



County of Monterey

Item No.7

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

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March 26, 2026

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- a. Consider a request from the City of Soledad to use Permanent Local Housing Allocation (PLHA) funds controlled by the County.
- b. Support a recommendation to the Board of Supervisors.

Presenter: Darby Marshall, Housing Program Manager

RECOMMENDATION:

It is recommended that the Health, Housing, Homelessness, and Human Services Committee:

- a. Consider a request from the City of Soledad to use Permanent Local Housing Allocation (PLHA) funds controlled by the County.
- b. Support a recommendation to the Board of Supervisors.

SUMMARY:

In 2019, the State of California created the Permanent Local Housing Allocation (PLHA) program. PLHA provides local jurisdictions with a source of locally controlled funding to support affordable housing projects. In 2024, the cities of Carmel-by-the-Sea, Greenfield, and Soledad delegated their PLHA allocations to the County. The City of Soledad is requesting that the County allow it to use approximately \$1.68 million to purchase land within the City that will be developed with homes for sale to moderate-income households.

DISCUSSION:

The PLHA program was created by the state to provide a revenue source to replace the Redevelopment Low-Moderate Housing Trust Funds. The PLHA is funded by a documentary transfer tax on certain real estate transactions. During the first 5-year PLHA planning cycle the County was expected to receive as much as \$3,890,280. In 2024, as first year PLHA funds were subject to recapture, the cities of Carmel-by-the-Sea, Greenfield, and Soledad delegated their awards to the County. This increased the County's PLHA five year estimated revenue to \$5,631,969.

PLHA enabling legislation includes ten eligible activities that the funds may be used allocated to. PLHA requires that 20% of the funds statewide be used for affordable workforce housing (AOWH) projects. The County has used or allocated PLHA funding to Affordable Multifamily Rental Housing, Homeless Assistance, Homeownership Opportunities, and General Administration. The allowed uses and County allocations are summarized in Attachment A. As required by the guidelines, the County has reserved approximately \$1,680,063 for AOWH projects.

The City of Soledad has requested the County allow it to use the funds allocated for AOWH projects

to purchase property within the City. The City will work with a developer to construct homes for sale to moderate-income households on the property. The homes will be secured by a 45-year resale restriction and deed. City staff will be available during the Committee meeting to provide more information on the proposed project.

If the Committee supports the City's request, the staff will work with the City to flesh out the project, identify how the funds will be made available to the City, and memorialize the City's obligations. Staff will also work with the state Department of Housing and Community Development to amend the County's 5-Year PLHA Plan if necessary and ensure that the proposed deed restrictions comply with state requirements.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

The Housing and Community Development Department has worked with the City of Soledad to prepare this staff report.

HOUSING IMPACTS:

- ☒ Reduces constraints on Housing Development
- ☐ Increases constraints on Housing Development
- ☐ Neutral
- ☐ Not applicable [N/A]

HOUSING CONSTRAINTS:

Consideration of this report does not represent a regulatory or development constraint.

The project will have a positive impact on home ownership opportunities for moderate income households. As required by the PLHA program, the City of Soledad will receive credit for their Regional Housing Needs Allocation (RHNA).

FINANCING:

There is no impact on the County General Fund.

The PLHA grant is included in the FY2025-26 Final Budget in Fund 013, Budget Unit 8545, Appropriations Code HCD004.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

Access to housing at a range of affordability levels is identified as a component of the County's broader strategic objectives. This project will allow the City of Soledad to purchase land and work with a developer to construct moderate-income, owner-occupied and deed restricted units.

Mark a check to the related Board of Supervisors Strategic Plan Goals:

- ☒ Well-Being and Quality of Life
- ☒ Sustainable Infrastructure for the Present and Future
- ☐ Safe and Resilient Communities
- ☒ Diverse and Thriving Economy
- ☐ Dynamic Organization and Employer of Choice

Prepared by: Darby Marshall, Housing Program Manager, 755-5391

Approved by: Craig Spencer, Director of Housing & Community Development, 755-5233

Attachments:

Attachment A - PLHA Allowed Uses and County Allocations