to Moderate-Income households, it is available at a gross rent, including a utility allowance, that does not exceed 30 percent of the applicable income eligibility level, and complies with the definition of Moderate-Income in these guidelines
- (d) "Affordable Owner-Occupied Workforce Housing" (AOWH) means owner-occupied housing per HSC Section 50092.1 that is affordable to persons and families of low or moderate income, as that term is defined in HSC Section 50093, except in High-cost areas where Moderate-income shall include households earning up to 150 percent of AMI.
- (e) "Annual Progress Report" (APR) means the Housing Element APR required by GC Section 65400 on the prior year's activities and due to the Department April 1 of each year.
- (f) "Annual Report" means a form issued by the Department and completed by a Local government awarded PLHA funds on which the Local government documents the uses and expenditures of any allocated funds and outcomes achieved.
- (g) "Applicant" means an eligible Local government applying for the program to administer one or more eligible activities. Applicant also means a Local or Regional Housing Trust Fund delegated by an eligible Local government to apply for the program and administer its allocation in accordance with all program rules.

- (h) “Area Median Income” or “AMI” means the most recent applicable county median family income published by the Department, available at the following link:  
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>
- (i) “At risk of homelessness” means the same as defined in Title 24 Section 578.3 of the Code of Federal Regulations and also includes any household receiving rental assistance funded by the California Emergency Solutions and Housing (CESH) program or the California Homeless Emergency Aid Program (HEAP).
- (j) “Capitalized Reserve for Services” means the reserve funded by the Local government pursuant to Section 301(a)(5) to address project supportive service budget deficits attributable to shortfalls in service funding sources.
- (k) “Comprehensive Housing Affordability Strategy” or “CHAS” means annual data compiled by the United States Census Bureau for the U.S. Department of Housing and Urban Development (HUD) to document the extent of housing problems and housing needs, particularly for low-income households.
- (l) “Community Development Block Grant” or “CDBG” means the program created pursuant to Title I of the Housing and Community Development Act of 1974, 42 U.S.C. 5301 et seq., as amended.
- (m) “Department” means the California Department of Housing and Community Development.
- (n) “Extremely Low Income” has the meaning set forth in HSC Section 50106, which is a maximum of 30 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:  
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (o) “Fund” means the Building Homes and Jobs Trust Fund pursuant to HSC Section 50470.
- (p) “High-cost area” means those counties defined as high cost by the Federal Housing Finance Agency (at: <https://www.fhfa.gov/DataTools/>) and those counties for which HUD adjusted the Very low income and low-income rents due to high costs (at: [https://www.huduser.gov/portal/pdrdatas\\_landing.html](https://www.huduser.gov/portal/pdrdatas_landing.html)), as published by the Department in the annual PLHA Notice of Funding Availability.
- (q) “Local government” means any city, including a charter city, any county, including a charter county, or a city and county, including a charter city and county.

- (r) "Local Housing Trust Fund" or "Regional Housing Trust Fund" means a public, joint public and private fund or charitable nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code, which was established by legislation, ordinance, resolution (including nonprofit articles of incorporation), or a public-private partnership organized to receive specific revenue to address local or regional housing needs.
- (s) "Low or Lower Income" has the meaning set forth in HSC Section 50079.5, which is a maximum of 80 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:  
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (t) "Moderate-Income" has the meaning set forth in HSC Section 50093, which is a maximum of 120 percent AMI, or in High-cost areas, 150 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:  
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (u) "Non-entitlement local government" means a Local government in an area which is not a metropolitan city or part of an urban county, a Local government that, as of September 1, 2017, was an incorporated city with a population of less than 50,000 or a county with an unincorporated area population of less than 200,000 persons which had not entered into a three-year Urban County Cooperation Agreement, or a Local government that was not otherwise entitled to receive CDBG funds directly from HUD.
- (v) "Operating subsidies" means payments to owners of affordable housing developments that make the housing more affordable by covering a portion of the ongoing costs of operating the development. Such payments would have the same effect as rental assistance.
- (w) "Owner-occupied" means a dwelling which is occupied by the owner and includes a single family dwelling or a dwelling unit in a stock cooperative, as defined by Business and Professions Code (BPC), Section 11003.2, a community apartment project, as defined by BPC Section 11004, or a condominium project, as defined by subdivision (c) of BPC Section 11004. 5.
- (x) "Plan" means the document submitted by the Applicant to the Department as part of a complete application in which the Applicant proposes to use allocated funds for at least one eligible Activity. The Plan shall have a term of five years. In succeeding years, the Local government is required to obtain the approval of the Department for any amendments made to the Plan, as set forth in Section 302(c)(5).
- (y) "Permanent Local Housing Allocation Program", "Program", or "PLHA" means the program developed to annually allocate 70 percent of the moneys deposited into the Fund pursuant to HSC Section 50470(b)(2)(B)(i).



