

Mammoth Lakes Town Council Agenda Action Sheet

Title: Public hearing to consider a grant application for the State Permanent Local Housing Allocation program.

Council Meeting Date: 11/16/2022

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Recommended Motion: Adopt a resolution approving a grant application to the State Permanent Local Housing Allocation (PLHA) Program and approving the Town’s 2019-2023 Permanent Local Housing Allocation (PLHA) Plan.

Summary: In 2017, the State of California passed a 15-bill housing package to address the state’s housing shortage and high housing costs. This included the Building Home and Jobs Act (SB2, 2017), which established a \$75 recording fee on real estate documents.

Seventy percent of these recording fees are being set aside for a Permanent Local Housing Allocation (PLHA) program. The PLHA program is overseen by the State’s Department of Housing and Community Development (HCD). HCD published a Notice of Funding Availability (NOFA) in August 2022, announcing the availability of approximately \$335 million in funding.¹ Those funds were then allocated to all cities and counties throughout the State for eligible housing and homelessness activities. In order to receive the allocated funds, a jurisdiction is required to have a five-year plan in place that outlines how the grant funds will be spent. Jurisdictions are required to have expended a portion of the grant funds each year in order to receive the next year’s allocation.

Pursuant to the NOFA, the total amount of funds allocated to the Town of Mammoth Lakes for the five-year period of 2019-2023 is estimated to be \$490,382. The current grant application is for the calendar years 2019-2021 allocations of which the Town has been allocated \$359,816. Jurisdictions may use up to 5% of that allocation for general administration of the grant. The table below shows the funding allocations for the three-year period that this application covers.

Mammoth Lakes PLHA Funding	Total 3-Yr. Allocation	2019	2020	2021
Allocation	\$359,816	\$81,730	\$123,924	\$154,162
5% Admin	\$17,990	\$4,086	\$6,196	\$7,708
95% Project Funding	\$341,826	\$77,644	\$117,728	\$146,454

The following list summarizes the eligible activities that PLHA funds can be used for pursuant to the NOFA:

- A. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, or rental housing that is affordable to households earning less than 120% AMI.

¹ The NOFA is available here: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/2022-PLHA-Formula-NOFA-R3-Amendment-1.pdf>

- B. The predevelopment, development, acquisition, and preservation of affordable rental and ownership housing, including ADUs, that meets the needs of a growing workforce earning up to 120% AMI.
- C. Matching portions of funds places into Local or Regional Housing Trust Funds.
- D. Assisting persons who are experiencing or are at-risk of homelessness.
- E. Accessibility modifications in lower-income owner-occupied housing where the household income does not exceed 80% AMI.
- F. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments for households earning up to 120% AMI.
- G. Homeownership opportunities, including, but not limited to, down payment assistance to those earning up to 120% AMI.

This public hearing is an opportunity for the public and the Town Council to provide comments and direction on the activities to be included in the Town's PLHA 5-year plan. Additionally, the five-year plan can be amended for future year allocations to address changing conditions or uses for the funding as needed.

Proposed Activity

Staff's recommendation for the funds is to fund a down-payment assistance program to provide deferred, no interest loans to households earning up to 120% AMI. Other existing down-payment assistance programs, such as CDBG or HOME, only allow for households earning at or below 80% AMI to be eligible for the funds, whereas the PLHA funds can be used for households whose income is at or below 120% AMI, thereby providing down-payment assistance to a broader range of the community. The funds allocated for the period of 2019-2021 would allow for 3 - 4 down-payment assistance loans and the additional funding for years 2022-2023 would allow for an additional 1 - 2 loans.

Mammoth Lakes Housing (MLH) has expressed interest in being a sub-grantee to the Town to assist with the administration of the grant and assisting households through the homeownership process. MLH would be compensated for their time utilizing the general administration allocation.