

CITY OF YUBA CITY
STAFF REPORT

Date: November 2, 2021

To: Honorable Mayor & Members of the City Council

From: Development Services Department

Presented by: Benjamin Moody, Development Services Director

Summary

Subject: Permanent Local Housing Allocation (PLHA) Sutter County Funding

Recommendation: A. Authorize the Finance Director to amend FY 21/22 budget to receive funding and establish CIP account number 951281 for the Permanent Local Housing Allocation funding in the amount of \$311,140

B. Adopt a Resolution making a finding that a three-year contribution of \$45,000 to Sutter County Better Way will provide a public benefit and; authorizing and directing the City Manager to effectuate an annual contribution of \$45,000 to Sutter County Better Way for a three-year term, and a one-time \$40,000 contribution to Sutter County for the construction of the 2nd Street Overnight Camping Site, subject to approval of the annual City budget providing for the same

Fiscal Impact: \$175,000 - PLHA funding Account No. 951281

Purpose:

To contribute half of the construction cost for the 2nd Street Overnight Camping Site, and provide a three-year (3) funding contribution to the Sutter County Better Way Shelter.

Background:

In July 2020 the City applied for the Permanent Local Housing Allocation (PLHA) grant under the California Department of Housing and Community Development (HCD). The City was awarded \$311,140 with the 2019 PLHA allocation, year one of the five-year program.

The City was required to submit a plan to allocate the PLHA funding with the grant application. The City committed to utilizing 50% (\$147,792, year 1) for the predevelopment, development, acquisition, rehabilitation, and preservation of affordable, multifamily rental housing projects in collaboration with Regional Housing Authority and other affordable housing developers. The remaining 50% (\$147,792, year 1) is to be used for supportive services and programs for the local homeless population in collaboration with Sutter County, Sutter Yuba Homeless Consortium, and other qualified homeless services providers. The remaining \$15,557 (5%) is to be allocated for administrative costs.

Analysis:

Sutter County has completed work on the 2nd Street Overnight Camping Site project. This campsite will serve as an overnight location for those experiencing homelessness. The project cost Sutter County approximately \$80,000 to construct. Contributing half of the cost, is estimated at \$40,000. Staff with the City and Sutter County are also in the process of developing an agreement memorialize terms related to the ongoing costs and operation of the facility that will be brought back to the City Council for consideration at a future date.

Sutter County also operates the Better Way homeless shelter and in previous years, along with the Sutter Yuba Homeless Consortium, has applied for approximately \$45,000 in Community Development Block Grant (CDBG) funding. For the current (2021-2022) CDBG Program Year, Better Way was not awarded the funding, primarily due to funding cap restrictions on public services expenditures. To continue to assist the Better Way shelter, City staff recommends to contribute available funding utilizing the PLHA funds.

Fiscal Impact:

The total fiscal impact is \$175,000 of the PLHA funding allocations. A onetime payment of \$40,000 with a total of three (3) individual \$45,000 payments in FY 2021/22, 22/23, and 23/24. Total PLHA funding anticipated to be received by the City is approximately \$1.8M.

To facilitate the necessary budget actions and appropriations staff is requesting that Council authorize the Finance Director to amend the FY 21/22 budget to receive funding and establish CIP account number 951281 for the Permanent Local Housing Allocation funding in the amount of \$311,140.

Alternatives:

Do not authorize the proposed contributions of funding from the PLHA grant to Sutter County.

Recommendation:

- A. Authorize the Finance Director to amend FY 21/22 budget to receive funding and establish CIP account number 951281 for the Permanent Local Housing Allocation funding in the amount of \$311,140
- B. Adopt a Resolution making a finding that a three-year contribution of \$45,000 to Sutter County Better Way will provide a public benefit and; authorizing and directing the City Manager to effectuate an annual contribution of \$45,000 to Sutter County Better Way for a three-year term, and a one-time \$40,000 contribution to Sutter County for the construction of the 2nd Street Overnight Camping Site, subject to approval of the annual City budget providing for the same

Attachments:

1. Resolution
2. 2nd Street Overnight Camping Site Layout
3. Resolution 20-079 Authorizing the Development Services Director to Submit an Application for Projects Utilizing Permanent Local Housing Allocation Funds from the State Department of Housing and Community Development
4. Resolution 20-080 Approving the Permanent Local Housing Allocation Funds Section 302(c)(4) Plan

Prepared by:

/s/ Shannon Jones

Shannon Jones
Administrative Analyst

Reviewed by:

Department Head

City Attorney

Submitted by:

/s/ Dave Vaughn

Dave Vaughn
City Manager

BM

SLC by email

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY AUTHORIZING
CONTRIBUTIONS TO SUTTER COUNTY FOR THE 2ND STREET OVERNIGHT CAMPING
SITE AND BETTER WAY SHELTER**

