



# City of Santa Rosa

City Hall, Council Chamber  
100 Santa Rosa Avenue  
Santa Rosa, CA

## Housing Authority Special Meeting Minutes - Draft

---

Tuesday, July 11, 2017

10:00 AM

---

### 1. CALL TO ORDER

Chair Downey called the meeting to order at 10:00 a.m.

### 2. ROLL CALL

**Present** 5 - Chair Wayne Downey Ph. D, Commissioner Fran Bolduc, Commissioner Stephen Burke, Commissioner Helga Lemke, and Commissioner Phil Olsen

**Absent** 2 - Vice Chair David Harris, and Commissioner Delia Gaitan

### 3. PUBLIC COMMENTS

None.

### 4. STATEMENTS OF ABSTENTION

None.

### 5. CHAIRMAN/ COMMISSIONER REPORTS

None.

### 6. COMMITTEE REPORTS

None.

### 7. APPROVAL OF MINUTES

None.

### 8. DIRECTOR'S REPORTS/ COMMUNICATION ITEMS:

- 8.1 FINAL FEDERAL FUNDING ENTITLEMENTS FY 2017/18 - Provided for information.

### 9. CONSENT ITEMS

None.

### 10. REPORT ITEMS

---

**10.1** REPORT - REQUEST TO ALLOCATE A MAXIMUM OF TWELVE (12) VETERANS AFFAIRS SUPPORTIVE HOUSING VOUCHERS FOR THE NEW DYNAMIC INN UNDER A TEN-YEAR PROJECT-BASED HOUSING ASSISTANCE PAYMENTS CONTRACT SUBJECT TO FINAL APPROVAL FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

BACKGROUND: On June 1, 2015, the City of Santa Rosa Housing Authority released a Request for Funding Proposals (RFP) for Project-Based Veterans Affairs Supportive Housing (VASH) funding with the goals of increasing housing opportunities for Veterans and increasing utilization of VASH vouchers. The RFP is operating under a rolling deadline and approximately 94 vouchers are still available. MP Dhillon, LLC submitted a proposal under the RFP for New Dynamic Inn, a permanent supportive housing project for Veterans to be located at 14030 Mill Street in Guerneville. Under an agreement with the Sonoma County Housing Authority, the City of Santa Rosa Housing Authority administers VASH vouchers throughout Sonoma County. MP Dhillon, LLC is requesting up to twelve VASH PBVs for the project, which is a currently vacant building in downtown Guerneville that previously operated as a hotel. The proposal was reviewed by a committee consisting of two Housing Authority commissioners and a representative from the Veterans Administration. The committee unanimously recommended the Housing Authority approve the proposal. Final approval of the proposal and funding allocation is subject to approval by HUD. The Housing Authority approval of the MP Dhillon, LLC's proposal will authorize staff to submit a request to HUD and, if permitted by HUD, enter into the appropriate HAP contract as required under the PBV regulations at 24 CFR part 983.

RECOMMENDATION: It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve the allocation of a maximum of twelve (12) Veterans Affairs Supportive Housing (VASH) vouchers under a ten-year Project-Based Housing Assistance Payments (HAP) contract for the New Dynamic Inn. The final HAP Contract will be subject to approval from the Department of Housing and Urban Development (HUD) per Public and Indian Housing (PIH) Notice 2015-10.

Presented by Rebecca Lane, Housing and Community Services

Manager

**A motion was made by Commissioner Lemke, seconded by Commissioner Olsen, to waive reading of the text and adopt:**

**RESOLUTION NO. 1633 ENTITLED: RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA ALLOCATING A MAXIMUM OF TWELVE VETERANS AFFAIRS SUPPORTIVE HOUSING VOUCHERS FOR THE NEW DYNAMIC INN, OWNED BY MP DHILLON, LLC, UNDER A TEN (10) YEAR PROJECT-BASED HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT SUBJECT TO FINAL APPROVAL FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**The motion carried by the following vote:**

**Yes:** 5 - Chair Downey Ph. D, Commissioner Bolduc, Commissioner Burke, Commissioner Lemke and Commissioner Olsen

**Absent:** 2 - Vice Chair Harris and Commissioner Gaitan

**10.2 REPORT - BUDGET APPROPRIATION OF FUNDS IN THE AMOUNT OF \$1,418,551.09 FOR AFFORDABLE HOUSING PURPOSES**

**BACKGROUND:** Annually, the Housing Authority's budget for loan activity is developed with anticipated allocations from the federal government, revenue from In-Lieu Fees, Real Property Transfer Tax, and loan repayments from past fiscal years. As of June 23, 2017, \$1,418,551.09 in loan repayments and revenue received in Fiscal Year 2016/2017 are available for appropriation to the Fiscal Year 2017/2018 budget, increasing the amount of funding available for loans for the construction, rehabilitation and conservation of affordable housing units.

