



CITY COUNCIL STAFF REPORT



August 6, 2024

ITEM TITLE

Grant Application: Authorize Submittal of a State of California Permanent Local Housing Allocation (PLHA) Grant Application

Report Number: 24-0120

Location: No specific geographic location

Department: Housing and Homeless Services

G.C. § 84308: No

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Adopt a resolution authorizing the 2023 annual application for funds of the Permanent Local Housing Allocation (PLHA) grant from the State of California Department of Housing and Community Development (HCD) and authorizing the City Manager or designee to execute all related documents for such.

SUMMARY

In February 2020, the California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability under the Permanent Local Housing Allocation (PLHA) Grant Program. As an entitlement jurisdiction, the City of Chula Vista has applied for available funds through 2022 and submitted both an initial Plan and an amended Plan for use of the funds. The PLHA Grant Program requires an annual application. This action requests authorization to apply for the 2023 available fund allocation (allocation year 2022) in the amount of \$908,287.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and it has been determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines, because it will not result in a physical change in the

environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

Senate Bill 2 Planning Grants Program ([SB 2](#)) was passed by California Legislature in 2017 establishing a permanent source of funding to increase affordable housing in California. This program is funded by certain real estate transactions and estimated to generate between \$250 and \$300 million annually to be distributed among local jurisdictions throughout the State. The City of Chula Vista is an entitlement jurisdiction and is therefore allocated a certain percentage of funding from the program per year, with an estimated 5-year allotment of \$6,356,898. On July 14, 2020 the City adopted its 2019-2023 5-Year PLHA Allocation Plan via Resolution No. 2020-161 and subsequently amended such on January 17, 2023 via Resolution No. 2023-001. On [January 17, 2023](#) the Council also adopted Resolution No. 2023-002 authorizing the City Manager to accept and appropriate any future funding year allocations.

In accordance with the program requirements, the City is required to authorize submittal of an additional streamlined application in each of the remaining five years for funds allocated in previous years using a standard Resolution template from HCD. City's 2023 streamlined application requesting the most recent PLHA fund year allocation is attached as Attachment 1. The amount ultimately awarded to City for each allocation year depends on the amount of State funds available. To date, the City has been awarded funding in the amount of \$1,059,483 from the 2019 fund allocation, \$1,646,765 from the 2020 fund allocation, and \$1,812,214 from the 2021 fund allocation.

As outlined in Chula Vista's Housing Element, the City intends to promote the development of a variety of housing choices, tied to appropriate services to meet the needs of special population groups including the homeless, those "at-risk" of becoming homeless, persons with disabilities, and seniors. With 650 homeless persons within Chula Vista as of the 2024 Point in Time Count and 77% of those being unsheltered and, as further detailed within the Housing Element, there is a significant gap of the number of unsheltered within the community and the beds available for the general population of homeless. In 2020, the State required that the City apply and provide a plan for how the funds would be spent (the "Plan"). The initial application in July 2020 identified programs that were later funded through other one-time grant programs and therefore the City subsequently submitted a Plan Amendment in 2023 as priorities changed, see Attachment 2. The Plan Amendment approved by Council in January 2023 asserted the City's commitment to addressing the issue of homelessness in Chula Vista by allocating all PLHA funds towards these efforts, as there are few consistent and substantial resources available for homeless related activities.

PLHA funds are necessary for Chula Vista Bridge Shelter operations. The shelter serves individuals who have an annual income at or below 30% of the area median income, in compliance with PLHA fund requirements. PLHA funds will continue to be used to support the operations of emergency and transitional housing such as the Bridge Shelter and wrap-around supportive services which may include case management, street outreach, housing navigation, meals, bathroom/shower and laundry facilities as well as coordinated service linkages.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

Approval of this resolution will allow for application of current year PLHA Grant funds in the amount of \$908,287 in the fiscal year 2023-24 budget to continue funding shelter operations and services. There is no fiscal impact to the General Fund as a result of accepting this grant as funding for this project will come from HCD and will completely offset the project costs.

ONGOING FISCAL IMPACT

The PLHA Grant will be used to continue funding operations and wrap-around services for emergency housing. Additionally, if the application is successful, these funds may provide program administration costs of up to 5 percent. This allowable administration allocation provides funding for City staff costs that are needed to carry out the proposed activities. It is estimated that the total 5-year allocation will be \$6,356,898, as identified below.

Estimated 5-Year PLHA Allocation	
Allocation Year	Amount
2019	\$1,059,483
2020	\$1,646,765
2021	\$1,812,214
2022	\$908,287
2023	*
TOTAL ESTIMATED	\$6,356,898*

*Estimated or unknown at this time.

ATTACHMENTS

1. PLHA 2023 Annual Streamlined Application
2. Amended PLHA 2019-2023 Allocation Plan

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