


Agenda Report Reviewed by:  
 City Manager: 

**CITY OF SEBASTOPOL  
 CITY COUNCIL  
 AGENDA ITEM**

**Meeting Date:** May 16, 2023  
**To:** Honorable Mayor and City Councilmembers  
**From:** Kari Svanstrom, Planning Director  
**Subject:** Consideration of Approval of Resolution Authorizing a Joint Application with St Vincent de Paul for a Project Homekey Grant Application for 845 Gravenstein Highway North  
**Recommendation:** Adopt the Resolution  
**Funding:** Currently Budgeted: \_\_\_\_\_ Yes \_\_\_X\_\_\_ No \_\_\_\_\_ N/A  
 Net General Fund Cost: \$0  
 Net General Plan Fund Cost: \$0

Account Code/Costs authorized in City Approved Budget (if applicable) AK (verified by Administrative Services Department)

**INTRODUCTION/PURPOSE:**

Consideration of a Resolution of support for St Vincent de Paul’s application for Project Homekey grant funding for affordable housing at 845 Gravenstein Hwy North, and authorizing staff to enter into regulatory agreements to be the jurisdictional partner for the project should the grant be awarded.

**BACKGROUND/DISCUSSION:**

The site at 845 Gravenstein Highway North was purchased by St Vincent de Paul (SVDP), a non-profit organization, with the goal of developing the site as affordable housing. The Society of St. Vincent de Paul District Council of Sonoma, Incorporated (SVDP), a local 501(c)3, is prepared to construct twenty-two units of extremely low-income housing at 805 Gravenstein Highway, pending funding approval from the California Department of Housing and Community Development's Homekey Round 3 Program. This would replace the temporary use of the SAVS RV safe parking village (the temporary use expires December 2024), as has been anticipated.

SVDP is interested in applying for a State Project Homekey grant for the construction funding to construct 22 units of extremely low income housing at the site. One of the requirements of this grant is to have a jurisdictional partner, which would be the City of Sebastopol.

While the project proposal has not yet been submitted to the city, the applicant intends to modify a previously approved (but expired) project for the site, which was heard and approved by the Design Review Board as a mixed-use project in 2016. The project would be modified slightly as the original design had first floor retail (which would be converted to 11 dwelling units) and 11 units on the upper floor.

These homes will meet Sebastopol Municipal Code and meet the City's environmental goals, complete with EV charging stations and promote the use of bicycle transportation. The homes will be dedicated to housing the houseless of Sebastopol, furthering Sebastopol's and Sonoma County's commitment to reducing homelessness. This housing community will have supportive services available, provided by SVDP, and the property will be served around-the-clock by one live-in resident manager. This individual will provide enhanced oversight of the homes and grounds, foster an environment that is conducive to the continued success of the residents, and maintain the

aesthetic beauty of the grounds and building, for the purpose of providing a housing community the City of Sebastopol and the surrounding neighbors can be proud of.

The grant application requires non-profits to partnership with the City for the application, and the application does require the City to be a responsible party to the agreement with the State Housing and Community Development (HCD), who is the grantor of the funds. St Vincent de Paul is scheduling a pre-application meeting with HCD to review these details. However, St Vincent de Paul would be responsible for the full development of the site and on-going operations.

**Project Site**

The site at 845 Gravenstein Hwy North is included in the City’s Adopted Housing Element in the site Inventory, as a suitable site for housing development as follows:

*This site is located within the Commercial Office land use designation and the General Commercial zone and was formerly used as an AmeriGas site. The site was sold in 2021 to a nonprofit corporation, the Society of St. Vincent de Paul. St. Vincent has expressed interest in developing this site with affordable housing. It is being used for a period of one year (2022-23) as an RV safe parking village. Although it is likely this site will be developed with very low-income housing, this Site Inventory uses more conservative affordability assumptions, with units split between low- and moderate-income categories.*

- *Capacity: (0.84 acres)(21.7 units/acre)(94% realistic capacity for affordable housing) = 18.3 units, rounded down*
- *RHNA Income Category: 18 Low*
- *Infrastructure: The site is served by water, sewer, and dry utilities.*

Deed-restricted affordable housing is an Allowed Use within the General commercial Zoning District, so no use permit would be required. As noted, SVDP is modifying a design previously approved by the City’s Design Review Board in 2016, and the Design Review Board will review this revised design.

**GOALS:**

This action supports the following City Council Goals:

Goal 5: Provide Open and Responsive Municipal Government Leadership

5.3.3. Encourage and increase public awareness of City Policies, decisions, programs and all public processes and meetings, by investigating effective methods of communication and obtaining feedback from the community.

