



**CITY OF ELK GROVE  
CITY COUNCIL STAFF REPORT**

**AGENDA TITLE:** A public hearing to consider adoption of a resolution authorizing the City Manager to submit an application to the California Department of Housing and Community Development for Permanent Local Housing Allocation (PLHA) funding and amending the five-year PLHA Plan

**MEETING DATE:** December 11, 2024

**PREPARED BY:** Sarah Bontrager, Housing and Public Services Manager  
Joshua Tovar, Management Analyst II

**DEPARTMENT HEAD:** Christopher Jordan, AICP, Development Services Director

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**RECOMMENDED ACTION:**

Staff recommends that the City Council conduct a public hearing to receive information from staff and comments from the public and adopt a resolution approving the amendments to the Permanent Local Housing Allocation five-year Plan, and authorizing the City Manager to execute and file all documents required to the California Department of Housing and Community Development.

**BACKGROUND INFORMATION:**

The Permanent Local Housing Allocation (PLHA) is a five-year funding program under the Building Homes and Jobs Act (SB 2, 2017). SB 2 established a \$75 recording fee on documented real estate property transfers and provides dedicated funding for local affordable housing-related projects and programs that assist in addressing unmet housing needs.

PLHA funds can be used for many activities aimed at increasing housing accessibility. Such activities include:

- Development of affordable multi-family rental housing;
- Development of affordable ownership housing;

- Services in permanent supportive housing projects;
- Assistance to people experiencing homelessness or at risk of homelessness, including through medium- to long-term rental assistance, street outreach, case management and supportive services, and operating and capital costs for emergency shelters and transitional housing;
- Accessibility modifications for low-income homeowners; and
- Down payment assistance programs

On November 9, 2022, the City Council adopted a resolution authorizing the City Manager to submit an application for PLHA program funding and approved a five-year Plan. The adopted Plan allocated funds primarily toward multi-family affordable housing rental development and homelessness activities that support persons experiencing homelessness or who are at risk of homelessness. The City applied for and was awarded Fiscal Year 2019-23 grant funds, with a total estimated \$2,638,722 projected to be received from recording fees collected between 2019 and 2023. However, the actual amount awarded by the California Department of Housing and Community Development (HCD) was slightly less (\$2,541,598), based on the number of property transfers that occurred in 2022 and 2023.

Table 1 summarizes the amount of funding dedicated to activities in the Plan as originally adopted. The City intended to use the affordable housing funds to make a loan to an affordable housing project and the homelessness funds to support one of the two Homeless Services Navigator positions.

**Table 1: City of Elk Grove’s 2019-2023 PLHA Plan**

<b>Funding Allocation Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
PLHA Formula Amounts:	\$439,787	\$683,565	\$752,243	\$377,026	\$288,977
Total:					\$2,541,598
<b>Program Activities</b>	<b>% Allocation</b>				
• Activity 1 – Affordable Housing	100%	100%	90%	85%	85%
• Activity 6 – Homelessness and Street Outreach	-	-	10%	15%	15%

**ANALYSIS/DISCUSSION:**

Since the original Plan was prepared in 2022, staff has worked with developer partners to use PLHA funds for affordable housing projects. However, efforts to draw down these funds have been hindered by several unforeseen circumstances.

### **Program Expenditure Timeline**

PLHA funds must be expended by April 30 of the following program year, which presents limited opportunity for utilization. This expenditure deadline does not align with other state affordable housing funding cycles nor the development timelines for affordable housing projects in general, in which it often takes several years to secure the necessary funding to move a project forward. For example, staff planned to use PLHA funds to cover a portion of the City's \$5,436,000 loan commitment to the Cornerstone Village project. However, subsequent to the receipt of PLHA funding, the developer informed the City that the project was not moving forward after several unsuccessful funding applications. In response, staff received permission from HCD to repurpose the 2019 funding for other eligible activities.

