



Staff Reports

File #: 382-2020, **Version:** 1

To: Honorable Mayor and Members of City Council
From: Vincent Smith, Community Development Director
Prepared By: Lark Ferrell, Housing Manager

TITLE:
Permanent Local Housing Allocation Grant

RECOMMENDED ACTION:

Adopt a resolution accepting a grant from the State of California Department of Housing and Community Development SB2 Permanent Local Housing Allocation Program in the amount of \$318,210; and approving both revenue and expenditure budget adjustments to appropriate the grant revenue, as documented in Budget Adjustment Form Number BE-2111502.

DISCUSSION:

On February 26, 2020, The State of California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA). Funding for this NOFA is provided pursuant to Senate Bill (SB) 2 (Chapter 364, Statutes of 2017). SB 2 established the Building Homes and Jobs Trust Fund (Fund) and authorizes the Department to allocate 70 percent of monies 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 was 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.

As part of the application, the City prepared and submitted a five-year plan on how the City intends to use its allocation of Permanent Local Housing Allocation funds. The City identified two activities, expanding the supply of accessory dwelling units and assisting persons who are experiencing homelessness, in its plan. Additionally, funding can be used to pay for administrative costs associated with the grant. The State approved the City's plan and awarded the City \$318,210 in Fiscal Year 2019-2020 Permanent Local Housing Allocation funding.

Because staff did not anticipate receiving this grant when the City's two year budget was adopted in June 2019, a budget adjustment is needed to implement the grant in Fiscal Year 2020-2021.

FINANCIAL IMPACTS:

This grant provides \$318,210 to help fund the community's homeless shelter system, to expand the supply of accessory dwelling units, and administer the grant. It would also approve a \$318,210 budget adjustment to both revenues in IFAS (GL 2301-33401 \$318,210) and expenditures in IFAS (GL 22301-51200 \$15,910, 22301-55002 \$45,000, and 22301-58608 \$257,300) to reflect the

Permanent Local Housing Allocation grant award and associated grant-funded expenditures.

CEQA:

The Community Development Director has determined the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

DOCUMENTS ATTACHED:

ATCH 1 - Resolution

EX A - Budget Adjustment Form No. BE-2111502

NOTIFICATION:

Notice of this item was placed on an agenda at least 72 hours in advance of the meeting.