



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

**Public Hearing**  
**Wednesday, March 18, 2020**  
**Concurrent with Community Development Committee**  
 10:00am-12:00pm  
 SCCDC Hearing Room  
 1440 Guerneville Road  
 Santa Rosa, California 95403

**Agenda**

- 1. Call to Order and Roll Call**
- 2. Public Comments for Items Not on the Agenda**
- 3. Approval of Minutes from February 19, 2020 Meeting (pgs 3-7)**  
 The Committee will discuss and may take action to approve the minutes from February 19, 2020 or may recommend changes to these minutes.
- 4. Assistant Director’s Report – Tina Rivera**
- 5. Public Hearing: CDBG and HOME Recommendations – Felicity Gasser (pgs 8-80)**  
 Staff will present recommendations for funding of FY2020-21 Capital Projects based on Committee discussion from February 19, 2020 meeting and take comments from the public
  - a) Open public hearing
  - b) Close public hearing
  - c) Committee Discussion
  - d) Motion to approve or make changes
- 6. Adjournment**

**Next Regular Meeting**  
**Concurrent with Community Development Committee**  
**April 15, 2020**  
**10:00 am-11:30am**  
 Public Hearing Room  
 1440 Guerneville Road  
 Santa Rosa, CA



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

*Any writings or documents presented to a majority of the City and Towns Advisory Committee regarding any item on this agenda will be made available for public inspection in the Sonoma County Community Development Commission office located at 1440 Guerneville Road, Santa Rosa, CA 95403 during normal business hours. Language services are available upon request.*

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

**Public Meeting and Workshop**  
**Concurrent with Community Development Committee**  
 Wednesday, February 19, 2020

**Minutes**

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

Joe Irvin called the meeting to order at 10:09AM and roll was called  
 Committee Members Present: Kevin Thompson, City of Cloverdale; Noah Housh, City of Cotati;  
 Joe Irvin, City of Healdsburg; Jenna Garcia, City of Rohnert Park; Kari Svanstrom, City of  
 Sebastopol; Kristina Owens, Town of Windsor  
 Committee Members Absent: City of Sonoma

CD Staff Present: Tina Rivera, Interim Assistant Director; Felicity Gasser, Equity and Compliance  
 Manager; Martha Cheever, Housing Authority Manager; Angela Morgan, Finance Associate;  
 Diedre Duncan, Affordable Housing Asset Manager; Maria Contreras, Affordable Housing  
 Finance Specialist; Holly Kelley, Equity and Compliance Program Specialist; Valerie Johnson,  
 Jason Gaddis, Housing Rehabilitation Specialist; Darrin O’Hara, Administrative Aide.

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

No comments were made

**3. Approval of Minutes from October 16, 2019 Meetings**

City of Cloverdale moved to approve the minutes from October 16, 2019. City of Cotati  
 seconded the motion:

Ayes: City of Cloverdale, City of Cotati, City of Healdsburg, City of Rohnert Park, City of  
 Sebastopol, Town of Windsor

Nays: None

Abstain: None

Absent: City of Sonoma

**4. Staff Update: Continuum of Housing**

This item was postponed to the end of the agenda.

**5. FY2020-21 HOME and CDBG for Capital Projects Workshop**

Felicity Gasser, Equity and Compliance Manager, gave a brief overview of the role of the  
 Committees and staff in the decision-making process for CDBG and HOME funded projects.  
 Felicity described where we are in the Consolidated Planning Process. Each year we have  
 requirements to engage the public and have hearing to figure out what needs are in the



## **Cities & Towns Advisory Committee**

### Sonoma County Community Development Commission

community. Staff presented summaries of each project that applied for 2020-21 CDBG and/or HOME funding (see project summaries in 2/19 CD Committee Full Packet) Committee members had several questions for staff and applicants regarding their ability to leverage project funds for City, in what cases entitlement cities could apply for non-entitlement funds, differences between CDBG and CDBG-DR, project readiness, and whether the proposal would be eligible for the disaster funding allocation Sonoma County and Santa Rosa are expecting to receive in the spring.

After project presentations and initial questions, Committee members shared their initial thoughts on the project applications and the priorities of the FY20-21 funding policies. Committee members also reminded staff of the Commission’s commitment to geographic equity set forth in the 2020-21 funding policies and ensuring that there is a tracking system to see how money is distributed each year between the eight jurisdictions.

#### **Public Comment**

Bert Bangsberg, Project Manager for Caritas Center and Housing, gave an update on the scale of the Caritas project and where the project was in the entitlement process. This center will include Nightingale program. He handed out a map to Committee members (see attached)

#### **6. Continuum of Housing Update**

Benjamin Wickham, Director of Affordable Housing, provided an update on the status of projects that have received funding recommendations from this Committee in the past: Since 2015, the number of affordable units constructed is 500 in five years. We’re seeing now a pipeline that is growing and will deliver more units:

- Celestina in Sonoma Springs – over several years they were awarded \$3.7 million in CFH funds. Construction is completing soon and the development will be occupied soon – 40 units for seniors
- Robinson Road in Sebastopol - is actually completed and provides 11 units of permanent supportive housing. The project was funded with \$740K of CFH and CDBG funds
- Windsor Veteran’s Village – started construction last summer and will provide 60 units of supportive housing for veterans. The project was funded with \$1.9 million in CFH.
- Altamira Apartments in Sonoma – is breaking ground on Monday, February 24<sup>th</sup>. The project will provide 48 units and was funded with over \$2 million in CFH, HOME, CDBG, and LMIHAF and funds from the City of Sonoma.
- Lantana will provide 48 single family affordable homes and is now under construction. The project was funded with \$500K of CFH and \$600K of TOT.

In total, approximately 225 units of affordable housing, 80 of which are permanent supportive



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

housing, are all under construction or nearing completion. That’s \$10 million investment from the county and accounts for almost half of the units created by the Commission in the past 5 years. Other projects underway will provide 100 units of low and units for extremely low-income residents.

**7. Adjournment**

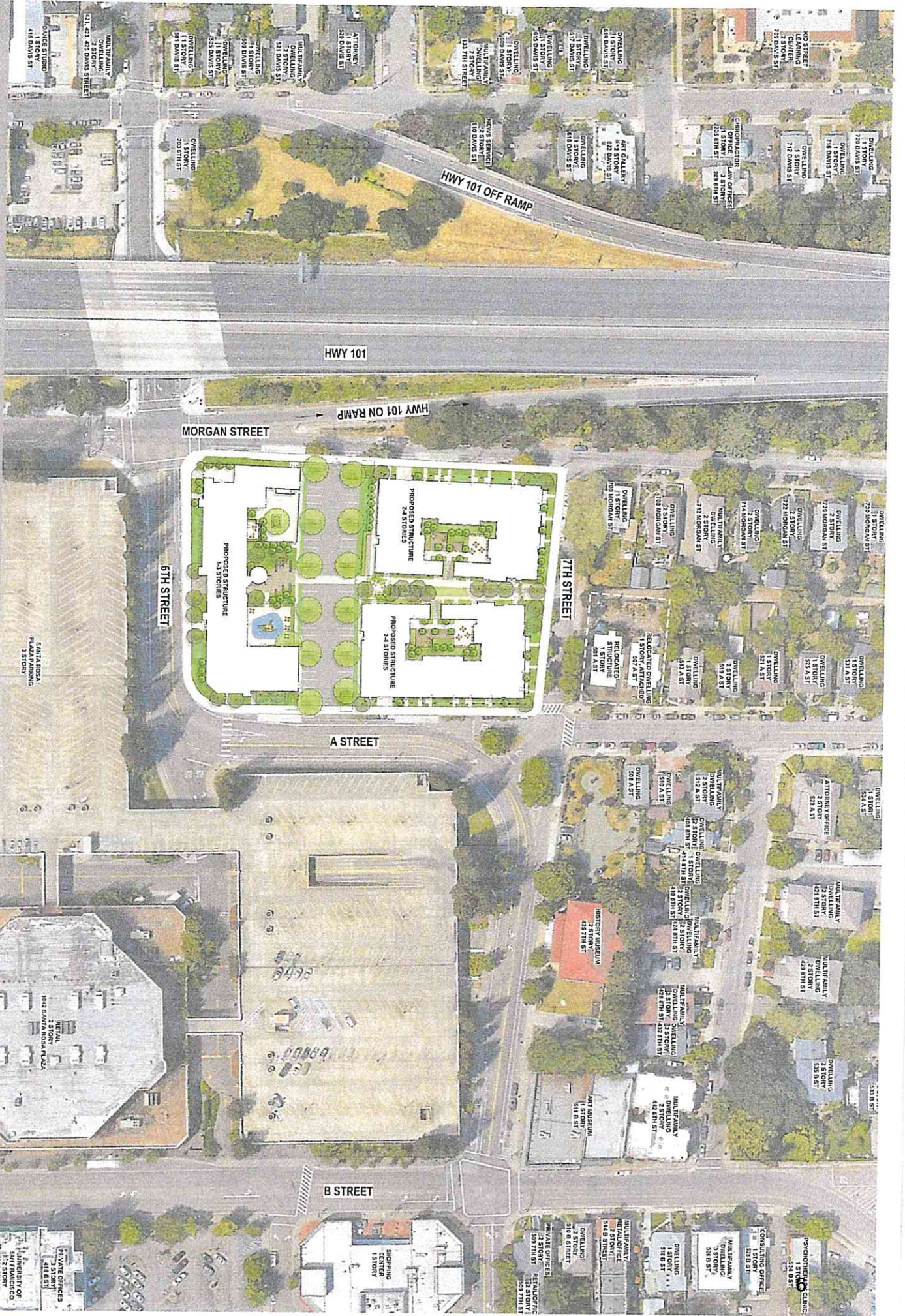
Joe Irvin adjourned the meeting at 12:01PM.