City staff have also been in contact with other public agencies across the state, many of which are also facing challenges meeting the tight timeline and are redirecting PLHA funds away from affordable housing projects. Staff recommends reprioritizing funds towards homelessness and outreach activities, consistent with the approach taken by other public agencies. The City has funding available for affordable housing projects through HUD's HOME Investment Partnership Program (HOME) and the Affordable Housing Fund. This shift will also allow the City to address more immediate homelessness needs, while continuing to advance affordable housing through more flexible funding sources.

### **New PLHA Set-Aside Requirements**

In the October Notice of Funding Availability (NOFA), HCD announced that applicants will be required to set aside 40 percent of PLHA funds for Affordable Owner-Occupied Workforce Housing (AOWH) activities. AOWH includes, but is not limited to, homeownership opportunities such as down payment assistance for households earning up to 120 percent of the area median income. The 40 percent requirement applies to the City's 2022 and 2023 allocation years, bringing the total amount available for AOWH activities to \$266,401.

To comply with HCD's new set-aside requirement, staff recommends allocating 40 percent of 2022 and 2023 PLHA funds to provide down payment assistance for moderate-income first-time homebuyers. Since the City already provides down payment assistance to low-income residents through CalHome program funding, the PLHA program will help address unmet housing needs for the "missing middle." Financial assistance will be provided in the form of low interest, deferred payment second-priority loans

toward the purchase price and closing costs of eligible housing units located in the City. Over the next year or so, staff will also explore partnerships with Habitat for Humanity or other similar organizations to enhance their efforts in providing affordable homeownership opportunities for low- and moderate-income households.

**Emerging Needs: Opening of Year-round Homeless Shelter**

On September 25, 2024, the City Council authorized the City Manager to execute a contract with The Gathering Inn to provide year-round homeless shelter operations for a total contract value of \$4,578,137 over a term of three years. The opening of the year-round homeless shelter has incurred increased capital costs for the City, primarily to ensure the safety, security, and functionality of the facility. To offset capital and operational costs, the City may leverage PLHA funding, thereby allowing Measure E funds to be repurposed towards other critical projects, such as securing a more permanent location for the shelter.

Therefore, staff recommends reallocating PLHA funds to maximize the impact of available state and federal grant resources, while ensuring that City Measure E funds can be optimized more strategically. The proposed PLHA funding allocation is also expected to sufficiently support two full-time equivalent Homeless Outreach Navigators, with the remainder of PLHA funds directed towards down payment assistance and support for ongoing operational and capital costs for the shelter. Table 2 summarizes the proposed five-year expenditure Plan amendments.

**Table 2: City of Elk Grove’s 2019-2023 PLHA Plan Proposed Amendments**

<b>Funding Allocation Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Current Program Activities</b>	<b>Current Funding allocation</b>				
• Activity 1 – Affordable housing	100%	100%	90%	85%	85%
• Activity 6 – Homelessness and Outreach	-	-	10%	15%	15%
<b>Proposed Program Activities</b>	<b>Proposed Funding allocation</b>				
• Activity 1 – Affordable housing	0%	0%	0%	0%	0%
• Activity 6 – Homelessness and Outreach	100%	100%	100%	60%	60%
• Activity 9 – Downpayment Assistance	-	-	-	40%	40%

### **Administering Plan Amendments and Public Notice**

During the five-year expenditure plan period, up to 10 percent of the planned expenditure for each type of eligible activity may be reallocated to another activity and does not require submission of a plan amendment. However, changes exceeding 10 percent require additional Council approval and subsequent submittal to HCD for final approval. HCD also requires a minimum 10-day public review comment period prior to a public hearing of the City Council. Since staff recommendations exceed the 10 percent threshold, a public notice and draft Plan amendments were published on November 29, 2024. Notices were also published online on the Housing Division's website on the same date, along with the draft amendments.

### **ALTERNATIVE ACTIONS:**

The City Council could take several alternate actions:

- Choose not to approve the recommended action. Staff does not recommend this option. If the City does not amend the 2019-2023 PLHA Plan, the PLHA funds will be at risk of being disencumbered and will revert to HCD.
- Direct staff to modify the five-year plan to expend PLHA funding on other eligible activities. Staff selected the recommended activities based on existing and projected needs, as well as the ability to meet the expenditure timeframes, but could return with an analysis of alternate allocation methods if the Council directs.

