



**CITY OF SALINAS  
COUNCIL STAFF REPORT**

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**DATE:** NOVEMBER 17, 2020  
**DEPARTMENT:** COMMUNITY DEVELOPMENT DEPARTMENT  
**FROM:** MEGAN HUNTER, DIRECTOR  
**TITLE:** ADMINISTRATIVE CORRECTION TO RESOLUTION NO. 21897

RECOMMENDED MOTION:

A motion to approve:

- 1) a Resolution authorizing the administrative correction to Resolution No. 21897 previously approved on June 23, 2020; and
- 2) an updated Resolution for the California Department of Housing and Community Development (HCD) SB 2 Permanent Local Housing Allocation (PLHA) Program.

RECOMMENDATION:

It is recommended that City Council approve:

- 1) a Resolution authorizing the administrative correction to Resolution No. 21897 previously approved on June 23, 2020;
- 2) an updated Resolution for the California Department of Housing and Community Development (HCD) SB 2 Permanent Local Housing Allocation (PLHA) Program.

EXECUTIVE SUMMARY:

The Community Development Department is seeking an administrative correction to Resolution No. 21897 approved by City Council on June 23, 2020. HCD is requiring that the City update the authorized signatory in the City and HCD Resolution from Ray E. Corpuz, Jr., former City Manager, to City Manager or Community Development Director. In addition, HCD recently updated its State Resolution template to include language that incorporates the PLHA Plan pursuant to section 302(c)(4) of the HCD Guidelines. The previous State Resolution template did not include this language. As a result, HCD is recommending that the City adopt the updated State Resolution template.

BACKGROUND:

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing the state's housing

shortage and high housing costs. Specifically, it included SB 2, referred to as the “Building Homes and Jobs Act”. SB 2 establishes a permanent, on-going source of funding dedicated to promoting and facilitating affordable housing development. SB2 funding is secured through a fee that is imposed at the time of recording of every real estate instrument, paper or notice for each single real estate transaction on a parcel of property. The recording fees range from \$75 to \$225 depending upon the nature and scope of the property transaction. Sales transactions for single-family homes are exempt from this fee. Approximately \$195 million in statewide revenue has been earmarked for local government affordable housing grants as a result of this fee. On July 15, 2020, the City submitted an HCD SB2 PLHA application in the amount of \$1,006,847 for various housing activities dedicated to promoting and facilitating affordable housing development.

DISCUSSION:

On June 23, 2020, City Council approved Resolution No. 21897 authorizing an application submittal to HCD for the SB2 PLHA Program in the amount of \$1,006,847. Following the submittal of the resolution, HCD notified City staff that the original HCD Resolution template did not include the PLHA Plan pursuant to section 302(c)(4) of the HCD Guidelines. As a result, HCD recommended that the City utilize the updated HCD Resolution template which now includes the required language. In addition, HCD also required that the City execute a change in City signatories due the retirement of former City Manager Ray E. Corpuz, Jr. HCD is requiring that the City insert the job title, “City Manager or Community Development Director” rather than an individual name in the Resolution. The City Manager or Community Development Director will be the authorized representative to execute the PLHA Program application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the PLHA Program.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) per Guidelines Section 15378. CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

PLHA grant funding will help advance the following City Council 2020-2023 strategic goals: 1) Investment Strategies/ Risk Management that closes the City’ structural deficit, ensures adequate investment in Salinas’ future, and addresses the City’s housing challenges; 2) New Revenue to dedicate savings to capital investment and establish a housing trust fund; 3) Operational

efficiencies that reduce expenditures, and make necessary investment to have long-term savings; and, 4) Public Safety to provide responsive, cost-effective emergency services.

DEPARTMENTAL COORDINATION:

This agenda item is administered by the City’s Community Development Department (CDD) Housing Division. It is expected that the Housing Division will manage funded projects. The Legal Department will assist in matters such as consultant contracting, and environmental review and the Finance Department will assist on purchasing and grant monitoring.

FISCAL AND SUSTAINABILITY IMPACT:

There is no General Fund impact associated with this agenda item. PLHA does not require a local financial commitment or “match” from local jurisdictions requesting grant funds.

ATTACHMENTS:

- City Resolution Authorizing Administrative Correction to Resolution No. 21897
- Updated HCD Resolution for the PLHA Program Application
- City Resolution No 21897
- HCD Resolution No. 21897