

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, DIRECTOR
SUBJECT: ACKNOWLEDGEMENT OF PROJECT COMPLETION FOR THE
CANNERY AT RAILROAD SQUARE, A ONE HUNDRED
TWENTY-NINE (129) UNIT RENTAL HOUSING PROJECT
LOCATED AT 3 WEST 3RD STREET IN SANTA ROSA, SONOMA
COUNTY, CALIFORNIA, APN 010-117-020-000 AND 010-171-
012-000 (Portion)

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, acknowledge the completion of Cannery at Railroad Square under the Community Development Block Grant Program – Disaster Recovery administered by the California Department of Housing and Community Development.

EXECUTIVE SUMMARY

In response to the 2017 wildfires, the United States Department of Housing & Urban Development (HUD) allocated Community Development Block Grant – Disaster Recovery (CDBG-DR) funds to the State of California Department of Housing & Community Development (HCD) to be distributed to disaster-affected areas. HCD appropriated \$66 million to multifamily housing and up to \$38,469,772 was allocated to the City of Santa Rosa for rehabilitation, reconstruction, and/or new construction of affordable multifamily housing. The City Council then delegated program administration to the Housing Authority. HCD issued Cannery at Railroad Square (Project) a Final Notice to Proceed in October of 2022. The Project completed construction, was issued a Temporary Certificate of Occupancy on January 9, 2025, and is expected to be fully leased-up by the end of March 2025. Prior to issuance of their final reimbursement request, HCD requires a resolution from the Housing Authority acknowledging the project completion and closeout.

BACKGROUND

1. In March 2019, HUD awarded HCD \$66 million for a state-wide Disaster Recovery Multifamily Housing Program (DR-MHP) with \$38,469,772 allocated to the City of Santa Rosa for the rehabilitation, reconstruction, and/or new construction of affordable multifamily housing. In October of 2020 the City Council approved the funding allocation, authorization to enter into a Master Standard Agreement with HCD and delegated the program administration to the Housing Authority.
2. The Housing Authority released a Notice of Funding Availability (NOFA) in November of 2020 and awarded five affordable housing developments CDBG-DR funds on January 25, 2021. The Project was awarded \$10,300,000 in CDBG-DR funds for construction-related costs associated with the development of 129 affordable housing rental units and one unrestricted managers unit.
3. The Project was the fourth DR-MHP project to break ground in Santa Rosa, continuing a large-scale disaster recovery effort. The Project commenced construction in October 2022, completed construction and was issued a Temporary Certificate of Occupancy in January 2025. The Project includes 33 units targeted to households with incomes up to 30% of Area Median Income (AMI), 37 units targeted to household incomes up to 50% AMI, 58 units targeted to household incomes up to 80% AMI with affordability restricted for 55 years.
4. HCD is requiring the Housing Authority to approve, by resolution, an acknowledgement of project completion for the Project, which will allow the staff to submit the final financial reports to HCD for reimbursement and issue the 10% retention payment to the developer.

PRIOR HOUSING AUTHORITY REVIEW

On January 25, 2021, the Housing Authority by Resolution No. 1703, approved a commitment of CDBG-DR loan funds in the amount of \$10,300,000 and by Resolution No. 1707, an allocation of 33 Project Based Vouchers for the Project.

ANALYSIS

The Housing Authority's acknowledgment of the completion of the Project completes the requirements set forth in the Master Standard Agreement and Notice to Proceed for the DR-MHP Program and fulfills the Project Closeout Checklist required for submittal of the final financial report for reimbursement of the remaining 10% retention of the project award.

FISCAL IMPACT

Approval of this action allows staff to reimburse the remaining 10% retention to the developer, complete project closeout forms, submit the final financial report to HCD, and request reimbursement for the Project.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER

Koy Stewart, Program Specialist