

CITY OF SANTA ROSA  
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS  
FROM: MEGAN BASINGER, DIRECTOR  
HOUSING AND COMMUNITY SERVICES DEPARTMENT  
SUBJECT: FISCAL YEAR 2025-2026 NOTICE OF FUNDING AVAILABILITY –  
FUNDING RECOMMENDATIONS

AGENDA ACTION: RESOLUTION(S)

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RECOMMENDATION

The Housing and Community Services Department recommends that the Housing Authority, by three resolutions, approve conditional commitments of loan funds to: 1) Community Housing Sonoma County in the amount of \$489,228 for rehabilitation costs for Zane-Wolff Veterans Village located 665 Russel Avenue; 2) Apple Valley Olive Grove, LP, in the amount of \$1,238,310 for rehabilitation costs for Apple Valley Scattered Sites located at various addresses on West Steele Lane, Papago Court, Apple Valley Lane and Zinfandel Avenue; and 3) Ridley Avenue Apartments, LP, in the amount of \$2,000,000 for predevelopment and construction-related costs for Ridley Family Apartments located at 1801 Ridley Avenue.

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EXECUTIVE SUMMARY

In response to the Fiscal Year 2025-2026 Notice of Funding Availability (“NOFA”) announcing approximately \$3.5 million in funds for rehabilitation, acquisition, and development of affordable housing; the Housing Authority received four applications requesting approximately \$5.1 million for 307 affordable units. Two applications were received for rehabilitation projects and two applications were received for new construction projects.

The projects were evaluated and ranked based on project readiness, affordability, bedroom size, special needs set asides, leveraging, project competitiveness, developer and management experience, services and amenities, and other factors. A NOFA Ad-Hoc Committee comprised of Vice-Chair Downey and Commissioner Cappio met on three occasions between August 12, 2025, and August 26, 2025, to review the projects and scoring details. The Ad-Hoc Review Committee is recommending funding for three of the four applications received.

## BACKGROUND

The Fiscal Year 2025-2026 NOFA (Attachment 1) was published on June 25, 2025, with project applications due on July 25, 2025. As communicated in the NOFA, approximately \$3.5 million was made available, comprised of approximately \$2.21 million in local funds, approximately \$273,738 from the State of California Department of Housing and Community Development (HCD) Permanent Local Housing Allocation (PLHA) funds and approximately \$1.08 million from U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds.

Based on feedback from the Consolidated Plan process, required by HUD, and on direction from the Housing Authority Commissioners, a funding priority was set in the NOFA through a five-point scoring preference for rehabilitation projects. Additionally, in response to increasingly restrictive expenditure deadlines from funding sources and the Housing Authority's interest in ensuring that available funds are quickly deployed for affordable housing uses, a five-point deduction was included in the point scale for projects where the applicant had been awarded funds in a previous NOFA and subsequently rejected the award or failed to enter loan agreements by the deadline required by the funding source.

Four applications were received, two for new rehabilitation projects and two for new construction. The requests totaled approximately \$5.1 million, surpassing the funds available.

Project applications were scored using a point system as summarized below and included as Attachment 2:

- Readiness (for new construction projects) – up to 10 points
- Affordability – up to 20 points
- Bedroom Sizes – up to 8 points
- Special Needs Set Aside Units – up to 12 Points
- Leveraging – up to 10 points
- Project Competitiveness (CDLAC/TCAC/MHP scoring if applicable) – up to 10 points
- Developer/Manager Experience – up to 15 points
- On-Site Services – up to 7 points
- Amenities – up to 3 points
- Other Factors – up to 5 points
  - 5 points for rehabilitation
  - 5-point deduction for applicants that rejected or failed to use previously awarded funds

A Housing Authority Ad-Hoc Review Committee comprised of Vice-Chair Downey and Commissioner Cappio reviewed the projects with staff and developed the funding recommendations.

## PRIOR HOUSING AUTHORITY REVIEW

On June 23, 2025, the Housing Authority held a Study Session to review information about the available funding, the NOFA process, to solicit public comments, and provide direction on funding priorities and scoring.

## ANALYSIS

The Fiscal Year 2025-2026 NOFA yielded four complete project applications which were scored and ranked. New construction projects were scored out of 100 possible points and rehabilitation projects were scored out of 90 possible points; for rehabilitation projects, the Readiness category is omitted because those projects are not required to complete the entitlement process. Projects that do not identify a state funding source in the financial structure are not subject to scoring in the Project Competitiveness category.

