CITY OF ARVIN
PLHA REUSE ACCOUNT PLAN

The State of California Department of Housing and Community Development has made funds available through the Permanent Local Housing Allocation (PLHA) Program for the purpose of providing a permanent, on-going source of funding to Local governments for housing-related projects and programs that assist in addressing the unmet needs of their local communities.

The City of Arvin as a recipient of funding under the PLHA Program is required to follow specific guidelines in the accounting for, and use of, all monies received as repayments of loan principal and/or loan interest. The City of Arvin has formulated this document to comply with Sections 301 and 500 of the PLHA Guidelines.

Tracking of all repayments of loan principal and any loan interest is are posted in the accounting system that tracks PLHA funds separately from other funding sources. All accrued interest earned on PLHA funds shall accrue to the PLHA Reuse Account.

Funds in the reuse account shall only be used as follows:

(a) Eligible Activities are limited to one or more of the following:

(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.

(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.

(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.

(4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.

(5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.

(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.
(A) This Activity may include sub-awards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded CESH program or HEAP funds for rental assistance to continue assistance to these households.

(B) Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255, subdivision (b).

(7) Accessibility modifications in Lower-income Owner-occupied housing.

(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.

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

(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.

(b) A Local government that receives an allocation shall use no more than 5 percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in Section 301 are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.

(c) Two or more Local governments that receive PLHA allocations may expend those moneys on an eligible jointly funded project as provided for in Section 50470 (b)(2)(B)(ii)(IV). An eligible jointly funded project must be an eligible Activity pursuant to Section 301(a) and be located within the boundaries of one of the Local governments.

(d) Entitlement Local governments may use the flow of PLHA funds to incentivize private lender loans and to guarantee payments for some or all public agency bond financings for activities consistent with the uses identified in Section 301 “Eligible Activities”. This loan guarantee Activity must be identified and fully explained in the Applicant’s “Plan”.

Any loan funds not expended at completion of an individual homeowner transaction will be deposited into the Reuse Account, will be considered a “principal reduction”, and will
be applied to the principal loan balance, thereby reducing the amount owed by the borrower. Borrowers will receive a closeout letter after the 30-day retention period indicating the amount of their Note, the credit, and the ending balance on their loan. A copy of this credit along with the final cost break-down will be retained in the borrowers file.