



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 1/5/2021

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

Department or Agency Name(s): Community Development Commission

Staff Name and Phone Number: Tina Rivera, 565-4774

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

No Place Like Home Round 3 Competitive Program Resolution

Recommended Action:

Adopt a resolution authorizing participation in the No Place Like Home Round 3 Competitive Program.

Executive Summary:

On July 1, 2016, Governor Jerry Brown signed legislation enacting the No Place Like Home (NPLH) Program to dedicate \$2 billion in bond proceeds for the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or are at-risk of chronic homelessness.

The California Department of Housing and Community Development (HCD) announced the availability of approximately \$202 million in funds for the No Place Like Home (NPLH) Program Notice of Funding Availability, Round 3. Approximately \$187.4 million of this amount is available through the HCD Competitive Allocation. The NPLH program provides deferred payment loans to Counties applying independently and to Counties applying with a Development Sponsor for the development of Permanent Supportive Housing for persons living with a serious mental illness who are Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness. NPLH funds must be used to acquire, design, construct, rehabilitate, or preserve Permanent Supportive Housing, which may include a Capitalized Operating Subsidy Reserve.

The Sonoma County Community Development Commission (Commission) issued requests for proposals from qualified respondents that will provide permanent supportive housing for persons living with a serious mental illness that are Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness. After review of responses, staff requests authorization to submit applications, due January 19, 2021; that will co-sponsored Burbank Housing's North Quarry Apartments Project and Midpen Housing's 414 Petaluma Boulevard Project, which Commission staff determined have valuable components in the County's goal to address our community's housing and health crisis.

The resolution commits the County to make mental health supportive services available to each project's NPLH tenants for at least 20 years, and coordinate the provision of or referral to other services (including, but not limited to, substance use services) in accordance with the County's relevant supportive services plan, and as specified of NPLH Section 203 of the Guidelines. Sonoma County Behavioral Health will serve as the lead service provider with augmented services provided by local non-profit providers. Any contractual services will

be financed by the developer.

Discussion:

The Sonoma County Community Development Commission (Commission) issued requests for proposals/qualifications in July 2020 from qualified respondents for the planning, design, construction and long-term management of facilities that will provide permanent supportive housing for persons living with a serious mental illness that are Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness.

There were two applications received, Burbank Housing's North Quarry Apartments Project and Midpen Housing's 414 Petaluma Boulevard Project. The Commission staff reviewed and scored applications. Burbank Housing's Quarry Project scored a 99 out of 100 and Midpen's 414 Petaluma Boulevard Project scored 98 out of 100. After review and scoring, the Commission identified as well as selected the two respondents to submit joint applications to the upcoming Round 3 of the NPLH program of the California Department of Housing and Community Development.

The State No Place Like Home NOFA priorities included the following: percentage of total project units restricted to target population; leverage of development funding; leverage of rental or operating subsidies; readiness to proceed; on-site and off-site supportive services; and past history of evidence-based practices. The Sonoma County Community Development Commission Scoring Criteria included the NOFA priorities as well as the following: Overall project plan; amount and type of committed financing sources; demonstrated financial capacity; quality development project experience; property management experience; and lease service provider experience. Staff reports are attached.

The qualified respondents demonstrated organizational capacity and experience with successful, high-quality affordable housing developments, property management as well as providing services to people experiencing and transitioning from homelessness.

The Commission will co-sponsor two applications for the upcoming No Place Like Home ("NPLH") Round 3 competitive funding cycle, as published by the California Department of Housing and Community Development. After reviewing the two submissions, Burbank Housing's North Quarry Apartments Project and Midpen Housing's 414 Petaluma Boulevard Project, Commission staff determined these would be competitive applications as well as valuable components in the County's goal to address our community's housing and health crisis.

Burbank Housing's North Quarry Apartments Project is located in Southeast Petaluma. This project is new construction of 50 units of garden style affordable housing. The NPLH amount requested is \$3,150,927 in capital and \$1,152,135 in operating reserves for a total request of \$4,303,107. The total cost of the project is \$36,004,250.

This project will include 15 (30%) one-bedroom units, 20 (40%) two-bedroom units, and 15 (30%) three-bedroom units in a predominantly three-story building. Five units at the third level include a fourth story bedroom/bathroom suite in a dormer configuration. The project is almost a complete replica of the Stoddard West Apartments in Napa, CA; which opened its doors in November of 2019, remarked for its design and compatibility with its surroundings <https://www.northbaybusinessjournal.com/article/article/50-stoddard-west-affordable-apartments-in-napa-win-top-real-estate-projects/>.

Burbank Housing Development Corporation has 40 years of experience in developing affordable rental and ownership housing in Northern California. Additionally, Burbank Housing currently has two (2) No Place Like Home projects in predevelopment: 64-unit project in Santa Rosa and a 66-unit project in the City of Napa.

Burbank also possesses experience in the development of special needs affordable rental housing, including housing for farmworkers, homeless households, seniors, as well as foster youth.

Midpen Housing's 414 Petaluma Boulevard Project is located just north of historic downtown Petaluma. This project is new construction of 42 units of family affordable housing. The NPLH amount requested is \$2,948,072 in capital with total project costs of \$32,487,523.

The development of Petaluma's historic downtown core is extending northward along Petaluma Boulevard, making this project's location ideal for housing. The site is conveniently located on a main thoroughfare through the city, in a walkable and transit rich location in close proximity to all necessary community amenities.

MidPen Resident Services Corporation has experience providing direct services, crisis intervention, linkages and referrals, benefits assessments, and on-going support for high-risk, vulnerable residents. In addition to the 20 years of experience that MidPen Resident Services Corporation possesses, MidPen Housing is the owner-operator of over 110 communities and over 8,000 units of affordable housing.

Sonoma County Department of Health Behavioral Health will be the lead service provider for both projects with a combination of on-site and off-site supportive services for the NPLH units. DHS operational service costs are dependent upon the number of clients served on a voluntary basis as required by our Mental Health Plan. Services are financed primarily by realignment and Mental Health Substance Abuse funding.

Adoption of the Resolution authorizing the Commission to submit the Competitive NPLH Round 3 applications will assist in contributing to the development of permanent supportive housing units still needed to assist Sonoma County's No Place Like Home eligible persons to become stably housed. These projects will also assist in addressing key supportive service needs for NPLH eligible persons. In addition, the resolution commits the County to make mental health supportive services available to each project's NPLH tenants for at least 20 years, and coordinate the provision of or referral to other services (including, but not limited to, substance use services) in accordance with the County's relevant supportive services plan, and as specified of NPLH Section 202 of the Guidelines.

Prior Board Actions:

12/11/2018, Item 58 - Authorized Commission to execute all documents necessary to evidence the loan of NPLH competitive funds in Sonoma County.

9/19/2017, Item 2 - Authorized Commission to apply for and accept NPLH Technical Assistance Grant funds.

8/6/2019, Item 24 - No Place Like Home Plan and Acceptance of Noncompetitive Allocation

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY 21-22 Projected	FY 22-23 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures	0	0	0
Funding Sources			
General Fund/WA GF			
State/Federal			

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Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	0	0	0

Narrative Explanation of Fiscal Impacts:

The No Place Like Home Competitive Allocation is contingent on State approval of submitted projects by January 19, 2021.

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:

Attachment 1 - Resolution Authorizing Participation
Attachment 2 - Burbank - Detailed Project Description
Attachment 3 - Midpen - Detailed Project Description
Attachment 4 - Staff Report - Burbank Housing
Attachment 5 - Staff Report - Midpen Housing
Attachment 6 - Staff Scoring Report

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

None