(z) "Permanent supportive housing" has the same meaning as in HSC Section 50675.14, that is, housing with no limit on the length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing residents in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Permanent supportive housing may include associated facilities if used to provide services to housing residents. Permanent supportive housing does not include "health facility" as defined by HSC Section 1250 or any "alcoholism or drug abuse recovery or treatment facility" as defined by HSC Section 11834.02 or "Community care facility" as defined in HSC Section 1502, "Mental health rehabilitation centers" as defined in Section 5675 of the Welfare and Institutions Code (WIC), or other residential treatment programs.

(aa) "Regional Housing Needs Allocation" or "RHNA" means the share of the regional housing need represented by persons at all income levels within the area significantly affected by the general plan of the city or county allocated to an Applicant Local government pursuant to GC Section 65584(b).

(bb) "Sponsor" means the legal entity or combination of legal entities with continuing control of a Rental Housing Development. Where the borrowing entity is or will be organized as a limited partnership, Sponsor includes the general partner or general partners who have effective control over the operation of the partnership, or, if the general partner is controlled by another entity, the controlling entity. Sponsor does not include the seller of the property to be developed as the rental housing Project, unless the seller will retain control of the Project for the period necessary to ensure Project feasibility as determined by the Department.

(cc) "Very Low Income" has the meaning set forth in HSC Section 50105, which is a maximum of 50 percent of AMI. Grantees shall utilize income limits issued by the Department at the following link:  
<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470.5 and 50470, subdivision (b)(2).

## **ARTICLE II. PROGRAM FUNDING**

### **Section 200. Allocations**

(a) SB 2 created a dedicated revenue source for affordable housing and directed the Department to make available 70 percent of the moneys in the Building Homes and Jobs Trust Fund, collected on and after January 1, 2019, to Local governments through the following allocations:

(1) Ninety percent of the moneys available shall be allocated based on the formula used under Federal law to allocate CDBG funds within California. This is the formula specified in Title 42 United States Code (USC), Section 5306.

(A) The amount of funds awarded to each Local government eligible for the entitlement formula component shall be determined by the 90 percent of PLHA funds available pursuant to this paragraph (1) and the percentage of funds received by the entitlement Local government in the CDBG federal fiscal year 2017 allocation process performed by HUD.

(B) Through the formula specified in paragraph (1), the percentage of funds allocated to Non-entitlement local governments shall be distributed to Non-entitlement local governments through a competitive grant program.

(2) Ten percent of the moneys available shall be allocated equitably among Non-entitlement local governments. The equitable allocation awarded to each Local government eligible for the Non-entitlement formula component shall be based on the sum of: (1) 50 percent of the funding available for the Non-entitlement formula component divided by the number of local governments eligible for the Non-entitlement formula component and (2) 50 percent of the funding allocated in proportion to each Non-entitlement local government's share of the total most severe housing need in California's Non-entitlement local governments, based upon the most recent HUD Comprehensive Housing Affordability Strategy.

(b) After funds are appropriated by the Legislature as part of the budget act, the Department will issue one or more Notices of Funding Availability (NOFA). Local governments shall submit an application under the NOFA pertaining to the specific allocation for which the Local government is eligible.

(c) It is recommended that Local governments that were urban counties in accordance with the distribution of funds pursuant to the formula specified in 42 USC, Section 5306 for the federal fiscal year 2017 provide a proportional share of their allocations to Local governments within their county with which they had a three-year Urban County Cooperation Agreement as of September 1, 2017, provided that these Local governments meet the threshold requirements of the PLHA and expend sub-allocated funds for eligible activities within the deadlines of the Standard Agreement governing the sub-allocation.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

### **Section 201. Award Amounts**

(a) The formula allocation amounts derived pursuant to the formulas in Section 200 will be announced in the NOFA.

- (b) The maximum application amount and the minimum application amount for the competitive allocation will be stated in the NOFA.
- (c) An Applicant may apply for its formula allocation from the current and two prior NOFAs for which it did not receive an award, provided that the award meets the requirements of Section 304(a).