And General Plan Actions from the newly adopted Housing Element:

Policy A-3 Encourage a variety of housing types such as multi-family units, mixed use housing, ADU and JADUs, single-family attached (townhouses), and other typologies that make housing more affordable.

Policy A-4 Promote the development of new housing units affordable to extremely low, very low-, low-, and moderate-income households and housing units that are affordable to and appropriate for special needs households, including seniors, extremely low-income households, disabled persons, developmentally disabled persons, farmworkers, large families, and persons experiencing homelessness.

Policy D-1 To ensure all residents have access to adequate housing, the City will work to promote and affirmatively further fair housing opportunities throughout the community for all persons regardless of age, race, gender, sexual orientation, marital or familial status, ethnic background, disability, medical condition, or characteristics protected by the California Fair Employment and Housing Act, and any other State and Federal fair housing and planning law.

Policy D-2 The City will encourage long-term and permanent affordability of lower and moderate-income and special needs housing.

Policy D-3 The City will continue to educate the community about fair and affordable housing.

Policy D-4 The City will continue efforts to improve housing opportunities for special needs households, including seniors, disabled persons, developmentally disabled persons, extremely low-income households, farmworkers, large families, and persons experiencing homelessness.

**ENVIRONMENTAL REVIEW:**

The construction of 22 units of permanent affordable housing at 845 Gravenstein Highway North is categorically exempt from the requirements of the California Environmental Quality Act, pursuant to Section 15332, Class 32, in that it complies with the General Plan land use designation of General Commercial and the applicable goals and policies of the Land Use Element and Community Identity Element, as contained in this staff report and the proposed Resolution.

The project is also consistent with the CG: General Commercial District and applicable development standards of the Zoning Ordinance, as conditioned and submitted, in that permanent affordable housing is permitted in the CO: District. Furthermore, the lot is substantially less than five (5) acres; located within City limits; generally surrounded by urban uses; and does not have any identified endangered or rare species. Finally, the site is in an urbanized area, which can be served by required utilities and public services, and the project would not result in significant traffic, noise, air quality, or water quality impacts in that it only involves one modest-sized building, and both traffic and air quality studies determined that the project would not create any significant impacts; utility service can be readily provided; and the project is subject to standard requirements to protect water quality.

**PUBLIC COMMENT:**

As of the writing of this staff report, the City has not received any public comment. However, staff anticipates receiving public comment from interested parties following the publication and distribution of this staff report. Such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of the agenda item.

**PUBLIC NOTICE:**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

**FISCAL IMPACT:**

There is no fiscal impact associated with adopting the resolution or submitting the application as a partner. The City would develop an agreement with St Vincent de Paul should the grant be awarded to ensure all project costs are paid by St Vincent de Paul. Additionally, significant staff (or on-call staff/consultant) time will be needed to process the grant and other application requirements. St Vincent de Paul have agreed that they would be responsible for these costs as the developer.

**RECOMMENDATION:**

Adopt the Resolution authorizing the City to submit a joint application with St Vincent de Paul for Project Homekey Grant Application, and Authorize staff to enter into Regulatory Agreement if Grant is awarded.

**Attachments:**

Draft Resolution

St Vincent de Paul Board Resolution

Links:

<https://www.hcd.ca.gov/grants-and-funding/homekey>

Notice of Funding Availability: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/homekey/Homekey-Round-3-Notice-of-Funding-Availability.pdf>

RESOLUTION NUMBER: -2023

CITY OF SEBASTOPOL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL

WHEREAS, the City of Sebastopol completed a comprehensive General Plan update with adoption of a new General Plan on November 15, 2016, and adopted an Updated Housing Element on January 3, 2023; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA, codified at Public Resources Code § 21000 *et seq.*) and the State CEQA Guidelines (14 CCR, § 15000 *et seq.*), on November 15, 2016, the City Council certified and adopted an Environmental Impact Report (EIR) for the Sebastopol General Plan (the “Project”; State Clearinghouse No. 2016032001); and

WHEREAS, The Department of Housing and Community Development (“Department”) has issued a Notice of Funding Availability, dated September 9, 2021 (“NOFA”), for the Homekey Program (“Homekey” or “Program”). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.); And,

WHEREAS, the City of Sebastopol, a Municipal Corporation desires to jointly apply for Homekey grant funds with with The Society of St. Vincent de Paul District Council of Sonoma, Incorporated (“Corporation”). Therefore, Co-Applicant is joining Corporation in the submittal of an application for Homekey funds (“Application”) to the Department for review and consideration.; And,

WHEREAS, The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement (“Standard Agreement”), and all other legal requirements of the Homekey Program.; And,

