

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: MEGAN BASINGER, HOUSING AND COMMUNITY SERVICES
DIRECTOR
HOUSING AND COMMUNITY SERVICES
SUBJECT: ACCEPTANCE AND APPROPRIATION OF \$2,500,000 FROM
THE CALIFORNIA DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT FOR CASA ROSELAND – 665
AND 883 SEBASTOPOL ROAD

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council, by resolution, 1) accept the \$2,500,000 in funding from the California Department of Housing and Community Development for Casa Roseland, 665 and 883 Sebastopol Road; 2) appropriate the monies to Fund 2130 – Operating Reserves, Housing Reserve Transfers; 3) authorize payment of the \$2,500,000 to MidPen Housing Corporation for Casa Roseland; and 4) authorize the Assistant City Manager or designee to sign all related documents.

EXECUTIVE SUMMARY

Pursuant to the California Budget Act of 2024, through Assembly Bill 157, the City of Santa Rosa (City) has been allocated \$2,500,000 for Casa Roseland (Project), a new 75-unit affordable housing development located at 665 and 883 Sebastopol Road. In order to access and disburse these funds to the Project, the City Council must take action to accept the award, appropriate the funds, authorize payment disbursements, and authorize a representative to execute related documents.

BACKGROUND

The State of California Budget Act of 2024 (2024 Budget) made appropriations for the support of state government for Fiscal Year 2024/2025. In September 2024, the 2024 Budget was amended by California Assembly Bill 157 (AB157). Included in the AB157 amendment is a direct allocation of \$2,500,000 to the City for the Project.

The Project is a new 75-unit affordable rental housing development of which 24 units will be restricted for extremely low-income households with incomes up to 30% Area Median Income (“AMI”), 6 units restricted for very low- income households with incomes up to 50% AMI, 44 units will be restricted to low-income households with incomes up to 60% AMI, and one unrestricted unit will be reserved for the resident manager. The Project is located at 665 and 883 Sebastopol Road, Santa Rosa, CA 95407, APNs 125-111-037 and 125-101-031.

PRIOR CITY COUNCIL REVIEW

On June 25, 2019, the City Council approved Resolution No. RES-2019-086 which affirmed the decision of the Planning Commission and approved the Project.

ANALYSIS

AB157 identified a direct allocation of \$2,500,000 from the State of California’s 2024 Budget through its Housing and Community Development Department (HCD) to the City for the Project., The City, as the pass-through entity between the State of California and the Project, will receive the appropriated funds from HCD and then disburse the monies to MidPen Housing Corporation sponsor and developer of the Project. To accomplish this, City Council must act to:

- 1) Accept the \$2,500,000 award from HCD;
- 2) Appropriate the monies into the Housing Authority’s budget – Fund 2130 Operating Reserves, to be paid out of Expense Key 340708 – Housing Reserve Transfers;
- 3) Authorize payment of the \$2,500,000 to MidPen Housing Corporation; and
- 4) Authorize the Assistant City Manager or designee to sign all related documents.

FISCAL IMPACT

This item is pass through funding and does not impact the City’s budget. Approval increases the Housing Authority budget in Fund 2130 – Operating Reserves and appropriates the funds to Key 340708 – Housing Reserve Transfers for use during Fiscal Year 2024/2025.

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 Guidelines Section 15378.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – AB-157 Budget Act of 2024_Sec 15
- Resolution

PRESENTER

Angela Morgan, Program Specialist II