



## Legislation Text

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**File #:** 2019-1970, **Version:** 1

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**To:** Board of Supervisors; Board of Commissioners of the Community Development Commission

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

**Staff Name and Phone Number:** Benjamin Wickham, 7524

**Vote Requirement:** 4/5th

**Supervisorial District(s):** All

**Title:**

Acquisition of real property at 811 Davis Street, Santa Rosa, 866 Sonoma Avenue, Santa Rosa and 8190, 8192 and 8194 Arthur Street, Cotati for use as Shared Living Houses.

**Recommended Action:**

Board of Commissioners:

- A) In furtherance of the direction provided on 12/23/2019 by the Board of Supervisors and Board of Commissioners to acquire certain homes as shared living houses for identified individuals experiencing homelessness on the Joe Rodota Trail, approve the contingent purchase agreements and authorize Executive Director of the Sonoma County Community Development Commission (Commission) to execute all documents necessary to close on the sale transactions for the properties located at:
- i. 811 Davis Street, Santa Rosa, CA (Assessor's Parcel Number 010-105-010)
  - ii. 866 Sonoma Avenue, Santa Rosa, CA (Assessor's Parcel Number 009-211-002-000)
  - iii. 8190, 8192 and 8194 Arthur Street, Cotati (Assessor's Parcel Number 144-271-007)
- B) Find that the proposed acquisitions and uses of the properties are exempt from CEQA, including pursuant to CEQA categorical exemptions under Guidelines Section 15301 (existing facility; negligible expansion of use); Section 15061(b)(3) (no possibility of significant effect), and Section 15326 (acquisition of housing for housing assistance programs).

(4/5<sup>th</sup> Vote Required)

**Executive Summary:**

At a special meeting of the Sonoma County Board of Supervisors and Board of Commissioners of the Sonoma County Community Development Commission on December 23, 2019, Commission staff was directed to seek out residential property currently on the market that could be suitable for use as shared living for individuals experiencing homelessness. In collaboration with the General Services Department's Real Estate Team, Commission staff has identified three residential properties well suited for use as shared housing, and has submitted offers to purchase the properties. The respective property owners have accepted the Commission's offers, and the Commission is now in contract to purchase these properties, subject to contingencies-including Commission Board approval-as stated in each contract.

Purchase details:

- 866 Sonoma Avenue is a .42 acre parcel with a two-bedroom, one-bathroom home along Sonoma Avenue. The property also consists of two cottages and a large detached garage. (Accepted offer

attached). Accepted offer price \$1,150,000.00.

- 811 Davis Street is a newly renovated triplex with a private, fenced yard, located in close proximity to downtown Santa Rosa. (Accepted offer attached) Accepted offer price \$999,000.
- 8190-8194 Arthur Street is a multi-unit property containing a two-bedroom, two-bathroom cottage, and a duplex containing two units, each with two-bedrooms and one-bathroom, one with private yard space. The cottage has been recently remodeled on the interior, and the duplex has had extensive exterior improvements totaling some \$150,000 in repairs and upgrades. The property has ample parking, with separate carport and two additional enclosed garage spaces in duplex. The property shares a property line with a church and its parking lot. It is one block off Cotati Avenue making it close to services. (Accepted offer attached). Accepted offer price \$980,000.00.

### **Discussion:**

#### Shared Living Housing Program:

In collaboration with the Sonoma County General Services Department, Commission staff has submitted offers to purchase the properties at 811 Davis Street, 866 Sonoma Avenue in Santa Rosa, and 8190-8194 Arthur Street, Cotati. The Commission and the respective property owners have agreed on purchase prices as of December 28, 2019 for the Santa Rosa properties and as of January 8, 2020 for the Cotati Property.

The cost to purchase all three properties is \$3,169,000, including closing costs of around \$40,000. General Fund approved by the Board on 12/23/19 and available discretionary CDC's fund balance will be used to finance the purchase and closing costs. CDC's fund balance is anticipated to be reimbursed with revenue from the State of California's No Place Like Home round 1 (NPLH) grant.

In addition to the acquisition and closing costs, staff estimates the rental income stream will not be sufficient to cover repair, maintenance, and overall property management costs. Therefore, an additional \$35,000 per year per property in costs is expected. 5 years of property management costs totaling \$525,000 and \$50,000 for improvements each or \$150,000 overall are placed in reserves for future costs. These ongoing costs will be financed with current fund balance and reimbursed with funding from the NPLH and/or Homeless Housing, Assistance and Prevention program (HHAP).

These three multi-unit residential properties will provide shared living housing for persons experiencing homelessness, as part of the plan to comprehensively address homelessness and the plan to provide related options for housing assistance. The homes will continue to be occupied, rented residences, and the sites are located in different parts of the county. Persons or groups who have expressed interest and willingness to participate in the shared living housing program (SLH) will work with case managers for placement in the SLH. SLH services focus on preparing individuals for greater independence and success while the lease-up of master-leased units occurs. The primary goal of participation in the SLH would be to:

- increase living skills to improve housing retention
- identify and reduce barriers to housing
- increase income from benefits and/or employment

Rent Structure will be 1/3 of each participant's monthly income. Rents collected will be used to offset costs of ongoing maintenance at the SLH. The primary participation goal at the SLH is for individuals to receive low-barrier housing without time limits to facilitate future access to more independent housing settings.

On January 9, staff delivered notices along with information about the proposed acquisitions to nearby neighbors of each of the residential properties.

**Prior Board Actions:**

January 13, 2020 (scheduled): Closed session item regarding real estate negotiations as to the subject properties.

December 23, 2019: Sonoma County Board of Supervisors and Board of Commissioners directed staff to seek residential property currently on the market that could be suitable for use as shared living for individuals experiencing homelessness.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses	3,844,000		
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>3,844,000</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	3,844,000		
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>3,844,000</b>		

**Narrative Explanation of Fiscal Impacts:**

[CR] Acquisition and closing costs will be funded with \$1.65 million of General Fund the Board approved on 12/23/19 and \$2.194 million from CDC's fund balance to be reimbursed with NPLH and HHAP funding. Additional appropriations will be completed under the Board authority granted to the County Administrator and Auditor-Controller-Treasurer Tax Collector offices as part of the 12/23/2019 actions.

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

**Narrative Explanation of Staffing Impacts (If Required):**

**Attachments:**

1. 811 Davis Street - Operating pro forma
2. 866 Sonoma Avenue - Operating pro forma
3. 811 Davis Street - Signed and accepted counter offer
4. 866 Sonoma Avenue - Signed and accepted counter offer
5. 811 Davis Street - Signed and accepted Sales contract
6. 866 Sonoma Avenue - Signed and accepted Sales contract
7. 8190-8194 Arthur Street- operating pro forma
8. 8190-8194 Arthur Street- Signed and accepted Buyers Counter Offer, Seller's Counter Offer
9. 8190-8194 Arthur Street- Signed and accepted sales contract

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