Public Hearing & Regular Meeting
Wednesday, October 17, 2018
10:00am-11:30am
SCCDC Hearing Room
1440 Guerneville Road
Santa Rosa, California 95403

Agenda

1. **Call to Order and Roll Call**
2. **Public Comments for Items Not on the Agenda**
3. **Approval of Minutes from September 19 Meeting (Page 3)**
   The Committee will discuss and may take action to approve the minutes from September 19, 2018 or may recommend changes to these minutes.

4. **Public Hearing: Housing Authority Administrative Plan Updates (Page 6)**
   The Committee will hear public comment, discuss and may take action to recommend that the Board of Supervisors approve the amended Housing Choice Voucher Administrative Plan.
   i. Open Public Hearing
   ii. Close Public Hearing
   iii. CD Committee Discussion
   iv. Recommendations for staff regarding Housing Authority Administrative Plan Updates

5. **Housing Authority: Agreement for Housing Quality Services Inspections (Page 7)**
   The Housing Authority Manager will present to the Committee a proposal for a new contract with NMA Inspections, LLC.

6. a) **Public Hearing: County Fund for Housing Awards (Page 8)**
   The Committee will hear public comment, discuss and may take action to recommend that the Board of Supervisors approve CFH awards to top-ranking applicants. This portion may include recommendations for use of the FY 18-19 CDBG and HOME funds currently being held in reserve.
   i. Open Public Hearing
   ii. Close Public Hearing
   iii. CD Committee Discussion
   iv. Staff Recommendations regarding FY-18-19 CFH Awards

b) **Action: Approve Substantial Amendment of the FY 18-19 Action Plan (Page 40)**
The Committee will make a recommendation to approve a plan for spending CDBG and HOME dollars currently held in reserve to be included in a substantial amendment to the FY 18-19 Action Plan.

7. **Approval of FY 19-20 Federal Funding Policies for Housing and Capital Projects (Page 42)**

   The Committee will review and make a recommendation on the proposed changes to the Federal Funding policies.


   Staff will review the timeline of important dates in the Affordable Housing and Capital Projects Funding calendar

9. **Assistant Executive Director’s Update: CDBG-DR**

   The Assistant Executive Director will provide an update on proposed use of CDBG-DR funds.

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**Next Regular Meeting**

*January 16, 2018*

*10:00 am*

Public Hearing Room

1440 Guerneville Road

Santa Rosa, CA

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Any writings or documents presented to a majority of the Community Development Committee regarding any item on this agenda will be made available for public inspection in the Sonoma County Community Development Commission office located at 1440 Guerneville Road, Santa Rosa, CA 95403 during normal business hours.

**DISABLED ACCOMMODATION:** If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Administrative Services Officer at (707) 565-7520, as soon as possible to ensure arrangements for accommodation.
Concurrent Regular Meeting & Public Hearing
Wednesday, September 19, 2018

Minutes

1. Call to Order and Roll Call
Oscar Chavez called the meeting to order at 10:05 and roll was called
CD Committee Members Present: Oscar Chavez, Willie Lamberson, Linda Garcia, Stephanie Hiller, Karin Davis, Betzy Chavez (arrived at 10:24am)
CDC Staff Present: Margaret Van Vliet, Executive Director; Geoffrey Ross, Assistant Executive Director; Martha Cheever, Housing Authority Manager; Benjamin Wickham, Affordable Housing Director; Trish Blue, Controller; Felicity Gasser, Policy and Communications Liaison; Holly Trujillo, Senior Community Development Specialist; Darrin O’Hara, Administrative Aide

Guests
Sally Walker, SAY
Korin Holda, SAY
Tim Gega, Homeless Action!
Pamela Swan, Catholic Charities

2. Public Comments for Items Not on the Agenda
No Public Comments were provided for items not on the agenda.

3. Approval of Minutes from August 15, 2018 Meeting
Linda Garcia moved to approve the minutes from August 15, 2018. Karin Davis seconded this motion
Ayes: Oscar Chavez, Willie Lamberson, Stephanie Hiller
Noes: None
Abstain: None
Absent: Betzy Chavez, Jessica Vega

4. Public Hearing (Concurrently with the Technical Advisory Committee)
   A. FY 17-18 Consolidated Annual Performance and Evaluation Report (CAPER)
   Staff presented an overview and highlights from the draft Consolidated Annual Performance and Evaluation Report for CDBG, HOME, and ESG funds. Committee members asked questions about how accomplishments were measured.
   B. Draft FY 19-20 Federal Funding Policies for Capital Projects
Staff presented proposed changes to the past year’s Federal Funding Policies for consideration and discussion by the committee (see proposed changes in 9/19/2018 Hearing Packet). Committee members asked how proposed changes might impact the application process and what types of projects would be eligible and prioritized. Ultimately, proposed changes would expedite the award of funding to ready-to-go projects while adhering to fair housing requirements.

Public Comment
Pamela Swan from Catholic Charities expressed that she appreciated the thoughtful discussion about representative funding and hopes that tools such as the Portrait of Sonoma County will be utilized.

Tim Gega, Homeless Action!, asked if the Commission could consider transitional housing for homeless and interim projects, such as living earth structures and tiny homes. Without mental health institutions, those who are homeless have nowhere to go.

5. Shelter Crisis Declaration – A requirement to access Homeless Emergency Aid Program (HEAP)
Staff discussed the anticipated availability of up to $12 million in one-time assistance from the State of California to address the homelessness crisis in Sonoma County. To access funds, cities and counties must make a shelter crisis declaration, which involves a small adaptation to the Homeless Emergency Declaration made two months ago.
From 11:58am to 12:23pm, the CD Committee recessed for lunch.

