

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MARC HUGHES, PROGRAM SPECIALIST

SUBJECT: BUDGET APPROPRIATION OF FUNDS IN THE AMOUNT OF
\$43,000 FOR BUILDING REHABILITATION WORK AT 983
SONOMA AVENUE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, appropriate \$43,000.00 in Fiscal Year 2022/2023 reserves in Fund 2279 (Brookwood Property Maintenance) for the building rehabilitation work at 983 Sonoma Avenue.

EXECUTIVE SUMMARY

On February 27, 2023, the Housing Authority approved a Lease Agreement for 983 Sonoma Avenue (Brookwood) between the Housing Authority and the City of Santa Rosa for the inRESPONSE Program and authorized the Executive Director to sign and execute the Lease Agreement. The inRESPONSE program has begun tenant improvements and notified Housing and Community Services staff that the windows in the building have been leaking which has resulted in dry rot and the need for new windows. The cost of replacing the windows exceeds the FY 2022/23 annual maintenance budget for the site. The Housing Authority maintains Fund 2279 for property related needs, monies generated from the rental income. The reserves can be appropriated for use in the rehabilitation of the property.

BACKGROUND

In 2002, the Housing Authority acquired the property located at 983 Sonoma Avenue and later that year opened a 40-bed homeless shelter that was operated by Catholic Charities of the Diocese of Santa Rosa. As a result of the budget constraints that the City of Santa Rosa and the Housing Authority faced in Fiscal Year 2008/2009, the homeless shelter closed, and the 40 beds were moved to the Sam Jones Hall Homeless Shelter.

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In 2009, staff issued a Request for Proposals (RFP) for a beneficial use at the site. In September 2010, the Housing Authority approved a lease with Santa Rosa Community Health (SRCH), and it began occupying the site and operating the Brookwood Health Center in April 2011.

The lease between SRCH and the Housing Authority had a ten-year term beginning April 1, 2011 and ending March 31, 2021. In 2021, the Housing Authority approved a two-year extension with the option for two, one-year extensions. SRCH has relocated to the Caritas Center, as was planned at the time the lease extension was approved.

The Housing Authority approved a lease with the City of Santa Rosa's inRESPONSE program on February 27, 2023 and the City Council took similar action on February 28, 2023. The lease, effective April 1, 2023 has been signed by all parties.

Housing and Community Services staff was notified that the windows have been leaking, resulting in dry rot and need to be replaced. Due to low maintenance costs for the property, the Housing Authority maintains Fund 2279 – Brookwood Property Maintenance for capital expenses.

PRIOR HOUSING AUTHORITY REVIEW

Not applicable.

ANALYSIS

Fund 2279 (Brookwood Property Maintenance) has a balance of \$93,242.24 for capital needs associated with the site. Since the closure of the shelter and leasing to other entities, there have not been capital improvements at the site.

While initiating tenant improvements at the site, the leaking windows and associated dry rot were identified as an immediate need for the site. The proposed cost for City maintenance staff to replace the windows, repair the dry rot, conduct interior and exterior stucco repair and painting, and have a 15% contingency is estimated between \$36,475 and \$42,964. To provide adequate funding for the repairs, staff is recommending that the Housing Authority appropriate \$43,000 to the FY 2022/23 budget. Any unexpended funds will be returned to the fund balance for future building needs.

FISCAL IMPACT

Appropriation of revenue from the reserves for future contingencies to the maintenance budget for Fiscal Year 2022/23 would reduce the amount of funding available for future contingencies.

ENVIRONMENTAL IMPACT

The Housing Authority finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

Not Applicable.

ATTACHMENTS

- Resolution

PRESENTER

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