

Plumas County Community Development Commission

FY24 Pathways to Removing Obstacles to Housing (PRO Housing)

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Exhibit A

Executive Summary

Plumas County is located in the north end of the Sierra Nevada mountain range in California. As of the 2020 census, the population was 19,790. The County is widely rural and as such, residents experience the expected barriers to accessing basic needs and community-based services. Racial diversity includes: 80.8% White, 0.5% Black or African American, 1.9% Native American or Alaskan, 0.7% Asian, 0.2% Pacific Islander, 5.6% Mixed or Multicultural, 9.6% Hispanic or Latino, and 0.6% Other Race. The county has been plagued by severe wildfires over the last few years as well as a couple more extreme than average winters. While the area features a lot of nature based tourist attractions, services are limited and much of the general infrastructure is outdated.

Plumas County Community Development Commission and Housing Authority (PCCDC) owns and operates 96 Public Housing units, 70 Rural Assistance units and 48 Multifamily housing units in the rural cities of Quincy, Greenville and Chester, California. PCCDC also administers the Housing Choice Voucher (HCV) program for Plumas, Lassen, Sierra and Tehama counties with 637 vouchers. Lastly, the agency also oversees other county appointed tasks including contracts with the State of California - Department of Community Services and Development for Low Income Home Energy Assistance Program (LIHEAP) serving Plumas and Sierra counties as well as Community Action Agency (CAA) serving Lassen, Plumas and Sierra counties. PCCDC is considered a related organization to the County of Plumas, but is legally a separate entity.

PCCDC owns 11% of all housing units in Greenville, CA, which includes all of the multifamily rental housing available in the town. PCCDC owns 9.2% of the housing units in Chester, CA. The housing vacancy rate in Greenville is 24%, in Chester 23% and 47% in all of Plumas County. Approximately 26% of all housing in Plumas County is rental, with PCCDC owning roughly 8.5% of all rental housing in the county.

PCCDC has been presented some unique and highly impactful challenges over the last decade, which has resulted in ineffective and outdated infrastructures, policies and procedures as well as large capital improvement needs. The rural location of the agency and its low-income properties presents ongoing operational challenges, including high-impact weather, increased threat from wildfires and lack of available resources and vendors. Labor constraints, condition of the properties, general economic conditions and perception have resulted in vacancy rates higher than HUD standards. Because we are classified as a 'Small PHA', we are allowed to use our Public Housing Capital Fund funding towards operations, which has been absolutely necessary to keep operations going. In 2021, the Dixie Fire burned 45% of Plumas County, which had a huge impact on the community and agency, including actual fire damage to one public housing site and the devastation of the town it is located in: Greenville. Additionally, per HUD's mandate, our public housing program must have a Repositioning plan solidified and underway by the end of our 2026 fiscal year: June 30, 2026.

PCCDC has also recently seen a large change in staff with little knowledge transferred, which has made it vital for current staff to seek information and understanding in all aspects of

operations as well as the creation and adaptation of policies and procedures. Current staff has also been able to get the agency's financial reporting caught up, which was three years behind in 2022. All aspects of the agency are being reviewed and assessed for efficiency, equity, and sustainability, with policies and procedures being created once enough data has been compiled and analyzed. The agency is now back on track with timely reporting to all funding sources as well as seeing the improvements from the many infrastructure additions and changes, but there is still much to do to create successful and sustainable programs.

PCCDC's highest priority project is to start the HUD Repositioning process. Repositioning allows PHAs to preserve the much needed low rent public housing already established and to move the program to more stable and sustainable funding. It also allows for the reconfiguring and financing of assets, the possibility for more administrative assistance, and the ability to leverage. Through the process, the agency creates a long-term plan for the backlogged capital needs as well as building long-term reserves necessary for preservation-oriented life cycle improvements to the housing. The core mission remains the same: serving the low-income housing and other needs of our community.

Here is a list of our programs and property names for reference:

- HUD – Housing Choice Voucher
  - Plumas, Lassen, Sierra and Tehama Counties
- HUD – Low Rent Public Housing
  - Green Meadows
  - Sierra Meadows
- USDA – Rural Rental Assistance
  - Pine Meadow
  - Wildwood Village
- HUD – Multifamily Housing
  - Valley Heights
- CSD – Low Income Home Energy Assistance Program (LIHEAP)
  - Plumas and Sierra Counties
- CSD – Community Action Agency (CAA)
  - Lassen, Plumas and Sierra Counties

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Exhibit B

Threshold Requirements and Other Submission Requirements

Plumas County Community Development Commission is not involved in any outstanding civil rights matters. There are no charges, cause determinations, lawsuits, or letters of finding against the agency.

