

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, DIRECTOR
SUBJECT: REVISION TO PRIOR AWARD RESOLUTION CLARIFYING LOAN
SECURITY FOR ZANE-WOLFF VETERANS VILLAGE

AGENDA ACTION: REPORT

RECOMMENDATION

The Housing and Community Services Department recommends that the Housing Authority, by resolution, approve a revision to the conditional commitment of loan funds in the amount of \$489,228 to Community Housing Sonoma County for rehabilitation costs for Zane-Wolff Veterans Village. The revision clarifies that the loan will be secured by a Leasehold Deed of Trust.

EXECUTIVE SUMMARY

Zane-Wolff Veterans Village (Project) is an affordable housing development consisting of 14 single-family dwellings of approximately 250 square feet commonly known as “tiny homes.” The developer of the Project is Community Housing Sonoma County (CHSC). Through the Fiscal Year 2025-2026 Notice of Funding Availability (NOFA), CHSC received a conditional commitment of \$489,228 in local funds for rehabilitation-related costs for the Project under Resolution 2025-014. The resolution states that the \$489,228 loan will be secured by a Deed of Trust, which is part of the standard loan documents used by the Housing Authority for loans to developers. However, CHSC cannot enter into a traditional Deed of Trust for the Project because CHSC does not own the land on which the Project is built. CHSC has a leasehold interest in the real property, which is owned by the County of Sonoma. The loan to CHSC must be secured by a Leasehold Deed of Trust, and a revised resolution clarifying the loan security must be approved by the Housing Authority.

BACKGROUND

The Project is located at 665 Russel Avenue in Northeast Santa Rosa, completed in 2019 as part of a Sonoma County initiative to demonstrate the efficacy of “tiny homes” in addressing homelessness and housing affordability for extremely low-income households. CHSC completed the design, development, and construction of the Project on a County-owned parcel. Thirteen (13) of the homes are restricted to Veteran

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households at 30% of Area Median Income (AMI) and the manager's unit is restricted to a Veteran household at 80% of AMI. Initially envisioned as a pilot program, the Project is operating under a temporary use permit from the City of Santa Rosa. CHSC and Sonoma County wish to continue the operation of the Project, which requires conversion to a permanent use permit. CHSC applied for rehabilitation funds under the Fiscal Year 2025-2026 NOFA to complete the work that will be necessary to convert to a permanent use permit and received a conditional commitment of \$489,228 in local funds.

PRIOR HOUSING AUTHORITY REVIEW

On September 22, 2025, the Housing Authority, by Resolution Number 2025-014, awarded a conditional commitment of \$489,228 in local funds to CHSC for rehabilitation costs for the Project under the Fiscal Year 2025-2026 NOFA.

ANALYSIS

Resolution 2025-014 indicated that the loan would be secured by a Deed of Trust consistent with the Housing Authority's standard loan documents. Upon engaging with CHSC to draft loan documents, it became apparent that a traditional Deed of Trust would not be possible because of the structure of the Project. Instead, the loan must be secured by a Leasehold Deed of Trust, and the resolution approving the conditional loan commitment must be amended, by Housing Authority resolution, to reflect this change to the security instrument.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on Housing Authority funds.

ENVIRONMENTAL IMPACT

The Housing Authority finds that pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

An Ad-Hoc Committee of the Housing Authority reviewed the applications received under the NOFA and made funding recommendations at the September 22, 2025, meeting of the Housing Authority Board of Commissioners.

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NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER

Rebecca Lane, Program Specialist