6. Affordable Housing Director’s Report on County Fund For Housing (CFH) Applicants
The Affordable Housing Director provided a brief overview of the 11 applications submitted for CFH funds and the primary three priorities of the NOFA: serving the maximum amount of people at the lowest income; leveraging public funds to the greatest extent possible and; expediting and creating new funding opportunities. Proposed CFH awards and a full staff report will be presented to the Committee in October.

7. Review Bylaws
Committee members reviewed the current bylaws and made a determination if any changes are needed at this time given the revised role of the committee following the Homeless System Redesign.
Linda Garcia moved to approve the changes to the bylaws. Willie Lamberson Seconded
Ayes: Oscar Chavez, Betzy Chavez
Noes: None
8. Election of Officers
Linda Garcia moved to nominate Oscar Chavez for chair of the Committee and Betzy Chavez as vice chair for the September 2018 to September 2019 term. Willie Lamberson seconded this motion.
Ayes: Oscar Chavez, Betzy Chavez
Noes: None
Abstain: None
Absent: Stephanie Hiller, Jessica Vega, Karin Davis

9. Adjournment
Oscar Chavez adjourned the meeting at 12:50pm.

Respectfully Submitted,

Holly Trujillo, Senior Community Development Specialist
MEMORANDUM

Date: October 17, 2018

To: Community Development Committee

From: Martha Cheever, Housing Authority Manager

Subject: Update to Administrative Plan

The Housing Authority uses an Administrative Plan to serve as its local policy and procedural guide. In an effort to align the Housing Choice Voucher program with other safety net housing services, staff are proposing the addition of an in-place homeless prevention super preference. This referral-based preference will provide housing stability to in-place, low-income occupants upon expiration of affordability covenants by making Housing Choice Vouchers available to those occupants who would otherwise be at risk of becoming homeless.

The addition of this preference will have an immediate impact on 41 households currently living at the Oak View Apartments in Rohnert Park, where an affordability covenant is set to expire on November 30, 2018. If the proposed Administrative Plan amendment is approved, these 41 households will be provided Housing Choice Vouchers, enabling them to stay in-place regardless of potential rent increases.

Staff are recommending that your Committee recommend the item be submitted to the Board of Commissioners for formal approval.

The proposed addition is as follows:

In-Place Homeless Prevention Super Preference. Subject to the availability of Annual Contributions Contract authorized voucher units, Housing Choice Vouchers will be made available for in-place occupants when the unit they are residing in is subject to the loss of affordability restrictions or a subsidy tied to a specific facility or unit, and the loss of the restriction or subsidy places the occupant at imminent risk of losing stable housing and/or becoming homeless. In order for an applicant to be eligible for this super preference, the Housing Authority must receive notification from a local municipality or partner agency of the Sonoma County Community Development Commission (“Commission”). All notifications are subject to Commission determination that the loss of stable housing and/or homelessness for in-place resident(s) is imminent.
MEMORANDUM

Date: October 17, 2018

To: Community Development Committee

From: Martha Cheever, Housing Authority Manager

Subject: Housing Quality Inspections Contract Award

Federal regulations require that housing authorities conduct inspections of assisted rental units to ensure that these units meet certain housing quality standards (HQS) to ensure the health and safety of program participants. Since 2010, the Housing Authority has used private contractors to conduct many of the required annual and biennial inspections. The current agreement for HQS inspection services is with NMA Inspections, LLC (formerly Sterling Inspections) and is set to expire on October 31, 2018.

On August 31, 2018, a Request for Proposals (RFP) for housing quality standards inspection services was issued. The Request for Proposals was emailed directly to six qualified vendors, published nationally through the National Association of Housing and Redevelopment Officials (NAHRO), and publicized on the Commission’s website. In response to the RFP, two proposals were received. A panel of three evaluators rated and ranked the proposals according to the criteria outlined within the RFP and NMA Inspections, LLC received the highest ranking.

Staff is requesting that your Committee recommend that the Board of Commissioners authorize the Executive Director of the Sonoma County Community Development Commission (SCCDC) to execute a Professional Services Agreement with NMA Inspection Services, LLC to perform inspections of rental housing units assisted under the Commission’s programs for a term of November 1, 2018, through October 31, 2020, with three one-year renewal options. The agreement would not exceed $85,000 annually.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Project</th>
<th>Sponsor</th>
<th>Housing type</th>
<th>Location</th>
<th>Funds requested</th>
<th>Total Project Cost</th>
<th># of People Housed</th>
<th>Leveraging Ratio</th>
<th>Readiness Rating</th>
<th>Number of proposed units</th>
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<td>Affordable single-family</td>
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<td>Santa Rosa</td>
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**Not Recommended for Funding**

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<td>470</td>
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**Ineligible Projects**

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<th># of People Housed</th>
<th>Leveraging Ratio</th>
<th>Readiness Rating</th>
<th>Number of proposed units</th>
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<td>Green Valley</td>
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<td>Affordable single-family</td>
<td>Graton</td>
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<td>7</td>
<td>0.0</td>
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**Totals**

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<th>Funds requested</th>
<th>Total Project Cost</th>
<th># of People Housed</th>
<th>Leveraging Ratio</th>
<th>Readiness Rating</th>
<th>Number of proposed units</th>
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**FY 2018-19 COUNTY FUND FOR HOUSING**

**ESTIMATED FUNDS AVAILABLE:** $4,200,000
BURBANK HOUSING– LANTANA

Amount Requested: **$750,000***  Total Project Cost: **$26,261,070**

*City of Santa Rosa Committed Additional Funds—only $100,000 now being requested

Project Description Summary from Applicant’s Submitted Application:
“Lantana Place Homes will provide affordable homeownership opportunities for 48 low and moderate income Sonoma County households. At least 25 homes will be designated for households at 80% AMI or lower and all households will be provided down payment assistance. The 48 unit development, located at 2979 Dutton Meadow in Santa Rosa, will consist of 45, three bedroom, 2.5 bath, two story attached homes and 3, three bedroom, 2 bath, single story attached homes. The homes will range in size from 1,210 to 1,311 square feet on lots ranging in size from 1,870 to 3,391 square feet.”

