

**Sonoma County Community Development Commission
Consolidated Staff Reports
County Fund for Housing (CFH) & Permanent Local Housing Allocation
(PLHA) Funding**

CRP AFFORDABLE– REDWOOD VIEWS

Amount Requested: \$400,000

Total Project Cost: \$23,138,075

Project Description Summary from Applicant's Submitted Application:

“Redwood Views is a new 52-unit, 100% affordable housing development located on a 2.07-acre site at 8490 & 8500 Old Redwood Highway, Windsor, CA 95492. The site is also located in a Difficult Development Area (DDA) and allows for the development of 66 units, as-of-right.

Once complete, the Redwood Views community will provide housing for 52 individuals and families with incomes at or below 30% to 60% of the area median income. The development will consist of ten (10) 1-bdrm units, twenty-four (24) 2-bdrm units, and eighteen (18) 3-bdrm units. The managing general partner in the project, Central Valley Coalition for Affordable Housing, will bring their vast industry knowledge into the project, as well as offer service amenities to our tenants.”

Project type: New Construction of multifamily housing

Proposed use of funds: Predevelopment and Construction Costs

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?

Applicant provided a letter from the Town of Windsor, which states the Town of Windsor is supportive of the project. However, the letter also states that Windsor has not had a chance to “fully analyze the proposal to determine overall consistency with the Town’s Zoning Ordinance.”

Applicant also provided a letter from the State of California Tax Credit Allocation Committee stating the parcel in question is zoned for multi-family residential development and eligible for a density bonus.

Does the applicant possess site control?

Applicant possesses site control in the form of a purchase agreement dated June 12, 2020. Applicant also provided an email showing a debit for the amount outlined in the purchase agreement.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top four guiding principles and priorities for this funding cycle as follows:

1. Projects that demonstrate CFH funds will be leveraged against total development costs at least 7:1.

\$6,388,769	Citibank Permanent Loan (Committed)
\$15,971,316	Federal LIHTC Equity (Committed)
\$400,000	Sonoma County Fund for Housing (Uncommitted)
\$377,990	Deferred Developer Fee (Committed)

If applicant receives all of the requested local funding, each \$1 of CDC funds would leverage \$56.85 from other sources. The full amount of CDC subsidy requested would be \$7,843 per affordable unit.

2. Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting.

Site plan review is targeted for 02/2021, with grading and building permits scheduled for 04/2021. Additionally, via a Phase 1 Environmental Report compiled by AEI Consultants on June 26, 2020, no further environmental investigations were recommended.

3. Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.

In addition to the \$18,048,670 of 9% competitive disaster relief tax credits which has already been committed to the project, CRP Affordable has experience in obtaining funds from California Housing Finance Agency Mix-Income Program, County of San Diego Innovative Housing Trust Fund, California Department of Housing and Community Development Affordable Housing and sustainable Communities Program, USDA Section 514 program, Imperial County Homeless Emergency Aid Program, Federal Home Loan Bank of Atlanta's Affordable Housing Program and HUD Section 811 project-based vouchers.

4. Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

In a letter dated June 29, 2020, The Town of Windsor's Community Development Director, Jessica Jones, expressed support for the project and highlighted the need for affordable housing in the Town of Windsor. Project has also received funding commitments from the Federal LIHTC.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

The project will be 100% affordable for families and individuals, providing 6 units at 30% AMI, 18 units at 50% of AMI and 27 units at 60% of AMI in the Town of Windsor, where market analysis's have identified high occupancy levels and lengthy waiting lists—all a result of lack limited affordable housing stock.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.

As identified in the State of California Tax Credit Allocation Committee Application Attachment (Attachment 14: Verification of Zoning), the parcel the project rests upon allows for residential development (multi-family). This same attachment identifies the parcel as being eligible for density bonus, but it is not needed, as the project is consistent with allowable density.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Applying Permit Sonoma's readiness score to the Town of Windsor Green Verification of Local Approvals and Resolution No 665-18, the project would have a comparable Readiness Score of 1 (1 indicates all entitlements, except building permit) are in place and valid.

Analysis

Total development cost per unit: \$444,963

Total hard cost per unit: \$247,171

Pros for the Project:

- High leveraging score of \$56.85 for every CFH \$1
- Low CDC subsidy amount per unit
- Relatively small ask for a large number of units
- Federal LIHTC Equity already committed

Cons for the Project:

- Proposed project has not been fully reviewed by the Town of Windsor for General Plan Consistency

Consequences of no Funding:

Staff Recommendation

Due to creation of 52 new affordable units, committed funds, advanced readiness, local city support, and affordable housing developer experience, **staff recommends fully funding the Redwood Views proposal in the amount of \$400,000.**

KINGDOM DEVELOPMENT – CHERRY CREEK VILLAGE

Amount Requested: \$400,000

Total Project Cost: \$18,659,418

Project Description Summary from Applicant's Submitted Application:

Cherry Creek Village is located at 520 S Cloverdale Blvd., in the City of Cloverdale. The project will consist of five residential buildings comprised of 1, 2, and 3-bedroom units and one community building. The development will create 23 affordable housing units and provide permanent supportive housing to meet the needs of the community by serving low income individuals and families, focusing on the special needs population that can include persons with physical, mental, or behavioral disabilities, and/or person with alcohol or drug addictions.

Project type: Affordable housing and permanent supportive housing

Proposed use of funds: Project construction costs.

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan? Yes

Does the applicant possess site control? Yes

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top four guiding principles and priorities for this funding cycle as follows:

1. *Projects that demonstrate CFH funds will be leveraged against total development costs at least 7:1.*

Cherry Creek Village has a high leverage ratio of \$45.65 for every \$1.00 of CDC funds

2. *Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting.*

This project has site control, financing and entitlements in place. Permits are expected to be received by April 2021. The project has a strong investment commitment from the local jurisdiction.

