

For Housing Authority Meeting of: February 28, 2022

CITY OF SANTA ROSA  
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS  
FROM: NICOLE RATHBUN, INTERIM HOUSING AND COMMUNITY  
SERVICES MANAGER  
HOUSING AND COMMUNITY SERVICES DEPARTMENT

SUBJECT: FISCAL YEAR 2022-23 NOTICE OF FUNDING AVAILABILITY  
PRIORITIES

AGENDA ACTION: DIRECTION

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RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, hold a Study Session to discuss funding priorities for the upcoming Fiscal Year 2022-23 Notice of Funding Availability, and provide direction to staff to: 1) continue focusing on new construction projects; or 2) allocate a portion of the funds available for rehabilitation and/or preservation of affordable housing unit in accordance with applicable funding source eligible uses.

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EXECUTIVE SUMMARY

The Housing Authority issues Notices of Funding Availability (NOFAs) for its federal, state, and local funds for affordable housing activities annually and as new funding opportunities arise. Over the past three years, six NOFAs have been issued, five of which have focused on providing funds for new construction and to leverage Housing Authority funds to make projects more competitive for state funding sources. This Study Session will provide the Housing Authority the ability to discuss the funding priorities for the upcoming Fiscal Year 2022-23 NOFA and provide direction to staff to either: 1) continue focusing on new construction projects; or 2) allocate a portion of the funds available for rehabilitation and/or preservation of affordable housing units in accordance with applicable funding source eligible uses.

BACKGROUND

Six NOFAs have been issued over the past three years. Starting with the Fiscal Year 2019-20 Focused NOFA, the Housing Authority has been focusing on leveraging Authority funds to make new construction projects more competitive for state funding

programs that include tax credits from the California Tax Credit Allocation Committee (CTCAC), various California Housing and Community Development (HCD) programs such as Multifamily Housing Program (MHP), No Place Like Home (NPLH), Joe Serna Jr. Farmworker Housing Grant (FWHG), the Veterans Housing and Homelessness Prevention (VHHP), and the California Housing Accelerator program.

One NOFA, issued in late 2019, was made available to one or more eligible uses including land acquisition, predevelopment, new construction, rehabilitation (with or without acquisition), conversion from market rate, or preservation for extremely low, very low and low-income households. Subsequent NOFAs included the Community Development Block Grant – Disaster Recovery NOFA issued in late 2020, the Fiscal Year 2020-21 Focused NOFA, the Fiscal Year 2021-22 Focused NOFA, and the Fall 2021 NOFA issued in October 2021, all of which focused on creating new affordable housing units.

PRIOR HOUSING AUTHORITY REVIEW

Not applicable.

ANALYSIS

With five of the past six NOFAs since 2019 focusing on new construction projects, the Housing Authority has awarded the following projects and/or activities:

NOFA	Project / Awardee	Amount	Eligible Use
FY 2019-20 Focused NOFA	• Dutton Flats	\$3,100,000	New Construction
FY 2019-20 NOFA	• Community Housing Sonoma County	\$33,000	HOME-CHDO Operating Assistance
	• 400 Earle Street	\$129,778	Rehabilitation
	• 2602 Giffen Avenue	\$103,712	Rehabilitation
CDBG-DR NOFA	• 3575 Mendocino Avenue Phase I	\$11,917,110	New Construction
	• Caritas Homes Phase I	\$8,945,657	New Construction
	• The Cannery at Railroad Square	\$10,300,000	New Construction
	• Burbank Avenue Apartments	\$5,000,000	New Construction

	• Linda Tunis Senior Apartments	\$2,190,340	New Construction
FY 2020-21 NOFA	• DeTurk Winery Village (later rescinded when project did not progress)	\$4,200,000	New Construction
FY 2021-22 NOFA	• Bennett Valley Apartments	\$5,800,000	New Construction
	• Mahonia Glen	\$2,900,000	New Construction
Fall 2021 NOFA	• Hearn Veterans Village	\$410,000	New Construction
	• Burbank Avenue Apartments	\$284,325	New Construction

The Housing Authority commitments listed above are directly attributed to specific NOFA solicitations and do not include any awards made apart from NOFAs, such as annual public services contracts, or emergent funding requests.

The amount of funding anticipated to be available in the upcoming Fiscal Year 2022-23 NOFA is not yet known. The funding sources available in the upcoming NOFA will likely include Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Permanent Local Housing Allocation (PLHA), and local funds. From these sources, CDBG and local sources can be used for rehabilitation and/or preservation of affordable housing units.

If the Housing Authority direction regarding the upcoming NOFA is to include rehabilitation and/or preservation of affordable housing units as eligible activities, the amount of funds allocated from the NOFA for these uses would depend on the amount of funding available and the funding applications submitted in response to the NOFA. Based on past NOFA applications, there is interest from the development community for rehabilitation funds. Based on prior direction from the Housing Authority, an Ad-Hoc Committee would be appointed to review and further direct the NOFA and Points Scoring system prior to the NOFA publication, at which time the amount of available funds would be known.

### FISCAL IMPACT

Holding a Study Session does not have a fiscal impact on any Housing Authority funds.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

None

CONTACT

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