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

### **ARTICLE III. FORMULA ALLOCATION COMPONENT**

#### **Section 300. Eligible Applicants**

- (a) Eligible Applicants for the entitlement formula component described in Section 100(b)(1) are limited to the metropolitan cities and urban counties allocated a grant for the federal fiscal year 2017 pursuant to the federal CDBG formula specified in 42 USC, Section 5306.
- (b) Eligible Applicants for the non-entitlement formula component described in Section 100(b)(2) and the competitive grant program component described in Section 100(b)(3) are limited to the Non-entitlement local governments.
- (c) A Local government may delegate another Local government 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. The delegating Local government shall be identified in the application. The administering Local government shall be responsible for all Program requirements.
- (d) A Local government may delegate a Local or Regional Housing Trust Fund to submit an application and administer on its behalf its formula allocation of Program funds, provided that the Local government enters into a legally binding agreement with the Local or Regional Housing Trust Fund and the funds are expended for eligible Activities and consistent with Program requirements. The delegating Local government shall be identified in the application. The Local or Regional Housing Trust Fund shall be responsible for all Program requirements.
- (e) An Applicant shall not be eligible to receive a new allocation of PLHA funds if it has an uncommitted amount of formula PLHA funds greater than the following:
  - (1) Four times the pending annual allocation if the pending annual allocation is \$125,000 or less;
  - (2) \$500,000 if the pending annual allocation is greater than \$125,000 and less than \$500,000;

- (3) The amount of the pending annual allocation if the pending allocation is \$500,000 or more.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B).

### **Section 301. Eligible Activities**

(a) Eligible Activities are limited to one or more of the following:

- (1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is Affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary Operating subsidies.
- (2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.
- (3) Matching portions of funds placed into Local or Regional Housing Trust Funds.
- (4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
- (5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
- (6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
  - (A) This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded CESH program or HEAP funds for rental assistance to continue assistance to these households.
  - (B) Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core

components of Housing First, as provided in WIC Section 8255, subdivision (b).

- (7) Accessibility modifications in Lower-income Owner-occupied housing.
  - (8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
  - (9) Homeownership opportunities, including, but not limited to, down payment assistance.
  - (10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the Affordable housing Project.
- (b) A Local government that receives an allocation shall use no more than 5 percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in Section 301 are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.
  - (c) Two or more Local governments that receive PLHA allocations may expend those moneys on an eligible jointly funded project as provided for in Section 50470 (b)(2)(B)(ii)(IV). An eligible jointly funded project must be an eligible Activity pursuant to Section 301(a) and be located within the boundaries of one of the Local governments.
  - (d) Entitlement Local governments may use the flow of PLHA funds to incentivize private lender loans and to guarantee payments for some or all public agency bond financings for activities consistent with the uses identified in Section 301 “Eligible Activities”. This loan guarantee Activity must be identified and fully explained in the Applicant’s “Plan”.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivisions (b)(2)(B)(ii)(IV), (b)(2)(D)(i-x), and (b)(3).

### **Section 302. Threshold Requirements**

Applicants must meet all the following threshold requirements for participation in the formula allocation:

- (a) **Housing Element compliance:** The Applicant and any delegating Local government, if applicable, must have a Housing Element that has been adopted by the Local

government's governing body by the application deadline and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585. A Local government's current Housing Element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element>.

- (b) **APR on the Housing Element submitted to the Department:** The Applicant and any delegating Local government, if applicable, must submit to the Department the APR required by GC Section 65400 for the current or prior year by the application deadline date.
  - (1) Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a Local government, please contact the Department for more information.
- (c) Submit, by the deadline specified in the NOFA, on a form made available by the Department, a complete application which shall meet the following minimum requirements:
  - (1) Application requests an allocation pursuant to Section 200 in order to carry out one or more of the eligible activities described in Section 301. Except for a jointly funded project as described in Section 301(c), any activities must be carried out within the jurisdiction of the Applicant Local government.
  - (2) Submission of the application is authorized by the governing boards of the Applicant.
  - (3) Certification in the resolution that, if the Local government proposes allocation of funds for any Activity to another entity, the Local government's selection process shall avoid conflicts of interest and shall be accessible to the public. For the purposes of this paragraph, "entity" means a housing developer or program operator; "entity" does not mean an administering Local government to whom a Local government delegates its PLHA formula allocation, pursuant to Section 300(d).
  - (4) A Plan detailing:
    - (A) The manner in which allocated funds will be used for eligible Activities.
    - (B) A description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of AMI. Programs targeted at households at or below 60 percent of AMI will be deemed to meet this requirement.

