

PLHA Draft Application

Draft 302(c)(4) Plan

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| Eligible Applicant Type | Entitlement |
| Local Government Recipient of PLHA Formula Allocation | City of Rancho Cordova |
| 5-year Allocation Period | FY 2019/2020 – FY 2023/2024 |
| Approximate 5-year Allocation | \$1,712,196 |
| Year One Allocation | \$285,366 |
| §302(c)(4)(A) Describe the manner in which allocated funds will be used for eligible activities. | |
| <p>Over the next 5 years, the City of Rancho Cordova will use the PLHA funds to expand and enhance the access to and number of affordable housing units within the City of Rancho Cordova through the following eligible activities. The funding will be used as gap financing for the development of new affordable housing projects and permanent supportive Housing Units within the City limits of Rancho Cordova.</p> <p>Application Request for five-year period:</p> <ul style="list-style-type: none"> • \$1,712,196 - 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. <ul style="list-style-type: none"> ○ Over the course of the 5 years, it is projected that the City will create a minimum of 50 units with 40 units dedicated to households earning 60% Area Median Income (AMI) or less. <p>The First Annual Allocation is \$285,366. Annual Allocations over the 5-year period will average approximately \$342,439</p> <ul style="list-style-type: none"> • \$285,366 - 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. <ul style="list-style-type: none"> ○ This first-year allocation will result in a minimum of 5 units under 120% AMI with a minimum of 3 units being available to individuals at or below 60% AMI | |
| §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. | |
| <p>The City will partner with local affordable housing developers by competitively awarding PLHA funds through the issuance of Request for Proposals (RFP). The City will prioritize investments that increase the supply of housing for households with incomes from 60% to 120% of the AMI. When issuing RFPs for affordable housing projects under this category, the City may award bonus points for project proposals intended to serve households below 60% AMI.</p> | |
| Action 1 - §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 description of how allocated funds will be used for each proposed Affordable Rental Housing Activity. | |
| <p>PLHA funds in this category will be allocated for 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. This allocation will be made</p> | |

PLHA Draft Application

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available to affordable housing developers through a competitive Request for Proposals (RFP) process and/or over the counter application process. Each RFP will seek development proposals that include new affordable housing units for households with incomes at or below 120% of AMI with an emphasis on developments that serve individuals at or below 60% AMI. The City works closely with the local Continuum of Care (CoC), affordable housing developers, and general community to increase affordable housing units across the housing continuum. The City also gives priority to projects that leverage several sources of funding for the maximum benefit to the community.

PLHA funds under this activity used for the development of Affordable Rental Housing shall be provided in the form of a low-interest, deferred loan and will be evidenced through a Promissory Note secured by a Deed of Trust, 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 City solicits projects through a RFP process that creates a consistent standard for all projects awarded funding. The areas of focus are Application Completeness, Project Design and Capacity, Urgency and Persistence of Need, Project Implementation Readiness, Past Performance, Financial Management, General Regulatory Compliance, Budget, Fund Development, and leveraging. These areas allow staff and oversight authorities the ability to assess each application to the funding requirements for any project.

Due to the relatively lower funding amount that the City is entitled to through the PHLA program, the City will also consider an over the counter application process for projects that have already been awarded City funding from other sources but need additional funding to increase competitiveness for other state or federal grant programs.

Selected projects will demonstrate that they have the capacity to secure other sources of funding. Reviewed projects are then presented to City Council for approval. All projects will be secured by a loan agreement, promissory note, Deed of Trust and Regulatory Agreement. City staff is well trained in on-going project and long-term monitoring to ensure that projects comply throughout the ongoing affordability period. The City will issue a RFP annually or biannually to ensure an ongoing project pipeline.

§302(c)(4)(6)(C) Provide a description of how the Plan is consistent with the programs set forth in the Local Government's Housing Element.

The proposed plan directs 100% of the City's PLHA funding to the development of new affordable housing units. Use of PLHA funds for this unmet housing need is consistent with the City's Adopted 2021-2029 Certified Housing Element Action H.5.2.1 – Pursue available and appropriate state and federal funding sources to support efforts to meet new construction needs of extremely low, very low, low, and moderate-income households.

Regional Housing Needs Allocation (RHNA) – Background and Local Requirements

Table 1 illustrates RHNA allocations imposed during the 2021-2029 Housing Element Cycle for the City of Rancho Cordova for Very-low, Low-, Moderate, and Above-Moderate income levels. The City will offer PLHA funds to assist in building units in an effort to address the local RHNA housing allocations.

Table 1. City of Rancho Cordova Housing Needs Allocation 2021-2029

PLHA Draft Application

Draft 302(c)(4) Plan

| Effective Date December 31, 2021 | Very-Low Income | Low Income | Moderate Income | Above Moderate Income | Total |
|--|--------------------|------------|--------------------|--------------------------|-------|
| RHNA Allocation (Units) | 2,115 | 1,274 | 1,684 | 3,994 | 9,067 |
| Progress (Permitted Units) | 0 | 0 | 235 | 317 | 552 |
| Remaining Units | 2,115 | 1,274 | 1,449 | 3,677 | 8,515 |

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| 302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity | 100%, approximately \$1,712,196 (over 5 years) |
| 302(c)(4)(E)(ii) Area Median Income Level Served | 30% to 120% AMI |
| 302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level | 4,838 (VL, L, Mod) |
| 302(c)(4)(E)(ii) Projected Number of Households Served | 50 (over 5 years) |
| 302(c)(4)(6)(E)(ii) Period of Affordability for the Proposed Affordable Rental Housing Activity (55 years required for rental housing projects) | 55 years |

HCD Local 2022 Income Limits for this Program

| Number of Persons in Household: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------------------------------|---|---|---|---|---|---|---|---|
|---------------------------------|---|---|---|---|---|---|---|---|

| | | | | | | | | | |
|---|----------------------|-------|-------|--------|---------------|--------|--------|--------|--------|
| Sacramento County Area Median Income: \$102,200 | Acutely Low | 10750 | 12300 | 13800 | 15350 | 16600 | 17800 | 19050 | 20250 |
| | Extremely Low | 21300 | 24350 | 27400 | 30400 | 32850 | 37190 | 41910 | 46630 |
| | Very Low Income | 35500 | 40550 | 45600 | 50650 | 54750 | 58800 | 62850 | 66900 |
| | Low Income | 56750 | 64850 | 72950 | 81050 | 87550 | 94050 | 100550 | 107000 |
| | Median Income | 71550 | 81750 | 92000 | 102200 | 110400 | 118550 | 126750 | 134900 |
| | Moderate Income | 85850 | 98100 | 110400 | 122650 | 132450 | 142250 | 152100 | 161900 |