



<b>STAFF REPORT</b>	
<b>SUBJECT:</b> Consideration of Resolution 2024-18 Authorizing the City of Clearlake to Submit an Application to the California Department of Housing and Community Development for Funding under the Competitive Permanent Local Housing Allocation (CPLHA)	<b>MEETING DATE:</b> Apr. 18, 2024
<b>SUBMITTED BY:</b> Alan D. Flora, City Manager	
<b>PURPOSE OF REPORT:</b> <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

**WHAT IS BEING ASKED OF THE CITY COUNCIL:**

City Council will consider adoption of a resolution authorizing the City of Clearlake to submit an application to the California State Department of Housing and Community Development for funding under the CPLHA Competitive Permanent Local Housing Allocation Program for the Konocti Gardens Apartments.

**BACKGROUND/ DISCUSSION:**

CPLHA is a program within the California Department of Housing and Community Development “HCD” and is funded under the Building Homes and Jobs Act (SB 2, 2017 or “Bill”), which established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California. This Bill will provide a permanent source of funding to all local governments in California to help cities and counties implement plans to increase the affordable housing stock.

Funding will help cities and counties:

- Increase the supply of housing for households at or below 60% of area median income
- Increase assistance to affordable owner-occupied workforce housing
- Assist persons experiencing or at risk of homelessness
- Facilitate housing affordability, particularly for lower- and moderate-income households
- Promote projects and programs to meet the local government’s unmet share of regional housing needs allocation
- Ensure geographic equity in the distribution of the funds

**Discussion:** HCD released a NOFA (Attachment 1) for the CPLHA Program on March 6, 2024, with applications due June 6, 2024. The NOFA provides grants to Non-entitlement Local Governments in California to assist persons experiencing or at risk of homelessness and investments that increase the supply of housing to households with incomes of 60 percent or less of area median income.

The eligible activities are:

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. In order to be eligible as “substantial rehabilitation”, a project must complete a minimum of \$40,000 per unit in hard construction costs; or
2. Assistance to persons who are experiencing or at risk of homelessness, including, but not limited to, through rapid rehousing, 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

The maximum application amount, including administrative costs, for the development of new multifamily rental housing or substantial rehabilitation of a multifamily rental housing project, or development of a Navigation Center is \$5 million. The minimum application amount shall be \$500,000. Staff anticipated applying for approximately \$2.5 million.

Administrative expenses may be incurred to implement the project or program activity, up to a maximum of 5% of the grant amount.

CRP Affordable Housing & Community Development, an affordable housing developer with communities located throughout California, had requested that the City apply for the CPLHA funds to assist with the development and construction of a new affordable family apartments at Konocti Gardens. The development will offer 102 units with a mix of one-, two- and three-bedroom apartments. The Area Median Income (AMI) levels will be 30-60%.

Staff is recommending that Council adopt the resolution authorizing the City of Clearlake to submit an application to the California State Department of Housing and Community Development for funding under the CPLHA Program, and if selected, authorize the City Manager to execute a Standard Agreement, any amendment thereto, and any related documents necessary to participate in the CPLHA Program; and approve corresponding budget revenue and expense amendments, if the application is awarded.

**OPTIONS:**

1. Adopt Resolution 2024-18.
2. Provide Direction to Staff.

**FISCAL IMPACT:**

None       \$ Budgeted Item?     Yes     No

Budget Adjustment Needed?     Yes     No      If yes, amount of appropriation increase: \$

Affected fund(s):     General Fund     Measure P Fund     Measure V Fund     Other:

Comments:

**STRATEGIC PLAN IMPACT**

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

**Attachment:**

1. Resolution 2024-18