



Sonoma County Community Development Commission
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Date: June 29, 2021

To: Community Development Committee and
Cities & Towns Advisory Committee

From: Valerie Johnson, Housing Asset & Program Compliance Specialist

Subject: Item 5: CDBG & HOME for Capital Projects Staff Reports

Summary of FY 2021-2022 Funding Recommendations

Staff recommends that to further the priorities set by the Committees last fall for the FY 2021-2022 Funding Cycle, the following set of Capital Project investments. Staff assessment is that the following projects will meet the policy goals of the Commission and will be able to comply with the regulatory requirements, especially meeting defined objectives of each funding source and timely spending of awarded funds. The chart below also summarizes which applicant projects staff recommends cannot be funded with FY 2021-2022 allocations. As noted, some of these projects may be eligible for funding under future annual funding cycles, or as program income is received or funds are reprogrammed mid-year. The Committees may want to consider the creation of a list of projects that should receive funding priority when additional resources become available.



CDBG

Sponsor	Project	Ask	Recommendation	Summary of Staff Rationale
Accessibility and Infrastructure Projects				
Healdsburg	Ward Street Neighborhood Revitalization	\$135,000	\$135,000	Project makes investments that improve connectivity and access to amenities in a low-mod income neighborhood. Funds can be spent within the timeliness provisions of the funding policies.
Sebastopol	City Hall ADA	\$132,700	\$132,700	Project makes investments that improve connectivity and access to amenities in a low-mod income neighborhood. Funds can be spent within the timeliness provisions of the funding policies.
Sweetwater Springs Water District	Sweetwater Springs Water Improvement	\$1,013,230	\$936,777	Project improves water pressure and quality for 60 homes in a low-mod area. Pressure will enable fire hydrants to be placed in area, and will improve water quality for district which is composed of over 2000 homes in a historically underserved area.
Housing Projects				
Catholic Charities	Caritas Center	\$500,000	\$0	Due to a new determination from HUD regarding the Urban County this project is not recommended for funding.
Caulfield Lane Senior Housing, Inc.	Linda Tunis Senior Apartments	\$850,000	\$0	Due to a new determination from HUD regarding the Urban County this project is not recommended for funding.
Danco Communities	Meridian at Corona Station	1,460,906	\$0	Due to a new determination from HUD regarding the Urban County this project is not recommended for funding.
SCCDC	Housing Rehab Program	\$1,200,000	\$0	Program still has funds available from FY 20-21 allocation
Total Requested		\$5,291,836	\$1,204,477	
Available		\$1,204,477	\$0	Includes the FY 21-22 CDBG allocation for capital projects of \$1,204,477 and available program income in the amount of \$0

HOME

Sponsor	Project	Ask	Recommendation	Summary of Staff Rationale
Danco Communities	Meridian at Corona Station	\$660,323	\$0	Due to a new determination from HUD regarding the Urban County this project is not recommended for funding.
Sonoma County Housing Authority	Tenant Based Rental Assistance	\$82,448	\$82,488	Funds will ensure that 12 vulnerable households maintain housing stability while securing access to long-term rental assistance or affordable housing units. Funds will be spent within the timeliness provisions of the funding policies. Housing Authority has carryover of funds from last year and combined with the amount recommended will amount to the full ask.
CHDO Reserve		\$123,781	\$0	There were no CHDO application in this funding cycle
Total Ask/Total Recommendation		\$742,771	\$82,488	
Available		\$619,053	\$536,565	Includes the estimated FY 21-2022 HOME Allocation plus \$0 in Program Income

Jurisdiction	Low/Mod Income Populatio n (≤80% AMI)	Total Population	Percent of Populatio n that is Low/ Mod Income	Percent of the County's Low/Mod Income Population	Percentage of the County's Total Population	6-year Allocation based on Low/Mod Population	FY 19-20 Award	FY 20-21 Award	FY 21-22 Funding Recommendat ion	Est. Balance of Funds Available
	Cloverdale	3,735	8,625	43.30%	3.56%	3.34%	\$256,320	\$ -	\$ -	\$ -
Cotati	2,910	7,360	39.54%	2.77%	2.85%	\$199,440	\$ -	\$160,000	\$ -	\$39,440
Healdsburg	4,715	11,475	41.09%	4.50%	4.44%	\$324,000	\$ 140,000	\$175,000	\$135,000	-\$126,000
Rohnert Park	19,405	41,580	46.67%	18.50%	16.08%	\$1,332,000	\$ -	\$ -	\$ -	\$1,332,000
Sebastopol	3,470	7,455	46.55%	3.31%	2.88%	\$238,320	\$ 146,040	\$180,000	\$132,700	-\$220,420
Sonoma	3,645	10,635	34.27%	3.48%	4.11%	\$250,560	\$ -	\$ -	\$ -	\$250,560
Windsor	7,400	27,095	27.31%	7.06%	10.48%	\$508,320	\$ -	\$ -	\$ -	\$508,320
Balance of Sonoma County	59,585	144,380	41.09%	56.82%	55.83%	\$4,091,040	\$1,002,461	\$115,920	\$336,777	\$2,635,882
Total	104,865	258,605	40.55%	100.00%	100.00%	\$7,200,000	\$ 1,288,501	\$630,920	\$ -	\$5,280,579

Shaping Future Geographic Equity in the Unincorporated County

Over the coming Consolidated Planning period (2020-2025), the Commission will work in close coordination with marginalized and underserved communities and the stakeholders and partners that work with these communities to make investments that create housing in high opportunity communities and capital project investments that improve access to amenities, infrastructure, and services for those who have been historically underserved in Sonoma County. Below is a list of the 11 unincorporated communities that have the highest low to moderate income populations compared to the rest of the unincorporated county. It will be important to work closely with residents of these communities in particular:

Census Designated Place	Low/Mod Income Population (<=80% AMI)	Total Population	Percent of Population that is Low/ Mod Income	Percent of the County's Low/Mod Income Population	Percentage of the County's Total Population
Fetters Hot Springs-Agua Caliente CDP	2,775	5,010	55.39%	2.65%	1.94%
El Verano CDP	2,210	3,985	55.46%	2.11%	1.54%
Guerneville CDP	2,085	3,790	55.01%	1.99%	1.47%
Geyserville CDP	1,115	1,730	64.45%	1.06%	0.67%
Geyserville CDP	735	1,090	67.43%	0.70%	0.42%
Monte Rio CDP	710	1,005	70.65%	0.68%	0.39%
Fulton CDP	380	640	59.38%	0.36%	0.25%
Valley Ford CDP	140	155	90.32%	0.13%	0.06%
Cazadero CDP	135	225	60.00%	0.13%	0.09%
Bodega CDP	135	210	64.29%	0.13%	0.08%
Salmon Creek CDP	25	45	55.56%	0.02%	0.02%
Total	10,445	17,885	58%	9.96%	6.92%

Committee Policy Direction

Direction on funding priorities from the Committees as adopted in the FY 2021-2022 Funding Policies is as follows:

- Preference for projects that create or preserve affordable housing
- Preference for infrastructure or public facilities that support creation or preservation of affordable housing
- Preference for infrastructure or public facilities that support low or moderate-income populations
- Preference for projects that demonstrate ability to spend grant funding within the applicable timeliness provisions.
- Preference for projects that demonstrate need with evidence.
- For Non-Housing Projects: preference for projects that leverage public funds to the greatest extent possible or projects that meet a particular community need that cannot be met by other funding sources.
- Preference for projects that prevent displacement in high opportunity areas.
- Preference for housing projects with deep income targeting and special needs populations.

- Preference for projects that alleviate the impact of climate change on low-income populations.
 - Examples include:
 - infill development
 - infrastructure to reduce environmental impacts in LMA communities including:
 - new energy-efficient housing construction
 - Considers mobility needs of low-income people
 - Projects that are aligned with local jurisdiction’s General Plan Climate Change Element & Equity Element

For Housing Projects: preference for:

- Projects that demonstrate funds will be leveraged against total development costs at least 7:1
- Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting
- Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years
- Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

Awards should be made with holistic attention to the following distribution of investments:

- Balance projects with fast results with funding predevelopment for projects that need early money to be successful
- Balance creation of new housing stock with maintaining existing housing stock and keeping people in their homes.
- Make investments in low- and moderate-income areas that haven’t had investments historically and in high opportunity areas that increase access for low and moderate-income people.

Requested Action

Staff requests that the Committee approve or make changes to the above recommendations to include the proposed Capital Projects funding awards in the FY 2021-2022 Draft Action Plan, which will be recommended for approval by the Board of Supervisors at the Public Hearing of the Community Development Committee and the Cities and Towns Advisory Committee at the July 21, 2021 Public Hearing.

CITY OF HEALDSBURG– WARD STREET REVITALIZATION PROJECT

Amount Requested: \$135,000

Funding Source: CDBG

Total Project Costs: \$135,000

Project Type: Public Facilities & Improvements

Use of Funds Requested: Environmental & Engineering

Project Description Summary from Applicant's Submitted Application

The City of Healdsburg is seeking \$135,000 in CDBG funding to complete a planning study, environmental analysis, and engineered plans specifications and estimate to revitalize a blighted neighborhood. Specifically, the work will include a full survey to locate property lines, assessment of current storm water conditions, pedestrian connectivity to the rest of the City, sidewalk gap closures, determination of method to repair failed pavement, and overall bike and pedestrian safety. The CDBG funds will only be used for planning, and design to create a shovel ready project for future grant, or city funds to construct in future.