Respectfully submitted,

Holly Kelley, Equity and Compliance Program Specialist

DRAFT

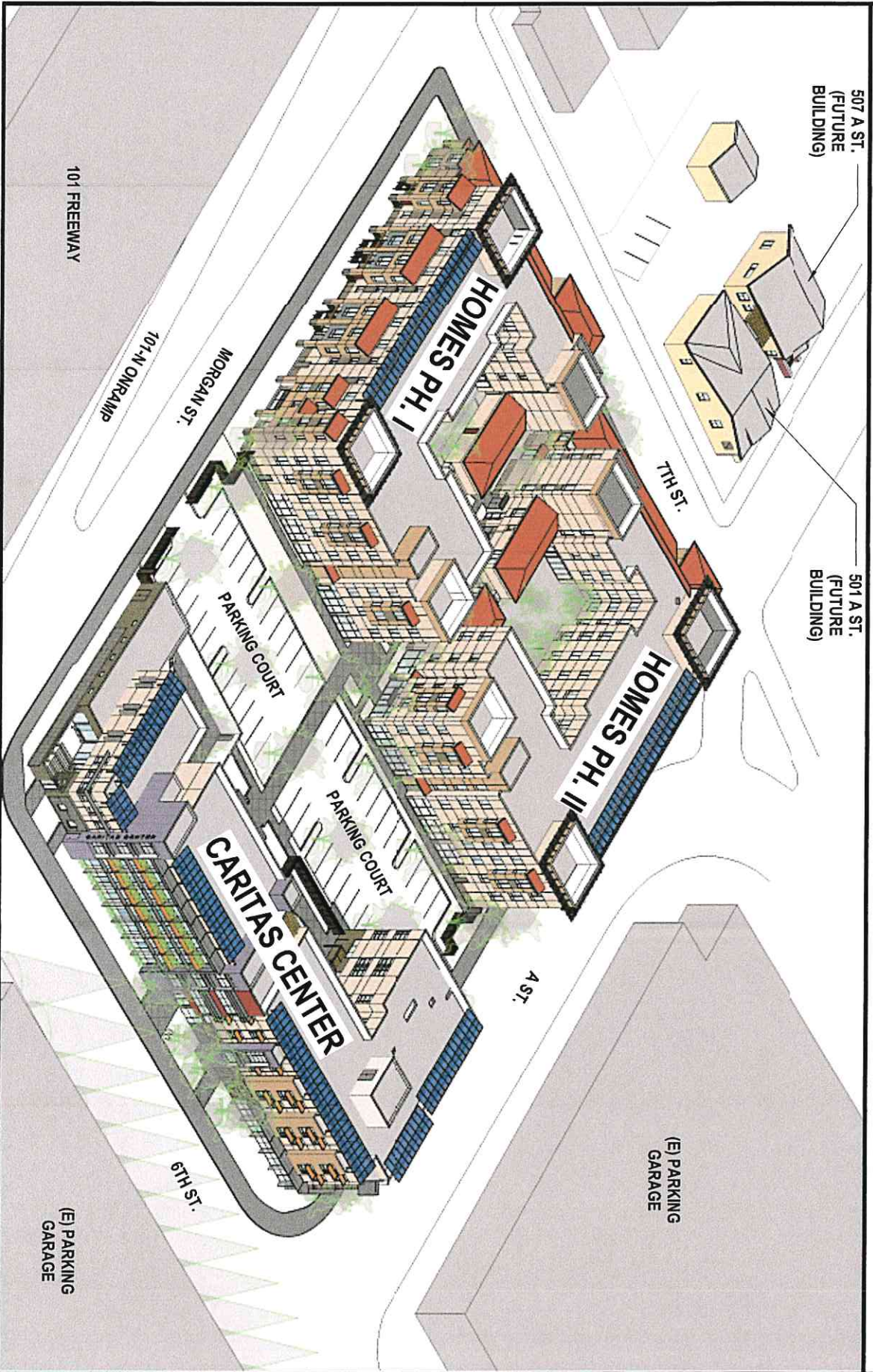
# EXISTING + PROPOSED



**Pyatok**  
 Caritas Village  
 Santa Rosa, CA

# CARITAS VILLAGE

PLANNING DEPARTMENT SUBMITTAL - SEPTEMBER 18, 2018





**Sonoma County Community Development Commission**  
1440 Guerneville Road, Santa Rosa, CA 95403-4107

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*Members of the  
Commission*

**Susan Gorin**  
Chair

**Lynda Hopkins**  
Vice Chair

**David Rabbitt**  
**Shirlee Zane**  
**James Gore**

**Barbie Robinson,**  
**MPP, JD, CHC**  
Interim Executive  
Director

Date: March 18, 2020

To: Community Development Committee and  
Cities & Towns Advisory Committee

From: Felicity Gasser, Equity & Compliance Manager

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

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### **Summary of FY 2020-2021 Funding Recommendations**

Staff recommends that to further the priorities set by your Committees last fall for the FY 2020-2021 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 2020-2021 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 Committee 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
<b>Accessibility and Infrastructure Projects</b>				
Cotati	West School St. Path of Travel	\$160,000	\$160,000	Project benefits a Low and Moderate income limited clientele and is shovel ready. Project would not be able to proceed without full funding.
Healdsburg	Sidewalk ADA	\$175,000	\$175,000	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	\$120,000	\$0	Because of limited funding, staff does not recommend funding this project. City of Sebastopol has listed this as the second priority out of the two projects submitted for funding.
Sebastopol	Youth Annex ADA	\$180,000	\$180,000	Project would serve a limited clientele that utilizes the Youth Annex for recreational activities and City Council meetings. City of Sebastopol has listed this as the first priority out of the two projects submitted for funding.
Sweetwater Springs Water District	Sweetwater Springs Water Improvement	\$115,920	\$115,920	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.
<b>Housing Projects</b>				
Bridge Housing	Cotati Station	\$900,000	\$0	See HOME Recommendation
Catholic Charities	Caritas Center	\$300,000	<del>\$0</del> <u>\$40,000</u>	Caritas Center provides wrap-around homeless and housing services, shelter and transitional housing, serving more than 325 people daily. The Sonoma County Community Development Commission has previously awarded predevelopment funds to the project <del>of which remain unexpended</del> <u>all of which has been expended, but not yet invoiced.</u> <del>and</del> staff recommends the expenditure of FY <del>2019-2020</del> <u>2020-2021</u> award towards the required NEPA Environmental Assessment (EA) prior to any additional funding recommendations.
Center for Social and Environmental Stewardship	Windsor Center	\$500,000	\$0	Project ineligible for CDBG and was evaluated for HOME funding. See HOME recommendation.
Rohnert Park	Essential Workforce Housing Program	\$350,000	\$350,000	Project buys down affordability for two single-family homes forever, meaning affordability will pass from one family to the next when the first homebuyer moves.
SCCDC	Housing Rehab Program	\$1,200,000	<del>\$364,317</del> <u>\$324,317</u>	Program provides low cost loans to assist low-income households for needed repairs that improve housing stability and decency while maintaining affordability.
Direct Delivery			\$40,000	Staff recommends this set-aside for anticipated environmental review and labor compliance direct delivery expenses
<b>Total</b>		<b>\$3,205,237</b>	<b>\$1,385,237</b>	
Available			\$1,385,237	Includes the estimated FY 20-21 CDBG allocation for capital projects of \$1,225,555 and available program income in the amount of \$159,682

## HOME

Sponsor	Project	Ask	Recommendation	Summary of Staff Rationale
BRIDGE Housing	Cotati Station Apartments	\$605,000	\$605,000	Project will create 73 new affordable units in an area of high opportunity and potential for environmental benefits (transit-oriented, walkable amenities and schools). The project also possesses a high level of readiness and leveraged funds. Staff recommends funding full HOME ask.
Burbank Housing	Caritas Homes	\$500,000	\$0	Project is a component of master plan to house a vulnerable population, create a shelter, and provide extensive county-wide services, the project would likely be very competitive for CDBG-DR funds and encourages the applicant to re-apply when funding has been secured. Due to the amount of oversubscribed HOME funding proposals, existing Commission funding toward the project, and need to complete an environmental assessment, staff recommends no funding for this cycle.
Center for Social and Environmental Stewardship	Windsor Center	\$500,000	\$0	This project would provide housing for 32 transition age youth at or below 80% AMI in the City of Windsor. Although, a worthy project, staff has determined that predevelopment costs for a housing project are not eligible for CDBG funding. Staff determined it was an eligible activity under the HOME program but the project did not rank highly when compared to other housing funding proposals. Staff encourages the applicant to apply for CDBG-DR funding expected to be available this year. Furthermore, staff encourages the applicant to re-apply for HOME program funds or County Fund for Housing when they have secured funding for the project.
Sonoma County Housing Authority	Tenant Based Rental Assistance	\$106,000	\$37,040	Funds will ensure that 17 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.
Reserve		\$101,967	\$101,967	It is a best practice to retain a reserve for cost over-runs or unforeseen costs associated with funded projects. Staff recommends holding these funds in reserve.
<b>Total Ask/Total Recommendation</b>		<b>\$1,740,965</b>	<b>\$672,005</b>	
Available			\$672,005	Includes the estimated FY 20-2021 HOME Allocation plus \$72,002 in Program Income

<b>Jurisdiction</b>	<b>Low/Mod Income Population ( 80% AMI)</b>	<b>Total Population</b>	<b>Percent of Population that is Low/ Mod Income</b>	<b>Percent of the County's Low/Mod Income Population</b>	<b>Percentage of the County's Total Population</b>	<b>6 year Allocation based on Low/Mod Population</b>	<b>FY 19 20 Award</b>	<b>FY 20 21 Staff Recommendation</b>	<b>Est. Balance of Funds Available</b>
Cloverdale	3,735	8,625	43.30%	3.56%	3.34%	\$256,320.00	\$ -	\$ -	\$256,320
Cotati	2,910	7,360	39.54%	2.77%	2.85%	\$199,440.00	\$ -	\$ 160,000	\$39,440
Healdsburg	4,715	11,475	41.09%	4.50%	4.44%	\$324,000.00	\$ 140,000	\$ 175,000	\$9,000
Rohnert Park	19,405	41,580	46.67%	18.50%	16.08%	\$1,332,000.00	\$ -	\$ -	\$1,332,000
Sebastopol	3,470	7,455	46.55%	3.31%	2.88%	\$238,320.00	\$ 146,040	\$ 180,000	\$87,860
Sonoma	3,645	10,635	34.27%	3.48%	4.11%	\$250,560.00	\$ -	\$ -	\$250,560
Windsor	7,400	27,095	27.31%	7.06%	10.48%	\$508,320.00	\$ -	\$ -	\$508,320
Balance of Sonoma County	59,585	144,380	41.09%	56.82%	55.83%	\$4,091,040.00	\$ 876,949	\$ 870,237	\$2,343,854
<b>Total</b>	<b>104,865</b>	<b>258,605</b>	<b>40.55%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$7,200,000.00</b>	<b>\$ 1,280,989</b>	<b>\$ 1,385,237</b>	<b>\$5,911,499</b>

## 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%
<b>Total</b>	<b>10,445</b>	<b>17,885</b>	<b>58%</b>	<b>9.96%</b>	<b>6.92%</b>

### Committee Policy Direction

Direction on funding priorities from the Committees as adopted in the FY 2020-2021 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 2020-2021 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 April 15<sup>th</sup>, 2020 Public Hearing.

**CITY OF COTATI– WEST SCHOOL STREET PATHWAY PHASE 2**

Amount Requested: **\$160,000**

Funding Source: **CDBG**

Total Project Costs: **\$426,131**

Project Type: **Sidewalks**

Use of Funds Requested: **Construction**

*Project Description Summary from Applicant’s Submitted Application:*

City of Cotati is seeking \$160,000 in CDBG funding for construction costs for the West School Street Pathway Phase 2 Project, which has a total project cost of \$426,131. The Project is anticipated to start on or by July 1, 2020 and be completed by October 1, 2020. The Project extends an existing pathway used by the community to the Thomas Page Elementary School. The environmental review for this project has been completed.

*FY 20-21 CDBG & HOME for Capital Projects Threshold Criteria*

*Is the application complete?*

Yes

*Eligible Activity:*

The project qualifies under the Matrix Code “03L Sidewalks” and meets a National Objective of serving 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 Limited clientele (LMC)

*Does the project Affirmatively Further Fair Housing?*

The needed improvements will remove barriers to accessibility between neighborhoods, services, amenities by eliminating multiple sidewalk gaps.

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

Yes, The City of Cotati is a governmental agency and is 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 Cotati 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 Cotati which is located within the Urban County.

### **FY 20-21 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.*

This project is not a project in support of the creation or preservation of affordable housing.

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

Yes, the project will remove architectural barriers enabling ADA compliant access along a pathway used by Low and Moderate Limited clientele (LMC) residents in the eligible 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.*

Yes, this project considers the mobility needs of low-income people, looking at a variety of factors, including, providing 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.*

The City of Cotati has requested the remaining funds needed to complete the project. All Pre-development work has been completed and the City anticipates completion within the next twelve months.

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

The NEPA Environmental Review was completed in July of 2018.

The project is considered ministerial and therefore exempt from CEQA.

Is the proposed project consistent with the General Plan?

The City Public Works Director/City Engineer submitted a letter stating that the project is consistent with the adopted General Plan.

Does the applicant possess site control?

The proposed project will be on city owned property.

**Need**

The City has received strong community support for the pathway during workshops and public hearings for City planning efforts including the City's Bike/Ped Master Plan updates and for annual updates of the City's 5-Year CIP as well as the annual City budget. Use of the trail by the community at large would be improved with completion of the pathway.

**Financial Feasibility**

The total project cost is \$426,131. The City is requesting the remaining \$160,000 to finish the project.

**Outcomes**

The project provides a safe community walking pathway and will eliminate bike and pedestrian collisions and close calls for community residents using this route.

The City of Cotati is committed to providing safe, ADA compliant and equal access to amenities and services for its residence in low-income neighborhoods and affordable housing developments by eliminating sidewalk gaps.

