

CITY OF SANTA ROSA,
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, INTERIM DIRECTOR
NICOLE RATHBUN, INTERIM HOUSING AND COMMUNITY SERVICES MANAGER
HOUSING AND COMMUNITY SERVICES DEPARTMENT
SUBJECT: REVIEW OF FISCAL YEAR 2021-2022 NOTICE OF FUNDING AVAILABILITY PROCESS AND POINT SYSTEM

AGENDA ACTION: NO ACTION REQUIRED

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority hold a study session to review the Fiscal Year 2021-2022 Notice of Funding Availability process and point system and provide direction for future funding solicitations.

EXECUTIVE SUMMARY

The Housing and Community Services Department (HCS) issues Notices of Funding Availability (NOFA) to solicit developer funding applications for the affordable housing production and rehabilitation funds the Housing Authority has available from various Federal, State, and/or local sources. In March 2021, the Housing Authority directed staff to implement a Point System for scoring NOFA applications to improve the transparency of the application review process. The purpose of this study session is to provide an overview of the application review process with the NOFA Point System, allow the public and developers an opportunity to provide feedback, and for the Housing Authority to suggest any changes to the point system..

BACKGROUND

The Housing Authority has consistently been issuing NOFAs to solicit funding applications for affordable housing and rehabilitation projects for the past six years. The NOFA process has been continually revised to align with funding opportunities, changes in state rating and ranking and other factors that are evolving in the current affordable housing climate.

This study session is intended to review the Point System that was used in the Fiscal Year 2021-2022 NOFA and receive feedback from developers and Housing Authority Commissioners.

ANALYSIS

In March 2021, the Housing Authority conducted a Study Session to review the upcoming Fiscal Year 2021-2022 NOFA. In an effort to provide an improved and more transparent process, staff prepared an initial Points System to be used during application review and solicited feedback from the Housing Authority on its use for the NOFA. The addition of points to the NOFA review process aims to provide a more predictable and transparent process for the public and developers seeking funds. The Housing Authority directed staff to proceed with the implementation of the Points System for the FY2021/2022 NOFA and to return at a later date for review and feedback prior to implementing the Points System for future NOFAs. As recognized by the Housing Authority at their March Study Session, NOFAs and any Points Systems utilized for application review will evolve with each solicitation to best meet the needs of the community.

Staff utilized the Points System (Attachment 1.) as reviewed by the Housing Authority in March, to score and rank applications received in response to the Fiscal Year 2021/2022 NOFA. Following the completion of the review process and based on feedback from the developers, staff is recommending that the following changes be made for future solicitations:

- Include a category for Preservation of Units – provide points for projects that will preserve affordable restrictions that are about to expire;
- Dependent upon future sources and amount of available funds, potentially issue separate NOFAs for new construction and rehabilitation;
- Align affordability levels and bedroom size categories with the Regional Housing Needs Allocation (RHNA) from the City of Santa Rosa's General Plan, add other categories as needed to align with City Council Priorities;
- Separate Services and Amenities category into two categories: On-Site Services and Proximity to Community Amenities;
- Reserve Other Factors category for topics related to the evolving current affordable housing climate and other local needs as applicable; and
- Adjustments to points breakdowns within categories to help distinguish applications which best meet the solicitation criteria.

Feedback was received from two separate developers requesting the following be

incorporated into the Points System:

- Eliminate the points awarded based on bedroom size; and
- Adjust the points awarded for bedroom size to allow maximum points for 25% units are 3 bedrooms or larger instead of 30%

With the feedback from developers about bedroom size preferences in contrast from one another, staff recommends looking to the RHNA to determine the needs of the community in terms of bedroom sizes and affordability levels. The RHNA is updated from time to time and is published in the City of Santa Rosa's General Plan.

FISCAL IMPACT

This study session does not result in any action and will not have a fiscal impact on any Housing Authority funds.

ENVIRONMENTAL IMPACT

This study session 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 Guidelines Section 15378.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 –Points System

CONTACT

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