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# **COUNTY OF SONOMA**

575 ADMINISTRATION DRIVE, ROOM 102A SANTA ROSA, CA 95403

## SUMMARY REPORT

**Agenda Date:** 8/12/2025

**To:** Board of Commissioners

**Department or Agency Name(s):** Community Development Commission

Staff Name and Phone Number: Michelle Whitman 707-565-7504; Martha Cheever 707-565-7521

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Award of Project Based Vouchers

#### **Recommended Action:**

- A) Award 70 Project-Based Vouchers to Burbank Housing Development Corporation for the 6500 Redwood Drive Permanent Supportive Housing project and authorize the Executive Director or her designee to enter into all necessary agreements required to implement the award;
- B) Award an additional 4 project-based vouchers on a non-competitive basis to Burbank Housing Development Corporation for the Petaluma River Place project and authorize the Executive Director or her designee to enter into all necessary agreements required to implement the awards;
- C) Authorize an amendment to the project-based voucher agreement with Eden Housing for the Downtown River Apartment project extending the term for additional six (6) years for a term expiring August 1, 2045 and authorize the Executive Director or her designee to sign all necessary agreements required to implement the extension.

## **Executive Summary:**

The U.S. Department of Housing and Urban Development (HUD) allows Housing Authorities to use up to 30% of the overall funding for the Section 8 Housing Choice Voucher program to support specific housing units via project-based vouchers. In contrast to the tenant-based voucher program, project-based housing subsidies will remain with the unit even after a tenant moves out. Project-Based Vouchers (PBV) are an important resource because they provide reliable operating revenue to new and existing affordable multifamily rental housing projects, ensuring the most vulnerable members of our community have access to stable, affordable housing. In order to be eligible for PBVs, the owner of a project must agree to rent the designated unit to eligible tenants for the duration of the Housing Assistance Payments contract, and these contracts may extend for an initial 20 years up to 40 years with extensions.

#### Discussion:

Award of PBVs Via Competitive Process

In accordance with the Board of Commissioners' goal to reduce the overall homeless population of Sonoma County, the Housing Authority published a Request for Proposals (RFP) on May 20, 2025, offering up to 100 PBVs to projects that will provide permanent supportive housing. Three applications were received in response

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to the RFP; two applications were deemed ineligible and therefore were not rated.

A panel consisting of the Sonoma County Housing Authority Deputy Director, the Sonoma County Community Development Commission Deputy Director, and a Department Analyst from the Department of Health Services Ending Homelessness Division reviewed and rated the eligible proposal in accordance with the criteria outlined in the RFP.

Following careful review of the application, staff are recommending an award of 70 project-based vouchers to Burbank Housing for a permanent supportive housing project located at 6500 Redwood Drive in Rohnert Park, CA. This project is a result of a collaborative Homekey+ application submitted to the California Housing and Community Development Department (HCD) by Burbank Housing and the City of Rohnert Park. Once awarded project based vouchers, the project will be fully funded by HCD. In anticipation of this funding, Burbank has entered into an option for purchase and sale agreement for the former Best Western hotel located at 6500 Redwood Drive. Following a substantial renovation of the property, there will be 2 studio units, 67 one-bedroom units and 2 two-bedroom units all designated as permanent supportive housing for elderly households. In accordance with Homekey+ terms, the PSH site is expected to be operational and fully leased by December 31, 2026.

# Award of PBVs on a Non-Competitive Basis

On June 9, 2020, the Board of Commissioners awarded Burbank Housing ("Burbank") 12 project-based vouchers for the project now known as Petaluma River Place. These units are a result of successful collaboration between Burbank, the Department of Health Services and the Community Development Commission. All PBV units are designated as permanent supportive housing units serving households exiting homeless who have severe and persistent mental illness. Supportive services are provided by Sonoma County Behavioral Health.

Following Burbank's initial application and award of PBVs, they received funding from the State of California to develop three additional permanent supportive housing units for a total of 15. To make the rents reasonable for the tenants occupying the units, Burbank has requested that 4 additional project-based vouchers (three additional permanent supportive housing units and one family unit) be added to the Petaluma River Place PBV Housing Assistance Payment Agreement. If Burbank is awarded the four additional PBVs, there will be a total of 16 PBV-assisted units at the project (32% of units).

Federal regulation and local policy allow for units to be added to an existing PBV agreement at any time during the contract term without a competitive process. If awarded, the new project-based voucher assistance would be applied to three (3) No Place Like Home units serving unhoused persons with severe and persistent mental health conditions and one (1) family unit.

## Extension of Agreement Term for Downtown River Apartments

Federal regulation and local policy allow a housing authority to extend the term of a PBV agreement at any point during the agreement term so long as the total term does not exceed 40 years. Accordingly, Eden Housing ("Eden") has requested to extend the term of the PBV Agreement for Downtown River Apartments in Petaluma. The existing Agreement was executed on August 1, 2019, for a term of twenty (20) years, expiring August 1, 2039. To match the term of the mortgage maturity date, Eden is requesting that their agreement be amended with a new expiration date of August 1, 2045. This six-year extension will ensure that there is no gap in income to pay debt service on the loan.

All recommendations included in this item were recommended for approval by the Community Development Committee at their July 16, 2025 meeting.

A copy of all applications and request letters associated with this board item are available for review here: <a href="https://share.sonoma-county.org/link/ak2u0ivMQxk/">https://share.sonoma-county.org/link/ak2u0ivMQxk/</a>.

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# Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

**Goal:** Goal 3: In collaboration with cities, increase affordable housing development near public transportation and easy access to services.

**Objective:** Objective 3: Create incentives for developers to promote affordable housing development in the County.

# Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

#### **Prior Board Actions:**

12/11/2018, Item #58, awarded 16 project based vouchers to the Downtown River Apartments

6/9/2020, Item #8, authorized the award of project based vouchers to the Petaluma River Place project (formerly named North Quarry Apartments)

6/13/2022, Item #4, awarded an additional 8 project based vouchers to the Downtown River Apartments

12/10/2024, Item #18, authorized a resolution committing project based vouchers to support the development of permanent supportive housing

#### FISCAL SUMMARY

Expenditures	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected
Budgeted Expenses	\$94,391	\$1,807,392	\$1,807,392
Additional Appropriation Requested	0	0	0
Total Expenditures	\$94,391	\$1,807,392	\$1,807,392
Funding Sources			
General Fund/WA GF	0	0	0

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State/Federal	\$94,391	\$1,807,392	\$1,807,392
Fees/Other	0	0	0
Use of Fund Balance	0	0	0
Contingencies	0	0	0
Total Sources	\$94,391	\$1,807,392	\$1,807,392

# **Narrative Explanation of Fiscal Impacts:**

Expenditure and Revenue Appropriations are included in the FY2025/26 Budget. Revenue appropriations include funding from the Department of Housing and Urban Development. Projected Appropriation will be included in FY2026/27 and FY2027/28 during Budget development. Expenditure estimates are calculated assuming the Housing Authority will be paying the full payment standard for each unit.

Staffing Impacts:		
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Deletions (Number)
N/A		

<b>Narrative</b>	<b>Explanation</b>	of	<b>Staffing</b>	<b>Impacts</b>	(If	Requ	uired	)
NI/A								

# Attachments:

N/A

## Related Items "On File" with the Clerk of the Board:

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