



AGENCY: City Council
MEETING DATE: October 10, 2023
DEPARTMENT: Public Works
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AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of City Council Resolution Approving Cooperative Agreement with Housing Mendocino Coast

BACKGROUND:

The Housing Element is an important component of the City's General Plan. It serves as the blueprint for City actions regarding housing, and must be updated every eight years and certified by the California Department of Housing and Community Development. State law does not require that jurisdictions build or finance new housing, but does require that jurisdictions plan for housing.

In 2019, the City's Housing Element was significantly revised to include many innovative ideas from community members, non-profit managers, business owners, contractors, real estate agents, City staff and decision makers. Everything from removing regulatory or fiscal barriers, to forming deeper collaborations to address some of our more difficult challenges. It focused on increasing housing opportunities for all households and all types of housing - from tiny homes to single-family residences, and larger multi-family projects. One particularly innovative program involves the establishment of a community land trust to provide homeownership and housing opportunities for very-low-to-moderate income households:

Goal H-2 Expand affordable housing opportunities for persons with special housing needs such as the elderly, the disabled, households with very low to moderate incomes, and first-time home buyers.

Policy H-2.4 Increase Affordable Housing Development: Encourage the construction of housing units which are affordable to households with very low to moderate incomes.

Program H-2.4.4 Consider Community Land Trust: Complete research regarding Community Land Trust and consider working with community partners to establish a Community Land Trust that serves Fort Bragg.

City Council prioritized staff resources and dedicated funding from the State of California through Senate Bill 2 (SB-2), Local, Regional Early Action Planning grants (LEAP/REAP), and Permanent Local Housing Allocation (PLHA) funds to implement a community land trust program – Housing Mendocino Coast (HMC). HMC is now a 501c3 nonprofit organization focused on providing home ownership and housing opportunities to households earning up to 120% of the area median income (Att 1 – Strategic Plan). The community land trust model ensures homes remain affordable in perpetuity through legally binding leases and ongoing stewardship.

ISSUE:

The City entered into Standard Agreement Number 22-PLHA-17656 with the Department of Housing and Community Development to receive \$413,177 for the first three years (2019, 2020, 2021) of funds for Fort Bragg’s PLHA 5-Year Plan (Att 2 – PLHA 5-Year Plan). PLHA funds are identified as a pass through to HMC for the following activities: the predevelopment, development, acquisition, rehabilitation, and preservation of affordable ownership housing that meets the need of a growing workforce earning up to 120% of the area median income.

ANALYSIS:

Local governments have a responsibility to address existing and future housing needs of the community. HMC is prepared to lessen the burden of government by providing housing to very low-, low-, and moderate-income households (Att 3 – Articles of Incorporation).

Administering HMC will require close and frequent attention in many forms: scouting sites for projects; developing buildout strategy; pulling together funding; managing entitlements; construction activities; qualifying applicants to meet eligibility criteria; educating first time homebuyers; assisting in mortgage financing and protecting from predatory lenders; preparing legal documents; working closely with local officials, staff, residents, employers and attorneys. This flexible funding will bring capacity to HMC.

The attached Cooperative Agreement formalizes the City/HMC partnership, and will allow HCD to disburse PLHA funds.

PROPOSED ACTION:

Receive report and consider adoption of City Council Resolution approving Cooperative Agreement with Housing Mendocino Coast.

FISCAL IMPACT:

There is no impact to the General Fund.

GREENHOUSE GAS EMISSIONS IMPACT:

Greenhouse gas emissions will be evaluated per development project, as applicable.

CONSISTENCY:

Supporting the development of housing opportunities for households earning up to 120% of the area median income aligns with numerous goals, policies and programs of the City’s Housing Element, including, but not limited to:

Goal H-1 Provide a range of housing, including single-family homes, townhouses, apartments, and other housing types to meet *the housing needs of all segments* of the community.

Policy H-1.7 Workforce Housing: Encourage multi-unit housing developments in order to encourage market rate rental housing, affordable housing and *lower cost ownership opportunities* such as townhomes and condominiums.

Goal H-2 Expand affordable housing opportunities for persons with special housing needs

such as the elderly, the disabled, and *households with very low to moderate incomes and first time homebuyers*.

Policy H-2.1 Available Housing Sources: Utilize County, State and Federal programs and other funding sources that provide housing opportunities *for lower income* and special needs households.

IMPLEMENTATION/TIMEFRAMES:

Cooperative Agreement shall be executed upon Council approval and funds dispersed to HMC following approval from the Department of Housing and Community Development.

ATTACHMENTS:

1. Strategic Plan
2. PLHA 5-Year Plan
3. HMC Articles of Incorporation
4. Cooperative Agreement
5. Resolution

NOTIFICATION:

1. "Notify Me" Subscriber List: Affordable Housing