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?
Yes, the City of Santa Rosa Planning & Economic Development (City of Santa Rosa) has certified that this project is consistent with the land use designations and zoning classifications of the City of Santa Rosa’s General Plan.

Does the applicant possess site control?
Yes, applicant possesses site control in the form of a grant deed dated 07/31/2008.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. **Projects that serve the maximum number of people at the lowest income threshold.**
The project proposes to create a total of 48 homes, which can potentially house 192 people. Twenty-Five 3-Bedroom homes are restricted to low-income at 80% AMI, 8 3-Bedroom homes are restricted at market rate at 100% AMI and 15 3-Bedroom homes are restricted at market rate at 120% AMI. The CFH Policies require all assisted units to be restricted at specified levels for 55 years.

2. **Projects that expedite the creation of new housing opportunities.**
Burbank has proposed a project schedule showing initial occupancy beginning in October 2020. Phase 1 Environmental Site Assessment was completed in February 2018 with the final review expected to be completed in Fall/Winter 2018.

3. **Projects that leverage public funds to the greatest extent possible.**
This project proposes to leverage funds from the following sources:

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<th>Amount</th>
<th>Source</th>
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<tr>
<td>$13,346,581</td>
<td>Conventional Loan (Mortgages/Uncommitted)</td>
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<tr>
<td>$600,000</td>
<td>Transient Occupancy Tax (Committed)</td>
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<tr>
<td>$5,778,703</td>
<td>Santa Rosa Housing Authority Awards (Committed)</td>
</tr>
<tr>
<td>$700,000</td>
<td>Burbank Cash (Committed)</td>
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</table>
$375,000  WISH Loan (Uncommitted)
$684,000  Homeowner Down payment (Uncommitted)
$684,000  CALFHA (Uncommitted)

If applicant receives all of the requested local funding, each $1 of CDC funds would leverage $29.56 from other sources. The full amount of CDC subsidy requested would be $28,125 per affordable unit.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

Project is classified as a Large Family Housing Project. Additionally, this project looks to help accomplish the County of Sonoma’s Regional Housing Need Allocation.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.

Project site is currently zoned at Medium Density Residential, which allows up to 18-units per acre.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Applying Permit Sonoma’s Readiness Scoring form to the City’s general plan consistency certification, the project would have comparable Readiness Score of 2 (2 indicates any needed entitlements in process & project deemed consistent w/GP & Zoning). Currently pending conditional use permit, tentative subdivision map and design review.

**Analysis**

Total development cost per unit: $547,105.63
Total hard cost per unit: $285,854.67

**Pros for the Project:**
- Home ownership opportunities targeted for households that are low-income
- Addresses Regional Housing Needs
- Developer has long record of successful affordable housing projects in Sonoma County
- Low CDC Financing Per Unit $15,625 when compared to other applicants
- Collaboration of local jurisdiction; $5,778,793 of Santa Rosa funds

**Cons for the Project:**
- Proposal does not indicate the mechanism used to retain affordability

**Consequences of no Funding:**
If the application is not approved, applicant would be unable to comply with CDBG HUD Deadlines which state that applicant must start construction no later than June 1, 2019 (project utilized CDBG funds in 2008 to acquire the property). The full amount of the requested funds are
necessary as subsequent funding opportunities will not be available until after the HUD deadline has passed.

**Staff Recommendation**

Due to the creation of Home Ownership Opportunities and the low cost of CFH and CDC financing per unit when compared to other applicants, **Staff recommends funding the Lantana proposal in the amount of $100,000.**
MIDPEN HOUSING CORPORATION – ROSELAND VILLAGE

Amount Requested: $2,000,000

Total Project Cost: $55,543,242

Project Description Summary from Applicant’s Submitted Application:
“Roseland Village Neighborhood Center is a mixed-use development that will include affordable housing, market rate housing, commercial development, civic-use development, and public plaza. We are requesting funding in the amount of $2,000,000 for predevelopment and construction for the affordable housing component of the project.”

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?
Yes, the City of Santa Rosa Planning and Economic Development Department writes that the project could potentially be recommended to the Planning Commission and Design Review Board by staff. Entitlements are currently under review by the City of Santa Rosa.

Does the applicant possess site control?
Yes, the applicant acquired 883 Sebastopol Road on August 18, 2017 and also has an Exclusive Negotiating Agreement for 665 Sebastopol Road. Disposition, development and funding agreement in negotiation.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. Projects that serve the maximum number of people at the lowest income threshold.
The project proposes to create a total of 74 units, which can potentially house up to 372 people. Twelve units are restricted to extremely low-income at 30% AMI, 12 units are restricted at very low-income at 50% AMI, 51 units are restricted at very low-income 60% AMI, and 1 unrestricted manager’s unit. The CFH Policies require all assisted units to be restricted at specified levels for 55 years.

