

**Response to Grand Jury Report Form**

Report Title: Affordable Housing: Monitoring and Compliance  
Report Date: June 14, 2022  
Response by: Jackie Elward Title: Mayor  
Agency/Department Name: City of Rohnert Park

**FINDINGS:** F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11

I (we) agree with the findings numbered: F4, F5, F6, F7, F9, F11

I (we) disagree wholly or partially with the findings numbered: F1, F2, F3, F8, F10. The City's statement explaining disputed findings is attached.

**RECOMMENDATIONS:** R1, R2, R3, R5, R6, R7, R8

- Recommendation numbered: R8 has been implemented. A description of implementation is attached.
- Recommendations numbered: R2, R6 and R7 have not yet been implemented, but will be implemented in the future. The timeframe for implementation is attached.
- Recommendations numbered: R1 and R5 require further analysis. A description of the City's plan and schedule for completing this analysis is attached.  
***This timeframe shall not exceed six months from the date of publication of the Grand Jury report.***
- Recommendation numbered: R3 will not be implemented because it is not warranted or reasonable. Additional information is attached.

Date: 8/23/2022

Signed: Jackie Elward

Number of pages attached: 5

## Response to Grant Jury Report on Affordable Housing: Monitoring and Compliance – City of Rohnert Park

### Response to Findings

F1. Monitoring of compliance with Affordable Housing regulations has been inconsistent and often inadequate.

Rohnert Park Response: Disagree, in part. When the State dissolved redevelopment agencies in 2011, Rohnert Park lost its most important tool to incentivize the development of deed-restricted affordable housing and retain sufficient staffing to conduct robust monitoring. As a result, there were about seven years during which *City-led* monitoring was inconsistent. In 2019, Rohnert Park added a Housing Administrator position, whose responsibilities include administering and monitoring the affordable housing program throughout the City.

At the time of this response, there are 13 projects in Rohnert Park with deed-restricted affordable rental units, consisting of a total of 717 affordable units. Of these, 9 projects (consisting of 665 units) also have regulatory agreements with at least one other State or Federal housing agency who conduct robust monitoring, including regular on-site inspections. (These State and Federal housing agencies include the California Tax Credit Allocation Committee or “TCAC” and Housing and Urban Development or “HUD.”) This leaves only 4 projects (consisting of 52 units) for which Rohnert Park is the only housing body conducting regular compliance monitoring. While city-led monitoring of these projects was inconsistent between 2012 and 2019, the State and Federal agencies responsible for monitoring 93% of the affordable units in Rohnert Park continued to complete robust monitoring, per their regulations. The Grand Jury Report does not reference or acknowledge the compliance monitoring that these agencies perform.

In 2020, Rohnert Park conducted a robust compliance monitoring of all affordable housing projects which included completion of detailed worksheets and provision of substantial supporting documents included a current rent roll, current insurance with the city named as co-insured, and copies of the documents used to verify income of those living in the affordable units (e.g., W9, social security statements, etc.) Although this monitoring was not conducted on-site due to constraints related to COVID-19, with the volume and type of back-up documentation required of the projects, it would be very difficult to falsify documents.

Since then, Rohnert Park has continued to work to develop and improve its policies and procedures for compliance monitoring, and has contracted with City Data Services, a developer of a cloud-based software for housing compliance monitoring. The City Data Services software build-out for Rohnert Park should be completed in the next few months. Not only will this software system streamline compliance monitoring, it will also allow property owners and managers to view, access and enter information directly into the database – and interface with city’s monitoring team.

Table 3 of the Grand Jury report indicates that Rohnert Park has no dedicated monitoring personnel, which is untrue. While it may not have one full-time individual

dedicated exclusively to monitoring, the Housing Administrator, supplemented by consultant resources, performs monitoring activities.

F2. The use of self-reported data in monitoring is the accepted norm.

Rohnert Park Response: Disagree, in part. While this may have been true in the past for properties where the affordability covenants rest with the City, this is not true of monitoring performed by TCAC and HUD, both of which conduct regular on-site monitoring in addition to desktop monitoring. As noted in response to Finding 1 above, 93% of the deed-restricted affordable units in Rohnert Park are also monitored by a State or Federal agency, which conducts onsite monitoring.

As noted in the response to Finding 1, Rohnert Park's recent monitoring effort included substantial review of back-up documentation and Rohnert Park plans to conduct on-site compliance monitoring of projects for whom the city is the only oversight agency in Fiscal Year 2022/2023.

F3. On-site (in-person) monitoring beyond that required by law is rare due to insufficient personnel, budgetary limitations, and relatively low incentives.

Rohnert Park Response: Disagree, in part. Please see responses to Findings F1 and F2.

F7. The Community Development Commission has informational documents and policies to provide upfront training in the monitoring process.

Rohnert Park Response: Rohnert Park agrees with this finding, with the following clarification. Although the City is not familiar with the specific informational documents and policies referenced, the County does maintain webpages with current area median income limits, rent limits and utility allowance schedule – which the City refers affordable housing property managers and owners to.

F8. There is limited or no standardized training in Affordable Housing compliance regulations for developers and managers of inclusionary housing within the nine Cities.

Rohnert Park Response: Disagree, in part. Most jurisdictions, Rohnert Park included, have detailed affordability covenants with developers and/or managers of inclusionary housing which outline the requirements and compliance expectations of the project. Additionally, Rohnert Park staff and consultants have provided substantial technical assistance to developers and managers of inclusionary housing projects to ensure they understand the compliance parameters.

F10. The property titles of Affordable single-family houses have not always been flagged as deed restricted.

