



CITY COUNCIL STAFF REPORT

ITEM NO. 6.2

DATE: March 25, 2024

TO: Honorable Mayor and City Council

FROM: Paul Spence, Assistant City Manager

SUBJECT: Resolution authorizing, approving, and adopting an amended Permanent Local Housing Allocation (PLHA) program five-year plan to reallocate funds to support the shelter and housing assistance provided at Vineyard 2.0 as well as rental assistance provided by City Serve, and authorizing the City Manager to apply for PLHA funds from the State Department of Housing and Community Development in an amount not-to-exceed \$1,251,240 and execute grant agreements consistent with the program activities defined in the amended PLHA 2019-2023 plan.

RECOMMENDED ACTION

Staff recommends that the City Council adopt two resolutions:

1. Authorizing, approving, and adopting an amended PLHA Plan for 2019-2023 allocations, which is attached to the resolution as Exhibit A;
2. Authorizing the City Manager, or her designee, to execute the PLHA program application for the 2023 PLHA NOFA, the PLHA standard agreement, and any subsequent amendments or modifications thereto, as well as any other documents that are related to the PLHA program or the PLHA grant awarded to the City of Livermore;
3. Authorizing the City Manager to accept and appropriate the allocations for the amended PLHA plan if awarded in an amount not-to-exceed \$1,251,240, and directing the City Manager or her designee, to sign and submit Fund Requests and all required reporting forms and other documentation as may be required by the State of California in connection with the grant; and
4. Authorizing the City Manager or her designee to sign all documents related to the execution of grant agreements with subgrantees receiving allocations of funds from the CA State Housing and Community Development PLHA program, including the selection of, and contracting with, service providers in amounts exceeding \$100,000, consistent with the allowable activities in the PLHA program.

SUMMARY

The Permanent Local Housing Allocation (PLHA) program is a non-competitive block grant program designed to provide direct assistance to communities to increase the local housing stock through a wide

range of eligible activities, including the development of rental housing that is affordable to extremely low-income households and assistance to persons who are experiencing homelessness. On November 14, 2022, the City Council approved an application to State HCD for new funding under the PLHA program and approved a five-year plan (the “Plan”) for the use of an estimated total of \$1,251,240 in grant funds.

Staff recommends the City Council approve an amended 2019-2023 PLHA Plan to reallocate funds to more activities that support the shelter and housing assistance provided at Vineyard 2.0 as well as rental assistance to be provided by City Serve to prevent or address homelessness. Staff also recommends City Council authorize the City Manager or her designee to execute the grant agreements with subgrantees receiving allocations consistent with the allowable activities defined in the amended PLHA 2019-2023 plan.

DISCUSSION

In 2017, Governor Brown signed the Building Homes and Jobs Act, which established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California and designated 70% of the revenue collected for the Permanent Local Housing Allocation (PLHA) program. On December 29, 2023, the State of California Department of Housing and Community Development (State HCD) issued a Notice of Funding Availability (NOFA) for the PLHA program utilizing these funds.

PLHA funding is a non-competitive block grant program designed to provide direct assistance to communities to increase the local housing stock through a wide range of eligible activities, including the development of affordable rental housing for extremely low-income households and assistance to persons experiencing homelessness. Because the number of real estate transactions recorded in each county will vary yearly, the revenues collected and funds available to local jurisdictions will fluctuate. Each year, State HCD releases a NOFA for the revenue collected in the prior calendar year, and jurisdictions like the City of Livermore, entitled to a formula allocation, submit a streamlined application to access the funds.

On November 14, 2022, the City Council approved an application to State HCD for funding under the PLHA program and approved a five-year plan to use an estimated total of \$1,251,240 in grant funds. This PLHA plan serves as a guide for the City to plan for activities and submit annual applications to the CA Department of Housing and Community Development. The activities in the adopted PLHA plan included funds for operating subsidies and housing navigation for the Vineyard 2.0 project as well as funding for the rehabilitation and expansion of shared housing units serving extremely low-income and special needs populations.

