

PUBLIC NOTICE

DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT
 COUNTY OF SANTA BARBARA

On July 7, 2020, the Board will consider approval of an application to the State of California for funds under the Permanent Local Housing Allocation program (PLHA), which was created under Senate Bill 2 – 2017. The Board also will consider approval of a PLHA Consortium, which will form a partnership with the cities of Goleta and Santa Maria on the administration of the PLHA program.

The PLHA program utilizes funds collected from fees on certain real estate transactions. This is a permanent funding source to be allocated annually to qualifying jurisdictions. Qualifying jurisdictions are those eligible to receive annual allocations of federal Community Development Block Grant (CDBG) funds (“Entitlement Jurisdictions”). PLHA funds are allocated to Entitlement Jurisdictions based on the 2017 CDBG formula.

The chart below shows the first-year (2019) and five-year estimated allocations to each Entitlement Jurisdiction.

PLHA Consortium	2019 PLHA Allocation	Five-year estimates
County of Santa Barbara	\$569,787	3,418,722
Goleta	\$94,015	564,090
Santa Maria	\$733,471	4,400,826
TOTAL	\$1,397,273	8,383,638

The application to the State will include a 5-year Plan of eligible activities selected by the Consortium. The chart below shows how the estimated 2019 allocation will be distributed to each eligible activity. A full list of eligible activities may be found in the State PLHA Guidelines posted at <https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>

2019 PLHA FUNDS ALLOCATED TO EACH ACTIVITY	Percentage Allocated 2019-2023	2019 Allocation
1 The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily housing	45%	\$628,773
2 Assisting persons who are experiencing or at risk of homelessness, including, rapid rehousing, rental assistance, supportive/case management services, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of housing.	30%	\$419,182

3	Homeownership opportunities, including but not limited to, down payment assistance.	15%	\$209,591
4	The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs) for up to 150 percent of AMI	10%	\$139,727
	TOTAL AMOUNT ALLOCATED IN 2019	100%	\$1,397,273

The Board of Supervisors meeting will be held on July 7, 2020, at 9:00 a.m. in the Board hearing room at 105 East Anapamu Street, 4th Floor, in the City of Santa Barbara. The meeting agenda will be posted on Thursday prior to the meeting at <https://santabarbara.legistar.com/Calendar.aspx#current>.

Meetings are livestreamed and public comments may be made by telephone during the meeting, or in writing in advance of the meeting. Instructions are located at <http://www.countyofsb.org/ceo/cob.sbc>

Questions and comments about the PLHA program may be directed to Andrew Kish at akish@co.santa-barbara.ca.us or Laurie Baker at lbaker@co.santa-barbara.ca.us.

§302(c)(4) Plan

Rev. 2/26/20

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

The County of Santa Barbara and Cities of Goleta and Santa Maria (Consortium) will use the PLHA funds for the four (4) eligible activities identified below. The County, as the Administering Jurisdiction of the Consortium issues one or more Notices of Funding Availability (NOFA) to award funds under federal, local, and other State funding sources. PLHA funds will be included in one or more NOFAs to solicit eligible applicants to carry out programs and developments using PLHA funds alone, or in combination with other funds. The PLHA Consortium members will advise the County on the uses of their cities' funds in accordance with the PLHA Plan. In addition, the County will utilize one or more review committees, depending on the type of program or development being reviewed. The County's Continuum of Care Rank and Review Committee reviews, scores, and ranks applications related to homeless assistance; the Human Services Commission reviews, scores, and ranks applications related to other public services (homeless and non-homeless programs), and the Capital Loan Committee reviews the financial feasibility of housing development and other capital projects. Funding recommendations made by staff and committees are taken to the County Board of Supervisors for final awards. The County will enter into agreements with the subrecipients and housing developers and will monitor programs and projects to ensure compliance with PLHA Guidelines.

§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).