- (C) A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.
- (D) Evidence that the Plan was authorized and adopted by resolution by the Local government and that the public had an adequate opportunity to review and comment on its content.
- (E) The following for each proposed Activity:
  - (i) A description of each proposed Activity, pursuant to Section 301, and the percentage of funding allocated to it. The description shall specifically include the percentage of funds, if any, directed to AOWH.
  - (ii) The projected number of households to be served at each income level and a comparison to the unmet share of the RHNA at each income level.
  - (iii) A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.
  - (iv) The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least 55 years.
- (5) The Plan submitted in response to the NOFA shall be for a term of five years. Local governments shall obtain approval of the Department for amendments made to the Plan in each succeeding year of the term of the Plan. Reallocations of more than 10 percent of funds among Activities require amendment of the Plan, with approval granted by the governing body at a publicly noticed public meeting.
- (6) A certification that, if funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the following requirements if the property is no longer the primary residence of the homeowner due to sale, transfer or lease, unless it is in conflict with the requirements of another public funding source or law:
  - (A) The PLHA loan and any interest thereon shall be repaid to the Local government's PLHA account. The Local government shall reuse the repayments consistent with Section 301; or
  - (B) The initial owner and any subsequent owner shall sell the home at an Affordable housing cost to a qualified Lower-Income or Moderate-Income household; or
  - (C) The homeowner and the Local government shall share the equity in the unit pursuant to an equity-sharing agreement. The grantee shall reuse the proceeds

of the equity-sharing agreement consistent with this section.

- (7) A certification that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Local government-approved underwriting of the Project for a term of at least 55 years.
- (8) A Program income reuse plan describing how repaid loans will be reused for eligible activities specified in Section 301.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

### **Section 303. Application Review**

- (a) Applicants must submit a complete application by the deadline stated in the NOFA in order to be eligible for funding. Application forms provided by the Department will be available upon release of the NOFA and will require Applicants to submit the forms and other documents to demonstrate that the Local government has met threshold requirements.
- (b) The Department may request additional information to complete its review.
- (c) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.
- (d) The Department may issue an Over-the-Counter formula allocation NOFA after completing the NOFA process so that Local governments who were not able to submit formula allocation applications by the application deadline will have another opportunity to do so.
- (e) If funding proposed in Local government Plans for AOWH activities is lower than 20 percent of the moneys available in the Fund, the Department may require Local governments to use a specific percentage of their annual formula allocations in some future year for AOWH activities as part of the annual funding process.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(A).



## **Section 304. Deadlines and Funding Requirements**

- (a) The initial PLHA application, including the Plan, must be submitted within 48 months of the budget appropriation (for example, the budget appropriation for 2019 is July 1, 2019, so the application deadline is June 30, 2023).
- (b) Funds allocated to Local governments that do not submit a complete application by the deadline stated in subsection (a) will revert to the Housing Rehabilitation Loan Fund for the Multifamily Housing Program or for Department-administered technical assistance to Local governments.
- (c) A Local government may petition the Department to return any funds allocated to it to be used for the Multifamily Housing Program.
- (d) Except for predevelopment expenses for construction projects funded by PLHA and costs to develop and prepare the Plan and the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the Plan and the PLHA application are subject to the cap on administrative fees.
- (e) After the Standard Agreement and attachments have been finalized, the Local government will follow provided instructions for signing all required documents. The Local government must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instruction.
- (f) After the Standard Agreement has been executed by the state, the Local government may submit a request for 100 percent of the funds allocated to be used for eligible expenditures for the Activity(ies) that received the award, and subject to the terms and conditions of the Standard Agreement.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i) and subdivision (b)(2)(B)(ii)(VI).

## **ARTICLE IV. COMPETITIVE ALLOCATION COMPONENT**

### **Section 400. Eligible Applicants**

- (a) Eligible Applicants for the non-entitlement competitive allocation described in Section 100(b)(3) are limited to Non-entitlement local governments. For development of Rental Housing Projects, the Sponsor must be a co-Applicant.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I).

## Section 401. Eligible Activities

- (a) Eligible Activities are limited to the following and must take place within the jurisdiction of the Applicant Local government:
- (1) Development of new multifamily rental housing that is Affordable to households at or below 60 percent of AMI or substantial rehabilitation of multifamily rental housing that will be Affordable to households at or below 60 percent of AMI, but which is not currently restricted as Affordable housing; or
  - (2) Assistance to persons who are experiencing or At risk of homelessness, including, but not limited to, through rapid rehousing, or rental assistance, supportive services and case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers, or new construction, rehabilitation, or preservation of permanent or transitional rental housing.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I)(ia), (b)(2)(B)(i)(I)(ib) and subdivision (b)(2)(B)(ii)(V).

## Section 402. Threshold Requirements

Applicants must meet all the following threshold requirements for participation in the competitive allocation:

- (a) **Housing Element compliance:** The Applicant must have a Housing Element that has been adopted by the jurisdiction's governing body by the application deadline date and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585. A Local government's current Housing Element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/community-development/housing-element>.
- (b) **APR on the Housing Element submitted to the Department:** The Applicant must submit to the Department the APR required by GC Section 65400 for the current or prior year by the application deadline date.
- (1) Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a Local government, please contact the Department for more information.
- (c) Submit by the deadline specified in the NOFA, on a form made available by the Department, a complete application which shall meet the following minimum requirements:
- (1) Application requests a grant pursuant to Section 100(b)(3) in order to carry out one

or both of the eligible Activities set forth in Section 401.