3. *Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.*

The project has received an allocation of 9% low-income housing tax credits. Kingdom Development has been incorporated since 2015. Its leadership has many years of experience with affordable housing and permanent supportive housing. At this time, Kingdom has 824 units in its portfolio and 1,369 units in its pipeline (568 in the planning stage, 272 obtaining financing, and 529 under construction.

4. *Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.*

Cloverdale has passed a resolution approving the project and provided a letter of support. The city has also leased the land for the project for 99 years at the rate of \$1 per year. Cloverdale has contributed to the financing of the project with a grant for \$1,900,000 and a loan for \$250,000.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

This project will provide permanent supportive housing for low-income special needs individuals and families. The project has received an award of 23 Project-Based Vouchers for these units. To meet the needs of the target population, the applicant has contracted with Cloverdale Community Outreach Committee (CCOC) to serve as lead Supportive Services Provider. Project supportive services will include on-site Service Specialist available to provide individualized assistance and Adult Educational Classes

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.

Cherry Creek Village will increase the number of affordable units in the community from 10 units to 24 units, or 240% of its current amount.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

The project has a high degree of readiness with funds committed and entitlements in place. The project has funding commitments from the local jurisdiction and is in accordance with the General Plan. Permits are expected to be complete in April 2021. The project is also categorically exempt from CEQA.

Analysis

Total development cost per unit: \$777,476

Total hard cost per unit: \$345,420

Pros for the Project:

- Will provide permanent supportive housing for low-income special needs individuals and families in a high need area.
- High leverage ratio of 46.65:1.
- High degree of readiness with funds committed and entitlements in place.
- Funding commitments from the local jurisdiction
- Is in accordance with the General Plan.
- Permits are expected to be completed soon.

- The project is also categorically exempt from CEQA.
- Project is single phase

Cons for the Project:

- Development cost per unit is high.

Consequences of no Funding:

The project is designed as a single-phase development. If the project was allocated partial funding the project may not be able to move forward due to high construction costs brought about by COVID-19, fires, and other elements. It would be best if the project obtained full funding.

Staff Recommendation

This project has a high degree of readiness. It has all of its entitlements and funding is in place. Therefore, due to creation of new affordable units for low income families and individuals, focusing on the special needs population, having committed funds, advanced readiness, and affordable housing developer experience, **staff recommends fully funding the Cherry Creek Village proposal in the amount of \$400,000.**

PROJECT SPONSOR– LINDA TUNIS SENIOR APARTMENTS

Amount Requested: \$1,000,000

Total Project Cost: \$8,394,164

Project Description Summary from Applicant's Submitted Application:

“PEP Housing purchased the former Scottish Rite Event Center at 600 Acacia Lane in Santa Rosa in August 2019. We will rehabilitate the 20,400 sq. ft. assembly building into 26 studio apartments (370-400 sf each) for very low-income seniors (including one Asst. Manager's unit), helping to meet the needs of the housing shortages exacerbated by the 2017, 2019 and 2020 fires in Sonoma County. PEP Housing will act as sponsor and developer with oversight of design planning, obtaining permits, securing all financing, and providing construction management. Linda Tunis Senior Apartments will be owned by Caulfield Lane Senior Housing, Inc., a non-profit PEP Housing affiliate. PEP Housing will serve as the project manager, overseeing the rent-up, day-to-day management and service coordination for the property.”

Project type: Rehabilitation of multifamily affordable senior housing.

Proposed use of funds: Construction costs.

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?

The City of Santa Rosa issued a letter to the developer stating that the proposed project for the former Scottish Rite Center located at 600 Acacia Lane is consistent with The City's General plan.

Does the applicant possess site control? Yes, the applicant provided a copy of a Grant Deed showing possession of site control.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top four guiding principles and priorities for this funding cycle as follows:

- 1. Projects that demonstrate CFH funds will be leveraged against total development costs at least 7:1.*

The project proposes to leverage funds from the following sources:

\$804,323	PEP loans (Committed)
\$350,000	AHP (Committed)
\$1,000,000	County Fund for Housing (Uncommitted)
\$690,000	City of Santa Rosa Housing (Committed)
\$1,502,164	City of Santa Rosa Housing (Uncommitted)
\$2,900,000	Grants (Committed)
\$552,000	Grants (Uncommitted)
<u>\$595,677</u>	Costs deferred to permanent closing
\$8,394,164	

If applicant receives all of the requested local funding, each \$1 of CDC funds would leverage \$8.39 from other sources. The full amount of CDC subsidy requested would be \$40,000 per affordable unit.

2. Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting.

The National Environmental Policy Act (NEPA) environmental assessment has been completed. HUD has issued authority to use grant funds. Additionally, the project received a letter from the City of Santa Rosa confirming the project's consistency with the City's General Plan. California Environmental Quality Act (CEQA) is exempt.

3. Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.

PEP Housing staff have extensive experience administering public financing from local, state, federal and private source. In the past 7 years, applicant has successfully received federal tax credits for four different projects.

4. Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

The City of Santa Rosa approved \$690,000 of CDBG funding for site acquisition. Additionally, a number of commitment letters have been pledged to the project, including: the Bethlehem Foundation, Ernest L. and Ruth W. Finley Foundation, Kaiser Foundation, Rotary District for Sonoma County and Tri Counties Bank.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

The proposed project would rehabilitate a non-residential building to serve low-income seniors with 26 studio apartments, targeting elderly households who are extremely low to very-low income. Maximum planned household income is 50% AMI with rents targeted at the 35% AMI level.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.

