



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Erik L. Soliván

SUBJECT: See Below

DATE: March 2, 2026

Approved

Date:

3/10/26

COUNCIL DISTRICT: Citywide

SUBJECT: Permanent Local Housing Allocation Program Funding Round 4 and Round 5 from the California Department of Housing and Community Development

RECOMMENDATION

Adopt a resolution authorizing the Housing Director, or his designee, to negotiate and execute a grant agreement and all other necessary and related documents, with the California Department of Housing and Community Development in the total amount of \$6,585,489, awarded under Round 4 and Round 5 of the Permanent Local Housing Allocation program.

SUMMARY AND OUTCOME

Approval of the resolution will authorize the Housing Director, or his designee, the authority to negotiate and execute a grant agreement with the California Department of Housing and Community Development for Round 4 and Round 5 of the Permanent Local Housing Allocation (PLHA) program grant.

BACKGROUND

On June 16, 2020, the City Council authorized the former Housing Director 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 Housing Department may deem appropriate.¹

Based on recent conversations with the California Department of Housing and Community Development, the June 16, 2020, City Council Resolution² requires an update to provide the current Housing Director the authority to enter into grant agreements with the agency. Specifically, the resolution is being updated to reference the title of Housing Director, rather than naming an individual, to ensure administrative continuity throughout the PLHA program. Accordingly, this memorandum requests City Council's approval of an update to the prior approved City Council authority reflecting this necessary administrative change.

ANALYSIS

This memorandum requests authority for the Housing Director, or his designee, to negotiate and execute a grant agreement and all other necessary and related documents with the California Department of Housing and Community Development for the total amount of \$6,585,489.00, awarded under Round 4 and Round 5 of the PLHA program. The Round 4 and Round 5 allocations referenced in this memorandum are part of the previously approved five-year funding cycle.

The PLHA funding provides a flexible funding source that the City of San José (City) may use to support eligible housing activities. The allocation referenced in this memorandum is specifically designated for emergency shelter operations. While the City's annual PLHA allocation may vary from year to year, the recurring nature of these funds makes them well-suited to support ongoing shelter-related operating costs. This structure allows the City to plan and sustain emergency shelter operations with greater stability and predictability.

Under the PLHA program, eligible activities include:

1. Predevelopment, development, acquisition, rehabilitation, and preservation of multifamily rental housing and residential live-work housing affordable to extremely low-, very low-, low-, or moderate-income households, including necessary operating subsidies.
2. Affordable rental and homeownership housing, including Accessory Dwelling Units, that meets the needs of a growing workforce earning up to 120 percent of

¹ <https://sanjose.legistar.com/View.ashx?M=F&ID=8595027&GUID=349D6EBB-E50F-41F0-A4BF-D75C4B26BDDD>

² <https://sanjose.legistar.com/View.ashx?M=F&ID=8583438&GUID=DEB9BE41-49C9-4524-A69D-C7DBF35CDDDE>

Area Median Income, or up to 150 percent of Area Median Income in high-cost areas.

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.
5. Capitalized service reserves associated with the creation or preservation of permanent supportive housing.
6. Programs assisting persons experiencing or at risk of homelessness, including but not limited to rapid rehousing, rental assistance, navigation centers, emergency shelters, and the development, rehabilitation, or preservation of permanent and transitional housing.
7. Accessibility modifications for lower-income owner-occupied housing.
8. Acquisition and rehabilitation of foreclosed or vacant homes and apartments.
9. Homeownership assistance, including but not limited to down payment assistance programs.
10. Matching funds invested by a county in an affordable housing development project located within a city in that county.

The City currently utilizes PLHA funding to support the operations of emergency shelter within the City's homelessness response system. These funds help support essential operating costs such as program staffing, case management and housing navigation services, facility operations, security, food services, and other supportive services that enable shelters to operate safely and effectively while assisting participants in transitioning toward permanent housing.

EVALUATION AND FOLLOW-UP

No additional follow-up action with the City Council is expected at this time.

FISCAL IMPACTS

PHLA funding will continue to support interim housing operations and sustain current service levels. The continued use of these funds will support ongoing program delivery and associated operating costs during the funding period. The recommendation authorizes the Housing Director, or his designee, to execute required agreements and documents with the state to access and administer these funds.

COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

HONORABLE MAYOR AND CITY COUNCIL

March 24, 2026

Subject: Permanent Local Housing Allocation Program Funding Round 4 and Round 5 from the California Department of Housing and Community Development

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PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the March 24, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Erik L. Soliván
Director, Housing Department

For questions, please contact Cupid Alexander, Deputy Director, Housing Department, at Cupid.Alexander@sanjoseca.gov.