- (2) Submission of the application is authorized by the governing board of the Applicant and by the developer co-applicant, if any.
- (3) Certification in the resolution that, if the Local government proposes allocation of funds for any Activity to another entity, the selection process shall avoid conflicts of interest, and shall be accessible to the public.
- (4) Demonstration of readiness, including site control for development Projects, land use entitlements, environmental review and commitments of other funding and resources required, as further set forth in the NOFA;
- (5) Underwriting requirements:
  - (A) Uniform Multifamily Regulations Subchapter 19 of Title 25, Division 1, Chapter 7 (commencing with Section 8300), as amended from time to time, and the Multifamily Housing Program Guidelines (commencing with Section 7300), as amended from time to time, are hereby incorporated by reference into this subchapter and shall apply to Rental Housing Developments receiving assistance under the PLHA competitive allocation. In the event of a conflict between the provisions of Subchapter 19 and these Guidelines, the provisions of these Guidelines shall prevail.
    - (i) Section 8312(c) of the Uniform Multifamily Regulations is hereby amended to read:
      - (c) For Projects utilizing 4 percent tax credits, Developer Fee payments shall not exceed the amount that may be included in Project costs pursuant to 4 CCR, Section 10327. In addition, the Developer Fee paid from development funding sources shall not exceed the following:
        - (1) For acquisition and/or rehabilitation Projects, or adaptive reuse Projects, the lesser of the amount of Developer Fee in Project costs or \$2,000,000.
        - (2) For new construction Projects, the base limit shall be the lesser of the amount that may be included in Project costs or \$2,200,000. To arrive at the final limit on Developer Fee paid from development funding sources, the base limit shall then be multiplied by a ratio that is the average of (i) the difference between 2 and the Project's high-cost ratio, as calculated pursuant to 4 CCR, Section 10317(i)(6) or successor language and (ii) 100 percent.
    - (ii) Section 8312(d) of the Uniform Multifamily Regulations shall not apply.
    - (iii) Section 8314(a)(1)(A) of the Uniform Multifamily Regulations is amended to read:
      - (A) Approved deferred Developer Fee, pursuant to Section 8312, provided that the aggregate of the Developer Fee paid from sources and paid as deferred shall not exceed \$3,500,000.

(B) Period of affordability: All assisted rental units shall be restricted for not less than 55 years.

(C) All development Projects shall demonstrate fiscal integrity.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

### **Section 403. Selection Criteria**

(a) Applications submitted within a competitive funding round shall be evaluated using the following criteria. Total available points shall equal 100.

1. Priority Points – 25 points

A. Population - 5 points

(i) If the Applicant is a county that has a population of 200,000 or less within the unincorporated areas of the county, the Applicant shall receive all points.

B. Prior Award – 5 points

(i) If the Applicant did not receive an award based on the formula specified in 42 USC, Section 5306 in 2016, the Applicant shall receive all points.

And either C (i) or C (ii) or C (iii) below:

C. Activity

(i) Assistance for Homeless Persons through Program Activities – 15 points

(a) Applications to assist persons experiencing or At risk of homelessness, including, but not limited to, through programs providing rapid rehousing, or rental assistance, or operating assistance to navigation centers shall receive all points.

Or

(ii) Assistance to Homeless Persons through Development of Navigation Centers– 15 points

(a) Applications for construction of navigation centers shall receive all points.

Or

(iii) Assistance for Homeless Persons through Rental Projects – 15 points

(a) Applications for the new construction, rehabilitation, or preservation of permanent or transitional rental housing in which all or at least 10 percent of the units are restricted to occupancy by tenants who are homeless or At risk of homelessness shall receive all points.

2. Evaluation Criteria – 75 points

Precise scoring for these factors will be set forth in the NOFA.

A. Community Need – 30 points

(i) Applicants will receive up to a maximum of 30 points based on the rate of households experiencing the most severe housing need according to the most recent HUD CHAS dataset in the Applicant Local government. Applicants will receive points in proportion to this percentage.

B. Applicant Administrative Experience – 15 points

(i) Applicants with prior experience administering local, state or federal affordable housing or community development programs or who have entered into a contract with an entity with prior experience in the implementation of local, state or federal affordable housing or community development programs will receive up to 15 points.

