



Legislation Text

File #: 2019-0866, **Version:** 1

To: Board of Commissioners

Department or Agency Name(s): Sonoma County Community Development Commission

Staff Name and Phone Number: Benjamin Wickham, 707-565-7542

Vote Requirement: Majority

Supervisory District(s): District 5

Title:

Approve a 6-month extension of the deadline for a \$226,560 County Fund for Housing award to the Robinson Road Transitional Housing development project located in Sebastopol.

Recommended Actions:

Board of Commissioners:

Authorize the Executive Director of the Sonoma County Community Development Commission (Commission) to extend the deadline for loan agreement execution and expenditure of funds by an additional 6 months to November 15, 2019; this is beyond current Loan Policy limits for the County Fund for Housing (CFH) award made to Community Housing Sonoma County (CHSC) for Robinson Road Transitional Housing in the amount of \$226,560. Under this extension, loan funds will be specifically conditioned and administered to ensure timely performance.

Executive Summary:

Approval of this action will provide additional time for completion of the rehabilitation of a residential property located at 778 Robinson Road in Sebastopol, being developed by CHSC. The Commission has invested both federal HOME Investment Partnership Program funds and CFH in this property, beginning in 2015. Upon careful review, the Commission has concluded that the wildfires in Sonoma County in October 2017 created factors beyond the control of CHSC and resulted in the project being substantially behind schedule and that this is a valid basis to extend the deadline for expenditure of CFH funds. If the extension is not granted the Robinson Road property rehabilitation project will not move forward with its goal of providing 13 new SRO units for homeless individuals.

Discussion:

Background:

Commission CFH Loan Policy requires that "all awarded funds be disbursed within 30 months of the date the Board of Supervisors approves the award". An "extension of 12 months may be granted for good cause at the discretion of the Executive Director if she determines that there were unforeseen circumstances that caused the need for more time".

The \$226,560 CFH award was approved by the Board of Supervisors on November 17, 2015. The initial 30 month deadline expired on May 16, 2018; the extension of 12 months granted by the Commission expired on May 15, 2019. Therefore, the Commission now needs additional Board approval to extend the deadline to enter into a funding agreement with CHSC for the \$226,560 in CFH funds to be used in the completion of the Robinson Road project until November 15, 2019.

The Commission will attach a performance schedule to the funding agreement for these CFH funds; this schedule will be monitored to ensure that the project is completed in a timely manner.

In response to the Commission's 2014 annual Notice of Funding Availability (NOFA), CHSC requested \$700,000 to acquire and rehabilitate property at 778 Robinson Road to create 14 beds of transitional housing for unaccompanied adults who are experiencing homelessness after exiting drug and alcohol treatment and/or the criminal justice system, with a preference for veterans (this was later revised to 13 beds). In December 2014, the Board of Supervisors approved a CFH loan to CHSC for Robinson Road on a contingency basis, to be funded if another project, Ortiz Plaza, was not able to secure design review conditional approval by a specified date. Ortiz Plaza met the required deadline. In May 2015, the Board approved a \$500,000 CFH loan to CHSC for Robinson Road (when a different project, the Moorland Avenue Apartments, failed to meet the CFH Loan Policies required deadline to expend funds). CHSC was able to acquire the property; however, due to the wildfires in Sonoma County in October 2017, the relocation of the Robinson Road tenant household was delayed slightly until December 2017, per correspondence with CHSC. The massive Countywide rebuilding effort that commenced following the fires meant that there were extreme labor shortages and a lack of available contractors for nearly a year. CHSC had to put the project on hold due to this lack of interested contractors. The delays and the lack of available contractors to complete the work were factors beyond the control of CHSC and resulted in the project being substantially behind schedule.

On September 30, 2015, the Commission executed a HOME loan agreement with CHSC for an additional \$243,301 to fund the Robinson Road project. The Commission notes that the US Department of Housing and Urban Development (HUD) requires that projects receiving a HOME award for capital development be completed within four years after funds are disbursed. As the responsible Participating Jurisdiction, the Commission will work closely with CHSC to ensure that the Robinson Road project remains in compliance with this deadline. Failure to meet the HOME deadline would cause HUD to recapture the amount of federal funds awarded to the project from the Commission. It is preferable to complete the rehabilitation needed by extending the CFH funding expenditure deadline and working closely with CHSC to ensure project completion.

Action Requested:

Authorize the Executive Director of the Sonoma County Community Development Commission (Commission) to extend the deadline for loan agreement execution and expenditure of funds by an additional 6 months to November 15, 2019; this is beyond current Loan Policy limits for the County Fund for Housing (CFH) award

made to Community Housing Sonoma County (CHSC) for Robinson Road Transitional Housing in the amount of \$226,560. Under this extension, loan funds will be specifically conditioned and administered to ensure timely performance.

Prior Board Actions:

11/17/2015 Item #8: Approved the award of CFH funds to CHSC for Robinson Road Transitional Housing in the amount of \$226,560

08/11/2015 Item #11: Approved revised CFH Funding Policies and CDC Loan Policies

05/15/2015 Item #22: Approved 2014/15 Action Plan awarding Robinson Road \$243,301 in HOME funds

05/15/2015 Item #11: Approved \$500,000 CFH loan to CHSC for Robinson Road after another project, the Moorland Avenue Apartments, failed to meet the required deadline to use funds in compliance with CFH Loan Policies

12/02/14 Item #19: Approved CFH and LMIHAF loans for FY 2014-15 housing projects; Robinson Road was recommended on a contingency basis, to be funded if another project was not able to secure design review conditional approval by a specified date

FISCAL SUMMARY

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures		0	0
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	0	0	0

Narrative Explanation of Fiscal Impacts:

N/A

Staffing Impacts:			
Position Title (Payroll)	Monthly Salary Range (A - I Step)	Additions (number)	Deletions (number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

None

Related Items “On File” with the Clerk of the Board:

N/A