Following plan approval, the City partnered with the Tri-Valley REACH (REACH) to assist with funding for two rehabilitation projects that supply supportive, affordable shared homes for extremely low-income tenants with intellectual and/or developmental disabilities. Both shared homes provide options for residents to live independently, work, and volunteer in the community. The scope of rehabilitations included expansion of the bedroom spaces to accommodate additional tenants, structural improvements, interior renovation, landscaping design, and accessibility improvements. The latest rehabilitation project located on Camden Common opened its doors to the residents on February 14, 2024. No additional projects for this activity have been identified.

Construction of the Vineyard 2.0 project was finished in December of 2023, and the Vineyard Resource

Center opened its doors on January 22, 2024. In addition to 24 units of permanent housing for extremely low-income households, the Vineyard Resource Center provides a multitude of services to address the homelessness crises, such as housing navigation assistance, shower and laundry services, and an overnight refuge shelter operated by Open Heart Kitchen through their Open Heart Refuge program. All funding needed for operation of the residential units has been secured from other (non-PLHA) sources and therefore operating subsidies for the project are no longer needed.

The additional PLHA funding will allow the 20-bed shelter to sustain operations seven days a week providing overnight refuge for persons from inclement weather along with breakfast and dinner through Open Heart Kitchen, daily showers, laundry services, and access to housing navigation. Staff recommends amending the five-year PLHA plan to reallocate funds to additional activities that assist persons who are experiencing or at risk of homelessness per the PLHA guidelines. These activities include but are not limited to providing rapid rehousing, rental assistance, and supportive case management services that allow people to obtain and retain housing and operating and capital costs for navigation centers and emergency shelters.

The proposed Plan amendment will also allow the City to allocate flexible-use funds to Housing Consortium of the East Bay (HCEB) through the Vineyard Resource Center housing navigator, and to CityServe, or other providers for rental assistance. It reflects the feedback received from the community-based organizations about the needs of the unhoused community members. If approved, The City of Livermore will contract with HCEB, Open Heart Kitchen, and City Serve of the Tri-Valley to support operating costs for the Vineyard Resource Center, Open Heart Refuge shelter, and CityServe to address the acute homeless crisis and provide services to residents in the Tri-Valley at risk for homelessness.

The following table contains activity estimates for the proposed PLHA Plan allocations:

PLHA Activity / Funding Year	2020	2021	2022*	2023**	2020-2023**
Shelter Operations/Housing Navigation/Rental Assistance (HCEB & Open Heart Refuge)	\$243,103	\$267,527	\$134,085*	\$137,311**	\$782,025**
Rental Assistance (City Serve)	\$64,827	\$71,340	\$35,756*	\$36,616**	\$208,540**
Total	\$307,930	\$338,867	\$169,841*	\$173,927**	\$990,565**

*Pending 2023 PLHA NOFA application and award.

**Pending 2024 PLHA NOFA funding release.

The City has received approval from HCD for PLHA allocations for years 2020 and 2021, therefore once approved by City Council, staff will move forward with the proposed agencies to contract for those funds. To access PLHA funds, the City Council must adopt the State-approved Resolution approving the amended plan, attached as Exhibit A, authorize the City Manager, or her designee to apply for the 2023 PLHA NOFA funding, and adopt the resolution authorizing the City Manager, or her designee, to execute all documents related to the execution of grant agreements, with subgrantees receiving allocations of funds from the CA State Housing and Community Development PLHA program.

FISCAL IMPACTS

Amending the plan will redistribute annual funds between the approved projects. The City was awarded \$859,619 in PLHA funds for the first three years of the grant term and estimates that a total of

\$1,251,240 will be allocated over the five-year planning period. The PLHA program does not require local matching funds.

COMMUNITY PILLAR

1: A Safe Community that Thrives.

GOAL

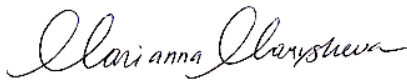
8: Expand and improve access to human services.

ATTACHMENTS

1. HCD Authorizing Resolution
2. Resolution
3. Exhibit A - Amended 2019-2023 PLHA Plan

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Approved by:



Marianna Marysheva
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director