The area to be considered includes Healdsburg Avenue from Adeline Way to South University Street along with the entire area to the north of Healdsburg Avenue encompassed Adeline Way, Ward Street. Palm Avenue. S. University Street and the portion of Exchange Avenue that connects S. University and Palm. This neighborhood has a blighted appearance, lacks connected pedestrian walkways internally and in connection with the city business district. This area is primarily populated by the lowest income levels in the city. Recently the neighborhood has suffered from high crime levels including a recent shooting.

FY 21-22 CDBG & HOME for Capital Projects Threshold Criteria

Is the application complete?

Due to the short timeline given to applicants the resolution was not able to be approved by the City Council but an unsigned draft resolution for the August 2, 2021 meeting and letter of support has been provided by the City.

Eligible Activity:

The project qualifies under Public Facilities and Improvements and meets the National Objective of serving a Low and Moderate Income Area Benefit. Additionally the project meets the Low and Moderate Income Limited Clientele National Objective because it will remove architectural barriers that limit the accessibility of elderly persons or adults with severe disabilities, who are presumed to have low and moderate-incomes under CDBG regulations.

If applying for CDBG funds, does the proposed project meet a CDBG National Objective?

Yes, the project will benefit low and moderate-income individuals a service area (a census block group) where more than 51% of residents are low to moderate income. The service area has a low to moderate income population of 56.68% according to the 2011-2015 Low and Moderate Income Survey Data provided by HUD.

Does the project Affirmatively Further Fair Housing?

The project makes an investment in a low-income neighborhood that lacks connectivity on par with more affluent neighborhoods within the City of Healdsburg.

Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?

The applicant is a governmental agency and a member of the Urban County and therefore an eligible recipient per CDBG regulations.

Does the application demonstrate administrative capacity or request assistance of the Community Development Commission to effectively deliver the proposed project?

Yes, the City of Healdsburg has a history of successful management of projects using CDBG and other federal funds.

If serving people who are homeless, does the project meet the standards of Home Sonoma?

Does not apply to this project.

For CDBG applicants, does the project serve Urban County? For HOME applicants, is the project located in a member jurisdiction of the HOME consortium?

This project serves a neighborhood in the City of Healdsburg, which is a part of the Urban County.

FY 21-22 CDBG & HOME for Capital Projects Selection Criteria

Funding Priorities

1. Creation or Preservation of Affordable Housing.
2. Infrastructure or Public Facility Supporting creation or preservation of affordable housing.
Not applicable – this is a housing project.
3. Infrastructure or Public Facility Supporting low or moderate-income populations.
Yes. This project will improve existing infrastructure in a Low and Moderate Income Service Area.
4. Projects that prevent displacement in high opportunity areas.
This project will improve an area at risk of gentrification and displacement, but does not provide any displacement protections.
5. Projects that alleviate the impact of climate change on low-income populations.
This project considers the mobility needs of low-income people including:
 - Improved linkages to public transportation
 - Supports people with limited mobility who cannot walk very far or ride bikes.

- Provides neighborhood safety that promotes walking and biking.

Readiness to Proceed

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Work can begin immediately after approval to expend funds. The first step will be a Request for Proposals to a survey/design firm to complete initial planning, design, and environmental assessment. Completed plans are expected approximately 12-18 months after authorization to proceed.

Environmental clearance in accordance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

A portion of the CDBG funding received will be directed toward commissioning a NEPA environmental review, which will analyze the potential environmental impacts of project.

Is the proposed project consistent with the General Plan?

Yes. The City of Healdsburg Interim Community Development Director provided a letter demonstrating this project's conformance to the City's General Plan.

Does the applicant possess site control?

Yes, the proposed construction will be in the public right-of-way.

Need

This is the area of the City with the least expensive rents and housing prices and is home to many of the cities labor force. The area is limited to the north by the railroad line and to the east by the Russian River. The lack of continuous walkways, poor pavement, and poor drainage limit its residents from walking and biking to easily accessible destinations, including shopping, schools, daycare, and places of work. The missing sidewalks, broken pavement and ponding water make this area feel like the "wrong side of the tracks."

Financial Feasibility

If funded, city staff will advertise a Request for Proposals from engineering firms to survey the area and determine property lines, drainage patterns both above ground and in the underground pipe systems. Using this information, the city can fill in the gaps in the sidewalk system, design a storm drain system that eliminates ponding and future roadway damage. The engineering will include determination of proper rehabilitation and reconstruction of the failed portions of roadway.

Outcomes

The neighborhood lacks pedestrian connections to other parts of the city. The addition of sidewalks, curb and gutter, quality pavement and proper drainage will bring this neighborhood up to the standards expected in the City of Healdsburg and will create an atmosphere of equality.

Walkable communities also offer many financial benefits, such as reduction in healthcare costs and physical incentive to inspire residents to walk and connect more, providing the means to making a vibrant and socially connected community.

Leverage (Housing Project)

NA – This is a not a housing project.

Leverage and Meeting Community Need (Non-Housing Projects)

The funds requested are what is needed to complete a properly scoped, environmentally assessed, shovel ready set of plans and specifications ready for bid. This shovel ready project will make finding future grant funding (CDBG or other) possible. The City of Healdsburg will provide significant staff time contribution to the match the CDBG funds. The actual cost to the city to write and process RFP, negotiate and oversee the PSA, meetings with designer, plan reviews, meetings with the community, Council meetings etc. is estimated to be roughly \$15,000. Additionally, the City is committed to fund any shortfall to deliver the project as described in the grant.

Development Experience (Housing Projects)

NA – This is a not a housing project.

FY 2020-2021 Urgent Community Needs

1. Projects that serve the maximum number of people at the lowest income threshold.
Project will benefit a service area in which 56.68% of residents, a total of 955 people are low to moderate-income residents (at or below 80% area median income), qualifying the area as CDBG eligible.
2. Projects that expedite the creation of as many new rental housing opportunities as possible in areas of opportunity or improve access to important community assets in low-income communities, in particular, racially and ethnically concentrated areas of poverty. (Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.)
This project improves access to important community assets in a low-income community that has a significant Latino/a/x population, with nearly 55% identifying as such. More than 56% of households rent and of these renters, 57.3% have a high housing cost burden.

Analysis

Total development cost per unit (if applicable): NA

Total hard cost per unit (if applicable): NA

Pros for the Project:

- The project serves a neighborhood with many economic challenges, and improves equity in access to community amenities.

- Project encourages physical activities such as walking, and running, promoting the well-being of a community.

Cons for the Project:

- There is no committed monetary leverage. However, this project brings the level of services of this older neighborhood up to a level similar to that of other areas in the city.

Consequences of No Funding:

If full funding is not available an initial phase to scope the project is \$42,000. This includes full survey, property line research, storm water assessment, and preparation of preliminary estimate. This lesser amount will not provide a detailed environmental assessment, or engineered plans and specifications.

Staff Recommendation

Staff recommends fully funding this project at \$135,000.

CITY OF SEBASTOPOL– ADA UPGRADES TO THE SEBASTOPOL CITY HALL

Amount Requested: \$132,700

Funding Source: CDBG

Total Project Costs: \$132,700

Project Type: Public Improvements

Use of Funds Requested: Project management, design, construction and inspection

Project Description Summary from Applicant’s Submitted Application

The City of Sebastopol is seeking \$132,700 in CDBG funding for ADA site improvements for the City-owned City Hall. City Hall is a vital place for community members to contact City Government. The City population has a vital and robust group of involved seniors and people with disabilities. Access to City employees would be enhanced and serve a greater number of people if ADA access was improved. In fact, City Hall is a site of multiple meetings and presentations which clearly would better serve our public with improved ADA features.

FY 21-22 CDBG & HOME for Capital Projects Threshold Criteria

Is the application complete?

Yes.

Eligible Activity:

The project qualifies under the Matrix Code “03Z Public Improvement” and meets a National Objective of serving a Low and Moderate Income Limited Clientele because it removes architectural barriers that limit the accessibility of elderly persons or adults with severe disabilities, who are presumed to have low and moderate-incomes under CDBG regulations.

If applying for CDBG funds, does the proposed project meet a CDBG National Objective?

Yes, the project will benefit low and moderate income limited clientele (LMC).

Does the project Affirmatively Further Fair Housing?

By providing proper ADA access and services in this building, equal access and services are provided fairly to all segments of the population.

Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?

Yes, the City of Sebastopol is a governmental agency and part of the Urban County Joint Powers Agreement and therefore an eligible recipient per CDBG regulations.

Does the application demonstrate administrative capacity or request assistance of the Community Development Commission to effectively deliver the proposed project?

The City of Sebastopol has a history of successful management of similar projects using federal, state and local funds.

If serving people who are homeless, does the project meet the standards of Home Sonoma?

The project does not serve people who are homeless.

For CDBG applicants, does the project serve Urban County? For HOME applicants, is the project located in a member jurisdiction of the HOME consortium?

Yes, the project serves the City of Sebastopol, which is located within the Urban County.

