

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS

FROM: NICOLE RATHBUN, PROGRAM SPECIALIST
HOUSING AND COMMUNITY SERVICES DEPARTMENT

SUBJECT: RESCISSION OF HOUSING AUTHORITY RESOLUTION NO. 1692, WHICH HAD APPROVED A CONDITIONAL COMMITMENT OF LOAN FUNDS IN THE AMOUNT OF \$4,200,000 AND ALLOCATION OF 134 ARTICLE XXXIV UNITS, AND HOUSING AUTHORITY RESOLUTION NO. 1693, WHICH HAD APPROVED AN ALLOCATION OF EIGHT (8) PROJECT-BASED VOUCHERS FOR THE DETURK WINERY VILLAGE PROJECT AT 8 WEST 9TH STREET AND 808 DONAHUE STREET

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, 1) rescind Housing Authority Resolution No. 1692, which approved a conditional commitment of loan funds in the amount of \$4,200,000 and an allocation of 134 Article XXXIV units; and 2) rescind Housing Authority Resolution No. 1693, which allocated eight (8) Project-Based Vouchers, for the DeTurk Winery Village Project at 8 West 9th Street and 808 Donahue Street, as the developer advised it will no longer be proceeding with the project.

EXECUTIVE SUMMARY

In June 2020, the Housing Authority approved Resolutions 1692 and 1693 which authorized a conditional commitment of loan funds in the amount of \$4,200,000, an allocation of 34 Article XXXIV units, and an award of eight (8) Project Based Vouchers to Mac 2, L.P., Meta Housing Corporation and Foundation for Affordable Housing, Inc. for the DeTurk Winery Village project. On February 10, 2021, the developer of the project sent a letter advising that they will no longer be proceeding with the DeTurk Winery Village project and will no longer need the conditional commitment of loan funds, and Project-Based Vouchers previously allocated to the project. While the loan funds and Project-Based Vouchers had been awarded to the project, no disbursements have been made. Housing Authority action is needed to rescind the \$4,200,000 conditional

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commitment of loan funds, the 134 Article XXXIV units, and the eight (8) Project-Based Vouchers that have been allocated to the project to date. The allocation of 134 Article XXXIV units is an administrative process by staff to track the number of affordable units approved for development; rescission of this allocation will also be performed administratively, if approved. There are no loan funds, Project-Based Vouchers, or Article XXXIV units that need to be physically collected.

BACKGROUND

In response to the Fiscal Year 2020/2021 Focused Notice of Funding Availability (NOFA) and the Request for Proposals (RFP) for Project-Based Vouchers, MAC 2, L.P. Meta Housing Corporation and Foundation for Affordable Housing Inc. (Developer) submitted applications for loan funds and Project-Based Vouchers for the DeTurk Winery Village project at 8 West 9th Street and 808 Donahue Street. The Housing Authority approved a conditional commitment of loan funds in the amount of \$4,200,000 for acquisition, predevelopment and construction-related costs, an allocation of 134 Article XXXIV units, and an allocation of eight (8) Project-Based Vouchers to the DeTurk Winery Village Project on June 22, 2020. The Developer subsequently sent a letter to staff on February 16, 2021 formally advising that they will no longer be proceeding with the DeTurk Winery Village project and will be returning the conditional commitment of loan funds, and Project-Based Vouchers previously allocated to the project. Housing Authority action is needed to rescind the \$4,200,000 conditional commitment of loan funds and allocation of 134 Article XXXIV units, and the award of eight (8) Project-Based Vouchers.

PRIOR HOUSING AUTHORITY REVIEW

On June 22, 2020, the Housing Authority, by Resolution No. 1692, approved a conditional commitment of loan funds in the amount of \$4,200,000, and an allocation of 134 Article XXXIV units for the DeTurk Winery Village project.

On June 22, 2020 the Housing Authority, by Resolution No. 1693, approved an award of eight (8) Project-Based Vouchers for the DeTurk Winery Village project.

ANALYSIS

To date, the Housing Authority has supported the DeTurk Winery Village project by providing an initial conditional commitment of loan funds in the amount of \$4,200,000, and an award of eight (8) Project-Based Vouchers. The conditional commitment of \$4,200,000 in loan funds for the DeTurk Winery Village project was comprised of \$3,000,000 of local funds and \$1,200,000 of federal Community Development Block

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Grant (“CDBG”) funds. Rescission of the conditional commitment of loan funds will allow these funds to be included in the upcoming Fiscal Year 2021/2022 NOFA.

FISCAL IMPACT

Housing Authority action to rescind the conditional commitment of \$4,200,000 in loan funds, will allow those funds to be included in the upcoming Fiscal Year 2021/2022 NOFA.

ENVIRONMENTAL IMPACT

The Housing Authority finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 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 that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Housing Authority Resolution No. 1692
- Attachment 2 – Housing Authority Resolution No. 1693
- Attachment 3 – Letter from Developer
- Resolution

CONTACT

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