



SONOMA COUNTY
**HOMELESS
COALITION**

**Sonoma County Homeless Coalition Board
Agenda Report**

Item No: 1 (Consent Calendar)
Subject: November 4, 2024, Sonoma County Homeless Coalition Board Meeting
Agenda
Meeting Date: November 4, 2024
Staff Contact: Araceli Rivera, Araceli.Rivera@Sonoma-County.org

SUMMARY

This staff report presents the November 4, 2024, Special Sonoma County Homeless Coalition Board Meeting proposed agenda. The agenda contains all proposed items that will be discussed by the Board. The proposed agenda is attached as Attachment A.

RECOMMENDED ACTION(S)

Approve November 4, 2024, agenda.

ATTACHMENT A



Sonoma County Homeless Coalition

Special Board Meeting Agenda

November 4th, 2024

10:30am-11:30am Pacific Time

Public Zoom Link:

<https://sonomacounty.zoom.us/j/97657584390?pwd=bkdNcjFnM2dhcE5GWkZuRE4zUzZjUT09>

Phone: +16694449171 Webinar ID: 976 5758 4390 Passcode: 047199

	Agenda Item	Packet Item	Presenter	Time
	Welcome, Roll Call and Introductions		Board Chair	10:30am
	<i>Note: Items 1-4 below are proposed for adoption via one motion as the Consent Calendar.</i>	N/A		
1.	11/04/24 Agenda (Consent Calendar)	Draft Agenda	Staff	10:35am
2.	CoC Builds NOFO Approval ACTION ITEM	Staff Report	Staff	10:40am
3.	Public Comment on Items not on the Agenda		Board Chair	11:20am

PUBLIC COMMENT:

Public Comment may be made via email or during the live zoom meeting. To submit an emailed public comment to the Board email Araceli.Rivera@sonoma-county.org . Please provide your name, the agenda number(s) on which you wish to speak, and your comment. These comments will be emailed to all Board members. Public comment during the meeting can be made live by joining the Zoom meeting using the above provided information. Available time for comments is determined by the Board Chair based on agenda scheduling demands and total number of speakers



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Sonoma County Homeless Coalition Board
Agenda Report

Item No: 2. CoC Builds Notice of Funding Opportunity

Subject: Staff recommendation

Meeting Date: November 4, 2024

Staff Contact: Thai Hilton Thai.Hilton@sonoma-county.org
Michael Gause Michael.Gause@sonom-county.org

Summary:

On September 25th, the Sonoma County Homeless Coalition released a Notice of Funding Availability for the Coc Builds program. Coc Builds provides one-time funding for the acquisition, construction, or rehabilitation of new Permanent Supportive Housing (PSH). CoCs are permitted to submit one application to HUD for consideration. Communities hold a local competitive process to select a project to submit to HUD. The deadline for submission was October 21st.

Discussion:

The Lead Agency developed and released a local Notice of Funds Available (NOFA) application on September 24, 2024. Applications were due to Lead Agency staff no later than October 21, 2024. Eligible applicants included jurisdictions, nonprofits, developers, and tribal entities. The Lead Agency also held a technical assistance session after the release of the NOFA, and two possible applicants joined the session. Questions were answered during and after the technical assistance session to both possible applicants.

The Lead Agency based scoring on the 100-point scale outlined in HUD's NOFO. Any contract awarded (maximum \$5 million) would be directly with the applicant and HUD but the CoC Lead Agency is required to rate and review all applicants and submit any selected application to HUD on behalf of the applicant and CoC. Awards are not guaranteed, and the process is highly competitive.

Link to Federal CoC BUILDS NOFO:

https://www.hud.gov/program_offices/cfo/gmomgmt/grantsinfo/fundingopps/CoCBuilds

Link to Local NOFA:

<https://sonomacounty.ca.gov/2024-notice-of-funding-availability-hud-cocbuilds-competition>

One application from Community Revitalization and Development Corporation (CRDC) was received. The application was submitted by a developer, Danco, in partnership with CRDC. A 25-page narrative was required with detailed information in multiple categories including funding and fiscal information, partnerships, detailed equity analysis, and commitment to Coordinated Entry and Housing First among other priorities.

In August, the CoC Board approved the Lead Agency to develop a panel to review possible applications and present this to the Coalition Board. The Ending Homelessness Manager and Coordinated Entry Analyst served on the panel along with the Affordable Housing Finance Coordinator from the Community Development Commission (a subject matter expert in affordable housing).

The submitted application was missing multiple required documents including a detailed project budget as well as required forms for HUD. Additionally, the narrative did not have enough information to be scored adequately. This resulted in staff being unable to fully evaluate and score the project proposal.

Recommended Action(s)

Staff cannot evaluate the application, nor can the proposal be submitted to HUD. Staff recommends not submitting the application as it is incomplete.

