

# Permanent Local Housing Allocation (PLHA) Formula Allocation

Notice of Funding Availability (NOFA) October 15, 2024

2024 Application for **5-Year Plan Amendment**



**State of California**  
Gavin Newsom, **Governor**

**Business, Consumer Services and Housing Agency**  
Tomiquia Moss, **Secretary**

**Department of Housing and Community Development**  
Gustavo Velasquez, **Director**

Program Design and Implementation, PLHA Program  
651 Bannon Street, Sacramento, CA 95811

Email: [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov)

Website: [Permanent Local Housing Allocation Program \(PLHA\)](#)

Allocation Years	New & Streamlined Submission Deadline	5-Year Plan Amendment Submission Deadline
Year 1 (2019)	n/a	n/a
Year 2 (2020)	n/a	n/a
Year 3 (2021)	02/28/2025	06/30/2025
Year 4 (2022)	02/28/2026	06/30/2026
Year 5 (2023)	02/28/2027	06/30/2027

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**Instructions**

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**When opening this file, a yellow banner at the top may appear with a button that says "Enable Content". It is essential that you click this box so that the macros are enabled. Enabling macros is necessary for full worksheet functionality. Macros do not work with Microsoft's Excel version for Apple Mac.**

Applications must be submitted electronically to the Department's [HCD Portal Sign In](#) website. To receive an award of CY 2021 funds, applicants are required to submit an application and demonstrate a fully compliant Housing Element and submittal of the applicable Annual Progress Report(s) no later than February 28, 2025. All CY 2021 funds must be awarded by June 30, 2025 or they will revert to the Housing Rehabilitation Loan Fund per statute.

**This NOFA will remain open to eligible applicants through June 30, 2027.**

Applications must be on the Department's forms and cannot be altered or modified by the Applicant. Excel forms must be in Excel format and 'save as' .xls or .xlsx. Do not 'save as' .xlsm or .pdf format. For application errors please fill out the Application Support worksheet and email the entire workbook to Application Support for application errors at [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov).

**General Instructions** (Additional instructions and guidance are given throughout the Formula Allocation Application in "red" text and in cell comments.

**Guideline references are made with "\$" and the corresponding guideline section number.**

"Yellow" cells are for Sponsor input. Failure to provide the required attachments and documentation may disqualify your application from consideration. An Applicant must submit a complete application and other documents consistent with the deadlines stated in this NOFA. Applications submitted in response to this NOFA must meet the threshold requirements set forth in this section and in PLHA Guidelines Section 302.

Required attachments are indicated in "orange" throughout the Streamline Application. Failure to provide the required attachments and documentation may disqualify your application from consideration. Electronically attached files must use the naming convention in the PLHA Application. For Example: "App1 Tin" or "Reuse Plan".

Threshold items are indicated in "blue" cells.

"Red" shaded cells indicate the Sponsor has failed to meet a requirement of the program. Cells in the worksheet shaded in "red" indicate that the Applicant has failed to meet the minimum required.

**Sponsor must complete the following worksheets in the PLHA Formula Allocation Application.**

**Formula Allocation Application**

**Urban County**

**Checklist**

Threshold Requireme	Electronic File Name	Document Description	Included?
X	<b>Application and Adopting the PLHA Plan (2021-2023 Allocations) Reso</b>	Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2021-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.	Included
X	<a href="#">App1 TIN</a>	Provide a signed Gov't TIN Form	Included
X	<b>Applicant Delegation Agreement</b>	Legally binding agreement between Delegating and Administering Local Governments.	Not Applicable
X	<a href="#">Plan Adoption Reso</a>	§302(c)(4)(D) Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content. <b>PLHA webpage for Plan Adoption Resolution Document</b> , located under our Forms tab.	Included
X	<b>Reuse Plan</b>	Program Income Reuse Plan describing how repaid loans or accrued interest will be used for eligible activities in Section 301.	Not Applicable
X	<b>Executed Application</b>	Provide a copy of the signed application. Signature can be typed into the Excel workbook, PDF with DocuSigned signature or PDF with wet ink signature in <b>blue ink</b> preferred.	Included

**Disclosure of Application (California Public Records Act Statutes of 1968 Chapter 1473):** Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act Statutes of 1968 Chapter 1473. As such, any materials provided will be disclosable to any person making a request under this Act. The Department cautions Applicants to use discretion in providing information not specifically requested, including but not limited to, bank accounts, personal phone numbers and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request."

