



SUMMARY REPORT

Agenda Date: 8/2/2022

To: Sonoma County Board of Supervisors and Board of Commissioners of the Sonoma County Community Development Commission

Department or Agency Name(s): Community Development Commission

Staff Name and Phone Number: Martha Cheever, (707) 565-7521

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Award of Project-Based Vouchers

Recommended Action:

A) Approve Sonoma County Housing Authority's (SCHA) recommendations to award Project-Based Vouchers and authorize the Community Development Commission Executive Director, or designee, to enter into all necessary agreements required to implement the awards.

B) Authorize the Community Development Commission Executive Director, or designee, to amend the resulting Project-Based Voucher Housing Assistance Payments contracts during the term of the agreement to substitute units as needed.

Executive Summary:

The Board of Supervisors has prioritized the need to expand opportunities for affordable housing in Sonoma. To that end, the Housing Authority is seeking authorization to award 131 Project-Based Vouchers (PBV) to 9 projects. One of the recommended projects, George's Hideaway, will result in 21 new units of Permanent Supportive Housing in the County. The remaining 8 projects will ensure that existing affordable housing will remain affordable for at least the next 20 years while providing an additional 110 units for voucher holders to rent.

Project-Based Vouchers are an important resource providing predictable operating revenue to developers and/or property owners for both new and existing affordable multi-family rental housing while ensuring the most vulnerable members of our community have stable, affordable housing.

Discussion:

PROJECT-BASED VOUCHERS

The US Department of Housing and Urban Development (HUD) allows Housing Authorities to attach up to 20% of its Section 8 Housing Choice Voucher Program funding to specific housing units by project-basing vouchers, and an additional 10% of its program can be project-based for certain HUD-authorized exception categories, which includes permanent supportive housing units. With this award, the Housing Authority will have converted 18.9% (592 vouchers) of its Voucher Program (14% of the standard project-based category and 46% of allowable exception units) to project-based vouchers. In contrast to the Tenant-Based Voucher Program, a project-based housing subsidy remains with the unit after a tenant moves out. The owner must agree to rent

the unit to eligible tenants for the duration of the Housing Assistance Payments (HAP) contract, which is 20 to 40 years. After residing in a project-based unit for one year, a tenant may request to transfer to the Housing Choice Voucher Program. If a voucher is available, the Housing Authority will allow the tenant to transfer programs and move with continued assistance.

On May 4, 2022, the Sonoma County Community Development Commission (Commission) released a Request for Proposals (RFP) for up to 100 Project-Based Vouchers for existing housing. In response to the Request for Proposals, 8 responsive applications were received requesting a total of 110 project-based vouchers. In accordance with HUD rules, 3 of the applications received - Don Bennett Senior Apartments, 575 Vallejo Senior Apartments, and 579 Vallejo Senior Apartments - are eligible for Project-Based Vouchers on a non-competitive basis as they all have existing Project-Based Voucher Agreements.

Applications were reviewed and ranked by a panel consisting of the Sonoma County Housing Authority Manager, the Sonoma County Community Development Commission's Community Development Assistant Manager, and the Housing Authority Program Compliance Officer. Each application was scored and ranked in accordance with the criteria outlined in the RFP.

Following careful review of the 8 applications received, all applicant projects are being recommended for award of Project-Based Vouchers, 5 applications as part of the competitive process, and 3 applications on a non-competitive basis. In addition to these projects, George's Hideaway is being recommended for award. This project was part of a previous competitive process but had to undergo an independent review before an award was granted as it is owned by the Community Development Commission.

George's Hideaway will create 21 units of Permanent Supportive Housing in the County. All other projects being recommended will ensure that existing affordable housing will remain affordable for at least the next 20 years while ensuring voucher holders have a unit to rent.

Staff recommend that the Board of Commissioners authorize the Executive Director of the Sonoma County Community Development Commission, or designee, to enter into an Agreement to enter into a Housing Authority Payment (AHAP) contract, and a Project-Based Voucher Housing Authority Agreement (HAP) for the projects listed in Table A below. Additionally, staff request that the Executive Director of the Sonoma County Community Development Commission, or designee, be authorized to amend these Housing Assistance Payments contracts during the term of the agreement to substitute units as needed.

