



Sonoma County Community Development Commission
Sonoma County Housing Authority
1440 Guerneville Road, Santa Rosa, CA 95403-4107

Request for Proposals for Development of
20269 Broadway, Sonoma

Amendment 2: Responses to Clarifying Questions

Members of the
Commission

Susan Gorin
Chair

Efren Carrillo
Vice Chair

David Rabbitt
Shirlee Zane
James Gore

Kathleen H. Kane
Executive Director

1. Is there a minimum bid for the purchase of the property?

No, the Commission has not specified a minimum bid.

2. Can respondents propose a mix of affordable housing and commercial use for the property?

Yes, although commercial uses are not required and the RFP discusses the preference for maximizing housing on the parcel.

3. Is there any compensation being offered to the buyer's agent? If so, what is the commission rate, and should it be included in the proposal?

Any commission should be negotiated between the buyer and the buyer's agent. There is no provision in the RFP for any commission paid by the Sonoma County Community Development Commission.

4. There is some ambiguity about the size of the parcel; has the size been confirmed? Is it expected that proposers have a survey done prior to submittal?

The parcel size has not been confirmed by the Commission. The Commission does not require a survey to be done prior to submittal, but respondents are welcome to measure the site, and undertake a survey at their expense if they wish. The discrepancy in parcel size is related to a paper street that we believe has been abandoned by the City. The City and the Commission believe that the parcel size is 1.97. The RFP directs respondents to assume a parcel size of 1.97 acres so that the Commission may evaluate comparable proposals.

5. Are the oak trees on the property protected?

Not necessarily, but they will need to be evaluated in the course of project review. As a first step, an arborist report (prepared by an arborist selected by the City) will be required as part of the application submittal package. The arborist report will need to document trees on the site by species, size and condition and will need to identify trees designated for preservation or removal. The arborist report will be reviewed by the City's Tree Committee, which makes recommendations with respect to tree retention and replacement to the Planning Commission, which makes the final determination. This issue will also need to be addressed as part of the environmental review of the project. While replacement plantings are often allowable as a mitigation for tree removal, the City's General Plan and Development Code encourage the retention of large-stature native trees, to the extent feasible.



6. Please give more detail on specific community process concerns.

The Commission and the City expect that the developer will conduct a robust public outreach campaign with stakeholders and neighbors to ensure that public input can be considered regarding the project. We want the community to have all relevant project information and opportunities to provide input so that there is as broad an acceptance of the project as possible.

The City anticipates that opposition to the project will be limited to some neighbors. Affordable housing in general has broad community support, including the City Council and Planning Commission.

7. Does the City's Growth Management Ordinance apply to affordable housing or just market rate housing?

The Growth Management Ordinance includes an exception provision for affordable housing projects. See Chapter 19.94 (Housing Allocation Process) of the City's Municipal Code for more information: <http://www.codepublishing.com/CA/Sonoma/#!/Sonoma19/Sonoma1994.html>.

This project will be exempt from the Growth Management Ordinance, but the City Council needs to take an action to make that happen, which would occur shortly after the development application is filed.

8. Is there any preference for the types of residents served by the development? The Commission expressed a priority for creating housing for people without homes. What does the City see as the local need in this regard – are the highest needs among single adults, families, or other special needs groups?

The Board of the Commission has recently established a preference for developments which provide housing for those who are unsheltered, as stated in the RFP, and housing aimed at veterans and extremely low-income tenants is a priority for the Board of the Commission. The target population of a proposal will be considered as an overall project element.

The Sonoma City Council would like to emphasize family/workforce housing, which would imply a variety of unit sizes.

For some background information, the 2015 Homeless Count found 158 homeless persons in the Sonoma Valley, 27 of them in the city limits. Overwhelmingly, they are single adults. About half of the population have disabilities, and one-third are chronically homeless (lengthy homelessness plus disabilities, including seniors who are homeless).

9. What kind of funding is there for additional supportive services, i.e. HUD-Veterans Affairs Supportive Housing (HUD-VASH) vouchers?

The Commission doesn't have any VASH vouchers, but the City of Santa Rosa does, and they are portable within the County. There is some funding for permanent supportive services which may be available through Catholic Charities or other nonprofits who support the housing-first model. Some funding is available specifically for veterans.

Questions regarding those Santa Rosa vouchers should be directed to Carmelita Howard with the City of Santa Rosa.

10. Is there any information available on limits to building heights or general attitude toward higher limits? Would the community be amenable to three-stories in some areas/section of the building program?

The City's Development Code (section 19.40.040) allows for the following:

- B. Exceptions to Height Limits. Exceptions to the height limits for structures shall apply in the following manner:
 - 1. Third-Floor Residential Units. Within the Commercial, Gateway Commercial, and Mixed Use zoning districts, a maximum height of 36 feet may be allowed in order to accommodate third-floor multifamily residential development. The allowance of this additional height shall be subject to use permit review, in compliance with SMC 19.54.050.

Three stories is an option, as a height of up to 36 feet. However, these allowances require specific approval by the Planning Commission. That said, any project needs to be consistent with the design guidelines for the Broadway corridor and the use permit findings for project approval include considerations of visual compatibility. Any proposal for three stories and/or a height of greater than 30 feet will receive extra scrutiny from the Planning Commission.