Attachment A: CoC Builds Narrative

A. Development Experience and Leveraging

Applicant Experience

Community Revitalization and Development Corporation (CRDC) has been in affordable housing since 2000. CRDC has worked on over 20 affordable housing developments with Danco Communities as a partner. CRDC currently has developed 6 PSH properties with Danco Communities:

- West Village Studios – Arcata, CA
- Central Sacramento Studios – Sacramento, CA
- Bayview Heights – Eureka, CA
- River Bluff Cottages – Rio Dell, CA
- Sage Commons – Santa Rosa, CA
- Monterey Gateway Apartments – Gilroy, CA
- Orchard Commons – Santa Rosa, CA
- The Plateau – Fort Bragg, CA

CRDC works all over the state with many developers in which they participate in the projects as the managing general partner.

Developer Experience

Danco Communities has brought to market over 1,000 affordable units to date. We have also maintained a role as property managers on the majority on the projects, managing over 1,534 affordable housing units. Affordable housing has become such a focus for Danco Communities due to the demand for it – only a small percentage of Californians can actually afford a median priced home. Danco specializes in the use of the Low Income Housing Tax Credits (LIHTC) and other state and federal resources including Community Development Block Grants (CDBG), HOME, IIG and USDA RD. The types of affordable housing projects developed by Danco fulfill local, state, and federal requirements that cities and counties need to meet to remain eligible for government funding.

Danco Communities has formed numerous partnerships over the years with private and public entities alike in order to obtain the funding and support that are necessary components in a successful affordable housing development. Those with whom we've partnered on affordable housing projects in the past include Community Revitalization Development Corporation (CRDC), Central Valley Coalition for Affordable Housing (CVCAH), Raymond James Tax Credit Funds, Alliant Capital, Boston Financial, Boston Capital, and numerous city and county governments, to name a few. Because of Danco's experience and philosophy on affordable housing development, our company has been outstandingly supported on each project by local governments and cities.

Our philosophy lends itself to a paradigm that is unique to a development/construction company:

Above all we desire to fulfill on our promise to create great affordable housing projects for our community and adapt each project to fit the specific needs and desires of those most affected by it. Danco believes that local jurisdictions and developers can build strong relationships based on common goals which result in projects that are succinct with the community's vision.

We strive for great relationships with local governments in the communities we work with and that is a key component in Danco Communities' approach to development and one that has yielded overwhelmingly positive results. To this end, we welcome the opportunity to work with local governments to produce a unique and special community unique to the needs of each community. We have recently taken on the need for **Special Needs and Homeless** housing in California.

Four of our properties that are similar in scope and scale to the proposed project are as follows:

1. Central Sacramento Studios – 93 Unit PSH Homekey Project located in Sacramento, CA
2. Monterey Gateway Apartments – 75 Unit PSH Project in Gilroy, CA

3. Madison Square Studios – 119 Unit PSH Homekey Project located in Sacramento, CA
4. Sage Commons – 50 Unit PSH Project located in Santa Rosa, CA

We have many other projects that are located all over the state including 5 that are currently under construction.

Danco Communities has developed a total of 5 Homekey projects to date.

- Inn at Temescal – Oakland, CA
- Coliseum Inn – Oakland, CA
- West Village Studios – Arcata, CA
- Central Sacramento Studios – Sacramento, CA
- Madison Square Studios – Sacramento, CA

B. Managing Homeless Projects

Applicant Experience

Community Revitalization and Development Corporation works with Danco Property Management on all projects that are partnered with Danco Communities.

Danco Communities has a related party property management company, Danco Property Management, which allows us to oversee a project through operations to ensure our vision is brought to life and is operating as intended. Danco Property Management has over 22 years of experience of providing property management to affordable housing projects.

Danco Property Management currently oversees over 15 PSH properties including 3 Homekey properties. Each of these properties have services for the residents that Danco Property Management coordinates with a third-party service provider to ensure the tenants are taken care of and have what they need to succeed.

Current PSH Projects managing:

- Inn at Temescal – Oakland, CA
- West Village Studios – Arcata, CA
- Central Sacramento Studios – Sacramento, CA
- Bayview Heights – Eureka, CA
- River Bluff Cottages – Rio Dell, CA
- Sage Commons – Santa Rosa, CA
- Monterey Gateway Apartments – Gilroy, CA
- Orchard Commons – Santa Rosa, CA

C. Implementation Schedule

Milestone	Date
Environmental Review	Done
Entitlements	Done – SB35
Site Control	Purchased 11/30/2022
County CoC App	10/21/2024
TCAC/CDLAC Awards	12/6/2024
Construction Closing and Commencement	6/2025
Lease Up Start Date	9/2026

Construction Completion/ Certificate of Occupancy/ 1 st Move In	12/2026
100% Occupancy	1/2027

D. Property Maintenance

The plan for Property Maintenance as follows:

Yearly maintenance will include:

- Roof Inspection
- Gutter Cleanout
- Check HVAC system
- Check Plumbing
- Check Electrical
- Check Community Appliances

Monthly maintenance will include:

- Landscaping
- Checking all smoke detectors, fire alarms/extinguishers, exit signs and carbon monoxide detectors
- Monthly cleaning of interior common areas
- Pest control

The project will have a replacement reserve account which will be equivalent of \$500 per unit per year. This will help maintain the property and we will be able to draw from the reserve account when repairs are needed.

