

Hartman, Clare

From: Gouin, David
Sent: Tuesday, November 3, 2020 1:58 PM
To: Hartman, Clare
Subject: FW: Potential Resources for Affordable Housing and the Housing Authority's ability to deploy funds

FYI

From: Owen, Jeff <JOwen@srcity.org>
Sent: Tuesday, November 3, 2020 12:45 PM
To: _CityCouncilListPublic <citycouncil@srcity.org>
Cc: Gouin, David <DGouin@srcity.org>; Test, Diane <DTest@srcity.org>; Downey, Wayne <WDowney@srcity.org>; Burke, Stephen <SBurke@srcity.org>; Olsen, Phil <POlsen@srcity.org>; Trupiano, Nicole <ntrupiano@srcity.org>; McGlynn, Sean <smcglynn@srcity.org>
Subject: Potential Resources for Affordable Housing and the Housing Authority's ability to deploy funds

Information. Do not reply all

Mayor Schwedhelm and Members of the City Council:

I have been a member of the Housing Authority for almost two years and I have been the Chairman since the beginning of 2020. I am writing to you on behalf of your Santa Rosa Housing Authority to express the Authority's continued commitment to be the outlet of funds for affordable housing in the City of Santa Rosa. The members of the Council, the members of the Housing Authority and the public are aware of the need for affordable housing in Santa Rosa. It is the goal of the Housing Authority to utilize the funds entrusted to it to provide the most amount of quality affordable housing units in the most expedient and efficient manner without increasing administrative costs.

As we know, the demand for affordable housing exceeds available resources. The most used metric for the demand is the seven year wait list for housing vouchers. The Authority currently deploys almost \$5 million a year in funding sources and manages a large portfolio of existing affordable units. In review; the Housing Authority currently has over \$120 million of loan assets and 4,200 units in its portfolio. The Authority has 188 units under development in four projects, three of which are in the Downtown or primary development area. There are an additional twelve developers totaling 950 units, some of which have already received Housing Authority resources and stand ready to compete for the additional funding sources and Housing Choice Project Based Voucher dual solicitation this November. In addition, the Housing Authority is prepared to solicit its annual Notice of Funding Availability ("NOFA") in the Spring of 2021 to quickly move projects forward at the start of the fiscal year.

The most current example of the Housing Authority's ability to manage and deploy affordable housing funding is the \$38 million the City of Santa Rosa is receiving through the one time Community Development Block Grant-Disaster Relief ("CDBG-DR") program from the State's Housing and Community Development ("HCD") department. The City normally receives approximately \$1.4 million annually in CDBG funds. The City is providing the \$38 million to the Housing Authority to deploy and the Housing Authority will be able to award those funds through its NOFA process to affordable housing developers by January 2021, which is in less than a three month time frame. The developers can then leverage those funds with other sources of funds and start projects as early as late 2021 or early 2022. The Housing Authority has not added any additional staff to process 27 times the customary amount of annual CDBG funds. The Housing Authority, through its Housing Trust existing administrative systems, can maximize funds to development **without new costs for administration**. This means the funds go to providing units, not administrative costs.

At our meeting of October 26th, questions were raised regarding media reports that the County of Sonoma Board of Supervisors pledged \$10 million, subject to a match from the City of Santa Rosa, from their PG&E settlement funds for affordable housing purposes. It is our understanding the County Board of Supervisors would deploy those funds to a new agency called the Renewal Enterprise District or RED for affordable housing units. It is also our understanding the City is currently seeking input on how to utilize its PG&E settlement funds. If the City decides to utilize some of those funds for affordable housing, the Housing Authority is willing and able to deploy those funds **within the systems and staffing currently in place. No new administrative costs would be incurred to deploy those funds.** All of the funds would go into providing units. Please note, the current system in place for reviewing affordable housing projects includes a City Council/Housing Authority review committee structure. This structure would remain. Deploying funds to the Housing Authority would go to units and there would still be City Council oversight on what projects are awarded funds.

This is to respectfully request that should the City Council decide to utilize a portion of its PG&E settlement for affordable housing, to encourage the Council to utilize your existing housing delivery system within the Santa Rosa Housing Trust. The current system continues to work well to manage and deploy funds for affordable housing units and affordable housing developers are very familiar with the staff at the Housing Authority and the NOFA process. The City has entrusted the Housing Authority with its funding sources for affordable housing units in dollar amounts far exceeding what is being contemplated from PG&E settlement funds. To put it simply, there is no need to "re-invent the wheel" when a current system is in place that utilizes the funds entrusted to it to provide the most amount of quality affordable housing units in the most expedient and efficient manner without increasing administrative costs.

I appreciate your time and I, the other board members of the Housing Authority and the Housing Authority staff are available to answer any questions or discuss this matter further.

Sincerely,

Jeffrey A. Owen
Chairman of the Housing Authority for the City of Santa Rosa