Applicant provided a letter from the City of Santa Rosa dated October 15, 2020. The City of Santa Rosa's General Plan 2035 designates and approves the project a density of 10 units per acre.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Applying Permit Sonoma's readiness score to the City of Santa Rosa Verification Letter dated October 14, 2020, the project would have a comparable Readiness Score of 1 (1 indicates all entitlements, except building permit) are in place and valid.

Analysis

Total development cost per unit: \$322,852

Total hard cost per unit: \$150,320

Pros for the Project:

- Provides affordable housing for an at-risk or special needs population, an identified need per the Sonoma County Housing Element
- Entitlement process is complete
- Project has obtained local support from the City of Santa Rosa
- Project has a leveraging score of \$7.39
- Applicant has experience obtaining Federal Tax Credits

Cons for the Project:

- Project financial plan indicates 24.47% or \$2,054,164 is uncommitted funding

Consequences of no Funding:

If the project is awarded less than the requested CFH amount, the project can still move forward. PEP Housing will need to increase private fundraising or request City funds to fill any gap.

Staff Recommendation

This project would provide housing for an at-risk and/or special needs population and applicant has extensive experience in obtaining affordable housing financing, **staff recommends funding for the Linda Tunis proposal in the amount of \$500,000.**

BRJE Phase I Housing Partners, L.P. – 3575 Mendocino Avenue

Amount Requested: \$1,500,000

Total Project Cost: \$53,143,484

Project Description Summary from Applicant's Submitted Application:

The affordable senior housing development at 3575 Mendocino Avenue is one component of a larger 13.3 acre master plan to redevelop the prior Journey's End Mobile Home Park site, which was destroyed by the October 2017 Tubbs wildfire. The affordable senior housing development will include 162 units, developed in two or three phases, on a 2.5-acre parcel that has been earmarked for affordable housing within the larger master plan. This initial project is Phase I of the affordable senior housing development and will include 94 units of housing affordable for low and very low income senior households on 1.42-acres. The remaining 68 units will be developed at a later date, in two subsequent phases; bringing the total number of units to 162. The development will offer affordable housing opportunities to prior Journey's End Mobile Home Park residents displaced by the wildfires and other lower income seniors; and will provide seniors an affordable housing solution as well as amenities and services to help improve their everyday lives. The initial phase of the affordable senior development will include 94 units comprising 90 one-bedroom units, and 4 two-bedroom units (including one manager's unit). The one-bedroom units will range in size from approximately 480 to 550 square feet; two-bedroom units will range in size from approximately 750 to 800 square feet. The units will be targeted and affordable to seniors with household incomes between approximately 30-60% of the Sonoma County area median income. As the initial phase of the overall development, this building will house community facilities as well as management offices which are sized to provide support for all phases of the development.

This project is being undertaken by BRJE Phase I Housing Partners, L.P., a California limited partnership that was formed by Related/BRJE Development Co., LLC and Burbank Housing Development Corporation, LLC.

Project type: High-Density, affordable senior housing.

Proposed use of funds: Predevelopment activities such as design development and construction documents.

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?

Qualified Yes. This is contingent on approval of a general plan update. The plan has received a letter from the City of Santa Rosa stating: In summary, the envisioned 3575 Mendocino Avenue Project is consistent with the proposed TVM General Plan Land Use Designation and Zoning District. While the proposal includes rezoning the site to TV-R-RC

& SH and amending the General Plan to Transit Village Medium, that process has not been completed.

Note: The larger 13.3 acre parcel is located within a Priority Development Area and is proposed for redevelopment with up to 532 units of high-density housing comprised of up to 370 market rate units and 162 units which would be designated as affordable to low and very low income senior households. 94 of the 162 affordable housing units comprise the proposal described in this application.

Does the applicant possess site control?

Yes. BRJE Phase I Housing Partners, L.P. has entered into an option to sublease the property known as “Phase I” in the application for a minimum of 65 years. Phase I is part of a subdivided portion of a greater ground lease between the current owner of the Journey’s End Mobile Home Park site (3575 Mendocino Avenue Associates, LLC) and BRJE Housing Partners, L.P. BRJE Phase I Housing Partners has budgeted \$1,160,494 to lease the Phase I property for the purpose of building 94 affordable housing units described as “Building 1 of Phase 1A” on the Tentative Map. While the option contract is signed by all parties, exhibits are missing from the agreement.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top four guiding principles and priorities for this funding cycle as follows:

1. *Projects that demonstrate CFH funds will be leveraged against total development costs at least 7:1.*

Total CFH fund request of \$1,500,000 leveraged against total development costs of \$53,143,483 result in a ratio of 35:1. This project meets the minimum leveraging ratio.

2. *Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting.*

This project demonstrates advanced readiness.

- a) Burbank Housing Development Board of Directors has approved resolution 18-08-01, “Authorizing all actions necessary to accomplish the redevelopment of Journey’s End, 3575 Mendocino Avenue, Santa Rosa.”
- b) The City of Santa Rosa has designated this property as part of a “Priority Development Area” and has issued a letter to BRJE stating that the project is consistent with the city’s general plan (as proposed to be amended.). In addition, the City of Santa Rosa’s Housing and Community Services Manager has issued an October 14, 2020 letter of support for the project to the CFH Evaluation Committee.
- c) Financing for this project has not yet been secured, however BRJE Phase I Housing Partners, L.P., a partnership between Burbank Housing and Related California, have stable, audited financial records that indicate ability to secure financing of this scale.