C. Demonstrated Capacity – 30 points

(i) Capacity points will be based on:

(a) Sponsor experience in Affordable Rental Housing Development and ownership (Up to 30 points) or

(b) Navigation center development experience (for development of these facilities) (Up to 30 points) or

(c) Program Operator experience (for non-development Activities) (Up to 30 points)

(b) Where applications requesting funds for more than one eligible Activity pursuant to Section 401 are permitted by the NOFA, each Activity will receive a separate score for each rating factor, and have an individual Activity total. It is possible that one Activity may score highly enough to receive an award, and the other Activity does not.

(c) In the event of tied point scores and insufficient funding for both applications, the Department shall rank the tied applications as follows:

(1) If one of the tied applications is for an Affordable Rental Housing Development and the other is for a program Activity or development of a navigation center, the

- Affordable Rental Housing Development application will be selected for funding;
- (2) If one of the tied applications is for a navigation center and the other is for a program Activity, the navigation center will be selected for funding;
  - (3) If both of the tied applications are for Affordable Rental Housing Developments, the Project with the lowest weighted average affordability of Restricted Units will be selected;
  - (4) If both of the tied applications are for navigation centers, the facility that provides overnight shelter to the greatest number of people will be selected;
  - (5) If both of the tied applications are for programs, the Local government with the highest rate of households experiencing the most severe housing need according to the most recent HUD CHAS dataset will be selected.
- (d) In the event there are insufficient funds to fulfill the entire funding request for the next highest scored application (Application A), the Department will determine whether Application A is feasible without the full funding request. If Application A is not feasible without full funding, the Department may offer the remaining funds to the application whose score is immediately below Application A. If the remaining funds are insufficient to fulfill the funding request for that application (Application B), the Department will again determine whether this application is feasible without the full funding request. If Application B is not feasible without the full funding request, the Department will perform the same analysis for the application whose score is immediately below Application B.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(i)(I)(ia) and subdivision (b)(2)(B)(ii)(V).

#### **Section 404. Application Review**

- (a) Applicants must submit a complete application by the deadline stated in the NOFA in order to be eligible for funding. Application forms provided by the Department will be available upon release of the NOFA and will require Applicants to submit the forms and other documents to demonstrate that the Local government has met threshold requirements. The application will require submission of documentation adequate to demonstrate that the application has earned the appropriate number of points.
- (b) The Department may request additional information to complete its review, provided that the new information would not affect scoring.
- (c) Applications recommended for funding are subject to conditions specified by the Department. Applicants will receive an official letter of award after the Department approves funding recommendations.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii).

## **Section 405. Deadlines and Funding Requirements**

- (a) Applicants will be required to enter into a state Standard Agreement (Standard Agreement) that will set forth conditions for funding and milestones that are required to be met.
- (b) After the Standard Agreement and attachments have been finalized, the Local government will follow provided instructions for signing all required documents. The Local government must submit all supporting materials and a signed Standard Agreement within the timeline provided in the instructions or risk forfeiting the grant award.
- (c) Except for predevelopment expenses for construction projects funded by PLHA and the costs to develop and prepare the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the PLHA application is subject to the cap on administrative fees.
- (d) Grant funds shall not be disbursed until:
  - (1) the Department authorizes loan closing, in the case of development projects; or
  - (2) all general and special conditions have been complied with, in the case of other Activities.
- (e) If funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Department-approved underwriting of the project for at least 55 years.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(VI).

## **ARTICLE V. ADMINISTRATION**

### **Section 500. Accounting Records**

- (a) The grantee shall establish a separate ledger account for receipts and expenditures of grant funds and maintain expenditure details in accordance with the approved work plan, budget, and schedule. Separate bank accounts are not required.
- (b) The grantee shall maintain documentation of its financial records for expenditures incurred during the course of the PLHA Activity in accordance with generally accepted accounting principles. Such records shall be kept for at least five years after the close-out report is submitted to the Department.

- (c) The Department or its designated representative shall have the right to review and copy any records and supporting documentation pertaining to the PLHA grant.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(III) and subdivision (b)(2)(B)(IV) and subdivision (b)(3).