The Santa Barbara County PLHA Consortium will prioritize investments of PLHA funds to increase the supply of housing for households earning up to 60% by including the Eligible Activity described in Section 301(a)(1) - funding the development of multifamily rental housing projects designed to be affordable to extremely low income households earning up to 60% of the Area Median Income in the PLHA Plan. 45% of the Consortium's PLHA allocation will be allocated to this activity as we recognize the growing need for this type of investment within our community.

§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.

Addressing Program 1.2, the County shall continue, and where feasible, expand its public partnership with Non-profit housing providers. These partnerships are specifically leveraged to provide additional housing opportunities which are affordable at extremely low-income levels. The County PLHA Consortium recognizes Program 1.13 with the construction of Accessory Dwelling Units, and the County shall continue to promote the creation of additional housing stock within the local housing market areas encouraging the development of housing types which help to meet the full spectrum of the County's housing needs. The County's PLHA Plan is consistent with Program 4.4 of the existing Housing Element allowing the County to continue to work with non-profit organizations to implement a housing rehabilitation program for low-income homeowners. A portion of the PLHA allocation will be used toward meeting the goals of Program 4.5 within our Housing Element with the proposed Down Payment Assistance Program and support County and private non-profit programs which provide "soft" second mortgages or other financial tools to assist Moderate-income and Low-income home buyers. And the Consortium's combined allocation will assist in meeting the goals proposed in Program 5.2 of our Housing Element by contributing to the effort of the County to pursue further partnership programs such as the 10-year Plan to End Chronic Homelessness.

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 description of how allocated funds will be used for each proposed Affordable Rental Housing Activity.

45% of County PLHA Consortium funds have been allocated to this Eligible Activity. Rental units affordable to households that earn up to 60% of the Area Median Income, will be prioritized. Funds will be provided to multi-family rental housing in the form of a low-interest, residual receipt, deferred, or forgivable loan to the Sponsor of the Project. 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.

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	45%	45%	45%	45%	45%									
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	60%	60%	60%	60%									TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level	1368	1353	1338	1323	1308									6690
§302(c)(4)(E)(ii) Projected Number of Households Served	15	15	15	15	15									75

§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. Applications will be accepted via annual Notice of Funding Availability as described above, and projects will be prioritized based on their readiness to proceed. Applicants of multi-family housing also may intend to apply to the California Tax Credit Allocation Committee (CTCAC) for low-income housing tax credits (LIHTC) to complete their financing gaps. Project schedules may be determined, in part, by the State's application and award schedules. Once projects have all financing committed, the County will enter into funding agreements and construction may begin. Projects may take up to 18 months to complete, depending on the size of the project. The County may provide additional funds to projects to fill funding gaps, including In-Lieu fees, federal HOME funds, State HEAP and/or No Place Like Home funds, and other State funds.																
§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.																
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for each proposed Affordable Rental and Ownership Housing Activity.												Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing			10%	
The Consortium's allocation of PLHA funds will support 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. Rental units created, such as ADUs, will be required to have a minimum of a one-year lease, with an Affordability period of 5 to 10 years, depending on the amount of funds invested. Funds may be provided as short-term amortized, deferred, or forgivable loans, depending on population served and projected rental income. Homeownership loans for acquisition may be provided as low-interest, interest-only payments, with a term of 10 - 15 years. Funds for the development of homeownership units, such as homes constructed by Habitat for Humanity, will be provided as low-interest amortized or deferred loans, and may be forgivable, depending on the income of home buyers.																
Complete the table below for each proposed Affordable Rental and Ownership 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	2021	2022	2023								
Type of Affordable Housing Activity	Owner	Owner	Owner	Owner	Owner	ADU	ADU	ADU								
§302(c)(4)(E)(ii) Area Median Income Level Served	150%	150%	150%	150%	150%	150%	150%	150%								TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level	1221	1220	1219	1218	1217											6095
§302(c)(4)(E)(i) Percentage of Funds Allocated for Each Affordable Housing Activity	10%	10%	10%	10%	10%											
§302(c)(4)(E)(ii) Projected Number of Households Served	1	1	1	1	1											5
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	10	10	10	10	10	10	10	10								
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of each Affordable Rental and Ownership Housing project.																

