

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
SUBJECT: APPROVAL OF REQUEST FOR MATCHING FUNDS FROM THE CITY OF SANTA ROSA AND SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE LOCAL HOUSING TRUST FUND PROGRAM
STAFF PRESENTER: NANCY MANCHESTER, HOUSING PROGRAM SPECIALIST
AGENDA ACTION: RESOLUTION

ISSUE

Will the Housing Authority approve a request of new source matching funds from the City of Santa Rosa in the amount of One Million Dollars (\$1,000,000) and submittal of an application to the California State Department of Housing and Community Development (HCD) for up to One Million Dollars (\$1,000,000) in funding under the Local Housing Trust Fund Program (LHTFP)?

BACKGROUND

1. On February 26, 2014, HCD released a Notice of Funding Availability (NOFA) announcing approximately \$8.1 million in funding for a new Local Housing Trust Fund (LHFTP) matching grant program. LHFTP is administered by HCD and provides grant funds to eligible city, county and nonprofit applicants for the purpose of creation or preservation of affordable housing.
2. Applications are accepted by HCD from May 21, 2014 through May 21, 2015. Funds are awarded until they are expended and applications are evaluated in the order they are received.
3. HCD accepts applications from new Local Housing Trust Funds or, as in the case of the Housing Authority of the City of Santa Rosa, an existing trust for which the matching funds come from a new revenue source identified or created on or after June 30, 2012. Matching funds are funds that are set to be paid in equal amount to funds available from other sources.
4. For the purposes of this NOFA, a new matching fund or revenue source is defined as "a new tax, fee, contribution of public or private funds not already dedicated to housing, or an increase in an existing tax or fee directly adopted by a city, county or city and county."
5. The Housing Authority received a grant from LHFTP in 2004 and, as a previous recipient of this grant, is eligible to apply for up to \$1 million in matching funds from HCD through this program.

6. The matching funds for the grant must be equal to or more than the grant amount.
7. Evaluation criteria for the LHTFP NOFA are:
 - a. The extent to which the applicant agrees to provide matching funds from sources other than local impact fees;
 - b. The extent to which the applicant agrees to expend more than 30% of the total amount of its LHTFP Funds and matching funds to serve persons and families of extremely low income;
 - c. The extent to which the applicant agrees to expend less than 20% of the total amount of its LHTFP funds and matching funds to serve persons and families with moderate incomes not exceeding 120% of Area Median Income; Area Median Income means the most recent applicable county median income published by the California Tax Credit Allocation Committee; and
 - d. The extent to which the applicant agrees to provide matching funds in excess of the amount of the LHTFP funds.
8. The City of Santa Rosa is being asked to provide matching funds of approximately One Million Dollars (\$1,000,000) from the General Fund. The request to the City for a new allocation of funds from undesignated General Fund reserves will be presented on April 29, 2014; this new allocation meets the criteria for new matching funds.
9. Tie-breaking criteria, in the order in which they will be applied are:
 - a. Those applicants that are in a county with a population of less than 425,000;
 - b. Those applicants that are new trust funds formed after September 30, 2006 and have not previously received a LHTFP award;
 - c. Those applicants that are existing trust funds formed prior to September 30, 2006 and have not previously received an LHTFP award;
 - d. Those applicants that have previously received an LHTFP award and have expended all the LHTFP award and their corresponding match;
 - e. Those applicants ranking highest in the criteria listed in #7a above;
 - f. Those applicants ranking highest in the criteria listed in #7b above;
 - g. Those applicants ranking highest in the criteria listed in #7d above; and
 - h. Those applicants ranking highest in the criteria listed in #7c above.

ANALYSIS

1. In order to help the Council meet its goal of seeking “opportunities to increase affordable housing and emergency shelter beds,” the City will be asked to allocate an additional One Million Dollars (\$1,000,000) from undesignated General Fund reserves for a total of One Million Dollars (\$1,000,000) in new funding.
2. An allocation of One Million Dollars (\$1,000,000) from the City will meet the local match requirement for the LHFP grant. These additional funds would assist the Authority in starting at least one of the many projects currently in the development pipeline, which would, when complete, increase Santa Rosa’s inventory of affordable units.
3. HCD requires a resolution from the Housing Authority providing approval to apply for this grant as part of the application package.
4. HCD further requires a public hearing to discuss and describe eligible projects. The public hearing will be scheduled upon notification of a successful application. There are currently several eligible projects in the pipeline that could be funded upon successful grant award.
5. In addition to a resolution from the Housing Authority authorizing the submittal of an application for the funds, the Housing Authority must also provide a resolution from the City Council approving the new matching fund source.

