

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DAVID GOUIN, DIRECTOR
HOUSING AND COMMUNITY SERVICES
SUBJECT: COUNCIL CONSIDERATION OF ADDITIONAL CRITERIA FOR
THE HOUSING RECOVERY BOND

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that Council, by resolution, approve additional project selection and implementation criteria to be included in the Housing Recovery Bond Program Guidelines.

EXECUTIVE SUMMARY

At the July 24, 2018 City Council Meeting, the Council voted to place a Housing Recovery Bond on the ballot for the November 6, 2018 General Election and requested further discussion on additional criteria to be included in the Housing Recovery Bond Program Guidelines administered by the Santa Rosa Housing Trust.

BACKGROUND

On July 24, 2018 the Council voted to place a Housing Recovery Bond on the ballot for the November 6, 2018 General Election and requested further discussion on additional criteria to be included in the Housing Recovery Bond Program Guidelines.

The Santa Rosa Housing Trust administers lending and compliance for affordable housing developments in Santa Rosa. The policies, guidelines and processes in place have resulted in the creation of thousands of affordable units that are governed by long term rent restrictions. The Department of Housing and Community Services will incorporate additional criteria, if any, into the guidelines to administer the Housing Recovery Bond.

PRIOR CITY COUNCIL REVIEW

On July 24, 2018, the City Council, by Resolutions, approved submitting to the Santa Rosa electorate a measure to authorize General Obligation Bonds for affordable housing projects.

ANALYSIS

On July 24, 2018, Council approved a measure to be placed on the November 6, 2018 ballot to authorize General Obligation Bonds for affordable housing projects. The Council directed staff to return for consideration of guidelines for the expenditure of bond revenues.

The guidelines might include priorities for expenditures, including:

- Financial assistance to those who lost their homes in the October wildfires;
- Down payment assistance for first-time homebuyers;
- Preservation of affordable housing;
- Permanent supportive housing to serve homeless populations.

The Council could consider an allocation of bond revenues, with perhaps approximately 75% of the proceeds of the bonds to be used to provide housing for low-income households at or below 80% of the area median income, and approximately 25% of the proceeds of the bonds to be used to provide housing for moderate-income households at or below 120% of the area median income.

In addition, at its July 24th meeting, the Council discussed potential public benefits, beyond the creation of affordable housing units, to be created by the use of the bond proceeds. Such additional criteria could include a requirement for prevailing wages, a requirement that 30% of project labor be apprentices and journeymen, and other commonly used mechanisms to support the use of local contractors and identify wage thresholds, as well as provisions to encourage climate smart, net zero and all electric construction standards.

In addition, the Santa Rosa Housing Trust has existing program guidelines to assist with the selection of applications for funding. The selection guidelines include the following:

- Type of Project;
- Location;
- General Benefits;
- Affordability Mix;
- Unit Mix;
- Source of Funds;
- Financial Feasibility; and
- Readiness.

Should Council decide to include additional criteria in the Housing Recovery Bond Program Guidelines, staff will include those in the program and use them in the selection of projects that receive funding through the bond proceeds.

FISCAL IMPACT

There is no fiscal impact to the General Fund with this item. The FY 2018-19 adopted budget includes funds to pay for the November General Election and two measures, which would include this Housing Recovery Bond, and ballot measure to increase the City's sales tax rate.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Exhibit A

CONTACT

David Gouin, (707) 543-3316, dgouin@srcity.org