

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: NANCY MANCHESTER, PROGRAM SPECIALIST II

SUBJECT: ALLOCATION OF ARTICLE XXXIV UNITS FOR MAHONIA GLEN
APARTMENTS & CARITAS VILLAGE

AGENDA ACTION: RESOLUTIONS

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve an allocation of (1) 83 Article XXXIV units for Mahonia Glen Apartments, an 84-unit affordable housing project, with 83 income-restricted units and one unrestricted manager's unit, located at 5173 Highway 12; and (2) 128 Article XXXIV units for Caritas Village, located at 437 – 507 A Street and 516 – 612 Morgan Street.

EXECUTIVE SUMMARY

Mahonia Glen, located at 5173 Highway 12, and Caritas Village, located at 437 – 507 A Street and 516 – 612 Morgan Street, are applying for tax credit financing and need Article XXXIV allocations. Mahonia Glen is a multifamily rental project that will include 83 units affordable to households earning 30% - 60% of Area Median Income (AMI) and one unrestricted manager's unit. Caritas Village is also a multifamily rental project that will have 128 units targeted to low income households. The approval of the allocation of Article XXXIV units for these two projects is a needed prior to submittal of the tax credit application on July 1.

BACKGROUND

1. Mahonia Glen is located at 5173 Highway 12, the former site of Prickett's Nursery, and is a 99-unit multifamily that will be phased. Phase I includes 83 affordable units and one unrestricted manager's unit on a 4.75-acre parcel. While the units are affordable to households earning 30% - 60% of Area Median Income (AMI), the owner anticipates the average income level of households in the project will be 50% of AMI.
2. Caritas Village is located at 437 – 507 A Street and 516 – 612 Morgan Street and will be built in two phases totaling 128 units. Caritas Village was once referred to as "The Block" but has now been officially named Caritas Village and will target low-income households.
3. The project owners are submitting applications for tax credits. All local approvals, including the allocation of Article XXXIV units, must be in place prior to the July 1 tax credit application due date.

PRIOR HOUSING AUTHORITY REVIEW

Not applicable

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 68,927; therefore, the City is allowed 689 Article XXXIV units annually. The allocation of 83 Article XXXIV units for Mahonia Glen and 128 Article XXXIV units for Caritas Village will support the owners of the projects in their applications for tax credits in July 2020.

FISCAL IMPACT

Approval of this action does not have a fiscal impact.

ENVIRONMENTAL IMPACT

The proposed action to allocate Article XXXIV units is exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

In addition, the Mahonia Glen project is exempt from the requirements of CEQA pursuant to Government Code Sections 65400 and 65582.1, in that it qualifies for a ministerial approval. The Caritas Village project was reviewed in compliance with CEQA, and an Environmental Impact Report was prepared and certified. Therefore, no additional environmental review is required.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution – Mahonia Glen
- Resolution – Caritas Village

CONTACT

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