

Draft Permanent Local Housing Allocation (PLHA) Formula Allocation

2022 Application for New Applicants



**State of California
Governor, Gavin Newsom**

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

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§302(c)(4) Plan

Rev. 2/16/22

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

The City of Rialto (the "City") intends to use the PLHA allocated funds to 1) Provide grants up to \$50,000 for the rehabilitation of affordable owner-occupied housing for households earning up to 80% AMI, and 2) provide funding for development for affordable housing. The City will create a new program to provide loans to low-income property owners to assist them with rehab and/or preservation of property. Property owners will be required to meet income qualifications. The City will also provide funds to potential developers to build low income housing.

§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).

A portion of the rehabilitation grants and development loans that are funded through the PLHA allocation will be provided to households with incomes at or below 80% AMI. The programs will assist households earning up to 80% AMI. This does not mean only households earning this percentage will qualify or be allowed to participate. Households earning less than 80% are eligible to participate and the City anticipates assisting some households with incomes at or below 60% AMI.

§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.

Rialto's 2021-2029 (6th Cycle) Housing Element Update includes Housing Goal #1, which is to maintain and improve the quality of existing housing and neighborhoods in Rialto. More specifically, Housing Program 1B is intended included in support of Housing Goal #1 Housing Program 1B is funding for housing rehabilitation programs such as the Home Sweet Home Program. In addition, Housing Goal #3 seeks to "Maximize the use of available financial resources and pursue creative and resourceful methods to reduce the overall cost of housing." By providing funding for development of affordable housing, the City is able to implement the related Policy 3.1 which is to "Facilitate the development and preservation of affordable housing by offering financial and/or regulatory incentives.

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.

PLHA allocated funds will be used to provide grants to households earning up to 80% AMI to rehabilitate owner-occupied housing units; construct and/or rehabilitate accessory dwellings units. Rehab grants will be available for up to \$50,000. The City will also provide funds to potential developers to build low income housing.

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	2020	2021	2021	2022	2023								
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	100.0%	50.0%	50.0%	50.0%	50.0%	100.0%	100.0%								
§302(c)(4)(E)(ii) Area Median Income Level Served	80%	80%	80%	80%	80%	80%	80%								TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level Note: complete for years 2019, 2020, 2021 only															0
§302(c)(4)(E)(ii) Projected Number of Households Served	12	8	5	8	5	10	10								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.

Policies, procedures, and guidelines are in place for owner-occupied housing rehab. Rehabilitation projects typically take 90-120 days to complete from application review to construction completion. The City anticipates processing and completing at least 1 rehab project each month for Year 1. Major steps for the rehab program include: receive applications; review applications; qualify eligible homeowners; process the grant documents; prepare an inspection, scope of work, and cost estimate; release a Notice Inviting Bids; contractor selection; and monitor the rehab work until completion. Major steps will include: annual income/primary residence self-certification and process loan documents and record a lien against the property. The City is currently working with a potential developer to build 10 units that would be made available to low to moderate income families.

§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance.

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

Enter Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing (AOWH)

The City will be partnering with a developer to build low to moderate income units. These units will be available to families that meet the income guidelines.

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	2020	2021													
Type of Homeowner Assistance	Down Payment Assistance	Down Payment Assistance													
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	50.00%	50.00%													
§302(c)(4)(E)(ii) Area Median Income Level Served	80%	80%													TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level Note: complete for years 2019, 2020, 2021 only															0
§302(c)(4)(E)(ii) Projected Number of Households Served	5	5													10
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity	30	30													

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

The City is currently working with a developer. On November 2022, the City will be presenting an item to City Council to approve the an Exclusive Negotiating Agreement, Purchase and Sales Agreement, and a Predevelopment Loan. The Purchase and Sales Agreement must be approved by the County Oversight Board and then approved by the State. The developer will be submitting for entitlements in Feb 2023 for a duplex and one ADU on each lot, for a total of ten unit's total.