The NOFA Ad Hoc Committee reviewed the applications and developed a recommendation to fund three out of four projects. Not all the projects could be funded in the amount requested because the total amount of funds requested exceeded the amount of funds available by approximately \$1.6 million. Projects also must comply with the requirements of the various funding sources.

A summary of the project applications and score is provided below.

## **SUMMARY OF RECOMMENDED PROJECTS – REHABILITATION**

**Zane-Wolff Veterans Village** – Request for rehabilitation funds in the amount of \$489,228.

**Project Description.** Zane-Wolff Veterans Village was completed in 2019 under a County of Sonoma initiative to demonstrate the efficacy of “tiny homes” to address homelessness and housing affordability for extremely low-income households. Community Housing Sonoma County (CHSC) was selected by the County in 2017 as the developer to complete the design, development, and construction of the 14-unit Zane-Wolff Veterans Village on a County-owned parcel leased to CHSC. Thirteen (13) of the homes are restricted to Veteran households at 30% of Area Median Income (AMI) and the manager’s unit is restricted to a Veteran household at 80% of AMI. Each home is an approximately 250 square foot, detached dwelling with built-in furniture, a kitchenette with a refrigerator and induction stovetop, and full bathroom with roll-in shower. All units are wheelchair accessible. The units include front porches and are oriented facing a common outdoor courtyard. There is a larger common room on the project site where group programming and services take place; this space is also available to residents and has a full kitchen and laundry facilities. Through an

agreement with the HUD Veterans Affairs Supportive Housing (HUD-VASH) program, all residents are formerly homeless Veterans referred through the HUD-VASH program, and the Veterans Administration (VA) provides services including case management, benefits counseling and advocacy, mental and physical health care including medication management offered on site by HUD-VASH nursing staff, substance use disorder services, and peer support on-site in addition to linkages to education, employment, legal and financial management services, attendant care and social and recreational services.

The project was initiated as a pilot program under an agreement with Sonoma County initially executed in 2017. Based on the success of the project, the County has extended the lease through 2041, and CHSC is requesting funds to complete the work necessary to convert from a temporary use permit to a permanent, multifamily use permit under the City of Santa Rosa Zoning Code.

The project is located at 665 Russell Avenue in Northeast Santa Rosa. The Zane-Wolff Veterans Village Project Summary is included as Attachment 3. The Housing Authority has not previously provided funds to this project.

**Application Scoring.** Zane-Wolff Veterans Village ranked first among the rehabilitation projects and third among all applications with a score of 76%.

❖ **Readiness: Not applicable.**

This category is not applicable to rehabilitation projects.

❖ **Affordability: Score 19 out of 20.**

The project provides 92% of the units to households at or below 30% AMI with a restricted manager's unit at 80% of AMI.

❖ **Bedroom Size: Score 0 out of 8.**

All 14 units are studios.

❖ **Special Needs Set Asides: Score 12 out of 12.**

The project provides 100% of units to Veterans experiencing homelessness.

❖ **Leveraging: Score 1 out of 10.**

The current funding requested from the Housing Authority is 20% of the total rehabilitation cost.

❖ **Project Competitiveness: Not applicable.**

The project does not include state funding sources and is not subject to this scoring category.

❖ **Developer & Management Experience: Score 14 out of 15.**

CHSC has significant development experience in the region. The Property Management company, Eugene Berger Management Corporation (EBMC),

has significant experience in managing supportive housing properties for CHSC.

❖ **On-Site Services: Score 7 out of 7.**

The project provides extensive on-site services through the VA including intensive case management, benefits counseling and advocacy, mental and physical health care, and social service coordination.

❖ **Amenities: Score 3 out of 3.**

The site is within 0.13 miles of four transportation stops, 0.5 miles of two grocery stores and a public park, 0.75 miles of a public library and within 1.0 mile of Santa Rosa Junior College.

❖ **Other Factors: 5 out of 5.**

This is a rehabilitation project for an existing affordable housing project.

**Loan Terms.** The recommended conditional loan amount is \$489,228. The terms include three percent (3%) simple interest per annum deferred for sixteen (16) years to correspond with the current lease on the County-owned site, secured by a deed of trust, and payments based on residual receipts. Interest shall commence with the recordation of the deed of trust. The term of affordability through the Regulatory Agreement will be 16 years from the date of recordation; both the Loan Agreement and the Regulatory Agreement will include language requiring extension of the term to match the extension of the land lease for a total of 55 years.

**Environmental.** The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities. Completion of environmental review pursuant to the National Environmental Policy Act (NEPA) will not be required as federal funds would not be used in the rehabilitation.

