

For Housing Authority Meeting of: September 13, 2021

CITY OF SANTA ROSA  
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS  
FROM: JULIE GAREN, PROGRAM SPECIALIST  
HOUSING AND COMMUNITY SERVICES  
SUBJECT: JULY 2021 REQUEST FOR PROPOSALS FOR PROJECT BASED  
VOUCHERS - FUNDING RECOMMENDATION FOR BENNETT  
VALLEY APARTMENTS

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing Authority Ad Hoc Review Committee and the Housing and Community Services Department that the Housing Authority, by resolution, approve a conditional commitment of thirty (30) Project Based Vouchers to Freebird Development Company, LLC for Bennett Valley Apartments located at 702 Bennett Valley Road, 716 Bennett Valley Road, 921 Rutledge Avenue and 927 Rutledge Avenue, Santa Rosa, California

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EXECUTIVE SUMMARY

The Request for Proposals (RFP) for Project Based Vouchers (PBV) was issued on July 23, 2021, announcing the availability of up to 30 PBVs. Applications were due on August 11, 2021. In response to the July 2021 Project Based Voucher Request for Proposals announcing the availability of 30 Project Based Vouchers specifically for projects dedicated to permanent supportive housing for people who have experienced homelessness, the Housing Authority received 3 applications requesting 62 vouchers for three projects with a total of 193 affordable units. The RFP was released with the intent to make projects more competitive for tax credits or other affordable housing financing; all final awards of vouchers will be contingent upon the project receiving the competitive funding the PBVs are being used to leverage. The projects were evaluated and ranked based on project dedication to housing the homeless, experience with similar projects, project location, commitment to long term affordable housing, on-site supportive services, and affordability. A Housing Authority Ad-Hoc Review Committee comprised of Commissioners Rawhouser, McWhorter and Burke met on August 30, 2021 to review the projects and scoring details. Bennett Valley Apartments project was ranked first by earning 90% of the total possible points.

BACKGROUND



<b>Bennett Valley Apartments</b>	702 Bennett Valley Road	Freebird Development, LLC	District 1; Alvarez SE Quadrant	62	49%	30	90	1
<b>Hearn Veterans Village</b>	2149 W Hearn Avenue	Community Housing Sonoma County	District 7; N Rogers; SW Quadrant	32	84%	27	75	2
<b>Mahonia Glen</b>	3173 Highway 12	Mid-Peninsula The Farm, Inc	District 3; Tibbits; NE Quadrant	99	5%	5	60	3

## PBV Commitment Recommendations

### *Bennett Valley Apartments*

**Project Description.** Bennett Valley Apartments is a 62-unit, multifamily apartment development with studio, one-bedroom, two-bedroom, and three-bedroom units. The unit affordability mix is: 32 units targeted to households with incomes up to 30% of Area Median Income (“AMI”), 29 units targeted to household incomes up to 50% AMI, and one unrestricted manager unit. The project includes 49% of units dedicated for formerly homeless persons and households and includes numerous on-site supportive services.

The project is located at 702 Bennett Valley Road, the site of the former Bennett Valley Senior Center Complex that was identified by the Santa Rosa City Council in 2019 to be developed for affordable and/or permanent supportive housing for formerly homeless. The Bennett Valley Apartments Project Summary is included as Attachment 2.

**Recommendation for Project:** The Bennett Valley Apartments project ranked first among the three project applications received with a score of 90% (90 out of 100 points possible), across the six scoring categories identified in the PBV RFP.

- Projects Dedicated to Housing the Homeless: Score 15 out of 20.
  - The project received a score of 15 out of 20 with 49% of units reserved for formerly homeless individuals and families.
- Experience with Similar Projects: Score 10 out of 10.
  - Freebird Development Co. LLC, and Allied Housing, Inc. have four completed projects in the region, and five projects currently in predevelopment.
- Project Location- Neighborhood: Score 10 out of 10.
  - Project is located in a census tract with a poverty rate at or below 20% determined in the most recent American Community Survey 5-year Estimate.
- Commitment to Providing Long Term Affordable Housing: Score 20 out of 20.

- The project's self-score for state tax credits from the California Debt Limit Allocation Committee (CDLAC) was 99% of the total points possible; for the California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP) the project had a self-score of 100% of the total points possible and is anticipated to be competitive for both funding sources. The project will be applying for the upcoming MHP funding solicitation in September 2021.
- On-Site Supportive Services: Score 20 out of 20.
  - The project offers multiple on-site services, including Permanent Supportive Housing services with a full-time Clinical Case Manager, a full-time Services Coordinator, and a Program Manager located on-site to provide services to residents tailored to the needs of formerly homeless individuals and families. On-site services will include clinical assessments, counseling, and case conferencing, and coordination with off-site primary health care services. Additional services available to all residents will include individual service plan development, case management, housing stability support, health education, recreational activities, community-building activities, financial literacy, computer training, employment assistance, conflict resolution and mediation. Off-site vocation training will be available to all residents.
- Affordability: Score 15 out of 20.
  - Project has more than 50% of restricted units or more are at 50% AMI or below.