2. Projects that expedite the creation of new housing opportunities.
The project schedule shows commencement of construction for the affordable units by the 3rd quarter of 2020. Entitlements are nearly complete.

3. Projects that leverage public funds to the greatest extent possible.
This project proposes to leverage funds from the following sources:
- $537,500 Prior CFH Award 2016 (Committed)
- $2,369,800 Amortizing Perm Loan 1 (Uncommitted)
- $4,459,600 Amortizing Perm Loan 2 (Uncommitted)
- $1,000,000 City of Santa Rosa 2018 (Uncommitted)
- $2,000,000 City of Santa Rosa 2019 (Uncommitted)
- $2,000,000 County Infrastructure Contribution (Committed)
- $11,800,000 AHSC (Uncommitted)
- $740,000 AHP (Uncommitted)
If applicant receives all of the requested local funding, each $1 of CDC funds would leverage $24.80 from other sources. The full amount of CDC subsidy requested would be $61,318 per affordable unit.

**CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.**

The creation of 75 new affordable units in a high need neighborhood allowing for greater opportunity for residents to pursue education, health and human services, and achieve economic self-sufficiency.

**Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.**

Based on the City of Santa Rosa Planning and Economic Development preliminary review, the designation of the project site as Retail/Medium-Density Residential appears consistent with the City of Santa Rosa General Plan.

**Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process.** This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Applying Permit Sonoma’s Readiness Scoring form to the City’s general plan consistency certification, the project would have comparable Readiness Score of 2 (2= any needed entitlements in process & project deemed consistent w/GP & Zoning)

**Analysis**

Total development cost per unit:  $731,706  
Total hard cost per unit: $533,966

**Pros for the Project:**

- The project will create 75 units of affordable housing
- Resident services will include homework assistance, literacy development, academic enrichment, computer training, vocational and career development, fitness and health education programs, referrals to social services, and volunteer opportunities and training
- The applicant has extensive experience with comparable developments throughout Sonoma County and the Bay Area

**Cons for the Project:**

- There is an open environmental cleanup action. Remedial cleanup and regulatory closures, currently in process
- Project shows need for future funding from Sonoma County Community Development Commission funding sources
**Consequences of no Funding:**
Local funding is needed to move forward with predevelopment and preparation for tax credit application.

**Staff Recommendation**
This project would address an underserved need in the County by providing affordable units. The applicant has deep experience developing affordable housing projects. **Staff recommends funding The Roseland Village proposal in the amount of $2,000,000.**
DANCO COMMUNITIES– BOYD ROAD APARTMENTS

Amount Requested: $4,000,000
Total Project Cost: $22,150,406

Project Description Summary from Applicant’s Submitted Application:
“The project comprises two buildings, a 47 unit, 42,520 SF, two story apartment building and a 2,100 SF Community Center with Leasing Office, Meeting Room, Kitchen, and Common Laundry. The project is proposed at the maximum density allowed for this parcel, per the Santa Rosa General Plan. The lot is currently zoned Medium Density Residential (18 units to the acre) and is allowed a 35% increase in density over 18 units to the acre because all the units are proposed as affordable deed-restricted apartments. The proposed density is 24 units to the acre. 12 3BR units, 30 2BR units, and 5 1BR units are proposed. 82 parking stalls, including 4 on-street, and 4 accessible, are provided. EV charging is proposed for 3% of parking stalls.”

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?
Yes, the City of Santa Rosa Planning & Economic Development (City of Santa Rosa) has certified this project is consistent with the land use designations and zoning classifications of the City of Santa Rosa’s General Plan.

Does the applicant possess site control?
Yes, the applicant has a ratified Land Purchase Agreement dated 3/02/2018.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. Projects that serve the maximum number of people at the lowest income threshold.
The project proposes to create a total of 47 units, which can potentially house up to 244 people. Seven units are restricted to extremely low-income households at 30% AMI, 6 units are restricted to very-low income households at 40% AMI, 6 units are restricted at very low-income at 50% AMI, 10 units are restricted to low-income at 60% AMI, 17 units are restricted to low-income at 80% AMI, and 1 unrestricted manager’s unit. The CFH Policies require all assisted units to be restricted at specified levels for 55 years.

2. Projects that expedite the creation of new housing opportunities.
Principally permitted, no permits other than building is needed. With the Density Bonus already in place, Danco has provided a Project Schedule with a Construction Completion date of 09/01/2020.

3. Projects that leverage public funds to the greatest extent possible.
This project proposes to leverage funds from the following sources:
$9,109,763 Conventional Loan-Pacific Western Bank (Committed)
$956,542 Deferred Developer Fee (Committed)
$8,084,101 4% Tax Credit Equity-Raymond James (Uncommitted)
If applicant receives all of the requested local funding, each $1 of CDC funds would leverage $10.84 from other sources. The full amount of CDC subsidy requested would be $86,957 per affordable unit.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

Project is classified as a Large Family Housing Project with the Tax Credit Allocation Committee (TCAC) requiring owner to enter into a regulatory agreement that will restrict the units to remain affordable for a 55-year period.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.

Project site is currently zoned at Medium Density Residential, which allows up to 18-units per acre. Applicant could utilize a Density Bonus Type A to achieve the proposed density.

Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.

Applying Permit Sonoma’s Readiness Scoring form to the City’s general plan consistency certification, the project would have comparable Readiness Score of 2 (2 indicates any needed entitlements in process & project deemed consistent w/GP & Zoning). Project schedule shows density bonus in place, however it is not clear a project application has been submitted to Santa Rosa Planning & Economic Development.

