

Permanent Local Housing Allocation (PLHA) Formula Allocation

2021 Application for New Applicants



**State of California
Governor, Gavin Newsom**

**Lourdes Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director
Department of Housing and Community Development**

Program Design and Implementation, PLHA Program
2020 West El Camino Avenue, Suite 150, Sacramento, CA 95833
PLHA Program Email: PLHA@hcd.ca.gov

**Final Filing Date: December 31, 2021
at 11:59 P.M. PST**

Instructions

This application form is limited to Applicants who did not apply to the 2020 Formula Allocation NOFA

Rev. 5/14/21

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 website. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>. All applicable information must be received by HCD no later than 11:59 p.m. on:

Friday, December 31, 2021

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. If you encounter problems with the application, please fill out the Application Support worksheet and email the entire workbook to Application Support at AppSupport@hcd.ca.gov and 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 Applicant input. Failure to provide the required attachments and documentation will disqualify your application from consideration.

Required attachments are indicated in "orange" throughout the Supplemental 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 Payee Data" for Applicant 1 Payee Data Record/STD. 204.

Threshold items are indicated in "blue" cells.

"Red" shaded cells indicate the Sponsor has failed to meet a requirement of the program.

Applicant must complete the following worksheets in the PLHA Formula Allocation Application.

Formula Allocation Application

302(c)(4) Plan

Legislative Contacts

Checklist

Threshold Requirement	Electronic File Name	Document Description	Included?
X	Application and Adopting the PLHA Plan (2019-2023 Allocations) Reso	Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2019-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.	Included
	App1 TIN	Taxpayer Identification Number Document	Included
X	Applicant Delegation Agreement	Legally binding agreement between Delegating and Administering Local Governments (sample provided—just click on icon in row 17, column A1)	N/A
X	Reuse Plan	Program Income Reuse Plan describing how repaid loans or accrued interest will be used for eligible activities in Section 301.	Included
X	Executed Application	Provide a copy of the signed application. Signature in blue ink 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.

Local Government Formula Allocation for New Applicants

Rev. 5/14/21

Eligible Applicant Type:	Entitlement
Local Government Recipient of PLHA Formula Allocation:	
2019 PLHA Formula Allocation Amount:	\$2,170,178
2020 PLHA Formula Allocation Amount:	\$3,373,129
2020 Allowable Local Admin (5%):	\$108,509
2021 Allowable Local Admin (5%):	\$168,656

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.

If the PLHA funds are used for the same Activity but for different Area Median Income (AMI) level, select the same Activity twice (or more times) and the different AMI level the Activity will serve. Please enter the percentage of funds allocated to the Activity in only the first Activity listing to avoid double counting the funding allocation.

For each year (2019-2023), allocations must equal to 100% annually including the allowable administrative costs of up to five percent.

Eligible Applicants §300

§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:	Department of Conservation and Development			
Address:	30 Muir Road			
City:	Martinez	State:	CA	
Zip:	94553	County:	Contra Costa	
Auth Rep Name:	Amalia Cunningham	Title:	Assistant Deputy Director	
Auth Rep. Email:	amalia.cunningham@dcd.cccounty.us		Phone:	925-655-2881
Address:	30 Muir Road	City:	Martinez	
State:	CA	Zip Code:	94553	
Contact Name:	Cathy Remick	Title:	Planner	
Contact Email:	cathy.remick@dcd.cccounty.us		Contact Phone:	925-655-2887
Address:	30 Muir Road	City:	Martinez	
State:	CA	Zip Code:	94553	

§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

File Name:	Application and Adopting the PLHA Plan (2019-2023 Allocations) Reso	Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2019-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.	Uploaded to HCD?	Yes
File Name:	App1 TIN	Taxpayer Identification Number Document	Uploaded to HCD?	Yes
File Name:	Applicant Delegation Agreement	Legally binding agreement between Delegating and Administering Local Governments (sample provided—just click on icon in row 17, column AI)	Uploaded to HCD?	N/A

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 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

