



Report to City Council

TO: Mayor and City Council

FROM: Felicia London, Chief Financial Officer/City Treasurer

AGENDA DATE: September 1, 2026

TITLE: PARTICIPATION IN COUNTY OF RIVERSIDE'S ENTITLEMENT LOCAL GOVERNMENT DESIGNATION FOR THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM THROUGH CALIFORNIA HOUSING AND COMMUNITY (REPORT OF: FINANCIAL AND MANAGEMENT SERVICES) (DISTRICT: ALL DISTRICTS)

TITLE SUMMARY: Participation Under County Of Riverside's Entitlement Local Government Designation for The Permanent Local Housing Allocation (PLHA) Program 2024-2028

DISTRICT: All Districts

Recommendation(s)

That the City Council:

1. Approve the partnership with the County of Riverside to leverage additional funding for future affordable housing projects and to minimize additional operating costs for the General Fund; and
2. Authorize the City Manager or designee to execute the Agreement and any non-substantive amendments for the Permanent Local Housing Allocation (PLHA) Program under the California Department of Housing and Community Development (HCD) for Allocation Years 2024-2028 by and between the County of Riverside and the City of Moreno Valley.

SUMMARY

In 2017, Governor Brown signed a 15-bill housing package aimed at addressing California's housing shortage and increasing housing costs. The package included the Building Homes and Jobs Act (Senate Bill 2, 2017), which established a \$75 recording fee on certain real estate documents to provide an ongoing source of funding to local governments for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

The Permanent Local Housing Allocation (PLHA) Program, administered by the California Department of Housing and Community Development (HCD), provides formula-based funding to eligible cities and counties for housing-related activities. Allocations to entitlement and non-entitlement jurisdictions are based on the formula prescribed under federal law for the Community Development Block Grant (CDBG) Program.

On September 1, 2020, the City Council approved the City's participation in the initial PLHA funding cycle, covering Allocation Years 2019 through 2023. Through the County of Riverside's (County) Entitlement Local Government designation, the County applied for and administered PLHA funds on behalf of participating cities, including responsibility for applicable reporting requirements, loan servicing, long-term affordability compliance, and overall program administration.

The County structured the pooled PLHA Program to allocate approximately 20 percent of available funds toward down payment assistance and 80 percent toward the development of new affordable housing. Participation through the County provided the City with access to established housing programs and administrative infrastructure without requiring the City to establish and independently administer a separate down payment assistance program. This allowed Moreno Valley residents to access down payment assistance and other available County housing resources while avoiding additional General Fund costs associated with establishing, administering, servicing, and monitoring a City-operated program.

The City's entitlement allocations for Program Years 2019 through 2023 totaled \$5,951,427, of which \$5,752,050 was designated for investment in down payment assistance and the development of new affordable housing programs. When including the County's administrative costs, the previous agreement provided a total benefit of \$6,049,621 to the City, resulting in an overall benefit that exceeded the City's original entitlement allocation.

The City's participation in the initial 2019–2023 PLHA funding cycle has demonstrated the benefits of partnering with the County and pooling PLHA resources. Through the downpayment assistance program, eight (8) households were assisted with purchasing homes within the City of Moreno Valley. Additionally, two rental housing projects, including the Linwood Rose Affordable Housing project, were awarded funding, resulting in thirty-five (35) new affordable rental housing units in the City.

DISCUSSION

The proposed agreement represents the second time the City will participate with the County of Riverside in administering its PLHA allocation for another five-year term, this time for the 2024–2028 PLHA funding cycle. Based on the formula component for Allocation Years 2024-2028, the City of Moreno Valley (City) is estimated to receive a cumulative total of \$4,517,850.

Under the Agreement, the County agrees to expend no less than the amount allocated to the city within the City of Moreno Valley. This provision ensures that although the County will administer the pooled program, the City will continue to receive the benefit of at least the amount attributable to its PLHA allocation.

As with the 2019-2023 PLHA funding cycle, the County will continue to allocate approximately 20 percent of PLHA funding towards down payment assistance and 80 percent towards the development of new affordable housing. This approach supports both homeownership opportunities for qualifying City of Moreno Valley households and the creation of additional affordable housing units.

Continuing the partnership with the County for the 2024–2028 PLHA funding cycle will allow the City to build upon these efforts and maximize the effectiveness of its PLHA resources. Pooling funds with the County and other participating jurisdictions provides greater funding capacity and flexibility than would be available to the City acting independently. Through this partnership, the County will apply for PLHA funding on behalf of participating cities and administer the program, including required State reporting, loan servicing, long-term affordability monitoring and compliance, and other administrative responsibilities associated with the use of PLHA funds.

Therefore, staff recommends continued participation with the County of Riverside for administration and implementation of the City's 2024–2028 Permanent Local Housing Allocation (PLHA) funds.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. Staff recommends this alternative.
2. Do not approve and authorize the recommended actions as presented in this staff report. Staff does not recommend this alternative.

FISCAL IMPACT

There is no impact to the General Fund from the execution of the Agreement.

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Joe Barron
Grants Division Manager

Department Head Approval:
Felicia London
Chief Financial Officer/City Treasurer

Concurred By:
Patty Yhuit
Deputy Finance Director (Operations)

CITY COUNCIL GOALS

Community Image, Neighborhood Pride and Cleanliness: Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development**
- 2. Public Safety**
- 3. Library**
- 4. Infrastructure**
- 5. Beautification, Community Engagement, and Quality of Life**
- 6. Youth Programs**

Objective 5.4: Actively and aggressively address homelessness in Moreno Valley.

Report Approval Details

Document Title:	STAFFREPORT_FMS_PLHA COUNTY AGMT 24_28.docx
Attachments:	- Agreement for PLHA Allocation_Moreno Valley AATF (DFT Watermark).pdf
Final Approval Date:	Aug 26, 2026

This report and all of its attachments were approved and signed as outlined below:

No Signature found

Joe Barron

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Patty Yhuit

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Felicia London, MPA

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