

CITY OF MENIFEE

SUBJECT: Permanent Local Housing Allocation (PLHA) Program

MEETING DATE: November 16, 2022

TO: Mayor and City Council

PREPARED BY: Edna I. Lebrón, Sr. Management Analyst

REVIEWED BY: Cheryl Kitzerow, Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Accept the 2021 PLHA grant funding from the California Department of Housing and Community Development (HCD) in the amount of \$391,071 for Meniffee's First Time Homebuyers Down Payment Assistance Program; and
2. Authorize the City Manager to execute all necessary agreements, amendments, and related documents to receive the 2021 PLHA grant funds; and
3. Adopt a Budget Amendment Resolution (BAR) authorizing an increase in revenue and appropriation of expenditures in the amount of \$391,071 to accounts identified by the Finance Department.

DISCUSSION

On July 15, 2020, the City Council authorized staff to apply for round 2 of the PLHA Program funding and also approved a five-year expenditure plan for the formula allocation of an estimated \$1.2 million over five years from HCD. In addition, PLHA funds were approved for the new homeownership opportunities, including, but not limited to, down payment assistance.

On August 4, 2021, the City Council accepted the 1st round of the PLHA allocations in the amount of \$251,604. The City received the full allocation amount in March of 2022.

Recently, the City has received a formal notification that it will be receiving the 2nd round of funds in the amount of \$391,071 for the 2021 PLHA. Based on the application submitted, the City will continue to use the funds for its Meniffee First Time Homebuyer's Down Payment Assistance Program.

The Down Payment Assistance Program would provide low-income, first-time homebuyers with a no-interest, deferred payment loan of up to \$15,000 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 encourages and facilitate the path to homeownership for residents.

Currently, our attorneys are revising legal documents for the lenders, and our consultants at NPHS are reviewing a few applications. Furthermore, in December, NPHS will hold two down payment assistance workshops, and the Program will be mentioned in the winter edition of Menifee Matters.

Funding for the Down Payment Assistance Program is derived from state funds and administered by the HCD.

STRATEGIC PLAN OBJECTIVE

Responsive and Transparent Government

FISCAL IMPACT

The fiscal impact of acceptance of the PLHA grant funds is \$391,071 in grant revenue to be received and \$391,071 in corresponding expenditures related to the delivery of the Down Payment Assistance Program. Associated program administration and implementation costs are included as part of the \$391,071 and are estimated as follows:

Grant Revenue	301-3743	\$391,071.00
Administration	301-4330-52843	\$ 19,554.00
Activity Delivery	301-4330-52843	\$ 19,393.00
Down Payment Assistance	301-4330-52843	\$352,124.00

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

ATTACHMENTS

1. Grant Award Notification Letter
2. Signed PLHA Agreement with HCD
3. GSR – PLHA
3. BAR – Grant Fund 301