WHEREAS, St Vincent de Paul District Council of Sonoma County, Incorporated, a 501(c)3 non-profit organization, has approached the City of Sebastopol with a request to jointly apply for State of California housing and Community Development Grant funding under the Project Homekey, Round 3 grant program; and,

WHEREAS, St Vincent de Paul proposes to apply for Project Homekey Round 3 funding to construct twenty-two (22) to construct a twenty-two units of extremely low-income housing at 845 Gravenstein Highway; and

WHEREAS, St Vincent de Paul will be responsible for the construction and operation of the Project; and

WHEREAS, this grant program requires a Public Entity to be an applicant jointly with a non-profit organization to be eligible for the funding; and

WHEREAS, the Project is also consistent with the CG: General Commercial District and applicable development standards of the Zoning Ordinance, in that permanent affordable housing is permitted in the CG: General Commercial District, and will comply with the applicable development standards.; And,

The Project is consistent with the General Plan Land Use designation of the General Commercial in that it involves construction of affordable housing adjacent to other residential uses. The Project is further consistent with the following General Plan Goals, Policies and Actions:

Policy A-3 Encourage a variety of housing types such as multi-family units, mixed use housing, ADU and JADUs, single-family attached (townhouses), and other typologies that make housing more affordable.

Policy A-4 Promote the development of new housing units affordable to extremely low, very low-, low-, and moderate-income households and housing units that are affordable to and appropriate for special needs households, including seniors, extremely low-income households, disabled persons, developmentally disabled persons, farmworkers, large families, and persons experiencing homelessness.

Policy D-1 To ensure all residents have access to adequate housing, the City will work to promote and affirmatively further fair housing opportunities throughout the community for all persons regardless of age, race, gender, sexual orientation, marital or familial status, ethnic background, disability, medical condition, or characteristics protected by the California Fair Employment and Housing Act, and any other State and Federal fair housing and planning law.

Policy D-2 The City will encourage long-term and permanent affordability of lower and moderate-income and special needs housing.

Policy D-3 The City will continue to educate the community about fair and affordable housing.

Policy D-4 The City will continue efforts to improve housing opportunities for special needs households, including seniors, disabled persons, developmentally disabled persons, extremely low-income households, farmworkers, large families, and persons experiencing homelessness.; And,

WHEREAS, the Proposed Project to construct affordable housing at 845 Gravenstein Highway North is consistent with the following City Council Goals:

Goal 5: Provide Open and Responsive Municipal Government Leadership

5.3.3. Encourage and increase public awareness of City Policies, decisions, programs and all public processes and meetings, by investigating effective methods of communication and obtaining feedback from the community.; And,

WHEREAS, the construction of 22 units of permanent affordable housing at 845 Gravenstein Highway North is categorically exempt from the requirements of the California Environmental Quality Act, pursuant to Section 15332, Class 32, in that it complies with the General Plan land use designation of General Commercial and the applicable goals and policies of the Land Use Element and Community Identity Element, as contained in this staff report and the proposed Resolution.

The project is also consistent with the CG: General Commercial District and applicable development standards of the Zoning Ordinance, in that permanent affordable housing is permitted in the CG: General Commercial District. Furthermore, the lot is substantially less than five (5) acres; located within City limits; generally surrounded by urban uses; and does not have any identified endangered or rare species. Finally, the site is in an urbanized area, which can be served by required utilities and public services, and the project would not result in significant traffic, noise, air quality, or water quality impacts in that it only involves one modest-sized building, and both traffic and air quality studies determined that the project would not create any significant impacts; utility service can be readily provided; and the project is subject to standard requirements to protect water quality.

WHEREAS, the City Council held a duly noticed public meeting to consider the item on May 16, 2023, and heard public comment; and,

NOW, THEREFORE, BE IT RESOLVED that the City of Sebastopol City Council hereby adopts a Resolution that:

1. Co-Applicant is hereby authorized and directed to submit a joint Application to the Department in response to the NOFA, and to jointly apply for Homekey grant funds in a total amount not to exceed \$15 million.
2. If the Application is approved, Co-Applicant is hereby authorized and directed to enter into, execute, and deliver a Standard Agreement in a total amount not to exceed \$15 million, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department and to participate in the Homekey Program, and all amendments thereto (collectively, the "Homekey Documents").
3. Co-Applicant acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.
4. The City Manager of the City of Sebastopol is hereby authorized to execute any documents related to Project Homekey Documents on behalf of Co-Applicant for participation in the Homekey Program, and his designee, the Planning Director of the City of Sebastopol, is hereby authorized to submit, individually, grant Application documents.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 16<sup>th</sup> day of May, 2023.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

