

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, DIRECTOR
SUBJECT: ACKNOWLEDGEMENT OF PROJECT COMPLETION FOR
CARITAS HOMES PHASE I, A SIXTY-FOUR (64) UNIT RENTAL
HOUSING PROJECT LOCATED AT 340 7TH STREET IN SANTA
ROSA, SONOMA COUNTY, CALIFORNIA, APN 010-041-001,
010-041-015, 010-041-016, 010-041-014, AND 010-041-020

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, acknowledge the completion of Caritas Homes 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) who awarded the CDBG-DR funds to five projects in January 2021, including Caritas Homes Phase I. HCD issued Caritas Homes Phase I, (Project) a Final Notice to Proceed on September 30, 2021. The Project completed construction, was issued a Certificate of Occupancy on September 15, 2023, and was fully occupied in July 2024. Prior to issuance of their final reimbursement, 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 \$8,945,657 in CDBG-DR funds for construction-related costs associated with the development of 63 affordable housing rental units and one unrestricted managers unit.
3. The Project was the third DR-MHP project to break ground in Santa Rosa, continuing a large-scale disaster recovery effort. The Project commenced construction in November 2021, completed construction in September 2023, and was issued a Certificate of Occupancy on September 15, 2023. The Project includes 30 units targeted to households with incomes up to 20% of Area Median Income (AMI) and 33 units targeted to household incomes up to 50% AMI, with affordability restricted for 55 years. HCD requires the Authority to approve, by resolution, an acknowledgement of project completion for Caritas Homes Phase I, which will allow 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. 1702, approved a commitment of Community Development Block Grant – Disaster Recovery (CDBG-DR) loan funds in the amount of \$8,945,657 and by Resolution No. 1695, an allocation of thirty (30) Project Based Vouchers for 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). Caritas Homes Phase I was awarded \$8,945,657 in CDBG-DR funds by the Authority. The Project has completed construction, been issued a Certificate of Occupancy and is fully leased up.

Acknowledgment of the completion of Caritas Homes 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 allows staff to reimburse the remaining 10% retention to the developer, complete project closeout forms, submit the final financial report to HCD, and request reimbursement for the Caritas Homes 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 Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

PRESENTER

Megan Basinger, Director