### **Section 501. Audits/Monitoring of Project Files**

- (a) Grantee shall maintain PLHA files which, at a minimum, should include the following information and reports:
  - 1) Project/Activity description
  - 2) Land/site Information
  - 3) Planning & zoning history (as appropriate)
  - 4) Records of public hearings and public comments
  - 5) Relocation needs (as appropriate)
  - 6) Contracts, loan and grant agreements, Standard Agreement
  - 7) Environmental records & reports/findings (as appropriate)
  - 8) Design/engineering reports & plans (as appropriate)
  - 9) Description of targeted beneficiaries, services to be provided, household incomes, special needs
  - 10) PLHA Activity costs, invoices, purchase orders, sources and uses of funds for PLHA Activities, terms & conditions of financings, draws and all supporting documentation, change orders (as appropriate)
  - 11) Activity schedule and amendments
  - 12) History of Plan amendments
  - 13) Procurement policy used for PLHA Activity(ies)
- (b) The grantee shall maintain such records for possible audit for a minimum of three years after the close-out report is submitted, unless a longer period of records retention is stipulated in the Standard Agreement.
- (c) The grantee shall be responsible for monitoring Rental Housing Developments that received PLHA funds for the term of the loan, including, but not limited to, the Projects' compliance with the occupancy and rent requirements set forth in the Regulatory Agreement, compliance with reserve requirements, and the compliance with habitability standards.
- (d) The grantee shall be responsible for monitoring AOWH loans to assure that the homes remain Owner-occupied.
- (e) If requested by the Department, the grantee shall obtain a report from a qualified,



licensed third party that certifies to the amounts of disbursement and identifies the specific Activities for which the disbursements were made. Such a report is permitted to be a component of the A-133 audit.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(IV) and subdivision (b)(3).

## **Section 502. Cancellation and Termination**

- (a) In the event that it is determined, at the sole discretion of the Department, that the grantee is not meeting the terms and conditions of the Standard Agreement, the Department shall issue a notice to stop work. Immediately upon receiving the written notice to stop work, the grantee shall cease all work under the Standard Agreement. The Department has the sole discretion to determine the grantee's compliance with the terms and conditions after issuance of a stop work order, and to deliver a written notice to the grantee to resume work under this Standard Agreement.
- (b) The Department shall terminate the Standard Agreement if the grantee is not in compliance with the Guidelines or the terms and conditions of the Standard Agreement. At least 30 days prior to the effective date of the termination of the Standard Agreement, the Department shall provide written notice to the grantee of its intent to cancel the funding allocation. The notice shall specify the reason for early termination and may permit the grantee or the Department to cure any deficiency(ies) prior to the early termination date. The grantee will submit requested documents to the Department within 30 days of the early termination notice.
- (c) Failure to meet reporting requirements will result in notice to the grantee that it must satisfactorily cure any deficiencies within three months of the notice or it will forfeit the following year's PLHA formula allocation and be ineligible for a competitive award. The Local government will forfeit subsequent PLHA formula allocations and be ineligible for a competitive award until the Department determines that the Local government has met reporting requirements.
- (d) The Department may, as it deems appropriate or necessary, request the repayment of funds from a Local government or offset future years' funds, or pursue any other remedies available to it by law for failure to comply with the Guidelines and/or the terms and conditions of the Standard Agreement.
- (e) Co-Applicants may be adversely impacted by a notice to stop work and/or termination if one grantee is deemed by the Department to not meet the terms and conditions of the Standard Agreement, or fails to meet the reporting requirements outlined in Section 503.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(IV) and subdivision (b)(3).

### **Section 503. Reporting**

- (a) The Department shall provide grantees with reporting formats and instructions.
- (b) Annual Reports are required from all grantees pursuant to HSC Section 50470(b)(2)(B)(ii)(III) each year by July 31 for the term of the Standard Agreement. The Annual Report shall document the uses and expenditures of all awarded allocations and outcomes achieved. This report must be signed by both the Local government's PLHA administrator and the Local government's City Manager (or his/her designee), or Chief Executive Officer (or his/her designee) or Chief Financial Officer (or his/her designee). The Annual Report must describe any proposed amendment(s) to the approved Activity and schedule.
- (c) Upon expenditure of all allocated funds and completion of the Activities funded by PLHA, the grantee shall submit a close-out report, which will be part of the Annual Report.
- (d) The Department may request additional information as needed to meet other applicable reporting or audit requirements.

NOTE: Authority cited: HSC Section 50470, subdivision (d). Reference cited: HSC Section 50470, subdivision (b)(2)(B)(ii)(III) and subdivision (b)(2)(B)(ii)(IV).

# Permanent Local Housing Allocation (PLHA) Accept & Expend – Item #5

*Board of Supervisors Budget and Finance Committee  
September 8, 2021*



**Mayor's Office of Housing and Community Development**  
City and County of San Francisco

# Background



- September 2017 – Building Homes and Jobs Act (SB2) approved and chaptered into law
  - Funding for affordable housing by imposing a fee of \$75 on all real estate recording transactions in California
- 2019 – CA Department of Housing and Community Development launches Permanent Local Housing Allocation (PLHA) program with SB2 funds
- June 2020 – Board of Supervisors approves MOHCD application for an allocation of PLHA funds
  - Application proposed use of funds as permanent, project-based operating subsidy for 15% and 25% MOHCD AMI households, including transition reserves and administrative fees.

