

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA (1) AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR AN ALLOCATION OF FUNDING UNDER THE PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PLHA PROGRAM, AND (2) IF SELECTED FOR SUCH FUNDING, AUTHORIZING THE EXECUTION OF A STANDARD AGREEMENT, ANY AMENDMENTS THERETO AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE PLHA PROGRAM.

WHEREAS, the State of California Department of Housing and Community Development ("HCD") 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 California Health and Safety Code Section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2); herein referred to as the "PLHA Program Statutes");

WHEREAS, HCD issued a Notice of Funding Availability ("NOFA") dated February 26, 2020 under the Permanent Local Housing Allocation Program (the "PLHA Program");

WHEREAS, the City of Pasadena, a California municipal corporation and charter city ("City"), is an eligible "Entitlement" local government applying for funding under the PLHA Program to administer one or more eligible activities, and whose PLHA funding is directly proportionate to its share of 2017 Community Block Grant ("CDBG") funding;

WHEREAS, HCD was authorized to approve funding allocations utilizing monies made available by the State Legislature to the PLHA Program, subject to the terms and conditions of the NOFA, the PLHA Program Statutes, the PLHA Program Guidelines, the Standard Agreement and other contracts between HCD and PLHA grant recipients;

WHEREAS, in July 2020, the City submitted an application to HCD for PLHA Program Funding in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the NOFA, (the "Application") for eligible activities as approved by the Department and in accordance with the PLHA Program Statutes, the PLHA Program 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 HCD;

WHEREAS, HCD issued a notification approving the City's award in February 2021 in the amount of \$5,616,465. As part of the initial application for funding, the City submitted a Five-Year Plan (Attachment A, attached thereto), which contemplated the following uses (and PLHA funding allocations) of the PLHA funding: Permanent Supportive Housing Operating Reserves (\$561,647); Workforce Homebuyer Assistance (\$2,106,174); Short Term Rental Assistance (\$1,123,293); ADU Program (\$1,544,528); and, Administration Costs (\$280,823);

WHEREAS, after receiving the notification of PLHA award approval from HCD, staff reassessed the original funding allocation in the approved Five-Year Plan, based on increased needs in some allocation categories, and the emergence of new funding sources that could supplement portions of other allocation categories of PLHA Funding. The amended allocation of the \$5,616,465 in the Five-Year Plan to utilize PLHA funding would be: Permanent Supportive Housing Operating Reserves (\$675,914); Workforce Homebuyer Assistance (\$1,400,00); Short Term Rental Assistance (\$500,000); ADU Program (\$2,759,728); and, Administration Costs (\$280,823).

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Incorporation of Recitals by Reference. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.
2. Five-Year Plan Amendment. Attachment A, which reflects the original Five-Year Plan for the expenditure of PLHA funding, is hereby deleted and replaced with Attachment D, which reflects the Amended Five-Year Plan allocating the following uses for eligible activities: Permanent Supportive Housing Operating Reserves (\$675,914); Workforce Homebuyer Assistance (\$1,400,00); Short Term Rental Assistance (\$500,000); ADU Program (\$2,759,728); and, Administration Costs (\$280,823).
3. Authority to Execute Documents and Take Further Actions. The City Manager and the Assistant City Manager, or either of them, are hereby authorized and directed to take such other actions as are consistent with the original Application, Standard Agreements and any subsequent amendments or modifications thereto (such as the aforementioned amended Five-Year Plan), as well as any and all documents required by HCD for participation in the PLHA Program and deemed necessary and

appropriate by the City Manager and the Assistant City Manager, or either of them (as the case may be), to consummate the transaction contemplated by the adoption of this Resolution and to administer the City's obligations, responsibilities and duties to be performed hereunder and under any agreement entered into with HCD in connection with the PLHA Program.

4. Agreement to Utilize PLHA Program Funding in a Manner Consistent with the Application, the PLHA Program Statutes and the PLHA Program Guidelines. The City Manager and the Assistant City Manager, or either of them, are hereby authorized and directed to use such funding for eligible activities in the manner presented in the original Application, Standard Agreements and any subsequent amendments or modifications thereto as approved by HCD and in accordance with the NOFA, the PLHA Program Statutes and the PLHA Program Guidelines.
5. Certifications. As a condition of the continued receipt of PLHA Program Funding pursuant to the above-referenced NOFA, the City hereby certifies and recertifies as follows:
 - (a) that it has sub-granted, or will sub-grant, some or all of its PLHA funds to another entity or entities; pursuant to PLHA Program Guidelines Section 302(c)(3), "entity" means a housing developer or PLHA Program operator, but does not mean an administering local government to whom a local government may delegate its PLHA allocation;
 - (b) that its selection process of these subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest;
 - (c) that PLHA funds will be expended only for eligible activities and consistent with all program requirements;
 - (d) 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 PLHA Program Guidelines Section 302(c)(6)(A), (B) and (C);
 - (e) 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, which shall restrict occupancy and rents in accordance with a local government-approved underwriting of the Project for a term of at least 55 years; and

- (f) 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 PLHA Program Guidelines published by HCD.

Adopted at a special meeting of the City Council on the ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARK JOMSKY
City Clerk

APPROVED AS TO FORM:


DION O'CONNELL
Deputy City Attorney