

# **Permanent Local Housing Allocation (PLHA) Formula Allocation**

## **2020 Application**



**State of California  
Governor, Gavin Newsom**

**Lourdes Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director  
Department of Housing and Community Development**

Program Design and Implementation, PLHA Program  
2020 West El Camino Avenue, Suite 150, Sacramento, CA 95833  
PLHA Program Email: [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov)

**Final Filing Date: April 27, 2020 through July 27, 2020 at 5 P.M. PST**

Local Government Formula Allocation										Rev. 5/20/20	
<b>Eligible Applicant Type:</b>		<b>Entitlement</b>									
<b>Local Government Recipient of PLHA Formula Allocation:</b>						Bakersfield					
<b>Approximate PLHA Formula Allocation Amount:</b>				\$1,730,902				<b>Allowable Local Admin (5%):</b>		\$86,545	
<p>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.</p> <p>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.</p> <p>If the PLHA funds are used for the same Activity but for different Area Median Income (AMI) level, select the same Activity twice (or more times) and the different AMI level the Activity will serve. Please enter the percentage of funds allocated to the Activity in only the first Activity listing to avoid double counting the funding allocation.</p>											
<b>Eligible Applicants §300</b>											
<p><b>§300(a) and (b)</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.</p>											
Applicant:		City of Bakersfield									
Address:		1715 Chester Avenue									
City:	Bakersfield	State:	CA	Zip:	93301	County:	Kern				
<p><b>§300(d)</b> Is Applicant delegated by another Local government to administer on its behalf its formula allocation of program funds?</p>											
<p><b>§300(d)</b> If Applicant answered "Yes" above, has the Applicant attached the legally binding agreement required by §300 (c) and (d)?</p>											
File Name:	App1 Resolution	PLHA webpage for Resolution Document						Attached and on USB?	Yes		
File Name:	App1 Signature Block	Signature Block - upload in Microsoft Word Document						Attached and on USB?	Yes		
File Name:	App1 TIN	Taxpayer Identification Number Document						Attached and on USB?	Yes		
File Name:	Applicant Agreement	Legally binding agreement between Delegating and Administering Local Governments						Attached and on USB?	N/A		
<b>Eligible Activities, §301</b>											
<b>§301(a) Eligible activities are limited to the following:</b>										<b>Included?</b>	
<p><b>§301(a)(1)</b> 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.</p>										<input type="checkbox"/> YES	
<p><b>§301(a)(2)</b> 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.</p>										<input type="checkbox"/> YES	
<p><b>§301(a)(3)</b> Matching portions of funds placed into Local or Regional Housing Trust Funds.</p>										<input checked="" type="checkbox"/> YES	
<p><b>§301(a)(4)</b> Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.</p>										<input type="checkbox"/> YES	
<p><b>§301(a)(5)</b> Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.</p>										<input type="checkbox"/> YES	
<p><b>§301(a)(6)</b> 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.</p>										<input type="checkbox"/> YES	
<p><b>§301(a)(7)</b> Accessibility modifications in Lower-income Owner-occupied housing.</p>										<input type="checkbox"/> YES	
<p><b>§301(a)(8)</b> Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.</p>										<input type="checkbox"/> YES	
<p><b>§301(a)(9)</b> Homeownership opportunities, including, but not limited to, down payment assistance.</p>										<input type="checkbox"/> YES	
<p><b>§301(a)(10)</b> 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.</p>										<input type="checkbox"/> YES	
<b>Threshold Requirements, §302</b>											
<p><b>§302(a) Housing Element compliance:</b> Applicant or Delegating Local Government's Housing Element was adopted by the Local Government's governing body by the application deadline and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to Government Code Section 65585.</p>										Yes	
<p><b>§302(b)</b> Applicant or Delegating Local Government has submitted the current or prior year's Annual Progress Report to the Department of Housing and Community Development pursuant to Government Code Section 65400.</p>										Yes	
<p><b>§302(c)(2)</b> Applicant certifies that submission of the application was authorized by the governing board of the Applicant.</p>										Yes	
<p><b>§302(c)(3)</b> Applicant certifies that, if the Local Government proposes allocation of funds for any activity to another entity, the Local government's selection process had no conflicts of interest and was accessible to the public.</p>										Yes	
<p><b>§302(c)(4)</b> Does the application include a Plan in accordance with §302(c)(4)?</p>										Yes	
<p><b>§302(c)(4)(D)</b> Applicant certifies that the Plan was authorized and adopted by resolution by the Local Government and that the public had an adequate opportunity to review and comment on its content</p>										Yes	
<p><b>§302(c)(5)</b> Applicant certifies that the Plan submitted is for a term of five years. Local Governments agree to inform the Department of changes made to the Plan in each succeeding year of the term of the Plan.</p>										Yes	
<p><b>§302(c)(6)</b> Applicant certifies that it will ensure compliance with §302(c)(6) if funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects.</p>										Yes	
<p><b>§302(c)(7)</b> Applicant certifies that it will ensure that the PLHA assistance is in the form of a low-interest, deferred loan to the Sponsor of the Project, if funds are used for the development of an Affordable Rental Housing Development. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust.</p>										Yes	
<p><b>§302(c)(8)</b> Has Applicant attached a program income reuse plan describing how repaid loans will be reused for eligible activities specified in Section 301?</p>										Yes	
<b>Administration</b>											
Applicant agrees to adhere to §500, Accounting Records.										Yes	
Applicant agrees to adhere to §501, Audits/Monitoring of PLHA Files.										Yes	
Applicant agrees to adhere to §502, Cancellation/Termination.										Yes	
Applicant agrees to adhere to §503, Reporting.										Yes	
<b>Certifications</b>											
<p>On behalf of the entity identified below, I certify that: The information, statements and attachments included in this application are, to the best of my knowledge and belief, true and correct and I possess the legal authority to submit this application on behalf of the entity identified in the signature block.</p>											
Christopher Boyle				Development Services Director							
Authorized Representative Printed Name				Title		Signature				Date	
Entity name:		City of Bakersfield				Phone Number:		661-326-3754			
Entity Address		1715 Chester Avenue				City		Bakersfield		State CA Zip 93301	