FY 21-22 CDBG & HOME for Capital Projects Selection Criteria

Funding Priorities

1. Creation or Preservation of Affordable Housing.
Project will not create or preserve affordable housing.
2. Infrastructure or Public Facility Supporting creation or preservation of affordable housing.
Not applicable – this is not a housing project.
3. Infrastructure or Public Facility Supporting low or moderate-income populations.
Yes, the goal is to remove architectural barriers at City Hall that limit the accessibility of elderly persons or adults with severe disabilities, who are presumed to have low and moderate-incomes under CDBG regulations
4. Projects that prevent displacement in high opportunity areas.
This project is making improvements in an area at risk of gentrification and displacement, but does not provide any displacement protections.
5. Projects that alleviate the impact of climate change on low-income populations.
This project is aligned with the local jurisdiction's General Plan Climate Change Element & Equity Element, but does not provide any of the particular climate change benefits called out in the Commission's funding policies.

Readiness to Proceed

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Design work is expected to be completed by December 2021 with a project completion of November 2022. The application does not contemplate the renewal of the environmental review, which may take some additional time.

Environmental clearance in accordance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

An environmental review was completed in January 2014 and included all of the locations in the accessibility study. Environmental reviews are typically good for 5 years, so the review will likely need to be refreshed or redone.

Is the proposed project consistent with the General Plan?

The City Planning Department submitted a letter stating that the project is consistent with the adopted General Plan.

Does the applicant possess site control?

Yes, the proposed project will be on city owned property.

Need

The City of Sebastopol is committed to ensuring persons with disabilities can enjoy and participate at all levels of community living. Essential to participation is the ability to identify barriers that may prevent or eliminate community inclusion. The proposed project is beneficial to both residents and the community.

Financial Feasibility

The total project cost is \$132,700. The City is requesting the entire \$132,700 to complete the project.

Outcomes

Project will provide improved ADA access to the Sebastopol City Hall for all persons with disabilities.

Leverage (Housing Projects)

NA – This is not a housing project.

Leverage and Meeting Community Need (Non-Housing Projects)

CDBG funds would leverage City of Sebastopol in-kind staff time and makes improvements to existing infrastructure, improving longevity and service of existing infrastructure to benefit elderly persons or adults with severe disabilities.

Development Experience (Housing Projects)

NA – This is not a housing project.

FY 2020-2021 Urgent Community Needs

1. Projects that serve the maximum number of people at the lowest income threshold.
This project will create ADA compliant public facilities and equal access to amenities. There are approximately 1,780 persons over the age of 65 and 411 persons with disabilities who reside in the City of Sebastopol.

2. Projects that expedite the creation of as many new rental housing opportunities as possible in areas of opportunity or improve access to important community assets in low-income communities, in particular, racially and ethnically concentrated areas of poverty. (Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.)

This project improves access to community assets (City Hall) for people with disabilities.

Analysis

Total development cost per unit (if applicable): NA

Total hard cost per unit (if applicable): NA

Pros for the Project:

- The project would eliminate architectural barriers for people with limited mobility, and create equal opportunities.
- The project would benefit Low and Moderate Limited Clientele.

Cons for the Project:

- The project meets only a single funding priority identified in the Commission's Funding Policies.

Consequences of No Funding:

With partial funding only ADA upgrades that fit within available funds will be made. However if project is scaled down to match funding, efficiencies for project management, design, construction and inspection will be lost.

Staff Recommendation

Staff recommends fully funding the project for \$132,700.

**SWEETWATER SPRINGS WATER DISTRICT –
OLD RIVER ROAD AND WOODLAND DRIVE WATER LINE IMPROVEMENTS
PROJECT**

Amount Requested: **\$1,013,230.00**

Funding Source: **CDBG**

Total Project Costs: **\$2,026,460.00**

Project Type: **Water Supply Improvements**

Use of Funds Requested: **Construction Costs**

Project Description Summary from Applicant’s Submitted Application

Sweetwater Springs Water District, a Special District within the unincorporated County of Sonoma, is seeking CDBG funding for a water main improvement project. The project is anticipated to start construction as soon as funding becomes available (estimated as 8/1/21). Design and environmental work is complete. Construction is anticipated start 9/1/21 and be completed by 5/15/22. The project replaces old water mains with new, improved water mains sufficient to provide both domestic and fire flows, as well as significantly reduce needed repairs. The project will replace approximately 5,500 feet of water main and will serve approximately 60 low-income households.

FY 21-22 CDBG & HOME for Capital Projects Threshold Criteria

Is the application complete?

Yes, with the exception of the project name box left blank however, the project name is in other locations within the application.

Eligible Activity:

03J Water/Sewer Improvements meeting a Low and Moderate Area Benefit

If applying for CDBG funds, does the proposed project meet a CDBG National Objective?

Yes, the project will benefit low and moderate-income individuals because the service area for the improvements encompass census tract 1537.04 in which more than 51% of residents are Low to Moderate Income (LMI).

Using to the 2011-2015 Low and Moderate Income Survey Data provided by HUD the census tracts in the service area are as follows:

060971537041	LMI population of 64.08%
060971537042	LMI population of 51.54%
060971537043	LMI population of 52.89%
060971537044	LMI population of 56.16%

The census tracts in the service area have a combined population of 3,545 and 1,930 (54%) residents are low to moderate income.

Does the project Affirmatively Further Fair Housing?

The proposed project will make an investment in a low-income neighborhood to improve conditions and eliminate disparities in access to opportunity between residents of this neighborhood and the rest of the County. The needed water line improvements replaces aged substandard water lines with new lines that deliver better pressure and flows, improve water quality and improve firefighting ability in this fire-prone area.

Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?

The applicant is a governmental agency and an eligible applicant and subrecipient per CDBG regulations.

Does the application demonstrate administrative capacity or request assistance of the Community Development Commission to effectively deliver the proposed project?

Sweetwater Springs Water District has been in operation for 25 years and provides water treatment and distribution for 7,500 people in West Sonoma County from Rio Nido to Monte Rio. The District has had clean audits for many years, has an annual operating budget of approximately \$2.1 million and \$2.4 million in reserves. The District has experience with administering other federal funds including USDA G.O. bonds and has undertaken large capital projects previously.

If serving people who are homeless, does the project meet the standards of Home Sonoma?

This project does not serve homeless people.

For CDBG applicants, does the project serve Urban County? For HOME applicants, is the project located in a member jurisdiction of the HOME consortium?

This project serves unincorporated Sonoma County, which is a member of the Urban County.

FY 21-22 CDBG & HOME for Capital Projects Selection Criteria

Funding Priorities

1. Creation or Preservation of Affordable Housing.

Not applicable - This is an infrastructure/public facility project supporting low or moderate-income populations.

2. Infrastructure or Public Facility Supporting creation or preservation of affordable housing.

This is an infrastructure/public facility project supporting low or moderate-income populations not the creation of affordable housing. The project has the contributory potential to preserve affordable housing by virtue of improving fire protection resources in the LMI community protecting the housing stock from destruction by a fire.

3. Infrastructure or Public Facility Supporting low or moderate-income populations.

Yes. This project improves existing infrastructure in a Low and Moderate Income Service Area.

4. Projects that prevent displacement in high opportunity areas.

Not applicable - This is an infrastructure/public facility project supporting low or moderate-income populations.

5. Projects that alleviate the impact of climate change on low-income populations.

Climate change has increased the frequency and magnitude of wildfires in the wildland urban interface areas the project and community it serves are located. This project alleviates the impacts of climate change on low to moderate-income populations by improving the fire suppression capabilities in the community and protecting the existing housing stock.

Readiness to Proceed

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

This project is shovel ready with design and engineering complete. The applicant is waiting for the encroachment permit from the County to perform work in the public right-of-way and funding made available. Once these two milestones are achieved, the project will go out to bid and commence construction upon award to a qualified bidder.

Environmental clearance in accordance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

The NEPA environmental review is complete for this project less noticing and authority to use grant funds. Which should be a two-week process.

The project is Statutorily Exempt from CEQA per 15301 (b)

Is the proposed project consistent with the General Plan?

Yes. This project is replacing existing infrastructure, it is in conformance with the General Plan. The project is consistent with the Sweetwater Springs District board approved 2020-2025 Capital Improvement Program.

Does the applicant possess site control?

The project is in the public right of way. The applicant has applied for an encroachment permit from the Sonoma County Building Department. Approval of the application is expected.

Need

Census data shows that the population served within the limits of the proposed project qualify as a low and moderate-income area. Water line repairs in the area have increased greatly over recent years due to aged infrastructure that is in poor condition. The material of the existing 2-inch and 6-inch water lines (galvanized iron) provides inadequate pressures, insufficient domestic flows, inadequate flows for fire protection and reliability. Fire flows in the area should be approximately 1,000 gallons/minute. There are an inadequate number of fire hydrants in the overall area and based on line sizing and pipe conditions, fire flows are either non-existent (have to use water tender fire trucks that bring in their own water) or are extremely low (200 gallons

per minute). Existing water lines in this area are known to have lead fittings. With this project, all existing water lines containing lead in the fittings will be removed from the system per EPA regulations requirements.

Financial Feasibility

Sweetwater Springs Water District was awarded \$115,920.00 for Phase I of the project, which consisted of engineering, design and environmental studies.

