



City of Sebastopol

**CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: May 19, 2026**

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To: Honorable Mayor and City Councilmembers
Requestor: Councilmember Zollman, City Council Liaison
 Mayor McLewis, Alternate City Council Liaison
Presenters: Ron Plasse, St Vincent De Paul
 Uriel Brena, St Vincent De Paul
 Robin Stephani, City Consultant
Department: City Administration
Subject: Informational Update from St. Vincent de Paul / City Consultant Robin Stefani on
 Gravenstein Commons

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RECOMMENDATION(S): That the City Council receive the informational update and presentation from St. Vincent de Paul (SVdP) and City Consultant Robin Stefani regarding Gravenstein Commons. No action is required.

PROCESS OF AGENDA ITEM:

- a. Introduction of agenda item by City staff
- b. Questions and discussion from Councilmembers
- c. Open for Public Comment
- d. Council Discussion
- e. Direction to Staff

EXECUTIVE SUMMARY: This informational report provides an update on the Gravenstein Commons project, a 22-unit permanent supportive housing (PSH) development located at 845 Gravenstein Highway North in Sebastopol. Led by the Society of St. Vincent de Paul Sonoma County (SVdP) in partnership with the City, the project targets highly vulnerable individuals exiting homelessness.

SVdP Representatives will provide an update on various items of the Gravenstein Commons project. City consultant Robin Stephani will be in attendance as well.

BACKGROUND: Gravenstein Commons consists of 22 studio apartments (approximately 408 sq. ft. each) arranged around a central commons area/garden. It emphasizes a Housing First approach with intensive on-site support, including a 24/7 live-in resident manager, daily case management, and additional oversight during the initial startup phase. The project has received significant state funding (approximately \$6.45 million from the California Department of Housing and Community Development) and is progressing toward occupancy, with expectations for initial move-ins and high occupancy levels in 2026.

As of the May13, 2026 Progress Report:

- Construction is 60% complete.
- Ongoing work includes electrical, window installation, and fire sprinkler rough-in.
- Homekey (HCD) Compliance Update: Milestone Extension Request approved; labor compliance current; HCD Annual Report submitted.

Key topics for the presentation include:

Project milestones and timeline updates

- a. Homekey Fiscal Year Expenditure Report - current- submitted July 28, 2025
- b. Homekey Annual Report - current - submitted March 30, 2026
- a. Homekey Milestone 2nd Extension Request – Approved

Performance Milestone	Per Standard Agreement	Previously Approved Extension	This Extension Request	APPROVED EXTENSION	
Capital Expenditure	09/01/2025	01/21/2026	11/30/2026	11/30/2026	14- months, 29- days extension from original due date.
Construction/Rehab	02/21/2025	02/21/2026	10/30/2026	10/30/2026	20- months, 9- days extension from original due date.
Occupancy	05/21/2025	05/21/2026	12/30/2026	12/30/2026	60- days post extended construction completion date.

Current financial status:

Info from 5/13/26:

- Construction Contract: \$7,771,182 | Balance of work remaining: \$3,615,517
- Construction Funds remaining: \$2,053,906
- Lines of Credit available as backstop while other funding is secured: \$2,248,721
- Other funding requests underway: \$1,561,500

Update on meeting all requirements of the agreements:

- a. FUNDING AND REIMBURSEMENT AGREEMENT – SVdP continues to fund the City Consultant’s oversight of the project
- b. Regulatory Agreement – Requirements Being Met
- c. Homekey Milestone Extension Request - Granted
- d. Prevailing Wage Labor requirements: This is ongoing tracking on a monthly basis. Consultant receives all reports and it is on track and going well.
- e. Homekey Standard Agreement - Ongoing

PSH guidelines/status updates: - HCD- Homekey has established best practice requirements that SVdP / City have already agreed to in the Approved Standard Agreement with HCD. The County working group continues to meet to develop PSH Standards. As of the writing of this agenda report, the workgroup meeting was to be held Tuesday, May 12, 2026, to review draft standards.

Any outstanding issues or next steps

Track any new Operational funding opportunities and lobby for project.

Other pertinent information:

SVdP operates the project with a strong emphasis on supportive services delivered on-site or through partnerships. Past discussions with the City Council have highlighted lessons from similar projects (e.g., Elderberry Commons) and a desire for clear protocols on resident selection, services, security, and community relations. City Consultant Robin Stefani has been involved in oversight and coordination with SVdP, including review of reports submitted to the State of California.

Permanent Supportive Housing (PSH) generally follows HUD and local Continuum of Care (CoC) standards:

- Housing is permanent and not time-limited.

