

CITY OF WATSONVILLE

5-YEAR PERMANENT LOCAL HOUSING ALLOCATION PLAN

§302(c)(4) Plan											Rev. 5/14/21				
§302(c)(4)(A) Describe the manner in which allocated funds will be used for eligible activities. The City of Watsonville plans to use its PLHA funding for three activities: 1) to make low-interest downpayment assistance loans to low and moderate income households to purchase affordable homes; 2) to provide zero interest and/or forgivable loans for low and moderate income homeowners to rehabilitate their homes and to construct and/or rehabilitate accessory dwelling units for low to moderate income tenants. ADUs shall be restricted to low and moderate income tenants for a period of ten years; and 3) to provide financial assistance to persons who are experiencing or at risk of homelessness, including but not limited to, providing rapid rehousing and rental assistance that allow people to obtain and retain housing.															
§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). For the downpayment assistance program, the City will provide subsidy layering of various funding sources, including but not limited to, HOME and CalHome to enable families with income at 60% of AMI to afford a single family home. For ADUs, while these will be rented to lower and moderate income tenants, some of them may have incomes of no more than 60% of AMI. Collaboration with Housing Authority of the County of Santa Cruz will continue in an effort to refer Section 8 tenants to property owners with ADU construction/rehabilitation to ensure that the program benefits families with incomes at 60% of AMI and below. For rapid rehousing, rental assistance for persons experiencing or at risk of homelessness, collaboration will continue with the Homelessness Action Partnership (the local CoC), Housing Authority and local non-profits to refer persons in need of assistance. The City will use PLHA funds to supplement the City's existing rental assistance program funded through CDBG and the General Fund to provide assistance to our most vulnerable populations for more than six months.															
§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 of Watsonville Housing Element establishes the following housing goals to encourage the development, maintenance and improvement of housing for all economic segments of the community: 1) Improve, conserve and preserve both the safe condition of and the continued availability of Watsonville's existing affordable housing stock in order to meet the housing needs of all economic segments of the community; 2) Expand and protect housing opportunities for all economic segments and special needs groups within the community; 3) Provide housing opportunity for Watsonville's share of the regional housing need for all income groups; 4) Where appropriate, mitigate unnecessary government constraints to the maintenance, improvement and development of housing; and 5) Ensure fair and equal housing opportunity for all persons regardless of race, religion, sex, marital status, family type, ancestry, national origin, color or protected status.															
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.															
§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.											Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing		25%		
PLHA will be used to provide zero-interest and/or forgivable loans to rehabilitate owner-occupied housing units, and to construct and/or rehabilitate accessory dwelling units. PLHA will also be used to supplement the City's Owner-Occupied Rehabilitation (OOR) Program.															
Complete the table below for each proposed Affordable Rental and Ownership Housing 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	2021	2021	2022	2022	2023	2023					
Type of Affordable Housing Activity	Ownership: Preservation	ADU	Ownership: Preservation	ADU	Ownership: Preservation	ADU	Ownership: Preservation	ADU	Ownership: Preservation	ADU					
§302(c)(4)(E)(ii) Area Median Income Level Served	80%	60%	80%	60%	80%	60%	80%	60%	80%	60%					TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level Note: complete for year 2019 & 2020 only				254											254
§302(c)(4)(E)(i) Percentage of Funds Allocated for Each Affordable Housing Activity		25%		25%		25%		25%		25%					
§302(c)(4)(E)(ii) Projected Number of Households Served					1	1	1	1	1	1					6

§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	10		10		10		10		10							
§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.																
Policies, procedures and guidelines are in place for the First Time Homebuyer Program (FTHB), the Owner-Occupied Housing Rehabilitation (OOR) program, and the Rental Assistance Program. All three programs can be implemented immediately upon execution of the Standard Agreement with HCD or soon thereafter. The OOR program is being expanded to include rehabilitation and/or construction of ADUs; revised guidelines, policies and procedures are being developed and will be adopted in early 2022.																
§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.																
§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.																
§301(a)(5) Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.																
§301(a)(6) 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.																
§302(c)(4)(E)(i) Provide a detailed and complete description of how allocated funds will be used for the proposed Activity.																
The PLHA will be used to deepen rental assistance under the City's Rental Assistance Program by layering this funding with other Federal, State and local funding sources. This will allow families experiencing or at risk of homelessness to obtain and retain housing in the City for more than six months.																
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	2020	2021	2022	2023											
Type of Activity for Persons Experiencing or At Risk of Homelessness	Rental Assistance (term of six months)	Rental Assistance (term of six months)	Rental Assistance (term of six months)	Rental Assistance (term of six months)	Rental Assistance (term of six months)											
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	20.00%	20.00%	20.00%	20.00%	20.00%											
§302(c)(4)(E)(ii) Area Median Income Level Served	30%	30%	30%	30%	30%										TOTAL	
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level Note: complete for year 2019 & 2020 only															0	
§302(c)(4)(E)(ii) Projected Number of Households Served	5	5	5	5	5										25	
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)																
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.																
Policies, procedures and guidelines are in place for the First Time Homebuyer Program (FTHB), the Owner-Occupied Housing Rehabilitation (OOR) program, and the Rental Assistance Program. All three programs can be implemented immediately upon execution of the Standard Agreement with HCD or soon thereafter.																
§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing.																
§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.																
§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.														Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing (AOWH)		50%

The PLHA will be used to deepen downpayment assistance under the City's First Time Homebuyer Program by layering this funding with other Federal, State and local funding sources. This allow families with incomes at 60% of AMI and below to purchase a home in the City.

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	2021	2021	2022	2022	2023	2023					
Type of Homeowner Assistance	Down Payment Assistance	Down Payment Assistance	Down Payment Assistance	Down Payment Assistance	Down Payment Assistance	Down Payment Assistance	Down Payment Assistance	Down Payment Assistance	Down Payment Assistance	Down Payment Assistance					
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	50.00%		50.00%		50.00%		50.00%		50.00%						
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	120%	60%	120%	60%	120%	60%	120%	60%	120%					TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level Note: complete for year 2019 & 2020 only		115		116											231
§302(c)(4)(E)(ii) Projected Number of Households Served	1	1	1	1	1	1	1	1	1	1					10
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity	20	20	20	20	20	20	20	20	20	20					
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.															
Policies, procedures and guidelines are in place for the First Time Homebuyer Program (FTHB), the Owner-Occupied Housing Rehabilitation (OOR) program, and the Rental Assistance Program. All three programs can be implemented immediately upon execution of the Standard Agreement with HCD or soon thereafter.															
§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.															