**Apple Valley Scattered Sites** – Request for rehabilitation funds in the amount of \$2 million.

**Project Description.** Apple Valley Scattered Sites is a scattered-site project involving 228 existing affordable rental units across five properties in Santa Rosa: Olive Grove, Paulin Creek, Papago Court, and two fourplexes on Apple Valley Lane sometimes referred to as Baby Apples, all of which are owned and managed by entities within Burbank Housing. Paulin Creek and Papago Court were constructed in 1963, and the Baby Apples duplexes were built in 1965; these properties were acquired and initially rehabilitated by Burbank Housing in 1997 with support from the Housing Authority and are located within the City's Apple Valley Neighborhood Revitalization Program (NRP) area. Olive Grove

Apartments was developed and constructed in 2004 by Burbank Housing with support from the Housing Authority.

The rehabilitation project will address approximately \$22.9 million in critical capital needs across all five sites that were identified through Physical Needs Assessments (PNAs) conducted in August 2024. The scope of work will include replacement of flooring, cabinetry, appliances, HVAC, doors, windows, roofing, fire safety systems, and site improvements. Per-unit rehabilitation costs are estimated at an average of \$60,000 to \$140,000, depending on the condition of the site on which each unit is located.

To support Burbank Housing's application for rehabilitation funds from the State of California Tax Credit Allocation Committee (CTCAC), the Housing Authority approved a conditional loan modification and extension in August 2025 for the Apple Valley Scattered Site project on the existing loans for each of the project sites. If awarded, the 4% tax credit equity will be used for hard rehabilitation costs; the additional funds from the Housing Authority would be used for soft costs associated with the rehabilitation, making additional funds available for hard costs and a more comprehensive rehabilitation scope.

The project is located at various addresses on West Steele Lane, Papago Court, Apple Valley Lane and Zinfandel Avenue. The Apple Valley Scattered Sites Project Summary is included as Attachment 4. The Housing Authority has previously provided the five separate projects multiple loans in the combined principal amount of \$13,868,472.

**Application Scoring.** Apple Valley Scattered Sites ranked second in rehabilitation project applications received and fourth among all applications received with a score of 72%.

❖ **Readiness: Not applicable.**

This category is not applicable to rehabilitation projects.

❖ **Affordability: Score 14 out of 20.**

The project provides 21% of the units to households at or below 30% of AMI and 28% of the units to households at 50% of AMI.

❖ **Bedroom Size: Score 6 out of 8.**

Of the 228 affordable units, 21% are three-bedrooms, 63% are two-bedrooms, 11% are one-bedroom and 5% are studios.

❖ **Special Needs Set Asides: Score 0 out of 12.**

None of the units are set aside for Special Needs households.

❖ **Leveraging: Score 9.5 out of 10.**

The current funding requested from the Housing Authority is 2.27% of the

total rehabilitation cost.

❖ **Project Competitiveness: 7 out of 10**

The project submitted a combined California Debt Limit Allocation Committee (CDLAC)/CTCAC funding application on September 9, 2025, and through self-scoring received the maximum possible points for rehabilitation projects, with an estimated tiebreaker score of 281%.

❖ **Developer & Management Experience: Score 15 out of 15.**

Burbank Housing Development Corporation and Burbank Housing Management Corporation have extensive development and management experience in the region.

❖ **On-Site Services: Score 6 out of 7.**

The Olive Grove site provides on-site after school programming. All five sites offer on-site adult education, wellness, and skill-building classes. There is a dedicated service coordinator (0.4 FTE) to support resident needs at the Apple Valley, Papago and Paulin sites.

❖ **Amenities: Score 2 out of 3.**

Each of the project sites is located within 0.5 – 1 mile of transit, grocery, public park, public schools and a public library.

❖ **Other Factors: 5 out of 5.**

This is a rehabilitation project for an existing affordable housing project.

**Loan Terms.** The recommended conditional loan amount is \$1,238,310. The terms include three percent (3%) simple interest per annum deferred for fifty-five (55) years, secured by a deed of trust, and payments based on residual receipts. Interest shall commence with the recordation of the deed of trust. The term of affordability required by the Housing Authority Regulatory Agreement will be 55 years, extending the term of the current Regulatory Agreements across the project sites. If the scattered-site project receives the combined CDLAC/CTCAC funding, the Housing Authority will consolidate the existing 17 loans on the properties, including interest, in the amount of \$20,128,213 and add the new loan amount for total loan amount of \$21,366,523 for a term of fifty-seven (57) years at the Applicable Federal Rate (AFR), or a floor of 3%, from the date of date of the executed Loan Agreement.

**Environmental.** The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities. Completion of environmental review pursuant to the National Environmental Policy Act (NEPA) will be required as federal funds would be used in the rehabilitation.

