



## Legislation Text

File #: 24-0678, Version: 1

Health and Human Services Agency (HHS) recommending the Board:

- 1) Adopt and authorize the Chair to sign Resolution **109-2024** which authorizes the County to continue to participate in the Permanent Local Housing Allocation (PLHA) program funding, administered by California Department of Housing and Community Development (HCD), for the 2023 PLHA Allocation Program Formula Component, and approves HHS to submit an Amendment to the County's existing 5-Year PLHA Program Plan; and
- 2) Delegate authority to the HHS Director, or Chief Assistant Director, to accept the 2023 PLHA funding, if awarded, and execute the resulting grant agreement, as well as any amendments thereto, and to execute subsequent administrative documents related to said award, including fiscal and programmatic reports, through the completion of the Amended 5-Year PLHA Program Plan, with no change to the five-year estimated amount of \$2,879,974, contingent upon County Counsel and Risk Management approval as applicable.

**FUNDING:** 100% State Funds administered through HCD by way of fees imposed through California Senate Bill 2 (Chapter 364, Statutes of 2017); no matching funds are required.

**DISCUSSION / BACKGROUND:**

On February 26, 2020, HCD issued the first PLHA program Notice of Funding for Applications (NOFA) pursuant to SB 2 (Chapter 364, Statutes of 2017), which established funding and authorized HCD to allocate 70 percent of moneys collected and deposited, 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.

In accordance with the PLHA guidelines issued by HCD, applicants were required to develop and submit a five-year local government plan (5-Year PLHA Plan) outlining the intended use of allocated funds. The NOFA identified 10 eligible activities which local governments could expend PLHA funds. Accordingly, HHS worked with the El Dorado County Planning and Building Department (EDCPB) to develop said 5-Year PLHA Plan to expend the County's five-year estimated allocation of \$2,879,974, for three of the 10 eligible activities identified in the NOFA. The County's plan/selected activities focused on expending PLHA funds to build the County's capacity to address the unmet housing needs of low-income citizens, as follows:

- ∇ 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 Area Median Income (AMI), or 150 percent of AMI in High-cost areas (PLHA funds were partially allocated to EDCPB in years 1 through 5);
- ∇ Activity 6: Assisting persons who are experiencing or at risk of homelessness, including, but not limited to: providing rapid rehousing, rental assistance, and 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 (PLHA funds were partially allocated to HHS in years 1

through 5 for this activity); and

- ∇ Activity 9: Homeownership opportunities, including, but not limited to, down payment assistance. (PLHA funds were partially allocated to EDCPB in years 2 through 5 for this activity).

On July 14, 2020, the Board adopted Resolution 114-2020 authorizing the HHSA Director to receive the PLHA program funds in accordance with the NOFA, in the amount not to exceed \$2,879,974 over a five-year period, and authorized the HHSA Director to accept and execute the resulting PLHA Grant Agreement and any amendments thereto, if awarded, over the next five years, contingent upon County Counsel and Risk Management approval (Legistar file 20-0792).

On October 21, 2020, HCD approved the County's 5-Year PLHA Plan and awarded the County \$479,995 for year 1 of the PLHA program under HCD Funding Agreement No. 20-PLHA-15151 (Fenix No. 7112). Subsequently, in accordance with Resolution 114-2020, Funding Agreement 7112 between the County and HCD was executed for the year 1 funds, for the term of February 5, 2021, through June 30, 2030.

On May 3, 2021, and on August 17, 2022, HCD issued the PLHA 2021 (year 2) and 2022 (year 3) NOFAs, respectively, to which HHSA applied in accordance with the prior approved resolution. Consequently, the County was awarded \$729,477 for 2021 and \$973,923 for 2022. Thereafter, Amendments I and II to Funding Agreement 7112 were processed, increasing the maximum total of the agreement following each annual award, bringing the County's current funding for years 1-3 to \$2,183,395, with no change to the term.

On December 29, 2023, HCD issued the NOFA for the 2023 PLHA Program Formula Component for approximately \$296 million of available funding. Subsequently, HHSA and EDCPB collaborated to reallocate 100% of EDCPB's Activity 2 and Activity 9 funding to HHSA to expend in Activity 6: Assisting homeless or at risk of homeless individuals, and costs/construction of a new navigation center. Due to project delays, the funds initially allocated to EDCPB are not projected to be expended by the HCD deadline. Therefore, HHSA, in partnership with EDCPB, are reallocating these funds to Capital Costs for the Permanent Navigation Center which represents the best use of existing available funding and is in alignment with the PLHA goal of assisting in the unmet housing need of the community. In accordance with the 2023 PLHA NOFA, this adjustment to the plan requires an amendment to the 5-Year PLHA Plan, which can only be accomplished in tandem with HHSA's submission of the 2023 PLHA application.

HHSA recommends the Board approve HCD's template Resolution included in this agenda item (required by HCD for PLHA Plan amendments) which adopts the PLHA Plan Amendment for 2020-2023 Allocations, with no change to the five-year estimated amount of \$2,879,974. Upon approval, HHSA will submit the 2023 PLHA Program Formula Component application and the PLHA 5-Year Plan Amendment to HCD by the due date of June 30, 2024.

**ALTERNATIVES:**

Should the Board decline to approve this recommendation, the County would be unable to amend the current 5-Year PLHA Plan. Without a 5-Year PLHA Plan Amendment, the 2020-2023 County PLHA may be in jeopardy of being recaptured if HHSA and EDCPB are unable to expend the allocations as outlined in the existing plan.

**PRIOR BOARD ACTION:**

04/14/2020, 20-0792, HHS Permanent Local Housing Allocation Program Plan and Resolution

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

County Counsel

**CAO RECOMMENDATION:**

Approve as recommended.

**FINANCIAL IMPACT:**

There is no Net County Cost associated with this agenda item. Sufficient appropriations were included in the Fiscal Year 2024-25 Budget and will be included in future budgets for the term of the Agreement.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

- 1) Clerk of the Board to obtain signature of Chair on one original Resolution.
- 2) Clerk of the Board to return one executed Resolution to [hhsa-grants@edgov.us](mailto:hhsa-grants@edgov.us)

**STRATEGIC PLAN COMPONENT:**

By approving this item, the Board will be working toward the strategic plan priority to “Develop a continuum of support and housing opportunities for unhoused individuals.” Specifically, this item contributes to the action items of “Complete the Navigation Center” and “Continue engagement with County department, the homeless community, and countywide partners to develop effective strategies including for example, transitional housing.”

**CONTACT**

Olivia Byron-Cooper, MPH, Director, Health and Human Services Agency