

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA
ALLOCATING EIGHT (8) PROJECT-BASED VOUCHERS UNDER A TWENTY (20)
YEAR PROJECT-BASED HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACT
FOR SAGE COMMONS, LOCATED AT 6 AND 80 COLLEGE AVENUE

WHEREAS, the Project-Based Voucher program is a component of the Housing Choice Voucher program of the U.S. Housing and Urban Development Department (“HUD”) and aims to increase affordable housing opportunities and provide an incentive for owners to develop, maintain and improve affordable housing; and

WHEREAS, under the Project-Based Voucher regulations at 24 CFR 983, a Housing Authority can attach up to 20 percent of its Housing Choice authorized units for Project-Based Vouchers and an additional 10 percent of its units under certain circumstances including when the units are specifically made available to house individuals and families who are homeless; and

WHEREAS, the initial PBV contract is up to 20 years; and the Housing Authority may renew the contract pursuant to PBV regulations; and

WHEREAS, the Housing Authority of the City of Santa Rosa (the “Housing Authority”) currently has 114 units under PBV Housing Assistance Payments (“HAP”) contracts, 65 units under Agreement to Enter into HAP (“AHAP”) and 29 units in pre-contract stages for a total of 208 Housing Choice Vouchers set aside as PBVs across eight different projects. PBVs represent approximately 11 percent of total Housing Choice Vouchers; and

WHEREAS, Danco Communities – on behalf of Santa Rosa College Ave LP – is developing Sage Commons, a new construction project which will consist of 53 studio units targeted to people who are homeless or at risk of homelessness with maximum rents at 30% and 40% of Area Median Income, and one unrestricted 1-bedroom resident manager unit, located at 6 and 80 College Avenue, Assessor’s Parcel Numbers 010-121-020, 010-121-024 and 010-121-025; and

WHEREAS, Danco Communities has requested eight (8) Project-Based Vouchers for Sage Commons, which is below the standard HUD PBV program cap of 25 PBVs or 25% of the total project units, whichever is greater; and

WHEREAS, construction is anticipated to begin in April 2020; and

WHEREAS, operating expenses for Sage Commons include services amenities and security to serve its population of individuals who are homeless or at risk of homelessness; and

WHEREAS, the tax credit investor for Sage Commons is Raymond James Tax Credit Funds, Inc. (“Raymond James”), which has indicated that its underwriting guidelines dictate that they underwrite the rent of the special needs less than the maximum rents at 30% and 40% of Area Median Income; and

WHEREAS, the combination of high operating costs and low underwriting rents creates an operating deficit whereby revenues are insufficient to cover costs; and

WHEREAS, Raymond James has indicated that the addition of eight Project Based Vouchers (“PBVs”) will provide sufficient additional rental income to satisfy the tax credit investor over the 15-year tax credit compliance period; and

WHEREAS, the Zoning Administrator approved Resolution No. CUP19-062 on June 20, 2019 approving the project with a supplemental density bonus of 80% and approved Resolution No. DR19-038 approving a design review application and supplemental density bonus of 80%;

WHEREAS, in both resolutions, the Zoning Administrator determined that the Project qualifies for exemption under California Environmental Quality Act (“CEQA”) Guidelines Section 15182, and California Government Code Section 65457, which apply to residential projects where a public agency has prepared an environmental impact report on a specific plan in which the density, design and infrastructure of the project is consistent with the adopted specific plan, and the Project qualifies for a Class 32 exemption under CEQA Guidelines Section 15332 (In-fill Development Projects); and

WHEREAS, an environmental analysis pursuant to the National Environmental Policy Act must be approved prior to the Housing Authority entering into an AHAP Contract; and

WHEREAS, a subsidy layering review analysis must be prepared by the California Tax Credit Allocation Committee in compliance with HUD Guidelines prior to the Housing Authority entering into an AHAP Contract; and

WHEREAS, eight (8) PBVs will help secure housing for people who are homeless or at risk of homelessness by providing additional revenue to cover necessary Project operational costs; and

WHEREAS, the Ad Hoc Committee that was convened to review requests for funding and PBVs under the 2019 NOFA and staff met on February 13, 2020, to review the request and recommend that the Housing Authority allocate eight PBVs for the Project, and

WHEREAS, the Housing Authority considered written materials, verbal presentations, recommendations of staff and an Ad Hoc committee, and comments by those wishing to be heard at the Housing Authority meeting of February 24, 2020.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa hereby approves allocation of eight (8) Project-Based Vouchers for a 20-year contract term that will be governed by a Housing Assistance Payments Contract, subject to the following:

1. Completion and approval of environmental review pursuant to the National Environmental Policy Act; and
2. Completion of a Subsidy Layering Review by the California Tax Credit Allocation Committee in compliance with HUD Guidelines.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director to execute agreements and related loan documents for the Project consistent with this Resolution.

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 24th day of February 2020.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chair

ATTEST: _____
Secretary