



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

DATE: NOVEMBER 5, 2024

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: VINCENT MONTGOMERY, PLANNING MANAGER

BY: LUIS OCHOA, SR. COMMUNITY DEVELOPMENT ANALYST
DAVID VIGIL, ADMINISTRATIVE ANALYST
MONICA FLORES-PONCE, COMMUNITY DEVELOPMENT ANALYST

TITLE: AMENDMENT NO. FOUR TO PERMANENT LOCAL HOUSING ALLOCATION 5-YEAR PLAN AND ALLOCATION OF FUNDS TO CHISPA FOR FOUR PROJECTS

RECOMMENDED MOTION:

A motion recommending the City Council approve a resolution authorizing:

1. the submission of Amendment No. 4 to the PLHA 5-Year Plan
2. the allocation of PLHA funds to CHISPA for the development of three ADUs
3. the allocation of PLHA funds to CHISPA for the acquisition of the 98 Kip Drive property

DISCUSSION:

The PLHA program supports local governments in housing-related projects. Salinas has received various allocations since the Plan's approval, with flexibility to adjust funding as needed. The proposed amendments will address low-income multifamily rental units and ADUs while meeting the new 40% allocation requirement towards homeownership opportunities.

The Plan amendment seeks to adjust percentages in years three, four, and five to continue the commitment of funding towards the development of low-income multifamily rental units, ADUs, and homeownership opportunities. The tables below illustrate the proposed amendment.

Current PLHA 5-Year Plan Allocation					
Activity Description	Percent Budget Per Year				
	1	2	3	4	5
Program Administration	5%	5%	5%	5%	5%
Affordable Housing Development	75%	0%	70%	40%	55%
ADU Production	0%	10%	0%	10%	10%
Matching Funds to LHTF	0%	0%	0%	0%	0%
Homeless Services Assistance	20%	85%	25%	45%	30%
Totals	100%	100%	100%	100%	100%

Proposed Amendment to PLHA 5-Year Plan Allocation					
Activity Description	Percent Budget Per Year				
	1	2	3	4	5
Program Administration	5%	5%	5%	5%	5%
Affordable Housing Development	75%	0%	41%	55%	55%
ADU Production	0%	10%	14%	0%	0%
Matching Funds to LHTF	0%	0%	0%	0%	0%
Homeless Services Assistance	20%	85%	0%	0%	0%
Homeownership Opportunities	0%	0%	40%	40%	40%
Totals	100%	100%	100%	100%	100%

HCD requires a 10-day public notice for any amendments to the PLHA Plan. Public notice for the fourth amendment was initiated on November 8, 2024, and it closes with a public hearing at City Council on November 19, 2024.

Through the fourth substantial amendment to the Plan, the City will allocate \$390,000 in PLHA funds to CHISPA to produce three ADUs. CHISPA will use the PLHA funds for predevelopment and construction. The proposed ADUs will be located at: 138 Carr Ave., 615 Fremont St., and 617 Fremont St. ADUs will be rented to households up to Moderate Income level.

On January 23, 2024, City Council approved a resolution authorizing the commitment of \$640,000 from year three PLHA funding to support CHISPA with the land acquisition for a planned 100% affordable senior housing project located at 98 Kip Drive. The proposed a fourth amendment increases the PLHA funding to \$645,000 for the 36-unit development.

By committing PLHA funding from years two and three to CHISPA for these projects, it will ensure the City is compliant with the PLHA expenditure deadlines.

ATTACHMENTS:

1. PPT PLHA Amendment, ADUs, and 98 Kip Drive