

Resolution No. **2021-05-25-1204**

City of Stockton

AUTHORIZING RESOLUTION OF CITY OF STOCKTON

AUTHORIZING THE APPLICATION FOR THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM

A necessary quorum and majority of the council members of the City of Stockton, a municipal corporation, ("Applicant") hereby consents to, adopts and ratifies the following resolution:

- A. WHEREAS, the Department 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 Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)).
- B. WHEREAS the State of California (the "State"), Department of Housing and Community Development ("Department") issued a re-opening of Notice of Funding Availability ("NOFA") dated 10/23/2020 under the Permanent Local Housing Allocation (PLHA) Program;
- C. WHEREAS *City of Stockton* is an eligible Local government who has applied for program funds to administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation.
- D. WHEREAS the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement and other contracts between the Department and PLHA grant recipients;


NOW THEREFORE BE IT RESOLVED THAT:

- 1. If Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
- 2. Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA \$10,268,580 in accordance with all applicable rules and laws.

3. Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.
4. Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.
5. ***If applicable:*** Applicant certifies that it was delegated by [*insert name of the delegating local government*] to submit an application on its behalf and administer the PLHA grant award for the formula allocation of PLHA funds, pursuant to Guidelines Section 300(c) and 300(d), and the legally binding agreement between the recipient of the PLHA funds and the Applicant is submitted with the PLHA application.
6. ***If applicable:*** Applicant certifies that it has or will subgrant some or all of its PLHA funds to another entity or entities. Pursuant to Guidelines Section 302(c)(3), "entity" means a housing developer or program operator but does not mean an administering Local government to whom a Local government may delegate its PLHA allocation.
7. ***If applicable:*** Applicant certifies that its selection process of these subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest.
8. ***If applicable:*** Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.
9. ***If applicable:*** Applicant certifies 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 Guidelines Section 302(c)(6)(A), (B) and (C).
10. ***If applicable:*** Applicant certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government 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 shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years.
11. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.
12. Harry Black, City Manager, and Carrie Wright, Economic Development Director, individually are authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.

PASSED AND ADOPTED at a regular meeting of the council of the City of Stockton this 25th day of, May by the following vote:

AYES: 6 ABSTENTIONS: _____ NOES: _____ ABSENT: 1



KEVIN J. LINCOLN II
Mayor of the City of Stockton

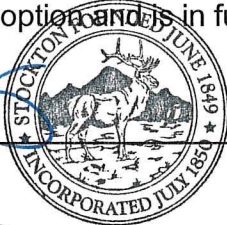
INSTRUCTION: The attesting officer cannot be the person identified in the resolution as the authorized signor.

CERTIFICATE OF THE ATTESTING OFFICER

The undersigned, Officer of Eliza R. Garza, CMC does hereby attest and certify that the foregoing Resolution is a true, full, and correct copy of a resolution duly adopted at a meeting of the City of Stockton Council, which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

ATTEST: 

Signature of Attesting Officer
Eliza R. Garza, CMC
City Clerk of the City of Stockton



