

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: KOY STEWART, PROGRAM SPECIALIST
SUBJECT: ACKNOWLEDGEMENT OF PROJECT COMPLETION FOR
LAUREL AT PERENNIAL PARK PHASE I, FORMERLY 3575
MENDOCINO PHASE I, A NINETY-FOUR (94) UNIT RENTAL
HOUSING PROJECT LOCATED AT 3575 MENDOCINO AVENUE
IN SANTA ROSA, SONOMA COUNTY, CALIFORNIA, APN 173-
030-030

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, acknowledge the completion of Laurel at Perennial Park Phase I, formerly 3575 Mendocino Avenue Phase I under the Community Development Block Grant Program – Disaster Recovery administered by the California Department of Housing and Community Development.

EXECUTIVE SUMMARY

In response to the 2017 wildfires, the United States Department of Housing & Urban Development (HUD) allocated Community Development Block Grant – Disaster Recovery (CDBG-DR) funds to the State of California Department of Housing & Community Development (HCD) to be distributed to disaster-affected areas. HCD appropriated \$66 million to multifamily housing and up to \$38,469,772 was allocated to the City of Santa Rosa for rehabilitation, reconstruction, and/or new construction of affordable multifamily housing. The City Council then delegated program administration to the Housing Authority (Authority). HCD issued Laurel at Perennial Park Phase I, formerly 3575 Mendocino Avenue Phase I (Project) a Final Notice to Proceed in October of 2021. The Project completed construction, was issued a Temporary Certificate of Occupancy on February 13, 2024, and was fully occupied in March 2024. Prior to issuance of their final reimbursement request, HCD requires a resolution from the Housing Authority acknowledging the project completion and closeout.

BACKGROUND

1. In March 2019, HUD awarded HCD \$66 million for a state-wide Disaster Recovery Multifamily Housing Program (DR-MHP) with \$38,469,772 allocated to the City of Santa Rosa for the rehabilitation, reconstruction, and/or new construction of affordable multifamily housing. In October of 2020 the City Council approved the funding allocation, authorization to enter into a Master Standard Agreement with HCD and delegated the program administration to the Authority.
2. The Authority released a Notice of Funding Availability (NOFA) in November of 2020 and awarded five affordable housing developments CDBG-DR funds on January 25, 2021. The Project was awarded \$11,971,110 in CDBG-DR funds for construction-related costs associated with the development of 93 affordable housing rental units for seniors and one unrestricted managers unit.
3. The Project was the second DR-MHP project to break ground in Santa Rosa, continuing a large-scale disaster recovery effort, commenced construction in November of 2021, completed construction and was issued a Temporary Certificate of Occupancy in February 2024. The Project includes, 13 units targeted to households with incomes up to 30% of Area Median Income ("AMI"), 56 units targeted to household incomes up to 50% AMI, 24 units targeted to household incomes up to 60% AMI with affordability restricted for 55 years. HCD is requiring the Authority to approve, by resolution, an acknowledgement of project completion for Laurel at Perennial Park Phase I, formerly 3575 Mendocino Avenue Phase I which will allow the staff to submit the final financial reports to HCD for reimbursement and issue the 10% retention payment to the developer.

PRIOR HOUSING AUTHORITY REVIEW

On January 25, 2021, the Housing Authority by Resolution No. 1701, approved a commitment of Community Development Block Grant – Disaster Recovery (CDBG-DR) loan funds in the amount of \$11,917,110 and by Resolution No. 1706, an allocation of thirty (30) Project Based Vouchers to BRJE Phase I Housing Partners, L.P. for the Project.

On June 21, 2021, the Housing Authority by Resolution No. 1720, approved the transfer of thirteen Project Based Vouchers from Phase I to support the second phase of the Project.

ANALYSIS

HUD allocated CDBG-DR funds to HCD to distribute statewide, of which, up to \$38,469,772 was allocated to Santa Rosa for the Disaster Recovery – Multifamily Housing Program (DR-MHP). 3575 Mendocino Avenue Phase I was awarded \$11,971,110 in CDBG-DR funds by the Authority. The Project has completed construction, been issued a Temporary Certificate of Occupancy, and is fully leased.

Acknowledgment of the completion of the 3575 Mendocino Avenue Phase I completes the requirements set forth in the Master Standard Agreement and Notice to Proceed for the DR-MHP Program and fulfills the Project Closeout Checklist required for submittal of the final financial report for reimbursement of the remaining 10% retention of the project award.

FISCAL IMPACT

Approval of this action positions the Authority to receive up to \$11,971,110 from HCD in DR-MHP Program funds for the Laurel at Perennial Park Phase I, formerly 3575 Mendocino Ave Phase I project.

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

PRESENTER

Koy Stewart, Program Specialist