**Leverage and Meeting Community Need (Non-Housing Projects)**

The City of Cotati has allocated \$72,595 of its General Fund toward the project. There are two previous CDBG awards funding previous phases of this project: FY 16/17 \$110,000 and FY 18/19 \$85,000.

**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 and equal access to amenities. According to the 2017 American Community Survey, there are approximately 990 persons over the age of 65 and 534 persons with disabilities who reside in the City of Cotati.



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 including a well-used walking path and access to Thomas Page Elementary School, for people with disabilities.

### **Analysis**

Total development cost per unit (if applicable): N/A

Total hard cost per unit (if applicable): N/A

### **Pros for the Project:**

- The project would eliminate sidewalk gaps and create a safe pathway.
- The project would benefit Low and Moderate Income Limited clientele and encourage physical activity.
- The project is ready to proceed.

### **Cons for the Project:**

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

### **Consequences of no Funding:**

Reducing the extents of this phase would delay completion of future phases. Additionally, the main cost of this phase (Phase 2) is providing a safe crossing of W. School Street onto Richardson Lane and crossing an existing storm drain junction box.

### **Staff Recommendation**

This project is shovel ready and eligible for CDBG funds. **Staff recommends fully funding this project at \$160,000.**

**CITY OF HEALDSBURG– SIDEWALK ADA**

Amount Requested: **\$175,000**

Funding Source: **CDBG**

Total Project Costs: **\$175,000**

Project Type: **Sidewalks**

Use of Funds Requested: **Construction**

*Project Description Summary from Applicant’s Submitted Application;*

The City of Healdsburg is seeking \$175,000 in CDBG funding to remove 14 existing concrete sidewalk ramps at street intersections, while replacing them with ADA compliant ramps to improve pedestrian travel to approximately 1,685 residents, and the number of these people who are low or moderate income under the CDBG definition is 955. This means that 56.68% of the population is low or moderate income. The project is anticipated to start immediately following the completion of the environmental review.

***FY 20-21 CDBG & HOME for Capital Projects Threshold Criteria***

*Is the application complete?*

Yes.

*Eligible Activity:*

The project qualifies under the Matrix Code “03L Sidewalks” 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 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 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. The project reduces pedestrian travel barriers to commercial and civic locations, improving access to these amenities along the city's downtown along the western flank, the Foss Creek Trail and within the Foss Creek Development.

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 20-21 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.

4. Yes. This project will improve existing infrastructure in a Low and Moderate Income Service Area.

5. Projects that prevent displacement in high opportunity areas.

This project is will improve an area at risk of gentrification and displacement, but does not provide any displacement protections.

6. 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 can't walk 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.

The project will have the plans prepared prior to entering into contract for use of CDBG funds. Staff recommends amending the environmental review currently underway to include these additional curb cuts and any future phases of this project, so that the project is ready to proceed with construction immediately upon being funded.

The project will require a public right-of-way permit to proceed.

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

Per an environmental review assessment completed by Commission staff, environmental review will likely convert to exempt. Staff recommends including the planned work under this application in the NEPA currently being prepared for the first phase of this project, as a NEPA environmental review should include of all phases of a project. This will allow project construction to commence earlier than the stated schedule in the application.

This project is considered ministerial and therefore exempt from CEQA review. If awarded, the City of Healdsburg will need to provide a letter of confirmation.

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**

ADA standards state that newly constructed or altered streets must contain curb ramps. The replacement of curbs without ramps will accommodate individuals with mobility challenges and will improve walking traffic and increase accessibility to city amenities including City Hall, the Foss Creek Trail and downtown Healdsburg.

## **Financial Feasibility**

The City plans to use engineering staff to fund the engineering work required for this project, which will be completed as in-kind support for the project. The CDBG funds are the only planned investment in this project, so the project is not relying on commitment of any other funding sources to complete this project.

## **Outcomes**

By replacing existing concrete sidewalk curbs with ADA compliant ramps the project will benefit individuals with special needs and encouraging walkable and healthier communities. Sidewalks provide numerous health, economic, and safety benefits to the community. The availability of sidewalks and travel along sidewalks is one of the most effective ways to encourage walking. The project will improve the walkability to the entire population within the service area. 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 and Meeting Community Need (Non-Housing Projects)**

CDBG funds would leverage City of Healdsburg in-kind staff time and make improvements to existing infrastructure, improving longevity and service of existing infrastructure in a low-income neighborhood. The in-kind staff work was not quantified in the budget.

## **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.**

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 50% identifying as such. The median income is significantly lower than the rest of Sonoma County at \$29,000 per year. The unemployment rate is 6.8%, more than twice that of the County as a whole. 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): N/A

Total hard cost per unit (if applicable): N/A

### Pros for the Project:

- The proposed project will replace 14 existing concrete sidewalks curbs with ADA compliant ramps; therefore, the project will greatly benefit individuals with special needs.
- 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 funding is not awarded, the City of Healdsburg will have to slowly phase this project to make all 14 sidewalk ramps ADA compliant as alternative funding becomes available.

## Staff Recommendation

Staff will be able to complete the environmental review as part of the previous phase of curb cuts. This project will be shovel ready by the beginning of Fiscal Year 2020-2021. **Staff recommends fully funding this project at \$175,000.**

**CITY OF SEBASTOPOL– ADA UPGRADES TO THE SEBASTOPOL CITY HALL**

Amount Requested: **\$120,000**

Funding Source: **CDBG**

Total Project Costs: **\$120,000**

Project Type: **Public Improvements**

Use of Funds Requested: **Predevelopment & Construction**

*Project Description Summary from Applicant’s Submitted Application:*

The City of Sebastopol is seeking \$120,000 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 20-21 CDBG & HOME for Capital Projects Threshold Criteria*

*Is the application complete?*

Yes

*Eligible Activity:*

The project qualifies under the Matrix Code “03Z Public Improvement”.

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

Yes, the project 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.

*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 20-21 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, the goal is to remove architectural barriers at City Hall that limit the accessibility of elderly persons or adults with severe disabilities.

4. *Projects that prevent displacement in high opportunity areas.*

No.

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 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.*

The applicant expects to complete design work by December 2020 and the entire project by October 2021. 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 is 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.

**Financial Feasibility**

The total project cost is \$120,000. The City is requesting the entire \$120,000 to complete the project, so the project will be able to proceed immediately upon being funded.

**Outcomes**

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

**Leverage and Meeting Community Need (Non-Housing Projects)**

CDBG funds would leverage City of Sebastopol in-kind staff time and improve existing infrastructure, increasing the longevity of existing infrastructure to benefit elderly persons or adults with severe disabilities.

**Development Experience (Housing Projects)**

N/A

**FY 2020-2021 Urgent Community Needs**

**1. Projects that serve the maximum number of people at the lowest income threshold.**

This project creates ADA compliant public facilities and equal access to amenities. According to the 2017 American Community Survey, there are approximately 1,780 persons over the age of 65 and 411 persons with disabilities 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): N/A

Total hard cost per unit (if applicable): N/A

**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 one priority identified in the Commission's Funding Policies.

**Consequences of no Funding:**

With partial funding, the City will make more limited ADA upgrades. Without funding, this project will be put on hold indefinitely.

**Staff Recommendation**

Because of the limited availability of funds and the Commission's priority for granting funding to projects that predominately serve low/moderate income areas, staff asked the City of Sebastopol to indicate which project it would prioritize between the two submitted for funding. The City of Sebastopol indicated that the Youth Annex is a higher priority because it serves more members of the public. **Based on the limited funding availability, and an effort to use CDBG funds for investments across various jurisdictions in relation to each area's low-income population, staff recommends \$0 of FY 2020-21 CDBG funding for the Sebastopol City Hall ADA upgrades project.**

Staff recommends using any funding awarded for the Youth Annex ADA project to complete a renewed or refreshed environmental review that covers both projects so that the City Hall project may be further along in readiness for a future award cycle.

**CITY OF SEBASTOPOL – ADA UPGRADES TO THE YOUTH ANNEX**

Amount Requested: **\$180,000**

Funding Source: **CDBG**

Total Project Costs: **\$180,000**

Project Type: **Public Improvements**

Use of Funds Requested: **Predevelopment & Construction**

*Project Description Summary from Applicant’s Submitted Application:*

The City of Sebastopol is seeking \$180,000 in CDBG funding for ADA site improvements at the Youth Annex Building, which serves as the site for City Council meetings and several recreational and cultural activities. The improvements would entail correct striping and signage at accessible parking, one curb cut with ADA-compliant warnings, construction of a compliant path from the sidewalk to the entrance of the building, and upgrading entrance and other exterior doors to maximum force and closing time. The project would also install side rails on the exposed side of the drinking fountain and replace with either a Hi/Low model or a model with a cup dispenser. Bathrooms on site will also be upgraded to be ADA compliant.

*FY 20-21 CDBG & HOME for Capital Projects Threshold Criteria*

*Is the application complete?*

Yes

*Eligible Activity:*

The project qualifies under the Matrix Code “03F Parks, Recreational Facilities” 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 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.

*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 directly 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 20-21 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.

4. Yes, the goal is to remove architectural barriers at City Hall that limit the accessibility of elderly persons or adults with severe disabilities.

5. Projects that prevent displacement in high opportunity areas.

No.

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

Yes, this project is aligned with local the jurisdictions General Plan Climate Change Element & Equity Element, but does not provide 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.

The applicant expects to complete design work by December 2020 and the entire project by September 2021.

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 the Youth Annex site in the accessibility study. Environmental reviews are 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.

**Financial Feasibility**

The total project cost is \$180,000. The City is requesting the entire \$180,000 to complete the project, so the project will be able to proceed immediately upon being funded.

**Outcomes**

Project will provide improved ADA access to the Sebastopol Youth Annex for all persons with disabilities.

**Leverage (Housing Projects)**

N/A

**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)**

N/A

### **FY 2020-2021 Urgent Community Needs**

1. **Projects that serve the maximum number of people at the lowest income threshold.**
2. This project creates ADA compliant public facilities and equal access to amenities. According to the 2017 American Community Survey, there are approximately 1,780 persons over the age of 65 and 411 persons with disabilities in the City of Sebastopol.
3. **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): N/A

Total hard cost per unit (if applicable): N/A

### **Pros for the Project:**

- The project would eliminate architectural barriers for people with limited mobility, and create equal opportunities.
- This project would upgrade and improve facilities for recreation and City Council meetings for all potential attendees

### **Cons for the Project:**

- The project meets only one priority identified in the Commission's Funding Policies.

### **Consequences of no Funding:**

With partial funding, the City will make more limited ADA upgrades. Without funding, this project will be put on hold indefinitely.

### **Staff Recommendation**

This project is for a CDBG eligible use and is ready to proceed. The City of Sebastopol submitted two projects for funding, and indicated that the Youth Annex is a higher priority because it serves more members of the public. **Staff recommends fully funding this project with \$180,000.**

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

Amount Requested: **\$115,920**

Funding Source: **CDBG**

Total Project Costs: **\$2,740,638**

Project Type: **Water/Sewer Improvements**

Use of Funds Requested: **Predevelopment Costs**

*Project Description Summary from Applicant’s Submitted Application;*

Sweetwater Springs Water District is seeking \$2,740,638.00 in CDBG funding for two phases of a water main improvement project. The first phase, engineering design and environmental review, and the second phase is construction, which includes construction, project management, inspection and oversight in Guerneville, California. The estimated total project cost for Phase 1 is \$144,900 and for Phase 2 is \$2,595,738. The project is anticipated to start Phase 1 as soon as funding becomes available (estimated as 9/1/20). If funded, Phase 1 will be done by April 2021. Construction is anticipated start 6/1/21 and be completed by 12/31/21. Note that this assumes funding is identified for construction. The project replaces old undersized water mains with new, improved water mains sufficient to provide both domestic and fire flows, as well as significantly reduce ongoing maintenance costs. The project will replace approximately 5,374 feet of water main and will serve approximately 60 low income households directly, while improving the water pressure for more than 2,000 homes.

