



# **City of Gardena**

## **Permanent Local Housing Allocation Funding Allocation Plan**

### **For Public Review**

In September 2017, the California Legislature approved Senate Bill 2 (SB 2), known as the Building Homes and Jobs Act (Act), which established a \$75 recording fee on real estate documents to increase the supply of affordable housing. The Act establishes the Permanent Local Housing Allocation (PLHA) program administered by the California Department of Housing and Community Development (HCD). The PLHA provides a permanent source of funding to cities and counties to help meet the unmet need for affordable housing and increase the supply of affordable housing units. HCD released its first Notice of Funding Availability for these funds on February 26, 2020.

Under the PLHA, funding is provided through formula grants to entitlement jurisdictions based on the formula prescribed under federal law for the Community Development Block Grant (CDBG) program over a five-year funding period, as well as through a competitive grant program to non-entitlement jurisdictions. The City of Gardena is an entitlement jurisdiction and is eligible to receive an estimated \$1,979,262 over the five-year funding period. Funding of each year for the PLHA is generated through a fee on real estate transactions, which may fluctuate from year to year. According to HCD, the City is currently eligible for \$1,406,855, which is the portion of the City's total allocation for the first three funding periods. The remaining two years of the five-year funding program will be a total of \$572,407.

The State requires entitlement jurisdictions to use PLHA funds to increase the supply of affordable housing. In order to receive PLHA funds, the City is required to submit a PLHA Plan detailing the manner in which allocated funds will be used; a description of the way the City will prioritize investments that increase the supply of housing for households at or below 60 percent of AMI; a description of how the Plan is consistent with the programs set forth in the City's Housing Element; and evidence that the Plan was authorized and adopted by resolution by the City Council and that the public had an adequate opportunity to review and comment on its content.

The City intends to utilize program funding under the direction of eligible activity (a) 2 from the program's final guidelines, which indicates funding can be used for "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 AMI," and activity (a) 6 assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services".

The City Council will consider approving a Resolution on the November 8, 2022, authorizing the City to apply, submit and receive grant funds for the PLHA program. The deadline to submit the approved Resolution and PLHA application is **November 31, 2022**.

**§302(c)(4) Plan**

Rev. 2/16/22

**§302(c)(4)(A)** Describe the manner in which allocated funds will be used for eligible activities.  
 The City plans to use the PLHA funds for the development rehabilitation, and preservation of affordable rental and ownership housing, that meets the needs of a growing workforce earning up to 120-percent of AMI. The City of Gardena intends to use the funds to be used towards existing multi-family and owner-occupied rehabilitation programs to provide assistance occupied by lower and moderate income tenants to make proper improvements, develop incentives to encourage affordable owner-occupied workforce housing, and enhancing homelessness prevention and response efforts within the City Emergency Services through the City's Recreation & Human Services Department.

**§302(c)(4)(B)** Provide a description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of Area Median Income (AMI).  
 The City will prioritize investments that increase supply of housing for households with income at or below 60% of AMI through the following:  
 • The City's multi-family rehabilitation program that will allow for exterior and interior improvements of multi-family rental properties within the City of Gardena that are at least 51% occupied by household incomes at or below 60% AMI.

**§302(c)(4)(C)** Provide a description of how the Plan is consistent with the programs set forth in the Local Government's Housing Element.  
 The Plan would be consistent with the following programs set forth in the City's 2021-2029 Housing Element:  
 •Program 1.1: Maintenance and Preservation of the Housing Stock  
 •Program 2.2: Affordable Housing Development, to encourage affordable housing production during the planning period by providing finance assistance  
 •Program 2.6 Homeless Assistance, to assist homeless persons to transition towards self-sufficiency.  
 •Program 4.5: Accessory Dwelling Units, assist lower- and moderate-income homeowners in the construction of ADUs.  
 •Program 5.3 Place-Based Strategy for Neighborhood Improvements, to facilitate residential development in Northern Gardena to ensure quality of life improvements.

**Activities Detail (Activities Detail (Must Make a Selection on Formula Allocation Application worksheet under Eligible Activities, §301))**

**§301(a)(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 AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.

<b>§302(c)(4)(E)(i)</b> Provide a detailed and complete description of how allocated funds will be used for each proposed Affordable Rental and Ownership Housing Activity.	<b>Enter Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing</b>	<b>20%</b>
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The City of Gardena intends to use the PLHA funds towards a multi-family and owner-occupied rehabilitation program to provide assistance to owners of multi-family rental properties occupied by lower-income and moderate tenants. Through this program, the City will partner with private property owners to physically improve deteriorated multi-family housing properties and expand the supply of affordable rental housing. The funds will be used to finance the costs of repairs to facilitate and encourage voluntary rehabilitation of the City's older multi-family, rental housing stock in order to physically improve deteriorated neighborhoods, as well as to increase the supply of affordable housing. Additionally, will establish incentives to encourage affordable owner-occupied workforce housing.

Complete the table below for each proposed Affordable Rental and Ownership Housing Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).

Funding Allocation Year	2019	2020	2021	2022											
Type of Affordable Housing Activity	Rental: Rehabilitation	Rental: Rehabilitation	Ownership : Development	Ownership : Development											
<b>§302(c)(4)(E)(i)</b> Percentage of Funds Allocated for Each Affordable Housing Activity	50%	25%	45%	50%											
<b>§302(c)(4)(E)(ii)</b> Area Median Income Level Served	60%	60%	120%	120%											<b>TOTAL</b>
<b>§302(c)(4)(E)(ii)</b> Unmet share of the RHNA at AMI Level <b>Note: complete for years 2019, 2020, 2021 only</b>	3140														3140
<b>§302(c)(4)(E)(ii)</b> Projected Number of Households Served	20	16	70	64											170

§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	55 years	55 years	30 years	30 years											
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of each Affordable Rental and Ownership Housing project.															
PLHA funds will allow the City to assist developers bring 170 affordable units to the City, thereby bringing the City closer to meeting its RHNA goals, develop incentives to encourage affordable ownership housing and establish guidelines and requirements for the multi-family rehabilitation program. The City would then complete outreach to the local multi-family property owners. The city will distribute information on the city's website and through various social media platforms.															
§301(a)(6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, 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.															
§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for the proposed Activity.															
The City intends to use the funds to continue efforts on enhancing homelessness prevention and response efforts within the City Emergency Services through the City's Recreation & Human Services Department to assist those at-risk and experiencing homelessness through our case management services.															
Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).															
Funding Allocation Year	2019	2020	2021	2022	2023										
Type of Activity for Persons Experiencing or At Risk of Homelessness	Supportive/Case Management Services	Supportive/Case Management Services	Supportive/Case Management Services	Supportive/Case Management Services	Supportive/Case Management Services										
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	50.00%	75.00%	55.00%	50.00%	100.00%										
§302(c)(4)(E)(ii) Area Median Income Level Served	30%	30%	30%	30%	30%										TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level <b>Note: complete for years 2019, 2020, 2021 only</b>	1485														1485
§302(c)(4)(E)(ii) Projected Number of Households Served	15	40	30	15	30										130
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)															
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.															
A portion of the allocation funds will be dedicated towards existing supportive services provided by the City's Human Services Department, which may include street outreach, mental health services, and job training within the first two years of the funding program. The City is currently developing a Homelessness Prevention Plan and which will assist in identifying and establishing programs to provide additional supportive services through the 2021-2023 funding periods.															