



CITY OF MENIFEE

SUBJECT: Permanent Local Housing Allocation Program

MEETING DATE: November 6, 2024

TO: Mayor and City Council

PREPARED BY: Edna I. Lebrón, Senior Management Analyst

REVIEWED BY: Cheryl Kitzerow, Community Development Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Accept the Permanent Local Housing Allocation Program (PLHA) grant funds from the California Department of Housing and Community Development (HCD) in the amount of \$646,059 for Menifee's First Time Homebuyers Down Payment Assistance Program; and
2. Approve and authorize the City Manager to execute all necessary agreements, amendments, and related documents to receive the PLHA grant funds; and
3. Adopt a budget amendment resolution, authorizing an increase in revenue and appropriation of expenditures in the amount of \$646,059 to accounts identified by the Finance Department.

DISCUSSION

On July 15, 2020, City Council authorized staff to apply for PLHA funds and approved a five-year expenditure plan of the PLHA Program formula allocation of an estimated \$1.2 million over five years from the HCD. In addition, PLHA funds were approved for the homeownership opportunities, including, but not limited to, down payment assistance.

On August 4, 2021, the City Council accepted round 1 of the PLHA allocations for \$251,604. The City received the full allocation amount in March of 2022. Additionally, on November 16, 2022, the City Council accepted round 2 of the PLHA allocation for \$391,071. The City received the full allocation amount in November of 2022.

The City has received a formal notification that it will receive \$646,059 for rounds 3 and 4 of the PLHA funds. Based on the application submitted, the City would continue to use the funds for its Menifee First Time Homebuyer's Down Payment Assistance Program ("Program").

The Program would provide low-income, first-time homebuyers with a no-interest, deferred payment loan of up to \$100,000 for down payment assistance or closing costs. In doing so, the Program would

allow the City to continue to create and protect strong sustainable neighborhoods by providing programs such as this one that encourage and facilitate the path to homeownership for residents.

The City of Menifee with the collaboration of Neighborhood Housing Partnership Services, Inc (NPHS) has successfully assisted five low-moderate income citizens to become homeowners in the City of Menifee and are currently processing two additional applications.

STRATEGIC PLAN OBJECTIVE

Thriving Economy

FISCAL IMPACT

The fiscal impact for the acceptance of the grant is \$646,059 in both revenue and expenditure to be recognized in fiscal year 2024/2025. The Finance Department would increase state grant revenue within the Grant Fund (2301-441002) and appropriate those funds to the Permanent Local Housing Allocation Program for the Community Development Department within the Grant Fund (2301-CDD-PLNG-652843).

| Activity Description | Activity Total |
|-----------------------------|-----------------------|
| Administration (5%) | \$32,303.00 |
| Activity Delivery | \$0.00 |
| Down Payment Assistance | \$613,756.00 |
| Grant Award Total | \$646,059.00 |

The City's PLHA Program will be fully grant-funded and allocated through HCD. A corresponding BAR appropriating the PLHA grant revenue and expenditures is included for approval as part of this Staff Report.

There is no required match by the City through the grant program.

ATTACHMENTS

1. Grant Award Notification Letter
2. Signed PLHA Agreement with HCD
3. Budget Amendment Resolution
4. Grant Summary Report