**FY 20-21 CDBG & HOME for Capital Projects Threshold Criteria**

Is the application complete?

Yes

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 a census tract 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 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?*

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

***FY 20-21 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.***

**3.** Not applicable – this is an infrastructure/public facility project supporting low or moderate income populations.



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

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

5. Projects that prevent displacement in high opportunity areas.

No.

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

This project reduces the environmental impacts on low to moderate income populations by improving the water pressure and reducing risk of fire damage, which climate change has increased in the wildland urban interface areas such as this.

## **Readiness to Proceed**

### Readiness to proceed:

This project is in its design phase and is ready to proceed with predevelopment work including design and environmental review. The site is zoned appropriately for the proposed activity and only a routine encroachment permit will be required once construction is scheduled to begin.

The project anticipates starting design and environmental work as soon as funding becomes available and estimates completion of predevelopment by April 2021. Once funding for construction is secured, it is anticipated that it will take six months to complete.

The only permission needed for the project is an encroachment permit from the County to do work in the public right-of-way.

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

An environmental review has not yet been started for this project. To proceed, an environmental review conducted by a qualified consultant will be necessary.

### Is the proposed project consistent with the General Plan?

Because this project is replacing existing infrastructure, it will not change anything that will impact 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?

Yes, the project is in the public right of way.

## **Need**

Census data shows that the population served within the limits of the proposed project qualify for 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**

The predevelopment phase (Phase I) of the project includes 80% of funding from CDBG and 20% of funding from existing district funds. Phase I will be able to be completed if the applicant is awarded CDBG funds.

For the construction phase (Phase II), the district has committed funds to pay for half of the cost. The district has applied for funding from the Drinking Water State Revolving Fund (DWSRF) that would help to fund the project. The District plans to apply for future rounds of CDBG as well.

Construction of the project can phased if funding is not available all at once.

**Outcomes**

Improved water pressure, flows, and reliability will be provided for 60 homes in a low-moderate income service area. Additional fire hydrants and new/upsized lines, fire flows are anticipated to meet minimum standards of 1,000 gallons per minute upon completion of the project. Leaded joints will be 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)**

This project proposes to leverage funds from the following sources:

Phase I

<u>Amount</u>	<u>Funding Source</u>	<u>Status</u>
\$28,980	Phase I - Sweetwater Springs District Funds	Committed

Phase II

<u>Amount</u>	<u>Funding Source</u>	<u>Status</u>
\$1,297,869	Phase II - Sweetwater Springs District Funds	Committed
\$1,297,869	Drinking Water State Revolving Fund (DWSRF)	Applied for funds

The District is seeking additional funds for completion of Phase II, including an application submitted to the Drinking Water State Revolving Fund and plans to apply for future rounds of CDBG.

### **Leverage and Meeting Community Need (Non-Housing Projects)**

CDBG funds would leverage use of Sweetwater Springs District funds and makes improvements to existing infrastructure, improving longevity and service of existing infrastructure to existing homes. An award of CDBG funds for predevelopment would improve the project's competitiveness for an award from the Drinking Water State Revolving Fund for Phase II of the project.

### **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.

#### **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 development cost per home provided with improved water quality: \$45,677

Total hard cost per home assisted: \$43,262.30

### **Pros for the Project:**

- The project would improve water service for 60 homes, and water pressure for 2,000 additional homes in a Low-Moderate Income Area.
- The project serves an area with a significantly higher poverty rate than the rest of the County.
- The Applicant has a proven track records 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 I which will allow it to pursue funding opportunities for the construction phase (Phase II).

Cons for the Project:

- Project has limited impact on climate change and does not prevent displacement – two of the primary selection criteria goals.
- Project indicates a construction funding gap of \$1,297,869 for which it does not yet have funding commitments.

Consequences of no Funding:

If this application is not selected for funding, the Applicant would not be able to proceed with this project and existing water infrastructure will continue to age and diminish below state service standards.

**Staff Recommendation**

This project is eligible for funding and addresses addressing an underserved need in a Low-Moderate Income Area. The applicant is requesting funds for predevelopment which could be spent immediately. The amount of uncommitted funds for Phase II means that it is unknown exactly how long this would take to complete, but the project can be phased. **Staff recommends full funding for the Phase I request in the amount of \$115,920.**

**BRIDGE HOUSING CORPORATION– COTATI STATION APARTMENTS**

Amount Requested: **\$900,000**

Funding Source: **CDBG**

Total Project Costs: **\$47,429,724**

Project Type: **New Construction**

Use of Funds Requested: **Site Acquisition**

*Project Description Summary from Applicant’s Submitted Application:*

“BRIDGE Housing Corporation is seeking \$900,000 in CDBG funding for the acquisition of Cotati Station Apartments, which has a total project cost of \$47,413,052. The project is anticipated to start [CDBG funded activity] on [date] and be completed by March 2022. The project will provide 74 units, 184 parking spaces, two commercial spaces, a fitness center, a .5 acre community park, serving approximately 37 low-/ 37 very low-/ 0 extremely-low-income households. Based upon the project's marketing report plus interest from Cotati-Rohnert Park Unified School District, Sonoma State University faculty and community interest the total 74 homes should be readily absorbed. This project will not only benefit the residents, but also the community members in Cotati because they will have access to a new park, more parking spaces for the SMART light rail station, and commercial space.”

**FY 20-21 CDBG & HOME for Capital Projects Threshold Criteria**

*Is the application complete?*

Yes

*Eligible Activity:*

Acquisition of Property

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

Low/Mod Limited Client (LMC)

*Does the project Affirmatively Further Fair Housing?*

It increases access for individuals with protected characteristics to existing affordable housing in higher opportunity areas. Project will provide seventy-three (73) units of very low- and low-income housing, and one unrestricted manager’s unit.

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

Pursuant to the Sonoma County Community Development Commission FY 2020-2021 CDBG & HOME Funding Policies, as a 501(c)(3) non-profit organization that will undertake selected CDBG activities, the applicant is an eligible CDBG Subrecipient.

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

BRIDGE Housing has developed 17,000 affordable housing units since 1983. They have the experience and capacity to successfully obtain necessary financing for housing development in compliance with federal, state and local requirements.

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

Not applicable - this project is not targeting the homeless population.

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, this project is located in Cotati, which is a member of the Joint Powers Agreement.

### **FY 20-21 CDBG & HOME for Capital Projects Selection Criteria**

#### **Funding Priorities**

1. Creation or Preservation of Affordable Housing.

Yes, the proposed project will create seventy-three (73) new affordable housing opportunities.

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

In addition to the affordable housing units, this project includes commercial spaces, a fitness center, a community park and additional parking for the SMART train.

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

In addition to the low- and very low-income affordable housing units, this project will also create commercial spaces, a fitness center, a community park and additional parking for the SMART train.

4. Projects that prevent displacement in high opportunity areas.

This is an infill project on vacant parcels and will displace any persons.

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

This project helps alleviate the impact of climate change by:

- Infill development
- Walkable paths
- Improving linkage to public transportation

#### **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.

A letter from the City of Cotati dated December 20, 2019 indicates all entitlements have been granted and building permits are ready for issuance. Additionally, the City awarded the project \$750,000 and unanimously supports the project. The project timeline proposes to commence construction by October of 2020.

Applying Permit Sonoma's readiness scoring form to the City's General Plan Consistency Certification, the project would have a comparable score of 1 [all entitlements (except building permit) are in place and valid].

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

The proposal indicates the CEQA Environmental Impact Report (EIR) for the site is complete. Commission staff prepared an Assessment of Environmental Review Level Required and determined the project will require an Environmental Assessment to meet NEPA requirements. BRIDGE Housing has hired a consultant who has begun the review work.

Is the proposed project consistent with the General Plan?

Yes, the project is consistent with the City of Cotati General Plan.

Does the applicant possess site control?

Yes, the applicant provided an executed copy of a Real Estate Purchase Agreement and Joint Escrow Instructions with the owner to purchase the site by April 1, 2020.

## **Need**

The proposed project will consist of 74 new rental housing units addressing the housing shortage throughout Sonoma County. Cotati Station will provide affordable housing for 37 very low-income households, including eight (8) project-based vouchers, and thirty-six (36) low-income applicants. Four (4) of the units will be set aside for disabled households and one (1) for a special needs household.

A one-mile radius study using Census Tract Data indicates that over 51% of surrounding residents have annual incomes of \$25,000 to \$74,000 or equivalent to Sonoma County workforce housing incomes ranging from 30% AMI to 70% AMI. The community has indicated support via letters of interest included in this proposal. The proposal includes a market study, which demonstrates the need for the housing this project will generate. The proposed project will create new affordable housing units, an identified priority in the Sonoma County Housing Element and the Sonoma County Community Development Commission FY 2020-2021 CDBG & HOME Funding Policies.

## **Financial Feasibility**

The development budget includes federal, state, and private funding sources, including City of Cotati Affordable Housing Trust, CDBG, HOME, County Fund for Housing, and Low Income

Housing Tax Credits. If all identified project funding sources are successfully obtained the 30 year cash flow shows a positive cash flow starting in year one.

### Outcomes

Sonoma County has a housing shortage that is exacerbated after the recent fires in 2017 and 2019. The project proposes to create new affordable housing opportunities.

### Unit Mix

Type of Units	# of Units	Income Limits
(6) 1BR, (23) 2BR, (8) 3BR	37	≤50% of AMI
(17) 2BR	17	≤60% of AMI
(10) 3BR	19	≤70% of AMI
(1) 2BR	1	Unrestricted Manager Unit
<b>Total Units</b>	74	

### Leverage (Housing Projects)

This project proposes to leverage funds from the following sources:

Amount	Funding Source	Status
\$ 9,606,340	Permanent Lender	Uncommitted
\$ 750,000	City of Cotati Affordable Housing Trust	Committed
\$ 1,000,000	Sonoma County Community Development Commission	Uncommitted
\$ 900,000	County Fund for Housing (CFH) Sonoma County Community Development Commission	Uncommitted
\$ 605,000	Community Development Block Grant (CDBG)	Uncommitted
\$ 4,847,000	HOME Investment Partnership Program (HOME)	Uncommitted
\$ 11,298,230	California Housing Finance Agency (CalHFA Mixed Income Program)	Uncommitted
\$ 15,034,517	Investor Equity State Tax Credits	Uncommitted
\$ 2,638,638	4% Tax Credit Equity Low Income Housing Tax Credit Program	Uncommitted
\$ 750,000	BRIDGE General Partner Contribution	Committed
\$ 750,000	Deferred Developer Fee	Committed
<b>\$ 47,429,724</b>	<b>Total</b>	

The City of Cotati contributed \$750,000 of their Affordable Housing Trust fund monies to BRIDGE Housing for the Cotati Station project. The applicant seeks \$900,000 of CDBG for a portion of their acquisition costs. The City of Cotati approved the proposed project as a single



phase, confirmed by conditions of approval. If phased, the project would require additional City re-review, approval, public hearings and would significantly impact the project timeline. If the applicant obtains partial funding or no funding, it would delay the commencement of construction and leave a funding gap in the development budget.

The applicant also submitted a HOME application for \$605,000, this CDBG application is for \$900,000 and applicant anticipates the submittal of a CFH application of \$1,000,000. If they received all the requested local funding, each \$1 of CDC funds would leverage \$17.93 from other sources. The full amount of CDC subsidy requested would be \$34,315 per affordable unit.

### **Leverage and Meeting Community Need (Non-Housing Projects)**

Not applicable – this proposal is an affordable housing project

### **Development Experience (Housing Projects)**

In the last seven years, BRIDGE Housing has utilized tax credit financing on 37 housing projects, developing 3,504 units of housing.