For Phase II construction of the project, the district has committed funds to pay for half of the project costs. The CDBG funding applied for would pay for the other half of project costs.

Outcomes

Improved water pressure, flows, and reliability provided for 60 homes in a low-moderate income service area. Additional fire hydrants and new supply lines, fire flows are anticipated to meet minimum standards of 1,000 gallons per minute upon completion of the project leading to significant improvement in local firefighting capabilities. Leaded joints removed from the overall water system, thereby improving water quality both in the project area and in the overall water system that serves 2,000 homes.

Leverage (Housing Projects)

Not applicable – this is not a housing project.

Leverage and Meeting Community Need (Non-Housing Projects)

CDBG funds would leverage use of Sweetwater Springs District funds and makes desperately needed improvements to existing infrastructure, improving longevity and service of existing infrastructure to existing homes and fire protection resources.

Development Experience (Housing Projects)

Not applicable – this is not a housing project.

FY 2020-2021 Urgent Community Needs

1. Projects that serve the maximum number of people at the lowest income threshold.
This project directly serves approximately 60 households in a Low and Moderate Income census tract in which at least 54% of households are low to moderate income. An additional 2,000 homes in this area will have improved water pressure as a result of the project. The project will improve fire suppression resources in a community occupied by residents falling within low and moderate income levels.
2. Projects that expedite the creation of as many new rental housing opportunities as possible in areas of opportunity or improve access to important community assets in low-income communities, in particular, racially and ethnically concentrated areas of poverty. (Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.)
The area served is a high poverty community with 18.4% of households living in poverty. The community is predominantly white, with 78% identifying as such. The

unemployment rate is 7.1%, two times that of the rest of the county. Approximately 43% of households are renters and 59% of renters have a high housing cost burden. This project improves access to quality water, an important community asset.

Analysis

Total construction and management cost per home provided with direct water quality improvement: \$33,774.33

Total construction and management cost per home provided with improved water pressure: \$1,013.23

Pros for the Project:

- The project will improve direct water service for 60 homes and water pressure for 2,000 additional homes in a Low-Moderate Income Area.
- The project will greatly improve fire suppression resources in a community located in the Moderate Fire Severity Zone and adjacent to the High Fire Severity Zone.
- The project serves an area with a significantly higher poverty rate than the rest of the County.
- The Applicant has a proven track record of successfully completing water improvement projects in its service area.
- The Applicant has committed significant local funds to this project.
- The project is ready to proceed with Phase II and complete work in less than a year.

Cons for the Project:

- Project has limited impact on climate change and does not support the creation of public housing.

Consequences of No Funding:

If no or partial funding is obtained for Phase II of the overall project, the project will take longer to complete which will result in the continued use of obsolete water mains and inadequate fire protection posing a risk to the community.

Staff Recommendation

This project is eligible for funding and addresses two urgently needed improvements to the infrastructure serving an underserved population.

Staff recommends funding for this project in the amount of \$936,777.

CATHOLIC CHARITIES– CARITAS CENTER

Amount Requested: \$500,000

Funding Source: CDBG

Total Project Costs: \$47,395,685

Project Type: New construction

Use of Funds Requested: Architectural/engineering costs

Project Description Summary from Applicant’s Submitted Application

Catholic Charities of the Diocese of Santa Rosa requests \$500,000 to continue architectural/engineering costs for Caritas Center, which has an estimated cost of \$47.4 million. Construction of the Caritas Center Project began in September 2020. End of construction is planned for May 2022, with Certificate of Completion in July of 2022. The planned Caritas Center Project will increase shelter and service capacity to fast track families and individuals experiencing homelessness into housing, integrating wrap-around homeless and housing services programs in a central location on the site of the current family emergency shelter and homeless day program facilities. The Caritas Center project is a separate, but primary project of Caritas Village, which will also include Caritas Homes, a 128-unit affordable housing development being funded, developed and operated by partner Burbank Housing.

Caritas Center’s expanded scale and integration of services will significantly increase the number of very low-income individuals and families served on the site from the current 487 to 662, an increase of 40% (174). An infill development, proximate to the county’s transportation hub, Caritas Center services will respond to the County-wide need for intensive homeless and housing services and include a 200 bed Family Emergency Shelter, 38 bed Nightingale Respite program for unsheltered individuals discharged from hospital, a Homeless Day Center serving 325+ daily, 10 units of Temporary Housing, host the Rapid Rehousing, Master Leasing, Housing Navigation and Stabilization, Coordinated Entry, and Homeless Outreach programs, and a Health Clinic operated by partner Santa Rosa Community Health.

FY 21-22 CDBG & HOME for Capital Projects Threshold Criteria

Is the application complete?

Yes, the application is complete.

Eligible Activity:

Development Soft Costs for Homeless Facilities

If applying for CDBG funds, does the proposed project meet a CDBG National Objective?

CDBG National Objective met through serving low to very low income families and individuals.

Does the project Affirmatively Further Fair Housing?

The proposed project will increase accessibility for homeless individuals to existing affordable housing opportunities to combat segregation and promote integration. Additionally, the project provides emergency housing, homeless services, rapid re-housing and referrals to affordable housing in high opportunity communities where people who have experienced homelessness can gain stability.

Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?
Yes, this applicant is an eligible applicant.

Does the application demonstrate administrative capacity or request assistance of the Community Development Commission to effectively deliver the proposed project?
Yes, with more than sixty-five years of experience Catholic Charities has a reputable record of providing public services, helping the most vulnerable and has demonstrated being capable to administer public funding.

If serving people who are homeless, does the project meet the standards of Home Sonoma?
Yes, Commission's funding coordinator with the public services, reviewed the project description checklist and confirmed that it meets threshold criteria for Home Sonoma.

For CDBG applicants, does the project serve Urban County? For HOME applicants, is the project located in a member jurisdiction of the HOME consortium?
The applicant is seeking CDBG funds and the project is located in the City of Santa Rosa.

Due to a determination from HUD, this project does not serve the Urban County and is not eligible for CDBG funds.

FY 21-22 CDBG & HOME for Capital Projects Selection Criteria

Funding Priorities

1. Creation or Preservation of Affordable Housing.
Not applicable.
2. Infrastructure or Public Facility Supporting creation or preservation of affordable housing.
Not applicable.
3. Infrastructure or Public Facility Supporting low or moderate-income populations.
Yes, Catholic Charities is committed to help the most vulnerable in our community. With the Caritas Center they plan to add, expand and continue offering their services to low and very low-income families and individuals.

Readiness to Proceed

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

The City of Santa Rosa's City Council approved the land use entitlements for Caritas Village. Catholic Charities launched a very successful capital campaign obtaining over \$28,000,000 in community private donations.

Environmental clearance in accordance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

The Lead Agency, City of Santa Rosa, certified the project Environmental Impact Report on March 3, 2020. The final environmental assessment is expected to be completed by August 2021. City of Santa Rosa issued construction permits to start some of the construction work.

Is the proposed project consistent with the General Plan?

Yes, the City of Santa Rosa Planning and Economic Development determined that the project site is consistent with current land use designations and that the proposed use furthers a number of the City's General Plan policies.

Does the applicant possess site control?

Yes, applicant provided preliminary title report dated 2/11/2021 showing ownership of the site.

Need

Caritas Center will support the need for expanded and enriched homeless services, it will help provide housing and other services to the most vulnerable. Sonoma County's lack of safe, affordable, permanent housing inventory and the approximately 2,745 persons identified experiencing homelessness in Sonoma County (2020 PIT Count). Of those, 70% cited housing affordability, and 20% reported lack of housing inventory as primary obstacles to securing a home. The ongoing impacts of wildfires in recent years now coupled with economic fall-out from the COVID pandemic is creating a greater challenge than ever for people struggling to overcome or avoid homelessness.

Financial Feasibility

A large portion of the required funds in this project are already committed or accounted for, so the project is financially feasible. Catholic Charities has demonstrated that it is capable of funding administration and can deliver proposed projects.

Outcomes

Among other outcomes, Caritas Center will expand emergency housing for families by 45%+ increasing the current 138 beds to 200 beds for homeless children. Provide 300+ unsheltered individuals daily with access to emergency housing and dignity services. Additionally, it will expand the Nightingale Respite Program for homeless patients exiting local hospitals from 26 to 54 beds and it will provide up to 800 households with permanent housing annually, an increase of 100% over current housing placement services levels.

Leverage (Housing Projects)

This project proposes to leverage funds from the following sources:

<u>Amount</u>	<u>Funding Source</u>	<u>Status</u>
\$960,000	Memorial Hospital (site acquisition discount)	Committed
\$750,000	City of Santa Rosa	Committed
\$750,000	City of Santa Rosa (CDBG loan)	Committed
\$540,000	SC CDC (previous CDBG funding)	Committed

\$950,000	Public Funding (including this funds CDBG)	Uncommitted
\$28,606,668	Capital Campaign	Committed
\$3,000,000	Capital Campaign	Pending
\$7,000,000	New Market Tax Credits	likely to obtain
<u>\$2,000,000</u>	Development fees and land lease	Committed
\$47,395,685		

Catholic Charities demonstrates significant leveraging of other funds. If applicant receives all of the requested local funding, each \$1 of CDBG funds would leverage to \$92.71 from other sources.