11. Is the City or the County making housing funds available?

The City of Sonoma does not have redevelopment funding for housing as its housing assets and redevelopment funding were transferred to the Successor Agency to the Sonoma County Community Redevelopment Agency after the dissolution of redevelopment agencies.

The City Council has stated that it wishes to provide some level of funding for this project, but nothing has been allocated as yet and it is not clear what level of support they will ultimately decide to provide.

If respondents want to apply for County funds, it is strongly suggested that they familiarize themselves with the County's funding policies and timeline. The largest funding source that the SCCDC manages is the County Fund for Housing (CFH), which can only be used in the unincorporated areas of the County. The SCCDC also manages federal funding (HOME and CDBG), which can be used in any part of the County, including incorporated cities.

The SCCDC also manages the Low- and Moderate-Income Housing Asset Fund (LMIHAF), which is funded by proceeds from the sale of former redevelopment assets and payment of loans financed by redevelopment funds. Funds could potentially be available for competitive application.

12. Where does the local business preference rank in the selection criteria, and will it count if the team includes consultants located in Sonoma County?

The local business preference is established simply by having an office in Sonoma County, and that criteria is met by consultants on the team being located in Sonoma County. It is a small part of the selection criteria.

13. Are there any other properties in the city of Sonoma that have been transferred to the Successor Agency?

The Village Green II apartment complex and a number of loans and encumbrances on residential properties are now owned by the Successor Agency, but no other developable land has been transferred to the Successor Agency. One parcel transferred was previously disposed of via sale.

14. What does the City’s mixed-use designation mean? If the proposal is for housing, *must* any part of the project be commercial? Can respondents propose a mix of affordable housing and commercial uses?

The City’s mixed-use zoning designation does not require a commercial component, but it does require a residential component, so a 100% commercial proposal would not be selected. The City has identified the property as a Housing Opportunity site, and the RFP states that proposals should address a 100% residential rental development.

Housing will be required in any proposal that doesn’t offer full fair market value purchase of the property. Because housing funds were used to acquire the property, the property must either be developed having sufficient affordable housing to justify the purchase price of the property, or the property must be sold at its market-rate value. In order for a commercial project to go forward on the property, it would have to be purchased from the Commission at its market-rate value and the proceeds would be used to replenish the LMIHAF fund. However, it is the City’s strong preference that the property be developed as housing.

15. Is there anything that would be relevant about the timing of the release of the RFP, i.e. other projects whose financing might be helped by the purchase of the property?

There is nothing significant about the timing of the release of the RFP. The timing was influenced by the resolution of the lease with the owners of the billboard before moving forward with development.

16. Would it be acceptable to design a project that would allow keeping the billboard on the property, since it is an income-generating asset?

The billboard generates about \$25,000 – \$30,000 per year. The obstacle to keeping the billboard would be the City’s permitting process and desire to have the billboard removed.

17. Will the final selection of a developer be made by the Sonoma County Board of Supervisors?

Commission staff will screen proposals and make a staff recommendation to the Governing Board of the Successor Agency for the Sonoma County Community Redevelopment Agency, the members of which are the members of the Board of Supervisors.

18. Will you make the attendance list for the pre-submission conference available?

Yes, it is available at the Commission’s website here:

<http://sonomacounty.ca.gov/CDC/News/20269-Broadway-RFP-Sign-In-Sheet/>.

19. Can an in-lieu fee be used to satisfy the inclusionary unit requirement? Does that requirement apply to all projects, including commercial developments?

There is no provision for in-lieu fees or the off-site development of required inclusionary units. The inclusionary unit requirement currently only applies to residential developments; however, the City Council recently commissioned a nexus study that may be used to establish a housing impact fee on commercial development and/or market-rate housing units.

20. What were the prior uses of the property?

The City has a record of a residence and a few barns on the property when the City took possession of the property, and the City had them removed.

21. If there are insufficient funds for a 100 percent affordable development proposal, would the purchase option be a more viable option?

A market value purchase proposal wouldn't rank very high against the selection criteria in the RFP, but compared to insufficient proposals, it could win. The Commission assumes that proposals will make assumptions about future financing and will provide project pro formas.

22. Will the Disposition and Development Agreement have a stipulation that the property be taken back if no funding is secured within a designated period of time?

The DDA will not be indefinite.

23. Can a developer submit two different proposals if they are substantially different?

Yes.

24. Will impact fees, building fees, etc. follow City Sonoma or County of Sonoma rules and procedures? Can you provide information or code citations for the rules and procedures?

As the property is located within Sonoma city limits, all City of Sonoma rules and regulations apply.

25. An article in the Sonoma Sun (September 17, 2015) stated that the number of units on this parcel will be 40. How many units would be expected to be built on this parcel under the current zoning?

The Mixed Use zoning designation allows for up to 20 units per acre. Assuming a parcel size of 1.97 acres, up to 39 units would be allowed under the base zoning designation. A greater density could be allowed through a density bonus.