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Exhibit C

Need

It is the agency's true belief, that with proper governance, policies, procedures, and plans, even a PHA with rural and large past created barriers can be successful and sustainable. With new governance, PCCDC has been able to improve a wide range of processes and procedures, move programs towards fiscal success, and create a new culture of transparency and accountability with staff. In our July 2024 Board Meeting, the agency's Board of Commissioners was given a large list of improvements that the agency has been able to achieve over the last fiscal year (07/2023-06/2024). Here is a list of many, but not all, of the improvements and changes new administration has been able to institute in the last 12-16 months. These improvements were to both: 1) create sustainable and effective programs and 2) reduce operational costs to start to repair program equity.

- Absorbed the Maintenance Supervisor position by two lead positions
- Absorbed the Manager positions for Pine Meadows and Wildwood Village by two existing employees, and adding those duties to their existing duties
- Switched many vendors for reoccurring expenditures (phones, propane, office supplies and property maintenance)
- Updated current contracts with vendors to include discounts or remove unnecessary options
- Corrected, revised and improved nearly all procedures within the Finance Department
- Established a Department of Community Services (CSD) Program Manager to oversee all programs funded by CSD
- Established shared timelines and a joint calendar to ensure proper communication and timely submissions for all programs
- Established twice a year full agency staff meetings with full agency status transparency
- Established reoccurring site manager and maintenance staff meetings to create shared goals and provide opportunity for policy and procedure feedback
- Ongoing evaluation of old procedures against current knowledge and the adaptation/improvement as necessary
- Cross training and increased professional development education
- Improvement of record keeping and filing procedures
- Established a contract with a grant writer
- Replacement of administrative office roof, which had been in the works for 5+ years
- Start to develop Emergency and Wildfire Smoke Policies
- Instituted Workplace Violence Prevention Plan
- Reestablishment of community connections



PCCDC has the following large projects to be addressed:

- Public Housing Repositioning
- Update Personnel Policies and Procedures
- Update Fiscal Policies and Procedures
- Consolidate and Organize all Agency Policies and Procedures
- Create a Maintenance Preventative Plan
- Full Waterline Replacement at Green Meadows

All housing programs are starting to see small profits in the monthly fiscal reporting, starting in July of 2024. PCCDC is committed to continuing this upward trajectory. A new methodology has been adopted of “set yourself up for success”. This means knowing and understanding program laws and fundamentals and creating procedures that drive healthy and sustainable programs. New and challenging situations will always arise, but with data driven decisions and set policies, we do not have to solve the same problems over and over again. Staff involvement in the creation of these policies and procedures has been instrumental to creating a fully operational system.

There are many factors, both internal and external, that have lead us to the position we are in. Many of the internal challenges are being or have been addressed, but we still have to make up for a lot of lost ground and equity over the years. We are not in a financial position to be able to start making large capital improvements on our own.

Being part of a very rural community has also presented many barriers to overcome. Extreme winters can create large utility bills, difficult travel and damage to properties. Wildfires continue to be an increasing threat, with three of our properties being part of a wildfire evacuation warning just last month from the Park Fire. Our location limits our access and availability to vendors and contractors, with increased costs for local vendors. Also, many utilities are monopolized and outdated in the area. As seen nationwide, we continue to contend with staffing availability and staff experience. The lack of maintenance staff and their experience has resulted in a low unit turnover rate, which has increased our vacancy rates. Multiple split sites have also presented a challenge for staff and oversight. We also contended with increased maintenance costs due to many Greenville units being abandoned in poor condition and with many belongings being left behind due to the 2021 Dixie Fire evacuation and the destruction of the town and its infrastructure. Additionally, the agency suffers from poor public perception due to these barriers.

As stated in the Executive Summary, Plumas County Community Development and Commission owns 8.5% of all rental housing in the county. According to the US Census Bureau, Plumas County has a 12.6% Persons in Poverty rate and there are multiple areas in Plumas County that are labeled as priority geographies per the HUD GIS Helpdesk. The 2021 Dixie Fire had a huge impact on the community and its housing, including, but not limited to:

- 768,130 acres burned in Plumas County
- 779 damaged or destroyed residences
- 144 damaged or destroyed commercial buildings
- 609 newly vacant parcels
- Nearly 15,000 cubic feet of public roads damages in Greenville and Indian Falls (a nearby community)
- 46% increase in average sale process (2019-2022)
- 18-28% increase in average fair market rent rates (2017-2023)
- Estimated 1,611 net jobs lost
- Estimated 68 net business closed
- Over \$15,000,000 in total verified business losses
- Over \$500,000 in reduced County property tax revenue in FY2022-23
- Highest employment losses: Administration (~45%), Transportation (~26%), Finance (~36%), Healthcare (~25%)
- At least 350 impacted elementary school students

Because of the poor condition of our public housing properties, the high vacancy rates, and the community need, it is imperative that the restoration and preservation of these housing units be addressed right away.

