

Human Services Dept. Representative: Oscar Chavez (Chair), Tenant Representative: Jessica Vega, *Vacant*1st Dist: Betzy Chavez (Vice Chair) | 2nd Dist: Vacant | 3rd Dist: Susan Adams | 4th Dist: Vacant | 5th Dist: Linda Garcia

Dept. of Health Services Representative: Tina Rivera

# Joint Special Meeting of the Committee Development Committee & Cities & Towns Advisory Committee

Tuesday, June 29, 2021 12:30PM-2:00PM

Meeting Recording: <a href="https://www.youtube.com/watch?v=T1GQC4mV">https://www.youtube.com/watch?v=T1GQC4mV</a> aw

#### Minutes

### 1. Call to Order and Roll Call (12:33PM - Quorum reached)

Community Development Committee Attendees:

Betzy Chavez (1st District)

Susan Hollingsworth Adams (3rd District)

Linda Garcia (5th District)

Jessica Vega (Tenant Representative)

Judith Morgan (Tenant Representative)

Absent:

Oscar Chavez (Human Services)

Vacant:

2<sup>nd</sup> District

4<sup>th</sup> District

Cities & Towns Advisory Committee Attendees (CTAC):

Cloverdale Kevin Thompson

Cotati Craig Scott
Rohnert Park Jenna Garcia

Healdsburg Stephen Sotomayor Sebastopol Kari Svanstrom

Absent:

Sonoma David Storer
Town of Windsor Jessica Jones

### 2. Public Comments for Items Not on the Agenda (5 minutes)







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One of the applicants asked if this was the right time to request that the public hearing item on the agenda be pulled. CTAC Committee Member Jenna Garcia explained that it was not. Garcia explained that the correct time is in the public comment segment of the public hearing.

# 3. Public Hearing: Community Development Block Grant and HOME Investment Partnership Capital Projects for Fiscal Year 2021-22

CTAC Committee Member Garcia introduced the public hearing item, explained to everyone how the meeting would run and the order in which the items would be heard.

Tina Rivera, the Interim Director for the Community Development Commission, reviewed a summary of the staff reports, including number of projects, applicants, and types of projects requesting funding from CDBG and HOME funds. Rivera explained that due to Department of Housing and Urban Development's (HUD) guidance to staff, some projects were determined to be ineligible for funding. Should the committees decide to recommend funding different from staff recommendations, the committees would need to provide an explanation to HUD as to how their recommendation complies with federal funding policies. Staff funding recommendations:

Project Sponsor	Funding Recommended
City of Healdsburg	\$135,000 CDBG
City of Sebastopol	\$132,700 CDBG
Sweet Water Springs Water District	\$936,777 CDBG
Catholic Charities	\$0 CDBG
Caulfield Lane Senior Housing	\$0 CDBG
Danco Communities	\$0 CDBG
SCCDC (Housing Rehab)	\$0 CDBG
Danco Communities	\$660,323 HOME
Sonoma County Housing Authority	\$ 82,448 HOME

CD Committee Member Linda Garcia asked what would happen with funds not awarded in this cycle. Garcia spoke of concerns about sponsors requesting funds for accessibility projects and asked what support the applicant cities (Sebastopol and Healdsburg) have provided for these projects. Garcia also expressed that HUD's guidance should have been shared with committee members as soon as it was known to staff.

CTAC Committee Member Kari Svanstrom spoke about the ADA improvements that have







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been made to city hall in Sebastopol. CTAC Committee Member Sotomayor informed the committees that the director of public works for the city of Healdsburg, Larry Zimmer, was in attendance and could speak to the project in Healdsburg. Mr. Zimmer provided further details about how the requested funds would be used.

CD Committee Member Susan Adams stated support for the Catholic Charities project and asked Tina Rivera for clarification on eligibility of the homeless aspect of the project. Ms. Rivera explained that if the committee chooses to fund this project, an explanation would be required by the committee to HUD detailing how their decision complies with funding policies. Adams asked if in the opinion of the Interim Director, should the project be elevated [considered] for funding. Rivera answered that it should be.

CD Committee Member Linda Garcia asked what happens to funds not awarded in this cycle and whether another committee meeting would be needed if HUD overrules the committees' justification for recommended funding. Ms. Garcia asked whether funding decision needed to be decided for all projects in this meeting or could the committees vote now for cities' projects and then consider the other projects separately. Interim Director Rivera confirmed that a decision needed to be made in the meeting to meet the timeline for submission to HUD. Ms. Rivera clarified that HUD would be more open to consider funding for projects that address homelessness..

CTAC Committee Member Stephen Sotomayor asked about the scalability of the Sweet Water Springs project to receive partial funding. CDC staff Marc Chandler indicated that the project could be scaled but may be delayed with partial funding.

CTAC Member Craig Scott asked whether all cities submitted applications and how much time cities had to apply for funding. He also asked what would happen to the unallocated HOME funds. CDC staff Valerie Johnson responded that unallocated HOME funds would be carried to the next funding cycle.