**Analysis**

Total development cost per unit: $471,285.23
Total hard cost per unit: $244,774.47

**Pros for the Project:**
- Project will create 46 new units with deep affordability, ranging from Extremely Low 30% AMI to Low Income 80% AMI
- Leveraging of $10.84 for every CDC $1 places it in the top three highest rated projects in this category
- Developer has experience in completing sixteen affordable housing projects

**Cons for the Project:**
- Unclear whether project application has been submitted to Santa Rosa Planning Department
- Proposal indicates a high CFH funding cost of $36,391 per unit when compared to other applicants
- Applicant proposes the need to request additional funding from CDC in the future
Consequences of no Funding:
If the application is not approved, lack of funding will hinder tax credit allocation. Current budget indicates a funding gap of $4 million from local city or county funds to complete the development.

Staff Recommendation
Due to the number of affordable units being created, level of affordability and a Readiness Score of 2, Staff recommends partially funding the Boyd Road Apartment proposal in the amount of $1,900,000.
THE LIVING ROOM CENTER, INC. – LINK LANE

Amount Requested: $200,000  Total Project Cost: $400,000

Project Description Summary from Applicant’s Submitted Application:
“We have purchased a 3-bedroom home where we are able to provide affordable housing to at least 3 women. We have a short term note and deed of trust on the property for $379,000 that we need to pay off to secure full ownership of the property.”

CFH Funding Policies

Threshold Criteria
Is the proposed project consistent with the General Plan?
The proposal is for acquisition (take-out financing) of an existing detached single family dwelling unit. The City of Santa Rosa Planning and Economic Development staff determined the parcel is zoned Single Family Residential (R-1-6), its General Plan Use designation is Low Density Residential and its current use is Single Family Residential. Staff determined that the use of this parcel is consistent with its General Plan Land Use classification and current zoning.

Does the applicant possess site control?
The applicant acquired the subject property on June 29, 2018 as evidenced by a Grant Deed recorded in the Sonoma County Recorder’s Office.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority
The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. Projects that serve the maximum number of people at the lowest income threshold.
   The project can potentially house up to 7 homeless individuals who are very low-income, 50% AMI.

2. Projects that expedite the creation of new housing opportunities.
   The project would create one affordable housing unit into the applicant’s portfolio as a new housing opportunity for homeless persons.

3. Projects that leverage public funds to the greatest extent possible.
   This project proposes to leverage funds from the following sources:
   $100,000   Applicant’s cash from fund raising (Committed)
   $378,000   Private short term/temporary financing (Committed)

If the applicant is awarded the requested CFH funds, its use would be to “take-out” the private short term/temporary loan. The applicant plans to fundraise and pay off a portion of the short term financing combined with the CFH funds. If they received all of the requested local funding, each $1 of CDC funds would leverage $2.39 from other sources. The full amount of CFH subsidy requested would be $200,000 per affordable unit.

CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the
**County Housing Element:** elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.

This development would primarily serve homeless women with very low-income up to 50% AMI.

**Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.**

The property is a developed detached single family dwelling unit. The parcel is zoned Single Family Residential (R-1-6), its General Plan Land Use designation is Low Density Residential, and its current use is Single Family Residential. The City of Santa Rosa Planning and Economic Planning staff determined the parcel is consistent with its General Plan Land Use classification and current zoning.

**Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.**

The property will not require any construction, entitlements or permits. Applying Permit Sonoma’s Readiness Scoring form to the City’s general plan consistency certification, the project would have a comparable Readiness Score of 1 (1 indicates all entitlements—except building permit—are in place and valid). The applicant has secured all short-term acquisition funding and if this proposal is awarded the funds will be used to “take-out” the short-term funding.

**Analysis**

Total development cost per unit: $400,000
Total hard cost per unit: N/A (acquisition only, no construction expenses)

**Pros for the Project:**
- All acquisition financing has been identified
- The project would provide 1 new affordable housing unit to immediately house homeless women
- The affordability of the unit would be very low and suitable for residents at or below 50% of AMI
- The project would provide an affordable unit of permanent supportive housing, a scarce resource in the County
- The project is turn-key ready and would permit the home to immediately become available before the winter 2018
- The Applicant has a proven track record of successfully providing supportive housing for over 25 years
- The Living Room center previously received a CFH award of $190,000 but only used $83,000

**Cons for the Project:**
- The applicant will rely on fundraising to pay off all debt
- The project will provide a much smaller number of units than other proposals
- The project operating budget indicates low expense increase projections resulting in an inflated net income
**Consequences of no Funding:**
If this application is not funded by June 30, 2019, the Applicant may lose its ability to pay off the short term loan used to acquire the property.

**Staff Recommendation**
This project would address an underserved need in the County by immediately providing an affordable unit. The applicant has been successfully providing supportive services primarily to women and children who are homeless or at risk of becoming homeless. The program has a successful record of fundraising dollars from the community to support its operations. **Staff recommends fully funding The Link Lane proposal in the amount of $200,000.**
BURBANK HOUSING– JOURNEYS END

Amount Requested: $1,000,000  Total Project Cost: $57,196,918 (Phase 1)

Project Description Summary from Applicant’s Submitted Application:
“The Journey's End Redevelopment Project will provide 162 permanent affordable senior rental units for seniors that previously lived at Journey's End Mobile Home Park and were displaced by the wildfires. The units will be constructed in two phases; phase one (the subject of this application) will consist of 111 units and phase two will consist of 51 units. Phase one will be a 9%, 4% hybrid project which will allow the project to leverage $23.3m in tax credit equity. The units will be one and two bedrooms, affordable to very low and low income seniors. On site amenities are anticipated to include manager’s office, a community room with kitchen and flex space, mail area, laundry room, trash chutes, elevators and restrooms.”