§302(c)(4) Plan	<i>Rev. 5/20/20</i>
§302(c)(4)(A) Describe the manner in which allocated funds will be used for eligible activities.	
<p>The City of Stockton has identified three housing priorities for the use of PLHA funds. The three priorities include: 1) the expansion of developments targeting households at or below 60 percent of the Area Median Income and moderate income households; 2) establishment of a Local Housing Trust fund for the development of future affordable housing opportunities; and 3) the development of Homeownership opportunities for first time homebuyers, which may include construction/rehab costs, down payment and mortgage assistance.</p> <p>Development of Multifamily Housing for Extremely low, Very-low, low income households. The City of Stockton currently has five affordable housing projects in its development pipeline that will result in over 500 units of affordable housing within the next five years with approximately 25 percent or 125 of the units targeting extremely low-income households (ELI incomes at or below 30% AMI). The City's goal is to move those projects forward using PLHA funds as gap financing.</p> <ul style="list-style-type: none"> •Hunter House development is a new construction development of a 120-unit affordable multi-family project located at 610 N. Hunter and 619 N. San Joaquin Streets. Ninety (90) units will be affordable to mentally ill homeless and at risk of becoming homeless veterans, targeting households with incomes at or below 60 percent of the AMI. •Grand View Village is an affordable 75-unit multi-family new construction mixed-use housing development. The project will target households with incomes at or below 80 percent of the AMI. •Partnership in Housing for the Homeless is a new construction development of 13 units of homeless modular housing. •Park Village Apartments is a 208-unit rehabilitation development, of which 203 units target households at or below 60 percent of the AMI. The development is located at 3830 N. Alvarado Avenue. •Liberty Square is an adaptive reuse project that will convert a vacant office building on the Property into seventy four (74) units of multifamily housing in which one-hundred percent (100%) of the housing units will target very- and extremely- low income households as defined by HUD. <ul style="list-style-type: none"> • Development of Multifamily Housing for Extremely low, Very-low, low income households <ul style="list-style-type: none"> o PLHA funding will provide gap-financing for new construction, rehabilitation and infill projects, for the development/construction of multifamily rental housing affordable to households with incomes at or below 60 percent of Area Median Income. PLHA funded projects will be in the form of low-interest deferred loan with a 55-year loan term with 55 year rent restrictions, and/or persons experiencing homelessness. Loan will have a term 55 years with a 3% residual receipts note. o The City will coordinate PLHA funds with the allocation of federal HOME Investment Partnership (HOME) funding and Community Development Block Grant (CDBG) funds to provide greater financial leveraging. PLHA funding for affordable housing projects will be targeted to developers Citywide and may be used to provide incentive funding for those projects that target sites identified as suitable for affordable housing development in the City's Housing. •Matching portions of funds placed into a newly established Local Housing Trust Fund <ul style="list-style-type: none"> o Over the next two years the City of Stockton plans to implement a highly needed Local Housing Trust Fund to increase the supply of affordable rental and housing opportunities in Stockton. o PLHA funds will be used to match and leverage the City's other dedicated source of funds that are to be deposited into the City of Stockton LHTF account. o The City will detail the appropriate funding priorities and basic requirements that all projects must meet, such as income targeting, long term affordability, developer experience, property management requirements, etc.in order to qualify for financing from the trust. <p>Homeownership opportunities which include down payment assistance o The City's current "Down-Payment Assistance Program" will be revised to adjust to current demand within the City of Stockton to assist households with incomes up to 120 percent of Area Median Income. The median home purchase price in Stockton dropped 14% to \$277,000, which requires a minimum annual income of \$70,000. o Funds will be able to cover a 5 percent downpayment of the total value of the home; or to assist homeowners to make an up to maximum of 20 percent mortgage assistance to avoid payments for Private Mortgage Insurance.</p>	
§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).	
<p>Matching funds for a newly established Local Housing Trust Fund to assist in meeting the City's regional housing needs.</p> <ul style="list-style-type: none"> • Develop innovative housing solutions for "hard-to-serve" individuals and households o Delivery of Permanent Housing, New Construction, and Rental Assistance/Rapid Re-housing: To increase capacity in a challenging rental market, we will master lease or acquire housing, supported by 24/7 site management and compliance with house rules, and funding to ensure basic necessities of living once projects are completed. o Funding multiple new construction projects that specifically expands the inventory of affordable housing stock for at or below 60 percent of Area Median Income households with necessary financing to keep the project on track for an on time year of market entry. o Gathering all sources of funding that will advance the early stages of pre-development and construction financing to advance a projects process through development of completion. The City will detail the appropriate funding priorities and basic requirements that projects must meet, such as income targeting, long term affordability, developer experience, property management requirements, etc., in order to qualify for financing from the trust. •Make available operating subsidies to those developers that develop multi-family units targeting extremely low-income households 	
§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.	
<ul style="list-style-type: none"> • The City of Stockton's Council has identified the development of affordable housing as one of its top priorities and has implemented various General Plan amendments to facilitate the production of a variety of housing types in non-residential and mixed-use zones. The General Plan specifically focused on policies to facilitate development up to 18,400 new housing units within the City's existing limits. The City goal is to implement the following strategies to increase housing development: • Continue to take actions to streamline the approval and review processes for multi-family affordable and infill housing projects, working to provide timely and accurate information and funding to developers. • Encourage and provide opportunities for a variety of housing types that serve affordable housing opportunities and promote balanced mixed income neighborhoods. • Strive to ensure that application and development fees do not unnecessarily constrain the production of affordable housing, including small infill and single-family ownership housing projects as well as larger multifamily housing developments. • Maintain and improve access to information regarding housing programs, services, and resources, as well as fair housing laws and consumer information on housing choice. • Advocate further to developers of the development of multifamily housing through additional funding such as gap financing, development standards, and deferred fees, to provide a variety of housing types for all income groups. • Per the 2015-2023 Housing Element the City of Stockton has a yet unmet goal to create a Local Housing Trust Fund Program. 	
