



SUMMARY REPORT

Agenda Date: 6/8/2021

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: Martha Cheever, 565-7521

Vote Requirement: 4/5th

Supervisory District(s): Countywide

Title:

Award of Project Based Vouchers

Recommended Action:

- A) Approve Sonoma County Housing Authority recommendations to award Project-Based Vouchers and authorize the Executive Director, or designee, to enter into all necessary agreements required to implement the awards.
- B) Adopt a resolution authorizing budgetary adjustments to the fiscal year 2020-2021 adopted budget, reflecting additional revenues and expenditures of \$1,474,504, to allow the Housing Authority to expend CARES Act Housing Assistance Payment funds. (4/5 vote required)

Executive Summary:

The Board has prioritized the need to expand opportunities for affordable housing in Sonoma County. To that end, the Housing Authority is seeking authorization to award 14 Project Based Vouchers (PBV) - six to the Windsor Veterans Village and eight to the Heritage Park development. Both projects are located in the Town of Windsor. Project-Based Vouchers (PBV) are an important resource providing predictable operating revenue to new and existing affordable multifamily rental housing ensuring the most vulnerable members of our community have stable, affordable housing.

Discussion:

The U.S. Department of Housing and Urban Development (HUD) allows Housing Authorities to attach up to 20 percent of its Section 8 Housing Choice Voucher program funding to specific housing units by project-basing vouchers. With this award, the Housing Authority will have project based 12 percent of its Housing Choice Voucher program. A full list of all of the project-based vouchers in the Housing Authority's program is included as Attachment 2 to this item. In contrast to the tenant-based voucher program, 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. For the two contracts considered within this agenda item, the contracts are for 20 years with an automatic 20 year extension, the maximum allowed by HUD. 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.

In 2017, the Sonoma County Community Development Commission (SCCDC) released a rolling application for homeless-dedicated Project-Based Vouchers available to property owners and developers. In response to the

request for proposals (RFP), two applications were received requesting a total of 14 project based vouchers. Applications were reviewed by Community Development Commission staff to ensure that each met the criteria outlined in the RFP. Each of these projects meet the goals of increasing the affordable housing stock within the County, providing affordable housing in areas outside of poverty concentration, and providing housing in areas that are transit-oriented.

Staff recommend that the Board of Commissioners authorize the Executive Director of the SCCDC, or designee, to enter into a Housing Authority Payment contract (AHAP), and a Project Based Voucher Housing Authority Agreement (HAP) for both the Heritage Park project and the Windsor Veterans Village Project. Additionally, staff request that the Executive Director of the SCCDC, or designee be authorized to amend the Housing Assistance Payment contract during the term of the agreement to substitute units as needed.

The following recommendations for award of Project Based Vouchers were reviewed and recommended for approval by the Community Development Committee on April 21, 2021.

Projects are listed below in alphabetical order.

Project	Developer	Number of Units in Project	PBV Units Requested	Location	Anticipated Date of Project Completion
Heritage Park	W&J Investments	31	8 Permanent Supportive Housing Units Dedicated for Homeless Persons	Windsor	October 2022
Windsor Veterans Village	Veterans Housing Development Corporation	60	6 Units Dedicated for Homeless Veterans	Windsor	July 2021

In addition to the award of Project Based Vouchers, staff are recommending the Board authorize appropriations adjustments to the FY2020-21 Adopted Budget for the award of the vouchers allowing the Housing Authority to expend \$1,457,504. These additional rental assistance funds were provided for use as part of the CARES Act from the Department of Housing and Urban Development separate from the Sonoma County CARES Act allocation of \$50.6 million. These funds were allocated for use by the Housing Authority to offset increased rental assistance costs brought on by the COVID-19 pandemic.

Prior Board Actions:

February 6, 2018: Board approved County Fund for Housing award to Windsor Veterans Village.

October 9, 2018: Board adopted a resolution which would approve the issuance of multifamily housing revenue bonds by the Golden State Finance Authority for the purpose of financing the construction and equipping of Windsor Veterans Village.

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY 21-22 Projected	FY 22-23 Projected
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Budgeted Expenses			
Additional Appropriation Requested	1,474,504		
Total Expenditures	1,474,504		0
Funding Sources			
General Fund/WA GF			
State/Federal	1,474,504		
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	1,474,504		0

Narrative Explanation of Fiscal Impacts:

Funding for the PBVs for 6 months is estimated at \$94,920. Funding for these PBVs is ongoing and is included in the Annual Contribution Contract with HUD on an annual basis. HUD has also provided the Housing Authority with \$1,474,504 of additional rental assistance CARES Act funds to offset the increased cost of rental assistance brought on by the COVID-19 pandemic. While this additional funding is one-time, this amount will be included in the HUD's calculation of future funding.

Appropriations for the 2020-21 Adopted Budget are added through the attached Budget Resolution. The funds will be fully expended in fiscal year 2020-21. The Housing Authority does not anticipate receiving any further CARES Act funding.

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 - Budget Resolution

Attachment 2 - Housing Authority Project-Based Vouchers

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

None