



City of Grass Valley City Council Agenda Action Sheet

Title: Amend the MOU between Nevada County and Nevada City pertaining to terms of remaining PLHA funds

CEQA: Consideration of an Addendum to the MOU partnership for administration of remaining PLHA funds is not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) because the MOU does not commit the City to any specific physical project

Recommendation: Authorize the Mayor to sign the amended MOU between Nevada County and Nevada City pertaining to terms of remaining PLHA funds.

Prepared by: Amy Wolfson, City Planner

Council Meeting Date: August 11, 2026

Date Prepared: July 31, 2026

Agenda: Consent

Background Information: The Permanent Local Housing Allocation program was created in 2017 as part of the State's Building Homes and Jobs Act (SB-2). It established a \$75 recording fee on some types of real estate documents to, in part, fund local projects to address affordable housing and homelessness. The funds are dispersed to local jurisdictions after successful application to the State, and after a PLHA plan is approved that adheres to program guidelines. Grass Valley collaborated with Nevada City and Nevada County in 2020, through a Memorandum of Understanding, to apply and administer PLHA funds in order to maximize PLHA funding opportunities. The MOU outlined the Cities' roles and responsibilities in achieving activities outlined in the PLHA Plan.

A large portion of PLHA funds were previously used as matching funds to leverage Local Housing Trust Fund (LHTF) grant funds, supporting the creation of the Western Nevada County Regional Housing Trust Fund, for increasing the supply of affordable housing. The LHTF funds sunsetted after 2025 and are therefore no longer available to use as leveraged matching dollars. Because of this, County and City staff are proposing an amendment for the remainder of the 5-year plan using funds for rounds 4 and 5 in the amount of \$808,089. The term of the MOU was for five years and is being amended to indicate that it will last until administration of funds for all five years is complete.

MOU Amendment: The adopted five-year plan of the trust fund coincided with eligible activities established by the state. Years 1 through 3 funding has been used to support affordable housing development, owner occupied housing, and homeless services. Funding during that time period was administered through the Western Nevada County Regional Housing Trust Fund so that we could leverage the funding with matching funds from the Local Housing Trust Fund (LHTF). However, LHTF dollars have since sunsetted. Years 4 and 5 funding is proposed to be used on similar eligible activities, however, because of a lack of matching LHTF funds, will not be routed through the Western Nevada County Regional Housing Trust Fund. However, funds will continue to be used toward rental and owner occupied development, and a smaller percentage used on navigation Center and Homeless services, but will not be routed through the Regional Housing Trust Fund. Remaining funds available are approximately \$808,000. Projects will continue to be awarded in collaboration with the partner organizations. The only substantive change to the MOU is a change to the term of the MOU to coincide with the completion of all five rounds of funding

and expenditure, as opposed to a term limit based on a strict 5-years.

Council Goals/Objectives: Amending the MOU to allow full expenditure of the awarded PLHA funding supports 2022 Strategic Plan Update, Goal # 5: the City of Grass Valley strives to exemplify an innovative, efficient, effective, open and collaborative city government, as well as supports 2022 Strategic Plan Update # 6: the City of Grass Valley is devoted to providing a safe place to live, work and play.

Fiscal Impact: None. Remaining funds have previously been committed by the State under the Permanent Local Housing Allocation (PLHA) Program

Funds Available: None **Account #:** None **Reviewed by:** City Manager

Attachments:

1. Amendment 1. Memorandum of Understanding between the County of Nevada Health and human Services Agency, City of Grass Valley, and City of Nevada City pertaining to the proposed application for and coordination of Permanent Local Housing Allocations.