Threshold Requirements, §302

§302(a) The Applicant's Housing Element and Delegating Local Government's Housing Element (if applicable) was/were adopted by the Local Government's governing body by the application submittal date subsequently determined to be in substantial compliance with state Housing Element Law pursuant to Government Code Section 65585.	Yes
§302(c)(2) Applicant certified in the Resolution submitted with this application that submission of the application was authorized by the governing board of the Applicant.	Yes
§302(c)(3) Applicant certified in the Resolution submitted with this application that, if the Local Government proposes allocation of funds for any activity to another entity, the Local government's selection process had no conflicts of interest and was accessible to the public.	Yes
§302(c)(4) Applicant certified in the Resolution submitted with this application that the application include a Plan in accordance with §302(c)(4)?	Yes
§302(c)(4)(D) Applicant certified in the Resolution submitted with this application that the Plan was authorized and adopted by resolution by the Local Government and that the public had an adequate opportunity to review and comment on its content.	Yes
§302(c)(5) Applicant certified in the Resolution submitted with this application that the Plan submitted is for a term of five years (2019-2023). Local Governments agree to inform the Department of changes made to the Plan in each succeeding year of the term of the Plan.	Yes

§302(c)(6) Applicant certified in the Resolution submitted with this application that it will ensure compliance with §302(c)(6) if funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects.			Yes	
§302(c)(7) Applicant certified in the Resolution submitted with this application that it will ensure that the PLHA assistance is in the form of a low-interest, deferred loan to the Sponsor of the Project, if funds are used for the development of an Affordable Rental Housing Development. The 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 the Local government-approved underwriting of the Project for a term of at least 55 years.			Yes	
§302(c)(8) Has Applicant attached a program income reuse plan describing how repaid loans or accrued interest will be reused for eligible activities specified in Section			Yes	
File Name:	Reuse Plan	Program Income Reuse Plan describing how repaid loans or accrued interest will be used for eligible activities in Section 301.	Narrative uploaded to HCD?	Yes
Administration				
Applicant agrees to adhere to §500 , Accounting Records.			Yes	
Applicant agrees to adhere to §501 , Audits/Monitoring of PLHA Files.			Yes	
Applicant agrees to adhere to §502 , Cancellation/Termination.			Yes	
Applicant agrees to adhere to §503 , Reporting.			Yes	
Certifications				
On behalf of the entity identified below, I certify that: The information, statements and attachments included in this application are, to the best of my knowledge and belief, true and correct and I possess the legal authority to submit this application on behalf of the entity identified in the signature block.				
Amalia Cunningham	Assistant Deputy Director			
Authorized Representative Printed Name	Title	Signature		Date

§302(c)(4) Plan

Rev. 5/14/21

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

Contra Costa County plans to use the funds for the predevelopment, development, acquisition, rehabilitation, and preservation of housing that is affordable to Extremely Low-Income, Very Low-Income, and Low-Income households (Activity 1).

PLHA assistance will be offered in the form of low-interest, deferred loans. The loans will be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement will restrict occupancy and rents for a term of at least 55 years.

§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).

PLHA funds will be made available to affordable housing developers through a competitive Notice of Funding Availability (NOFA) process, which the County has extensive experience in from many years of successfully administering Federal Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds for affordable housing. The PLHA funds will be added to the annual NOFA cycle for the Federal housing funds. The NOFA will seek development proposals that include new affordable housing units for households with incomes at or below 80% AMI, with priority consideration given to projects with units serving 60% AMI and below. A mixed-income project with some units at higher levels may be eligible, but awards will be based on number of units at 80% AMI or lower.

The County has successfully leveraged HOME and CDBG funds to support affordable housing projects that have been funded by tax credits and other state funds. This existing plan will be utilized for administering PLHA funds as well. County housing staff is currently aware of potential projects in the pipeline that may be eligible for PLHA funds and will be reviewing applications annually as part of the NOFA process.

§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.