CTAC Member Sotomayor asked about the possibility of a mid-year NOFA and whether there is time limit to allocate remaining funds. Ms. Johnson explained that there is a five-year time limit; in this case, funds would be rolled over to the cycle that begins in fall 2021. Sotomayor asked if the projects not recommended for funding would impact other project milestones. Interim Director Rivera stated that Linda Tunis project is shovel ready and Danco Meridian does not have entitlements at this time.

CTAC Member Jenna Garcia asked Rivera for clarification regarding HUD's input, specifically







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whether this was guidance or a formal determination. The Interim Director responded that the HUD information provided was guidance.

The public hearing was opened.

Mary Stompe of Pep Housing clarified that the Linda Tunis project would serve the entire county and not only City of Santa Rosa residents. She spoke in support of the project.

Chris Dart of Danco Communities clarified that the Meridian at Corona project does not require entitlements as a by-right project under AB2162. He spoke in support of the project.

Len Marabella of Catholic Charities clarified that the Caritas project is not a housing project, but a bridge from homelessness to housing and is unique in the county. Len spoke in support of the project.

Ed Fortner spoke in support of the Sweet Water Springs water project and explained how funds would be used, including replacement of lead pipe water line and improved fire suppression with better water pressure.

Jim Wallen of Pep Housing stated that if Linda Tunis does not receive funding, the project cannot start construction in September, but the project can be scaled. He spoke in support of the project.

Rosa Reynosa of the town of Windsor spoke in support of the Linda Tunis project.

Krista of Pep Housing spoke in support of the Linda Tunis. She informed the committees that the project has raised millions in funding but is not eligible for CTAC funding.

The Co-Chairs discussed how the questions and comments in the Q&A webinar would be addressed and requested this information to be posted on the website.

The public hearing was closed.

The committees then deliberated the funding requests and staff recommendations.

CTAC Member Jenna Garcia asked for confirmation about whether the committees have funded the Caritas project in the past and whether HUD supported this. Rivera answered yes.







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CD Committee Member Linda Garcia stated that that the projects not recommended for funding by staff still have merit. Garcia expressed concerns about approving funding for projects that are ineligible per HUD and made a motion to table the discussion and honor staff recommendations.

Rivera clarified that staff made a recommendation based on HUD's guidance and felt that the final funding recommendations should be made by the Committees. HUD must authorize all allocations before any money can be spent. Rivera encouraged the committees to make a decision immediately to avoid the risk of losing CDBG dollars.

CD Committee Member Susan Adams seconded the motion made by Linda Garcia. Adams asked Rivera for the CDC's hard deadline and for clarification as to whether the committee could or could not recommend funding for the projects.

Ms. Rivera clarified that staff did not say the committees could not recommend funding to projects being presented but rather that staff felt this decision should be made by the committees. Rivera also explained that initially staff had recommended funding for all projects but were not certain that HUD would approve the Linda Tunis and Danco projects based on past experience.

Adams asked staff whether the Caritas project could move forward without a funding award. Maria Contreras of CDC staff responded that the project sponsor has raised a lot of money and may be able to move forward.

CD Committee Member Judy Morgan said she was impressed to hear that the Caritas project would be the only one of its kind in the county and would benefit the urban county.

CD Committee Member Linda Garcia rescinded her motion and restating that while she considers all applicant projects worthwhile, only one project appears to serve the urban county.

CD Committee Vice-Chair Betsy Chavez turned over the question session to CTAC Committee.

The funding priorities were displayed and read by CTAC Chair Jenna Garcia. Garcia also reviewed the geographic equity chart in the staff report showing how much has been allocated to the urban county cities over the last six years. CTAC Member Svanstrom asked







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about the CDBG loan that was given to Linda Tunis project by the City of Santa Rosa and whether the committees could recommend a loan as well as funding for applicant projects. Svanstrom also asked for the developer fee for the Meridian project.

CDC staff Maria Contreras explained that CDBG funds are given in the form of a loan and sponsors could repay that money back to CDC. The developer for Meridian, Chris Dart, explained that they are a for-profit developer partnering with a non-profit organization. In the proposed project the total development fee would be 7.5% of the total development cost.

CTAC Member Craig Scott asked whether the committees deciding to fund projects not recommended by staff would that reduce the allocation for projects that are being recommended. Scott asked if Danco is the only project requesting both CDBG and HOME funds and whether projects in the CDBG category could be transferred to the HOME funds category. Jenna Garcia explained that staff funding recommendations are for the total available funding, therefore funding the other projects would reduce funding amounts for the recommended projects. CDC staff Maria Contreras indicated that CDBG projects cannot be funded by HOME funds.

CD Committee Member Susan Adams requested clarification of data in the geographic equity chart involving past allocations made to Sebastopol and Healdsburg. Jenna Garcia explained that the chart shows that those cities have been over funded and explained the six-year allocation based on Low/Mod population..