### **FISCAL IMPACT:**

The PLHA grant adds about \$2.5 million over five years to provide funding for homeownership opportunities and support for people experiencing homelessness or at risk of experiencing homelessness. The PLHA funding will supplement the Affordable Housing Fund and other sources that the City is currently using to carry out the activities described in this report. Per Section 301 of the PLHA Guidelines, interest earned will be considered reuse funds and used in the same manner and with the same restrictions as principal funds, in accordance with the attached Reuse Plan (Attachment 2). The Reuse Plan was approved by the City Council on November 9, 2022 as part of the initial PLHA funding application.

If Council approves the PLHA Plan, staff will make amendments to the budget at mid-year to adjust the budget to the actual PLHA funding amount and to recategorize the expenses to align with the Plan, including moving personnel costs for the homeless services navigators into the PLHA budget.

Administration of the PLHA funding can be accommodated within existing staff positions and funding.

**ATTACHMENTS:**

1. Resolution
  - a. Exhibit A: PLHA Amendment, including five-year plan
2. PLHA Reuse Plan

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE  
AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION TO THE  
CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
FOR PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FUNDING AND  
AMENDING THE FIVE-YEAR PLHA PLAN**

**WHEREAS**, the State of California Department of Housing and Community Development (“Department”) is authorized to provide up to \$296 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 Department issued a Notice of Funding Availability (“NOFA”) dated October 15, 2024, under the Permanent Local Housing Allocation (PLHA) Program (“Program”); and

**WHEREAS**, the City of Elk Grove (“City”) is an eligible local government that has applied or intends to apply for program funds to administer one or more eligible activities; 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**, the City Council of the City of Elk Grove desires to submit a PLHA grant application package and amendment to the adopted five-year PLHA Plan (“Plan Amendment”), on the forms provided by the Department, for approval of grant funding for projects that increase the supply of Affordable Ownership Worker Housing (AOWH) activities in the City and/or assist persons experiencing homelessness or are at risk of homelessness in the City; and

**WHEREAS**, the Department estimates that the City would be eligible for \$2,638,722 in PLHA funding over five years.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Elk hereby:

- 1) Authorizes the City Manager to apply for and submit to the California Department of Housing and Community Development the PLHA grant application package and Plan Amendment with a five-year plan, attached hereto as Exhibit A and incorporated herein by reference; and
- 2) Represents and certifies that if the City receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, 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 City may have with the Department.
- 3) Authorizes and directs the City to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix B of the current NOFA (\$2,638,722), in accordance with all applicable rules and laws.

- 4) 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 City and the Department.
- 5) Pursuant to Section 302(c)(4) and 302(c)(5) of the Guidelines, the PLHA Plan Amendment for the 2019-2023 allocations is attached to this resolution, and City hereby adopts this PLHA Plan Amendment and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.
- 6) Certifies that the City 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) 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 City's certification in this resolution, certifies that the PLHA funds will be expended only for eligible activities and consistent with all Program requirements.
- 9) 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 City 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) Certifies that, if funds are used for the development of an Affordable Rental Housing Development, the City 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 City-approved underwriting of the Project for a term of at least 55 years.
- 11) Certifies that the City 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) Authorizes the City Manager 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 City, as the Department may deem appropriate.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 11<sup>th</sup> day of December 2024

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BOBBIE SINGH-ALLEN, MAYOR of the  
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
JASON LINDGREN, CITY CLERK