Providing funds for affordable housing and assisting in new construction of affordable housing is one of the key policies in the County's Certified Housing Element. The following sections of the County's Certified Fifth Cycle Housing Element demonstrate that this 302(c)(4) Plan is consistent with the overall goals to increase the number and quality of affordable housing in the area:

Housing Element Goal 1: Maintain and improve the quality of the existing housing stock and residential neighborhoods in Contra Costa County.
 Housing Element Goal 3: Increase the supply of housing with a priority on the development of affordable housing, including housing affordable to extremely low-income households.
 Housing Element Goal 4: Increase the supply of appropriate and supportive housing for special needs populations.

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.

The PLHA funds will be used for the predevelopment, development, acquisition, rehabilitation, and/or preservation of multifamily rental housing that is affordable to low-income persons earning 80% or less of the area median income (AMI). Funds will be evidenced through a Promissory Note and secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with the PLHA-required term of 55 years.

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	2023										
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	95.0%	95.0%	95.0%	95.0%	95.0%										
§302(c)(4)(E)(ii) Area Median Income Level Served	80%	80%	80%	80%	80%										TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level Note: complete for year 2019 & 2020 only	35	35													70
§302(c)(4)(E)(ii) Projected Number of Households Served	10	15	11	11	11										58
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Affordable Rental Housing Activity (55 years required for rental housing projects)	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	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.

The funds will be included in the County's annual Notice of Funding Availability (NOFA). The 2022-2023 NOFA will be released the week of October 7, 2021, and will be the first to include PLHA funds (contingent upon a successful application). Year 1 and Year 2 funds will be included in the funds awarded to applicants who meet the guidelines of the PLHA program.

Awards will be made in Spring 2022 for funds available July 1, 2022, subject to the State's schedule. Once the County is in contract with the State for the PLHA entitlement award, the funding awards may be under contract within a year of award, and disbursement complete one year thereafter.

§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 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.

§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.

§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.

Legislative and Congressional Information

Rev. 5/14/21

Provide the Legislative and Congressional information for the applicant and each activity location, (if different than applicant location), included in this application.

To locate or verify the Legislative and Congressional information, click on the respective links below and enter the applicant office location zip code, the activity location site zip code(s) (i.e. zip code(s) where activities are performed), and any additional activity location site(s), as applicable.

[California State Assembly](#)

[California State Senate](#)

[U.S. House of Representatives](#)

Applicant Office Location			
	District #	First Name	Last Name
State Assembly Member	Please see attached list.		
State Senate Member			
U.S. House of Representatives			
Activity Location 1 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			
Activity Location 2 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			
Activity Location 3 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			
Activity Location 4 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			
Activity Location 5 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			
Activity Location 6 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			
Activity Location 7 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			
Activity Location 8 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			
Activity Location 9 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			
Activity Location 10 (if different from applicant location)			
	District #	First Name	Last Name
State Assembly Member			
State Senate Member			
U.S. House of Representatives			

LEGISLATIVE AND CONGRESSIONAL INFORMATION

Contra Costa County

	District Number	First Name	Last Name
State Assembly Member	14	Timothy	Grayson
State Senate Member	3	Bill	Dodd
U.S. House of Representatives	11	Mark	DeSaulnier
State Assembly Member	11	Jim	Frazier
State Senate Member	7	Steve	Glazer
U.S House of Representatives	9	Jerry	McNerney
State Assembly Member	16	Rebecca	Bauer-Kahan
State Senate Member	7	Steve	Glazer
U.S. House of Representatives	15	Eric	Swalwell
State Assembly Member	15	Buffy	Wicks
State Senate Member	9	Nancy	Skinner
U.S. House of Representatives	5	Mike	Thompson



Permanent Local Housing Allocation 5-Year Plan and Application for Funding

Contra Costa County
Department of Conservation and Development, Housing and Community Improvement Division
30 Muir Road
Martinez, CA 94553
925-655-2700
www.contracosta.ca.gov

September 2021

INTRODUCTION

§302(c)(4) Plan

In 2017, Governor Brown signed the Legislative Housing Package to address the State's housing shortage and high housing costs. Seventy percent of the revenues generated from the California State Property Transfer Fees (SB2, 2017) are earmarked for Permanent Local Housing Allocation (PLHA). The revenue from SB2 will vary from year to year, as revenue is dependent on real estate transactions with fluctuating activity.