### **FY 2020-2021 Urgent Community Needs**

#### **1. Projects that serve the maximum number of people at the lowest income threshold.**

This project will create seventy-three (73) new housing opportunities of which 37 units will be for very low income (50% of AMI), including 8 project-based vouchers, and 36 low income (70% of AMI) tenants with 4 units for disabled tenants and 1 for special needs.

#### **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 Cotati just south of the SMART train station. The project is comprised of five parcels, three of which will be used to develop the housing project, commercial spaces and fitness center, and two of which will be used to develop a community park and SMART train overflow parking. The land use designation and zoning support the proposed multifamily affordable housing. The City of Cotati has committed their own Affordable Housing Trust fund monies and written a letter in support of the project. The project will help the City achieve their RHNA requirements for the 2014-2022 cycle.

The site is near a grocery store and shopping center as well as a few other businesses such as a gas station and car wash. The SMART train station will also ensure that public transit will be available nearby.

## Analysis

Total development cost per unit (if applicable): \$649,722

Total hard cost per unit (if applicable): \$382,832

### Pros for the Project:

- The project would create 73 new units of affordable housing plus 1 manager's unit.
- The project will have 37 units for very low income, 36 units for low income tenants of which 4 units would be for disabled tenants and 1 for a special needs tenant.
- The applicant proposes to obtain a non-competitive 4% tax credit allocation.
- The applicant has a proven track record of successfully completing projects involving affordable housing.
- The City of Cotati has contributed \$750,000 of Affordable Housing Trust fund monies to the project.
- Using Permit Sonoma's project readiness scoring, this project has a readiness score of 1, deemed consistent with the City of Cotati's General Plan, and the current land use designations support the proposed project.

### Cons for the Project:

- The application demonstrates a need for Project-Based Vouchers from the Sonoma County Housing Authority.
- The applicant represents a need for an additional \$1,000,000 CFH loan from the Commission.
- The applicant's requirement to complete the NEPA injects uncertainty into the project timeline and adds cost to the development budget.
- The applicant's numbers are not consistent throughout the application

### Consequences of no Funding:

If this application is not selected for funding, the project would be delayed until a new funding source could be obtained, but would not derail the project.

## Staff Recommendation

This project is a new construction affordable housing project, "shovel-ready" that meets the policy goals and objectives. Applicant submitted a funding application for both CDBG and HOME program funds and staff recommends to fully fund the HOME funding proposal. The project has a large number of uncommitted funds and encourages the applicant to apply for upcoming CDBG-Disaster Recovery funds and County Fund for Housing funding. **Staff recommends no funding for this Cotati Station Apartments funding proposal.**

## CATHOLIC CHARITIES OF THE DIOCESE OF SANTA ROSA – CARITAS CENTER

Amount Requested: **\$300,000**

Funding Source: **CDBG**

Total Project Costs: **\$43,000,000**

Project Type: **New Construction**

Use of Funds Requested: **Predevelopment Costs**

### Project Description Summary from Applicant's Submitted Application:

*“Catholic Charities requests \$300,000 for eligible pre-development costs for Caritas Center, which has an estimated cost of \$43 million. Near shovel ready, the Caritas Center Project is expected to begin construction by November 2020 and be completed in April of 2022.*

*The planned Caritas Center Project will fast track families and individuals 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, 40 bed Nightingale Respite program for unsheltered individuals discharged from hospital, a Homeless Day Center serving 325+ daily, 20 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 20-21 CDBG & HOME for Capital Projects Threshold Criteria**

Is the application complete?

Yes, applicant submitted a complete application.

Eligible Activity:

Homeless Facilities

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

Low/Mod Limited Clientele (LMC)

Does the project Affirmatively Further Fair Housing?

The proposed project will increase accessibility to individuals in protected classes to existing affordable housing in higher opportunity areas. 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?

Pursuant to the Sonoma County Community Development Commission FY 2020-2021 CDBG & HOME Funding Policies, as a nonprofit, the applicant is eligible.

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 capability to administer public funding.

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

Yes, Catholic Charities has completely redesigned and aligned with Housing First principles at all Shelter, Homeless and Housing programs it operates. The project does meet the standards of 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?

While the City of Santa Rosa is not a member of the Joint Powers Agreement that serve the Urban County, the proposed project, through its utilization of Coordinated Entry, will serve clients countywide and is therefore eligible for funding.

**FY 20-21 CDBG & HOME for Capital Projects Selection Criteria**

**Funding Priorities**

**1. Creation or Preservation of Affordable Housing.**

Although this proposal is not an affordable housing project, it is a component of the Caritas Village that will create permanent affordable housing units.

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

This proposal is for a public facility

**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 expand their services to extremely low and very low-income families and individuals.

4. Projects that prevent displacement in high opportunity areas.

Project will not displace any persons.

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

The project location is near transit hubs such as the SMART Station in Railroad Square, it will also have access to several CityBus Routes including routes that operate in 10 and 15 minutes increments improving linkages to public transportation and supporting people with limited mobility. Additionally, The Caritas Center would provide bicycle parking spaces.

## **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.

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

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

In 2015, Catholic Charities obtained a NEPA Environmental Assessment prepared by AEM and certified by the City of Santa Rosa for the acquisition, demolition and rehabilitation of the site. On March 3, 2020 the City of Santa Rosa certified a full CEQA EIR. The project will be required to obtain a NEPA Environmental Assessment for the construction of the proposed project, the proposal indicates it may be completed by summer or fall of 2020.

Is the proposed project consistent with the General Plan?

Yes, the proposed project is consistent with the City of Santa Rosa General Plan.

A letter from the City of Santa Rosa dated August 23, 2018 indicates the subject property is comprised of multiple parcels which include the following zoning districts: R-3-10-H-SA (Multi-Family Residential-Historic Combining – Station Area Combining) and CN-H-SA (Neighborhood Commercial-Historic combining-Station Area Combining. The land use designations are as follows: Residential Medium Density (8-18 units per acre) and Mixed (Residential Medium Density Residential & Retail Business Services). Both of the zoning and land use designations support multi-family housing, supportive services and furthers their General Plan policies.

Does the applicant possess site control?

Yes, the applicant provided preliminary title report dated 8/16/2017 showing ownership of the site.

## Need

The proposed plan consists of construction of a new comprehensive family emergency shelter for families and individuals; the goal is to increase the number of current beds from 138 to 200nd to expand Catholic Charities' current Homeless Services Center to be able to provide daytime services to more households experiencing homelessness or who are at imminent risk of becoming homeless.

## Financial Feasibility

The development budget includes federal, local and private funding sources, including, CDBG funds, New Market Tax Credit equity program, and private donations. If all identified project funding sources are successfully obtained the project will be feasible.

## Outcomes

Among other outcomes Caritas Center will increase emergency housing for families by nearly 50%, provide emergency housing and services up to 650 individuals annually from the current 350, the Center will expand the Nightingale Program for homeless patients from 26 to 40 beds and it will increase the number of households being helped to find permanent housing.

## Unit Mix

Not applicable.

## 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 (land donation)	Committed
\$750,000	Santa Rosa Housing Authority (seller credit)	Committed
\$500,000	City of Santa Rosa - Community Development Block Grant (CDBG)	Committed
\$250,000	City of Santa Rosa	Uncommitted
\$200,000	Sonoma County Community Development Commission – Community Development Block Grant (CDBG)	Committed
\$300,000	Sonoma County Community Development Commission – Community Development Block Grant (CDBG)	Committed
\$250,000	Sonoma County Community Development Commission – Community Development Block Grant (CDBG)	Uncommitted
\$21,143,000	Capital Campaign (donations)	Committed
\$5,950,000	Capital Campaign (pending donations)	Uncommitted
\$7,800,000	New Market Tax Credits	Uncommitted
\$2,000,000	Capitalized Land Lease	Committed
<u>\$2,897,000</u>	Developer Fees	Committed

**\$43,000,000 Total**

**Leverage and Meeting Community Need (Non-Housing Projects)**

Catholic Charities demonstrates significant leveraging of other funds while meeting the community needs by increasing services to the most vulnerable population. If applicant receives all of the requested local funding, each \$1 of CDBG funds would leverage to \$33.80 from other sources.

**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.**

The need for expanded and service enriched homeless and housing placement services proposed by Caritas Center is supported by Sonoma County's lack of safe, affordable, permanent housing inventory and the 2,951 persons identified as experiencing homelessness in Sonoma County (2019 Point In Time count).

**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 proposal is not a housing project but it is a component of the Caritas Village that will include permanent rental housing. The zoning and land use designations for this proposal are consistent with the City of Santa Rosa General Plan, however a General Plan Amendment is necessary to accommodate the proposed housing.

**Analysis**

Total development cost per unit (if applicable): N/A

Total hard cost per unit (if applicable): N/A

**Pros for the Project:**

- Catholic Charities partnered with Burbank Housing for this Caritas Village project, contributing many years of combined experience to make it successful.
- Addresses current need to provide emergency services to the most vulnerable in our community, and increase the capacity of a key partner in HOME Sonoma County, Sonoma County's homeless system of care.
- Funds are part of a greater enterprise to centralize services for families, children, and homeless individuals.
- The City of Santa Rosa has contributed \$500,000 of CDBG funding to Catholic Charities for pre-development costs for the project.

- Caritas Village is proposed to include extensive services such as; Permanent Housing, Family Shelter, Medical Services, Nightingale Respite Shelter, Drop-In Center, and a Transitional Residency Program.
- The capital campaign demonstrates strong community support, raising over \$21M in 18 months.

Cons for the Project:

- Applicant is relying on a \$5,950,000 capital campaign to fill their funding gap.
- Project may raise opposition from the neighborhood due to its location being in a historic preservation district.
- The NEPA Environmental Assessment for this project is not completed, therefore extending the timeline to secure necessary funding and commencement of construction beyond the initial proposed schedule.

Consequences of no Funding:

- Catholic Charities states that the project would rely on capital campaign funding, private loans, and internal resources to fill the development budget gap. Not receiving a CDBG award would possibly delay but not derail the project from moving forward.

**Staff Recommendation**

The Caritas Center project meets a substantial need while addressing an underserved need countrywide. However; the Sonoma County Community Development Commission has previously awarded predevelopment funds to the project, \$300,000 of which has been spent by the project sponsor, but for which the Commission has not yet been invoiced. remain unexpended. Therefore, staff recommends partial funding for Caritas Village Catholic Charities expend a portion of its FY 2019-2020 award to complete the required NEPA Environmental Assessment (EA). The estimated amount of completing a NEPA Environmental Review is \$40,000. prior to any additional funding recommendations. **Staff recommends no funding \$40,000 for the Caritas Center Project.**



**THE CENTER FOR SOCIAL AND ENVIRONMENTAL STEWARDSHIP – WINDSOR CENTER**

Amount Requested: **\$500,000**

Funding Source: **CDBG**

Total Project Costs: **\$7,042,902**

Project Type: **New Construction**

Use of Funds Requested: **Predevelopment Costs**

*Project Description Summary from Applicant's Submitted Application:*

*“The Center for Social and Environmental Stewardship is seeking \$500,000 in CDBG funds to assist with predevelopment architectural, engineering, environmental, and various studies for a new residential development in Windsor. The project will serve transition-age youth exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution). The development is anticipated to contain 16 2-Bedroom 2-Bathroom units and one 1 Manager's studio unit. The 16 2-Bedroom units will serve 32 youth at or below 80% of AMI. Predevelopment activities will commence upon disbursement of funding award.”*

**FY 20-21 CDBG & HOME for Capital Projects Threshold Criteria**

*Is the application complete?*

Yes, applicant submitted a complete application.

*Eligible Activity:*

Staff has determined that predevelopment costs for a housing project is not an eligible activity. The project is, however, eligible for HOME funding.

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

Low/Mod Housing

*Does the project Affirmatively Further Fair Housing?*

The proposed project will create new affordable housing opportunities affordable to transition age youth at or below 80% Area Median Income (AMI). The project provides affordable housing in an area of opportunity to combat segregation and promote integration. The Center currently provides employment training, jobs, and transportation for transition age youth at the project location.

