



## **Cities & Towns Advisory Committee**

Sonoma County Community Development Commission

### **Special Meeting with the Community Development Committee**

**PLEASE NOTE: This is a hybrid meeting and will be held in-person and online. The meeting will be held in the Hearing Room of the Sonoma County Community Development Commission located at 141 Stony Circle, Suite 210, Santa Rosa, CA, 95401.**

**The Zoom webinar may be accessed at the following link:**

<https://sonomacounty.zoom.us/j/97641042730?pwd=c3L07sssFew0BxHuY28ljCbFVimbs.1>

**Telephone Option: (669) 444-9171**

**Webinar ID: 976 4104 2730**

**Passcode: 823071**

Wednesday, February 26, 2025

10:00 am – 12:00 pm

### **AGENDA**

- 1. Call to Order and Roll Call**
- 2. Public Comment on Items Not on the Agenda**
- 3. Approve Meeting Minutes from November 20, 2024 Meeting**  
The Committee will review, discuss, and may take action to approve the meeting minutes or may recommend changes.

*Recommended Action: Approve minutes*

- 4. Executive Director’s Report**  
Michelle Whitman, Executive Director  
The Executive Director will give an update on agency business.

*Information Only – No Action Item*

**5. SEA Ranch 14 (Burbank Housing Development Corporation) – HOME Loan Forgiveness and Conversion to Affordable Homeownership**

Krista Fotou, Community Development Program Coordinator and Yesenia Lemus, Community Development Program Coordinator

Burbank Housing Development Corporation and Commission staff will present a proposal for HOME loan forgiveness for Sea Ranch 14 and conversion from affordable rental to ownership housing.

- Staff Presentation
- Committee Questions
- Public Comment
- Committee Discussion
- Motion
- Roll Call Vote

*Recommended Action: Recommend the Board of Supervisors approve the proposed conversion of 5 affordable rental units to affordable homeownership units by amending and releasing said units from the Commission's Regulatory Agreement, and forgiving the principal plus accrued interest for Sea Ranch 14's 1994 HOME loan in an amount not to exceed \$701,854, with any remaining amount placed into a repair reserve to fund an extended warranty program administered by Burbank Housing Development Corporation for a period of 10 years, or until the balance of the repair reserve is exhausted*

**6. Adjournment**

**Next Regular Meeting:  
Wednesday, March 19<sup>th</sup>, 2024, 10:00 am – 12:00 pm**

**PUBLIC COMMENTS PRIOR TO THE COMMITTEE MEETING:** Public comments may be submitted via email to [CDC-8130-Public-Comment@sonoma-county.org](mailto:CDC-8130-Public-Comment@sonoma-county.org). Virtual attendees are encouraged to submit their comments via email before the meeting.

**PUBLIC COMMENTS DURING THE COMMITTEE MEETING:** Any member of the audience desiring to address the Committee on a matter on the agenda, please complete a **Speaker Card**, and hand it to the Recording Secretary prior to the beginning of the meeting. When called by the Chair, please walk to the **Public Comments** table, state your name, and make your comments. Please be brief and limit your comments to the subject matter under discussion. Virtual attendees may raise their hand using Zoom, or dial \*9 to raise their hand by telephone and will be directed to speak by the Chair. Each person is granted 3 minutes to speak; time limitations are at the discretion of the Chair.

**MEETING DOCUMENTS:** The associated documentation is available on the website at <https://sonomacounty.ca.gov/development-services/community-development-commission/boards-commissions-and-committees/community-development-committee>. Any changes to the date of the meeting, or any other updates, will be noticed on the above website.

**DISABLED ACCOMMODATION:** If you have a disability that requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Section 504 Coordinator at (707) 565-7520 as soon as possible to ensure arrangements for accommodation.

Language Services are available upon request if made at least 48 hours in advance of the meeting to help ensure availability. For more information or to request services, please contact the Section 504 Coordinator at (707) 565-7520.

**COMENTARIOS PÚBLICOS ANTES DE LA REUNIÓN DEL COMITÉ:** Pueden enviarse por correo electrónico a [Veronica.Ortiz-DeAnda@sonoma-county.org](mailto:Veronica.Ortiz-DeAnda@sonoma-county.org).