§302(c)(4) Plan														Rev. 5/2020	
<b>§302(c)(4)(A)</b> Describe the manner in which allocated funds will be used for eligible activities.															
<p>As part of the City's Affordable Housing Financing and Incentive Plan (SB2 Planning Grant), the City is establishing a local Affordable Housing Trust Fund (AHTF) and an Affordable Housing Incentive Program to streamline and off-set the costs for the construction of new Affordable Housing units including Accessory Dwelling Units (ADU). The construction of new affordable housing and the incentive program will be funded from the trust fund. 75% of PLHA funds invested in the trust fund will target households with no more than 60% AMI; the other 25% is available up to 120% AMI in high-cost areas, if needed. The AHTF will also leverage other funding sources such as local City funds, State matches, private and non-profits, to increase the source of funds available for the creation of affordable housing in the City of Bakersfield. Under the new Affordable ADU Incentive Program, the City will offer a soft loan or forgivable loan or grant for ADU construction, if the developer would agree to sign a covenant or deed restriction for the unit to be affordable to low or very low incomes or commits to rent the ADU to a homeless family/individual or participant in the housing choice voucher program. To help offset the costs of development impact fees, the City will provide a grant to affordable housing projects with signed a covenant or deed restriction for the unit(s) to be affordable to moderate, low or very low incomes.</p>															
<b>§302(c)(4)(B)</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).															
<p>75% of PLHA funds placed within the local Affordable Housing Trust Fund will target households at or below 60% of AMI.</p>															
<b>§302(c)(4)(C)</b> Provide a description of how the Plan is consistent with the programs set forth in the Local Government's Housing Element.															
<p>The City of Bakersfield's 2015-2023 Housing Element includes a program goal to increase the availability of permanent housing with a policy to seek assistance under state programs that address the City's affordable housing needs. The City's Affordable Housing Financing and Incentive Plan will increase affordable housing with increased financing and incentives for the construction of new units.</p>															
<b>Activities Detail (Activities Detail (Must Make a Selection on Formula Allocation Application worksheet under Eligible Activities, §301))</b>															
<b>§301(a)(1)</b> 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>§301(a)(2)</b> 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>§301(a)(3)</b> Matching portions of funds placed into Local or Regional Housing Trust Funds.															
<b>§302(c)(4)(E)(i)</b> Provide a description of how allocated funds will be used for the proposed Activity.										Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing			<b>0%</b>		
<p>The PLHA funds will be placed into a Local Housing Trust Fund for new construction of affordable housing with increased financing and incentives.</p>															
Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).															
Funding Allocation Year	2019	2019	2020	2020	2020	2021	2021	2021	2022	2022	2022	2023	2023	2023	
Type of Affordable Housing Activity	Rental	Rental	Rental	Rental	ADU	Rental	Rental	ADU	Rental	Rental	ADU	Rental	Rental	ADU	
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	75.00%	25.00%	50.00%	25.00%	25.00%	25.00%	50.00%	25.00%	50.00%	25.00%	25.00%	50.00%	25.00%	25.00%	
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	120%	60%	120%	60%	120%	60%	60%	60%	120%	60%	60%	120%	60%	<b>TOTAL</b>