WHEREAS, the California Department of Housing and Community Development has awarded the City \$311,140.00 in PLHA grant funding for the 2019 allocation, with a total of \$1,866,000.00 projected over the five-year program, to increase the City's affordable housing stock and provide homeless services; and

WHEREAS, Sutter County has completed an overnight camping site project on 2nd Street; and

WHEREAS, Sutter County operates the Better Way shelter, a low-barrier homeless shelter that provides temporary housing for up to three months while case managers work with participants to secure permanent housing; and

WHEREAS, City staff proposes that a \$40,000.00 one-time contribution, and a three-year commitment \$45,000.00 per year to be allocated to Sutter County for the sole use of the overnight camping site project on 2nd Street; and

WHEREAS, City Council has made a finding that a three-year contribution \$45,000.00 per year to the Sutter County Better Way and the overnight camping site project on 2nd Street will provide a public benefit, including but not limited to providing housing for homeless community members.

NOW, THEREFORE BE IT RESOLVED AND ORDERED by the City Council of the City of Yuba City as follows:

(1) The City will make a yearly contribution of \$45,000.00 over the next three years to the Sutter County Better Way for the sole use of the overnight camping site project on 2nd Street which will provide a substantial public benefit, including housing for homeless community members;

(2) The City Council hereby authorizes and directing the City Manager to effectuate an annual contribution of \$45,000.00 to the Sutter County Better Way the overnight camping site project on 2nd Street, not to exceed a three-year term, and a one-time contribution of \$40,000.00 for the construction of the 2nd Street Overnight Camping site be allocated to Sutter County, subject to the approval of the annual budget providing for the same; and

(3) The City Council further hereby authorizes the Finance Director to amend the City's FY 21/22 budget to receive funding and establish CIP account number 951281 for the Permanent Local Housing Allocation funding in the amount of \$311,140.00.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 2nd day of November 2021.

AYES:

NOES:

ABSENT:

ATTEST:

Marc Boomgaarden, Mayor

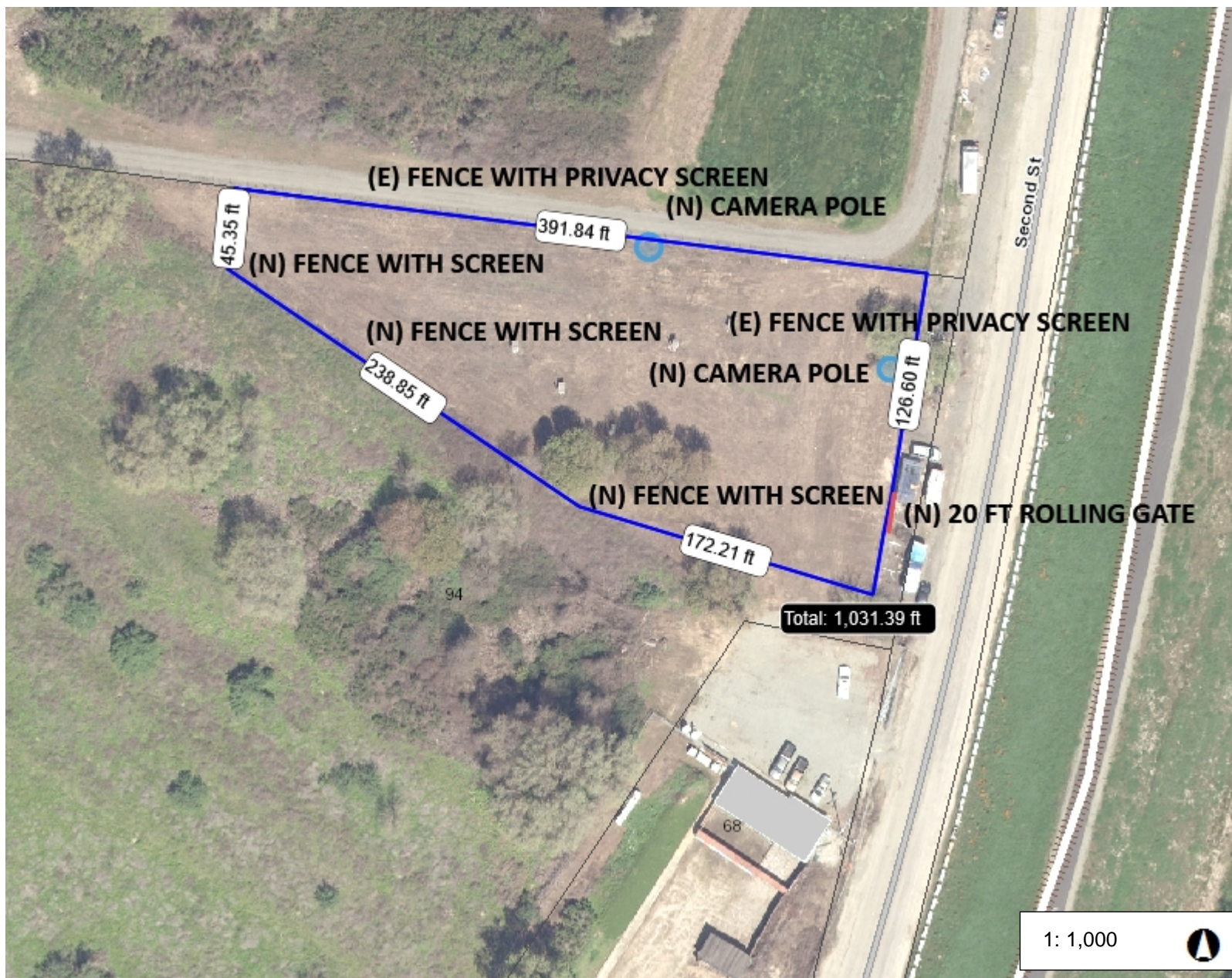
Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 2

