Legislation Details (With Text)

File #:	2022-0568		
Type:	Consent Calendar Item	**Status:**	Passed
File created:	5/4/2022	**In control:**	Community Development Commission
On agenda:	6/13/2022	**Final action:**	6/13/2022
Title:	Award of Project-Based Vouchers		
Sponsors:	Community Development Commission		
Indexes:			
Attachments:	1. Summary Report		

Date	Ver.	Action By	Action	Result
6/13/2022	1	Board of Supervisors	Approved as recommended	Pass

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:
Approve 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 authorize the Interim Executive Director, or designee, of the Sonoma County Community Development Commission to enter into all necessary agreements required to implement the award.

Executive Summary:
The Board of Supervisors has prioritized the need to expand opportunities for affordable housing in Sonoma County. To that end, the Housing Authority is seeking authorization to amend the Project-Based Voucher (PBV) agreement with Eden Housing for the Downtown River Apartments to add 8 additional PBVs to the agreement for a total of 24. PBVs are an important resource for affordable housing developers as they provide predictable operating revenue to both new and existing affordable multi-family rental housing ensuring the most vulnerable members of our community have stable, affordable housing.

Eden Housing has requested the addition of these PBVs in order to deepen affordability levels at the property by increasing the number of 30% Area Median Income units. The addition of these PBVs will also strengthen their application to the California Tax Allocation Committee (TCAC) to obtain financing to rehabilitate the exterior of the structure.

Discussion:

The US Department of Housing and Urban Development (HUD) allows Housing Authorities to use up to 20% of its Section 8 Housing Choice Voucher Program funding for specific housing units via project-based vouchers. In contrast to the Tenant-Based Voucher Program, project-based housing subsidy remains with the unit after a tenant moves out. Project-Based Vouchers (PBV) are an important resource providing predictable operating revenue to new and existing affordable multi-family rental housing ensuring the most vulnerable members of our community have stable, affordable housing. In order to be eligible for PBVs, the owner of a project must agree to rent the unit to eligible tenants for the duration of the Housing Assistance Payments (HAP) contract, which is often up to 20 years.

HUD regulation and the Housing Authority Administrative Plan allows for the addition of PBV units to an existing PBV Housing Assistance Payment contract at any time during the term of the contract without engaging in a competitive process. In January 2019, Eden Housing was awarded 16 PBVs through a competitive selection process for the Downtown River Apartments. Downtown River Apartments is an 81-unit affordable housing apartment complex located in Petaluma, California. The Housing Authority entered into a PBV Housing Assistance Payment contract for these units on July 25, 2019.

Eden Housing has submitted a request to the Housing Authority for 8 additional PBVs for the Downtown River Apartments Project. These additional PBVs would allow the project to deepen affordability levels for more households as well as obtain necessary funding from TCAC for rehabilitation of the existing 17-year-old structure.

Staff recommend that the Board of Commissioners authorize the Executive Director of the Sonoma County Community Development Commission (SCCDC), or designee, to amend the existing Housing Authority Payment contract Project-Based Voucher Housing Authority Agreement (HAP) to add an additional 8 PBVs for a total of 24 PBVs, and to amend the Area Median Income (AMI) requirements for PBV units from all 50% AMI to a mix of 30% AMI and 50% AMI, which deepens the affordability level for very-low income households. 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.

This request was recommended for approval by the Community Development Committee on May 18, 2022.

Strategic Plan:
This item directly supports the County's Five-year Strategic Plan by increasing the affordability of critical housing units and is aligned with the following pillar, goal, and objective.

> **Pillar:** Healthy and Safe Communities
> **Goal:** Goal 3: In collaboration with cities, increase affordable housing development near public transportation and easy access to services.
> **Objective:** Objective 3: Create incentives for developers to promote affordable housing development in the County.

Prior Board Actions:
12/11/2018: Board authorized the award of 16 Project-Based Vouchers to Eden Housing for the Downtown River Apartments Project.

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY 22-23 Projected	FY 23-24 Projected
Budgeted Expenses		233,856	233,856

Additional Appropriation Requested			
Total Expenditures		**233,856**	**233,856**
Funding Sources			
General Fund/WA GF			
State/Federal		233,856	233,856
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources		**233,856**	**233,856**

Narrative Explanation of Fiscal Impacts:
Funding is available in the Housing Authority's Annual Housing Choice Voucher budget authority provided by the US Department of Housing and Urban Development. Appropriations are included in the Fiscal Year 2022-23 Recommended Budget for the vouchers.

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:
None

Related Items "On File" with the Clerk of the Board:
None