CFH Funding Policies
Threshold Criteria

Is the proposed project consistent with the General Plan?
Yes, the City of Santa Rosa has certified this project is consistent with the land use designations and zoning classifications of the City’s General Plan. However, the proposed project will have to seek a General Plan Amendment as well as a Design Review and Tentative Map.

Does the applicant possess site control?
Yes, the applicant has site control in the form of an Executed Letter of Intent with Option/Lease Agreement dated June 18, 2018.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. **Projects that serve the maximum number of people at the lowest income threshold.** The project proposes to create 110 permanent affordable senior rental units, which can potentially house up to 346 seniors. Eleven units will be restricted to extremely low-income at 30% AMI, 71 units will be restricted at very low-income at 50% AMI, and 28 units will be restricted to low-income at 60% of AMI.

2. **Projects that expedite the creation of new housing opportunities.**
   The proposed project will require a General Plan Amendment, which will delay delivery of housing on the site.

3. **Projects that leverage public funds to the greatest extent possible.**
   This project proposes to leverage funds from the following sources:
   - $6,995,000  Conventional Loan (Uncommitted)
   - $3,000,000  Gap Loan-City of Santa Rosa (Uncommitted)
   - $3,000,000  Loan-County of Sonoma (Uncommitted)
   - $4,800,000  Sponsor Loan-Kaiser (Uncommitted)
$4,016,435  Private Funds (Committed)
$1,370,370  Private Funds- Market Rate Dev (Uncommitted)
$23,449,169  Tax Credit Equity (Uncommitted)
$3,148,571  Deferred Development Fee (Uncommitted)

If applicant receives all of the requested local funding, each $1 of CDC funds would leverage $49.78 from other sources. The full amount of CDC subsidy requested would be $76,522 per affordable unit.

**CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.**

The project proposes to create 110 permanent affordable senior units, 102 1-BDR units for Elderly Persons, 8 2-BDR units for Elderly Persons and 1 unrestricted manager’s unit.

**Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.**

Although a site plan has yet to be developed for the project, the housing land use component is currently envisioned as a density of around 50 dwelling units per acre. The proposed project will have to seek a General Plan Amendment to Transit Village Mixed Use and a Rezone to Planned Development or Transit Village Mixed as well as a Design Review and Tentative Map.

**Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.**

Applying Permit Sonoma’s Readiness Scoring form to the City’s general plan consistency certification, the project would have comparable Readiness Score of 3 (more information needed to determine consistency & necessary entitlements). Due to the General Plan Amendment and necessary rezoning, there is a good chance of a lengthy timeline and delays.

**Analysis**
Total development cost per unit: $515,287.55
Total hard cost per unit: $304,040.64

**Pros for the Project:**
- Specific designations for Elderly Persons and Disabled Persons
- Located near transit, hospital and shopping center
- Deep affordability unit creation
- Revitalizing area destroyed by fire
- $49.78 per CDC $1 (Committed and Uncommitted Funds)

**Cons for the Project:**
- Low amount of committed funds compared to other proposals
- Project is in preliminary stages of assembling financing

**Consequences of no Funding:**
Applicant states that CFH funds are a necessary part of Phase 1 and “funding will be needed from other sources to fully fund both phases of the project.”

**Staff Recommendation**
Although the project creates much needed affordable units for disabled persons and elderly persons in an area damaged by fire, staff is prioritizing projects that can deliver new housing units more quickly.
HABITAT FOR HUMANITY OF SONOMA COUNTY– DUNCAN VILLAGE

Amount Requested: $350,000
Total Project Cost: $6,641,110

Project Description Summary from Applicant’s Submitted Application:
“Habitat for Humanity is building 16 homes on the 1.34-acre parcel at 484 Wall Street, Windsor. These homes will be affordable homeownership units. There will be a mix of household incomes ranging from (50%AMI to 80% AMI). We practice green and sustainable building methods. It is located within a half mile of the Town Green, business district, parks, outdoor events, farmers market, schools, public transportation, grocery stores and the future SMART Train station. Habitat has executed a contract with an off-site construction builder, Healthy Buildings based in Napa, to help reduce the construction time significantly. They partially construct units in their warehouse, and deliver them to the site once site improvements are complete. This method expedites the delivery of housing units.”

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?
Yes, the City of Santa Rosa Planning & Economic Development (City of Santa Rosa) has certified this this project is consistent with the land use designations and zoning classifications of the City of Santa Rosa’s General Plan.

Does the applicant possess site control?
Yes, the applicant possesses site control in the form of a grant deed dated July 11, 2018.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority
The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. **Projects that serve the maximum number of people at the lowest income threshold.**
   The project proposes to create a total of 16 homes, which can potentially house up to 144 people. Three 2-bedrooms, 9 3-bedrooms and four 4-bedroom homes are restricted to extremely low-income at 30% AMI. Each home comes with a 30 year length of affordability. All units will possess a 30+ year length of affordability.

2. **Projects that expedite the creation of new housing opportunities.**
   Project schedule shows full occupancy scheduled for January, 2020. Entitlements are scheduled for completion in October 2018.