- Tenants hold leases with full tenancy rights.
- Supportive services are voluntary and flexible, based on individual needs.
- Prioritization often targets those with disabilities and chronic homelessness via coordinated entry systems.
- Affordability is maintained (typically tenants pay no more than 30% of income toward rent/utilities).
- For Gravenstein Commons, selection draws from Sonoma County's CES prioritization list, emphasizing the highest-need individuals while aiming to maintain project stability and community safety.

DISCUSSION: Tonight's presentation will address: Resident Selection Criteria; PSH Guidelines and Protocols; as well as update on the project/timeline.

Selection Criteria: Residents are primarily selected through Sonoma County's Coordinated Entry System, which prioritizes the most vulnerable unhoused individuals (e.g., high scores on vulnerability assessments, including elderly, disabled persons, those with mental health or substance use challenges). The project targets single individuals meeting HUD definitions of homelessness, with a focus on chronic homelessness or high service needs. Local input or preferences may be considered where allowable under funding requirements, though final decisions align with state and federal PSH guidelines.

PSH Guidelines and Protocols:

- **Housing First Model:** Housing is provided without preconditions (e.g., sobriety or service participation required for entry).
- **Supportive Services:** On-site case management (approximately 1.4 FTE, with daily presence), voluntary participation, and access to broader nonprofit services. A live-in resident manager provides 24/7 coverage.
- **Management and Oversight:** Enhanced staffing during startup (including potential on-site Housing Director). Regular audits and reporting to the City and State.
- **Security and Good Neighbor Policies:** Security cameras, locked gates, swift response to issues, and proposals for a neighborhood advisory council to involve local residents, businesses, and City representatives in ongoing dialogue.
- **Eviction and Grievance Processes:** Standard tenancy protections apply; eviction is a last resort, with support to prevent returns to homelessness where possible.

Sonoma County Sonoma County Homeless Coalition or PSH standards working group has been meeting to address standards (community engagement) and standards (Roles and Responsibilities). The working group is drafting what will ultimately become a policy and procedure manual for PSH projects aimed at Property Managers and Service Providers. This document will represent the best practices with a responsibility matrix and set forth protocol as to when to escalate to law enforcement. It is intended to be crafted to structure it chronologically from project inception thru ongoing operations. The intent of the guidelines is to standardize property management and case management agencies' interactions in PSH projects throughout the community.

The presentation will detail how these protocols address prior community concerns, including public safety, neighborhood impacts, and transparency. SVdP has expressed openness to establish an advisory council shortly after initial occupancy.

The City has also been in discussions with Jack Tibbets regarding a good neighbor policy. Although the City does not have a formal good neighbor policy adopted as of the writing of this staff report, the City Attorney will be bringing forward a good neighbor policy for consideration at a future City Council Meeting. For tonight, although not a requirement of Gravenstein Commons approvals, the City Council could advocate for SVdP to

verbally or in writing commit to following a Good Neighbor approach that promotes respect, safety, and positive relationships between residents, staff, neighbors, and the broader Sebastopol community. Such commitments could include:

- Maintain a 24/7 live-in Resident Manager as the primary contact for concerns.
- Using security features such as locked gates and cameras.
- Enforcing lease rules, including quiet hours, guest limits, proper trash disposal, and no illegal activity.
- Responding promptly to legitimate neighborhood complaints (within 24–48 hours, or sooner for safety issues).
- Using supportive, trauma-informed approaches to resolve issues; eviction is a last resort after attempts to help.
- Using Zero tolerance for violence or threats.
- Providing a point of contact as to who neighbors can contact with questions or concerns

Project Status / Timeline

- Construction is 60% complete (as of May 13, 2026).
 - Waterproofing, Electrical, window installation, and fire sprinkler rough-in continue.
- Homekey Compliance (HCD):
 - Milestone Extension Request approved.
 - Labor compliance is current.
 - HCD Annual Report submitted.

Homekey Award Funding Requirements

Gravenstein Commons was awarded \$6,449,235 through the State of California’s Homekey Program (administered by the Department of Housing and Community Development – HCD).

The Standard Agreement was executed in November 2024. Key requirements of this funding include:

- Operation as permanent supportive housing (PSH) serving extremely low-income individuals experiencing homelessness (or at risk of homelessness), with a minimum 15-year affordability and operational commitment.
- Tenant selection and prioritization exclusively through Sonoma County’s Coordinated Entry System (CES), consistent with Housing First principles and targeting the most vulnerable individuals (including those with behavioral health challenges).
- Provision of voluntary on-site supportive services to promote housing stability.
- Compliance with HCD monitoring, reporting, and labor standards during the initial 5-year monitoring period.
- SVdP is fully responsible for long-term operations, including maintenance of operating reserves, and has indemnified the City from any financial liability associated with the Homekey Standard Agreement.

