

**§302(c)(4) Plan**

Rev. 2/26/20

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

The City of Chula Vista is proposing 100% of its PLHA funding towards housing opportunities for those earning up to 50 percent of the San Diego County Area Median Income (AMI) through three types of activities in order of priority as follows: 1) Funding of a minimum 50 bed with a capacity of up to 150-beds low barrier Bridge Shelter; 2) Pre-development and/or gap financing for the acquisition and development of rental property for use as permanent supportive housing for persons at 30% or less of the AMI for an affordability term of 55 years; and, 3) to begin a new program to provide loans for the construction of accessory dwelling units for persons at 50% or less of the area median income for a minimum term of 20 years. In response to the City's declaration of a shelter crisis in 2018 and the current public health crisis of COVID-19, Chula Vista intends to prioritize its PLHA funding to fund in part the operation of a proposed Bridge Shelter that will provide an opportunity for those most vulnerable within the community safe and stable shelter. Since the City of Chula Vista is receiving ESG Cares funding, funding will be used first for permanent supportive housing and ADU's for the first two years; after this, the funding will be used for the emergency shelter. Chula Vista will continue to seek funding for other activities as described based upon leveraging and the most efficient and effective use of various funding sources that may be available at that time. Use of PLHA funds for this unmet housing need through beds in a Bridge Shelter, permanent supportive rental housing, or ADUs

**§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).**

PLHA funding will only be allocated to activities (e.g. homeless shelter, permanent supportive housing, ADUs for very low income households) seeking to benefit households that are homeless, at-risk of homelessness and those with household incomes at or less than 50% of the Area Median Income services and, as such, serving the homeless and those economically vulnerable households meets the requirement to prioritize investments that increase the supply of housing for households with incomes at or below 60% AMI. The City has experience in leveraging HOME funds and Housing Successor funds to support acquisition and rehabilitation and new construction projects serving households at 30% to 60% AMI that have been funded with tax credits, Multifamily Housing Revenue bonds, State Multifamily Housing funds and other state and county funds. This existing plan will be utilized for administering PLHA funds as well. The City is currently in process of working with multiple potential projects that can be assisted with PLHA funds. The funding of homeless services and shelters and affordable housing requires the leveraging of multiple layers of financing. The City and its Housing Authority proposes to combine its available CDBG, ESG, HOME and remaining Housing Successor funds with PLHA funds to maximize the number of units that can be produced and services and beds available.

**§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.**

As outlined within Chula Vista's 2013 Housing Element, Objective H-6 specifically calls for the City to "promote the development of a variety of housing choices, coupled with appropriate services, to meet the needs of special population groups, including the homeless, those "at-risk" of becoming homeless, persons with disabilities, and seniors." With over 312 homeless persons within Chula Vista as of the 2020 Point in Time Count and 68% of those being unsheltered and as further detailed within the Housing Element there is a significant gap of the number of unsheltered within the community and the beds available for the general population of homeless. Housing Element Program 1.1.4 calls for the City to "acquire and rehabilitate existing rental housing throughout the Northwest and Southwest planning areas of the City and set aside a number of the housing units for very low-income and/or special need households at affordable rents." Of Chula Vista's 5th Cycle RHNA goal, 34% is to serve extremely low and very low-income households at 50% of the AMI.

**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 description of how allocated funds will be used for each proposed Affordable Rental Housing Activity.**

The provision of affordable permanent supportive housing for those earning up to 30% of the AMI is consistent with the City's 2013-2021 Certified Housing Element. The City currently has a pipeline of proposed projects needing financial gap assistance. In leveraging its available Successor Housing funds, the Chula Vista Housing Authority is obligated to provide financial assistance to those households at 30% of AMI. One or more of current and upcoming projects can utilize PLHA funds. PLHA funds combined with City's existing HOME and Housing Successor funds will allow the City to continue to assist developers bring hundreds of new affordable units to the City, thereby bringing the City closer to meeting its RHNA goals.

Complete the table below for each proposed Affordable Rental 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	2020	2021	2022	2023										
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Affordable Rental Housing Activity	80%	80%													
§302(c)(4)(E)(ii) Area Median Income Level Served	30%	30%													<b>TOTAL</b>
§302(c)(4)(E)(ii) Unmet share of the RHNA at the AMI Level		3068													3068

