



AGENCY: City Council / Redev. Successor Agency
MEETING DATE: July 27, 2020
DEPARTMENT: Administration
PREPARED BY: T Miller / S McCormick
EMAIL ADDRESS: tmiller@fortbragg.com
smccormick@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of: (1) Joint City Council / Redevelopment Successor Agency Resolution Approving Budget Amendment No. 2021-02; and (2) Joint City Council / Redevelopment Successor Agency Resolution Authorizing Execution of a Pre-Development Loan Agreement Between the City of Fort Bragg and Danco for the Plateau Project - An Affordable Senior, Multi-Family and Permanent Supportive Housing Project to be Located at 441 South Street (APN 018-340-04)

ISSUE:

Over the past four years, the City has been working with Danco to secure support and funding for the Plateau Project; an affordable housing development with sixty-eight (68) affordable housing units, a manager's unit and common structures, located at 441 South Street. The project includes three primary components:

25 units – Family / Workforce Housing

1,230 SF two-story duplex and triplex units with three bedrooms. Private outdoor space for each unit, and a community building with laundry facilities and indoor gathering space next to the playground area.

23 units – Affordable / Low Income Senior Housing

Two clusters of independent cottages with private outdoor space and covered porches, oriented around central garden (17 single-bedroom and 6 two-bedroom units). Community building with laundry, common kitchen, gathering space and some storage.

20 units – Permanent Supportive Housing

Designed as a pocket neighborhood of independent cottages with private outdoor yard and covered porch. The site would be fenced and supported by a common structure that contains residential style common kitchen, gathering space, Manager's office, Security office, Support Staff offices, laundry facility and mail room.

ANALYSIS:

As a reminder, Planning Commission approved a Coastal Development Permit (CDP 3-17/19) and Design Review Permit (DR 5-17/19) for the project on February 13, 2019. All funding for the project has been identified and staff is currently reviewing preliminary site plans. A formal building permit application submittal is anticipated in August and issuance of building permits in October. The following list includes funding for the project:

- September 11, 2018, the City Council declared a commitment to provide loan funds in the amount of \$250,000 from the City's Housing Trust Fund.

- December 2018, the project was awarded \$3,000,000 in funds from the Continuum of Care Homeless Emergency Aid Program (HEAP) for the construction of 20 Permanent Supportive Housing (PSH) units.
- June of 2019, Mendocino County dedicated 20 project-based vouchers for the PSH units of the project.
- April 2020, California Tax Credit Allocation Committee awarded \$1,017,909 in federal Tax Credits annually for each of ten years; and \$6,821,486 in total state Tax Credits over four-year period.
- June 2020, the Department of Housing and Community Development awarded the Infill Infrastructure Grant in the amount of \$3,089,000.

PROPOSED ACTION:

Staff recommends City Council and Successor Agency Board adopt both joint resolutions: (1) Budget Amendment 2021-02 for the committed \$250,000 loan at 3% interest from the Housing Trust Fund and \$3,000,000 of HEAP grant funds for the Plateau Project; and (2) Authorization to execute service agreement between the City and Danco for the Plateau Project.

ALTERNATIVE ACTION(S):

Withdraw the loan commitment.

FISCAL IMPACT:

Commitment of Housing Trust Fund monies will reduce the amount of funding in the housing fund(s). However, these funds must be used for the creation of affordable housing units. The funds would be paid back over the 55-year life of the loan.

GREENHOUSE GAS EMISSIONS IMPACT:

The proposed project would increase GHG emissions over the short term related primarily to operation of construction equipment. The project would increase vehicular trips to the area, however EV Charging Stations are included in all three components and the project is designed with open space, gardens, and pedestrian pathways to encourage pedestrian travel. Also, the development would be subject to the California Energy Code, which contains performance and prescriptive compliance approaches for achieving energy efficiency.

CONSISTENCY:

This infill project is consistent with numerous policies and programs of the City’s Housing Element. The Plateau Project includes a range of affordable housing types to serve homeless, seniors and families. The City partnered with the developer and collaborated with agencies to obtain grant funds and approve planning incentives.

Policy H-1.6 Infill Housing: Encourage housing development on existing infill sites in order to efficiently utilize existing infrastructure. Policy H-1.7 Workforce Housing: Encourage multi-unit housing developments in order to encourage market rate rental housing, affordable housing and lower cost ownership opportunities such as townhomes and condominiums.

Program H-1.7.2: Site Improvements. Obtain grant funding for off-site improvements in

support of affordable multi-unit housing projects.

Program H-1.7.4: Attract Multi-Unit Developers. Work to attract multi-unit housing developers to the Fort Bragg Market place.

Program H-1.6.2: Planning Incentives: Consider adopting planning incentives for new residential development on infill sites.

Policy H-2.1 Available Funding Sources: Utilize County, State and Federal programs and other funding sources that provide housing opportunities for lower-income and special needs households.

Program H-2.1.1 Available Funding: Seek available State and Federal assistance to develop affordable housing for seniors, the disabled, persons with developmental disabilities, lower-income large households, and households with special housing needs. Work with non-profit and for-profit affordable housing developers to apply for State and Federal funding. Seek funding for affordable housing from all sources.

Policy H-2.2 Encourage Senior Housing: Encourage affordable and market rate senior housing projects to be developed with density bonuses and flexible parking standards where consistent with maintaining the character of the surrounding neighborhood.

Program H-2.2.1 Affordable Senior Housing: Maintain an inventory which identifies properties which are potentially well-suited for senior housing. Work with developers to facilitate funding and construction of senior housing.

Policy H-2.4 Increase Affordable Housing Development: Encourage the construction of housing units which are affordable to households with very low to moderate incomes.

Policy H-2.6 Large Families: Encourage housing for large families.

Policy H-2.8 Emergency and Transitional Housing: Continue to support emergency shelters, transitional housing and supportive housing within the City.

Program H-2.8.1 Ongoing Estimates of the Demand for Emergency Housing: Continue to work with the Fort Bragg Police Department and homeless service providers in the community to maintain ongoing estimates of the demand for emergency housing in Fort Bragg and to develop strategies to meet that demand.

Program H-2.8.2 Inter-Agency Cooperation: Continue to work with private, non-profit, County, and State agencies to provide transitional housing, supportive services and emergency housing for the homeless.

Program H-2.8.3 Transitional and Supportive Housing: Continue to regulate transitional and supportive housing as a residential use subject to the same restrictions that apply to other residential use types and dwellings of the same type in the same zone.

Policy H-3.2 Improve Accessibility to Housing: Make it easier to develop housing for seniors and persons with disabilities.

Program H-3.2.1 Use Housing Funds: Use housing funds as available, to support renovations and improvements to accessibility in affordable housing for qualified seniors, persons with disabilities and persons with developmental disabilities.

Program H-3.2.3 Reasonable Accommodation: Ensure all new, multi-family construction meets the accessibility requirements of the federal and State Fair Housing Acts through local permitting and approval processes.

City Council Priority Area 3: Housing – Goal 1 – 200 units of housing in the next five years.

IMPLEMENTATION/TIMEFRAMES:

It is anticipated Danco will submit complete Building Permit Application in August, the required building permits will be issued in October and construction will commence in November 2020.

ATTACHMENTS:

1. Resolution Budget Amendment
2. Exhibit A to Budget Amendment Resolution
3. Resolution Danco Service Agreement
4. Loan Agreement

NOTIFICATION:

Chris Dart, Danco Group
“Notify Me” Subscriber Lists: Affordable Housing; Homeless