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.															
<p>The funds will be used to make available gap financing opportunities for developers, to better promote the advancement of new construction, rehabilitation and preservation of multi-family rental housing and infill housing development activities citywide for pre-development, construction and permanent uses. Additionally, funds will be used to establish operating subsidies for those developments that target households at or below 30% AMI (ELI)</p> <ul style="list-style-type: none"> The funds will also create long term affordability restrictions of 55 years, that will ensure that the City maintains and increases its needed affordable housing stock. Additionally, available PLHA funds will encourage developers to support more infill development Citywide, to help improve and reshape the perception of the City of Stockton as a viable city center. Funds will be in partnership with incentives and deferred fees that will help developers have an array of opportunities to accelerate projects to completion, without having a high risk of not finishing projects or not having sufficient funding. Additionally, the City of Stockton currently has six affordable housing projects in its development pipeline that will result in over 500 units of affordable housing within the next five years with approximately 25 percent or 125 of the units targeting homeless individuals, extremely low, and very low-income households (ELI incomes at or below 30% AMI). The City's goal is to move those projects forward using PLHA funds as gap financing. <ul style="list-style-type: none"> Hunter House development is a new construction development of a 120-unit affordable multi-family project located at 610 N. Hunter and 619 N. San Joaquin Streets. Ninety (90) units will be affordable to mentally ill homeless and at risk of becoming homeless veterans, targeting households with incomes at or below 60 percent of the AMI. Sierra Vista Phase III Apartments is an affordable 100-unit multi-family new construction replacement housing development. The project will target households with incomes at or below 60 percent of the AMI. Partnership in Housing for the Homeless is a new construction development of 13 units of homeless modular housing. Park Village Apartments is a 208-unit rehabilitation development, of which 203 units target households at or below 60 percent of the AMI. The development is located at 3830 N. Alvarado Avenue. Liberty Square is an adaptive reuse project that will convert a vacant office building on the Property into seventy four (74) units of multifamily housing in which one-hundred percent (100%) of the housing units will target very- and extremely- low income households as defined by HUD. 															
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	65.00%	65.00%	65.00%	12.50%	12.50%										
§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	913	913	913	608	608										3955
§302(c)(4)(E)(ii) Projected Number of Households Served	160	160	160	80	80										640
§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	
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.															
<ul style="list-style-type: none"> One of the City of Stockton's goals is to meet the unmet RHNA target of 3,955 new units, in which encourages the rapid need for new construction of affordable projects and appeals to developers with additional funding to support multiple projects. More than 3 projects are going to be in the beginning stages of construction within the end and beginning of next year that will give an opportunity to outreach to the City for additional funding if needed, to push through the construction phase of the project. The City will release a NOFA to all developers each year to solicit applications for funding available. Developers will be selected based on a set of criteria established by the City to promote affordable housing in the City. For the five projects currently being proposed below is a schedule of potential requests for funding; <ul style="list-style-type: none"> Grand View Village - Currently under construction, and developer is requesting further City funding Hunter House - Currently in pre-development, and will be asking for City funding in Fall 2020 Partnership in Housing for the Homeless - Currently under construction, and will be asking for additional City funding in Fall 2020 Park Village Apartments - Currently in Pre-Development, and will be asking for City funding in Fall 2020 Liberty Square - Currently in Pre-Development, and will be asking for City funding in Fall 2020 															
§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					
<ul style="list-style-type: none"> The City has had previous requests for funding assistance to single family developers, such as Habitat for Humanity, who then sell to low and moderate income homebuyers. The PLHA funds will be a revolving loan, to the developers, which be repaid, less the developer fee, to the City upon sale of the home to a low and/or moderate income household. 															
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										
Type of Affordable Housing Activity	Owner	Owner	Owner	Owner	Owner										

§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.														
§301(a)(5) Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.														
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity .														
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														
Type of Permanent Supportive Housing Project														
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity														
§302(c)(4)(E)(ii) Area Median Income Level Served														TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level														0
§302(c)(4)(E)(ii) Projected Number of Households Served														0
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (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.														
§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.														
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														
Type of Activity for Persons Experiencing or At Risk of Homelessness														
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity														
§302(c)(4)(E)(ii) Area Median Income Level Served														TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level														0
§302(c)(4)(E)(ii) Projected Number of Households Served														0
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)														
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.														
§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing.														
§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	
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														
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity														
§302(c)(4)(E)(ii) Area Median Income Level Served														TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level														0