**PLHA Formula - Amendment for years 2021, 2022, 2023**

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<b>Eligible Applicant Type:</b>	<b>Entitlement</b>				
<b>Local Government Recipient of PLHA Formula Allocation:</b>					
Salinas					
2021 PLHA Formula Allocation Amount:	n/a	2020 Allowable Local Admin (5%):	n/a	Admin requested?	Yes
2022 PLHA Formula Allocation Amount:	n/a	2021 Allowable Local Admin (5%):	n/a	Admin requested?	Yes
2023 PLHA Formula Allocation Amount:	n/a	2022 Allowable Local Admin (5%):	n/a	Admin requested?	Yes

Instructions: If the Local Government Recipient of the PLHA Formula Allocation delegated its PLHA formula allocation to a Local Housing Trust Fund or to another Local Government, the Applicant (for which information is required below) is the Local Housing Trust Fund or administering Local Government. The PLHA award will be made to the Applicant (upon meeting threshold requirements) and the Applicant is responsible for meeting all program requirements throughout the term of the Standard Agreement.

The 302(c)(4) Plan template worksheet requires first choosing one or more of the Eligible Activities listed below. If "Yes" is clicked, the 302(c)(4) Plan worksheet opens a series of questions about what precise activities are planned. Some specific activities, such as providing downpayment assistance to lower-income households for acquisition of an affordable home, could be included under either Activity 2 or 9. Please only choose one of those Activities; don't list the downpayment assistance under both Activities. **Please note that 40% of each allocation you are requesting to amend with this application MUST be allocated to an activity that supports Homeownership in accordance with the NOFA. Ownership activities are 2,3,4,7,8,9 (activities 2,3,4, & 8 will only count as ownership if the funds will go towards ownership sub activities as opposed to rental housing sub activities including ADU's)**

If the PLHA funds are used for the same Activity but for different Area Median Income (AMI) level, select the highest AMI level the Activity will serve (you can always go lower than what is listed but you may not serve higher than what is listed without completing a plan amendment in the future).

**For each year (2021-2023), allocations must equal 100% annually including the allowable administrative costs of up to 5%.**

**§300 Eligible Applicants**

§300(a) and (b) Eligible Applicants for the Entitlement and Non-Entitlement formula component described in Section §100(b)(1) and (2) are limited to the metropolitan cities and urban counties allocated a grant for the federal fiscal year 2017 pursuant to the federal CDBG formula specified in 42 USC, Section §5306 and Non-entitlement local governments.

Applicant:	City of Salinas				
Address:	200 Lincoln Avenue				
City:	Salinas	State:	CA	Zip:	93901
County:	Monterey				
Auth Rep Name:	René Mendez	Title:	City Manager	Auth Rep. Email:	renem@ci.salinas.ca.us
Phone:	831-758-7381				
Address:	200 Lincoln Avenue				
City:	Salinas	State:	CA	Zip Code:	93901
Contact Name:	Lisa Brinton	Title:	Community Development Director	Contact Email:	lisab@ci.salinas.ca.us
Contact Phone:	831-758-7387				
Address:	65 West Alisal Street				
City:	Salinas	State:	CA	Zip Code:	93901

§300(d) Is Applicant delegated by another Local government to administer on its behalf its formula allocation of program funds? No