Through the Repositioning process, PCCDC can address many improvement needs as well as create a sustainable plan for ongoing improvements and upkeep, ensuring the survival of our low-rent public housing. The Repositioning process is lengthy, complicated, and costly. A Public Housing Repositioning Strategy was devised for PCCDC by a HUD consultant in June of 2023. There is an estimated 5.4 million needed in capital improvements as well as the ongoing implementation costs, including a Capital Needs Assessment estimated at ~30,000. Additional funding is needed to create the capacity and means to undertake this endeavor.

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Exhibit D

Soundness of Approach

Our mission as an agency is to serve the needs of our low-income population, with our major programs being low rent housing. As discussed, lack of governance, policies and procedures has crippled the agency's capacity to carry out this mission. Through the efforts, research, implementation of new policies and procedures, and collaboration of new administration, we are starting to see the shift in all our programs for the better. Expenses are down, staff are more informed and knowledgeable of expectations and the agency is creating plans to start tackling all the needs left unaddressed in previous years.

Through the Repositioning process, the agency can ensure the preservation of our low rent public housing units by creating a long term plan for capital needs improvements as well as receive more stable and consistent funding. New administration understands that it isn't enough to simply "fix" a problem. Policies and procedures must be in place to provide ongoing maintenance, analysis and checks and balances to all systems that support the program. Our vision is that alongside being able to start the renovation of all our public housing units, we create programs that are regulated and methods to ensure continued success and sustainability by consistent analysis and improvements of these policies and procedures. Another model that new administration has adopted is "proactive, not reactive." As unfavorable situations arise, discussions are held to determine how the situation could have been prevented and methods put in place to reduce the risk of future occurrences. It is the true belief of the agency that with a fully functioning and self-checking system, programs can be run efficiently, successfully, and sustainably.

Some of the ways in which we are adopting these methods is creating plans and establishing consistent and clear communication with staff. Ongoing full staff meetings as well as departmental staff meetings are raising the moral and awareness of staff, allowing for the integration between program and management of what would best serve the program and how it is obtainable. At one of the last full staff meetings, a staff member remarked that the transparency was appreciated and allows for a type of understanding that was missing before. The agency has also established a snow removal contract with a third party contractor for the upcoming winter, giving staff more time to focus on the areas of improvement. We are also looking to establish an ongoing contract for grounds, further expanding the capacity of current maintenance staff. Both a Yearly Maintenance Plan and Semi-Monthly Maintenance/Site Manager Checklists are currently being established. Until we can get these ongoing and repetitive procedures running consistently and effectively, administration will be reviewing these checklists and will be doing monthly property walk-throughs with all stakeholder staff including the Housing Director, Lead Maintenance, Maintenance and Site Manager personnel. Administration will present these draft plans/checklists to all involved staff for feedback and final editions, so that all staff feels involved, knowledgeable and equipped to move forward with these new procedures. These types of documents provide administration with data and patterns for qualitative work, so that they can be analyzed for efficiency and success.

Administrative accountability is playing a pivotal role in the revitalization of the agency and the change in culture. New administration works to fully understand the rules and regulations that dictate each program and utilizes clear and consistent communication to ensure all relevant staff are aware of needed information and set expectations. Our Community Services and Development (CSD) contracts and programs were some of the first issues addressed as new staff came on board. Through ongoing research, reaching out to organizations running similar programs, brainstorming with staff, and conferring with CSD, we are proud to report that these reimbursable programs are running as intended and further improvements efforts continue. Procedures were improved to be in alignment with contract rules, regulations and reporting. Many procedures have undergone systematic improvements, so that each change could be analyzed separately for impact and following improvements only made as functional foundations were laid.

