

El Dorado County
Permanent Housing Allocation Program Plan



Submitted to the El Dorado County Board of Supervisors on July 14, 2020

In response to
Permanent Local Housing Allocation Program Final Guidelines.
Ref. Section 302(c)4

The manner in which allocated funds will be used on eligible activities:

El Dorado County intends to use Permanent Local Housing Allocation funds to focus on building the County's capacity to address the unmet housing needs of low-income citizens. Consistent with the requirements of the Permanent Local Housing Allocation Program guidelines, the County intends to fund projects in the following activity areas: 1) to make a small gap construction loan for a 81-unit multifamily rental housing project that will be occupied by households with incomes of no more than 60% AMI; 2) to make down payment assistance loans to low- and moderate-income households to buy affordable homes and to begin a new program wherein the County will make loans to homeowners to construct ADUs that will be restricted for 10 years to lower-income tenants, and 3) to assist persons who are experiencing or are at risk of homelessness, including but not limited to, providing rapid rehousing, rental assistance, supportive/case management services,.

El Dorado County Project #1:

Section 301(a) PLHA Activity #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.”

The County will dedicate PLHA funding to permanent, low income housing developments by way of subsidies to developers. Distributions of PLHA funding will be made through low interest loans to private and/or public for-profit and non-profit entities for housing projects located in the unincorporated area of the County and include the following: creation of new deed-restricted affordable housing units; preservation of existing affordable housing; creation of new, or rehabilitation of, transitional and supportive housing, multi-family rehabilitation programs; conversion of market rate units to affordable housing units; required off-site improvements including transit stops, trail/bike path connections, and; predevelopment loans/grants to assist non-profit developers with site acquisition and preliminary design studies for affordable housing. Permitted uses of PLHA funds may also include off-setting development impact fees. The residential portions of mixed-use projects that meet the affordability requirements of this program may also be eligible for assistance.

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.

48 very-low income households or 23% of the unmet share of the RHNA for very-low income.

32 low-income households or 31% of the unmet share of the RHNA for low-income.

The project includes 80 rental units restricted for fifty-five (55) years for very-low and low-income tenants (earning 30% to 55% of AMI). The Project's housing composition includes 10% of the units at 30% AMI, 50% of the units at 50% AMI, and 40% of the units at 55% AMI.

A description of the major steps/actions and a proposed schedule required for the implementation and the completion of the Activity.

The PLHA funds will be used to make a gap loan for new construction of an 81 unit multifamily rental housing project. The project has all entitlements, and other soft funding committed. Sponsor is applying for 4% tax credits in July 2020. Construction is anticipated to start in October 2020.

The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least 55 years.

55 years

CHART FOR RENTAL PROJECT:

Complete the table below for each proposed Affordable Rental Housing Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).							
Funding Allocation Year	2019	2019	2020	2021	2022	2023	
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	60%		30%	30%	30%	30%	
§302(c)(4)(E)(ii) Area Median Income Level Served	50%	55%	80%	60%	80%	80%	TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level	23	31	100	25	25	25	229
§302(c)(4)(E)(ii) Projected Number of Households Served	48	32	149	25	25	25	304
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Affordable Rental Housing Activity (55 years required for rental housing projects)	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	

El Dorado County Project #2:

§301(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 occupancy for a term of no less than 30 days

PLHA funds will be leveraged to expand the County's First Time Homebuyer Loan Program to provide low interest rate gap financing loans to eligible low-income homebuyers to assist in the purchase of a home in the unincorporated areas of the County. The current program is funded through the Community Development Block Grant (CDBG) Program, the Home Investment Partnerships (HOME) Program, and the County's revolving loan fund and is designed as a gap financing program for income-eligible applicants earning below 80% AMI that would not qualify for a bank loan sufficient enough to purchase a home due to limited income. The County must compete for CDBG and HOME program funds which are not guaranteed. The loan program includes Interest rates at 3% and deferred payments for 30 years. Furthermore, PLHA funds will be used for a new loan program for homeowners building an ADU deed-restricted to low-income tenants.

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.

Over the five year PLHA planning period, up to 10 low income work force households could be assisted with the homebuyer loan program. The ADU loan program is projected to assist 5 eligible homeowners over the 5-year period.

A description of the major steps/actions and a proposed schedule required for the implementation and the completion of the Activity.