\_\_\_\_\_  
JONATHAN P. HOBBS  
CITY ATTORNEY

# Permanent Local Housing Allocation (PLHA) Formula Allocation

Notice of Funding Availability (NOFA) October 15, 2024

2024 Application for **5-Year Plan Amendment**



**DRAFT**

**State of California**  
Gavin Newsom, [Governor](#)

**Business, Consumer Services and Housing Agency**  
Tomiquia Moss, [Secretary](#)

**Department of Housing and Community Development**  
Gustavo Velasquez, [Director](#)

Program Design and Implementation, PLHA Program  
651 Bannon Street, Sacramento, CA 95811

Email: [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov)

Website: [Permanent Local Housing Allocation Program \(PLHA\)](#)

Allocation Years	New & Streamlined Submission Deadline	5-Year Plan Amendment Submission Deadline
Year 1 (2019)	n/a	n/a
Year 2 (2020)	n/a	n/a
Year 3 (2021)	02/28/2025	06/30/2025
Year 4 (2022)	02/28/2026	06/30/2026
Year 5 (2023)	02/28/2027	06/30/2027

**Instructions**

Rev. 10/10/24

**When opening this file, a yellow banner at the top may appear with a button that says "Enable Content". It is essential that you click this box so that the macros are enabled. Enabling macros is necessary for full worksheet functionality. Macros do not work with Microsoft's Excel version for Apple Mac.**

Applications must be submitted electronically to the Department's [HCD Portal Sign In](#) website. To receive an award of CY 2021 funds, applicants are required to submit an application and demonstrate a fully compliant Housing Element and submittal of the applicable Annual Progress Report(s) no later than February 28, 2025. All CY 2021 funds must be awarded by June 30, 2025 or they will revert to the Housing Rehabilitation Loan Fund per statute.

**This NOFA will remain open to eligible applicants through June 30, 2027.**

Applications must be on the Department's forms and cannot be altered or modified by the Applicant. Excel forms must be in Excel format and 'save as' .xls or .xlsx. Do not 'save as' .xlsm or .pdf format. For application errors please fill out the Application Support worksheet and email the entire workbook to Application Support for application errors at [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov).

**General Instructions** (Additional instructions and guidance are given throughout the Formula Allocation Application in "red" text and in cell comments.

**Guideline references are made with "\$" and the corresponding guideline section number.**

"Yellow" cells are for Sponsor input. Failure to provide the required attachments and documentation may disqualify your application from consideration. An Applicant must submit a complete application and other documents consistent with the deadlines stated in this NOFA. Applications submitted in response to this NOFA must meet the threshold requirements set forth in this section and in PLHA Guidelines Section 302.

Required attachments are indicated in "orange" throughout the Streamline Application. Failure to provide the required attachments and documentation may disqualify your application from consideration. Electronically attached files must use the naming convention in the PLHA Application. For Example: "App1 Tin" or "Reuse Plan".

Threshold items are indicated in "blue" cells.

"Red" shaded cells indicate the Sponsor has failed to meet a requirement of the program. Cells in the worksheet shaded in "red" indicate that the Applicant has failed to meet the minimum required.

**Sponsor must complete the following worksheets in the PLHA Formula Allocation Application.**

**Formula Allocation Application**

**Urban County**

**Checklist**

Threshold Requireme	Electronic File Name	Document Description	Included?
X	<b>Application and Adopting the PLHA Plan (2021-2023 Allocations) Reso</b>	Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2021-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.	Included
X	<a href="#">App1 TIN</a>	Provide a signed Gov't TIN Form	Included
X	<b>Applicant Delegation Agreement</b>	Legally binding agreement between Delegating and Administering Local Governments.	Not Applicable
X	<a href="#">Plan Adoption Reso</a>	§302(c)(4)(D) Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content. <b>PLHA webpage for Plan Adoption Resolution Document</b> , located under our Forms tab.	Included
X	<b>Reuse Plan</b>	Program Income Reuse Plan describing how repaid loans or accrued interest will be used for eligible activities in Section 301.	Included
X	<b>Executed Application</b>	Provide a copy of the signed application. Signature can be typed into the Excel workbook, PDF with DocuSigned signature or PDF with wet ink signature in <b>blue ink</b> preferred.	Included

**Disclosure of Application (California Public Records Act Statutes of 1968 Chapter 1473):** Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act Statutes of 1968 Chapter 1473. As such, any materials provided will be disclosable to any person making a request under this Act. The Department cautions Applicants to use discretion in providing information not specifically requested, including but not limited to, bank accounts, personal phone numbers and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request."