**COMENTARIOS DEL PÚBLICO DURANTE LA REUNIÓN DEL COMITÉ:** Cualquier miembro de la audiencia que desee dirigirse al Comité sobre un asunto de la agenda, complete una Tarjeta de Orador y entréguela al Secretario de Actas antes del comienzo de la reunión. Cuando lo llame el presidente, diríjase a la mesa de comentarios públicos, diga su nombre y haga sus comentarios. Para que todas las partes interesadas tengan la oportunidad de hablar, sea breve y limite sus comentarios al tema en discusión. Generalmente a cada persona se le conceden 3 minutos para hablar; Las limitaciones de tiempo quedan a discreción del Presidente.

**DOCUMENTOS DE LA REUNIÓN:** La documentación asociada está disponible en el sitio web en <https://sonomacounty.ca.gov/development-services/community-development-commission/boards-commissions-and-committees/community-development-committee>. Cualquier cambio en la fecha de la reunión, o cualquier otra actualización, se notificará en el sitio web mencionado anteriormente.

**ALOJAMIENTO PARA DISCAPACITADOS:** Si tiene una discapacidad que requiere un alojamiento, un formato alternativo o requiere que otra persona lo ayude mientras asiste a esta reunión, comuníquese con el Coordinador de la Sección 504 al (707) 565-7520 lo antes posible para garantizar los arreglos para alojamiento.

Los servicios lingüísticos están disponibles previa solicitud si se realizan al menos 48 horas antes de la reunión para ayudar a garantizar la disponibilidad. Para obtener más información o solicitar servicios, comuníquese con el Coordinador de la Sección 504 al (707) 565-7520.



**Cities & Towns Advisory Committee**  
 Sonoma County Community Development Commission

**Regular Meeting**  
**DRAFT Meeting Minutes**

Wednesday, November 20, 2024  
 141 Stony Circle, Suite 210, Santa Rosa, CA 95401  
 10:00 a.m. – 12:00 p.m.

**1. Call to Order and Roll Call**

The meeting was called to order at 10:02 a.m. by Vice Chair Streeter; Community Development Commission (CDC) staff initiated the roll call:

Committee Members

Jenna Garcia – City of Rohnert Park	Present
Jennifer Gates – City of Sonoma	Absent
VACANT – City of Sebastopol	Vacant
Kevin Thompson – City of Cloverdale	Present
Noah Housh – City of Cotati	Present
Patrick Streeter – Town of Windsor	Present
Griselda Villareal (Alternate) – City of Healdsburg	Present

CDC and Sonoma County Housing Authority Staff

- Rhonda Coffman, Deputy Director
- Martha Cheever, Deputy Director
- Valerie Johnson, Community Development Program Coordinator
- Madison Murray, Senior Community Development Specialist
- Laurie Dinwiddie, Affordable Housing Finance Specialist
- Krista Fotou, Affordable Housing Finance Program Coordinator
- Veronica Ortiz-De Anda, Community Development Program Coordinator
- Matthew Burns, Administrative Aide

**2. Public Comments for Items Not on the Agenda**

None.

**3. Approve Meeting Minutes from October 23, 2024**

**Public comments:** None.

Action: The committee moved to approve the meeting minutes as drafted by staff.

Motion: Streeter

Second: Garcia

Ayes: Garcia, Thompson, Villareal, Streeter

Noes: None

Abstain: None

Absent: Gates

***Motion passed.***

**4. Deputy Directors' Report**

Rhonda Coffman and Martha Cheever, the Deputy Directors for the Commission, gave a presentation regarding agency business. Deputy Director Cheever discussed some open waitlists for the Housing Choice Voucher program, and she also talked about the ongoing Homekey projects, namely George's Hideaway and Elderberry Commons. Deputy Director Coffman offered more details about the project schedule for George's Hideaway, and she then discussed the status of the Tierra de Rosas housing project. Deputy Director Coffman further mentioned that Commission staff have nearly completed a number of environmental reviews for a variety of projects. Deputy Director Coffman concluded her report with an update regarding the Bay Area Housing Finance Authority (BAHFA) ballot measure.

**Public comments:** None

**5. PUBLIC HEARING: Federal Funding Policies**

Veronica Ortiz-De Anda, Community Development Associate, presented about the proposed revisions to the federal funding policies.

**Chair Streeter opened the public hearing.**

**Public comments:** None.

**Chair Streeter closed the public hearing.**

Action: The committee moved to recommend approval of the revised funding policies to the Board of Supervisors and Board of Commissioners.