Recommended projects are listed below in alphabetical order. Projects being recommended for non-competitive award are identified by an * following the project name.

Project	Population Served	Location	Developer	Number Requested	Date Approved by CD Committee
575 Vallejo Senior Apts *	Senior	Petaluma	PEP Housing	23	7/20/2022
579 Vallejo Senior Apts *	Senior	Petaluma	PEP Housing	22	7/20/2022
Corona Ranch	Family	Petaluma	Eden Housing	18	7/20/2022
Don Bennett Senior Apts*	Senior	Petaluma	PEP Housing	2	7/20/2022
Foss Creek Court	Family	Healdsburg	Eden Housing	16	7/20/2022

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George's Hideaway	PSH	Guerneville	County/West County Community Services	21	2/16/2022
Petaluma Ave Homes	Family	Sebastopol	SAHA	11	7/20/2022
Valley Oaks	Family	Sonoma	SAHA	10	7/20/2022
Washington Creek	Family	Petaluma	Eden Housing	8	7/20/2022

Legend:

PSH: Permanent Supportive Housing

SAHA = Satellite Affordable Housing Associates

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 4: Reduce the County's overall homeless population by 10% each year by enhancing services through improved coordination and collaboration.

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

Prior Board Actions:

6/4/2022 - The Board:

- A) Approved the Sonoma County Housing Authority's recommendation to amend the Project-Based Voucher Housing Assistance Payments Agreement with Eden Housing for the Downtown River Apartments in Petaluma to add 8 additional Project-Based Vouchers to the agreement for a total of 24, and
- B) Authorized the Interim Executive Director, or designee, of the Sonoma County Community Development Commission to enter into all necessary agreements required to implement the award.

3/15/2022 - The Board:

- A) Approved Sonoma County Housing Authority (SCHA) recommendations to award Project-Based Vouchers and authorize the Community Development Commission Executive Director, or designee, to enter into all necessary agreements required to implement the awards;
- B) Authorized the Community Development Commission Executive Director, or designee, to amend the resulting Project-Based Voucher Housing Assistance Payments contracts during the term of the agreement to add or substitute units as needed;
- C) Adopted a Resolution Approving a Substantial Amendment to the FY 2020 Sonoma County Consolidated Plan FY 2021-22 One-Year Action Plan to provide \$444,500 in HOME funds for the SCHA Tenant-Based Rental Assistance Program; and
- D) Authorized the Community Development Commission Executive Director, or designee, to execute all required documents for submission to the US Department of Housing and Urban Development and to execute the HOME Tenant-Based Rental Assistance (TBRA) Funding Agreement with the SCHA.

6/8/2021 - The Board:

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- A) Approved Sonoma County Housing Authority recommendations to award Project-Based Vouchers and authorized the Executive Director, or designee, to enter into all necessary agreements required to implement the awards, and
- B) Adopted a resolution authorizing budgetary adjustments to the FY 2020-21 adopted budget, reflecting additional revenues and expenditures of \$1,474,504, to allow the Housing Authority to expend CARES Act Housing Assistance Payment funds.

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY 23-24 Projected	FY 24-25 Projected
Budgeted Expenses		\$2,200,800	\$2,200,800
Additional Appropriation Requested			
Total Expenditures	0	\$2,200,800	\$2,200,800
Funding Sources			
General Fund/WA GF			
State/Federal		\$2,200,800	\$2,200,800
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	0	\$2,772,000	\$2,772,000

Narrative Explanation of Fiscal Impacts:

All funding for this item is included in the FY 2022-23 adopted budget. The Per Unit Cost estimate is \$1,400/month; \$1,400/month multiplied by 12 months is \$16,800/year; \$16,800/year multiplied by 131 PBVs is \$2,200,800.

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

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

N/A

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

N/A