



City of Huntington Beach

File #: 20-1594

MEETING DATE: 5/4/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Oliver Chi, City Manager

Subject:

Adopt Resolution No. 2020-29 to authorize and adopt a Five-Year Plan for Permanent Local Housing Allocation (PLHA) Program Funds and to submit an application for funding in year 1 (Fiscal Year 2020-2021)

Statement of Issue:

To complete an application for Permanent Local Housing Allocation (PLHA) program funds, the City of Huntington Beach must conduct a public hearing to consider and authorize the City's proposed Five-Year Plan for the use of these funds, as evidenced by the recommended adoption of Resolution No. 2020-29.

Financial Impact:

Over the next five years, the City expects to receive approximately \$3,290,970 in PLHA program funds, with the first year's allocation in FY 2020-21 estimated at \$548,495. The City is not required to provide matching funds.

The revenue source of PLHA entitlement funds is derived from recording fees for real estate transactions paid to the County of Orange. Therefore, it should be noted that these allocations are close approximations that will vary, depending on the number of transactions conducted in a given calendar year.

Recommended Action:

Adopt Resolution No. 2020-29, "A Resolution of the City Council of the City of Huntington Beach to Authorize and Adopt a Five-Year Plan for Permanent Local Housing Allocation Program Funds and to Submit an Application for Funding in Year 1 (Fiscal Year 2020-2021)."

Alternative Action(s):

The City Council may make the following alternative motion(s):

1. Deny Resolution No. 2020-29; or

2. Postpone the hearing to a later date and direct staff to modify the Five-Year Plan and Application for PLHA entitlement funds.

Analysis:

In 2017, the State of California approved SB 2, which provides local governments with a permanent source of funding for housing-related projects and programs to address their jurisdiction's unmet housing needs.

In 2019, the City learned that it was entitled to receive a subset of non-competitive SB 2 funds, known as PLHA entitlement funds. The HCD estimates that the City is eligible for approximately \$548,495 in Year 1 and a total of \$3,290,970 over the first five years. The City will continue receiving PLHA funds in subsequent years. However, it should be noted that the allocation formula is subject to change by the State Legislature and the Governor and cannot be estimated at this time.

To obtain funds for the initial five years, the City must submit an application to the California Department of Housing and Community Development (HCD), along with a Five-Year Plan for the funds. The application also requires the City to consider and authorize this Plan, as evidenced by the recommended adoption of Resolution No. 2020-29.

Given the growing homeless population in the City, the proposed Plan recommends allocating PLHA towards operating a future homeless shelter on 17631 Cameron Lane. During the COVID-19 pandemic, shelter construction and operation will be funded and managed by the Orange County Health Care Agency to address an urgent, acute public health threat to the homeless population. Following the pandemic, all improvements on the site, including the tent shelter, will be transferred over to City ownership. The City will then have the option to incorporate this tent and site into its overall homeless response, in compliance with the City's pending Settlement Agreement with Federal District Court Judge Carter. The City previously underwent a Request for Qualifications process, and selected Mercy House as its future homeless shelter operator. PLHA funds will be used to help pay for the contract, which is an eligible PLHA expense.

The application period for PLHA funds for Years 1-5 is April 27 through July 27, 2020. Funds will be awarded between August and October, with the earliest applicants receiving their funds first. Should Resolution No. 2020-29 be adopted, staff is prepared to submit the City's application as soon as May 5, 2020.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Non-Applicable - Administrative Item

Attachment(s):

1. Resolution No. 2020-29, "A Resolution of the City Council of the City of Huntington Beach to Authorize and Adopt a Five-Year Plan for Permanent Local Housing Allocation Program Funds and to Submit an Application for Funding in Year 1 (Fiscal Year 2020-2021)"

2. PLHA Five-Year Plan and Application