Motion: Garcia

Ayes: Garcia, Villareal, Housh, Streeter, Thompson  
Noes: None  
Abstain: None  
Absent: Gates

***Motion Passed.***

**6. PUBLIC HEARING: Community Participation Plan**

Valerie Johnson, Community Development Associate, presented about the proposed updates to the Community Participation Plan, which was previously titled, "Citizen Participation Plan."

**Chair Streeter opened the public hearing.**

**Public comments:** None.

**Chair Streeter closed the public hearing.**

Action: The committee moved to recommend approval of the draft updated Community Participation Plan to the Board of Supervisors.

Motion: Housh  
Second: Thompson

Ayes: Garcia, Villareal, Housh, Streeter, Thompson  
Noes: None  
Abstain: None  
Absent: Gates

***Motion passed.***

**7. Commitment of Project-Based Vouchers to Support the Development of Permanent Supportive Housing**

Martha Cheever, Deputy Director, presented about a resolution that will require approval by the Board of Commissioners, and this resolution would authorize the commitment of 150 new project-based vouchers for permanent supportive housing projects.

Action: The committee moved to recommend approval of the commitment of project-based vouchers to the Board of Commissioners.

Motion: Garcia  
Second: Housh

Ayes: Garcia, Villareal, Housh, Streeter, Thompson  
Noes: None  
Abstain: None  
Absent: Gates

***Motion passed.***

**8. Adjournment**

The meeting adjourned at 10:51 a.m.





**Sonoma County Community Development Commission  
Sonoma County Housing Authority**

141 Stony Circle, Suite 210, Santa Rosa, CA 95401-4142  
P.O. Box 12025, Santa Rosa CA 95406-2025

*Members of the  
Commission*

**Lynda Hopkins**  
Chair

**Rebecca Hermosillo**  
Vice Chair

**David Rabbitt  
Chris Coursey  
James Gore**

**Michelle Whitman**  
Executive Director

## MEMORANDUM

Date: February 26, 2025

To: Community Development Committee and Cities and Towns Advisory Committee

From: Yesenia Lemus, Community Development Program Coordinator and Krista Fotou,  
Community Development Program Coordinator

Subject: Proposed conversion of five affordable rental units to affordable homeownership units by amending and releasing the units from the Commission's Regulatory Agreement and forgiving the principal and accrued interest for a 1994 HOME loan for Sea Ranch 14.

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### Background

Burbank Housing Development Corporation (BHDC) is a non-profit affordable housing developer, owner, operator, and property management company. In 1985, BHDC acquired 14 affordable single-family rental units in Sea Ranch, CA, referenced as Sea Ranch 14. In 1994, BHDC constructed 31 additional single-family rental units of the same design, referenced as Sea Ranch 31. Sea Ranch 31 are the only units financed in part with Low Income Housing Tax Credits (LIHTC). Collectively, the 45 rental single-family units are known as Sea Ranch Apartments. The Sea Ranch Apartments are the only low-income housing available in Sea Ranch, and they directly support its essential workforce and long-term residents.

The Sea Ranch Apartments, under a 1985 subdivision agreement, have been subdivided into individual lots and have unique assessor parcel numbers (APN's), water meters, and gas meters. All 45 units are encumbered with varying long-term affordability covenants and regulatory agreements. On November 15, 1994, the Sonoma County Community Development Commission (Commission) approved a HOME Invest Partnerships Program (HOME) award of \$367,250 as a loan to BHDC to acquire 14 units of the Sea Ranch Apartments. The HOME loan was fully expended in 1994 during the acquisition and remains a debt on the property.



The Sea Ranch Apartments, all 45 affordable rental units, face two primary ongoing financial feasibility issues: (1) the operating costs, being in a very remote location near the coast, have far surpassed the maximum potential revenue, and (2) the late 1980's, early 1990's construction and product design have not performed well in the particularly corrosive ocean-side climate at Sea Ranch. For several years, BHDC has diligently sought to address the rapidly advancing physical deterioration and financial concerns by seeking out both public funding and contributing nearly two million dollars (\$2,000,000) of corporate cash directly to the property. Unfortunately, the estimated hard costs of \$11 million or more to bring the units up to a minimum living standard is far greater than BHDC has been able to source internally and externally.