**RECOMMENDATION:** It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, appropriate \$1,418,551.09 in Fiscal Year 2016/2017 revenue generated by the Santa Rosa Housing Trust's loan portfolio to affordable housing purposes.

Presented by Megan Basinger, Housing and Community Services Manager

**A motion was made by Commissioner Burke, seconded by Commissioner Lemke, to waive reading of the text and adopt:**

**RESOLUTION NO. 1634 ENTITLED: RESOLUTION OF THE HOUSING**

---

**AUTHORITY OF THE CITY OF SANTA ROSA APPROPRIATING FUNDS IN THE AMOUNT OF \$1,418,551.09 FOR AFFORDABLE HOUSING PURPOSES**

**The motion carried by the following vote:**

**Yes:** 5 - Chair Downey Ph. D, Commissioner Bolduc, Commissioner Burke, Commissioner Lemke and Commissioner Olsen

**Absent:** 2 - Vice Chair Harris and Commissioner Gaitan

- 10.3** REPORT - THIRD FURTHER ADVANCE REQUEST FROM BURBANK HOUSING DEVELOPMENT CORPORATION IN THE AMOUNT OF \$3,400,000.00 FOR COSTS ASSOCIATED WITH THE REFINANCING, PRE-DEVELOPMENT AND CONSTRUCTION OF LANTANA PLACE LOCATED AT 2975 DUTTON MEADOW (APN 043-121-006) - LOAN NOS. 9932-2871-17, 9932-2791-17, and 9932-2801-17 AND CONVERSION OF LOAN TO SILENT SECONDS

**BACKGROUND:** Lantana Place is a four-acre site, located at 2975 Dutton Meadow, owned by Burbank Housing Development Corporation (BHDC). In 2007, the project received a loan from the Housing Authority of the City of Santa Rosa (Housing Authority) that included Community Development Block Grant (CDBG) funds for site acquisition and pre-development. The project has not proceeded with development due to funding constraints at the state and local level; the financing of the project was structured with Multifamily Housing Program (MHP) funding, oversubscribed and now exhausted, from the State and approximately \$7 million in local subsidy no longer available due to the loss of Redevelopment and the recession. BHDC has revised the project to a 48-unit ownership development with readily available funding sources and anticipates commencing construction in Spring 2018.

**RECOMMENDATION:** It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve a third further advance in the amount of \$3,400,000 to Burbank Housing Development Corporation for the refinancing, pre-development and construction of Lantana Place, a 48-unit homeownership development, located at 2975 Dutton Meadow and upon completion of the project convert the loan to silent seconds to the individual homebuyers.

Presented by Megan Basinger, Housing and Community Services Manager

**A motion was made by Commissioner Burke, seconded by Commissioner Lemke, to waive reading of the text and adopt as amended to include the risk to the Housing Authority if no action is taken:**

**RESOLUTION NO. 1635 ENTITLED: RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING A THIRD FURTHER ADVANCE REQUEST FROM BURBANK HOUSING DEVELOPMENT CORPROATION IN THE AMOUNT OF \$3,400,000.00 FOR COSTS ASSOCIATED WITH THE REFINANCING, PRE-DEVELOPMENT AND CONSTRUCTION OF LANTANA PLACE LOCATED AT 2975 DUTTON MEADOW (APN 043-121-006) - LOAN NOS. 9932-2871-17, 9932-2791-17, and 9932-2801-17 AND CONVERSION OF LOAN TO SILENT SECONDS**

**The motion carried by the following vote:**

**Yes:** 4 - Chair Downey Ph. D, Commissioner Burke, Commissioner Lemke and Commissioner Olsen

**Absent:** 2 - Vice Chair Harris and Commissioner Gaitan

**Abstain:** 1 - Commissioner Bolduc

**10.4 REPORT - REQUEST FROM COMMUNITY SUPPORT NETWORK TO EXTEND THE TERM OF ITS HOUSING AUTHORITY LOAN IN THE PRINCIPAL AMOUNT OF \$105,106 FOR E STREET PROGRAM - 201 SOUTH E STREET**