Leverage and Meeting Community Need (Non-Housing Projects)

NA – This is a housing project

Development Experience (Housing Projects)

FY 2020-2021 Urgent Community Needs

1. Projects that serve the maximum number of people at the lowest income threshold.
Project is classified as a Homelessness related project considering to expand emergency housing, homeless services and be able to reach out to 2,745 people experiencing homelessness annually. It will provide daily access to housing and dignity services such as showers and laundry, expand emergency shelter for families from 138 beds to 200 (serving 600 individuals annually vs the current 350), expand the Nightingale program to increase the number of beds from 26 to 54 (increasing the number of patients served annually from 52 to 90), and provide up to 800 households with permanent housing annually.
2. Projects that expedite the creation of as many new rental housing opportunities as possible in areas of opportunity or improve access to important community assets in low-income communities, in particular, racially and ethnically concentrated areas of poverty. (Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.)
Not applicable.

Analysis

Total development cost per unit (if applicable): NA

Total hard cost per unit (if applicable): NA

Pros for the Project:

- Addresses current need to provide emergency services and housing support to the most vulnerable in our community.
- Funds are part of a greater enterprise to centralize services for families, children, and homeless individuals.

- Solid capital campaign and commitment from other public funding.

Cons for the Project:

- Project does not have final NEPA clearance, it is scheduled to be complete at the end of August at the latest.
- Project indicates a \$4 million funding gap, including \$950k in unrealized public funding.

Consequences of No Funding:

If the application is not selected for funding, Catholic Charities would have to rely on private loans to pay for the development expenses to keep the project on schedule. Private loans would need to be repaid out of annual operating funds, creating an ongoing burden limiting the agency's ability to fund program operations once Caritas Center opens.

Staff Recommendation

Due to a determination from HUD, this project does not serve the Urban County and is not eligible for CDBG funds. **Staff does not recommend funding.**

Caulfield Lane Senior Housing, Inc. (aka Pep Housing) – Linda Tunis Senior Apartments

Amount Requested: \$850,000

Funding Source: CDBG

Total Project Costs: \$9,406,124

Project Type: Rehabilitation

Use of Funds Requested: Rehab Construction and Public Improvements

Project Description Summary from Applicant’s Submitted Application

The applicant proposes to rehabilitate an existing 20,400 square-foot commercial building located at 600 Acacia Lane in the City of Santa Rosa (formerly used as the Scottish Rite Event Center) into a 26 unit apartment building for seniors of age 55 years or older and persons with disabilities. The project will provide 25 studio units for very low and extremely low-income households and 1 manager unit. Of the 25 affordable units, five (5) units will be reserved for homeless seniors and the rents of 13 units will be assisted by City approved Section 8 Project Based Vouchers. The proposed project is adjacent to the applicant’s existing Acacia Lane Senior Apartments and residents of the new project will have access to the community room, gardens and exercise equipment at Acacia Lane Senior Apartments.

The project is in the Rincon Valley neighborhood in Santa Rosa and was identified as a “Most Impacted and Distressed (MID) area impacted by the 2017 wildfires.

The applicant is requesting \$850,000 in CDBG funds for construction purposes to fill a funding gap caused by the rise in cost of construction materials during the pandemic.

FY 21-22 CDBG & HOME for Capital Projects Threshold Criteria

Is the application complete?

Yes, the application is complete.

Eligible Activity:

Code 14B - Financing for a multi-unit residential rehabilitation project for senior affordable housing.

If applying for CDBG funds, does the proposed project meet a CDBG National Objective?

Yes, the project meets the CDBG National Objective of Low/Mod Housing Benefit by providing new permanent housing for seniors by rehabilitating an existing non-residential building for very low and extremely low- income households.

Does the project Affirmatively Further Fair Housing?

Yes, the project will provide affordable housing in an area of opportunity to combat segregation and promote integration by rehabilitating a vacant building and constructing 25 studio units and one bedroom unit for an onsite manager for seniors with limited incomes and senior experiencing homelessness.

Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?
Yes, this applicant is an eligible applicant for CDBG funds.

Does the application demonstrate administrative capacity or request assistance of the Community Development Commission to effectively deliver the proposed project?

The applicant and its partner, Pep Housing, have the staff and systems in place to successfully construct and manage the project after construction. Pep Housing is a seasoned affordable housing developer who focuses on senior housing and has implemented similar projects in other locations within Northern California.

If serving people who are homeless, does the project meet the standards of Home Sonoma?

Yes, the project does meet the standards of Home Sonoma as confirmed by the Sonoma County Community Development Commission Public Services Funding Coordinator.

For CDBG applicants, does the project serve Urban County? For HOME applicants, is the project located in a member jurisdiction of the HOME consortium?

The applicant is seeking CDBG funds and the project is located in the City of Santa Rosa. Due to a determination from HUD, this project does not serve the Urban County and is not eligible for CDBG funds.

FY 21-22 CDBG & HOME for Capital Projects Selection Criteria

Funding Priorities

1. Creation or Preservation of Affordable Housing.

The proposed project will create 25 new affordable housing opportunities for senior households with very-low and extremely-low income. One unit will be occupied by a resident manager and therefore the project will provide a total of 26 dwelling units. The project supports the County's Housing Element goals no. 2 to promote existing developed sites for affordable housing and goal no. 5 to supports affordable housing production for persons with special needs.

2. Infrastructure or Public Facility Supporting creation or preservation of affordable housing.

Not applicable – this is a housing project.

3. Infrastructure or Public Facility Supporting low or moderate-income populations.

Not applicable – this is housing project.

4. Projects that prevent displacement in high opportunity areas.

The project involves rehabilitation of an existing non-residential building into studio dwelling units for seniors. It does not involve displacement of any existing residents. The project site is surrounded by urban development, including another affordable senior complex down the street on Acacia Lane.

5. Projects that alleviate the impact of climate change on low-income populations.
The project is considered “in-fill development”, because it is located on an existing developed lot surrounded by urban development. The residents that will be served by the project are seniors and they will have access to the amenities of another affordable senior project down the street on Acacia Lane. This will encourage them to walk to that site. Furthermore, there is an existing bus stop across the street from the project site and therefore, the residents will have access to public transportation. Finally, the existing solar system on the building will be used to lessen energy consumption of the facility.

Readiness to Proceed

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

The project has obtained the city planning entitlements and the applicant provided a letter from the City of Santa Rosa Building official indicating that building permits are ready to be issued for conversion of the building into dwelling units. The applicant has ownership of the project site. Planned construction commencement is for September 2021. Furthermore, the project has various other committed funds in the form of loans, grants, and donations. These funds include CDBG funds from the City of Santa Rosa in the amount of \$690,000 and \$2,190,340 of Disaster Recovery Multifamily Housing (DR-MHP) funds as well as 13 project based vouchers from the City’s Housing Authority.

Environmental clearance in accordance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

A NEPA Environmental Assessment was prepared by AEM for the project and certified by the City of Santa Rosa. The project received a categorical exemption from CEQA and further environmental review is not required.

Is the proposed project consistent with the General Plan?

The project has obtained all necessary entitlements from the City of Santa Rosa including consistency with the General Plan. This was obtained by rezoning the site to allow the project’s land use and density.

Does the applicant possess site control?

Yes, the applicant provided a copy of the grant deed indicating they have ownership of the site.

Need

The proposed project will consist of 26 new rental housing units addressing the housing shortage throughout Sonoma County. PEP Housing, the developer and property manager who has partnered with the applicant, has a 6 year waiting list with over 800 applicants for senior housing. They have closed their wait list for the first time in their 43-year history. The recent fires in the County disproportionately impacted senior housing.

Financial Feasibility

The development budget includes a variety of public and private funding sources of which all have committed their support to the project, including CDBG funding and Project Based Housing Vouchers from the City of Santa Rosa. The project budget shows a positive cash flow for years 1-31 with budgeted inflation estimate, operating expenses, and replacement reserves.

Outcomes

Sonoma County has a housing shortage that was exacerbated by the recent fires. The project proposes to create new affordable housing opportunities including homeless dedicated units for the most vulnerable seniors. In the short term, the applicant expects that majority of the senior residents will use the resident services and educational programs, use the exercise equipment, and other amenities that will increase resident stability. In the intermediate term, the applicant expects that with stable housing and access to healthy food, the health and well being of seniors will increase as well as their physical activity, and social connectivity. In the long term, the self-sufficiency of seniors will improve with access to services, housing stability, and recurrence of homelessness will decrease as wells as the frequency of hospitalizations and emergency room admissions.

