

**RESOLUTION NO. 6609**

**A RESOLUTION OF THE CITY OF GARDENA, CALIFORNIA, AUTHORIZING THE APPLICATION AND ADOPTING THE PLHA PLAN FOR THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM**

**WHEREAS**, the State of California Department of Housing and Community Development (“Department”) is authorized to provide up to \$335 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to cities and counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2))).

**WHEREAS**, the Department issued a Notice of Funding Availability (“NOFA”) dated 8/17/2022 and amended 10/18/22 under the Permanent Local Housing Allocation (PLHA) Program;

**WHEREAS**, the City of Gardena (the “Applicant”) is an eligible local government which has applied for program funds to administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom an eligible local government delegated its PLHA formula allocation.

**WHEREAS**, the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the Department and PLHA grant recipients; and

**WHEREAS**, on November 8, 2022, the City Council held a duly noticed public hearing on the City’s application for the Permanent Local Housing Allocation Program at which time it considered all evidence, both written and oral;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDENA DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1:**

1. If the Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
2. Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations (\$1,979,262), as stated in Appendix C of the current NOFA, in accordance with all applicable rules and laws.

3. Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.
4. Pursuant to Section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for the 2019-2023 Allocations is attached to this resolution as Exhibit A, and Applicant hereby adopts this PLHA Plan and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.
5. Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.
6. Applicant certifies that, if funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A), (B) and (C).
7. Applicant certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a local government-approved underwriting of the Project for a term of at least 55 years.
8. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.
9. The City Manager of the City of Gardena is authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.

SECTION 2: That this Resolution shall be effective immediately.

BE IT FURTHER RESOLVED that the City Clerk shall certify to the passage and adoption of this Resolution; shall cause the same to be entered among the original Resolutions of said City; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

Passed, approved, and adopted this 8<sup>th</sup> day of November, 2022.

  
TASHA CERDA, Mayor

ATTEST:

  
MINA SEMENZA, City Clerk

APPROVED AS TO FORM:

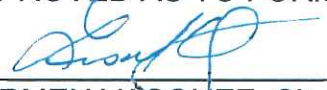
  
For  
CARMEN VASQUEZ, City Attorney

Exhibit A - PLHA Plan for the 2019-2023 Allocations

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES       ) SS:  
CITY OF GARDENA                )

I, **MINA SEMENZA**, City Clerk of the City of Gardena, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution, being **Resolution No. 6609** duly passed and adopted by the City Council of said City of Gardena, approved and signed by the Mayor of said City, and attested by the City Clerk, all at a regular meeting of said City Council held on the **8<sup>th</sup> day of November, 2022**, and that the same was so passed and adopted by the following roll call vote:

AYES:       MAYOR PRO TEM FRANCIS, COUNCIL MEMBERS HENDERSON, TANAKA  
              AND LOVE, AND MAYOR CERDA

NOES:       NONE

ABSENT:    NONE

  
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City Clerk of the City of Gardena, California

(SEAL)



# **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											
§302(c)(4)(E)(i) Percentage of Funds Allocated for Each Affordable Housing Activity	50%	25%	45%	50%											
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	60%	120%	120%											<b>TOTAL</b>
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level <b>Note: complete for years 2019, 2020, 2021 only</b>	3140														3140
§302(c)(4)(E)(ii) 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.															