Adams made a motion to allocate \$500,000 to Caritas project and reduce the allocation to Sweet Water Springs Water District accordingly for an allocation of \$704,447. The motion was seconded by Linda Garcia.

Adams asked Jenna Garcia what her opinion was about this motion. Garcia shared her opinion that the committees should make a motion to fund projects where both committees want to see it go based on the committees' funding priorities. Garcia suggested that the funding recommendations include the contingency that if HUD does not approve the allocations, staff would come back to the committees to re-allocate funds.

Kari Svanstrom asked if the motion could include that if Caritas cannot be funded then the Sweet Water Springs Project would be fully funded. Adams agreed to amend the motion to include both Jenna Garcia's and Kari Svanstrom's request. CD Committee Member Jessica Vega expressed support for the amended motion. Linda Garcia, who had seconded the







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motion, also agreed with the amendment.

Jenna Garcia shared a spreadsheet showing the different funding allocation scenarios.

The motion was opened for discussion. Jenna Garcia expressed support for the Caritas project. Garcia also stated support for Linda Tunis project, because they are shovel ready. Caritas has received funding in the past and Danco is not ready to spend any funds. Garcia expressed support to fund Sweet Water Springs, Caritas, and Linda Tunis projects.

Linda Garcia asked whether the Linda Tunis project had received funding in the past from these committees. Staff confirmed that Linda Tunis received \$500,000 earlier this year. Susan Adams asked what Catholic Charities had received at that time. Staff answered that this sponsor had not applied for funds at that time.

Svanstrom stated support for the urban county cities, specifically for more funding for Sweet Water Springs than proposed. Linda Garcia acknowledged the motion on the table for the CD Committee. Susan Adams asked Rivera for input on which project, if awarded, would be most ready to serve the public between Caritas and Linda Tunis. Rivera indicated agreement with Jenna Garcia on awarding more to Linda Tunis as a shovel-ready project.

Sotomayor expressed support to fund projects for urban county cities such as Sweet Water Springs and to partially fund a housing project that serves the county. He supported reducing Linda Tunis and Caritas projects and providing partial funding for the urban county cities. Linda Garcia expressed her concern about the Linda Tunis project providing only 25 units. She supports funding projects in the urban county cities.

The motion by the CD committee on CDBG funds was amended to reflect as follows: \$42,500 for Healdsburg; \$50,000 for Sebastopol; \$705,000 for Sweet Water Springs; and \$406,977 for Catholic Charities (Caritas) contingent upon Caritas being eligible for funding per HUD's guidance, and if not, then the contingent allocation is to follow the CDC staff recommendation of \$135,000 for Healdsburg; \$132,700 for Sebastopol; and \$936,777 for Sweet Water Springs.

Judy Morgan expressed her sentiments during the CD committee roll call vote about not awarding any funds to the Linda Tunis project.

#### CD Committee Vote on CDBG funds:

Ayes: Betsy Chavez, Susan Adams, Jessica Vega, Linda Garcia, Judy Morgan







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Noes: none

Absent: Oscar Chavez

Kari Svanstrom then made a motion to recommend funding consistent with CD committee's recommendation breakdown for CDBG funds. Svanstrom stated the breakdown. Stephen Sotomayor seconded.

#### CTAC Committee Vote on CDBG funds:

Ayes: Kevin Thompson, Craig Scott, Stephen Sotomayor, Jenna Garcia, Kari Svanstrom

Noes: none

Absent: Jessica Jones, David Storer

Motion passed for both committees.

Interim Director Rivera reviewed available HOME funds, which is \$619,053 and staff's recommendation of \$82,488 for tenant based rental assistance program with the remaining balance of \$536,565 to be rolled over to the next NOFA.

Co-Chair Chavez asked the CD committee for a motion. Susan Adams made a motion to recommend funding based on staff recommendation. Linda Garcia seconded.

#### CD Committee Vote on HOME funds:

Ayes: Betsy Chavez, Susan Adams, Jessica Vega, Linda Garcia, Judy Morgan

Noes: none

Absent: Oscar Chavez

The motion passed.

CTAC member Svanstrom asked if the committee could recommend a higher amount than what is being recommended for the County's tenant based program and whether the remaining funds could be lost if not allocated. CDC staff Valerie Johnson responded that the committee should not recommend more than what is requested. Rivera explained that rolling over the remaining funds to the next NOFA enables the county to retain HOME funds, rather than lose those remaining funds.

Craig Scott made a motion to approve the recommendation. Kari Svanstrom seconded.







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## CTAC Committee Vote on HOME funds:

Ayes: Kevin Thompson, Craig Scott, Stephen Sotomayor, Jenna Garcia, Kari Svanstrom

Noes: none

Absent: Jessica Jones, David Storer

The motion passed.

Meeting adjourned.



