

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, HOUSING AND COMMUNITY SERVICES
MANAGER

SUBJECT: CONTINUOUS NOTICE OF FUNDING AVAILABILITY FOR
AFFORDABLE HOUSING ASSISTED WITH HOME INVESTMENT
PARTNERSHIP ACT (HOME) FUNDING

AGENDA ACTION: DIRECTION

RECOMMENDATION

Annually, the Housing Authority includes Home Investment Partnership Act (HOME) funds in its Notice(s) of Funding Availability (NOFAs); the HOME funds have specific timelines that need to be adhered to, including starting construction within twelve (12) months of commitment and being the last funds committed to a project. As a result of these requirements, soliciting applications once a year does not yield eligible projects. Staff is seeking Housing Authority direction to proceed with a continuous HOME NOFA to allow projects to apply for funding as needed.

EXECUTIVE SUMMARY

The Housing Authority issues annual Notices of Funding Availability (NOFAs) for its federal HOME Investment Partnership Act (HOME) funds. As a result of the requirements placed on the HOME funds which include that the funding be the last dollars into the project and that it begins construction with twelve (12) months of funding commitment, soliciting applications once a year does not yield eligible projects. Staff would like to open a Continuous NOFA for HOME funds to improve the ability for developers to access the funds and for staff to support the use of the funds in compliance with federal regulations. If supported, staff will release a NOFA for approximately \$550,000 in HOME funds in March 2020.

BACKGROUND

Key components of the Continuous HOME NOFA for affordable housing assisted with HOME funds include the amount of funds available, the Housing Authority priorities, HOME funding requirements, and the process by which applications will be reviewed.

ANALYSIS

The Continuous HOME NOFA process will be guided by the Housing Authority's priorities and reviewed by a subcommittee appointed by the chairperson, as complete and eligible applications are received and reviewed.

Funding Availability. Presently, there is approximately \$550,000 that can be committed to an eligible project(s).

NOFA Process. The process and priorities that have been identified include the following:

1) Process

- a. All applications will be reviewed upon receipt to determine if they meet application and HOME funding requirements.

2) Priorities

- a. New Construction projects
- b. Target Residents
 - i. Large families (three and four-bedroom units)
 - ii. Seniors
 - iii. Workforce
 - iv. Special needs/permanent supportive housing
 - a) Veterans
 - b) People experiencing homelessness
- c. Project Qualities/Location
 - i. Readiness to start construction within twelve (12) months of award;
 - ii. Deeper affordability – units at 30% and 50% of AMI
 - iii. Projects located in Station Area Plan, identified Priority Development Area or designated Opportunity Zone
 - iv. Significant projects (multiple civic benefits)
- d. Feasibility
 - i. Project can begin construction within twelve (12) months of award;
 - ii. Project can provide written financial commitments for all other sources of funding;
 - iii. Project has or will be completing a National Environmental Policy Act (NEPA) review prior to commitment of funds;

- iv. Developer's qualifications and capacity (time and financial) to carry out the project; and
- v. Maximization of other funding leveraged by the local funds

Subcommittee. The purpose of a subcommittee appointed by the Housing Authority chairperson is to work with staff to review the applications and make funding recommendations to the Housing Authority.

PRIOR HOUSING AUTHORITY REVIEW

Not applicable for this funding cycle

FISCAL IMPACT

Not applicable as no action is being taken.

ENVIRONMENTAL IMPACT

Not applicable as no action is being taken.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

None.

ATTACHMENTS

- None

CONTACT

Megan Basinger, mbasinger@srcity.org, 707-543-3303