3. **Projects that leverage public funds to the greatest extent possible.**
   This project proposes to leverage funds from the following sources:
   - $400,000 2017 CFH Funding Award (Committed)
   - $110,500 HOME Funding Awards (Committed)
   - $556,000 Town of Windsor IHF Funds (Committed)
   - $3,880,000 Permeant Mortgage (Uncommitted)
   - $240,000 WISH Funds (Committed)
   - $1,104,610 Owner Equity/Loan (Uncommitted)
If applicant receives all of the requested local funding, each $1 of CDC funds would leverage $16.52 from other sources. The full amount of CDC subsidy requested would be $53,781 per affordable unit.

**CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.**

The project proposes to provide 16 home ownership opportunities affordable to households between 50% and 80% AMI.

Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.

Project is currently awaiting zoning for Medium Density Residential scheduled for 10/15/2018.

**Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.**

Applying Permit Sonoma’s Readiness Scoring form to the City’s general plan consistency certification, the project would have comparable Readiness Score of 2 (2 indicates any needed entitlements in process & project deemed consistent w/GP & Zoning).

Project is currently in the second round of entitlement processing. Approval of tentative map is expected in October 2018. Applicant expects a CEQA negative declaration.

**Analysis**

Total development cost per unit: $415,069.37
Total hard cost per unit: $255,535

**Pros for the Project:**

- 16 new home ownership housing opportunities for low-income households
- Project targets households with income ranges between 50% to 80% AMI
- High walkability score
- Projected full occupancy in 2020
- Entitlement process completion expected by October, 2018

**Cons for the Project:**

**Consequences of no Funding:**

Applicant did not address consequences of no funding.

**Staff Recommendation**

Due to the number of affordable home ownership units, the full occupancy scheduled for 2020 and project entitlements completed by October 2018, staff recommends funding the Duncan Village proposal using HOME funds via an Action Plan amendment.
EDEN DEVELOPMENT, INC. (AFFILIATED WITH EDEN HOUSING, INC.)– QUAIL RUN APARTMENTS

Amount Requested: $3,000,000  Total Project Cost: $93,718,242

Project Description Summary from Applicant’s Submitted Application:
“Quail Run Apartments is an affordable housing development in south Santa Rosa, California. Built in 1998 and acquired by Eden in 2014, the site covers 10 acres and consists of one community building and 200 one- to four-bedroom residential units scattered across 10 two- and three-story, wood-frame, walk-up apartment buildings. Quail Run is home to almost 600 residents, including many families and seniors. We are applying for funding to support the property’s substantial rehabilitation, including replacement or repair of the stair systems, building envelope, building systems, and interiors. In addition, we would like to explore the possibility of adding new units to densify the site. This funding will leverage other much-needed funding, including tax credit equity and gap financing from local, state, and federal sources.”

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?
The applicant did not provide any documents from the City of Santa Rosa Planning and Economic Development Department.

Does the applicant possess site control?
Yes, the applicant acquired the subject property in 2014.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. Projects that serve the maximum number of people at the lowest income threshold.
   This project proposes to rehabilitate 199 affordable housing units and create an additional 20 units, which can potentially house up to 1099 people. Twenty units are restricted to very-low income at 50% AMI, 179 units are restricted to low-income at 60% AMI and 1 unrestricted manager’s unit. The CFH Policies require all assisted units to be restricted at specified levels for 55 years.

2. Projects that expedite the creation of new housing opportunities.
   No, this proposal will not create any new housing opportunities. This proposal will substantially rehabilitate 199 units of existing affordable housing and 1 unrestricted unit. The applicant is exploring the possibility of densifying the site although separate from this application.

3. Projects that leverage public funds to the greatest extent possible.
   Funding sources for this project include:
   $18,095 Santa Rosa Loan Accrued/Deferred (Committed)
   $411,714 Santa Rosa Loan (Committed)
$19,452,000 Bank Tax Exempt Permanent Loan (Committed)
$5,532,880 Gap Loan (Uncommitted)
$228,816 Gap Loan Accrued/Deferred Interest (Uncommitted)
$19,694,624 Seller Take Back Loan (Committed)
$5,628,077 Deferred Development Fee (Committed)
$2,488,029 Income from Operations Prior to Conversion (Committed)
$718,786 General Partner Contribution (Committed)
$3,635,158 Gen Partner Contribution 2 (Committed)
$32,910,064 Limited Partner Contribution (Uncommitted)

If applicant receives all of the requested local funding, each $1 of CDC funds would leverage $30.24 from other sources. The full amount of CDC subsidy requested would be $15,075 per affordable unit.

*CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.*

The project will preserve 199 units of existing affordable housing for very low- and low-income households.

*Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.*

This application is not creating new housing units. Although the maximum density is not applicable no certification from the City of Santa Rosa Planning and Economic Development was provided.

*Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.*

Without a certification from the City of Santa Rosa Planning and Economic Development, staff has applied Permit Sonoma Readiness Scoring form, the project would have a comparable readiness score of 3 (3 being more information needed to determine consistency & necessary entitlements).

Applicant lists the construction phase of this project to begin May 1, 2021

**Analysis**

Total development cost per unit: $470,945
Total hard cost per unit: $80,402

**Pros for the Project:**

- Will preserve 199 affordable rental units in a Priority Development Area (PDA)
- Property houses very low- and low-income residents
- Residents have access to onsite services
- Experienced developer and supportive services provider
- Renovations will increase energy efficiencies
- Applicant has a large portion of necessary funding committed
- Project has 2 funding commitments from the City of Santa Rosa

**Cons for the Project:**
- The current proposal does not create any new housing units
- Project requires tenant relocation and no relocation plan was provided by the applicant

**Consequences of no Funding:**
If application is not approved, project would be delayed but partial funding would help close the applicants funding gap needed for the property rehabilitation.