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

Pursuant to the Sonoma County Community Development Commission FY 2020-2021 CDBG & HOME Funding Policies, as a 501(c)(3) nonprofit organization that will undertake selected CDBG activities, the applicant is an eligible CDBG Subrecipient.

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

The applicant proposes to collaborate with MidPen Housing, a local and regional developer with over 45 years of experience creating affordable housing opportunities. With over 100 communities and 8,500 units in their portfolio, and a favorable national reputation, they have successfully housed individuals, special needs individuals, families, and seniors. MidPen Housing has the experience and capacity to successfully navigate the complex financing needs required for housing development and property rehabilitation.

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

Not applicable – this project does not target people experiencing homelessness.

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, this project is located in the Town of Windsor, which is a member of the Joint Powers Agreement.

**FY 20-21 CDBG & HOME for Capital Projects Selection Criteria**

**Funding Priorities**

1. Creation or Preservation of Affordable Housing.

Yes, this project will create 16 units of affordable housing.

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

Not applicable – this proposal is a housing project.

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

Not applicable – this proposal is a housing project.

4. Projects that prevent displacement in high opportunity areas.

This project will not displace any persons or businesses.

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

The project will be developed in an infill location, provide ride-sharing opportunities, access to public transportation and walkable access to services, and will use energy efficient construction.

**Readiness to Proceed**

Applying Permit Sonoma's readiness scoring form to the Town of Windsor's General Plan Consistency Certification, the project would have a comparable score of 3: More information needed to determine consistency & necessary entitlements.

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

The project will require CEST 58.5 (CDC consultant) review.

Is the proposed project consistent with the General Plan?

A letter from the Town of Windsor, dated January 23, 2020 states that this project appears to be consistent with the Town’s General Plan and allowable density for the site, which is zoned as Medium Density Residential. While the Town of Windsor has not had an opportunity to fully analyze the proposal, the Town is generally supportive of housing development, particularly affordable units as proposed.

Does the Applicant possess site control?

Yes, the Applicant provided a copy of a Preliminary Title Report and fully executed Grant Deed to Circuit Rider Productions, aka The Center for Social and Environmental Stewardship.

**Need**

The proposed project will consist of 17 new housing units addressing the housing shortage throughout Sonoma County. Sixteen (16) units will be designated for tenants that meet the 80% Area Median Income (AMI) with one (1) unrestricted managers unit.

**Financial Feasibility**

The development budget shows that the project is in the early stages and has no secured funding at this time. The applicant's request for \$500,000 is specifically for predevelopment work. The applicant and MidPen Housing Corporation plan to fund the project from sources such as CDBG, the Town of Windsor, traditional financing, and fundraising. If all identified project funding sources are successfully obtained, the project budget shows a positive cash flow for years 1-14, budgeted replacement reserves, operating reserves, and a capitalized operating subsidy reserve.

**Outcomes**

The project will provide housing for vulnerable transition-age youth at or below 80% Area Median Income. The housing will provide these tenants with living skills, a rental history, and a sense of ownership in community. The project will be co-located with The Center's environmental program, where this population begins their workday.

**Unit Mix**

Type of Units	# of Units	Income Limits
(16) 1BR	16	≤80% of AMI
(1) Studio	1	Unrestricted Manger unit
<b>Total Units</b>	<b>17</b>	

**Leverage (Housing Projects)**

This project proposes to leverage funds from the following sources:

<u>Amount</u>	<u>Funding Source</u>	<u>Status</u>
\$ 500,000	Sonoma County Community Development Commission - Community Development Block Grant Program (CDBG)	Uncommitted
\$ 1,000,000	Town of Windsor	Uncommitted
\$ 1,638,450	First Mortgage	Uncommitted
\$ 3,904,452	Fundraising	Uncommitted

The applicant submitted a CDBG request of \$500,000. If they receive the requested amount of HOME or CDBG funds, each \$1 of CDC funds would leverage \$13.09 from other sources. The full amount of CDC subsidy requested would be \$31,250 per affordable unit.

### **Leverage and Meeting Community Need (Non-Housing Projects)**

Not applicable – this proposal is a housing project.

### **Development Experience (Housing Projects)**

Although, the applicant is not an experienced developer, they propose to collaborate with MidPen Housing Corporation, a housing developer with extensive experience with successful affordable housing developments and complex financing including tax credits and other financing options.

### **FY 2020-2021 Urgent Community Needs**

#### **1. Projects that serve the maximum number of people at the lowest income threshold.**

This project will create sixteen (16) new affordable housing units serving thirty-two (32) transition-age youth falling at or below 80% Area Median Income, plus one (1) unrestricted manager’s unit, so its target population is not at the lowest income threshold.

#### **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 near the Windsor’s Town Center. The site includes an employment-training center for transition-aged youth. The Windsor Center offers transportation and other services, and the project location is accessible to additional, unsponsored transportation and services.

### **Analysis**

Total development cost per unit (if applicable): \$ 440,181

Total hard cost per unit (if applicable): \$ 414,288

Pros for the Project:

- The project would create sixteen (16) new units of affordable housing.
- Housing units will be dedicated to transition-aged youth who fall into the 80% Area Median Income category.
- In collaboration with the Applicant, MidPen Housing Corporation has a proven track record of successfully completing projects involving supportive housing.
- Although the Town of Windsor has not received a formal application for this project, it appears consistent with the Town of Windsor General Plan, and the current land use designations support the proposed project.

Cons for the Project:

- Permanent financing is not yet committed.
- Applicant is not experienced utilizing federal funding to finance development from CDC.
- Project is in the preliminary stages of development and has no funding commitments.
- Until applicant formally submits a project application to the Town of Windsor, the status of any necessary entitlements or environmental requirements are uncertain.
- Development finance structure does not identify the primary source of permanent financing.
- The organization does not demonstrate capacity to successfully run the necessary capital campaign based on its 2017 IRS filing.
- The project does not demonstrate that it can meet the HOME program's timeliness requirement.

Consequences of no Funding:

If this application is not selected for funding, the project planning would be delayed and the Applicant would rely on fundraising efforts to pay for predevelopment expenses.

**Staff Recommendation**

This project would address an underserved need in the county and targets a vulnerable youth population. Although, a worthy project, staff has determined that predevelopment costs for a housing project are not eligible for CDBG funding. However, staff determined it was an eligible activity under the HOME program but the project did not rank highly when compared to other housing funding proposals.

Staff encourages the applicant to apply for CDBG-DR funding expected to be available this year. Furthermore, staff encourages the applicant to re-apply for HOME program funds or County Fund for Housing when they have secured funding for the project. **Staff recommends no funding for this application.**

**CITY OF ROHNERT PARK– ESSENTIAL WORKFORCE HOUSING PROGRAM**

Amount Requested: **\$350,000**

Funding Source: **CDBG**

Total Project Costs: **\$1,730,000**

Project Type: **Acquisition**

Use of Funds Requested: **Acquisition of existing single-family homes**

*Project Description Summary from Applicant’s Submitted Application:*

*“The City of Rohnert Park seeks \$350,000 in CDBG funding to create two low-income affordable ownership units in partnership with Housing Land Trust (HLT) of Sonoma County. This project fits within the eligible activity of “homeownership assistance” and creates affordable units by subsidizing what low-income owners can pay and the sales price on homes in Rohnert Park. The City is already partnering with HLT on a similar program to make existing homes affordable to moderate-income households. The project leverages existing housing stock to create affordable housing which, thanks to HLT’s land trust model, remains affordable in perpetuity. Based on HLT’s market research, it costs an average of \$175,000 per home to cover the gap between what low-income owners can pay and market-rate costs. The project is anticipated to start July 1, 2020 and be completed by July 30, 2021. The project will provide two affordable units, serving two low-income households in the near-term, and when the homes turn over, many more in the long term.”*

**FY 20-21 CDBG & HOME for Capital Projects Threshold Criteria**

*Is the application complete?*

Yes

*Eligible Activity:*

Homeownership Assistance

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

Low/Mod Housing

Activity is undertaken for the purpose of providing permanent residential structures which will be occupied by low or moderate income households.

*Does the project Affirmatively Further Fair Housing?*

The proposed project affirmatively furthers fair housing by creating affordable for-sale homes in existing market-rate neighborhoods, thereby promoting integration of low-income households in areas they otherwise would be unable to afford.

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

The City of Rohnert Park is an eligible applicant 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 Rohnert Park will carry out this project in collaboration with Housing Land Trust of Sonoma County (HLT). HLT staff and existing programs will provide additional administrative capacity, allowing Rohnert Park to complete the stated project without assistance from the CDC.

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

Not applicable - this project is not targeting the homeless population.

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 Urban County—it is located in Rohnert Park, which is part of the Joint Powers Agreement.

**FY 20-21 CDBG & HOME for Capital Projects Selection Criteria**

**Funding Priorities**

1. Creation or Preservation of Affordable Housing.

The proposed project will create two (2) new affordable homeownership opportunities for households with incomes at or below 80% of AMI. Following each of these acquisitions, the land will be deeded to HLT, who will then enter into a long-term ground lease with the low-income homebuyer. In this way, HLT will steward the property in perpetuity, maintaining affordability by only allowing the future sales price to increase by the amount of increase in published Area Median Income.

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 involves the purchase of homes already listed on the secondary market; therefore, no one will be displaced in the process.

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

This project alleviates the impact of climate change on low-income populations by allowing low-income households to purchase homes in high opportunity neighborhoods near amenities, including school, parks, transit and groceries, eliminating vehicle trips.

## **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 Rohnert Park will begin the site evaluation and acquisition process in June 2020. Rohnert Park has already committed \$200,000 toward this project, and HLT was awarded a grant of \$300,000 from the Sonoma County Community Development Commission to support the initial four (4) homes available to moderate income households.

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

This project will involve the purchase of existing, approved residential property. Homebuyer Assistance is a CDBG activity that is Categorically Excluded Not Subject To Part 58, and will have no physical impact on the property with no rehabilitation or other construction.

*Is the proposed project consistent with the General Plan?*

This project does not contemplate any change in land use.

*Does the applicant possess site control?*

The applicant will pursue site control via acquisition following the award of funds. Site control will be obtained through a transfer of title at closing.

## **Need**

With current Sonoma County median home prices at more than \$625,000, most households making below 80% of Area Median Income (AMI) can never hope to buy a home on their own. According to US Census American Community Survey data from 2011-2015, 46.7% of Rohnert Park's population are at or below 80% of AMI. The Essential Workforce Housing Program provides ownership opportunities for these underserved households. Currently, HLT has 572 households on their program interest list, 352 of whom are in their current applicant pool. Of the 100 households HLT has housed to date, 89% are families with children, and 33% are at or below 80% AMI.

## **Financial Feasibility**

The project is based on the premise that City of Rohnert Park and HLT will collaborate to pay the difference between the market price of the subject homes and the amount of mortgage a household making 80% of AMI can afford. HLT already has qualified low-income home buyers and will assist them in obtaining a mortgage. With the award of these funds, the project will be feasible, and will sustain the ongoing affordability of these homes.

## **Outcomes**

This program provides stability for low-income families. There are no rent increases for homeowners, which will mitigate the need to move to a new address due to outside



circumstances, providing an improved quality of life. As a result, children will not have to change schools frequently, which results in better educational outcomes and higher graduation rates. Low-income families are integrated in existing middle-income neighborhoods, giving them access to better schools and services. The community will retain members of the essential workforce, including those working in the fields of education, law enforcement, public safety and health care.

**Unit Mix**

Type of Units	# of Units	Income Limits
(2) 2 Homes	2	<80% of AMI
<b>Total Units</b>	<b>2</b>	

**Leverage (Housing Projects)**

This project proposes to leverage funds from the following sources:

Amount	Funding Source	Status
\$1,020,000	Convention mortgages to homebuyers	Uncommitted
\$60,000	Housing Land Trust of Sonoma County In-Kind Project Management	Committed
\$350,000	Sonoma County Community Development Commission (CDC)	Uncommitted
\$300,000	Community Development Block Grant (CDBG) Sonoma County Community Development Commission (CDC) Transient Occupancy Tax (TOT)	Committed

The applicant submitted a CDBG request for \$350,000. If they receive the requested local funding, each \$1 of CDC funds would leverage \$1.66 from other sources. The full amount of CDC subsidy requested would be \$325,000 per affordable home.