68 Second St Fence Layout



Legend

- Building Footprints
- Roads 1k - 10k
 - 1
 - 3
 - 4
 - 5
- Railroads
- Levees 1k - 30k
- Culverts (Drainage)
- Open Waterways 0k - 10k
 - Creek
 - Ditch
 - Drainage Ditch
 - Irrigation Canal
 - Natural Waterway
 - River
 - State Drain
- Parcels 0k - 5k
- County Boundary
- Cities 0k - 30k
- 2019/3 (.25')
 - Red: Band_1
 - Green: Band_2
 - Blue: Band_3

1: 1,000



0.0 0 0.02 0.0 Miles

NAD_1983_StatePlane_California_II_FIPS_0402_Feet
© County of Sutter

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION



ATTACHMENT 3

RESOLUTION NO. 20-079

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE DEVELOPMENT SERVICES DIRECTOR TO SUBMIT AN APPLICATION
FOR PROJECTS UTILIZING PERMANENT LOCAL HOUSING ALLOCATION FUNDS FROM
THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

WHEREAS, the Department is authorized to provide up to \$195 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 02/26/2020 under the Permanent Local Housing Allocation (PLHA) Program; and,

WHEREAS, Applicant is an eligible Local government applying for the program 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 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.

NOW, THEREFORE, be it resolved by the City Council of Yuba City as follows:

1. 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.
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, as stated in Appendix C of the current NOFA (\$1,866,840), 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. 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).
5. 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.

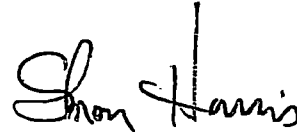
6. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.
7. The Development Services Director is authorized to execute the PLHA Program Application, the PLHA Standard 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.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 21st day of July 2020.

AYES: Councilmembers Cardoza, Espindola, Shaw and Mayor Harris

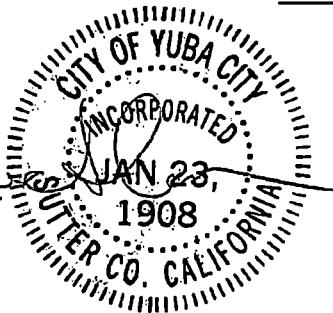
NOES: Councilmember Boomgaarden

ABSTAIN: None



Shon Harris, Mayor

ATTEST:


Patricia Buckland, City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:



Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 4

RESOLUTION NO. 20-080

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
APPROVING THE PERMANENT LOCAL HOUSING ALLOCATION FUNDS
SECTION 302(c)(4) PLAN**

WHEREAS, the Department is authorized to provide up to \$195 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 02/26/2020 under the Permanent Local Housing Allocation (PLHA) Program; and,

WHEREAS, Applicant is an eligible Local government applying for the program 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 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.

NOW THEREFORE BE IT RESOLVED THAT:

1. The City Council of the City of Yuba City approves the attached five-year PLHA Section 302(c)(4) Plan ("Plan") to be submitted with the Applicant's PLHA allocation funds application to the Department.
2. Applicant is hereby authorized and directed to distribute the PLHA funds according to the above-referenced Plan.
3. The Development Services Director is authorized to request funds from the Department on behalf of the Applicant for the Plan's approved, eligible activities.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 21st day of July 2020.

AYES: Councilmembers Cardoza, Espindola, Shaw and Mayor Harris

NOES: Councilmember Boomgaarden

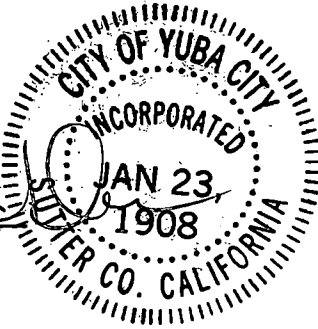
ABSTAIN: None



Shon Harris, Mayor

ATTEST:


Patricia Buckland, City Clerk



APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:



Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

Attachment:

- a. PLHA Section 302(c)(4) Plan