### **Proposed Project**

To preserve affordable housing inventory in Sea Ranch, rehabilitate the units, and ensure long-term physical resiliency, BHDC has designed a project plan for all 45 units that will accomplish each of these goals. BHDC is proposing to revitalize Sea Ranch Apartments as follows: (1) perform extensive renovations of each unit, and (2) create affordable homeownership opportunities. Starting with five vacant units from Sea Ranch 14 (Proposed Project) they intend to renovate and convert all 45 units to affordable homeownership units in phases.

The Proposed Project would be financed through forgiveness of the 1994 HOME loan and with a construction loan to be repaid with the proceeds generated through the home sales. BHDC will draw from its CalHome Disaster Assistance award to provide down payment assistance to all eligible homebuyers. In addition, the site is located in a USDA-eligible area which will allow homebuyers to apply for USDA Section 502 first mortgages, where the first mortgage rates offer subsidy recapture that in turn secures interest rates as low as 1%. Additionally, an existing agreement with the Sea Ranch Homeowners Association (HOA) provides for subsidized community assessments and dues. This agreement will be incorporated into the Proposed Project so that the homebuyers will benefit from the subsidized HOA fees. Finally, to ensure the physical resiliency of the units, BHDC will coordinate home warranty contracts on behalf of the new owners and implement a maintenance plan for service.

Currently, BHDC would like to renovate the five vacant proposed units at Sea Ranch 14 and offer them for sale to eligible low-income first-time homebuyers with priority given to current residents at Sea Ranch Apartments. For BHDC to sell the five units as affordable homeownership units, BHDC is requesting the Commission forgive the HOME loan for the Sea Ranch 14 project, inclusive of the principal and interest accrued through May 1, 2025, in an amount not to exceed \$701,854, placing any overage of funds available after completion of the renovations and conversion to affordable homeownership into a repair reserve funding a 10-year extended warranty program administered by BHDC. Per the Commission's loan policies, requests for loan forgiveness must come before the Community Development Committee and Cities and Towns Advisory Committee (Committees) for their recommendation of approval to the Board of Supervisors. While the federal HOME program regulations allow for the local

jurisdiction to administer the HOME funds either as a grant or loan to eligible projects, the 1994 HOME funds were awarded as a loan to BHDC.

In addition to the loan forgiveness, BHDC is also requesting the five converted units be released from the existing Regulatory Agreement for Sea Ranch 14. At the time of purchase, each homebuyer will enter into a new Regulatory Agreement with a 55-year deed restriction recorded against each unit to ensure the long-term affordability. Further, Burbank will place resale restrictions on the homes restricting the homes to income-qualified buyers. This allows the new owners to benefit from appreciation tied to increases in area median income over time, in addition to loan amortization and donated down-payment equity. In some cases, ownership will provide a deeper level of affordability than renting. In all cases, ownership will provide a greater opportunity for wealth building for lower-income households, even with long-term affordability covenants in place. The Commission will be named as the second party in line to Burbank in exercising any option to purchase the homes.

After the first five units are converted, renovation will be conducted on a unit-by-unit basis at Sea Ranch 14 and Sea Ranch 31 subject to California Tax Credit Allocation Committee (TCAC) approval and will be brought back to the Committees at each phase for review as units are sold over time due to turnover, vacancies, late buyers, etc. BHDC has requested TCAC's approval of the modification of the existing 55-year TCAC Regulatory Agreement to help facilitate the conversion of the rental units to for-sale homeownership units at Sea Ranch 31. Note that TCAC's approval is not required for Sea Ranch 14 which was not financed by LIHTC nor subject to a TCAC's regulatory agreement.

Throughout the Proposed Project, no resident at Sea Ranch Apartments will be forced to permanently relocate. Units not sold for homeownership will continue to stay in Burbank's portfolio as rental units owned and managed by BHDC. The long-term goal is to convert 100% of the 45 units at Sea Ranch Apartments into homeownership and this may take several years.

By approving the loan forgiveness and the modifying the Commission's Regulatory Agreement to allow the 5 units' conversion to affordable homeownership, the Commission sees this as a unique opportunity to work towards achieving the Sonoma County Housing Elements goals. The recommended action supports Housing Elements goals by retaining existing affordable housing units, providing housing opportunities for affordable homeownership, and incentivizing senior housing. The conversion of affordable rental units to affordable homeownership units will not result in a decrease to the County's affordable housing stock.