The \$350,000 requested would provide two (2) additional homes at the low-income level.

**Leverage and Meeting Community Need (Non-Housing Projects)**

N/A – this proposal is a housing project

**Development Experience (Housing Projects)**

Although the applicant is not a developer nor utilizes tax credit financing but rather a local jurisdiction that collaborated with a local nonprofit with has a proven track record of successfully creating ownership housing opportunities throughout Sonoma County since 2002.

## FY 2020-2021 Urgent Community Needs

### **1. Projects that serve the maximum number of people at the lowest income threshold.**

This project will create 2 new permanently affordable homes for households at or below 80% 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.)**

The proposed project is located in Rohnert Park; as noted above, close to 50% of Rohnert Park's population is at or below 80% AMI. This project creates ownership opportunities in areas of higher opportunity, offering improved access to community assets, including high quality schools, parks and transportation.

## Analysis

Total development cost per unit (if applicable): N/A

Total hard cost per unit (if applicable): N/A

## Pros for the Project:

- The project would create 2 new units of affordable ownership housing.
- Both units will be affordable to buyers making 80% of AMI or below.
- HLT has a proven track record of matching low-income homebuyers with quality homes, and maintaining affordability over the long term.
- The project leverages existing housing stock to create immediate homeownership opportunities for low-income buyers.

## Cons for the Project:

- The project will use a portion of annual CDBG funds while resulting in a limited number of affordable homes.

## Consequences of no Funding:

If this application is not selected for funding, the Applicant will not be able to proceed with the project, as there will be insufficient funds to buy down the purchase price of the subject homes.

## Staff Recommendation

Due to the creation of new affordable home ownership opportunities, length of their affordability and the leverage of existing housing stock, **staff recommends fully funding this project in the amount of \$350,000.**

**SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION – HOUSING REHABILITATION LOAN PROGRAM**

Amount Requested: **\$1,200,000**

Funding Source: CDBG

Total Project Costs: n/a

Project Type: **Housing Rehabilitation**

Use of Funds Requested: **Housing Rehabilitation**

*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 20-21 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?*

Low and Moderate Income 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 20-21 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 a 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.

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 20 applications currently in process and is actively working on ten 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.

**Unit Mix**

Not applicable.

## **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.

## **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.

### **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 2020-2021 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 full funding for this project. **Staff Recommendation is to provide partial funding for this program in the amount of \$364,317, which will serve approximately 10 households.**

## **BRIDGE HOUSING CORPORATION– COTATI STATION APARTMENTS**

Amount Requested: **\$605,000**

Funding Source: **HOME**

Total Project Costs: **\$47,429,724**

Project Type: **New Construction**

Use of Funds Requested: **Site Acquisition**

### *Project Description Summary from Applicant's Submitted Application:*

*“BRIDGE Housing Corporation is seeking \$900,000 in CDBG funding for the acquisition of Cotati Station Apartments, which has a total project cost of \$47,413,052. The project is anticipated to start [CDBG funded activity] on [date] and be completed by March 2022. The project will provide 74 units, 184 parking spaces, two commercial spaces, a fitness center, a .5 acre community park, serving approximately 37 low-/ 37 very low-/ 0 extremely-low-income households. Based upon the project's marketing report plus interest from Cotati-Rohnert Park Unified School District, Sonoma State University faculty and community interest the total 74 homes should be readily absorbed. This project will not only benefit the residents, but also the community members in Cotati because they will have access to a new park, more parking spaces for the SMART light rail station, and commercial space.”*

### **FY 20-21 CDBG & HOME for Capital Projects Threshold Criteria**

*Is the application complete?*

Yes

*Eligible Activity:*

Acquisition of Property

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

Not applicable

*Does the project Affirmatively Further Fair Housing?*

It increases access for individuals with protected characteristics to existing affordable housing in higher opportunity areas. Project will provide seventy-three (73) units of very low and low income housing, and one unrestricted manager's unit.

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

Pursuant to the Sonoma County Community Development Commission FY 2020-2021 CDBG & HOME Funding Policies, as a 501(c)(3) non-profit organization that will undertake selected CDBG activities, the applicant is an eligible HOME Developer.



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

BRIDGE Housing has developed 17,000 affordable housing units since 1983. They have the experience and capacity to successfully obtain necessary financing for housing development in compliance with federal, state and local requirements.

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

Not applicable - this project is not targeting the homeless population.

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, this project is located in Cotati, which is a member of the Joint Powers Agreement.

### **FY 20-21 CDBG & HOME for Capital Projects Selection Criteria**

#### **Funding Priorities**

1. Creation or Preservation of Affordable Housing.

Yes, the proposed project will create seventy-three (73) new affordable housing opportunities.

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

In addition to the affordable housing units, this project includes commercial spaces, a fitness center, a community park and additional parking for the SMART train.

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

In addition to the low- and very low-income affordable housing units, this project includes commercial spaces, a fitness center, a community park and additional parking for the SMART train.

4. Projects that prevent displacement in high opportunity areas.

This is an infill project on vacant parcels and will not displace any persons.

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

This project helps alleviate the impact of climate change by:

- Infill development
- Walkable paths
- Improving linkage to public transportation

#### **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.

A letter from the City of Cotati dated December 20, 2019 indicates all entitlements have been granted and building permits are ready for issuance. Additionally, the City awarded the project \$750,000 and unanimously supports the project. The project timeline proposes to commence construction by October of 2020.

Applying Permit Sonoma's readiness scoring form to the City's General Plan Consistency Certification, the project would have a comparable score of 1 (all entitlements (except building permits) are in place and valid).

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

The proposal indicates the CEQA Environmental Impact Report (EIR) for the site is complete. Commission staff prepared an Assessment of Environmental Review Level Required and determined the project will require a full Environmental Assessment. BRIDGE Housing has hired a consultant and started the review work.

Is the proposed project consistent with the General Plan?

Yes, the project is consistent with the City of Cotati General Plan.

Does the applicant possess site control?

Yes, the applicant provided an executed copy of a Real Estate Purchase Agreement and Joint Escrow Instructions with the owner to purchase the site by April 1, 2020.

## **Need**

The proposed project will consist of 74 new rental housing units addressing the housing shortage throughout Sonoma County. Cotati Station will provide affordable housing for 37 very low-income households, including eight (8) project-based vouchers, and thirty-six (36) low income applicants. Four (4) of the units will be set aside for disabled households and one (1) for a special needs household.

A one-mile radius study using Census Tract Data indicates that over 51% of surrounding residents have annual incomes of \$25,000 to \$74,000 or equivalent to Sonoma County workforce housing incomes ranging from 30% AMI to 70% AMI. The community has indicated support via letters of interest included in this proposal. The proposal includes a market study, which demonstrates the need for the housing this project will generate. The proposed project will create new affordable housing units, an identified priority in the Sonoma County Housing Element and the Sonoma County Community Development Commission FY 2020-2021 CDBG & HOME Funding Policies.

## **Financial Feasibility**

The development budget includes federal, state, and private funding sources, including City of Cotati Affordable Housing Trust, CDBG, HOME, County Fund for Housing, and Low Income

Housing Tax Credits. If all identified project funding sources are successfully obtained the 30 year cash flow shows a positive cash flow starting in year one.

**Outcomes**

Sonoma County has a housing shortage that is exacerbated after the recent fires in 2017 and 2019. The project proposes to create new affordable housing opportunities.

**Unit Mix**

Type of Units	# of Units	Income Limits
(6) 1BR, (23) 2BR, (8) 3BR	37	≤50% of AMI
(17) 2BR	17	≤60% of AMI
(10) 3BR	19	≤70% of AMI
(1) 2BR	1	Unrestricted Manager Unit
<b>Total Units</b>	74	

This project proposes a total of eleven (11) HOME-assisted units.

**Leverage (Housing Projects)**

This project proposes to leverage funds from the following sources:

Amount	Funding Source	Status
\$ 9,606,340	Permanent Lender	Uncommitted
\$ 750,000	City of Cotati Affordable Housing Trust	Committed
\$ 1,000,000	Sonoma County Community Development Commission	Uncommitted
	County Fund for Housing (CFH)	
\$ 900,000	Sonoma County Community Development Commission	Uncommitted
	Community Development Block Grant (CDBG)	
\$ 605,000	HOME Investment Partnership Program (HOME)	Uncommitted
\$ 4,847,000	California Housing Finance Agency (CalHFA Mixed Income Program)	Uncommitted
\$ 11,298,230	Investor Equity State Tax Credits	Uncommitted
\$ 15,034,517	4% Tax Credit Equity	Uncommitted
	Low Income Housing Tax Credit Program	
\$ 2,638,638	BRIDGE General Partner Contribution	Committed
\$ 750,000	Deferred Developer Fee	Committed
<b>\$ 47,429,724</b>	<b>Total</b>	

The City of Cotati contributed \$750,000 of their Affordable Housing Trust fund monies to BRIDGE Housing for the Cotati Station project. The applicant seeks \$900,000 of CDBG for a portion of their acquisition costs. The City of Cotati approved the proposed project as a single phase, confirmed by conditions of approval. If phased, the project would require additional City review, approval, public hearings and would significantly impact the project timeline. If the applicant obtains partial funding or no funding it would delay the commencement of construction and leaving a funding gap in the development budget.

The applicant also submitted a CDBG application for \$900,000, this CDBG application is for \$900,000 and applicant anticipates the submittal of a CFH application of \$1,000,000. If they received all the requested local funding, each \$1 of CDC funds would leverage \$17.93 from other sources. The full amount of CDC subsidy requested would be \$34,315 per affordable unit.

### **Leverage and Meeting Community Need (Non-Housing Projects)**

Not applicable – this proposal is an affordable housing project

### **Development Experience (Housing Projects)**

In the last seven years, BRIDGE Housing has utilized tax credit financing on 37 housing projects, developing 3,504 units of housing.

### **FY 2020-2021 Urgent Community Needs**

#### **1. Projects that serve the maximum number of people at the lowest income threshold.**

This project will create seventy-three (73) new housing opportunities of which 37 units will be for very low income (50% of AMI), including 8 project-based vouchers, and 36 low income (80% of AMI) tenants with 4 units for disabled tenants and 1 for special needs.

#### **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 Cotati just south of the SMART train station. The project is comprised of five parcels, three of which will be used to develop the housing project, commercial spaces and fitness center, and two of which will be used to develop a community park and SMART train overflow parking. The land use designation and zoning support the proposed multifamily affordable housing. The City of Cotati has committed their own Affordable Housing Trust fund monies and written a letter in support of the project. The project will help the City achieve their RHNA requirements for the 2014-2022 cycle.

The site is near a grocery store and shopping center as well as a few other businesses such as a gas station and car wash. The SMART train station will also ensure that public transit will be available nearby.

### **Analysis**

Total development cost per unit (if applicable): \$649,722

Total hard cost per unit (if applicable): \$382,832

### **Pros for the Project:**

- The project would create 73 new units of affordable housing plus 1 manager's unit.
- The project will have 37 units for very low income, 36 units for low income tenants of which 4 units would be for disabled tenants and 1 for a special needs tenant.
- The applicant proposes to obtain a non-competitive 4% tax credit allocation.
- The applicant has a proven track record of successfully completing projects involving affordable housing.
- The City of Cotati has contributed \$750,000 of Affordable Housing Trust fund monies to the project.
- Using Permit Sonoma's project readiness scoring, this project has a readiness score of 1, all entitlements (except building permit) are in place and valid.