Leverage (Housing Projects)

Funding for the project will be from the following sources:

Committed Funding Sources	Purpose	Amount
California Community Reinvestment Corp. Loan	Permanent Financing	\$ 1,278,000.00
City of Santa Rosa CDBG Loan	Acquisition and Construction	\$ 690,000.00
Federal Home Loan Bank of Sabn Francisco Subsidy Award	Construction	\$ 350,000.00
County of Sonoma - County Fund for Housing Loan	Construction Financing	\$ 500,000.00
Housing Authority of City of Sta. Rosa CDBG-DR Loan	Construction Financing	\$ 2,190,340.00
Kaiser - East Bay Community Foundation Grant	Development	\$ 1,010,008.00
The Harry and Jeanette Weinberg Foundation Capital Grant	Development	\$ 900,000.00
Wells Fargo Grant	Acquisition	\$ 20,000.00
Ernest L. and Ruth W. Finley Foundation Gift	Acquisition	\$ 250,000.00
Saint Joseph Health Grant	Acquisition & Development	\$ 500,000.00
Tamalpais Pacific Grant	Development	\$ 100,000.00
Tri Counties Bank Grant	Acquisition	\$ 100,000.00
Rotary District 5130-Fire Relief Fund for Sonoma County Grant	Acquisition	\$ 50,000.00
Friedman's Home Improvement Donation	Acquisition	\$ 1,000.00
Bank of the West Grant	Acquisition	\$ 5,000.00
Individual Contributions	Acquisition	\$ 9,000.00

Bethlehem Foundation	Acquisition	\$ 250,000.00
Rotary District 5130-Fire Relief Fund for Sonoma County Grant	Acquisition	\$ 2,000.00
Accrued Deferred Interest	Construction	\$ 36,770.00
Tamalpais Pacific Supplemental Grant	Construction	\$ 150,000.00
UMPQUA Bank Loan	Construction Financing	\$ 919,908.00
	Total	\$ 8,392,118.00

Based on the committed funds, the project leverages \$10.96 for every \$1 of CDBG requested funds.

With the requested CDBG funding the cost per affordable unit would be \$34,000. Rents on 13 of the 25 affordable units would be subsidized with City of Santa Rosa Housing Authority vouchers.

Leverage and Meeting Community Need (Non-Housing Projects)

NA – This is a housing project

Development Experience (Housing Projects)

The applicant’s partner is Pep Housing, which is a non-profit organization founded in 1978 to address senior substandard housing and lack thereof. Pep Housing has received CDBG funding in the past for development of other affordable housing projects in Northern California and manages 18 properties. Aside from housing, their projects provide supportive services to low income seniors and veteran seniors. They currently have projects in Petaluma, Santa Rosa, and in Solano County that are in construction or pre-development phase.

FY 2020-2021 Urgent Community Needs

1. Projects that serve the maximum number of people at the lowest income threshold.
This project will create 25 new affordable housing opportunities of which 20 units will be affordable at 50% of Average Median Income (AMI) and 5 units will be reserved for homeless individuals at 30% of AMI. The applicants expects the homeless units to have one occupant, however, the remaining 20 units could have up to two occupants each. Therefore, the project could serve up to 45 seniors. The average affordability of the project computes to 46% of the AMI.
2. Projects that expedite the creation of as many new rental housing opportunities as possible in areas of opportunity or improve access to important community assets in low-income communities, in particular, racially and ethnically concentrated areas of poverty. (Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.)
Given that the project has obtained all necessary entitlements, has ownership of the site, completed environmental review requirements, and construction drawings have been approved by the City of Santa Rosa, the project is ready to commence construction in the Fall of this year if the requested funding is awarded. Because the project involves

rehabilitation of an existing building, the construction timeline is significantly less than brand new construction. The project is expected to be completed by Spring of 2022.

The site is located in the Rincon Valley neighborhood in Santa Rosa and was identified as a “Most Impacted and Distressed” (MID) area by the recent wildfires. The surrounding area is developed and residents of the project would have a variety of commercial and medical services in close proximity.

Analysis

Total development cost per unit (if applicable): \$361,773 (for 26 units)

Total hard cost per unit (prevailing wage): \$179,681.94

Pros for the Project:

- The project will create 26 new units of which 25 will be affordable senior housing.
- Five (5) units will be for homeless seniors with preference for the remaining units given to seniors impacted by a federally-declared disaster, such as the Tubbs fire.
- Rents of 13 units will be assisted by housing vouchers.
- The project targets seniors with very-low and extremely-low income, which are considered economically fragile.
- The Applicant has ownership of the site.
- The City of Santa Rosa has committed to financially support the project with CDBG funding and
- The applicant has obtained all necessary city entitlements and completed all required environmental review, including NEPA and CEQA.
- The project is scheduled to begin construction in September of 2021 and given that the project is a rehab of an existing building, it’s expected that it will be completed in one phase in less than a year.

Cons for the Project:

- Only five (5) units are reserved for homeless seniors.
- Since this is a rehab project, the number of affordable units is constrained by the size of the existing building that will be converted.

Consequences of No Funding:

If this application is not selected for funding at this time, construction of the project could be delayed until adequate funding is obtained.

Staff Recommendation

Due to a determination from HUD, this project does not serve the Urban County and is not eligible for CDBG funds. **Staff does not recommend funding.**

DANCO COMMUNITIES – MERIDIAN AT CORONA STATION

***NOTE:** Danco Communities submitted applications for both CDBG and HOME funding. This staff report covers both applications.*

Amount Requested: \$1,460,906

Funding Source: CDBG

Amount Requested: \$660,323

Funding Source: HOME

Total Project Costs: \$70,454,375

Project Type: New Construction

Use of Funds Requested: Land Acquisition

Project Description Summary from Applicant's Submitted Application

CDBG Application

Danco Communities is seeking \$1,460,906 in CDBG funding to cover land acquisition costs for our proposed project, "Meridian at Corona Station," a 131 unit affordable housing development that is partnered with the SMART rail station (to be built on a portion of the land donated to SMART) with a total residential development cost of \$70,454,375. The project is anticipated to close escrow and begin construction upon receipt of tax credits pending a successful AHSC application this October, with ground broken by Jan 1, 2022; and construction completed by 7/1/2023. The project will provide six 3-story buildings and one 4-story building all adjacent to the planned SMART rail station, serving 33 PSH ELI units, 22 VLI units, and 75 lower income units, all below 60% AMI.

HOME Application

Danco Communities is seeking \$660,323 in HOME funding to cover land acquisition costs for our proposed project, "Meridian at Corona Station," a 131 unit affordable housing development that is partnered with the SMART rail station (to be built on a portion of the land donated to SMART) with a total residential development cost of \$70,433,487. The project is anticipated to close escrow and begin construction upon receipt of tax credits pending a successful AHSC application this October, with ground broken by Jan 1, 2022; and construction completed by 7/1/2023. The project will provide six 3-story buildings and one 4-story building all adjacent to the planned SMART rail station, serving 33 PSH ELI units, 22 VLI units, and 75 lower income units, all below 60% AMI.

FY 21-22 CDBG & HOME for Capital Projects Threshold Criteria

Is the application complete?

Yes, the application is complete.

Eligible Activity:

Code 01 for land acquisition.

If applying for CDBG funds, does the proposed project meet a CDBG National Objective?

CDBG National Objective: Low/Mod Housing

Does the project Affirmatively Further Fair Housing?

The proposed project will create new affordable housing opportunities in an area of opportunity to combat segregation and promote integration. Additionally, the proposed project will provide mixed income housing designated to integrate racially and ethnically concentrated areas of poverty by creating affordable rents ranging from as low as 30% of Area Median Income (AMI) to 60% AMI in the downtown area with access to a transit-friendly location and accessible to other amenities suited for this type of project.

Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?

Yes, this applicant is an eligible applicant. They will partner with a nonprofit when the owner entity is created.

Does the application demonstrate administrative capacity or request assistance of the Community Development Commission to effectively deliver the proposed project?

Danco Communities has been developing and managing affordable housing for 34 years. They have several communities in their portfolio and a strong reputation. They have been able to successfully house low-income and homeless individuals, families, and seniors. They have the experience and capacity to successfully obtain necessary financing for housing development and in compliance with federal, state and local requirements.

If serving people who are homeless, does the project meet the standards of Home Sonoma?

Yes, the project does meet the standards of Home Sonoma as confirmed by the Sonoma County Community Development Commission Public Services Funding Coordinator.

For CDBG applicants, does the project serve Urban County? For HOME applicants, is the project located in a member jurisdiction of the HOME consortium?

The project serves the low-income population and utilizes Coordinated Entry for the homeless tenants. Due to a determination from HUD, this project does not serve the Urban County and is not eligible for CDBG or HOME funds.

FY 21-22 CDBG & HOME for Capital Projects Selection Criteria

Funding Priorities

1. Creation or Preservation of Affordable Housing.

The proposed project will create 131 units of new housing opportunities of which 130 units are for households with incomes of 20 to 60% of AMI. One unit will be reserved for a resident manager. Housing has been identified as a priority goal #5 in the Sonoma County Housing Element.

2. Infrastructure or Public Facility Supporting creation or preservation of affordable housing.

Not applicable – this is a housing project.

3. Infrastructure or Public Facility Supporting low or moderate-income populations.
Not applicable – this is housing project.

4. Projects that prevent displacement in high opportunity areas.

This project will prevent displacement by providing 130 units of affordable housing to low-income and homeless individuals and families.

5. Projects that alleviate the impact of climate change on low-income populations.

The project design is consistent with the City of Petaluma's climate focus as an all-electric project, without natural gas infrastructure, and including rooftop solar and electrical vehicle charging stations. Proposed onsite bicycle facilities, pedestrian improvements to increase connectivity in the surrounding neighborhood, bus stop improvements on North McDowell Boulevard, and proximity to the future SMART station at Corona Road further enhance the Meridian at Corona Station project.

