

RESOLUTION NO. _____ (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING THE FIVE-YEAR PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PLAN AND AUTHORIZING AND DIRECTING THE CITY MANAGER ON BEHALF OF THE CITY OF WATSONVILLE TO SUBMIT GRANT APPLICATION IN THE AMOUNT OF \$2,175,090 TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR PERMANENT LOCAL HOUSING ALLOCATION FUNDS; AND IF AWARDED, TO EXECUTE AND SUBMIT ALL DOCUMENTS, INCLUDING BUT NOT LIMITED TO APPLICATIONS, AGREEMENTS, AMENDMENTS AND PAYMENT REQUESTS, AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN AND ADMINISTER THE PLHA PROGRAM; AND APPROPRIATING SUCH FUNDS TO THE AFFORDABLE HOUSING FUND

WHEREAS, the Department is authorized to provide up to \$304 million under the SB 2 as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)). Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2))); and

WHEREAS, the State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability ("NOFA") dated 5/3/2021 under the Permanent Local Housing Allocation (PLHA) Program; and

WHEREAS, the City of Watsonville is an eligible local government who has applied for program funds to administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation; and

WHEREAS, the Department may approve funding allocations for PLHA Program,

subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the Department and PLHA grant recipient.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. If the City of Watsonville receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts the City of Watsonville may have with the Department.

2. The City of Watsonville is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA \$2,175,090 in accordance with all applicable rules and laws.

3. The City of Watsonville agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the City of Watsonville and the Department.

4. Pursuant to Section 302(c)(4) of the Guidelines, the City of Watsonville's PLHA Plan for the 2019-2023 Allocations is attached to this resolution, and Applicant hereby adopts this PLHA Plan and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.

5. The City of Watsonville certifies that, if funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A),(B) and (C).

6. The City of Watsonville certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years.

7. The City of Watsonville shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.

8. The City Manager is hereby authorized 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 Program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.

9. That the City Manager of the City of Watsonville is hereby authorized and directed, if said Grant is awarded, to appropriate \$2,175,090 to the Affordable Housing Fund [0221].
