

RESOLUTION NO. 2022-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORTUNA APPROVING THE CONTRACT AGREEMENT SUBGRANT OF THE CITY OF FORTUNA'S 2019 ALLOCATION OF THE PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FUNDS TO THE CITY OF ARCATA

WHEREAS, in 2017, Governor Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs, which included the Building Homes and Jobs Act (SB 2), which established a \$75 recording fee on real estate documents to increase the supply of affordable homes in California; and

WHEREAS, because the number of real estate transactions recorded in each county will vary from year to year, the revenues collected will fluctuate; and

WHEREAS, SB 2 directs the California Department of Housing and Community Development (State HCD) to use seventy percent (70%) of the annual revenue collected for locally administered affordable housing programs beginning in calendar year 2019, which establishes the Permanent Local Housing Allocation program (PLHA); and

WHEREAS, the California Department of Housing and Community Development (State HCD) announced the release of the 2022 Entitlement and Non-Entitlement Local government formula component Notice of Funding Availability (NOFA) for approximately \$335 million in calendar year 2021 funds plus an additional \$131 million in remaining calendar year 2019 funds for the Permanent Local Housing Allocation (PLHA) program; and

WHEREAS, the funding provides formula grants to Entitlement and Non-Entitlement Local governments in California for housing-related projects and programs that assist in addressing unmet housing needs of their local communities; and

WHEREAS, Section 300(c) of the PLHA Program Guidelines allows a local government to subgrant to another local government to submit an application and administer on its behalf its a portion of its formula allocation of Program funds, provided that the local government enter into a legally binding agreement and the funds are expended for eligible activities consistent with Program requirements; and

WHEREAS, each of the Parties is eligible to submit an application for and administer Permanent Local Housing; and

WHEREAS, Fortuna does not have the employee capacity to manage a PLHA award and desires to participate in the PLHA Program by delegating its 2019 allocation of \$108,619; and

WHEREAS, Arcata will participate in 2022 PLHA NOFA and apply for estimated five-year funding amount of \$1,056,372 for eligible housing-related project(s); and

WHEREAS, Arcata agrees to accept the subgrant of the City of Fortuna's 2019 allocation of \$108,619 and to administer the PLHA funds on behalf of Fortuna, as set forth in PLHA Guidelines Section 300(c) and the NOFA Section II.A.1; and

NOW, THEREFORE, the City of Fortuna subgrant to the City of Arcata Fortuna's 2019 allocation of PLHA Program funds and will enter into a legally binding agreement to expend funds for eligible housing-related activities.

BE IT RESOLVED, by the City Council of the City of Fortuna as follows:

SECTION 1:

The City Council has reviewed and hereby authorizes the City Manager to execute the Contract Agreement subgrant the City of Fortuna's full PLHA 2019 allocation of \$108,619 to the City of Arcata to be utilized for eligible housing-related activities.

SECTION 2:

The City of Fortuna in the Contract Agreement assigns the City of Arcata "lead applicant" fully responsible for the PLHA application, including administration and compliance.

SECTION 3:

The City of Fortuna acknowledges compliance with state and federal public participation requirements in the approval of the PLHA allocation and Contract Agreement.

SECTION 4:

If the City of Arcata proposes allocation of funds for any Activity to another entity, Arcata's selection process shall avoid conflicts of interest and shall be accessible to the public. For the purposes of this section, "entity" means a housing developer or program operator; "entity" does not mean an administering Local government to whom a Local government delegates its PLHA formula allocation, pursuant to Section 300(d).

SECTION 5:

The City of Fortuna hereby authorizes and directs the City Manager as the Administrative Representative to sign this Contract Agreement and any other subsequent amendments with the State of California for the purposes of this agreement as it pertains to the City of Arcata's PLHA application and act on the City of Fortuna's behalf in all matters pertaining to this agreement.

On motion by _____, seconded by _____, and the following roll-call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SUE LONG, MAYOR

Attest:

BUFFY GRAY, DEPUTY CITY CLERK

I, Buffy Gray, Deputy City Clerk of the City of Fortuna, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 17th day of October 2022.

Buffy Gray, Deputy City Clerk of the City of
Fortuna, State of California

By: _____
Name and Title

Note: The attesting officer cannot be the person identified in the Resolution as the authorized signer.