As mentioned, the executive team is currently in the works of fine tuning the Repositioning strategy given to us by a contracted HUD representative back in June of 2023. The resources given are incredibly insightful and supportive and lay a road map for all steps that need to be taken. The agency has also established a Nonprofit so that any properties disposed of through the Section 18 process will stay with the agency and continue to serve the low-income population of our community. With this strategy, Repositioning is a three year process. Within the first year, the agency will be completing planning, getting board approval, conducting resident informative meetings, getting a CNA, submitting the application to HUD including a finance plan, completing a Commitment to Enter into a Housing Assistance Payment Contract, and having multiple calls with HUD including a kick-off call and a concept call. In years two and three, the agency will be undertaking the actual conversion processes of removing units as public housing and redesignating them to RAD or changing ownership to the non-profit, determining contract rents, initiating capital needs improvements, and establishing new policies under the new contract. The agency has a planning meeting call scheduled with HUD to go over some of the items still unclear and plans to utilize ongoing communication with HUD to avoid any confusion.

The PRO Housing funding would be utilized for administrative salaries, associated administrative costs of Repositioning including the costly CNA, as well as providing the funding to get some of the larger repair and replacements projects underway. While there is an estimated 5.3 million in repairs and upgrades needed, we are only requesting the bottom line of 1 million to launch the project. As discussed earlier, we are already seeing our financials improve due to all the changes made, so we anticipate being able to utilize future public housing capital funds towards this project as well. The items and large projects the funds will be utilized for include the following. Please note, budget details and figures are included in the Budget Worksheet.

- Administrative salaries – administrative time spent on repositioning for the first two years of the project. This time would be tracked separately on the time sheets and in the financials and would be removed from the current allocation to public housing in the

administrative time allocation tables to avoid any duplication of salary expensing. Any maintenance time would be covered by the agency as leverage for the project.

- Capital Needs Assessment (CNA) – this is one of the first steps in starting Repositioning and is estimated at \$200-\$300 a unit
- Full replacement of the Green Meadows water lines – this project should have been handled many years ago. We are consistently plagued with leaks and have so far only been able to provide temporary repairs.
- Replacement of unit roofs – almost all units still have original roofing from 1984 construction
- Replacement of wall heaters – almost all units still have original wall heaters from 1984 construction
- Replacement of water heaters – most units still have original water heaters from 1984 construction
- Unit Turnarounds – we have 12 high cost/intensive unit turnarounds to complete, with 1 requiring a HAZMAT team. Some of these are due to Dixie Fire evacuees never returning to claim their property, one tenant expiring in the unit, as well as the lack in maintenance personnel/experience

With adequate funding, all of these repair/replace items should be able to be completed within 12-16 months, depending on contractor availability.

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Exhibit E

Capacity

While PCCDC is a small PHA, new administration has brought a great deal of diligence and dedication to the agency. As already outlined, the agency has made great strides in improving all areas of function and we are starting to see the production of our efforts. The task of Repositioning will be a joint effort between our Executive Director, Finance Director, Housing Director, Finance and Management Analyst, and Board of Commissioners, as well as HUD. This executive team is currently in the processes of fine tuning our Repositioning strategy to meet our needs and present to the Board. We are also working with another consultant to get us more concrete numbers on the needed capital improvements, to assist in the official Capital Needs Assessment (CNA).

The executive team has established semi-monthly Repositioning meetings as of July and has been able to make great progress in understanding the steps needed as well as the options available. We have reached out to our HUD Portfolio Management Specialist for clarification on certain items and feel confident that we will have a strategy solidified and Board approved by the end of this calendar year.

Besides the timeline set up in the strategy, we will be establishing our own timeline of goals that supports the strategy. The agency understands that goals are much easier to achieve once identified and action items established.



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Exhibit F

Leverage

While PCCDC is only requesting funds to support our Repositioning project, all housing activities taken every day by staff supports the preservation of our low-rent public housing. Especially now, as all systems are being rebuilt to better serve the programs, we are proving our commitment to our mission. All time spent in the dedication to seeing our agency revitalized and thriving can be considered leverage to support our underserved community and ensure access to affordable housing.

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Exhibit G

Long-term Effect

We are excited to already see progress and advancement due to the new procedures and methods established by new administration. It is the goal and objective to reestablish our position as a leader in our community. With correct governance and the capacity to get us back on track, we have every intention of running successful, consistent and well maintained programs. We look forward to getting our properties in good condition and having the methods in place to provide consistent and effective services to our community and tenants. We also want to ensure the moral and culture of our agency and staff is in alignment with our goals and mission.

Repositioning gives the agency the opportunity to “reset” it’s major housing program and with this reset we expect to see long term success in our operations. We define success as functioning and well maintained assets, employees that feel capable and knowledgeable about the systems they execute, consistent service to tenants and the capacity to carry out these objectives.