

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: NICOLE DEL FIORENTINO, HOUSING AND COMMUNITY SERVICES  
MANAGER, HOUSING TRUST  
HOUSING AND COMMUNITY SERVICES  
SUBJECT: MODIFICATION TO THE APPROPRIATION OF THE STATE OF  
CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT'S INFILL INFRASTRUCTURE GRANT PROGRAM  
FUNDS FOR THE DOWNTOWN SANTA ROSA QUALIFIED INFILL  
AREA FOR THE CAPITAL IMPROVEMENT PROJECT PORTION OF  
THE GRANT

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing and Community Services and Transportation and Public Works Departments that the Council, by resolution, authorize a modification to the appropriation of the State of California Department of Housing and Community Development's Infill Infrastructure Grant funds in the amount of \$1,072,050 from the Housing Grant Fund 2282 to the City General Fund 1100 for the Capital Improvement Project portion of the grant.

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EXECUTIVE SUMMARY

In August 2021, the City submitted an application to the California Department of Housing and Community Development's (HCD) Infill Infrastructure Grant (IIG) Program for funding associated with a Qualified Infill Area (QIA) designated the "Downtown Santa Rosa –QIA," which incorporated housing projects located within downtown Santa Rosa and improvements to 3<sup>rd</sup> and B streets. In December 2021, HCD awarded IIG funding of \$9,540,147 to the City for four housing projects - Caritas Homes Phase I, the Cannery at Railroad Square, 1 Santa Rosa Avenue and 425 Humboldt Street (total \$8,468,097); and one Capital Improvement Project for improvement to 3<sup>rd</sup> and B Streets (total \$1,072,050). On June 7, 2022, via Resolution RES-2022-110, the Council accepted the grant and appropriated \$9,540,147 to Housing Authority Fund 2282- Housing Grant Fund, Charge Key 42145 "Infill Infra Grant Program." Upon further review by the City's Finance Department, it was determined that the Capital Improvement Project portion of the grant must be appropriated separately to the General Fund, rather than included with the four housing projects in the Housing Authority Fund.

MODIFICATION TO THE APPROPRIATION OF THE STATE OF CALIFORNIA  
 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S INFILL  
 INFRASTRUCTURE GRANT PROGRAM FOR THE DOWNTOWN SANTA ROSA QUALIFIED  
 INFILL AREA  
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BACKGROUND

In May 2021, HCD released the Infill Infrastructure Grant (IIG) Program Notice of Funding Availability (NOFA) for approximately \$160 million. IIG Guidelines required the grant applicant to be either a city, county or public housing authority with jurisdiction of the area. The Renewal Enterprise District (RED), in coordination with City staff, developed the application for a QIA project area in downtown Santa Rosa, encompassing several housing developments with at least 15% affordable units for a minimum of 55 years as shown in the table below.

In May 2022, HCD awarded the City \$9,540,147 for four housing projects within the Downtown Santa Rosa QIA, as well as the Capital Improvement Project at 3<sup>rd</sup> and B street to construct a right turn pocket and lane. The grant awards for each project are shown below.

<b>Project Name</b>	<b>Total Units</b>	<b>Infill Infrastructure Grant Unrestricted Units</b>	<b>Infill Infrastructure Grant Restricted Units</b>	<b>IIG Funding</b>
Caritas Phase I	64	1	63	\$1,993,392
Cannery at Railroad Square	129	59	70	\$3,911,000
One Santa Rosa	120	116	4	\$930,397
425 Humboldt	52	52	0	\$1,693,308
CIP 3 <sup>rd</sup> & B	n/a	n/a	n/a	\$1,072,050
<b>Total</b>	<b>365</b>	<b>228</b>	<b>137</b>	<b>\$9,540,147</b>

At the June 7, 2022 meeting, via resolution no. RES-2022-110, the Council accepted and appropriated \$9,540,147 of IIG funds to Housing Grant Fund 2282, Charge Key 42145 "Infill Infra Grant Program."

Upon further review of the grant and financial reporting requirements, the City's Finance Department determined that the funding for the Capital Improvement Project at 3<sup>rd</sup> and B street needed to be appropriated into the City General Fund 1100, rather than Housing Grant Fund 2282.

PRIOR CITY COUNCIL REVIEW

On August 3, 2021, the Council, by Resolution No. RES-2021-136 authorized submittal of the IIG application to HCD for up to \$30M and authorized the City Manager to execute the IIG program Standard Agreement, any amendments or modifications, and any and all related documents necessary to attain the grant, subject to approval to form by the City Attorney.

On June 7, 2022, the Council, by Resolution No. RES-2022-110, accepted the IIG and appropriated \$9,540,147 of IIG funding to Housing Grant Fund 2282, Charge Key 42145 "Infill Infra Grant Program."

MODIFICATION TO THE APPROPRIATION OF THE STATE OF CALIFORNIA  
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INFRASTRUCTURE GRANT PROGRAM FOR THE DOWNTOWN SANTA ROSA QUALIFIED  
INFILL AREA  
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ANALYSIS

IIG funding of \$8,468,097 for the four housing projects has been correctly accepted and appropriated in Housing Grant Fund 2282.

In order to use the Capital Improvement Project portion of the grant for its intended purpose at 3<sup>rd</sup> and B street to construct a right turn pocket and lane, the Council must appropriate \$1,072,050 into the General Fund.

FISCAL IMPACT

Approval of this action increases appropriations to the City General Fund by \$1,072,050 and decreases appropriations to Housing Grant Fund 2282 by the same amount.

ENVIRONMENTAL IMPACT

This action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Sections 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Resolution RES-2022-110
- Resolution

CONTACT

Nicole Del Fiorentino, Housing and Community Services Manager-Housing Trust  
[NDelFiorentino@srcity.org](mailto:NDelFiorentino@srcity.org)