While ability to secure financing is probable, there appear to be funding gaps in excess of \$8,000,000 in the “financing and development narratives” of the proposal.

3. Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.

The applicant is widely recognized in the region for developing and managing affordable housing projects with complex funding. They provided the following narrative: “Both Burbank Housing and Related California have long track records developing and managing affordable housing in the Bay Area. Both organizations routinely utilize complex financing structures to develop their projects, including Low Income Housing Tax Credits (LIHTC), federal CDBG and HOME funds, Project Based Section 8 Vouchers, and also numerous state funding sources, including Multifamily Housing Program (MHP), Affordable Housing and Sustainable Communities (AHSC), and the Infill Infrastructure Grant (IIG) program. Neither organization has faced past issues or challenges administering public or private grant funding streams.”

4. Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

BRJE has provided letters of commitment from the City of Santa Rosa expressing strong support for the project.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

This project protects affordable rate housing for a minimum of 65 years as articulated in the ground lease and sublease options.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.

This project is consistent with the goal of maximizing density. The project anticipates 94 living units over 1.42 acres which calculates to over 66 units per acre.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

This project is ready to proceed from its current status. The project has strong support from the City of Santa Rosa.

The project submitted a Sustainable Communities Environmental Assessment (SCEA) to allow for environmental review and approval, which ended a required 30 day noticing period on October 28, 2020 with no comments received. Upon expiration of the noticing period, the SCEA and proposed zoning change is slated to be reviewed and approved by the Santa Rosa Planning Commission in November 2020 with final review and approval to be granted by Santa Rosa City Council in December 2020. According to this timeline, the project will receive Notice of Determination in mid-January 2021. The project does not anticipate any additional environmental issues on-site.

Based upon the September 30, 2020 proposed TCAC regulations changes regarding disaster credit waitlist procedures, it is anticipated that Phase I will receive 9% FCAA disaster credits in October 2020. However, an allocation of FCAA credits will require construction loan closing and construction start by the end of September 2021.

Analysis

Total development cost per unit: \$565,356/unit (Total Budget/94 units)

Total hard cost per unit: \$431,289 (Total Construction Budget /94 units)

Pros for the Project:

- BRJE has provided commitment from US Bank for a construction loan of approximately \$38,260,000 with pay-down to a permanent loan balance of 5,974,000. NOTE: The construction loan amount is approximately \$175,000 less than indicated in the Financing Narrative (Tab 7)
- BRJE has provided an estimate from California Housing Partnership of the estimated syndication proceeds of \$4,007,771 that they can anticipate from the sale of tax credits for 3575 Mendocino.
- BRJE has letters of commitment from the City of Santa Rosa expressing strong support for the project.
- The BRJE 30-Year Operating Budget appears sound.

Cons for the Project:

- Identification of project funding is incomplete. The budget narrative identifies \$8,056,466 in as a gap in funding and speculates possible City of Santa Rosa CDBG-DR funds to possibly fill the budget gap. This gap represents approximately 15% of funding that is not clearly identified at this time.
- The funding model identifies \$1,347,200 in deferred developer fees and operating reserves placing a potential burden on long-term operating budgets.

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Consequences of no Funding:

Developer will need to seek other funding sources for predevelopment activities such as design development and construction documents

Staff Recommendation

This project would initially provide 94 units of affordable senior housing for many of whom were former Journey's End Mobile Home Park residents displaced by the wildfires. This property is a "priority development area" as designated by the City of Santa Rosa and as a result of the tragic events surrounding the loss as a result of the wildfires, there is strong, demonstrated support for this project. Project financing appears sound. **Staff recommends funding the 3575 Mendocino Avenue proposal in the amount of \$500,000.**

MIDPEN HOUSING CORPORATION – 414 PETALUMA

Amount Requested: \$2,130,000 (CFH); \$674,544 (PLHA) Total Project Cost: \$35,468,658

Project Description Summary from Applicant's Submitted Application:

“414 Petaluma is a proposed 42 unit family affordable housing development on an infill site just north of historic downtown Petaluma. The site is well located within walking distance to the heart of Downtown Petaluma, as well as located within a half mile or less from key amenities such as grocery, pharmacy, parks, bus service and the Petaluma SMART Station. The development will revitalize an underused site into a much needed 42 unit family affordable housing development, which plans to include 13 No Place Like Home units for persons experiencing homelessness and mental health issues.

Project type: New Construction of Multifamily Affordable Housing

Proposed use of funds: Predevelopment/construction/permanent financing

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?

The City of Petaluma, in a letter dated, August 22, 2019, indicated the project appears to be consistent with Petaluma's General Plan 2025 after their review of the projects preliminary plans.

Does the applicant possess site control?

Yes, the applicant possesses an executed Option Agreement for Purchase of Real Property with the Seller, dated May 17, 2019.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top four guiding principles and priorities for this funding cycle as follows:

- 1. Projects that demonstrate CFH funds will be leveraged against total development costs at least 7:1.*

The project proposes to leverage funds from the following sources:

\$16,052,231	Construction Loan (Anticipated)
\$6,109,536	Taxable Tail (Anticipated)
\$500,000	County Fund for Housing-2019(Committed)
\$2,130,000	County Fund for Housing-2020 (Anticipated)
\$674,544	PLHA (Anticipated)
\$2,000,000	Petaluma Housing Funds (Committed)
\$615,000	AHP (Anticipated)
\$243,608	Fee Waiver (Committed)
\$2,148,752	LP Equity (Anticipated)

If applicant receives all of the requested local funding, each \$1 of CDC funds would leverage \$13.48 from other sources. The full amount of CDC subsidy requested would be \$62,619 per affordable unit.

2. Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting.