**PLHA Formula - Amendment for years 2021, 2022, 2023** Rev. 10/10/24

<b>Eligible Applicant Type:</b>	<b>Entitlement</b>				
<b>Local Government Recipient of PLHA Formula Allocation:</b>					Elk Grove
2021 PLHA Formula Allocation Amount:	n/a	2020 Allowable Local Admin (5%):	n/a	Admin requested?	No
2022 PLHA Formula Allocation Amount:	n/a	2021 Allowable Local Admin (5%):	n/a	Admin requested?	No
2023 PLHA Formula Allocation Amount:	n/a	2022 Allowable Local Admin (5%):	n/a	Admin requested?	No

Instructions: If the Local Government Recipient of the PLHA Formula Allocation delegated its PLHA formula allocation to a Local Housing Trust Fund or to another Local Government, the Applicant (for which information is required below) is the Local Housing Trust Fund or administering Local Government. The PLHA award will be made to the Applicant (upon meeting threshold requirements) and the Applicant is responsible for meeting all program requirements throughout the term of the Standard Agreement.

The 302(c)(4) Plan template worksheet requires first choosing one or more of the Eligible Activities listed below. If "Yes" is clicked, the 302(c)(4) Plan worksheet opens a series of questions about what precise activities are planned. Some specific activities, such as providing downpayment assistance to lower-income households for acquisition of an affordable home, could be included under either Activity 2 or 9. Please only choose one of those Activities; don't list the downpayment assistance under both Activities. **Please note that 40% of each allocation you are requesting to amend with this application MUST be allocated to an activity that supports Homeownership in accordance with the NOFA. Ownership activities are 2,3,4,7,8,9 (activities 2,3,4, & 8 will only count as ownership if the funds will go towards ownership sub activities as opposed to rental housing sub activities including ADU's)**

If the PLHA funds are used for the same Activity but for different Area Median Income (AMI) level, select the highest AMI level the Activity will serve (you can always go lower than what is listed but you may not serve higher than what is listed without completing a plan amendment in the future).


**For each year (2021-2023), allocations must equal 100% annually including the allowable administrative costs of up to 5%.**

**§300 Eligible Applicants**

§300(a) and (b) Eligible Applicants for the Entitlement and Non-Entitlement formula component described in Section §100(b)(1) and (2) are limited to the metropolitan cities and urban counties allocated a grant for the federal fiscal year 2017 pursuant to the federal CDBG formula specified in 42 USC, Section §5306 and Non-entitlement local governments.

Applicant:	City of Elk Grove				
Address:	8401 Laguna Palms Way				
City:	Elk Grove	State:	CA	Zip:	95758
County:	Sacramento				
Auth Rep Name:	Jason Behrmann	Title:	City Manager	Auth Rep. Email:	jbehrmann@elkgrovecity.org
Phone:	916-683-7111				
Address:	8401 Laguna Palms Way				
City:	Elk Grove	State:	CA	Zip Code:	95758
Contact Name:	Sarah Bontrager	Title:	Housing & Public Services Manager	Contact Email:	sbontrager@elkgrovecity.org
Contact Phone:	916-627-3209				
Address:	8401 Laguna Palms Way				
City:	Elk Grove	State:	CA	Zip Code:	95758

§300(d) Is Applicant delegated by another Local government to administer on its behalf its formula allocation of program funds? No

§300(d) If Applicant answered "Yes" above, has the Applicant attached the legally binding agreement required by §300(c) and (d)?	A sample agreement can be found by double clicking on the icon to the right		N/A
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File Name:	<b>Application and/or Adopting the PLHA Plan (2020-2023 Allocations) Reso</b>	Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2020-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.	Yes	Uploaded to HCD?	Yes
File Name:	<b>Gov TIN</b>	Provide a signed Gov't TIN Form		Uploaded to HCD?	Yes
File Name:	<b>Applicant Delegation Agreement</b>	Legally binding agreement between Delegating and Administering Local Governments (sample provided—just click on icon in row 19, column AH)		Uploaded to HCD?	N/A

