



**CITY OF SALINAS  
HOUSING AND LAND USE COMMITTEE**

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**DATE:** SEPTEMBER 3, 2024

**DEPARTMENT:** COMMUNITY DEVELOPMENT

**FROM:** LISA BRINTON, DIRECTOR

**THROUGH:** FRANCISCO BRAMBILA, ACTING PLANNING MANAGER

**BY:** LUIS OCHOA, SR. COMMUNITY DEVELOPMENT ANALYST  
MONICA FLORES-PONCE, COMMUNITY DEVELOPMENT ANALYST

**TITLE:** 2024 CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT LOCAL HOUSING TRUST FUND APPLICATION

RECOMMENDED MOTION:

Motion supporting the approval of a City Council resolution authorizing the submittal of a 2024 LHTF Application to the California Department of Housing and Community Development on or before September 17, 2024.

DISCUSSION:

The California Department of Housing and Community Development (HCD) Local Housing Trust Fund (LHTF) Program provides matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing, and emergency shelters.

On May 2, 2023, the Salinas City Council authorized the establishment of the Salinas LHTF and the submission of the 2023 LHTF Application to the California Department of Housing and Community Development (HCD). The City of Salinas (City) committed \$4,526,562 as a matching contribution for the 2023 Application. In January 2024, HCD awarded \$3,807,248 in LHTF funds through this application. Combined with the City's match, the total funding for the LHTF came to \$8,333,810.

To reach City goals for affordable housing, more funding, especially for gap financing is needed.

The LHTF presents a unique opportunity to essentially double City resources dedicated to housing production. On July 9, 2024, HCD released a 2024 LHTF program Notice of Funding Availability (NOFA). Application criteria includes, 1) a minimum LHTF Program application request of at least \$1,000,000 (1:1 local match), 2) a commitment of at least forty percent (40%) of the previous LHTF award by the application deadline, and 3) demonstrate sufficient sources of ongoing revenues from public or private sources, totaling at least an average of \$100,000 per year for three (3) years after the date of the program award.

As to the local match, Housing staff are working with the Finance Department and City Manager to identify funding sources to provide the minimum \$1,000,000 match for Council consideration. Regarding the commitment of the previous LHTF Program award funds, the HULC, as a separate item, is to provide a recommendation to the City Council on a proposed conditional commitment of \$3,080,000 to the Housing Authority of the County of Monterey (HACM) for the predevelopment and construction cost of the proposed 100% affordable multifamily rental housing project on City-owned Division Street properties at 921 E. Market St. and 115, 123, 137, 145, and 151 Division Street. If approved, this conditional commitment of \$3,080,000 would meet the 40% commitment of funds requirement from the HCD LHTF Program. Permanent Local Housing Allocation Program (PLHA) and Prohousing Incentive Program (PIP) funds have been identified as potential funding source to be used as ongoing operating revenue to support the LHTF.

Below is a timeline of anticipated milestones and actions related to the City’s 20204 LHTF Program application. To ensure completion of a competitive application inclusive of required operational guidelines and policies within the extremely short submission period, the City has also enlisted support from an experienced LHTF consultant, Harris and Associates.

<b>Proposed LHTF Program Timeline</b>	
HCD 2024 LHTF Program NOFA Release	July 9, 2024
HCD LHTF Application Portal open for submissions	August 20, 2024
City Council consideration of City of Salinas LHTF Program	September 10, 2024
LHTF Application Deadline	September 17, 2024
HCD LHTF Award Announcements (expected)	December 2024

2024 LHTF Program applications are due to HCD by no later than September 17, 2024.

**ATTACHMENTS:**

1. PPT 2024 HCD LHTF Application