Project is currently has received entitlements from City of Petaluma, with construction completion slated for March 2022 and 100% occupancy in June 2022.

3. Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.

The applicant has developed or rehabilitated over 110 affordable housing communities and has demonstrated a successful record and portfolio in securing funding from Federal, State, Local and Private sources. Over the last 5 years, applicant has successfully secured California Low Income Housing Tax Credit awards for over 25 properties.

4. Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

In a letter, dated August 1, 2019, Petaluma City Manager, Peggy Flynn, expressed support for “the much-needed affordable housing project.” Additionally, Ms. Flynn highlighted MidPen Housing’s record of accomplishment and the city’s policy of giving priority processing to affordable housing projects.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

The applicant proposes to provide 42-units of affordable units, which would provide affordable housing to extremely low, very low, and low-income households ranging from 30% - 60% of Area Median Income for Sonoma County.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.

City of Petaluma planning staff verified the project site currently has a T-5 Urban Center zoning designation, which allows for higher density, 3-5 story mixed used buildings and supports the proposed high-density affordable housing.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Applying PRMD’s Readiness Scoring form to the City’s general plan consistency certification, the project would have comparable Readiness Score of 2 (2 indicates any needed entitlements complete & project deemed consistent w/GP & Zoning).

Analysis

Total development cost per unit: \$844,492

Pros for the Project:

- Generates much needed affordable housing units
- Project will target larger families, an identified need the in the Sonoma County Housing Element
- Invests in the expansion of urban core
- Located near local amenities and transportation
- Application has experience obtaining Federal Tax Credits in past 7 years
- Project has support of local jurisdiction (City of Petaluma)

Cons for the Project:

- Possibility of project delays due to Phase I environmental assessment that revealed two recognized environmental conditions and two historical recognized environmental conditions

Consequences of no Funding:

In the event that project is awarded partial or full funding of \$2,130,000, the commencement of construction would be delayed from December 2020 to August 2021.

Staff Recommendation

The project would address the identified need for larger family, affordable housing units and invest funds into the expansion of an urban core. **Staff recommends funding the 414 Petaluma proposal in the amount of \$799,393.**

Burbank Housing-Duncan Village Project

Amount Requested: \$600,000.00 (CFH); \$179,878 (PLHA) Total Project Cost: \$ 10,500,000.00

Project Description Summary from Applicant's Submitted Application:

Burbank Housing will build 16 homes on the 1.38 acre parcel located at 484 Wall Street, Windsor. These homes are designed for affordable, first-time homeownership. There will be a mix of incomes in the neighborhood (60%AMI to 80% AMI). The 3-bedroom and 4-bedroom homes will be attached duet and free-standing single-family residential dwellings; that benefit families of Sonoma County, the Town of Windsor community, and the environment.

This property is a highly desirable location and has a *very* high "walkability" score. It is located within walking distance of the Town Green, Downtown Windsor, the business district, parks, outdoor events and farmers market, as well as multiple school locations, public transportation, grocery stores and the future SMART Train station.

Project type:

New construction of 16 attached and free-standing SFD affordable first time buyer homes.

Proposed use of funds:

Construction Costs.

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?

Yes, the Town of Windsor passed RESOLUTION NO. 665-18. Verifying consistency with its general plan.

Does the applicant possess site control?

Yes, currently there is a current Options agreement effective through Oct 27th 2020 and expiring February 28th 2021.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top four guiding principles and priorities for this funding cycle as follows:

- 1. Projects that demonstrate CFH funds will be leveraged against total development costs at least 7:1.*

\$844,500.00 Sonoma County Committed Loans (Committed)

\$556,000.00 Town of Windsor (Committed)

\$7,500,000.00 RCAC-Construction Loan (Committed)

\$415,000.00 RCAC-Acquisition Loan (Committed)

\$577,836.00 Costs Deferred Until Conversion

\$600,000 including \$178,000.00 PLHA Home Ownership Funds Sonoma County
– FY 20-21 County Fund for Housing (Current request-Uncommitted)

If applicant receives all of the requested local funding, each \$1 of CDC funds would leverage \$7.14 from other sources. The full amount of CDC subsidy requested would be \$90,281.00 per affordable unit.

2. Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting.

The Town of Windsor wrote a letter supporting the transfer of the Duncan Village development to Burbank Housing to move this important project forward. The Town understands that Burbank Housing has been working diligently through the project feasibility stage to ensure that the project moves forward when it is fully funded. The Town encourages the Sonoma County CDC to fully fund the request from Burbank and supports the application to the 2020 round of County Fund for Housing program.

The Town of Windsor passed RESOLUTION NO. 665-18 which in summary states: The Planning Commission approves the Use Permit, Tentative Map, Site Plan and Design Review, Density Bonus and Affordable Housing Incentives as shown on the Project plans dated October 11, 2018, Project Description (including the request for Density Bonus and Incentives) included with the Planning Commission staff report dated November 27, 2018, based on findings and as subject to certain conditions of approval.

There are 122 Conditions of the project that must be completed by the developer as part of/in conjunction with the project to the satisfaction of the Town Engineer.

See item 1 above for financing commitments.

Project design is currently in plancheck.

3. Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.

Burbank Housing has been administering federal, state, local and private grant and loan funds since its inception in 1980. Burbank's success in obtaining and administering public funds including Federal and State Low Income Housing Credits, CFH, local government "in lieu" fees, HOME, CDBG, Federal Home Loan Bank Affordable Housing Program (AHP), various State of California funding programs through the Department of Housing and Community Development and CalHFA as well as a myriad of other funding sources, has resulted in the successful implementation of over 3,000 affordable rental homes and nearly 1,000 affordable ownership homes in Napa and Sonoma Counties.