There are 47 households on the waiting list for the County's First Time Homebuyer Loan program that meet the eligibility requirements. It is anticipated that 10 households that can be assisted with the PLHA funds will be able to close on their home purchase over the course of the plan.

The County also plans to implement an ADU loan program, for which guidelines are in development. Sample pre-approved plans are being designed with SB2 grant funding, and the County is providing the plans to contractors by June 2021. LEAP grant funded outreach and marketing to homeowners is scheduled for August 2021. A waiting list will be developed in January 2021, and pre-qualification performed on the top 10 households in March 2022.

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.

10 low income households or 10% of the unmet share of the RHNA for low income.

5 moderate-income households or 3% of the unmet share of the RHNA for moderate-income.

The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least 55 years.

Homebuyer Assistance Program affordability period is 15 years. The new ADU loan program for homeowners building an ADU deed-restricted to low-income tenants would follow a similar underwriting process with a 10-year affordability period and 15-year loan term with deferred payment for eligible low-income homeowners.

CHART FOR FTHB/ADU LOAN PROJECT

Complete the table below for each proposed Affordable Rental and Ownership Housing Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).								
Funding Allocation Year	2019	2020	2021	2022	2022	2023	2023	
Type of Affordable Housing Activity		Owner	Owner	Owner	ADU	Owner	ADU	
§302(c)(4)(E)(ii) Area Median Income Level Served		80%	80%	80%	120%	80%	120%	TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level		2	4	3	1		1	11
§302(c)(4)(E)(i) Percentage of Funds Allocated for Each Affordable Housing Activity		25%	25%	25%		25%		
§302(c)(4)(E)(ii) Projected Number of Households Served		2	4	3	2	2	2	15
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)		15	15	15	10	15	10	

- El Dorado County Project #3

Section 301(a) Eligible PLHA Activity #6 – “Activities to assist 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 new construction, rehabilitation, and preservation of permanent and transitional housing.”

A description of each proposed activity, pursuant to Section 301, and the percentage of funding allocated to it:

The County will dedicate approximately 32% to 40% of funding from Years 1 and 2 and approximately 40% of funding from Years 3 – 5 to build the County’s capacity for assisting low income families in obtaining and retaining permanent housing, and preventing families from entering homelessness through rental assistance and rapid rehousing efforts. Building this capacity will include hiring 2.0 FTE internal Housing Program Specialist positions and paying for a portion of a manager position (years 3-5) to oversee the program and assist with system/resource coordination. These positions will be tasked with providing supportive case management services that allow qualifying low-income households to obtain and retain housing. Case management will be prioritized for households who are homeless or at risk of homelessness.

County citizens are experiencing economic hardships due to the COVID-19 health emergency that could result in increased homelessness if targeted interventions are not implemented. Individuals may need connections to existing services (Housing Support Program – CalWORKs, Public Housing Authority, TANF, etc.); it is also anticipated not all will qualify for existing services. As a result, the County intends to provide new case management resources to connect the new increase in at-risk of homeless population with new and housing resources in development in order to prevent the homeless situation from escalating.

Planning is currently underway to identify a location/site and the feasibility for a form of transitional, bridge housing, or navigation related services. The final determination of the location and the services model that will support it is anticipated by 2022. In the meantime, the County will create the internal case management positions necessary to help support connecting low income households with permanent housing, while the location of these services may later be based out of the aforementioned location /site. The expertise will be developed now and then connected with the resulting service site once it becomes operational.

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.

Similar homeless and prevention efforts targeted at helping families earning less than 60% AMI retain and obtain permanent housing indicate a single dedicated position would result in approximately 17 households served per year; it is estimated two positions would result in 34 households (at less than 60% AMI) served and/or placed in permanent housing or remaining in permanent housing per year with coordination of services between available housing programs and resources being served through a portion of the Program Manager. Thirty-four (34) households would represent 32% of the RHNA at 60% AMI income level.

A description of the major steps/actions and a proposed schedule required for the implementation and the completion of the Activity.

The hiring process will take approximately 6 months. As a result, year 1 deliverables may more accurately reflect case management for 17 households, with years 2-4 reflecting 34 households per year.

The next step is connecting the positions with the existing Coordinated Entry System for homeless services within the County as well as the existing service providers engaging in outreach activities. Once

connected with existing services and resources, referrals would be sent to the positions through one of the Coordinated Entry Services access points.

