

**CITY OF SAN MATEO**  
**RESOLUTION NO. \_\_\_\_ (2022)**

**AUTHORIZING REAPPLICATION FOR AND ADOPTING A PLHA PLAN AMENDMENT FOR  
THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM (PLHA)**

A necessary quorum and majority of the councilmembers of the City of San Mateo ("City" or "Applicant") hereby consents to, adopts, and ratifies the following resolution:

WHEREAS, the Department (defined below) 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)); and

WHEREAS, the State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability ("NOFA") dated August 17, 2022 under the Permanent Local Housing Allocation (PLHA) Program; and

WHEREAS, the City is an eligible Local government that 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; and

WHEREAS, the Department may approve funding allocations for the 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, in accordance with California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), submitting an application for grant funding is not a project subject to CEQA to the extent that it is a funding activity that does not involve commitment to a particular project that will impact the environment. However, in accordance with Public Resources Code Section 21065, to the extent that the funds are committed to specific projects, the City's commitment of those funds is not a project subject to CEQA because the funds will be used to subsidize operational expenses which will not impact the environment; and

WHEREAS, the City has previously submitted to the Department an approved 5-Year PLHA Plan which was approved on October 5, 2020 and amended on December 20, 2021 based upon the Year 1 (2019) grant of \$341,894 with a resolution approved on July 20, 2020; and

WHEREAS, the Department announced annual funding grants for Years 2 (2020) and 3 (2021) of the PLHA grant to the City of the substantially higher amounts of \$531,409 and \$584,800 respectively, which will require the City to further amend the 5-Year PLHA Plan to allocate the available funding to new contracts.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY RESOLVES that:

1. The City as the Applicant hereby approves this resolution, which amends Resolution No. 70\_ approved July 20, 2020, authorizes the reapplication for PLHA grant funds for Year 3 of funding, and makes the following amendments to the 5-Year Plan:

- a. Revise the funding distribution between Activity 1 and Activity 6 for Year 2 (2020) from 20% and 80% to 25% and 70%, respectively.
  - b. Revise the funding distribution between Activity 1 and Activity 6 for Year 3 (2021) and Year 4 (2022) from 20% and 80% to 10% and 85%, respectively.
  - c. Revise the funding distribution for Year 5 (2023) from 100% in Activity 6 to 95% in Activity 6.
  - d. Revise the PLHA 5-Year Plan to include descriptions and implementation schedules of the new recipients of PLHA funding and to identify all Housing Element policies with which the new programs of the PLHA plan are consistent.
  - e. Revise the PLHA 5-Year Plan to allow the City to take the maximum allowed 5% of annual grant funding to cover administrative costs of managing the PLHA grant from Year 2 (2020) onwards, which was previously foregone in the initial submittal of the 5-Year Plan.
2. If 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.
3. 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, as stated in Appendix C of the current NOFA \$2,051,364 in accordance with all applicable rules and laws.
4. 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.
5. 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.
6. Applicant certifies that it has or will subgrant some or all of its PLHA funds to another entity or entities. Pursuant to Guidelines Section 302(c)(3), "entity" means a housing developer or program operator but does not mean an administering Local government to whom a Local government may delegate its PLHA allocation.
7. Applicant certifies that its selection process of these subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest.
8. Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.
9. 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).

10. 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.
11. 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.
12. The City Manager 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.

## Exhibit A

PLHA Formula 5-year Plan - Amendment		Rev. 5/7/21
Eligible Activities, §301		
§301(a) Eligible activities are limited to the following:	Included?	
§301(a)(1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary operating subsidies.	<input checked="" type="checkbox"/>	YES
§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.	<input type="checkbox"/>	YES
§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.	<input type="checkbox"/>	YES
§301(a)(4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.	<input type="checkbox"/>	YES
§301(a)(5) Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.	<input type="checkbox"/>	YES
§301(a)(6) Assisting persons who are experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, 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.	<input checked="" type="checkbox"/>	YES
§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing.	<input type="checkbox"/>	YES
§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.	<input type="checkbox"/>	YES
§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance.	<input type="checkbox"/>	YES
§301(a)(10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.	<input type="checkbox"/>	YES