**Project-Based Voucher Leveraging and Distribution:** Bennett Valley Apartments has requested thirty (30) PBVs to leverage funding for and develop a total of 62 units. Of the thirty (30) PBV units, twelve (12) will be 0-bedroom, twelve (12) will be one-bedroom units, three (3) will be two-bedroom units, and three (3) will be three-bedroom units.

**Goals and Policies:** The project is consistent with the goals of the PBV program by developing new affordable housing and increasing and maintaining the lease-up rate for the Housing Choice Voucher program. In addition, awarding PBVs to permanent supportive housing units for those who meet the definition of homeless under Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR §578.3 is consistent with the Housing Authority policy adopted April 26, 2021 to dedicate any additional PBV commitments for units that are specifically made available to house individuals and families who are homeless or if those units are specifically made available to house families that are comprised of or include a veteran.

***Projects not Recommended for Project Based Vouchers***

Two projects are not recommended for funding at this time due to their lower overall ranking.

- Hearn Veterans Village: Scored 75% (75 out of 100 applicable points total)
- Mahonia Glen: Scored 60% (60 out of 100 applicable points total)

Santa Rosa Housing Authority Scoring Summary of Projects Not Recommended for PBVs							
Project Name	Projects Dedicated to Housing the Homeless	Experience with similar projects	Project Location- Neighborhood	Commitment to Providing Long Term Affordable Housing	On-site Supportive Services	Affordability	Total Score
Possible points	20	10	10	20	20	20	100
Hearn Veterans Village	20	10	10	5	10	20	75
Mahonia Glen	5	10	10	20	10	5	60

The Hearn Veterans Village project ranked second among the three project applications received with a score of 75% (75 out of 100 points possible), across the six scoring categories identified in the PBV RFP. Hearn Veterans Village scored 20/20 in Projects Dedicated to Housing the Homeless, 10/10 in Experience with Similar Projects, 10/10 in Project Location and 20/20 in Affordability. The project scored 5/20 in Commitment to Providing Long Term Affordable Housing due to the lack of eligibility to apply for the upcoming MHP funding this Request for Proposals is intended to leverage and due to the project requiring more than 25% of units to be Project Based for financial feasibility. The project scored 10/20 in On-Site Supportive Services due to the lack of on-site staff to provide dedicated services to the target population.

The Mahonia Glen project ranked third among the three project applications received with a score of 60% (60 out of 100 points possible), across the six scoring categories identified in the PBV RFP. Mahonia Glen scored 10/10 in Experience with Similar Projects, 10/10 in Project Location, and 20/20 in Commitment to Providing Long Term Affordable Housing. The project scored 5/20 in Projects Dedicated to Housing the Homeless due to 5% of the total units being dedicated to homeless. The project scored 10/20 in On-Site Supportive Services due to a lack of on-site staff to provide dedicated services to the target population. The project scored 5/20 for affordability due to the affordability mix of units.

In the event the Housing Authority commits vouchers to a project that is not successful in its first planned funding competition, the vouchers will remain available to the project for up to two additional competitive funding applications through September 2023. If the competitive funding that the voucher commitment is leveraging is not awarded following the additional application round(s) the voucher commitment will be rescinded.

**FISCAL IMPACT**

The Housing Authority has an existing Project-Based Voucher program with 149 operational units and 220 vouchers committed to future projects, representing a total of 19.4% of the Housing Choice Voucher program budget authority.

Initial contract rents for the PBV units at all properties are expected to be set at the payment standard in place at the time of occupancy, subject to rent reasonableness determination.

### ENVIRONMENTAL IMPACT

The project being recommended for Project-Based Vouchers is exempt from the California Environmental Policy Act ("CEQA") under Senate Bill 35 (SB-35), Government Code Section 65913.4. The project is required to complete an Environmental Assessment in compliance with the National Environmental Policy Act (NEPA) and meet all other requirements outlined in the Project-Based Voucher regulations at 24 CFR 983, PIH Notice 2017-21 and related HUD guidance.

### COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

### NOTIFICATION

Notification of this meeting was sent to each of the applicants.

### ATTACHMENTS

- Attachment 1 – Request for Proposals
- Attachment 2 – Bennett Valley Apartments Project Summary
- Resolution Bennett Valley Apartments

### CONTACT

Julie Garen, [jgaren@srcity.org](mailto:jgaren@srcity.org)