Rohnert Park Response: Disagree. All affordable ownership units in Rohnert Park are currently administered and stewarded by the Housing Land Trust of Sonoma County (HLT), who ensures that all units are flagged as deed restricted. HLT owns the land each home sits on, making it impossible for a home to re-sell without HLT's express permission. This ensures that units remain affordable not just for initial homeowner, but in perpetuity. Prior to working with HLT on the City's affordable ownership program, the City had six deed-restricted low-income homeownership units built in the Centreville development.

These were built and occupied between 2007 and 2008 during the Great Recession. While all units were flagged as deed restricted, several of the homes were lost due to foreclosure and, as a result, were removed from the City's affordable ownership stock. There are two units currently remaining of those originally sold, both of which are now in the HLT program.

- F11. The majority of the housing representatives the Grand Jury interviewed felt that there is not enough staff within their departments to make anyone a full-time compliance monitor.

Rohnert Park Response: Agree with the following clarification. While staff agree that there is insufficient staffing to make anyone a "full-time compliance monitor," this may not be necessary to accomplish the monitoring activity. Strategic use of staff time, consultant resources and TCAC and HUD monitoring work can ensure robust compliance monitoring and assistance without dedicating a single "full-time compliance monitor".

#### Response to Recommendations

- R1. By December 31, 2022, the Sonoma County Community Development Commission and the nine Cities meet and develop agreed-upon standards and procedures for the monitoring of Affordable Housing. (F7, F8)

Rohnert Park Response: This recommendation requires additional analysis. Each jurisdiction has its own set of policies, programs, codes and affordability covenants governing affordable housing. For that reason, it may *not* be reasonable or warranted to develop one set of agreed-upon standards and procedures to monitor all affordable housing units in the County. With that said, over the past year, the City of Rohnert Park has joined County-initiated meetings to discuss how the County and Cities can collaborate on monitoring affordable housing units. The County has committed to facilitating additional meetings, and the City is committed to participating in these to discuss developing a collaborative compliance monitoring program with the County and other participating Cities. The City will report on the results of these meetings and the feasibility of the recommendation by December 31, 2022.

- R2. The Sonoma County Community Development Commission and the nine Cities resume on-site monitoring by October 1, 2022. (F3, F4)

Rohnert Park Response: This recommendation has not yet been implemented, but will be implemented in the future. The City resumed its compliance monitoring program in Fiscal Year 2020-2021, and plans to resume on-site monitoring of projects for whom the City is the only oversight agency in Fiscal Year 2022 - 2023. The monitoring is scheduled to begin in October 2022, but may not be completed until early 2023.

- R3. By January 1, 2023, the Sonoma County Community Development Commission and the nine Cities review and ensure that they have sufficient personnel to conduct on-site monitoring and process self-reported monitoring data to meet future Regional Housing Needs Allocations. (F1, F2, F3, F5, F6, F11)

Rohnert Park Response: This recommendation will not be implemented because it is not reasonable or warranted. The Regional Housing Needs Allocations (RHNA) is a tool to

*plan and zone for local housing needs, but does not guarantee that the units will be built nor the timeframe in which they may be built. For this reason, it would not be reasonable or warranted to require sufficient personnel to conduct on-site monitoring of units that are not yet in development and may never be built. Rather, it would make more sense to develop a plan to scale up staff support as additional affordable housing units are built and completed.*

The January 1, 2023 timeframe is before local housing jurisdictions are required to adopt the Housing Element that will guide RHNA compliance which is another reason why it is unreasonable to require staffing to be in place to support a plan that has not yet been adopted, much less implemented.

- R5. By January 1, 2023, the nine Cities develop informational documents and policies to provide both upfront and ongoing training in the monitoring and compliance procedures for developers and managers of Affordable Housing projects. (F8)

Rohnert Park Response: This recommendation requires additional analysis. As described in Recommendation R1 above, the City is committed to participating in the County-led meetings to discuss developing a collaborative compliance monitoring program with the County and other participating Cities. The result of this work is expected to include informational documents and policies to provide upfront and ongoing training in the monitoring and compliance procedures for developers and managers of affordable housing projects. Even if it does not, the City is committed to continuing to provide personalized technical assistance (see Finding F8) to the four affordable housing projects for whom the City is the only oversight agency. The City will report on the results of these meetings and the feasibility of the recommendation by January 1, 2023.

- R6. By November 1, 2022, the nine Cities meet and discuss to jointly or individually utilize Affordable Housing monitoring software. (F9)

Rohnert Park Response: This recommendation has been partially implemented. As noted in Findings F1 and F9, the City of Rohnert Park is already utilizing such a software program. As discussed in the City's response to Recommendation R1 above, the City of Rohnert Park has joined County-initiated meetings over the past year to discuss how the County and Cities can collaborate on monitoring affordable housing units. This has included a discussion of the affordable housing monitoring software. The City will report on the results of these meetings and the feasibility of the recommendation by November 1, 2022.

- R7. By November 1, 2022, the nine Cities meet and discuss pooling resources to fulfill their monitoring responsibilities, through either a consultant or designated employees. (F11)

Rohnert Park Response: This recommendation has not yet been implemented, but will be implemented in the future. As discussed in the City's response to Recommendation R1 above, the City of Rohnert Park has joined County-initiated meetings over the past year to discuss how the County and Cities can collaborate on monitoring affordable housing units. This has included a discussion of pooling resources. The City will report on the results of these meetings and the feasibility of the recommendation by November 1, 2022.

R8. By December 31, 2022, the Sonoma County Community Development Commission and the nine Cities should update and maintain their inventory of Affordable houses within their jurisdictions and verify that all their property titles are flagged for restricted sale. (F10)

Rohnert Park Response: This recommendation has been implemented in Rohnert Park.