Agenda Item #11.1
For Housing Authority Meeting of: June 20, 2022

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: JULIE GAREN, PROGRAM SPECIALIST
HOUSING AND COMMUNITY SERVICES
SUBJECT: CHANGE TO LEGAL NAME OF ENTITY ON PRIOR AWARD OF PROJECT BASED VOUCHERS FOR BURBANK AVENUE APARTMENTS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, change the legal name of the entity awarded Twelve (12) Project Based Vouchers for Burbank Avenue Apartments from Waterstone Residential, LLC to WSA Housing Partners I, L.P.

EXECUTIVE SUMMARY

In response to the May 14, 2020, Request for Funding Proposals (RFP) for Project-Based Vouchers (PBV), the Housing Authority approved Resolution No. 1694 on June 22, 2020, committing Twelve (12) PBVs for Burbank Avenue Apartments ("Project") to Waterstone Residential, LLC, ("developer"). On May 17, 2022, the developer requested that the Housing Authority change the prior award to change the legal name of the entity from Waterstone Residential, LLC to WSA Housing Partners I, LP. This change to the legal name of the entity is necessary to align the two separate Project Based Voucher awards under one legal entity name. This will allow the Project to meet the requirements of the Subsidy Layering Review for the U.S. Department of Housing and Urban Development (HUD) Section 8 Project Based Voucher Program. All other provisions of Resolution No.1694 remain unchanged.

BACKGROUND

In order to increase housing opportunities and make affordable housing project proposals more competitive for competitive housing funding, the City of Santa Rosa Housing Authority released a Request for Funding Proposals (RFP) on May 14, 2020, for Project-Based Voucher (PBV) funding. On June 22, 2020, the Housing Authority considered applications for up to 60 Project Based Vouchers available to local developers. The Housing Authority adopted Resolution No. 1694 (Attachment 1) conditionally committing an award of Twelve (12) Project Based Vouchers to Waterstone Residential, LLC for the Burbank Avenue Apartments Project. On November 3, 2020, the City of Santa Rosa Housing Authority released a Request for Funding Proposals (RFP) for PBVs with up to 80 vouchers available, in order to make projects

applying for community Development Block Grant Disaster Recovery (CDBG-DR) funds more competitive. On January 25, 2021, The Housing Authority adopted Resolution 1707 conditionally committing an award of four (4) Project-Based Vouchers to WSA Housing Partners I, LP for Burbank Avenue Apartments. On May 17, 2022, the Borrower requested to change their legal name on the award from Resolution No.1694 for twelve (12) Project Based Vouchers from Waterstone Residential, LLC to WSA Housing Partners I, LP (Attachment 3). The project currently has a total of sixteen (16) vouchers for commitment to a 20-year Housing Assistance Payments (HAP) contract term at Burbank Avenue Apartments located at 1780 Burbank Avenue in Southwest Santa Rosa.

Project Description

As proposed, Burbank Avenue Apartments is a sixty-four (64) unit, affordable multifamily housing development with one-bedroom, two-bedroom and three-bedroom units. The unit affordability mix is: 36 units targeted to households with incomes up to 30% of Area Median Income ("AMI"), 10 units targeted to households with incomes up to 40% of AMI, 9 units targeted to households with incomes up to 50% of AMI, 8 units targeted to households with incomes up to 60% of AMI, and one non-restricted manager unit. The site of the Project is located at 1780 Burbank Avenue, Santa Rosa, CA (APN 126-361-003).

ANALYSIS

In response to the May 14, 2020, Request for Proposals (RFP) for Project Based Vouchers, Waterstone Residential, LLC requested an allocation of twelve (12) Section 8 Project Based Vouchers for the Project. On June 22, 2020, the Housing Authority adopted Resolution No. 1694 awarding twelve (12) Project Based Vouchers to Waterstone Residential, LLC for Burbank Avenue Apartments.

In response to the November 3, 2020, Request for Proposals (RFP) for Project Based Vouchers, WSA Housing Partners I, LP requested an allocation of four (4) Section 8 Project Based Vouchers for the Project. On January 25, 2021, the Housing Authority adopted Resolution 1707 awarding four (4) Project-Based Vouchers to WSA Housing Partners I, LP for Burbank Avenue Apartments.

On May 17, 2022, the developer requested to change the legal name on the award of twelve (12) Project Based Vouchers allocated by the Santa Rosa Housing Authority under Resolution No. 1694 from Waterstone Residential, LLC to WSA Housing Partners I, LP to align all of the Santa Rosa Housing Authority Project Based Voucher awards to the Burbank Avenue Apartments under the same legal entity name.

The Project is seeking additional funding from the California Housing and Community Development Department's Accelerator Program. The developer has expressed that the Project will be more competitive for these program funds if both Project Based Voucher awards to the property are under the same legal entity name. Additionally, the U.S. Department of Housing and Urban Development (HUD) requires all projects with Project Based Voucher subsidy to complete a Subsidy Layering Review, a requirement of the Section 8 Project Based Voucher Program. Aligning both PBV awards under the same legal entity name will avoid confusion during the

Subsidy Layering Review certification process. All subsequent Santa Rosa Housing Authority awards have been made to WSA Housing Partners I, LP. HUD's Subsidy Layering Review requirements necessitates the change of the legal name of entity for the award of twelve (12) PBVs from Resolution No. 1694 to WSA Housing Partners I, LP.

Contract Terms. Contract Terms remain unchanged. The project currently has a total of sixteen (16) vouchers for commitment to a 20-year Housing Assistance Payments (HAP) contract term at Burbank Avenue Apartments located at 1780 Burbank Avenue in Southwest Santa Rosa.

PRIOR HOUSING AUTHORITY REVIEW

On June 22, 2020, the Housing Authority adopted Resolution No. 1694 awarding twelve (12) Project Based Vouchers to the Project.

On January 25, 2021, the Housing Authority adopted Resolution No. 1707 awarding four (4) Project Based Vouchers to the Project.

ARTICLE XXXIV

Article 34 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 34 allocation was made for 63 units at by Resolution No. 1704.

FISCAL IMPACT

Approval of this action does not have an impact on the Housing Authority's budget.

ENVIRONMENTAL IMPACT

All projects must complete an environmental review and meet all other requirements outlined in the Project-Based Voucher regulations at 24 CFR 983, PIH Notice 2017-21 and related HUD guidance. The Burbank Avenue project is exempt from the California Environmental Quality Act (CEQA) under Government Code Section 65457, CEQA Guidelines Section 15182(a)(c), and 15183. The agreement to provide Project Based Vouchers to the project is conditioned on the Responsible Entity's determination to proceed with, change, or cancel the project based on the results of the subsequent environmental review that will be conducted in compliance with the National Environmental Policy Act of 1969 (NEPA), NEPA related laws and authorities, and the implementing regulations (24 CFR Part 58).

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On January 11, 2021, and January 14, 2021 a Housing Authority Project-Based Voucher RFP Ad Hoc Committee of the Housing Authority Commissioners consisting of Commissioners Burke and Test met to review the Project-Based Voucher proposals received in the November 3, 2020 RFP) in conjunction with the CDBG-DR applications and make funding recommendations to bring to the full Housing Authority Board of Commissioners.

NOTIFICATION

The Developer was notified of the meeting.

ATTACHMENTS

- Attachment 1 – Housing Authority Resolution No. 1694
- Attachment 2 – Housing Authority Resolution No. 1707
- Attachment 2 – Entity Name Change Request Letter May 17, 2022
- Resolution

CONTACT

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