This activity would be active and on-going, funding provided until no low-income population in need of housing existed within the County. The activity could be further enhanced in the future as more short term, transitional, and permanent housing options and resources become available. Additional housing resources, including resources dedicated to rapid rehousing and rental assistance efforts, will further bolster the options available to the case management positions to help tailor services to meet client needs.

The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least 55 years.

Transitional and supportive housing development would be required to have affordability periods of at least 55 years.

CHART FOR HOMELESS PROJECT- DRAFT

Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).						
Funding Allocation Year	2019	2020	2021	2022	2023	
Type of Activity for Persons Experiencing or At Risk of Homelessness	Case Mgmt.	Case Mgmt.	Case Mgmt.	Case Mgmt.	Case Mgmt.	
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	32%	40%	40%	40%	40%	
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	60%	60%	60%	60%	TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level	N/A	N/A	N/A	N/A	N/A	0
§302(c)(4)(E)(ii) Projected Number of Households Served	17	34	34	34	34	153
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental)	N/A	N/A	N/A	N/A	N/A	

housing projects)						
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Overall Budget Chart

6-15-20	Year 1	Year 2	Year 3	Year 4	Year 5
Estimated Allocation (Est. + 9.128% annually)	\$479,995	\$523,809	\$571,622	\$623,780	\$680,740
Eligible Costs					
Project #1: Capacity	\$155,994	\$209,524	\$228,649	\$249,512	\$272,296
% of Allocation:	32%	40%	40%	40%	40%
Project #2 (new construction)					
Permanent Housing	\$300,000	\$157,143	\$171,487	\$187,134	\$204,222
% of Allocation:	63%	30%	30%	30%	30%
Project #3 (down pymt and ADU loans)		\$130,952	\$142,906	\$155,945	\$170,185
% of Allocation:		25%	25%	25%	25%
Indirect/Admin	\$24,000	\$26,189	\$28,580	\$31,188	\$34,036
% of Allocation:	5%	5%	5%	5%	5%
Annual Estimated Total	\$479,995	\$523,809	\$571,622	\$623,780	\$680,740
Estimated Allocation (Est. + 9.128% annually)	\$479,995	\$523,809	\$571,622	\$623,780	\$680,740
5 Year Estimated Total	\$2,879,994				

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% AMI. Programs targeted at households at or below 60% AMI will be deemed to meet this requirement:

Priority will be given to housing development that will be occupied by households with incomes of no more than 60% AMI. Additionally, case management services to link low-income households who are homeless or are at risk of homelessness to permanent housing. The ADU and homebuyer loan programs allow for services for those earning above 60% but not more than 120% AMI, which is necessary to help provide permanent housing solutions to low to low-moderate income households.

A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element:

The Plan is consistent with General Plan Policies HO-1.6 which directs the County to encourage new or substantially rehabilitated discretionary residential developments to provide for housing that is affordable to low, very low, and moderate income households. The Plan is consistent with General Plan Policies HO-1.7 which directs the County to give highest priority for permit processing to development projects that provide housing affordable to very low- or low-income households. The Plan is consistent with General Plan Policies HO-1.18 which directs that the County shall develop incentive programs and partnerships to encourage private development of affordable housing for very-low, low, and moderate income households. The Plan is consistent with General Plan Policies HO-1.6 which directs the County to work with local organizations at the community level to develop a coordinated strategy to address homelessness and associated services issues, which may include a homeless crisis intake center to better assist those who wish to move from homelessness to self-sufficiency.

Evidence that the plan was authorized and adopted by resolution by the Local government and that the public had adequate opportunity to review and comment on its content:

The Permanent Local Housing Allocation Program funding plan was submitted to the El Dorado County Board of Supervisors on July 14, 2020. Consistent with statutory requirements the agenda for this Board meeting was posted on the Board of Supervisors website 72 hours prior to the meeting, in accordance with Brown Act requirements. Public comment is a regular and integral part of the Board of Supervisors meetings. Any member of the public who desires a comment is provided time.

The following for each proposed activity:

- (i) 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 the major steps/actions and a proposed schedule required for the implementation and the 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.**

Responses to each of these is provided by El Dorado County Project Number, as indicated above.