26. The RFP states that "the adjoining landowner has expressed interest in potentially making their property available to a developer, and the Commission is open to the possibility of proposals including additional land." Which adjacent property does this refer to?

The parcel referenced is adjacent to the subject parcel, at 1247 Broadway. Fred and Suzie Merrill, who own the property, have previously expressed interest in selling their property in conjunction with an affordable housing proposal on the subject property. This could allow for more units or it could allow for a commercial or market-rate residential component that might help finance the affordable units.

27. The Broadway RFP schedule would see a developer selection recommendation going forward to the Board sometime in December, while HOME/CDBG/LMIHAF/etc. applications are due December 18. Is the Commission coordinating in any way with the City of Sonoma around a City-sponsored funding application in this NOFA round? We're interested in engaging City staff in exploratory discussions relative to Broadway financing plan.

City staff is interested making a grant application on behalf of the project and developers are free to contact the City in that regard.

28. If available, could you please send schedules of current City and County impact fees?

See Attachment 1: City of Sonoma Development Fees, from the City of Sonoma's Housing Element.

The following questions were received by the City of Sonoma and these answers were provided by City staff:

29. Would this project qualify for a density bonus?

An affordable housing project would qualify for a density bonus. The granting of the density bonus and consideration of related incentives would occur through the use permit process.

30. What kind of environmental review will be required?

It seems likely that environmental review would take the form of a mitigated negative declaration. However, depending on issues that emerge through environmental review as well as neighbor opposition, it is possible that an EIR could be required. With regard to special studies, a traffic study will most likely be required, as well as a cultural resources survey, and biological survey.

31. Which jurisdiction would take Regional Housing Needs Assessment (RHNA) credit for the approval of this project?

It is City staff's assumption that because the property is within city limits, the City would receive the credit in terms of meeting RHNA objectives. However, that is not of significant concern to the City and if there is a method available to share that with the County, the City would be open to that.

32. What could respondents expect regarding the timing of the entitlement process?

The City estimates that the use permit/environmental review process would take nine months to a year (assuming that environmental review takes the form of a mitigated negative declaration), and that obtaining building permits would take an additional four to six months.

ATTACHEMENT 1: CITY OF SONOMA DEVELOPMENT FEES

Construction-Related Fees

Far more significant than planning fees are construction-related fees, which fall into five major groups: building permit fees, City impact fees, water connection fees, school impact fees, and sewer connection fees. The first three are set and collected by the City of Sonoma, while school fees are set and collected by the Sonoma Valley Unified School District and sewer fees are charged by the Sonoma Valley County Sanitation District. Although the amounts involved may be reasonable individually, collectively these fees represent a significant cost component in the price of a new home. Table A.35 illustrates the typical construction-related fees associated with a single-family residence, and detached and attached units in a Planned Unit Development.

The City has used restraint in setting its own fees. While building permit fees have grown incrementally over the years, the increases have been in line with other comparably-sized communities. The City's largest fees, the Capital Improvement Fee and the Impact fee, have not been increased in several years (proceeds from the Capital Improvement Fee and the Impact Fee go into the Capital Improvement Fund and are used for infrastructure improvements such as road maintenance and storm drain upgrades). Unlike most California jurisdictions, Sonoma does not impose park fees or land dedication requirements.

Two of the highest fees are charged by outside agencies, the school district and the sanitation district. School impact fees are regulated by State law. The local school district charges at the upper level of what the State allows because the school system is approaching capacity and the funds are needed to provide additional classroom space. The sanitation district sets its fees with the goal of ensuring that the district is self-sufficient. Its fees have increased considerably in recent years to cover the cost of capital expenditures.

Table A.35: Building Department Fee Estimates for Residential Development, 2014

	Single Family Dwelling (2,600 sq. ft. w/ 2-car Garage)			
Construction Valuation:				
Inspection Fees	\$3,507.00	\$3,090.00	\$3,149.70	\$2,142.49
Plan Check	\$1,294.00	\$1,294.00	\$865.50	\$216.38
Miscellaneous Fees Charged w/ Building Permit	\$488.00	\$488.00	\$319.00	\$163.65
Subtotal	\$5,289.00	\$4,872.00	\$4,334.20	\$2,522.52
Capital Improvement ¹	\$614.00 (3-bed)	\$614.00 (3-bed)	\$614.00 (3-bed)	\$478.00 (2-bed)
Impact Fee	\$966.00	\$966.00	\$966.00	\$966.00
Subtotal	\$1,580.00	\$1,580.00	\$1,580.00	\$1,444.00
Water Connection Fees	\$11,696.00	\$8,511.00	\$8,511.00	\$7,616.00
School Impact (\$3.20/sq. ft.)	\$8,320.00	\$6,720.00	\$5,280.00	\$5,440.00
Sewer Connection and Inspection	\$13,302.00	\$13,302.00	\$13,302.00	\$10,053.00
Subtotal	\$33,318.00	\$28,533.00	\$27,093.00	\$23,109.00
Total Fees	\$40,187.00	\$34,985.00	\$33,007.20	\$27,075.52

Source: City of Sonoma Building Department, May 2014

(1) Based on number of bedrooms.