

For Housing Authority Meeting of: December 14, 2020

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: ANGELA MORGAN, PROGRAM SPECIALIST II

SUBJECT: ALLOCATION OF AN ADDITIONAL EIGHT (8) ARTICLE XXXIV UNITS FOR HEARN VETERANS VILLAGE PHASE 2 LOCATED AT 2149 WEST HEARN AVENUE AND AMENDMENT TO THE REGULATORY AGREEMENT TO INCREASE THE NUMBER OF RESTRICTED UNITS FROM 23 TO 31

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve an additional allocation of eight (8) Article XXXIV units for the Hearn Veterans Village Phase 2 a proposed 31-unit affordable permanent supportive housing project, located at 2149 West Hearn Avenue, and approve an amendment to the Regulatory Agreement increasing the number of affordable units from 23 to 31 units.

EXECUTIVE SUMMARY

In February 2019, the Hearn Veterans Village Phase 2, located at 2149 West Hearn Avenue, received a predevelopment loan from the Housing Authority for a 23-unit permanent supportive housing facility. The Project is in the early stages of development and anticipates approval by the Department of Planning and Economic Development in 2021 as a 31-unit permanent supportive housing facility with units affordable to households between 30% and 60% of Area Median Income. As a result of the increased project size, the developer, Community Housing Sonoma County, is requesting that the Housing Authority allocate eight (8) additional Article XXXIV units for a total of 31 Article XXIV units and increase the number of units subject to the recorded Regulatory Agreement from 23 units to 31 units.

BACKGROUND

1. The Hearn Veterans Village Phase 2 is a permanent supportive housing facility to be developed at 2149 West Hearn Avenue. In February 2019, the Housing Authority approved a predevelopment loan in the amount of \$285,000 for a 23-unit permanent supportive housing facility.
2. As a result of the increased project size, additional Article XXXIV units and an amendment to the Regulatory Agreement are also necessary.

PRIOR HOUSING AUTHORITY REVIEW

1. In February, 2020, the Housing Authority approved a predevelopment loan in the amount of \$285,000 and the allocation of 23 Article XXXIV units to the Project. The developer has since increased the size of the project necessitating the allocation of eight (8) additional Article XXIV units.

ANALYSIS

1. Article XXXIV of the California Constitution was originally adopted by voters in 1950. Article XXIV states that “no low rent housing project” can be constructed without the electoral approval of a majority of voters. Article XXXIV defines “low rent housing project” as “any development composed of urban or rural dwellings, apartments, or other living accommodations for persons of low income, financed in whole or part by the Federal Government or a state public body or to which the Federal Government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise.”
2. In 2002, the voters of the City of Santa Rosa approved Measure K which allowed the number of approved Article XXXIV allocated units to increase from one-half of one percent of the existing housing units in the City to one percent (1%) of the existing housing units in the City.
3. Currently, per the State of California Department of Finance, the total number of residential units in Santa Rosa is 69,185; therefore, the City is allowed 692 Article XXXIV units in 2020. The allocation of 8 additional units to Hearn Veterans Village Phase 2 can be accommodated within the available units.
4. An amendment to the recorded Regulatory Agreement will increase the number of affordable units that are available to low-income households for 55-years. Below is a table comparing the approved and proposed unit allocations:

24-Unit Project	32-Unit Project
17 @ 30% of AMI	17 @ 30% of AMI
6 @ 50% of AMI	14 @ 50% of AMI
1 Manager Unit	1 Manager Unit
24 Units	32 Units

FISCAL IMPACT

Approval of this action does not have a fiscal impact.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15183 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required. Any subsequent approvals permitting the proposed development will require environmental review consistent with the requirements of CEQA.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

ALLOCATION OF AN ADDITIONAL EIGHT (8) ARTICLE XXXIV UNITS FOR HEARN VETERANS VILLAGE
PHASE 2 LOCATED AT 2149 WEST HEARN AVENUE AND APPROVAL OF AN AMENDMENT TO THE
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Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution
- Letter from Community Housing Sonoma County

CONTACT

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