### §302(c)(4) Plan

Rev. 5/7/21

**§302(c)(4)(A)** Describe the manner in which allocated funds will be used for eligible activities.

The City of San Mateo plans to use PLHA funds for the following eligible activities: providing gap financing to an affordable housing project for client services of their units occupied by formerly homeless individuals, a rapid rehousing program in partnership with a local non-profit agency to assist individuals and families experiencing homelessness, an operations subsidy to a non-profit affordable housing provider to preserve affordable housing units, assistance to a homesharing program that helps low-income individuals find housing, and assistance to two emergency shelter providers.

**§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 client services at the affordable housing project will be for clients who meet the 50% AMI income limit. The rental housing program will service individuals and families at risk of homelessness who will have incomes that do not exceed more than 60% AMI. The operations subsidy to preserve affordable units will increase low-income units at all affordability levels, but primarily includes very low (50% AMI) units. The assistance to emergency shelters will primarily benefit people who have a complete lack of access to housing at the lowest of AMI levels.

**§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.

Under the Housing Element of the City of San Mateo, the strategies listed are techniques the city plans to use to address the following programs: H 1.7 Retention of Existing Lower-Income Units, H 2.3: Public Funding of Low- and Moderate-Income Housing, 2.14: The Homeless, and H 2.16: Special Needs Groups.

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

**§301(a)(1)** The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies.

**§302(c)(4)(E)(i)** Provide a detailed and complete description of how allocated funds will be used for each proposed Affordable Rental Housing Activity.

PLHA funds will be directed towards subsidizing a gap in operating expenses anticipated for 4 years for additional supportive services to 67 low income units of which 16 are occupied by formerly homeless veterans. In the 2nd year of the program, funds will also be used to preserve 147 low-income units through the provision of an operations subsidy to a non-profit provider.

Complete the table below for each proposed Affordable Rental 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											
<b>§302(c)(4)(E)(i)</b> Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	20.0%	25.0%	10.0%	10.0%											
<b>§302(c)(4)(E)(ii)</b> Area Median Income Level Served	50%	50%	50%	50%											<b>TOTAL</b>
<b>§302(c)(4)(E)(ii)</b> Unmet share of the RHNA at the AMI Level <b>Note: complete for year 2019 &amp; 2020 only</b>	743	733	N/A	N/A											1476
<b>§302(c)(4)(E)(ii)</b> Projected Number of Households Served	67	214	67	67											415
<b>§302(c)(4)(E)(iv)</b> Period of Affordability for the Proposed Affordable Rental Housing Activity ( <b>55 years required for rental housing projects</b> )	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	

**§302(c)(4)(E)(iii)** A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.

In July 2020 - developer BRIDGE Housing will execute resident services agreement with ABODE to provide increased resident services for Montara veteran tenants and start taking applications. In August 2020, BRIDGE will conduct eligibility review on applications for prospective tenants and begin selection process. In September to October 2020, residents will move into the property and services will commence. City will provide gap subsidy to BRIDGE in September 2020 - 2024. It is estimated that the project will be able to cover costs of increased services from Year 5+. In August 2022, HIP Housing requested assistance to cover operations costs in order to preserve their affordable units managed in their six properties throughout the City of San Mateo. City will provide operations subsidy in September 2022 to June 2023 for the preservation of 147 affordable units.

**§301(a)(4)** Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.

**§301(a)(5)** Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.

**\$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

**\$302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for the proposed Activity.**

PLHA funds will be provided to a non-profit organization to be used for rapid-rehousing and supportive services for at risk San Mateo citizens throughout all 5 years. In year 2, support will be provided to a

[illegible]

**§302(c)(4)(E)(iii)** A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.

In December 2020, City will issue a request for proposal to select a non-profit organization to administer the rapid rehousing program. In March 2021, a provider was selected and a contract was executed in

**§301(a)(8)** Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.

**§301(a)(9)** Homeownership opportunities, including, but not limited to, down payment assistance.

**\$201(c)(10)** Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing projects, or matching funds invested by a county in an affordable housing

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