<b>§302(c)(4)(E)(ii) Projected Number of Households Served</b>	25	25														50
<b>§302(c)(4)(E)(iv) Period of Affordability for the Proposed Affordable Rental Housing Activity (55 years required for rental housing projects)</b>	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	55 Years	
<b>§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.</b>																
It is anticipated that 100% of the PHLA will be allocated towards operation of the bridge shelter as the City's first priority for the five-year period covered under this Plan or until such time as other funding resources become available. Should the City's priorities shift away from funding of the Shelter, a competitive NOFA for the development of affordable permanent supportive rental housing projects for 30% AMI or below will be issued for six weeks. A two-week review period will immediately follow, where highly qualified City staff will review all proposals, and the most successful project will be identified. Selected projects must demonstrate that they have the capacity to secure other funding sources (i.e. tax credits, county funds, state funds, etc.). The Chula Vista Housing Authority will approve a loan to the selected developer who will then receive a commitment of PLHA funds for the purposes of gap funding. When the developer has secured all necessary financing for a project, the City will enter into a Affordable Housing Loan Agreement (residual receipts) secured by a Deed of Trust and accompanied by a detailed Regulatory Agreement. City staff will monitor construction and coordinate the conversion to permanent financing.																
<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>																
<b>§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for each proposed Affordable Rental and Ownership Housing Activity.</b>												<b>Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing</b>				
It is anticipated that 100% of the PHLA will be allocated towards operation of the bridge shelter as the City's first priority for the five-year period covered under this Plan or until such time as other funding resources become available. Should the City's priorities shift away from funding of the Shelter, the City may seek to provide loans to homeowners for the construction and provision of accessory dwelling units (ADU) to those households at or below 50% of the AMI. The City will make funding available to homeowners on a first come first serve basis should they agree through the recordation of covenants on their property for a term of 20 years to provide the ADU as affordable to and occupied by households at 50% of the AMI. The City and homeowner will enter into a Loan Agreement secured by a Deed of Trust and accompanied by a detailed Declaration of Covenants, Conditions and Restrictions to be recorded on title of the property and running with the land for the duration of the term. City staff will monitor construction until completion of construction. The City will assist homeowners as needed with identification of qualified renters and its well trained and experienced staff that will conduct the annual covenant monitoring process.																
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	2020	2021	2022	2023											
Type of Affordable Housing Activity	ADU	ADU														
<b>§302(c)(4)(E)(ii) Area Median Income Level Served</b>	50%	50%														<b>TOTAL</b>
<b>§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level</b>		3063														3063
<b>§302(c)(4)(E)(i) Percentage of Funds Allocated for Each Affordable Housing Activity</b>	20%	20%														
<b>§302(c)(4)(E)(ii) Projected Number of Households Served</b>	2	2														4

<b>§302(c)(4)(E)(iv)</b> Period of Affordability for the Proposed Activity ( <b>55 years required for rental housing projects</b> )	20	20													
<b>§302(c)(4)(E)(iii)</b> A description of major steps/actions and a proposed schedule for the implementation and completion of each Affordable Rental and Ownership Housing project.															
Chula Vista will be adopting its ADU ordinance by the Fall 2020. To reduce barriers, in the coming year, City staff will analyze the County of San Diego's and other jurisdiction's accepted design plans for ADUs for acceptance by the City for streamlining. Within the next year, staff will monitor the demand for ADU development, financing available to homeowners, and analyze potential properties within the City meeting the development criteria. In the next 2-3 years, staff will develop a financing program to assist those homeowners willing to provide housing for very low income households, should the program be deemed to be beneficial to both parties.															
<b>§301(a)(3)</b> Matching portions of funds placed into Local or Regional Housing Trust Funds.															
<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.															
<b>§302(c)(4)(E)(i)</b> Provide a description of how allocated funds will be used for the proposed Activity.															
It is anticipated that 100% of the PLHA will be allocated towards operation of the bridge shelter as the City's first priority for the 5-year period covered under this Plan or until such time as other funding resources become available. The Chula Vista Bridge Shelter will offer a safe and dignified place for adult men and women experiencing homelessness to receive bridge housing, emergency shelter, and appropriate services needed while preparing for permanent housing placements using the Housing First model. Chula Vista will begin with 50 beds, but with a maximum capacity of 150 beds, in a sprung structure providing not only housing but wrap-around support services necessary to move guests forward towards self-sufficiency and healing by providing strategic pathways and interventions.															
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			Emergency Shelters	Emergency Shelters	Emergency Shelters										
<b>§302(c)(4)(E)(i)</b> Percentage of Funds Allocated for the Proposed Activity			100%	100%	100%										
<b>§302(c)(4)(E)(ii)</b> Area Median Income Level Served			30%	30%	30%										<b>TOTAL</b>
<b>§302(c)(4)(E)(ii)</b> Unmet share of the RHNA at AMI Level			N/A	N/A	N/A										0
<b>§302(c)(4)(E)(ii)</b> Projected Number of Households Served			50	50	50										150

<b>§302(c)(4)(E)(iv)</b> Period of Affordability for the Proposed Activity ( <b>55 years required for rental housing projects</b> )			N/A	N/A	N/A										
<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.															
<p>On May 12, 2020, Chula Vista accepted the use of a Sprung structure from the Lucky Duck Foundation and formerly used by the City of San Diego for Bridge Shelter. Additionally, Council approved the use of CARES funding of \$1.8 million to be used for off and on-site improvements and ramp up costs for the shelter. It is further anticipated that remaining HEAP funds of \$200,000 may also be available. 100% of Chula Vista's PLHA will partially fund operation of the shelter. The City will leverage other funding sources (e.g. HEAP, Successor Housing, HHAP, etc) to fully fund the shelter's operation. A request for proposals for the operator of the shelter will be issued in the Summer of 2020. All necessary on and off-site improvements are currently in design. Chula Vista anticipates the opening of the shelter by this Winter for the cold wet months and to serve as potential shelter for the most vulnerable should the region see a resurgence of COVID-19.</p>															
<b>§301(a)(7)</b> Accessibility modifications in Lower-income Owner-occupied housing.															
<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		