**BACKGROUND:** Community Support Network (CSN) is requesting an extension of the term of its loan from the Housing Authority of the City of Santa Rosa (Housing Authority) in the principal amount of \$105,106 for CSN's E Street Program located at 201 South E Street, a five-bedroom house in the Burbank Gardens neighborhood. E Street Program opened for operation in 1993 as a ten-bed, transitional housing facility serving mentally ill adults referred by the public mental health system. The Housing Authority approved funding for the loan in July 1994, to assist with acquisition of the property. Terms of the Housing Authority loan were three percent (3%) simple interest deferred for a 15-year term expiring in December 2009. In October 2009, the Housing Authority approved an extension of the loan term to April 2017. The property acquisition was also funded by a senior mortgage loan from Northern

California Community Loan Fund (NCCLF) loan in the amount of \$147,000, which was paid down and recently refinanced in the amount of \$64,400 fully amortized with a maturity date of May 1, 2027. The E Street Program operates through a long-standing annual funding contract with the Sonoma County Behavioral Health Division, and rental income only.

**RECOMMENDATION:** It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve an extension of the term of its loan to Community Support Network in the principal amount of \$105,106 from April 1, 2017, to May 1, 2027, deferred at 3% simple interest per annum from December 9, 1994, and an extension of the associated Regulatory Agreement from December 16, 2024, to May 1, 2027, for E Street Program, located at 201 South E Street.

Presented by Marjorie Jackson, Program Specialist

**A motion was made by Commissioner Lemke, seconded by Commissioner Bolduc to waive reading of the text and adopt:**

**RESOLUTION NO. 1636 ENTITLED: RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING AN EXTENSION OF THE TERM OF ITS LOAN NO. 9014-0284-95 TO COMMUNITY SUPPORT NETWORK IN THE PRINCIPAL AMOUNT OF \$105,106 FROM APRIL 1, 2017, TO MAY 1, 2027, AND AN EXTENSION OF THE REGULATORY AGREEMENT FROM DECEMBER 16, 2024, TO MAY 1, 2027, FOR E STREET PROGRAM, LOCATED AT 201 SOUTH E STREET.**

**The motion carried by the following vote:**

**Yes:** 5 - Chair Downey Ph. D, Commissioner Bolduc, Commissioner Burke, Commissioner Lemke and Commissioner Olsen

**Absent:** 2 - Vice Chair Harris and Commissioner Gaitan

**10.5 REPORT - EXTENSION REQUEST TO THE CALIFORNIA DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT FOR THE CALHOME OWNER-OCCUPIED MOBILEHOME REHABILITATION PROGRAM**

**BACKGROUND:** The Housing Authority received a CalHome Program Grant of \$782,000 to operate an Owner-Occupied Rehabilitation Loan Program (Program) and, via Resolution No. 1590, adopted guidelines

targeting the Program to low-income owner/occupants of mobilehomes in Santa Rosa. The terms of the Grant Agreement (Agreement) with the California Department of Housing & Community Development (HCD) require all funds to be expended no later than September 26, 2017. Because of the extraordinary rainfall in the winter of 2016/2017 and a shortage of qualified mobilehome rehabilitation contractors, the work on rehabilitation projects has been and continues to be delayed. This delay necessitates submitting an extension request to HCD so the Housing Authority can expend the full \$782,000 in grant funds.

**RECOMMENDATION:** It is recommended by the Housing & Community Services Department that the Housing Authority, by resolution, authorize the Executive Director to submit a one-year Grant Agreement extension request to the California Department of Housing & Community Development (HCD) for the CalHome Owner-Occupied Mobilehome Rehabilitation Loan Program.

Presented by Nancy Manchester, Program Specialist

**A motion was made by Commissioner Burke, seconded by Commissioner Bolduc, to waive reading of the text and adopt:**

**RESOLUTION NO. 1637 ENTITLED: RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING SUBMISSION OF A GRANT AGREEMENT EXTENSION REQUEST TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE CALHOME OWNER-OCCUPIED MOBILEHOME REHABILITATION PROGRAM**

**The motion carried by the following vote:**

**Yes:** 5 - Chair Downey Ph. D, Commissioner Bolduc, Commissioner Burke, Commissioner Lemke and Commissioner Olsen

**Absent:** 2 - Vice Chair Harris and Commissioner Gaitan

## **11. ADJOURNMENT**

Chair Downey adjourned the meeting at 11:21 a.m.