



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

FROM: City Manager

SUBJECT: Public Hearing - Amendment to Permanent Local Housing Allocation (PLHA) Program – Reallocation of Funds to Rental Assistance for Veterans

MEETING DATE: May 12, 2026

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt a resolution to:
 - a. Approve an amendment to the City's Permanent Local Housing Allocation (PLHA) Program from the Housing Rehabilitation Program to a Rental Assistance Program for Veterans;
 - b. Reallocate previously approved PLHA funds totaling \$59,326 from the Housing Rehabilitation Program to a Rental Assistance Program for Veterans;
 - c. Authorize the City Manager or designee to develop and adopt policies and procedures for distributing funds for qualified expenses, eligibility criteria, allowed expenses, and application process, among others;
 - d. Authorize the City Manager, or designee, to execute all necessary documents to implement the amendment;
 - e. Authorize a one-time budget appropriation of \$11,800 from the City's Project Management Fund to support program implementation and administration of the amended PLHA Program;
 - f. Authorize the City Manager to make any necessary amendments to an existing on-call agreement with Avant Garde Inc. to increase the budget, scope and term for the implementation and administration of the amended PLHA Program; and
2. Take any additional related action as deemed necessary.

BACKGROUND:

The City of Commerce receives funding through the Permanent Local Housing Allocation (PLHA) Program, administered by the California Department of Housing and Community Development (HCD). Funding for this program is provided pursuant to Senate Bill 2 (SB 2),

which established a permanent source of funding intended to increase the affordable housing stock in California. The PLHA program is intended to increase supply of housing for households at or below 60% of area median income; increase assistance to affordable owner-occupied workforce housing; assist persons experiencing or at-risk of homelessness; facilitate housing affordability; and promote projects and programs to meet regional housing need allocations.

On behalf of the County of Los Angeles, the Los Angeles County Development Authority (LACDA) applied for the County's allocation of funding and is responsible for administering the PLHA funds for the Los Angeles Urban County which is comprised of all unincorporated areas of the County and 46 cities, including the City of Commerce.

On February 11, 2025, the City Council approved a resolution to participate in the PLHA program with a funding allocation of \$59,326 and allocated PLHA funds toward a Housing Rehabilitation Program. However, based on current community needs and housing conditions, staff identified a greater need for rental assistance, particularly for vulnerable populations such as veterans at risk of homelessness.

The City became fully eligible for these funds after receiving certification of the City's Housing Element by HCD in December 2025. Without this certification, the City's PLHA funding allocation would not become available to the City.

The LACDA has confirmed that the City may amend its PLHA program to reallocate funds and implement an eligible rental assistance activity, subject to City Council approval.

DISCUSSION:

Staff is proposing to amend the PLHA Program to establish a Rental Assistance Program for Veterans. This program is designed to provide short-term financial assistance to low-income veterans who are experiencing or at risk of homelessness.

Key program components include:

- Target Population: Low-income veteran households; up to 30% area median income
- Assistance Type: Short-term rental assistance
- Maximum Assistance: Up to \$1,500 per month
- Duration: Up to 6 months per household
- Payment Structure: Payments made directly to landlords on behalf of eligible participants
- Estimated Households Served: Approximately 9 households, based on available funding
- Program Timeline: Approximately 5–6 months from intake to completion per household

This program will help stabilize housing for veterans, prevent displacement, and reduce the risk of homelessness within the community. The proposed activity is consistent with PLHA eligible uses, which include rental assistance and homelessness prevention.

Attachment 1 contains a resolution of approval for the amended PLHA Program for City Council consideration.

PROGRAM ADMINISTRATION:

City staff requested a proposal from Avant Garde Inc. which currently provides on-call services for program administration for similar programs. Avant Garde Inc. has extensive expertise in program implementation and administration, including:

- Program development and implementation;
- Outreach and marketing;
- Application processing and review;
- Grant document preparation;
- Payment coordination; and
- Reporting and meetings.

Staff recommends Avant Garde Inc. to administer the amended PLHA Program since it currently serves the Commerce community with similar services. Avant Garde Inc. proposes a fee of \$11,800 for program administration, as indicated in Attachment 2.

PROGRAM BUDGET:

City Council authorization was previously issued for the acceptance of the PLHA Program grant funding in the amount of \$59,326. Staff are requesting a budget appropriation in the amount of \$11,800 for program administration rather than taking it out of the grant funding given that funding is limited and would reduce the number of applicants that can be assisted.

The following outlines the proposed budget for the amended PLHA Program:

Grant Funding	\$59,326
Program Administration	\$11,800
Total	\$71,126

ENVIRONMENTAL REVIEW:

The proposed action is not considered a “project” under the California Environmental Quality Act pursuant to Section 15378(b)(5), as it involves administrative and funding activities that will not result in a direct or indirect physical change in the environment.

PUBLIC NOTICING REQUIREMENT:

Public notification and/or hearing requirements were completed in accordance with PLHA program guidelines prior to this public hearing. On April 10, 2026, a notice of public comment period and of public hearing for this item was published in the Los Cerritos Community News allowing for a 30-day public review and comment period.

FISCAL IMPACT:

The proposed action will recognize \$59,326 in PLHA grant revenue (Account No. 31.5400.36200) and appropriate a corresponding \$59,326 in the Housing Fund (Account No. 31.1520.71709) to support the amended PLHA Program.

In addition, staff is requesting a one-time appropriation of \$11,800 from the Project Management Fund assigned fund balance to supplement available grant funding and support program implementation and administration.

If approved, the total program budget will increase by \$71,126, consisting of \$59,326 in reimbursable PLHA grant funding and \$11,800 in one-time City funding. The City portion will be funded through available assigned fund balance designated for one-time expenditures from the Project Management Fund.

ALTERNATIVES:

1. Approve recommendation
2. Reject recommendation
3. Provide staff with further direction

RELATIONSHIP TO STRATEGIC GOALS:

The proposed action is consistent with Community Quality of Life Guiding Principle No. 4 of the City's Strategic Action Plan, which seeks to: "Support and evaluate community services, programs and events that promote healthy and quality lifestyles for our residents. Enhance public safety and social services through innovative programs that meet the needs of the residential and business communities." The amended PLHA Program supports this goal by seeking to improve living conditions by promoting housing stability and preventing homelessness for at-risk veterans.

Prepared by:	Ashley Sanchez, Program Consultant, Avant Garde Inc.
Recommended by:	Jessica Serrano, Director of Community Development
Reviewed by:	Alvaro Castellon, Director of Finance
Approved as to form:	Noel Tapia, City Attorney
Respectfully submitted:	Ernie Hernandez, City Manager

ATTACHMENTS:

1. Resolution Approving the PLHA Amendment
2. Avant Garde Inc. Proposal for PHLA Program Administration