

§302(c)(4) Plan

Rev. 5/14/21

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

The County of Santa Clara and Cities of Cupertino, Gilroy and Santa Clara (PLHA Consortium) will use the PLHA funds for three (3) Eligible Activities identified below. The County, as the administering jurisdiction of the PLHA Consortium, has an existing over-the-counter Notice of Funding Availability for multifamily housing rental projects and is working on a Request for Proposals from eligible non-profits for shelter operations, safe park program administration, homelessness prevention and basic needs for unsheltered individuals. PLHA funds for the three Eligible Activities will be included in one or more of these existing procurement strategies, with eligible applicants carrying out programs and developments using PLHA funds, alone, or in combination with other funds. The PLHA Consortium members will advise the County on the proposed uses of their cities' funds in accordance with the PLHA Plan and Consortium agreement. In addition, the County will utilize one or more staff review committees, depending on the type of program or development being reviewed. The County's Continuum of Care will coordinate with the PLHA Consortium to ensure that projects funded are consistent with existing Quality Standards. Funding recommendations made by staff and committees will be taken to the County Board of Supervisors for final approval. The County will enter into agreements with subrecipients and housing developers and monitor their progress against these agreements.

§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).

The Santa Clara County PLHA Consortium will prioritize investments of PLHA funds to increase the supply of affordable and supportive housing for households earning up to 60% AMI by including the Eligible Activity described in Section 301(a)(1) - funding the development of multifamily rental housing projects designed to be affordable to households earning up to 60% of AMI as a source of funds in the County's over-the-counter Supportive Housing Development Notice of Funding Availability. This is an existing process that has yielded the financing of 35 housing development projects and resulted in 3,662 new apartments across the County. Forty percent (40%) of the PLHA Consortium's PLHA allocation will be allocated to this activity, as we recognize the growing need for this type of investment within our community, particularly as the PLHA Consortium starts to plan for the next Regional Housing Needs Allocation cycle. The Consortium will also prioritize investments that increase the supply of housing for households earning up to 60% AMI by including the Eligible Activity described in Section 301(a)(2) - investing in rental and homeownership opportunities for residents for whom this option is typically out-of-reach. Thirty percent (30%) of the PLHA Consortium's PLHA allocation will be allocated to this Eligible Activity. Overall, the County intends that 70% of the Consortium's total five-year allocation will benefit households at 60% AMI and below.

§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.

The County's PLHA Plan is consistent with its Housing Element, including but not limited to the following: 4.04.02 - County Housing Bond Fund / 2016 Measure A \$950 Million Affordable Housing Bond Fund (Housing Bond), which seeks ways to use bond proceeds to leverage additional local, state and federal funds to support the development, operation and services of affordable and supportive housing; 4.04.10 - Office of Supportive Housing works collectively to develop new housing for special needs groups and implement the Housing Bond; 4.05.08 - Mental Health Services Act Housing Program, which creates housing units; 4.05.10 - Department of Alcohol and Drug Services program, which maintains residential beds, transitional housing unit beds, and outpatient slots that would have otherwise been lost when Bay Area Services Network funding terminated; 4.08.02 and 4.08.03 - Destination: Home and Keys To Housing: A 10 Year Plan to End Chronic Homelessness in Santa Clara County, which, through collaboration with partners and stakeholders, led to the development of the 2020 - 2025 Community Plan to End Homelessness and most recently HEADING HOME, a community-wide campaign to end family homelessness by 2025; and 4.08.14 - County Homeless Facilities, which works towards ending homelessness by increasing permanent supportive housing opportunities in the County.

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.

Forty percent (40%) of County PLHA Consortium funds have been allocated to this Eligible Activity. Rental units affordable to households that earn up to 60% of the Area Median Income, will be prioritized. Funds will be provided for multi-family rental housing in the form of a low-interest, residual receipt, deferred, or other loan to the sponsor of the project, consistent with the County's approved Supportive Housing Development Program Notice of Funding Availability guidelines and PLHA program guidelines. The loan shall be evidenced through a promissory note secured by a Deed of Trust, and a regulatory agreement shall restrict occupancy and rents in accordance with the County's approved underwriting of the project for a term of at least 55 years. Eligible use of funds will include predevelopment activities in support of an entitlement application, architectural and engineering costs, community engagement, and for the preparation of any environmental studies related to CEQA and/or NEPA.

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	2021	2022	2023											
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	40.0%	40.0%	40.0%	40.0%	40.0%											
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	60%	60%	60%	60%											TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level Note: complete for year 2019 & 2020 only	11	2														13
§302(c)(4)(E)(ii) Projected Number of Households Served	0	0	0	0	180											180
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Affordable Rental Housing Activity (55 years required for rental housing projects)	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.																
If approved for funding, the County will amend the existing Supportive Housing Development Notice of Funding Availability to signal to prospective affordable housing developers that funding is available. This action is an administrative process that can occur within a few days of approval of the funding. Assuming the approval takes place in February 2022 and the availability of funding is posted in the NOFA shortly thereafter, the County will work with the housing development community to identify either a property currently in the County's housing development pipeline or a new site. The County anticipates the identification of at least two properties by April 2022, approval by the Consortium in May 2022, and Board of Supervisors' approval in June 2022. Following the Board's approval, it will take the County up to six (6) months to enter into the necessary agreements for the two properties, with funds being appropriated in a predevelopment agreement by December 2022.																
§301(a)(2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.																