Challenges in grant and loan management in affordable housing are two-fold. First, project cost estimations vary materially through the lifespan of a development because of a host of variables creating a communication challenge with funders. Secondly, affordable housing projects typically require many different project funding sources to work compatibly together in spite of different terms, conditions, requirements and interests of individual funders, representing a significant challenge. Burbank retains a team of highly qualified individuals on staff that are well experienced in dealing with the

challenges associated with the management and implementation of public funding sources. Combined, Burbank's leadership team has more than 75 years experience obtaining, managing and implementing public and private grant and loan funds.

4. Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

This project has received support in the form of funding commitments or letters of support from the following: Letter of recommendation from Town of Windsor, three previous loans via Sonoma County CDC, RCAC construction loan, Cal Home Mortgage assistance USDA mortgage assistance to satisfy RCAC construction loan.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

The Duncan Village project will provide 16 affordable homeownership units able to provide housing for large families. The housing units are walking distance of the Town Green. Duncan Village parcel is located near the business district, parks, outdoor events, farmers market, multiple schools, grocery stores, public transportation, and the future SMART train station. These homes are reserved exclusively for first-time home buyers. The mix of homeownership homes include detached single family homes and attached duets, consisting of 3-bedroom and 4-bedroom homes, ranging from 60% AMI to 80% AMI.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.

The project is consistent with the Town of Windsor applicable General Plan designation and all applicable General Plan policies as well as with applicable zoning designation and regulations.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Applying Permit Sonoma's readiness score to the Duncan Village project verification, the project would have a comparable Readiness Score of 1 (1= all entitlements (except building permit) are in place and valid.)

Analysis

Total development cost per unit: \$655,833.50

Total hard cost per unit: \$431,250.00

Pros for the Project:

- Burbank has 30 years' experience in successfully obtaining, managing and implementing public and private grant and loan funds.
- This project provides 16 new affordable units for first time homebuyers, able to provide housing for families, an identified need in the Sonoma County Housing Element

- Project location is highly desirable and has a very high "walkability" score. It is located within walking distance of the Town Green, Downtown Windsor, the business district, parks, outdoor events and farmers market, as well as multiple school locations, public transportation, grocery stores and public transit and government services
- Project is projected to commence construction in 2021 with projected completion and final occupancy in late 2022.
- Land use approvals are in place and plans are currently in plancheck.
- Project is single phase.

Cons for the Project:

- NEPA not complete.
- Project being taken on by current applicant due to previous developer experiencing setbacks/challenges preventing completion of project.
- Some of the committed loans are yet to be assigned to Burbank from previous developer. Burbank is waiting until they receive a satisfactory notification on this grant request, and are certain the development will happen before taking on the liability of these loans.
 - \$400,000-CDC County Fund for Housing (CFH) - 2017-disbursed through three draws in 2018/2019 for predevelopment costs.
 - \$342,154-CDC HOME 2017
 - \$102,346-CDC HOME 2018 (for a combination of \$444,500)
 - \$556,000- Windsor Agreement to fund from in lieu fees rolled into grants to homeowners subject to Resale Restriction
 - \$415,000- RCAC acquisition loan to be assigned to Burbank

Consequences of no Funding:

If the project was awarded partial or no funding it is likely to prevent the development of the project at this time and put other associated funds at risk.

Staff Recommendation

This project is fully entitled and ready to proceed. The applicant anticipates securing gap funding. This is a single phase project offering 16 single family affordable homes for first-time homeowners. **Staff recommend fully funding the Duncan Village proposal in the amount of \$600,000.**

ST. VINCENT DE PAUL – ST. VINCENT DE PAUL COMMONS

Amount Requested: \$1,650,000

Total Project Cost: \$9,915,000

Project Description Summary from Applicant's Submitted Application:

St. Vincent de Paul is requesting support to complete renovation of homeless dedicated housing at the former Gold Coin Motel in Santa Rosa, now called the St. Vincent de Paul Commons. Since acquisition in November, 2019 SVdP began renovations to transform the 54 units at the site into permanent supportive housing. Ten units are currently completed. SVdP has been working with architects and construction teams on design plans, and with City of Santa Rosa Planning Department to change the zoning of the parcel to residential, from commercial. The units will be renovated with new flooring, roofs, paint, and furnishings, to create habitable, and very comfortable housing, with full occupancy planned for March 2021. St. Vincent de Paul plans to participate in the Coordinated Entry System to further the County's efforts to end homelessness in Sonoma County. Furthermore, 54 units equates to roughly 75 shelterless individuals becoming housed, or about 3% of the population that remains unhoused that was identified in the 2020 Homeless Census and Survey.

Project type: Rehabilitation

Proposed use of funds: Construction costs

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?

Yes, City of Santa Rosa planning staff issued a letter dated June 7, 2019 certifying the proposed project is consistent with its General Plan.

Does the applicant possess site control?

Yes, St. Vincent de Paul submitted a Grant Deed for the property dated November 15, 2019.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top four guiding principles and priorities for this funding cycle as follows:

- 1. Projects that demonstrate CFH funds will be leveraged against total development costs at least 7:1.***

\$1,650,000	Sonoma County – FY 20-21 County Fund for Housing (uncommitted)
\$8,265,000	Public and Private Donors (Committed)

If applicant receives all of the requested local funding, each \$1 of CDC funds would leverage \$6.0 from other sources. The full amount of CDC subsidy requested would be \$30,556 per affordable unit.

2. Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting.