## PLHA Award

- February 2021 – MOHCD awarded an estimated \$52,308,210 for next five years
- Funds are awarded in five-year increments, with via five-year Standard Agreements with the State
- As the State-imposed recording fee is intended to be permanent, MOHCD anticipates PLHA being a long-term source for affordable housing operating subsidies

# Need for Senior Operating Subsidies



- Seniors ages 60+ were 21.7% of City's population in 2018 and will increase to 26% by 2030.
- 38% of the City's seniors live just above or below the Federal Poverty Line and cannot afford rents set at 50% AMI.
- City created SOS pilot program in 2019, subsidizing units at 1296 Shotwell (40 units) and 735 Davis (13 units).
- No dedicated source for City's SOS program.
- PLHA would serve as permanent funding source for SOS program.

# SOS Pilot Program Status



- FY19-20 budget included \$5M of one-time ERAF funding in HSA's budget
  - 1296 Shotwell SOS contract executed in October 2019; 20 units at 15% and 25% AMI; total \$1,832,438 for five years
  - Category Four fund in Admin Code 10.100-324
- Starting in FY20-21 budget, MOHCD requests \$125k per year in General Funds for additional SoS units
  - 735 Davis SOS contract in 2021 for 13 units at 30% AMI; total \$1,716,823 for 15 years
- FY21-22 budget included \$1.9M General Funds addback to support additional projects
- Remaining balance from ERAF and addback will increase number of units

## PLHA Uses

The PLHA award will:

- provide 15 years of operating subsidies per project for households at 15% and 25% MOHCD AMI who are living in 50% and 60% AMI units
- fund the expansion of the SOS Program to new projects
- fund existing SOS pilot projects which do not currently have an ongoing source of funding past the initial years
- support program administration
- fund a City-held transition reserve in the rare event that the operating subsidy is discontinued by the State



## PLHA Projects



### ***City has ~1,000 units in senior housing pipeline***

- PLHA subsidies will be applied to ~40% of units in senior housing pipeline projects and structured as a 15-year project-based contract.
  - over-the-counter
  - first come, first served basis
- Upcoming senior housing pipeline projects include:
  - 1005 Powell (sole acquisition/rehab project)
  - Transbay West 2
  - 4200 Geary
  - 1939 Market
  - 772 Pacific
  - 967 Mission

# 2021-2026 Funding Projections



City Fiscal Year	Total Funds Committed via Contract*	Project(s) (First 15 Years Unless Otherwise Noted)	15% AMI Units	25% AMI Units	Total Units	City-Held Transition Reserve***
2021-2022	\$ 5,774,002	1009 Powell	15	20	35	\$511,830
2022-2023	\$ 1,631,083	735 Davis (contract Years 2-15)		13**	13	\$154,413
2023-2024	\$ 5,214,594	1296 Shotwell (contract Years 5-15)	20	20	40	Already funded
2024-2025	\$ 21,508,259	Transbay 2 West and 4200 Geary	38	41	79	\$1,906,575
2025-2026	\$ 11,235,454	1939 Market	20	20	40	\$995,954
Total	\$ 45,363,392		93	114	207	\$3,568,772

\*Committed amounts will be disbursed annually.

\*\*Thirteen (13) units at 735 Davis restricted at 30% AMI.

\*\*\*Sized at Year 15 of contract escalated by 4%.

# Permanent Local Housing Allocation (PLHA) Accept & Expend – Item #5

*Board of Supervisors Budget and Finance Committee  
September 8, 2021*



**Mayor's Office of Housing and Community Development**  
City and County of San Francisco

**Mayor's Office of Housing and Community Development**  
City and County of San Francisco



**London N. Breed**  
Mayor

**Eric D. Shaw**  
Director

**TO:** Angela Calvillo, Clerk of the Board of Supervisors

**FROM:** Benjamin McCloskey, Deputy Director Mayor's Office of Housing and Community Development

**DATE:** July 27, 2021

**SUBJECT:** Accept and Expend Resolution for California Department of Housing and Community Development Permanent Local Housing Allocation Program

**GRANT TITLE:** Permanent Local Housing Allocation Program

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Attached please find electronic copies of each of the following:

- X Proposed resolution; original signed by Department, Mayor, Controller
- X Grant information form
- X Grant budget
- X Grant award letter from funding agency
- X Grant agreement (Draft)
- X Grant guidelines

Departmental representative to receive a copy of the adopted resolution:

Name: Benjamin McCloskey  
Phone: 415-701-5575  
Interoffice Mail Address: Benjamin.McCloskey@sfgov.org  
Certified copy required Yes  No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).