§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for each proposed Affordable Rental and Ownership Housing Activity.	Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing	10%
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Funds for the development of rental and ownership housing would be available through the County's over-the-counter Supportive Housing Development Notice of Funding Availability (NOFA). Most recently on November 16, 2021, the Board of Supervisors approved a modification of the County's program guidelines to include a prioritization of funding in support of this activity. Applications submitted through the existing NOFA process will be prioritized specifically for PLHA funding. Funding will be used to support predevelopment project needs, including but not limited to activities in support of an entitlement application, architectural and engineering costs, community engagement, and for the preparation of any environmental studies related to CEQA and/or NEPA. Funds will be provided in the form of a low-interest, residual receipt, deferred, or other loan to the sponsor of the project, consistent with the County's approved Supportive Housing Development Program NOFA guidelines and PLHA program guidelines.

Complete the table below for each proposed Affordable Rental and Ownership 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	2021	2022	2023										
Type of Affordable Housing Activity			Ownership : Predevelopment	Ownership : Predevelopment	Ownership : Predevelopment										
§302(c)(4)(E)(ii) Area Median Income Level Served			60%	60%	60%										TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level Note: complete for year 2019 & 2020 only	11	2													13
§302(c)(4)(E)(i) Percentage of Funds Allocated for Each Affordable Housing Activity			50%	50%	50%										
§302(c)(4)(E)(ii) Projected Number of Households Served			0	10	5										15

§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)			55	55	55										
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of each Affordable Rental and Ownership Housing project.															
<p>On November 16, 2021, the Board of Supervisors approved a set of recommendations to implement the production of for-sale homeownership units and modified the existing program guidelines to create a new project type for affordable rental housing projects. The County has issued a revised Notice of Funding Application (NOFA) to solicit applications. Assuming the approval takes place in February 2022 and the availability of funding is posted in the NOFA shortly thereafter, the County will work with the housing development community to identify either a property currently in the County's housing development pipeline or a new site. The County anticipates the identification of at least one property by July 2022 with approval by the Consortium in August 2022 and Board of Supervisor's approval in October 2022. Following Board approval, it will take the County up to six (6) months to complete the required due diligence and enter into the necessary agreements for the property with funds being appropriated in a predevelopment agreement by December 2023.</p>															
§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.															
§301(a)(4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.															
§301(a)(5) Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.															
§301(a)(6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.															
§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for the proposed Activity.															
<p>Allocated funds for this Eligible Activity will be used to advance three strategies contained in the Community Plan to End Homelessness. These strategies are: 1) Address the root causes of homelessness through system and policy change; 2) Expand homelessness prevention and housing programs to meet the need; and 3) Improve the quality of life for unsheltered individuals and create health neighborhoods for all. The PLHA Consortium intends to fund a variety of activities that support our unhoused neighbors as well as those who are at-risk of homelessness. First, the PLHA Consortium seeks to expand temporary housing and basic needs services, including, but not limited to, emergency shelter operations (i.e., nightly sleeping accommodations, meals, showers, laundry services, internet access) and case management for those who need minimal interventions. This strategy may also support the required operating services related to safe parking programs. Second, the PLHA Consortium seeks to expand homelessness prevention services by allocating a portion of the funds towards the County-wide Homelessness Prevention System.</p>															
<p>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).</p>															
Funding Allocation Year	2019	2019	2019	2020	2020	2020	2021	2022	2023						
Type of Activity for Persons Experiencing or At Risk of Homelessness	Emergency Shelter Operating	Rental Assistance (term of six months)	Supportive /Case Management Services	Emergency Shelter Operating	Rental Assistance (term of six months)	Supportive /Case Management Services	Rental Assistance (term of six months)	Rental Assistance (term of six months)	Rental Assistance (term of six months)						
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	40.00%	10.00%	10.00%	40.00%	10.00%	10.00%	10.00%	10.00%	10.00%						

§302(c)(4)(E)(ii) Area Median Income Level Served	15%	30%	30%	15%	30%	30%	30%	30%	30%							TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level Note: complete for year 2019 & 2020 only	0	0	0	0	0	0										0
§302(c)(4)(E)(ii) Projected Number of Households Served	25	15	7	25	15	7	12	12	12							130
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	N/A															
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.																
The County is working on a Request for Proposals (RFP) to incorporate this funding in the solicitation process as it relates to temporary housing and basic needs services. The County anticipates releasing the RFP in early 2022, with approval of funding by the PLHA Consortium in April 2022, and formal approval by the Board of Supervisors in June 2022. The program delivery would promptly begin on July 1, 2022. The homelessness prevention portion of the budget would first be discussed by the PLHA Consortium members in early 2022 and would then be programmed into an existing contract managed by the County. The PLHA Consortium anticipates providing their respective approval on the exact dollar amounts by March 2022, with a formal approval by the Board of Supervisors in June 2022. The program delivery would promptly begin on July 1, 2022.																
§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing.																
§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.																
§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance.																
§301(a)(10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.																