**VOTE:**

Ayes:

Noes:

Abstain:  
Absent:

APPROVED: \_\_\_\_\_  
Mayor Neysa Hinton

ATTEST: \_\_\_\_\_  
Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: \_\_\_\_\_  
Larry McLaughlin, City Attorney





Neighbors helping neighbors across Sonoma County ♦ Serving the poor regardless of race, creed, or origin since 1958  
♦ An independent non-profit organization founded in 1833 by Blessed Fredric Ozanam

**A RESOLUTION OF THE GOVERNING BODY OF  
The Society of St. Vincent de Paul District Council of Sonoma County,  
Inc.**

**RESOLUTION NO. 202305-9**

**AUTHORIZING JOINT APPLICATION TO AND PARTICIPATION IN THE HOMEKEY PROGRAM, APPROVING THE AUTHORIZED SIGNATORIES TO INCLUDE THE EXECUTIVE DIRECTOR, PRESIDENT, AND VICE-PRESIDENT; TO SUBMIT A JOINT APPLICATION WITH THE CITY OF SEBASTOPOL TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, FOR AN AMOUNT NOT TO EXCEED \$15 MILLION; AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXPEND UP TO \$100,000 IN THE FORM OF GRANT FUNDING TO THE CITY OF SEBASTOPOL FOR NECESSARY STAFF SUPPORT.**

**WHEREAS:**

- A. The Department of Housing and Community Development ("**Department**") has issued a Notice of Funding Availability, dated April 27th, 2021 ("**NOFA**"), for the Homekey Program ("**Homekey**" or "**Program**"). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.3 (Assem. Bill No. 140 (2021-2022 Reg. Sess.), § 20.).
- B. The Society of St. Vincent de Paul District Council of Sonoma County, Inc. ("**Corporation**"). desires to jointly apply for Homekey grant funds with the City of Sebastopol ("**Co-Applicant**"). Therefore, Corporation is joining Co-Applicant in the submittal of an application for Homekey funds ("**Application**") to the Department for review and consideration.
- C. The Department is authorized to administer Homekey pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Homekey funding allocations are subject to the terms and conditions of the NOFA, the Application, the Department-approved STD 213, Standard Agreement ("**Standard Agreement**"), and all other legal requirements of the Homekey Program.

**THEREFORE, IT IS RESOLVED THAT:**

1. The Board of Directors of the Corporation do hereby acknowledge, approve, and accept that, on June 1st, 2023, staff submitted an Application on behalf

of Corporation, jointly with the Co-Applicant, to the Department for the property located at 845 N Gravenstein Highway, Sebastopol, California.

- 2. If the Application is approved, Corporation is hereby authorized and directed to enter-into, execute, and deliver a Standard Agreement, in a total amount not to exceed \$15 million, any and all other documents required or deemed necessary or appropriate to secure the Homekey funds from the Department, and to participate in the Homekey program, and all amendments thereto ("collectively, the Homekey Documents") for the property located at 845 N Gravenstein Highway, Sebastopol, California.
- 3. Corporation acknowledges and agrees that it shall be subject to the terms and conditions specified in the Standard Agreement, and that the NOFA and Application will be incorporated in the Standard Agreement by reference and made a part thereof. Any and all activities, expenditures, information, and timelines represented in the Application are enforceable through the Standard Agreement. Funds are to be used for the allowable expenditures and activities identified in the Standard Agreement.
- 4.a The President of the Board of Directors (James Nantell), Vice-President (Ronald Plasse), and the Executive Director (Harrison "Jack" Tibbetts) are authorized to execute the Homekey Documents on behalf of Corporation.
- 5. If the application is approved, the Board of Directors further approves the expenditure of up to \$100,000 of the corporation's unrestricted funds in the form of grant funding, provided to the City of Sebastopol, to aid the City of Sebastopol's Planning Department with the necessary staff to monitor the Homekey project, located at 845 N Gravenstein Highway, Sebastopol, California, and conduct the necessary reporting to HCD, as stipulated in the Standard Agreement.

PASSED AND ADOPTED this 11th day of May, 2023, by the following vote:

AYES: [ 15 ] NAYES: [ 0 ] ABSTAIN: [ 0 ] ABSENT: [ 3 ]

The undersigned, **James Nantell, President** of Corporation, does hereby attest and certify that the foregoing is a true and full copy of a resolution of the governing body adopted at a duly convened meeting on the date above-mentioned, and that the resolution has not been altered, amended, or repealed.

SIGNATURE: James Nantell DATE: 5/11/2023

NAME: James Nantell TITLE: President