Readiness to Proceed

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Per the City of Petaluma, the project is anticipated to be submitted as an AB 2162 consistent project, which would qualify for streamlined ministerial review and exemption from the California Environmental Quality Act. Additionally, the project is anticipated to request approval of a density bonus consistent with Chapter 27 of the City's Implementing Zoning Ordinance and state law in order to allow flexibility to exceed the building height maximums allowed in the MU1B zoning district.

Environmental clearance in accordance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

Per the City of Petaluma, the project is anticipated to be submitted as an AB 2162 consistent project, which would qualify for streamlined ministerial review and exemption from the California Environmental Quality Act. They have performed a Phase I Environmental Assessment with a result of no further action needed.

The project has not yet secured federal funds, so the NEPA requirement has not been triggered. The Applicant has consultants they use regularly and will engage them to complete the NEPA.

Is the proposed project consistent with the General Plan?

Applying Permit Sonoma's readiness scoring form to the City's General Plan Consistency Certification, the project would have a comparable score of 2. A score of 2 indicates any needed entitlements are in process and the project is deemed consistent with the General Plan and Zoning.

Does the applicant possess site control?

Yes, the applicant provided a copy of a fully executed Purchase Agreement with Lomas-Corona Station, LLC, the current owner.

Need

The proposed project will consist of 130 new affordable rental housing units addressing the housing shortage throughout Sonoma County. Meridian at Corona Station will be a 100% affordable project for households with incomes ranging from the deepest affordability of 30% of AMI to 60% of AMI. A quarter of the units will be dedicated to homeless individuals and families also identified as a priority in the Sonoma County Housing Element.

Financial Feasibility

The development budget includes federal and local funding sources, including the City of Petaluma, CDBG, CDBG-DR, and HOME. If all identified project funding sources are successfully obtained the project budget shows a positive cash flow starting from year 1 and budgeted replacement reserves.

Outcomes

Sonoma County has a housing shortage that was exacerbated after the recent fires in 2017. The project proposes to create new affordable housing opportunities including homeless dedicated units for the most vulnerable people.

Leverage (Housing Projects)

This project proposes to leverage funds from the following sources:

Funding Source	Amount	Status
Pacific Western Bank	\$14,156,134	Committed
Raymond James TC Equity	40,456,600	Committed
CDBG FY 21-22	1,460,906	Uncommitted
CDBG-DR FY 21-22	4,228,928	Uncommitted
HOME FY 21-22	660,323	Uncommitted
City of Petaluma	2,000,000	Uncommitted, <i>pending next City Council meeting</i>
Danco Communities	3,630,736	Committed
Other Financing	3,860,749	Uncommitted

This project is requesting CDC funds for land acquisition. They are requesting \$1,460,906 of CDBG funding, which would leverage \$39.87 of committed funds for each \$1 of CDBG funds.

This project is also requesting \$660,323 of HOME funds, which will leverage \$88.20 of committed funds for each \$1 of HOME funds.

The combined CDBG and HOME request is \$2,121,229, which would leverage \$32.53 for every \$1 of CDBG and HOME funds.

This project is also requesting \$4,228,928 in CDBG-DR funding, which combined with the CDBG and HOME funds requested would leverage \$9.17 for every \$1 of combined CDBG, HOME and CDBG-DR funds.

The soft funding of \$2,000,000 from the City of Petaluma is expected to be committed to the project at a City Council in June 2021.

Leverage and Meeting Community Need (Non-Housing Projects)

NA – This is a housing project

Development Experience (Housing Projects)

Danco Communities specializes in affordable housing. They utilize tax credits along with government funds to provide rental properties for people who make between 30-80% AMI. They have developed several affordable housing projects all over California over the last 34 years.

Danco Communities is a for profit corporation. They will partner with Community Revitalization and Development, a non-profit, when the Owner entity is created.

FY 2020-2021 Urgent Community Needs

1. Projects that serve the maximum number of people at the lowest income threshold.
This project will create 130 new affordable housing opportunities, which will be deeply affordable at 30-60% of AMI. A quarter of the units will be reserved for homeless individuals and families.
2. Projects that expedite the creation of as many new rental housing opportunities as possible in areas of opportunity or improve access to important community assets in low-income communities, in particular, racially and ethnically concentrated areas of poverty. (Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.)

The proposed project is located in next to a proposed SMART train station. The project is comprised of 6.56 acres of vacant land, which include the land use designations and zoning supported for the proposed multifamily housing. The City of Petaluma Planning Division determined the project to be consistent with the City's General Plan. Additionally, the project will further General Plan policies for affordable housing.

Analysis

Total development cost per unit (if applicable): \$530,719

Total hard cost per unit (if applicable): \$394,121

Pros for the Project:

- The project would create 130 new units of affordable housing.
- A quarter of the housing units will be dedicated to homeless individuals.

- The project will have deeply affordable units restricted and suitable for residents with incomes ranging from 20-60% of AMI.
- The Applicant has a committed combined equity contribution from Raymond James made up of low-income housing tax credit, state tax credits in the amount of \$18,804,088.
- The Applicant has a proven track record of successfully completing affordable housing projects.
- The City of Petaluma will likely contribute \$2,000,000.
- Using Permit Sonoma's project readiness scoring, this project has a readiness score of 2, deemed consistent with the City of Petaluma's General Plan, and the current land use designations support the proposed project.

Cons for the Project:

- The project is located in Petaluma, which is its own entitlement jurisdiction for CDBG and HOME funds.
- Project will need a NEPA environmental assessment if they receive CDBG or HOME funds.
- The project is not phased, so timeliness may be an issue if not all funding can be obtained within the timeline.

Consequences of No Funding:

If this application is not selected for funding, the Applicant would not proceed until all funding is committed.

Staff Recommendation

Due to a determination from HUD, this project does not serve the Urban County and is not eligible for CDBG or HOME funds. **Staff does not recommend funding.**

SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION – HOUSING REHABILITATION LOAN PROGRAM

Amount Requested: \$850,000

Funding Source: CDBG

Total Project Costs: \$9,406,124

Project Type: Rehabilitation

Use of Funds Requested: Rehab Construction and Public Improvements

Program Summary

The Sonoma County Community Development Commission's Housing Rehabilitation Program serves extremely low-, very low- and low-income mobile homeowners and homeowners in need of housing rehabilitation work to remain stably housed or to age-in-place. The program also provides loans to small multifamily properties (up to 4 units) that rent to income-qualified renters. The CDBG funds provide low-interest loans made for improvements to legally sited mobile homes, single-family, and multifamily residential properties located within the unincorporated areas of Sonoma County, as well as in Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and the Town of Windsor, and the staffing expenses associated with the housing rehabilitation activities. The CDBG funds may also be used to provide grants to low-income owners for mobile homes for the installation of earthquake-resistant bracing systems.

FY 21-22 CDBG & HOME for Capital Projects Threshold Criteria

Is the application complete?

Because this is an internal program, no application was required.

Eligible Activity:

14A Rehab; Single-Unit Residential

If applying for CDBG funds, does the proposed project meet a CDBG National Objective?

CDBG National Objective: Low/Mod Housing

Does the project Affirmatively Further Fair Housing?

Yes, the project maintains and preserves existing housing stock to reduce disproportionate housing needs. The program provides financing to low-income households for repairs needed to have decent and safe housing that remains affordable to them.

Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?

Yes, the program operator is the Sonoma County Community Development Commission, which is the agency that serves the Urban County, a CDBG recipient.

Does the application demonstrate administrative capacity or request assistance of the Community Development Commission to effectively deliver the proposed project?

The Sonoma County Community Development Commission has operated the Housing Rehabilitation Program for decades and has the administrative capacity to deliver this program. The Commission's program has a dedicated Housing Rehabilitation Specialist who works

directly with contractors and clients, an Administrative Aide who screens applicants and underwrites the loans.

If serving people who are homeless, does the project meet the standards of Home Sonoma?
Not applicable.

For CDBG applicants, does the project serve Urban County? For HOME applicants, is the project located in a member jurisdiction of the HOME consortium?

This project serves the entire Urban County.

FY 21-22 CDBG & HOME for Capital Projects Selection Criteria

Funding Priorities

1. *Creation or Preservation of Affordable Housing.*
The program preserves housing stock that is affordable, safe, and accessible for extremely low-, very low-, and low-income families and individuals, including those with special needs.
2. *Infrastructure or Public Facility Supporting creation or preservation of affordable housing.*
Not applicable – this is a housing project.
3. *Infrastructure or Public Facility Supporting low or moderate-income populations.*
Not applicable – this is housing project.
4. *Projects that prevent displacement in high opportunity areas.*
This project prevents displacement by improving existing housing stock in neighborhoods where housing prices have gone up, and lower-income homeowners are at risk of losing housing if they cannot make the needed repairs to retain decent and safe housing.
5. *Projects that alleviate the impact of climate change on low-income populations.*
This program improves energy efficiency in homes by installing new roofs, new windows, etc. that meet or exceed current energy standards. This will ensure that with more extreme temperatures in the future, assisted low-income households can use less energy and stay more comfortable in their homes. Also, preserving the existing housing stock uses fewer resources than building new housing, which provides cost savings, reduces waste, and preserves green space.

Readiness to Proceed

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

This is an ongoing program.

Environmental clearance in accordance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

The Sonoma County Community Development Commission has an existing NEPA environmental review for this program.

Is the proposed project consistent with the General Plan?