The PLHA provides an annual source of funding to all governments in California to help cities and counties implement plans to increase affordable housing stock. These funds will be allocated as formula grants to entitlement and non-entitlement jurisdictions based on the formula prescribed under federal law for the Community Development Block Grant (CDBG) to be locally administered.

The California Department of Housing and Community Development (HCD) announced the availability of approximately \$195 million in funding for the PLHA program in their Notice of Funding Availability (NOFA). This NOFA is funded from revenues deposited in the Building Homes and Jobs Trust Fund in calendar year 2019.

PURPOSE

As an entitlement local government for PLHA funds for the Urban County, Contra Costa County will receive an estimated 5-year allocation of \$13,021,068. This document will provide a summary of Contra Costa County's Five-Year Plan and application to California HCD.

Eligible activities for the PLHA are limited to the following:

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. Extremely Low Income is household income at or below 30% of Area Median Income (AMI); Very Low Income is at or below 50% AMI; Low Income is at or below 80% AMI and Moderate Income is at or below 120% AMI. Income limits are adjusted for household size.
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% of AMI. ADUs shall be available for occupancy for a term of no less than thirty days.
3. Matching portions of funds placed into Local or Regional Housing Trust Funds.
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
5. Capitalized Reserves for services connected to the preservation and creation of new, permanent supportive housing.

Draft Permanent Local Housing Allocation 5-Year Plan

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.
7. Accessibility modifications in Lower-Income owner-occupied housing.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
9. Homeownership opportunities, including, but not limited to, down payment assistance.
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.

Eligible activities must also be consistent and compliant with the County's Adopted Housing Element, and at least 20% of the allocation statewide must be used for Affordable Owner-Occupied Workforce Housing (AOWH) defined as housing that is affordable to persons and families of low- or moderate-income. Funds available for administrative expenses are limited to 5% of the allocation.

REQUIREMENTS

To participate in the formula allocation, Contra Costa County is required to develop a five-year plan detailing the way allocated funds will be used for eligible activities.

PERMANENT LOCAL HOUSING ALLOCATION FORMULA ALLOCATION PLAN APPLICATION

§302(c)(4)(A) The manner in which allocated funds will be used for eligible activities

Contra Costa County plans to use the funds for the predevelopment, development, acquisition, rehabilitation, and preservation of housing that is affordable to Extremely Low-Income, Very Low-Income, and Low-Income households (Activity 1).

PLHA assistance will be offered in the form of low-interest, deferred loans. The loans will be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement will restrict occupancy and rents for a term of at least 55 years.

§302(c)(4)(B) Description of the way the County will prioritize investments that increase the supply of housing for households with incomes at or below 60% Area Median Income (AMI)

PLHA funds will be made available to affordable housing developers through a competitive Notice of Funding Availability (NOFA) process, which the County has extensive experience in from many years of successfully administering Federal Community Development Block Grant (CDBG) and Home

Investment Partnership (HOME) funds for affordable housing. The PLHA funds will be added to the annual NOFA cycle for the Federal housing funds. The NOFA will seek development proposals that include new affordable housing units for households with incomes at or below 80% AMI, with priority consideration given to projects with units serving 60% AMI and below. A mixed-income project with some units at higher levels may be eligible, but awards will be based on number of units at 80% AMI or lower.

The County has successfully leveraged HOME and CDBG funds to support affordable housing projects that have been funded by tax credits and other state funds. This existing plan will be utilized for administering PLHA funds as well. County housing staff is currently aware of potential projects in the pipeline that may be eligible for PLHA funds and will be reviewing applications annually as part of the NOFA process.

§302(c)(4)(C) Description of how the Plan is consistent with programs set forth in the County's Housing Element

Providing funds for affordable housing and assisting in new construction of affordable housing is one of the key policies in the County's Certified Housing Element.