On November 14, 2019, the City of Santa Rosa planning staff verified all necessary project entitlements have been obtained including zoning, density, consistency with its General Plan, conditional use requirements, local and land use approvals. In addition, City of Santa Rosa's planning staff confirmed they determined the project to be categorically exempt from CEQA review.

3. Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.

St. Vincent de Paul Commons would be the agencies first development project therefore they do not have a history of obtaining federal tax credits. The project did receive HEAP funding from the CDC in 2019.

4. Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

Various letters of support obtained for the project from Daily Acts, The Sonoma County Board of Supervisors, The Mayor of the City of Santa Rosa, Santa Rosa Metro Chamber, and Santa Rosa Junior College. Private funding has been obtained from Providence/St. Joseph Memorial Hospital, Kaiser Permanente, The Sonoma County Vintners, Skikos Crawford and Skikos, the Martin Family, among other regional and national foundations.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

The acquisition and renovation of the Gold Coin motel into the St. Vincent De Paul Commons will include 54 homeless-dedicated units of permanent supportive housing for homeless individuals, military veterans, and fire-affected homeless seniors that will support the County's Coordinated Entry System and the goal of reaching Functional Zero. The project will invest all voucher-based revenue into supportive services for the residents.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.

Project is consistent with the general plan, conditional use requirements and has obtained all applicable local land use approvals.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

The acquisition, zoning change, relocation plan, environmental, engineering, and design have all been completed. If awarded, St. Vincent de Paul will have all the funds needed to complete the project within the next 6 months. St. Vincent de Paul is working with Martinez Construction who were the builders of the Los Guilicos Village, and have a track record of completing projects quickly.

Analysis

Total development cost per unit: \$183,611 (Total acquisition and construction cost is \$9,915,000/54 units = 183,611).

Total hard cost per unit: \$39,212

Pros for the Project:

- 54 newly rehabilitated affordable units
- Permanent Supportive Housing services for all residents offered on site
- Project location is near hub for public transit and government services
- Project is projected to commence construction in 2020 with occupancy in June 2021.

Cons for the Project:

- Project is located within the city limits of Santa Rosa
- City of Santa Rosa has not invested in the project. However, the City has made this a priority project, which has resulted in quick planning and approval times, such as a General Plan Amendment and Zoning Change in less than 7 months.
- Commission already contributed \$1,975,000 of HEAP funds for site acquisition.

Consequences of no Funding:

If the project were to be awarded partial or no funding it would further delay the commencement of construction.

Staff Recommendation

The project will provide one hundred percent permanent supportive housing. **Due to no local financial support and a low leverage ratio staff recommends no funding for this project.**

DANCO COMMUNITIES– MERIDIAN AT CORONA STATION

Amount Requested: \$600,000

Total Project Cost: \$67,641,103

Project Description Summary from Applicant's Submitted Application:

This project is designed for 131 units of residential apartments with a large open green space and amenities for children ages 2-12 and teens 13-17. There is a total of seven buildings on 5.29 acres of land with a unit mix of studios, 1-bedroom, 2-bedroom and 3-bedrooms units. Six of the buildings are 3-stories and one is 4-stories with an elevator. The site plan maximizes open green space and maximizes the distance away from the SMART train along the North side of the property. This central landscaped feature is isolated from the vehicular noise along the north and south edges of the site. A leasing office with a gym, computer lab, meeting space and a manager's unit are located on the ground floor.

Project type: New construction of multifamily housing

Proposed use of funds: Predevelopment and construction costs

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?

Yes, City of Petaluma planning staff issued a letter dated October 28, 2020 certifying the proposed project is consistent with its General Plan

Does the applicant possess site control?

Danco Communities has entered into a Purchase Agreement dated June 18, 2020 to acquire the subject property from the Lomas-Corona Station, LLC.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top four guiding principles and priorities for this funding cycle as follows:

1. *Projects that demonstrate CFH funds will be leveraged against total development costs at least 7:1.*

\$10,502,252	Conventional Perm Loan (Committed)
\$18,000,000	AHSC (Uncommitted)
\$22,756,920	Raymond James Federal Tax Credit Equity (Committed)
\$13,410,509	Raymond James State Tax Credit Equity (Committed)
\$259,380	Solar Tax Credit Equity
\$600,000	Sonoma County – FY 20-21 County Fund for Housing (uncommitted)
\$2,720,326	Deferred Developer Fee (Committed)

If applicant receives all of the requested local funding, each \$1 of CDC funds would leverage \$112.75 from other sources. The full amount of CDC subsidy requested would be \$4,580 per affordable unit.

2. *Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting.*

Project is currently in the early stages of development, with construction completion slated for December 2023 and occupancy in January 2024.

3. Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.

Danco Communities has completed nineteen affordable housing developments (with four others currently under construction) and brought to market 969 affordable units to date. Danco specializes in the use of the Low Income Housing Tax Credits (LIHTC) and other state and federal resources including Community Development Block Grants (CDBG), HCD programs and USDA RD.

Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

In a letter, dated October 28, 2020, Petaluma Planning Manager, Heather Hines, expressed support for “the much-needed affordable housing project.” Additionally, Ms. Hines highlighted the development would greatly assist in meeting Petaluma’s Regional Housing Needs Allocation and would implement many of the goals and policies of Petaluma’s Housing Element.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

The target population of this project is large family with a special needs/permanent supportive housing component. There will be 25% of the units reserved for PSH, or families experiencing homelessness. The services planned for residents include adult educational classes and health and wellness services by LifeSTEPS as well as Resident Services Coordination by Reach for Home, a local Sonoma County nonprofit.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.

Project is consistent with the general plan, conditional use requirements and has obtained all applicable local land use approvals.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Applying PRMD’s Readiness Scoring form to the City’s general plan consistency certification, the project would have comparable Readiness Score of 2 (2 indicates any needed entitlements in process & project deemed consistent w/GP & Zoning).