Not applicable.

Does the applicant possess site control?

This is not applicable. This is a loan program.

Need

The Housing Rehabilitation Loan Program has 22 applications currently in process with 5 nearly ready for approval and is actively working on 7 qualified projects. This is a popular program with the community and experiences a steady interest with word of mouth and some limited outreach. The program preserves affordable homeownership units, prevents displacement, provides people with disabilities the accessibility they need and allows seniors to age in place.

Financial Feasibility

This project is not reliant on other funding sources and will proceed immediately if awarded funds.

Outcomes

Funding this project will result in improved housing quality and safety, as well as energy efficiency for all low-income households assisted.

Leverage (Housing Projects)

The program does not leverage other financial resources, but the Housing Rehabilitation Loan Program leverages existing infrastructure and housing stock and is a low-cost way to preserve housing units.

As this is a loan program, the money is eventually repaid into the program. The majority of the loans are deferred and generally repaid upon change of ownership of the home.

Leverage and Meeting Community Need (Non-Housing Projects)

Not applicable.

Development Experience (Housing Projects)

The Commission has many years of experience administering the Housing Rehabilitation Program and is well-positioned to continue operating the program.

FY 2020-2021 Urgent Community Needs

1. Projects that serve the maximum number of people at the lowest income threshold.
All households served by this program are at or below 80% of Area Median Income.
2. Projects that expedite the creation of as many new rental housing opportunities as possible in areas of opportunity or improve access to important community assets in low-income communities, in particular, racially and ethnically concentrated areas of poverty. (Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.)
This project does not expedite the creation of rental housing or improve access to important community assets. The program is focused on housing retention.

Analysis

Total development cost per unit (if applicable): Average cost: \$35,000

Total hard cost per unit (if applicable): Not applicable

Pros for the Project:

- Maintains housing safety, decency, and affordability for extremely low-, very low- and low-income homeowners and renters
- Meets multiple selection criteria, including preservation of affordable housing, preventing displacement, and alleviating the impacts of climate change.
- The program will be able to spend funds quickly and efficiently to preserve housing

Cons for the Project:

- Other financial resources are limited and are quickly depleting

Consequences of No Funding:

If this application is not selected for funding, the Housing Rehabilitation Program may exhaust local funds impacting the ability to operate consistently. The Commission has not yet determined its FY 2021-2022 budget, so staff does not know whether local funding will be available for this program in the coming year. The program could move forward with partial funding, although it would result in fewer households assisted.

Staff Recommendation

This program is eligible for funding and addresses an underserved need countywide. **Because of the limited funding available, staff is not recommending funding for this project.**

SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION – TENANT BASED RENTAL ASSISTANCE

Amount Requested: \$82,448

Funding Source: HOME

Total Project Costs: \$82,448
Assistance

Project Type: Tenant Based Rental

Use of Funds Requested: Tenant Based Rental Assistance

Program Summary

The Community Development Commission's Tenant Based Rental Assistance Program (TBRA) currently serves 12 households.

The households currently served include:

- 3 individuals with HIV/AIDS who are clients of Face 2 Face
- 7 seniors in a housing development in Rohnert Park that converted to market rate
- 2 senior households who live in mobile homes who were part of the Mobile Home Space Rent Assistance Program and whose landlords have historically not taken Housing Choice Vouchers

TBRA provides a two year contract to each household with the purpose of stabilizing them in existing housing or providing them with access to housing when they are experiencing homelessness or at risk of homelessness. TBRA is particularly useful if a household is not eligible for other housing assistance at the time that they are experiencing housing instability, homelessness or are at risk of homelessness. Last year, the TBRA program started with 17 households, and 5 senior households were stabilized with other forms of rental assistance.

\$82,448 will ensure that the 12 households currently receiving TBRA maintain stability in their housing while other rental assistance is secured or until a permanently affordable unit is identified for the client household. All households served are on fixed incomes and in need of permanent rental assistance or a permanently affordable unit in order to maintain housing stability. The Housing Authority is working with each household, often in coordination with caseworkers, to ensure that each household secures access to permanent affordable housing at the end of the term of the HOME TBRA and does not experience a gap in housing stability. The Housing Authority anticipates that 4 of the currently assisted households will be stabilized with permanent rental assistance within the next fiscal year.

FY 21-22 CDBG & HOME for Capital Projects Threshold Criteria

Is the application complete?

Because this is an internal program, no application was required.

Eligible Activity:

Tenant Based Rental Assistance is an eligible activity under the HOME program.

If applying for CDBG funds, does the proposed project meet a CDBG National Objective?

Not applicable

Does the project Affirmatively Further Fair Housing?

The project furthers Fair Housing by providing HOME tenant based rental assistance vouchers to very low and low-income households including seniors, people with disabilities, and people experiencing homelessness. Having this limited term rental assistance allows them to gain housing stability and access permanently affordable housing in neighborhoods of their choice.

Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?

The Sonoma County Housing Authority is eligible because it is an agency of the County of Sonoma, a HOME participating jurisdiction.

Does the application demonstrate administrative capacity or request assistance of the Community Development Commission to effectively deliver the proposed project?

The Sonoma County Housing Authority employs 14 individuals, with one position, the Special Programs Coordinator, assigned to the casework and management of the HOME Tenant Based Rental Assistance program.

If serving people who are homeless, does the project meet the standards of Home Sonoma?

Not applicable.

For CDBG applicants, does the project serve Urban County? For HOME applicants, is the project located in a member jurisdiction of the HOME consortium?

The project serves the County of Sonoma, a member jurisdiction of the HOME consortium.

FY 21-22 CDBG & HOME for Capital Projects Selection Criteria

Funding Priorities

1. Creation or Preservation of Affordable Housing.
The project serves the County of Sonoma, a member jurisdiction of the HOME consortium.
2. Infrastructure or Public Facility Supporting creation or preservation of affordable housing.
Not applicable.
3. Infrastructure or Public Facility Supporting low or moderate-income populations.
Not applicable.

4. Projects that prevent displacement in high opportunity areas.

This project prevents displacement by providing rental subsidy that allows households to retain or access housing in high opportunity areas.

5. Projects that alleviate the impact of climate change on low-income populations.

This project does not alleviate the impact of climate change on low-income populations.

Readiness to Proceed

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

The Sonoma County Housing Authority HOME Tenant Based Rental Assistance program is already active and funds will be used to provide continued housing stability to disabled and senior tenants until alternate affordable housing or rental assistance is identified.

Environmental clearance in accordance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

TBRA is categorically exempted from NEPA, so the preparation of the Environmental Review will require minimal time and will not impact the timeline in which funds are spent for this program.

Is the proposed project consistent with the General Plan?

Not applicable for tenant based rental assistance projects.

Does the applicant possess site control?

Not applicable for tenant based rental assistance program.

Need

The program currently provides rental assistance for 12 households who are low-income, and who require rental assistance in order to maintain housing stability. Continued funding would allow the Sonoma County Housing Authority to continue to provide housing stability for the vulnerable clients assisted through the program.

Financial Feasibility

\$82,448 covers the cost of housing assistance payments for the 12 households with current TBRA contracts. A projection of the anticipated rent payments was submitted by the Housing Authority to demonstrate how funds would be used.

Outcomes

Program will provide tenant based rental assistance for 12 low-income, disabled or senior households experiencing homelessness or housing instability.

Leverage (Housing Projects)

This program leverages the casework of Face 2 Face and Linkages programs, ensuring that households receiving rental assistance also receive wrap-around services, helping them to maintain quality of life and remain housed. The program also leverages the capacity of the Housing Authority's rental assistance program to ensure compliance with the HOME regulations.

Because the Housing Authority was able to stabilize more people more quickly with the \$270,000 it was awarded in FY 2019-2020, it is able to use \$68,960 in funding awarded last year to meet the FY 2020-2021 program needs.

Leverage and Meeting Community Need (Non-Housing Projects)

Not applicable.

Development Experience (Housing Projects)

Not applicable.

FY 2020-2021 Urgent Community Needs

1. Projects that serve the maximum number of people at the lowest income threshold.
This project provides rental assistance for 12 households with extremely low- and very-low incomes.
2. Projects that expedite the creation of as many new rental housing opportunities as possible in areas of opportunity or improve access to important community assets in low-income communities, in particular, racially and ethnically concentrated areas of poverty. (Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.)
The project does not provide new rental housing opportunities or improve access to community assets in low-income communities.

Analysis

Total development cost per unit (if applicable): Not applicable.

Total hard cost per unit (if applicable): Not applicable.

Average rental assistance paid per individual is \$21,000 per 24-month contract. The funds requested reflect that some households will be able to transfer to permanent assistance through the Housing Choice Voucher program or to an affordable unit before the end of the FY 2021-2022 Fiscal Year.

Pros for the Project:

- Ensures housing stability for 12 extremely low- and very low-income disabled or senior households

Cons for the Project:

- Does not produce new housing units
- Does not meet climate change objectives

Consequences of No Funding:

Tenants who are currently stably housed and are on a path to receiving permanent rental assistance or be able to move into an affordable unit will lose housing stability and will be at risk of homelessness.

Staff Recommendation

Funding in the amount requested will ensure housing stability for 12 households currently receiving assistance. **Staff recommendation is to fund the TBRA program in the amount of \$82,448.**