## SUMMARY OF RECOMMENDED PROJECTS – NEW CONSTRUCTION

**Ridley Family Apartments** – Initial request for construction-related costs in the amount of \$3.5 million, which was subsequently reduced to \$2 million.

**Project Description.** Ridley Avenue Family Apartments is a 50-unit family project in the Northwest quadrant of Santa Rosa. The proposed project is comprised of three buildings in a 3-story, walk-up apartment community. Ridley Family Apartments will restrict 49 units to households between 30% and 60% of AMI and will include six units set aside for emancipated youth leaving the foster care system. The affordability mix is: 6 units affordable to households up to 30% of AMI, 9 units affordable to households up to 40% of AMI, 21 units affordable to households up to 50% of AMI and 13 units affordable to households up to 60% of AMI. The project qualifies as a Large Family development under the HCD standards with 43% of units having two bedrooms and 27% of units having three bedrooms.

The project is located at 1801 Ridley Avenue. The Ridley Family Apartments Project Summary is included as Attachment 5. The Housing Authority has not previously provided funds to this project.

**Application Scoring.** Ridley Family Apartments ranked first out of the new construction applications received and first overall with a score of 84%.

❖ **Readiness: Score 6 out of 10.**

The project is fully entitled and ready to proceed with building permits after receiving all funding.

❖ **Affordability: Score 17 out of 20.**

The project provides 12% of the units to households at or below 30% AMI, 18% to households at or below 40% AMI, and 43% to households at or below 50% of AMI and 27% of the units to households at or below 60% of AMI.

❖ **Bedroom Size: Score 8 out of 8.**

29% of the units are three-bedrooms and 35% are two-bedrooms. The remaining 37% of restricted units are one-bedrooms.

❖ **Special Needs Set Asides: Score 12 out of 12.**

The project meets the definition of a Large Family project under the HCD Special Needs set asides. In addition, the project is reserving 12.25% of its units for emancipated youth leaving the foster care system, a population that is currently underserved in Santa Rosa after the closure of Social Advocates for Youth (SAY) in 2024.

❖ **Leveraging: Score 6 out of 10.**

The current funding requested from the Housing Authority is 8.28% of the

total development cost.

❖ **Project Competitiveness: Score 10 out of 10.**

The project will submit a competitive 9 percent tax credit application in early 2026 and expects to receive full points on the application in addition to a tiebreaker score.

❖ **Developer & Management Experience: Score 15 out of 15.**

The project is being developed by a partnership between Milestone Housing Group, LLC, Pacific Housing, Inc. and two local partners. Milestone Housing Group, LLC, has completed five projects, including the recently completed Del Corazon Apartments in Santa Rosa; Pacific Housing has developed over 100 projects in California.

❖ **On-Site Services: Score 7 out of 7.**

The project's Resident Services Plan outlines significant on-site services for residents, including after school programming for children ages 7 to 17, and resources for adults including skill building classes and support for on-site food cultivation and preparation. In addition, the project is consulting with a nonprofit to develop augmented services for the foster youth who will be transitioning out of care while residing at the project.

❖ **Amenities: Score 3 out of 3.**

The project site is within 0.1 mile of a bus transit stop; within 0.5 miles of a grocery store that includes a pharmacy, three public parks and two public schools; and within 0.93 miles of a public library and a community medical clinic. The site is also less than one mile from the Sonoma-Marín Area Rail Transit (SMART) Santa Rosa North station.

❖ **Other Factors: 0 out of 5.**

This is a new construction project and did not receive points for rehabilitation under the Other Factors scoring.

**Loan Terms.** The recommended conditional loan amount is \$2 million. The terms include three percent (3%) simple interest per annum deferred for fifty-five (55) years, secured by a deed of trust, and payments based on residual receipts. Interest shall commence with the recordation of the deed of trust. The term of affordability required by the Housing Authority Regulatory Agreement will be 55 years.

**Environmental.** Per CEQA Guidelines Section 15332, the project is Categorically Exempt as infill development; per CEQA Guidelines Section 15183, the project is also eligible for CEQA streamlining because it is consistent with the General Plan 2035 for which an Environmental Impact Report (EIR) was certified in 2009. Completion of environmental review pursuant to the National Environmental Policy Act (NEPA) will not be required as federal funds would not be used for the

development.

## PROJECTS NOT RECOMMENDED FOR FUNDING

**Laurel at Perennial Park Phase III** – Request for predevelopment and construction-related costs in the amount of \$625,000.