### **Cons for the Project:**

- The application demonstrates a need for Project-Based Vouchers from the Sonoma County Housing Authority.
- The applicant represents a need for an additional \$1,000,000 CFH loan from the Commission.
- The applicant's requirement to complete the NEPA injects uncertainty into the project timeline and adds cost to the development budget.
- The applicant's numbers are not consistent throughout the application

### **Consequences of no Funding:**

If this application is not selected for funding, the project would be delayed until a new funding source could be developed, but would not derail the project.

### **Staff Recommendation**

Due to the project possessing a high level of readiness and due to its location in an area of opportunity, **staff recommends fully funding the project in the amount of \$605,000.**

**BURBANK HOUSING DEVELOPMENT CORPORATION –  
CARITAS HOMES, PHASE I**

Amount Requested: **\$500,000**

Funding Source: **HOME**

Total Project Costs: **\$36,693,065**

Project Type: **New Construction**

Use of Funds Requested: **Predevelopment Costs**

*Project Description Summary from Applicant’s Submitted Application;*

*“Burbank Housing is seeking \$500,000 in HOME funding for predevelopment expenses for Caritas Homes, Phase 1, which has a total project cost of \$36,693,065, exclusive of a Capitalized Operating Subsidy Reserve (COSR) of \$5,414,760 (the State No Place Like Home award of \$11,625,380 is \$6,210,620 for development and \$5,414,760 for a COSR). The 64-unit affordable rental housing project is currently in the environmental assessment and pre-entitlement stage and expected to be completed in 2022. The project is part of the larger Caritas Village redevelopment project in downtown Santa Rosa being developed in conjunction with Catholic Charities. Approximately half of the newly constructed units will be reserved for chronically homeless individuals. It is anticipated that Caritas Homes, Phase 1, would house about 111 residents at any given time.”*

**FY 20-21 CDBG & HOME for Capital Projects Threshold Criteria**

*Is the application complete?*

Yes.

*Eligible Activity:*

Predevelopment costs - Project related Soft Costs reasonable and necessary costs associated with financing or development of new construction.

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

Not Applicable.

*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 20% 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?

Pursuant to the Sonoma County Community Development Commission FY 2020-2021 CDBG & HOME Funding Policies, as a non-profit that will own and develop a HOME assisted project, the applicant is an eligible Developer.

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

Burbank Housing is a local developer and managing company creating affordable housing opportunities throughout Sonoma County since 1980. With over 86 communities in their portfolio and a strong reputation they've been able to successfully house individuals, special needs individuals, families, seniors in rental and homeownership opportunities. They have the experience and capacity to successfully obtain necessary financing for housing development and property rehabilitation 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?

While the City of Santa Rosa is not a member of the HOME consortium, the proposed project, through its utilization of Coordinated Entry, will serve clients throughout the County and is therefore eligible to compete for funding.

**FY 20-21 CDBG & HOME for Capital Projects Selection Criteria**

**Funding Priorities**

1. Creation or Preservation of Affordable Housing.

The proposed project will create 64 new housing opportunities for households with incomes ranging from 20% - 60% of AMI and one resident manager.

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

Not applicable – this proposal is an affordable housing project.

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

Not applicable – this proposal is an affordable housing project.

4. Projects that prevent displacement in high opportunity areas.

Project will not displace any persons.

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

Project will be located near downtown bus stations and the downtown SMART train station, improving linkages to public transportation and supporting people with limited mobility.

## **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 Santa Rosa City Council took action on March 3, 2020, and approved the new land use designation/zoning of Transit Village Mixed Use which supports the multifamily housing and supportive services proposed. The projects have secured funding commitments from the Sonoma County Community Development Commission and State of California Housing & Community Development.

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

In 2015, Catholic Charities obtained a NEPA Environmental Assessment prepared by AEM and certified by the City of Santa Rosa for the acquisition, demolition and rehabilitation of the site. A full CEQA Environmental Impact Report was approved on March 3, 2020. The project will be required to obtain a NEPA Environmental Assessment for the construction of the proposed project, the proposal indicates it may be completed by summer or fall of 2020.

*Is the proposed project consistent with the General Plan?*

Yes, the project is consistent with the City of Santa Rosa 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 1 (all entitlements (except building permit) are in place and valid).

*Does the applicant possess site control?*

Yes, the applicant provided a copy of a fully executed Option Agreement and First Amendment to Option Agreement with Catholic Charities (current owner), extending the "Option Term" to December 31, 2020.

## **Need**

The proposed project will consist of 64 new rental housing units addressing the housing shortage throughout Sonoma County. Caritas Homes will be a 100% affordable project for households with incomes ranging from the deepest affordability of 20% of AMI to 60% of AMI. Approximately half of the units will be dedicated to chronically homeless individuals also identified as a priority in the Sonoma County Housing Element and the Sonoma County Community Development Commission FY 2020-2021 CDBG & HOME Funding Policies.



## Financial Feasibility

The development budget includes federal, state, local and private funding sources, including CDBG-DR, No Place Like Home, Low Income Housing Tax Credits, and Housing Choice Vouchers from the City of Santa Rosa (not yet committed to the project).

## 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 of which thirty (30) units shall be permanent supportive housing for chronically homeless households.

## Unit Mix

Type of Units	# of Units	Income Limits
(15) Studios, (10) 1BR, (5) 2BR	30	≤30% AMI
(9) Studios, (4) 1BR, (2) 2BR	15	≤50% AMI
(7) Studios, (9) 1BR, (2) 2BR	18	≤60% AMI
(1) Studio	1	Unrestricted Manager Unit
<b>Total Units</b>	<b>64</b>	

## Leverage (Housing Projects)

This project proposes to leverage funds from the following sources:

<u>Amount</u>	<u>Funding Source</u>	<u>Status</u>
\$6,210,620	California Department of Housing and Community Development (HCD) No Place Like Home program (NPLH)	Committed
\$630,000	Federal Home Loan Bank of San Francisco (FHLBSF) Affordable Housing Program (AHP)	Uncommitted
\$14,209,876	4% Tax Credit Equity Low Income Housing Tax Credit program	Uncommitted
\$1,571,918	Sonoma County Community Development Commission (CDC) Partnership HealthPlan of California (PHC)	Committed
\$11,832,446	City of Santa Rosa – Community Development Block Grant-Disaster Recovery (CDBG-DR)	Uncommitted
\$2,238,206	Deferred Developer Fee	Committed

The applicant proposes to apply for CDBG-DR funding from the City of Santa Rosa in the amount of \$11,832,446 which would otherwise be a funding gap for the proposed project. If the applicant obtains partial funding or no funding of City of Santa Rosa’s CDBG-DR they intend to apply for additional local funds from City of Santa Rosa or Commission.

Additionally, due to the current federal fiscal year budget containing \$1 billion in new 9% tax credit resources for California communities impacted by the 2017 and 2018 wildfires, such as the Tubbs Fire of Sonoma County, Applicant intends to apply for 9% tax credits. If awarded, the project's funding gap could be cut in half.

The applicant submitted a HOME request for \$500,000. If they receive the requested local funding, each \$1 of CDC funds would leverage \$16.95 from other sources. The full amount of CDC subsidy requested would be \$32,888 per affordable unit. The Applicant described the need to obtain an allocation of Project-Based Vouchers (PBV) from the City of Santa Rosa Housing Authority to keep the rents restricted at 30% of Area Median Income for eligible households, meanwhile supporting the project feasibility, operating budget, and supportive services.

### **Leverage and Meeting Community Need (Non-Housing Projects)**

Not applicable – this proposal is an affordable housing project.

### **Development Experience (Housing Projects)**

Applicant has extensive experience obtaining federal tax credits and has successfully received tax credits for 60 projects. In the last seven years, applicant has received four 4% and four 9% tax credit awards and has obtained multiple funding awards from state, federal, and local agencies.

### **FY 2020-2021 Urgent Community Needs**

#### **1. Projects that serve the maximum number of people at the lowest income threshold.**

This project will create 64 new affordable housing opportunities of which 30 units will be deeply affordable at extremely low income 20% of 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.)**

The proposed project is located in downtown Santa Rosa where the Catholic Charities Family Support Center is located and operated providing services such as; temporary housing to homeless families, emergency intervention and daytime drop-in services, intensive street outreach. The project is comprised of multiple parcels, which include the land use designations and zoning supported for the proposed multifamily housing and supportive services. The City of Santa Rosa Planning & Economic Development department 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): \$573,329

Total hard cost per unit (if applicable): \$331,406

### Pros for the Project:

- The project would create 64 new units of affordable housing.
- Approximately half of the housing units will be permanent supportive housing for chronically homeless households.
- The project will have deeply affordable units restricted for households with incomes ranging from 20% - 60% of AMI.
- This proposal will support phase II which will include an additional 64 rental units.
- Due to an increase in the current year fiscal federal budget, applicant intends to apply for a 9% tax credit allocation, which, if awarded, would cut their current financial gap in half.
- If Applicant is unsuccessful at obtaining 9% tax credit allocation, Applicant proposes to obtain a 4% tax credit allocation, providing some assurance of their proposed timeline.
- The Applicant has a proven track record of successfully completing projects involving supportive housing.
- Using Permit Sonoma's project readiness scoring, this project has a readiness score of 1, all entitlements (except building permit) are in place and valid.

### Cons for the Project:

- The project will be developed in phases, prolonging the completion of the project and full occupancy.
- The applicant represents a need for PBV's from the City of Santa Rosa.
- A large part of the permanent financing has not been committed or available yet.
- Project indicates a funding gap of \$11,832,446, injecting some uncertainty into the project timeline.
- The NEPA Environmental Assessment for this project is not completed, therefore extending the timeline to secure necessary funding and commencement of construction beyond the proposed schedule.

### Consequences of no Funding:

The requested funds are for predevelopment costs for the project, if the project is not awarded funding, it would increase the existing funding gap of over \$11 million dollars and risk rescinding existing funding awards from Commission PHC, CFH, and the No Place Like Home funds from the state. An award would allow the applicant to not rely so heavily on CDBG-DR to fill remaining gaps.

### Staff Recommendation

This project is a component part of master plan to house a vulnerable population, create a shelter, and provide extensive county-wide services, the project would likely be very competitive for CDBG-DR funds and encourages the applicant to re-apply when funding has been secured.

Due to the amount of oversubscribed HOME funding proposals, existing Commission funding awards to the project, and a large portion of proposed funding uncommitted for the project, **staff recommends no funding for Caritas Homes.**

## **SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION – TENANT BASED RENTAL ASSISTANCE**

Amount Requested: **\$37,040**

Funding Source: **HOME**

Total Project Costs: **\$106,000**  
**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 17 households.

The households currently served include:

- 3 individuals with HIV/AIDS who are clients of Face 2 Face
- 12 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 38 households, and 21 were able to be stabilized with other forms of rental assistance.

\$37,040 will ensure that the 17 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 case workers, 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 12 of the currently assisted households will be stabilized with permanent rental assistance within the next fiscal year.

### Project Description Summary from Applicant's Submitted Application:

#### **FY 20-21 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?

n/a

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 20-21 CDBG & HOME for Capital Projects Selection Criteria**

**Funding Priorities**

**1. Creation or Preservation of Affordable Housing.**

Project provides tenant based rental assistance to individuals, allowing them access to the existing housing stock that would otherwise be unaffordable to them.

**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 would be used to complete the 24-month term of committed rental payments for 17 individuals on 24-month long contracts.

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 17 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 fulfill their end of the 24-month long contracts with project participants, at which point the households assisted would access rental assistance on a restricted, affordable unit.

**Financial Feasibility**

\$106,000 covers the cost of housing assistance payments for the 17 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 17 low-income, disabled or senior households experiencing homelessness or housing instability.

## Unit Mix

Not applicable.

## 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.

### 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 17 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 2020-2021 Fiscal Year.

### Pros for the Project:

- Ensures housing stability for 17 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 17 households currently receiving assistance. **Staff recommendation is to fund the TBRA program in the amount of \$37,040.**