The following sections of the County's Certified Fifth Cycle Housing Element demonstrate that this 302(c)(4) Plan is consistent with the overall goals to increase the number and quality of affordable housing in the area:

Housing Element Goal 1: Maintain and improve the quality of the existing housing stock and residential neighborhoods in Contra Costa County.

Housing Element Goal 3: Increase the supply of housing with a priority on the development of affordable housing, including housing affordable to extremely low-income households.

Housing Element Goal 4: Increase the supply of appropriate and supportive housing for special needs populations.

ACTIVITIES DETAIL

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

The PLHA funds will be used for the predevelopment, development, acquisition, rehabilitation, and/or preservation of multifamily rental housing that is affordable to low-income persons earning 80% or less of the area median income (AMI). Funds will be structured as low-interest, deferred loans to the sponsor of the project. The loans will be evidenced through a Promissory Note and secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with the PLHA-required term of 55 years.

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

Draft Permanent Local Housing Allocation 5-Year Plan

The funds will be included in the County's annual Notice of Funding Availability (NOFA). The County has completed this process annually for many years, successfully awarding millions of dollars of Federal HOME, CDBG, and Housing Opportunities for Persons with AIDS (HOPWA) funding. The 2022-2023 NOFA will be released the week of October 7, 2021, and will be the first to include PLHA funds (contingent upon a successful application). Year 1 and Year 2 funds will be included in the funds awarded to applicants who meet the guidelines of the PLHA program.

Awards will be made in Spring 2022 for funds available July 1, 2022, subject to the State's schedule. Once the County is in contract with the State for the PLHA entitlement award, the funding awards may be under contract within a year of award, and disbursement complete one year thereafter.

PROGRAM INCOME REUSE

Program income is defined as gross income received by the recipient or a subrecipient directly generated from the use of PLHA funds, 4.3.2. Any program income received from activities in this plan will first be utilized to deliver additional activities of the same type as defined by Section 2.5. If future amended plans no longer support the allocation of funds to that activity, the project income will be programmed according to the activity allocation in effect at that time. The County is committed to following the Reuse Plan adopted by this policy and defined further in Attachment A.

ASSURANCES

The County will provide PLHA assistance in the form of deferred, low-interest loans to project sponsors for use in the development of affordable rental housing. Regulatory Agreements and Promissory Notes secured by Deeds of Trust against the property housing the development will assure long-term affordability

REPORTING

Pursuant to HSC Section 504740(b)(2)(B)(ii)(III), the County will provide an Annual Report documenting the uses and expenditures of any awarded allocated every July 31 to the Department of Housing and Community Development grant management division according to its specifications.

Attachment A

CONTRA COSTA COUNTY RE-USE PLAN

Contra Costa County commits to maintaining policies and procedures that separate out Permanent Local Housing Allocation (PLHA) program income for future reuse in accordance with the following policies:

1. All repayments of PLHA loan principal and interest shall be received by the County Department of Conservation and Development and deposited into a separate reuse account maintained by the Department's Finance staff. The County's PLHA loan documentation will track information such as borrower name and address, loan/reference number, grant year, and principal and interest.
2. The reuse account shall be an interest-bearing account into which all earned interest shall be deposited. Interest earned shall be considered reuse funds and will be used in the same manner and with the same restrictions as principal and interest payments.
3. All funds deposited into the reuse account shall be the property of the County.
4. All PLHA reuse funds shall be expended in accordance with PLHA regulations. This includes, but is not limited to, income levels, homebuyer education requirements, and coordinated entry requirements.
5. Reuse funds may be used for PLHA eligible activities in the following categories, but must be in alignment with the State approved PLHA Plan.
 - a. 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.
 - b. 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.
 - c. 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.
 - d. Accessibility modifications in lower-income owner-occupied housing.
 - e. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.

f. Homeownership opportunities, including, but not limited to, down payment assistance.

g. Up to five percent (5%) for administration.

6. Reuse funds may be used within the boundaries of the Urban County of Contra Costa County.

7. The County shall allow HCD full access to the reuse account records for the purpose of determining compliance with PLHA regulations