§300(d) If Applicant answered "Yes" above, has the Applicant attached the legally binding agreement required by §300(c) and (d)?	A sample agreement can be found by double clicking on the icon to the right		N/A
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File Name:	<b>Application and/or Adopting the PLHA Plan (2020-2023 Allocations) Reso</b>	Pursuant to section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for 2020-2023 allocations is attached to this resolution, and Applicant certifies compliance with all public notice, comment, and hearing requirements in accordance with the Guidelines.	Yes	Uploaded to HCD?	Yes
File Name:	<b>Gov TIN</b>	Provide a signed Gov't TIN Form		Uploaded to HCD?	Yes
File Name:	<b>Applicant Delegation Agreement</b>	Legally binding agreement between Delegating and Administering Local Governments (sample provided—just click on icon in row 19, column AH)		Uploaded to HCD?	N/A

**§301 Eligible Activities**

<b>§301(a) Eligible activities are limited to the following:</b>	<b>Select below:</b>
§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.	<b>Yes</b>
§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.	<b>Yes</b>
§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.	<b>No</b>
§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.	<b>No</b>
§301(a)(5) Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.	<b>No</b>
§301(a)(6) Assisting persons who are experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, 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.	<b>No</b>
§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing.	<b>No</b>
§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.	<b>No</b>
§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance.	<b>Yes</b>

**§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.

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§302(c)(4) Plan

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

The City of Salinas (City) will allocate HCD Permanent Local Housing Allocation (PLHA) funds to three (3) activities: 1) providing gap financing for construction of multi-family and senior affordable rental housing projects within the City, targeted to households that are 60% AMI or below; 2) creating an ADU Program which provides loans to non-profit and/or for-profit developers and will be rented to households up to Moderate Income; 3) in year one and two, fund and support the implementation of the Continuum of Care's 10 Year Plan to Reduce Homelessness, including rapid rehousing, rental assistance, and supportive case management services to assist in securing and retaining housing; operating and capital costs for the Chinatown Navigation Center and SHARE Center, and new construction, rehabilitation, and preservation of permanent and transitional housing; and 4) creating a program for homeownership opportunities for first-time homebuyers to include households up to 150% AMI and these homes will be deed restricted for 30 years under the PLHA program.

§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 City will allocate all Activity 1 funding to provide gap financing for construction of multi-family and senior affordable rental housing projects within the City, targeted to households that are 60% AMI or below. There are multiple affordable housing projects in our 5-year pipeline including 835 E Laurel Drive (100% affordable rental Multifamily housing project), Division Street Project is a City owned property (Mixed Use/Multifamily housing), 98 Kip Drive (100% affordable senior housing project), and for 467-479 E. Market St (Mixed Use / Multifamily Housing). All units produced through these projects that may receive PLHA funding will be occupied by households at or below 60% AMI. Over the next five (5) years, the City anticipates this funding will contribute to the production of at least four (4) affordable housing complexes for Activity 1. All PLHA restricted units will have an affordability restriction of 55 years. The City will prioritize affordable housing projects at 60% AMI or below that are essentially "shovel ready". If multiple projects meet this criteria, the City will conduct a formal Request for Proposals and each application will be rated and ranked similar to the City's HUD HOME Investment Partnership Program.

§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 City's 6th Cycle Housing Element will cover from 2023-2031 and aims to expand the City's affordable housing inventory by the following amounts: extremely/very low (920 units); low (600 units); moderate (1,692 units), and above moderate (3,462 units). Through Program 2 of the Housing Element: Financial Assistance and Gap Financing, the City aims to provide gap-financing for nonprofit housing developments. For this reason, the City will allocate 75% of the HCD PLHA grant funding in year one (1), 41% in year three (3), 55% in year four (4), and 55% in year five (5). The previously mentioned Division Street project falls within the Alisal Neighborhood Revitalization Strategy Area, supporting Action H-5 of the City's Housing Element. Due to the new requirement of a 40% allocation towards homeownership opportunities, the City plans to amend year three (3), four (4), and five (5), and allocate 40% of funds towards Activity 9 to create a first-time homebuyer program. Lastly, Policy H-6 encourages the provision of housing and services for individuals experiencing homelessness through the use of state and federal funds. The City is proposing to allocate 20% in year one (1), and 85% in year two (2).

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.