**§301 Eligible Activities**

<b>§301(a) Eligible activities are limited to the following:</b>	<b>Select below:</b>
§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.	
§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.	
§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.	
§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 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.	<b>Yes</b>
§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing.	
§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.	<b>Yes</b>

**§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.

§302(c)(4) Plan											Rev. 10/10/2024
<p><b>§302(c)(4)(A)</b> Describe the manner in which allocated funds will be used for eligible activities.</p> <p>The City of Elk Grove will use PLHA funding to assist persons experiencing homelessness or at risk of homelessness, by providing street outreach and/or other supportive/case management services that allow people to obtain and retain housing. While PLHA funds will also be used to help mitigate operating and capital expenses associated with implementing a year-round emergency homeless shelter, PLHA funding will initially focus on street outreach. The City's navigation team will have an increased caseload and provide more frequent communication and services to connect those experiencing homelessness to our shelter. The proposed funding level is expected to support one to two full-time equivalent homeless outreach navigators.</p> <p>The City of Elk Grove will also create a program to support Affordable Ownership Worker Housing (AOWH) activities, including, but not limited to, homeownership opportunities such as down payment assistance for persons and families earning up to 120% of the Area Median Income. This support will be provided in the form of low-interest, deferred payment, second-priority loans to be used toward the purchase price and closing costs of affordable housing units that will be occupied by homebuyers as their primary residence. The City of Elk Grove will also explore partnerships with Habitat for Humanity, or other similar organizations, to enhance its efforts in providing affordable homeownership opportunities for local residents on city-owned land.</p>											
<p><b>§302(c)(4)(B)</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).</p> <p>The City will use PLHA funding to assist persons experiencing homelessness or at risk of homelessness. Per the US Department of Housing and Urban Development, households experiencing homelessness are presumed to be very low-income (at or below 50 percent of area median income).</p>											
<p><b>§302(c)(4)(C)</b> Provide a description of how the Plan is consistent with the programs set forth in the Local Government's Housing Element.</p> <p>The City's 2021-2029 Housing Element contains several programs which the planned activities would support, two of which are noted below.</p> <p>Action 2.8 - Financial Assistance. Support affordable housing development through provision of direct assistance from the Affordable Housing Fund and/or other City-controlled housing funding sources and, as needed, facilitate developers' applications for State and Federal affordable housing funding. This includes City assistance provided in the form of down payment assistance to first-time homebuyers.</p> <p>Action 2.11 - Homeless Needs Assessment Continue to contribute funding to Elk Grove Homeless Assistance Resource Team (HART), Sacramento Self Help Housing, and other local and regional entities and work closely with these groups to assess the needs of people experiencing homelessness and develop plans to address homelessness at a regional level.</p>											
<p><b>Activities Detail (Activities Detail (Must make a selection on Formula Allocation Application worksheet under Eligible Activities, §301))</b></p>											
<p><b>§301(a)(6)</b> 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.</p>											
<p><b>§302(c)(4)(E)(i)</b> Provide a detailed and complete description of how allocated funds will be used for the proposed Activity.</p> <p>PLHA funding will assist individuals experiencing homelessness or at risk of homelessness by providing street outreach and/or other supportive case management services to help them secure and maintain housing; and support operating and capital expenses related to the City's implementation of a year-round emergency homeless shelter, which will support up to thirty-five (35) adults per night.</p> <p>The City proposes allocating funds for both Street Outreach and Operating and Capital Costs for Emergency Shelters in 2019 through 2023 funding allocation years. This addresses the urgent need for the City's navigation team to manage an increased caseload and provide more frequent services, alongside the opening of the year-round emergency shelter in November 2024. (Note Excel table below allows for only one subactivity selection, however, the City intends to use the funds for both subactivities).</p>											