**Project Description.** This project is the third and final phase of the 162-unit affordable component of a 422-unit mixed market-rate and affordable housing development at the former site of the Journey's End mobile home park. The project is a new 30-unit, senior apartment development comprised of one-bedroom units. The unit affordability mix is: 8 units targeted to households with incomes up to 30% of AMI, 15 units targeted to household incomes up to 50% AMI, and seven units targeted to household incomes up to 60% AMI.

The project will be located at 502 Renaissance Way and the Project Summary is included as Attachment 6. The Housing Authority previously provided the project loans in the combined amount of \$3.41 million in the two previous Fiscal Year NOFAs.

Laurel at Perennial Park Phase III is not being recommended for funding in FY 2025-2026 due to several factors. First, the project has received funding commitments in the previous two Fiscal Year NOFAs totaling \$3,418,110; the project has not moved forward since the first award in 2023, making the committed funding unavailable to other projects. Recommending the project for funding under the current NOFA is not consistent with the Housing Authority's interest in ensuring that available funds are deployed as quickly as possible for the purpose of producing and preserving affordable housing. Second, the project received funding from the Sonoma County Community Development Commission which was not included in the application, making reliable scoring difficult under several categories in the NOFA. In addition, the developer indicated that they could only accept local funds, which is not consistent with the NOFA application requirements, and limited the resources available to the project in this funding cycle.

**Application Scoring.** The project ranked second out of the new construction applications received and second overall in the total applications received with a score of 81%.

❖ **Readiness: Score 6 out of 10.**

The project is fully entitled and has planning approvals. An application for building permits has not been submitted.

❖ **Affordability: Score 18 out of 20.**

The project provides 27% of the units to households at or below 30% of AMI, 50% of the units to households at or below 50% of AMI and the

remaining 23% are targeted to households at or below 60% of AMI.

❖ **Bedroom Size: Score 1 out of 8.**

All thirty units are one-bedrooms.

❖ **Special Needs Set Asides: Score 12 out of 12.**

100% of the units are reserved for seniors.

❖ **Leveraging: Score 9 out of 10.**

The current funding requested from the Housing Authority is 2.95% of the total development cost.

❖ **Project Competitiveness: Score 10 out of 10.**

The project submitted a CTCAC 9 percent competitive tax credit application in July 2025. The self-score for the project was 100% of total points possible with a tiebreaker of 28.482%.

❖ **Developer & Management Experience: Score 15 out of 15.**

The project is a partnership between Related California and Burbank Housing, both of which have extensive development and management experience in the region.

❖ **On-Site Services: Score 7 out of 7.**

The project will provide significant on-site services including a Resident Services Coordinator and external service providers including the Sonoma County Area Agency on Aging and Santa Rosa Community Health.

❖ **Amenities: Score 3 out of 3.**

The site is located within 0.5 mile of transit, and within 1 mile of grocery and parks.

❖ **Other Factors: 0 out of 5.**

This is a new construction project and did not receive points for rehabilitation under the other factors scoring.

**Environmental.** The Project has been reviewed in compliance with CEQA in that a Sustainable Communities Environmental Assessment (SCEA) was prepared and circulated for public review for a 30-day period, and the SCEA determined that there would be no significant and unavoidable environmental impacts of the Project, and was in compliance with standard measures and project-specific mitigation measures, as approved by the Santa Rosa City Council on December 15, 2020 via Ordinance No. ORD-2020-019. A NEPA Environmental Assessment was completed in July 2021.

#### ARTICLE XXXIV

Article XXXIV of the California Constitution applies to low rent housing that is developed, constructed or acquired by a public entity or by private developers who receive federal, state or local assistance. An Article XXXIV allocation is necessary for Ridley Family Apartments and is included in the resolution. The City is allowed 737 Article XXXIV units, 1% of the City's housing units, in 2025.

#### FISCAL IMPACT

The funds proposed to support the projects are included in the Housing Authority's FY 2025-2026 budget.

#### ENVIRONMENTAL IMPACT

The environmental review of each project is included within the project information.

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

Not applicable.

#### NOTIFICATION

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

#### ATTACHMENTS

- Attachment 1 – Fiscal Year 2025-2026 Notice of Funding Availability
- Attachment 2 – Final Fiscal Year 2025-2026 Points Scoring System
- Attachment 3 – Zane-Wolff Veterans Village Project Summary
- Attachment 4 – Apple Valley Scattered Sites Project Summary
- Attachment 5 – Ridley Family Apartments Project Summary
- Attachment 6 – Laurel at Perennial Park Phase III Project Summary
- Resolution – Zane-Wolff Veterans Village
- Resolution – Apple Valley Scattered Sites
- Resolution – Ridley Family Apartments

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