Analysis

Total development cost per unit: \$520,988

Total hard cost per unit: \$327,281

Pros for the Project:

- Generates much needed affordable housing units
- Project will target larger families, an identified need in the Sonoma County Housing Element
- Invests in the expansion of urban core
- Located near local amenities and transportation
- Application has experience obtaining Federal Tax Credits in past 7 years
- Project has support of local jurisdiction (City of Petaluma)
- 25% of the units reserved for PSH for families experiencing homelessness

Cons for the Project:

- Project construction will not be completed until December 2023
- Applicant did not provide an appraisal of the property
- AHSC funds have not been committed, and are a substantial part of the project budget.

Consequences of no Funding:

The project will proceed when all construction funding is obtained.

Staff Recommendation

Project still has a significant amount of funds uncommitted which are a substantial part of the project. Project construction will not be completed until late December borrowing any unforeseen delays. **Staff does not recommend funding for the Meridian at Corona Station proposal.**

PACIFIC HOUSING AND MILESTONE HOUSING GROUP– RIDLEY FAMILY APARTMENTS

Amount Requested: \$750,000 (CFH)

Total Project Cost: \$32,069,183

Project Description Summary from Applicant's Submitted Application:

“Ridley Avenue Family Apartments ("Ridley") is a new construction, family project on a church owned site in Northwest Santa Rosa. The site is entitled for 60 affordable units. Our initial design concept evaluation (attached) envisions two 3-story walk-up buildings with ample community space. The financing plan involves pursuing 9 percent tax credits from the California Tax Credit Allocation Committee. As such the unit mix and affordability levels are designed to meet the application requirements.

We are also pursuing 8 project based section 8 vouchers, allowing the project to serve disabled and/or other special needs populations in those units.”

Project type: New Construction of multifamily housing

Proposed use of funds: Predevelopment and Construction Costs

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?

In a letter from the City of Santa Rosa Planning and Economic Development Department, Susie Murray, Senior Planner, confirms that the project is consistent with the existing General Plan land use designation, site zoning and maximum allowable density permitted.

Does the applicant possess site control?

Applicant possesses site control in the form of a Purchase Agreement dated 08/25/2020. Agreement is between For the Future Housing, Inc. and Milestone Housing Group, LLC.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top four guiding principles and priorities for this funding cycle as follows:

- 1. Projects that demonstrate CFH funds will be leveraged against total development costs at least 7:1.*

\$750,000	County Fund for Housing Request (Uncommitted)
\$14,812,359	Tax Credit Investors Capital (Uncommitted)
\$7,850,000	Perm Loan (Committed)
\$6,975,000	City Loan-CDBG (Uncommitted)
\$600,000	AHP (Uncommitted)
\$352,826	Accrued Interest-County Loan (Uncommitted)
\$39,375	Accrued Interest-County Loan (Uncommitted)
\$198,840	Lease Up Income (Uncommitted)
\$490,783	Deferred Developer Fee (Uncommitted)

If applicant receives all of the requested local funding, each \$1 of CDC funds would leverage \$41.76 from other sources. The full amount of CDC subsidy requested would be \$12,712 per affordable unit.

2. Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting.

Project is still in the early stages of development with multiple finance sources yet to be committed. Additionally, Design review and building permits are targeted for April of 2022, with a construction completion projected for July of 2023. Otherwise, the project is fully entitled.

3. Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.

Project applicant has successfully received three (3) 9% tax credit awards in 2020. Additionally, applicant has received an Affordable Housing Sustainable Communities (AHSC) award for a project in McFarland, California.

While Milestone is a newer entity, its staff has over 25 years of experience in affordable housing development and has received numerous Tax Credit and California Debt Limit Allocation Committee awards.

4. Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

In a letter dated October 29, 2020, City of Santa Rosa Housing and Community Services Manager, Megan Basinger, expressed support for the project, stating, “New housing units, especially affordable units, are key to addressing the housing needs in Santa Rosa and Sonoma County as whole.”

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

Project will supply 60 units (59 affordable) of multi-unit family housing to a historically underserved area of the Northwest quadrant of Santa Rosa, California. Seven (7) units will target 30% AMI, ten (10 units will target 40% AMI, twenty-five (25) units will target 50% AMI and seventeen (17) units will target 60% AMI.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction's General Plan, Zoning Ordinance, and other relevant regulations.

In a letter dated October 30, 2020, Senior Planner, Susie Murray, confirmed that the project is consistent with the parcel's land use designation, site zoning and maximum allowable density permitted. The maximum allowable density is 62 units of affordable residential housing designated for low or very-low income occupants.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Applying Permit Sonoma's readiness score to the City of Santa Rosa verification, the project would have a comparable Readiness Score of 1 (1 indicates all entitlements, except building permits) are in place and valid. However, it is important to note that the project is still in the very early stages and the limited amount of committed funds might delay the project's timeline.

Analysis

Total development cost per unit: \$534,486

Total hard cost per unit: \$360,750

Pros for the Project:

- Provides housing in an underrepresented area of Sonoma County
- Project has support from local jurisdiction
- Project applicant has experience in acquisition of Federal and State funding sources
- Project serves lowest income thresholds
- Project plans to leverage Project Based Vouchers

Cons for the Project:

- Very few funds have been committed at this time
- Project is still in the early stages, with a projected construction completion of 2023.

Consequences of no Funding:

Staff Recommendation

This project is in the very early stages and with multiple finance sources uncommitted at this time. **Staff recommends no funding for the Ridley Family project.**