RECOMMENDATION

It is recommended by the Department of Economic Development and Housing that the Housing Authority, by resolution, (i) request new source matching funds from the City of Santa Rosa in the amount of One Million Dollars (\$1,000,000), (ii) submit a LHFP grant application for funds in the amount of One Million Dollars (\$1,000,000) dependent upon the City’s approval of matching funds, and (iii) establish a budget appropriation of \$2,000,000 in Fund 2282 - Housing Grant Fund (charge key 340110), the source of funds being \$1,000,000 in new funding transferred from the City’s General Fund, contingent upon the City Council’s approval; and \$1,000,000 from the State Department of Housing and Community Development Local Housing Trust Fund which will be appropriated to Fund 2282 - “Housing Grant Fund,” revenue object 4421 – “State Grant (Not Fed Pass-Thru), upon receipt.

Author: Nancy Manchester

Attachment:

- Resolution

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA RECOMMENDING THAT THE CITY AGREE TO DEDICATE THE SURPLUS PROPERTY LOCATED AT 1055 BENTON STREET, KNOWN AS THE BENTON STREET CLUBHOUSE, FOR AFFORDABLE HOUSING PURPOSES PROVIDED THAT AN APPROPRIATE AFFORDABLE HOUSING PROJECT IS APPROVED BY THE HOUSING AUTHORITY BY JULY 31, 2014 FOR THIS SITE

WHEREAS, the City of Santa Rosa currently owns the property located at 1055 Benton Street, a 0.30 acre site developed with an approximately 2,400 square foot building, known as the Benton Street Clubhouse (Facility); and

WHEREAS, the Facility was occupied by Friends in Service Here (FISH), a non-profit organization providing free food to the hungry in Sonoma County, until October 2013; and

WHEREAS, FISH vacated the Facility following a decision by City Council (Council) not to proceed with ADA improvements (mandated by the Department of Justice) and deferred maintenance; and

WHEREAS, the City (in June 2013) deemed the property as surplus and initiated the process for the surplus sale of the property in accordance with Council Policy 000-10 which requires notice to certain agencies pursuant to Government Code Section 54222 regarding the option to purchase the property for uses such as affordable housing, parks, or schools; and

WHEREAS, the Santa Rosa Planning Commission (in March 2004) adopted a resolution recommending that the Council offer for sale the surplus property for affordable housing development or for the general public as surplus property, suitable for independent development with the existing zoning which is consistent with the General Plan; and

WHEREAS, the next step in the process is for City to approve the sale of the property as surplus or agree to dedicate the property to the Housing Authority for affordable housing purposes; and

WHEREAS, the Housing Authority has HOME-CHDO funds (\$83,526) it needs to commit by July 31, 2014 per HUD commitment requirements, which are eligible for use only by a Community Housing Development Organization (CHDO); and

WHEREAS, the Benton Street property is a potential site for the use of these funds subject to the discretion of the Housing Authority; and

WHEREAS, staff solicited feedback from its community partners (Sonoma County Continuum of Care and affordable housing developers) regarding potential interest in developing the property; and

WHEREAS, Community Housing Sonoma County (CHSC), a certified CHDO, has a expressed interest in developing the property; and

WHEREAS, should the City agree to dedicate the property to the Housing Authority, provided that an appropriate affordable housing project is approved by the Housing Authority by July 31, 2014 for this site, staff anticipates presenting a project and funding application for consideration by the Housing Authority at its June meeting; and

WHEREAS, if approved, this timeline will meet the July 31, 2014 commitment deadline, securing the use of the HOME-CHDO funds.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa recommends that the City agrees to dedicate the surplus property located at 1055 Benton Street provided that an appropriate affordable housing project is approved by the Housing Authority by July 31, 2014 for this site.

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 28th day of April 2014.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chairman

ATTEST: _____
Secretary