### **Recommended Action**

Recommend the Board of Supervisors approve the proposed conversion of 5 affordable rental units to affordable homeownership units by amending and releasing said units from the Commission's Regulatory Agreement and forgiving the principal plus accrued interest for Sea Ranch 14's 1994 HOME loan in an amount not to exceed \$701,854, with any remaining amount placed into a repair reserve to fund an extended warranty program administered by BHDC for a period of 10 years, or until the balance of the repair reserve is exhausted.

**Attachments:**

Attachment 1 – Current Conditions & Example Renovations

Attachment 2 – Sales Plan

Attachment 3 – Project Timeline

**Current Exterior Condition of Units**



**Recently Renovated Unit**









Renovated unit has new siding, energy efficient windows and accessible crawlspaces under deck and in bathroom for easier home maintenance.

## **Sea Ranch Sales Plan**

### **Overview**

Burbank Housing has over 40 years of experience selling affordable homes throughout the North Bay. Burbank will be utilizing committed local and state funding to provide gap financing for eligible homebuyers. The financing provides the gap between the purchase price of the home and the mortgage amount buyers can afford. Burbank received an HCD grant for CalHome Disaster Assistance funding, which all eligible buyers will be able to utilize for Sea Ranch purchases. Additionally, the Burbank Homeownership Department has taken steps to obtain its USDA 502-loan packaging recertification, which will allow Burbank to package first mortgage loans directly with USDA and will provide buyers with the 502-loan program with offers 1% mortgage rates.

### **Education and Outreach**

In 2023, Burbank provided residents the opportunity to learn more about the opportunity to purchase a home at the Sea Ranch community. In addition to providing an overview of construction and rehab process, the Homeownership team provided individual one on one counseling for each resident at Sea Ranch. These counseling sessions consisted of income and asset analysis, credit reporting/repair opportunities and availability of resources.

Burbank will hold several more in person group and individual meetings to help prepare interested buyers for the homeownership opportunity. These meetings will consist of income and credit education, home maintenance and financing education. Additionally, Burbank Housing will require each homebuyer to take a HUD certified 8-hour homebuyer education course that will help to reinforce the concepts that the ownership team will work on with the homebuyers.

### **Financing Structure/Terms**

#### **First Mortgage Loans:**

##### **USDA 502 Program**

1. 33-38 year loan terms
2. Low interest rates subsidized to 1%
3. Available only in certain geographic areas, Sea Ranch is an eligible location

#### **Second Mortgages:**

##### **CalHOME (HCD/Burbank Housing)**

1. Loan deferred for 30-years (acceptable to use with USDA 502)
2. Up to \$200,000
3. 1% simple interest rate
4. Available for eligible purchases in Sonoma County

##### **BHDC HAC or Housing Trust Reuse Fund**

1. Loans deferred for up to 45-years
2. Up to \$2,000
3. 1% simple interest or shared appreciation depending on source
4. Available only for Burbank resales

### **Long-term Affordability Covenants**

Burbank Housing is a steward of tens of millions of dollars of downpayment assistance loans, that require ongoing monitoring. Additionally, Burbank Housing developments all require affordability covenants which require ongoing monitoring for owner occupancy and program compliance. At sale, buyers will enter into a 55-year resale affordability deed restriction agreement with Burbank Housing, which will require buyers agree to annual monitoring and compliance, restricted resale value calculations, and will provide Burbank with the first right of refusal. Burbank will manage this monitoring process in collaboration with the Homeownership Neighborly Database, with oversight from in-house legal. Burbank's goal is to create long term affordable housing opportunities to low-income buyers, that remain affordable long term, regardless of market conditions.



## **Sea Ranch Project Timeline**

### **2025 – Phase 1 (Five Units)**

March 2025

- Obtain approval from County of Sonoma on loan forgiveness and modification of regulatory agreement for Phase 1
- Obtain approval from CTCAC to modify regulatory agreement for Sea Ranch 31

March - May 2025

- Homebuyer meetings (these will be continuous throughout the year)
- Begin processing applications and qualifying applicants
- Begin signing purchase contracts

May - August 2025

- Rehab construction on first phase of units sold

### **After Phase 1**

- Rehab will be conducted on a unit-by-unit basis as units are sold over time due to turnover, vacancies, late buyers, etc.
- Units not sold for homeownership will continue to stay in Burbank's portfolio as rental units owned and managed by Burbank.
- The long-term goal is to convert 100% of the 45 units at Sea Ranch into homeownership.