City of Sebastopol Risks and Liabilities as Joint Applicant

As required under the Homekey program, the City of Sebastopol serves as co-applicant and signatory to the HCD Standard Agreement. Consequently, the City is subject to the terms and conditions of the agreement and could be held jointly and severally liable in the event of a breach (potentially up to the full grant amount of \$6,449,235).

However, SVdP has executed a formal agreement with the City that places SVdP in first position for all project costs and fully indemnifies and holds the City harmless from any financial liability arising from a breach of the Homekey Standard Agreement. SVdP assumes full responsibility for project development, 15-year

operations, compliance, and any repayment obligations. SVdP maintains backup funding sources. The City does not own or operate Gravenstein Commons.

St. Vincent de Paul (SVdP) is confident in the successful completion of Gravenstein Commons. With construction already 60% complete, an approved Homekey milestone extension, and significant funding secured along with lines of credit available as a backstop, there is no risk of losing funding or failing to complete the project.

- Anticipated first residents in fall 2026, with goals for high occupancy shortly thereafter
- Ongoing coordination with the City via Consultant Robin Stephani.

STAFF ANALYSIS: The County is in the early stages of developing updated county-wide PSH standards/operations manual. SVdP’s proposed operational protocols for Gravenstein Commons (intensive on-site staffing, security features, guest limitations, swift response to violations, and the proposed Neighborhood Advisory Council) align closely with many of the topics under county-wide discussion.

Staff views the County’s ongoing standards development as a positive step that will provide additional clarity and consistency for projects like Gravenstein Commons. Staff will continue to monitor the working group’s progress and its potential applicability to Sebastopol projects, and recommends continued coordination through City Councilmember Zollman through the Homeless Coalition as well as through Consultant Robin Stephani.

CITY COUNCIL GOALS / PRIORITIES / GENERAL PLAN CONSISTENCY:

This action directly supports the City Council’s goals and priorities including:

- High Performance Organization
- Restoring public trust through transparent governance and improved community engagement.

PUBLIC COMMENT: As of the preparation of this staff report, no public comments have been received on this item. Any comments received after distribution of the report will be provided to the City Council as supplemental materials. Public comment will also be accepted during the meeting.

COMMUNITY OUTREACH: This item has been noticed and made available for public review in accordance with the Ralph M. Brown Act, at least 72 hours prior to the scheduled meeting.

FISCAL IMPACT: None for the City of Sebastopol. This is an informational item only. Staff time to prepare the report and coordinate the presentation is covered within existing budgets. City consultant time (Robin Stephani) is paid for by St. Vincent de Paul (SVdP). No additional fiscal impact to the City.

RESTATED RECOMMENDATION: That the City Council receive the informational update and presentation from St. Vincent de Paul (SVdP) and City Consultant Robin Stephani regarding Gravenstein Commons, including details on resident selection criteria, Permanent Supportive Housing (PSH) guidelines, and operational protocols. City Council is asked to consider the criteria and provide any direction to the project applicant. No action is required.

APPROVALS:

Department Head Approval:

Approval Date: 5-13-2026

CEQA Determination (Planning):

Approval Date: 5-13-2026

Environmental Review: This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Administrative Services (Financial)

Approval Date: 5-13-2026

Costs authorized in City Approved Budget: Yes No N/A Account Code (if applicable)

City Attorney Approval:

Approval Date: 5-13-2026

City Manager Approval:

Approval Date: 5-13-2026



DATE: May 13, 2026

TO: Mary Gourley | City Manager
City of Sebastopol | 7120 Bodega Avenue | Sebastopol, CA 95472
Email: mgourley@cityofsebastopol.gov

SUBJECT: Gravenstein Commons Progress Report

PROJECT SCHEDULE UPDATE

- Construction percentage complete: 60%
- Vertical Waterproofing & Siding started. Mechanical, Electrical, Plumbing, Fire sprinkler rough-in continues.
- Community update at City Council – May 19, 2026

HOMEKEY COMPLIANCE (HCD) UPDATE

- Milestone Extension Request approved.
- Labor compliance current.
- HCD Annual Report submitted on time.

PROJECT FINANCIALS

Construction Contract: \$7,771,182 | Balance of work remaining: \$3,615,517
 Construction Funds remaining: \$2,053,906
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PROGRESS PHOTO