The City will allocate PLHA funding to provide acquisition, predevelopment, rehabilitation, and gap financing for construction of multi-family and senior affordable housing projects targeted to households that are 60% AMI or below. Projects that receive PLHA funds for construction must be "shovel ready" and have already applied for or secured other financing, such as applying to the California Tax Credit Allocation Committee (TCAC) for either 4% or 9% tax credits. If multiple projects meet this criteria, the City will conduct a formal Request for Proposals and each application will be rated and ranked similar to the City's HUD HOME Investment Partnership Program. Qualified projects may be recommended for future years. In addition, the City may use its HUD funding (CDBG, HOME, PIP, and LHFT) to complement the PLHA funding. Any committed PLHA funding will not be disbursed until all other financing is in place. For Activity 1, gap financing for multi-family or senior housing, the City will allocate 75% of the grant funding in year one (1), 41% in year three (3), 55% in year four (4), and 55% in year five (5).

Complete the table below for each proposed Affordable Rental Housing Activity to be funded with 2021-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the highest AMI to be served.

Funding Allocation Year	2021	2022	2023											
Type of Affordable Housing Activity	New Construction of Affordable Rental Housing	New Construction of Affordable Rental Housing	New Construction of Affordable Rental Housing											
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	41%	55%	55%											
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	60%	60%											TOTAL
§302(c)(4)(E)(iii) Unmet share of the RHNA at the AMI Level <b>Note: complete for years 2021, 2022, 2023 only</b>	200	200	200											600
§302(c)(4)(E)(iii) Projected Number of Households Served	40	27	27											94
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Affordable Rental Housing Activity (55 years required for rental housing projects)	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	55 Years	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.

The City is developing a Multi-Family Housing Application through which developers will be able to apply for funding. In 2023, the City Council approved a \$640,000 allocation to CHISPA for the acquisition of a vacant lot to develop a 100% affordable senior housing project. The City is aiming to keep the Sanborn Inn Homekey Project whole and this project will produce a total of 58 units. The City anticipates following the same process established with HUD HOME program funding. The City may also potentially self direct the funds to best fit the needs of the community and upcoming housing projects. Proposals will be evaluated for project readiness.

§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.

The City's HCD PLHA Grant Funds will be allocated to non-profit developers for the predevelopment and construction of Accessory Dwelling Units (ADUs) within City limits. The City intends to allocate 10% of year two (2) and 14% of year three (3) to CHISPA for the development of three ADUs which will be rented to households up to 120% AMI.

Complete the table below for each proposed Affordable Rental and Ownership Housing Activity to be funded with 2021-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the highest AMI to be served.

Funding Allocation Year	2021													
Type of Affordable Housing Activity	Development of Accessory Dwelling Units													
§302(c)(4)(E)(i) Percentage of Funds Allocated for Each Affordable Housing Activity	14%													
<b>What Percentage of the Percentage Above Will be Used for Ownership Housing?</b>														
§302(c)(4)(E)(ii) Area Median Income Level Served	120%													TOTAL
§302(c)(4)(E)(iii) Unmet share of the RHNA at the AMI Level <b>Note: complete for years 2021, 2022, 2023 only</b>	0													0
§302(c)(4)(E)(iii) Projected Number of Households Served	3													3
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	20													

§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.

The City is collaborating with CHISPA, a non-profit developer, to develop three (3) ADUs in the existing rental single family homes that they own. The produced ADUs will be restricted for 20 years and rented to households up to 120% AMI. Providing funding for ADUs for homeowners will not be viable in our community because these projects would be subject to California Prevailing Wages. City residents would be unable to properly manage this requirement and will increase the cost to construct the ADU making it unfeasible.

§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance.

§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for the proposed Activity.

The City's HCD PLHA Grant Funds will be used to create a new Homeownership Opportunity Program in the third year of this five-year Plan. The PLHA Homeownership Opportunity Program will be used to establish a loan fund for downpayment assistance on homes within the City's limits. The City is proposing to allocate 40% in year three (3), 40% in year four (4), and 40% in year five (5).

Complete the table below for each proposed Activity to be funded with 2021-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the highest AMI to be served.