<p>Complete the table below for each proposed Activity to be funded with 2021-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the highest AMI to be served.</p>											
Funding Allocation Year	2019	2020	2021	2022	2023						
Type of Affordable Housing Activity	Street Outreach	Street Outreach	Street Outreach	Street Outreach	Street Outreach						
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	100%	100%	100%	60%	60%						
§302(c)(4)(E)(ii) Area Median Income Level Served	30%	30%	30%	30%	30%						<b>TOTAL</b>
§302(c)(4)(E)(iii) Unmet share of the RHNA at the AMI Level <i>Note: complete for years 2021, 2022, 2023 only</i>			1,331	1,331	1,331						3993
§302(c)(4)(E)(iii) Projected Number of Households Served	80	80	80	80	80						400
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	N/A	N/A	N/A	N/A	N/A						
<p><b>§302(c)(4)(E)(iii)</b> A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.</p> <p>The City has entered into a contract with a nonprofit partner after a formal solicitation process, and the year-round emergency shelter opened in November 2024. Additionally, upon notification of HCD's approval of the City's PLHA amendments, the City will aim to submit a request for funds for 2020 allocation by late December 2024.</p>											
<p><b>§301(a)(9)</b> Homeownership opportunities, including, but not limited to, down payment assistance.</p>											
<p><b>§302(c)(4)(E)(i)</b> Provide a detailed and complete description of how allocated funds will be used for the proposed Activity.</p> <p>The City of Elk Grove will create a program to support Affordable Ownership Worker Housing (AOWH) activities, including, but not limited to, homeownership opportunities such as down payment assistance for persons and families earning up to 120% of the Area Median Income. This support will be provided in the form of low-interest, deferred payment, second-priority loans to be used toward the purchase price and closing costs of affordable housing units that will be occupied by homebuyers as their primary residence in the City's jurisdictional boundaries. The City of Elk Grove will also explore partnerships with Habitat for Humanity, or other similar organizations, to enhance its efforts in providing affordable homeownership opportunities for local residents on city-owned land.</p>											
<p>Complete the table below for each proposed Activity to be funded with 2021-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the highest AMI to be served.</p>											
Funding Allocation Year	2022	2023									
Type of Homeowner Assistance	Homebuyer Assistance	Homebuyer Assistance									
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	40%	40%									
<b>What Percentage of the Percentage Above Will be Used for Ownership Housing?</b>	100%	100%									
§302(c)(4)(E)(ii) Area Median Income Level Served	120%	120%									<b>TOTAL</b>
§302(c)(4)(E)(iii) Unmet share of the RHNA at the AMI Level <i>Note: complete for years 2021, 2022, 2023 only</i>	1,186	1,186									2372
§302(c)(4)(E)(iii) Projected Number of Households Served	3	3									6
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity	30	30									
<p><b>§302(c)(4)(E)(iii)</b> A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.</p> <p>The City of Elk Grove currently provides first time homebuyer downpayment assistance to low-income households through a previously established program using CallHome funds. The City anticipates using CallHome as a model to create a new program to support Affordable Ownership Worker Housing (AOWH) activities for persons and families earning up to 120% of the Area Median Income by mid-2025.</p>											
File Name:	Plan Adoption Reso		<p><b>§302(c)(4)(D)</b> Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content.</p>							Uploaded to HCD?	Yes

Total Percentage of Funds Allocated Calculator (2021 - 2023)

2021 Allocation		2022 Allocation		2023 Allocation	
Admin	0%	Admin	0%	Admin	0%
Funds Allocated	100%	Funds Allocated	100%	Funds Allocated	100%

Total Percentage of Funds Allocated for 2021	100%
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Total Percentage of Funds Allocated for 2022	100%
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Total Percentage of Funds Allocated for 2023	100%
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End of Document

**City of Elk Grove**  
**Permanent Local Housing Allocation | Reuse Plan**  
November 2022

In implementing the Permanent Local Housing Allocation (PLHA) funding, it is anticipated that income will be received from two sources:

- Interest earned from PLHA funds on deposit
- Repayment of affordable housing loans made using PLHA funds

The City will use all income generated from the use of PLHA funds for eligible activities as listed in Section 301 of the PLHA Final Guidelines adopted by the California Department of Housing and Community Development in October 2019, or eligible activities as noted in any successor PLHA guidelines.