<b>§302(c)(4)(E)(ii)</b> Unmet share of the RHNA at AMI Level	9,521	7,775													17296
<b>§302(c)(4)(E)(ii)</b> Projected Number of Households Served	6	2	4	2	2	2	4	2	4	2	2	4	2	2	40
<b>§302(c)(4)(E)(iv)</b> Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	55	55	55	55	55	55	55	55	55	55	55	55	55	55	
<b>§302(c)(4)(E)(iii)</b> A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity. Completion of Affordable Housing Financing and Incentive Plan and establishment of the Local Affordable Housing Trust Fund by City Council.															
<b>§301(a)(4)</b> Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.															
<b>§301(a)(5)</b> Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.															
<b>§301(a)(6)</b> Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, 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.															
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<b>§301(a)(8)</b> Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.															
<b>§301(a)(9)</b> Homeownership opportunities, including, but not limited to, down payment assistance.															
<b>§301(a)(10)</b> 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.															
<b>File Name:</b>	<b>Plan Adoption</b>		<b>§302(c)(4)(D)</b> 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.									Attached and on USB?		Yes	

## **Permanent Local Housing Allocation Program Income Reuse Plan**

The City of Bakersfield (City) has adopted this plan to govern the use of monies received from activities funded under the California Department of Housing and Community Development (HCD) Permanent Local Housing Allocation program ("Program"). The City has prepared this document to comply with the Permanent Local Housing Allocation program guidelines.

The City shall create and maintain a separate fund ("Reuse Account") for all payments received under the Loan Programs created for Affordable Housing development. Tracking of all sources and uses of the Reuse Account for the Program will be accomplished through the use of an accounting system that identifies Reuse Account transactions separately from other City activities.

The City will also maintain a loan tracking system which will identify all Program related loans within the database using specific loan identification numbers. The City understands that HCD staff is authorized to review the City's financial transactions and loan tracking processes as they relate to the Reuse Account.

**Revenues:** Repayments received by the City from any source that had its origins from the Program will be deposited into the Reuse Account. The funds in the Reuse Account include repayments of loan principal, loan interest, and interest earned on funds deposited under the Loan Program.

**Eligible Uses:** Funds from the Reuse Account may only be used for eligible activities as set forth in the Permanent Local Housing Allocation program guidelines.

**Expenses:** The Reuse Account may also fund the costs of loan servicing in the form of an Activity Delivery Fee by the City or the cost of a third-party loan servicer contracted by the City in connection with any future eligible uses. The City will use Reuse Account funds for loan servicing expenses as loans are repaid in accordance with annual City budget appropriations. The City's use of funds for said loan servicing expenses shall be limited to 5% of revenues posted to the Reuse Account which shall be tracked under separate account coding.