Funding Allocation Year	2021	2022	2023												
Type of Homeowner Assistance	Homebuyer Assistance	Homebuyer Assistance	Homebuyer Assistance												
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	40%	40%	40%												
What Percentage of the Percentage Above Will be Used for Ownership Housing?	40%	40%	40%												
§302(c)(4)(E)(ii) Area Median Income Level Served	150%	150%	150%												TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level <i>Note: complete for years 2021, 2022, 2023 only</i>	1,154	1,154	1,154												3462
§302(c)(4)(E)(ii) Projected Number of Households Served	7	3	3												13
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity	30	30	30												

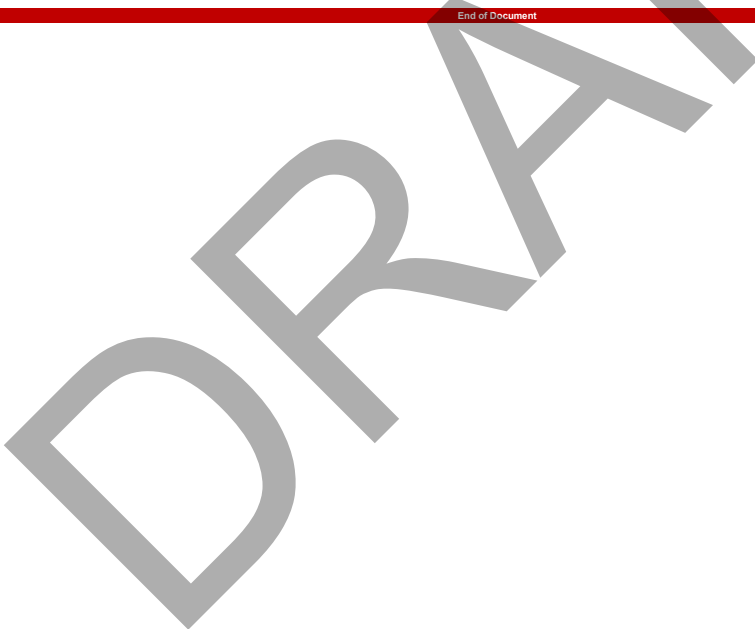
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.  
 The City of Salinas Community Development Department under the Housing Division is currently collaborating with Grow America to create a first time homebuyer downpayment assistance program following the previously established program with HOME and CDBG funds. The City anticipates revamping this program by June 30, 2025 and start assisting households with their downpayment.

File Name:	<a href="#">Plan Adoption Reso</a>	§302(c)(4)(D) Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content.	Uploaded to HCD?	Yes
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Total Percentage of Funds Allocated Calculator (2021 - 2023)

2021 Allocation		2022 Allocation		2023 Allocation	
Admin	5%	Admin	5%	Admin	0%
Funds Allocated	95%	Funds Allocated	95%	Funds Allocated	95%
Total Percentage of Funds Allocated for 2021	100%	Total Percentage of Funds Allocated for 2022	100%	Total Percentage of Funds Allocated for 2023	95%

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**Application Development Team (ADT) Support Form**

Rev. 10/10/24

Please complete the "yellow" cells in the form below and email a copy to: [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov). A member of the Application Development Team will respond to your request within ASAP.

Full Name:	Monica Flores-Ponce	Date Requested:	10/31/24	Application Version Date:	10/10/24
Organization:	City of Salinas	Email:	<a href="mailto:monicap@ci.salinas.ca.us">monicap@ci.salinas.ca.us</a>	Contact Phone:	831-758-7489

Issue #	Program Name &	Tab	Section	Cell#	Update/Comment	Urgency	ADT Status	Status Date
1	PLHA Supp App	302(c)(4) Plan	302(C)(4)(E)(i)	H29	ADU program will be for rental only. Option does not allow to enter 0% for homeownership opportunity.	High		
2	PLHA Supp App	302(c)(4) Plan	Funds Allocated Calculator	ABAC 152	5% Admin allocation for 2023 is not showing	High		
3	PLHA Supp App							
4	PLHA Supp App							
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