**CITY OF ELK GROVE – CITY COUNCIL  
NOTICE OF PUBLIC HEARING**

Dated: November 29, 2024

**NOTICE** is hereby given that on **December 11, 2024, at 6:00 p.m.**, or as soon thereafter as the matter may be heard, the City Council of the City of Elk Grove will hold a Public Hearing at the **Elk Grove City Hall, located at 8400 Laguna Palms Way, Elk Grove**, to consider the following action:

**AUTHORIZING THE APPLICATION AND AMENDING THE FIVE-YEAR PLAN FOR THE  
PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROGRAM**

The purpose of this public hearing is to consider authorization of the application for the Permanent Local Housing Allocation (PLHA) Program and to consider a first amendment to the adopted five-year PLHA Program Plan (PLHA Plan), covering 2019-2023 allocations. The PLHA Plan describes the programs and activities the City expects to undertake using \$2,541,598 generated from 2019 to 2023. The City proposes to use these funds for:

- Assisting persons who are experiencing or are 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 new construction, rehabilitation, and preservation of permanent and transitional housing; and
- Affordable Ownership Worker Housing (AOWH) activities, including, but not limited to, homeownership opportunities that meet the needs of a growing workforce earning up to 120% AMI, such as owner-occupied housing and/or down payment assistance.

The release of this notice is meant to encourage public participation. The California Department of Housing and Community Development (HCD) requires jurisdictions to submit an amendment to the PLHA Plan when there is a change in funding to various eligible activities by more than ten percent (10%). State regulations also require a 10-day public comment period in advance of the public hearing to allow members of the public adequate opportunity to review the proposed PLHA Plan. The draft PLHA Plan is available for public review on the City’s website at [www.elkgrovecity.org/plha](http://www.elkgrovecity.org/plha) and at Elk Grove City Hall, 8401 Laguna Palms Way. Copies of the draft PLHA Plan will be made available upon request and are free of charge. To request a copy please contact the Housing Department at (916) 478-2254 or [housing@elkgrovecity.org](mailto:housing@elkgrovecity.org).

The public review and comment period for the PLHA Plan will begin on November 29, 2024 and will end December 11, 2024. The City of Elk Grove’s City Council will consider adoption of the PLHA Plan and accept public comment during the December 11, 2024 City Council meeting.

The City of Elk Grove encourages interested parties to participate in public meetings and comment on the issues being discussed. If you wish to provide testimony and are unable to participate in the meeting, written comments that are delivered to the City Clerk’s office prior to the time of the hearing will be made a part of the public record.

If you need translation services for languages other than English, please call 916.478.2254 for assistance.

Spanish: Si necesita servicios de traducción para otro lenguaje, aparte de Ingles, Por favor llamar al 916.478.2254 para asistencia.

Vietnamese: Nếu bạn cần dịch vụ thông dịch cho các ngôn ngữ khác ngoài tiếng Anh, xin vui lòng gọi 916.478.2254 để được trợ giúp.

Tagalog: Kung nangangailangan po ng tulong o interpretasyon sa ibang wika liban sa inglés, tumawag lang po sa 916.478.2254.

Chinese: 若你需要中文翻譯服務, 請來電 916.478.2254 接受協助

**NOTICE REGARDING CHALLENGES TO DECISIONS**

Pursuant to all applicable laws and regulations, if you wish to challenge in court any of the above decisions (including planning, zoning and/or environmental decisions), you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the city at, or prior to, this public hearing.

**ADA COMPLIANCE STATEMENT**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (916) 478-3635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.