Community Development Department | Housing Division
Permanent Local Housing Allocation
302(c)(4) Plan
(Funding Allocation Years 2019-2023)

In September 2017, the California Legislature approved Senate Bill 2 (SB 2), known as the Building Homes and Jobs Act (Act), which established a $75 recording fee on real estate documents to increase the supply of affordable housing. The Act establishes the Permanent Local Housing Allocation (PLHA) program administered by the California Department of Housing and Community Development (HCD). The PLHA provides a permanent source of funding to cities and counties to help meet the unmet need for affordable housing and increase the supply of affordable housing units. The due date for the City's response the NOFA with a program application is July 27, 2020.

Under the PLHA program, funding is provided through formula grants to entitlement jurisdictions such as San Leandro based on the formula prescribed under federal law for the Community Development Block Grant (CDBG) program over a five-year funding period. The City of San Leandro is an entitlement jurisdiction and is eligible to receive an estimated $2.1 million, or approximately $350,000 annually, over the five-year funding period. It is important to note that this is only an estimate -- annual PLHA amounts are subject to change.

The State requires entitlement jurisdictions to use PLHA program funds to increase the supply of affordable housing. In order to receive PLHA program funds, the City is required to submit a PLHA Plan detailing the manner in which allocated funds will be used.

The following titles in bold are the required elements of 302(c)(4) Plan.

1. **Describe the manner in which allocated funds will be used for Eligible Activities[1]:**

The City of San Leandro ("City") will establish a program to to use PLHA funds for the predevelopment, development, acquisition, rehabilitation, and/or preservation of multi-family, residential live-work, rental housing that is Affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary Operating subsidies. The City will allocate PLHA funds to multi-family rental housing either for new developments or preservation. For preservation projects, the City will prioritize existing, unregulated affordable housing or regulated affordable housing developments with expiring regulatory agreements i.e. properties that are at-risk of being lost from the affordable housing supply.

2. **Provide a description of the way the City of San Leandro will prioritize investments that increase the supply of housing for households with incomes at or below 60% of the Area Median Income (AMI).**

In FY 2020-2021 the City will circulate an RFQ to solicit non-profit affordable housing developers with an established track record of successful development of similar types of affordable housing that it proposes to build using PLHA funds. In June 2016, Alameda County citizens passed a General Obligation Bond Measure A-1 to increase affordable housing county-wide. The non-profit affordable housing developer must propose a development that is consistent with the guiding principles set-forth by Alameda County Measure A-1 Rental Housing Development Fund:

1) Maximize leverage and produce the largest number of units possible;
2) Select feasible projects that can compete well for State/Federal financing;
3) Fund projects at a level to ensure viability for the life of the regulatory period;
4) Use Measure A-1 and PLHA funds to fill a gap and not supplant other affordable housing development funding available to the project.

3. **Provide a description of how the Plan is consistent with the programs set forth in the City of San Leandro's Housing Element.**

The following sections of the City of San Leandro's 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 jurisdiction:

---

[1] See Section 301 of the Permanent Local Housing Allocation Program, Final Guidelines at the California Department of Housing and Community Development website: https://www.hcd.ca.gov/grants-funding/active-funding/docs/PLHA-Final-Guidelines-11-19.pdf

- Action 53.03: City will actively pursue and leverage public funds to facilitate the development of housing affordable to lower and moderate income households in Sal Leandro.
- Action 53.03-A: Applications for Grant Funding--City will pursue funding sources for affordable housing construction.
- Action 53.03-B: Support for Non-Profit and For-Profit Affordable Housing Developers--City will provide support and information to non-profit and for-profit developers seeking to create affordable housing in San Leandro.

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

As of June 30, 2020, the City of San Leandro has an unused allocation of Alameda County Measure A-1 Rental Housing Development Bond Funding in the amount of a little over $5 million. The City of San Leandro will seek developers who can use at minimum 95% of the total PLHA fund allocation to successfully leverage A-1 and other State/Federal affordable housing development funding. The PLHA funding will be used to make a gap loan for new construction of multifamily rental housing developments proposed by non-profit affordable housing developers requesting City funds (such as the Housing Trust Fund) loans.

The City reserves the right, if needed, to use the allowed 5% of its total allocation for eligible City staff administration costs.

5. Describe major steps/actions and a proposed schedule for the implementation and completion of the Activity.

The City will circulate an RFQ with a response deadline of September 30, 2020 seeking qualified affordable housing developers that can leverage PLHA funds to secure Alameda County Measure A-1 Affordable Rental Housing Development Funds. The ultimate goal for the affordable housing developer is to successfully leverage City and County funds for an affordable housing development in the City of San Leandro.

The next Alameda County Measure A-1 Affordable Rental Housing Development Fund NOFA is likely to be released in FY 20-21. This NOFA is scheduled to be released in time so that non-profit affordable housing developers can access other funding available through programs such as the Affordable Housing & Sustainable Communities Greenhouse Gas Reduction Funds (with an anticipated NOFA in February 2021), Infill Infrastructure Grants (with an anticipated NOFA in March 2021), Transit Oriented Development Grants (with an anticipated NOFA in April 2021), Veterans Housing and Homeless Prevention Grants (with an anticipated NOFA in February 202a), and/or Low Income Housing Tax Credits (with an anticipated NOFAs in March and July 2021).