E. Unmet Housing Need

The population that will be served at this facility will be families with 25% of the units set aside for individuals who are chronically homeless. PSH facilities are needed more than ever in the state. These projects are housing those who need intensive care and a level of service that they cannot easily access on the street. When they are put in a PSH facility, they are able to obtain lots of services, free of charge to them that help with anything from mental stability to nutrition and financial knowledge.

Projects will serve chronically homeless individuals in our community. The 2024 Point in Time (PIT) count showed that there were, at a minimum, 606 individuals experiencing chronic homelessness a 10% increase from 2023. Our 2024 Housing Inventory Count (HIC) showed that there are currently 896 PSH beds in the system of care with an annual average utilization rate of 82%. In the last three years, an average of 109 individuals exited PSH per year. Given this data, we can state that annually there are around 100 PSH opportunities each year if PSH remains static, as it did in FY 2023. This means that annually there is only enough PSH openings for 16% of the chronically homeless population. This is likely an underestimate as it doesn't account for individuals becoming chronically homeless throughout the year.

F. Management of Rental Housing

As mentioned above in operating experience, Danco Property Management oversees over 15 PSH facilities. These facilities have to be run much different than a family project. Danco Property Management ensures that both the services and security at the facilities are at a level that is needed by all residents. 24/7 desk coverage and active social services including case management and resident service coordination are a typical level of care at these facilities.

The following are additional parameters that Danco Property Management follows as it relates to Housing First community entry and ongoing tenancy.

- The eligibility criteria for the supportive housing meet the minimum that the funder(s) or landlord require (without additional criteria imposed).
- Sobriety is not an entrance requirement.
- Medication compliance is not an entrance requirement.
- Agreement to participate in services is not an entrance requirement.
- There is no minimum income requirement.
- The application process for the supportive housing project is streamlined, clearly stated, and separate from any assessment for services. It includes the minimum number of questions needed to determine tenant eligibility.
- The housing application and screening processes are fully accessible to persons with disabilities. In addition, appropriate, reasonable accommodations and necessary supports are provided, as needed, during the application and screening processes. The housing application is separate from the service needs assessment and does not request detailed clinical information.
- Management is willing to consider tenants who have poor credit, criminal backgrounds, or prior evictions.

Danco understands the importance of the housing First program. Because of Danco’s experience and philosophy on affordable housing development and Permanent Supportive Housing, our company has been outstandingly supported on each project by local service providers, governments, and cities.

G. Coordinated Entry

All PSH tenants will be taken from the Coordinated Entry System. These tenants will be pulled from the CES list and then approved through the property management’s screening process including tax credit program screening. Housing First rules will be utilized as well.

H. Coordination with housing providers, healthcare organizations and service providers

This project will leverage services through a third party service provider. We have a commitment of PBV’s for 25% of the units. Commitment Letter is attached.

Attached is also a commitment letter from the service provider.

I. Experience promoting racial equity

- 1) To address/prevent potential issues with the VI-SPDAT tool: Involve the REQ Committee in any planned changes to the Coordinated Entry assessment process before implementation.
- 2) Explore alternative tools and methodologies for potential future use.
- 3) To better support individuals experiencing homelessness: Continue to improve the Coordinated Entry process, so that people do not wait for long periods of time after data is gathered from VI-SPDAT.
- 4) To address/prevent potential assessment administrator bias: Educate those who conduct needs assessments about racial disparities in housing and homelessness.
- 5) Advocate for racial equity training for anyone who administers an assessment. Collect race/ethnicity data about those who provide assessments to understand to what degree administrators represent population they serve. (T2) – Administer survey or ask organizations to provide information.

During tenant selection Danco Property Management will review tenant selection with a Racial Equity lens in collaboration with CES.

J. Community Integration for persons with disabilities

The service provider and resident service coordinator will ensure there are community engagement programs that promote social activities and volunteer opportunities. We also will be providing access to onsite supportive services such as case management and will provide access to other services within the community. The resident service coordinator will work with local non-profits and other service providers in the community to provide access to food, clothing and other amenities to the residents and allow them to voice their opinions on what other amenities they would like access to or what other services they are interested in.

This project will consist of 75% family units with 25% PSH units. We have found our projects that are this ratio allow for the PSH units to grow much quicker than a 100% PSH facility.

K. Section 3 Requirement

Danco Communities works closely during the bid process to ensure that all section 3 requirements are met. Danco has worked recently on 4 CDBG-DR funded projects that all have section 3 requirements. These projects are actively reporting project details on each subcontractor to ensure all requirements are being met.

Actions taken to ensure we are complicit with Section 3 include proper marketing of the contract to sub-contractors and accurate reporting and backup monthly.