County of Santa Barbara plans to implement an ADU Initiative Program in Winter of 2020 to encourage local homeowners to build ADU's and help expand housing opportunities for low-income households in the County through the creation of independent apartments on existing owner-occupied single family sites, or the conversion of an existing structure to an accessory dwelling unit. The introduction of this ADU incentive program will coincide with the timing of the County's introduction of a streamlined permitting process for building ADU's scheduled for release between Winter of 2020 and Spring of 2021. The PLHA program may be used as a funding source for the development of ADUs. The annual NOFA will include the opportunity to use PLHA funds to develop ADUs.

§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.

§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity.

A non-conflicted Continuum of Care Rank and Review Committee may competitively distribute funding to experienced service providers assisting persons experiencing homelessness obtain permanent housing through Rapid Re-housing/rental assistance with case management services, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation and preservation of permanent and transitional housing.

Complete the table below for each proposed 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									
Type of Activity for Persons Experiencing or At Risk of Homelessness	Permanent	Permanent	Permanent	Permanent	Permanent									
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	30%	30%	30%	30%	30%									
§302(c)(4)(E)(ii) Area Median Income Level Served	30%	30%	30%	30%	30%									TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level	1368	1353	1338	1323	1308									6690
§302(c)(4)(E)(ii) Projected Number of Households Served	30	30	30	30	30									150
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	1	1	1	1	1									

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

Rapid Re-housing/Rental Assistance and case management service funds will be distributed through the Continuum of Care General Rank and Review Policies through an independent panel to experienced service providers to assist persons experiencing homelessness or at risk of homelessness obtain permanent housing. An Annual NOFA is published to provide notice of available funds from the County's Housing & Community Development division. If the funds from this Eligible Activity are used in the development of rental housing then the period of affordability would be 55 years.

§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.														
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity.											Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing (AOWH)		15%	
Our proposed Downpayment Assistance Program, provides low-to-middle, and Workforce income home buyers down payment assistance loans, which enable them to secure conventional financing and removes financial barriers to home ownership by lowering home acquisition and closing costs, potentially eliminating the need for Mortgage Insurance.														
Complete the table below for each proposed 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	2019	2020	2021	2022	2023				
Type of Homeowner Assistance	Home Buyer Assistance	Home Buyer Assistance	Home Buyer Assistance	Home Buyer Assistance	Home Buyer Assistance	Owner Occupied Rehab	Owner Occupied Rehab	Owner Occupied Rehab	Owner Occupied Rehab	Owner Occupied Rehab				
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	15%	15%	15%	15%	15%									
§302(c)(4)(E)(ii) Area Median Income Level Served	150%	150%	150%	150%	150%	150%	150%	150%	150%	150%				TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level	1221	1219	1217	1215	1213									6085
§302(c)(4)(E)(ii) Projected Number of Households Served	2	2	2	2	2									10
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity	5	5	5	5	5	5	5	5	5	5				
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.														
The County may partner with and fund the Housing Trust Fund of Santa Barbara County and to support the its Workforce Homebuyer Program, which provides low-to-middle income home buyers with down payment loans. These down payment assistance loans are not amortized and instead have monthly interest payments currently at 4.75% fixed rate, simple interest annually, with the loan principal repaid upon sale, transfer or refinancing of the home, or at the end of the loan term. The program helps bridge the homeownership affordability gap for local working households by providing 10-year or 15-year down payment loans up to \$100,000 per household to assist first-time homebuyers (haven't owned a home in the prior 3 years). These loans enable qualified working families and individuals to buy a home that provides a stable residence that strengthens the family and the														
§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.														
File Name:	Plan Adoption					§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.					Attached and on USB?			