**Staff Recommendation**
This project would address an underserved need in the County by preserving 199 existing affordable units. The applicant has been successfully providing affordable housing to families with incomes ranging from 50%-60% AMI. **Staff recommends no funding as project does not create new housing units.**
Amount Requested: $250,000  
Total Project Cost: $44,861,149

Project Description Summary from Applicant’s Submitted Application:
“Verano Family Housing is a collaborative development effort to purchase and redevelop a 5.89-acre property in Sonoma County known as Sonoma Splash. The collaboration is between MidPen Housing Corp. (“MidPen”) and Krug Development Corporation (“Krug”), in which the site will be divided into two discrete and separate parcels. MidPen will develop an 81 unit affordable family apartment project on 3.39 acres, while Krug will develop a 120-room Hotel on 2.5 acres.”

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?
Permit Sonoma was unable to determine consistency with the General Plan but noted the project could be once a General Plan Amendment, land use and rezoning of the site were approved.

Does the applicant possess site control?
Yes, the applicant has an Option Agreement for Purchase of Real Property dated August 24, 2018.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. Projects that serve the maximum number of people at the lowest income threshold.
This project proposes to create a total of 81 units, which can potentially house up to 363 people. Twelve units are restricted to extremely low-income at 30% AMI, 20 units at very low-income 40% AMI, 22 units at very low-income at 50% AMI, and 26 units for low-income at 60% AMI. The average affordability of all restricted units would be for households at 41.09% AMI and one unrestricted unit would be set aside for an on-site manager. The CFH Policies require all assisted units to be restricted at specified levels for 55 years.

2. Projects that expedite the creation of new housing opportunities.
This project will create 81 new housing opportunities and plans to apply for a Type A Density Bonus Program to maximize the number of housing units. Applicant proposes to acquire the property by January 2020 and begin construction by December 2020.

3. Projects that leverage public funds to the greatest extent possible.
This project proposes to leverage funds from the following sources:

- $ 2,265,900 Amortizing Perm Loan – Tranche A (Uncommitted)
- $ 2,646,700 Amortizing Perm Loan – Tranche B (Uncommitted)
- $ 4,629,516 Sum Public Subsidy Gap – unidentified sources (Uncommitted)
- $ 2,500,000 Future CFH request (Uncommitted)
- $ 100 GP Equity (Uncommitted)
In addition to this CFH funding proposal, the applicant has identified the need for $4,200,000 more in loans of CFH funds. If they received all of the requested funding, each $1 of Commission funds would leverage $9.14 of other funds. The full amount of CDC subsidy identified, excluding value of PBV’s, would be $55,625 per affordable unit.

**CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.**

This development would create 80 new affordable housing units for families with incomes ranges of 30% - 60% AMI. The project will address Housing Element Goal #3 of utilizing planning policies to create very low-income rental units and Quantified Objectives for Special Housing Needs by producing new affordable housing units for large families. In addition, 19 3-bedroom affordable units would accommodate large families, another special needs group identified in the Housing Element.

The average affordability of all restricted units would be for households at 41.09% AMI and one unrestricted unit would be set aside for an on-site manager. The CFH Policies require all assisted units to be restricted at specified levels for 55 years.

**Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.**

Permit Sonoma indicates the current density allowed on the site is 8 units/acre. If the applicant obtains a lot line adjustment, all other necessary approvals, the applicant could utilize a density bonus to achieve the proposed density.

**Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.**

Permit Sonoma has given this project a Readiness Score of 3 (3 indicates more information needed to determine consistency & necessary entitlements). Developer has not applied for any required entitlements/permits, no environmental review is complete or any potential California Environmental Quality Act CEQA issues.

**Analysis**

Total development cost per unit: $553,841
Total hard cost per unit: $306,625
Pros for the Project:
- The project would provide 80 new affordable housing units in an area of the Sonoma Valley that has a high need
- The average affordability of all restricted units would be for households with incomes at 47.75% AMI
- The Applicant has a proven track record of successfully obtaining 9% tax credits and completing projects
- Developer reports that a Phase I environmental report completed July 2018, indicates no use, storage or disposal of hazardous materials or wastes on the site

Cons for the Project:
- 9% brings uncertainty into the project timeline
- Tranche B financing is supported by the project successfully obtaining 12 project based vouchers from Sonoma County Housing Authority
- The project proforma shows a funding gap of $4,629,516
- No funding commitments to the project, all financing is proposed
- Applicant must be able to document and track expenses for the affordable housing parcel separate from the proposed hotel
- Project will require a lot line adjustment, change to land use, and rezoning approval

Consequences of no Funding:
If this application is not approved, it would delay the planning application for the project. If partially funded the developer would prioritize design needs for the project to keep the project moving through the planning application phase of the predevelopment process.

Staff Recommendation
This project would address an underserved need in the County. However, this project is unable to proceed as currently proposed without significant planning/zoning changes, and environmental reports. The project is in only the preliminary stages of securing all of its necessary predevelopment, construction and permanent financing. This project would be more appropriately funded when current uncertainties are resolved. **Staff recommends no funding for the Verano Family Housing proposal.**
PETALUMA ECUMENICAL PROPERTIES – VALLEY OF THE MOON
TRANSITIONAL SENIOR HOUSING

Amount Requested: $1,500,000
Total Project Cost: $4,000,000

Project Description Summary from Applicant’s Submitted Application:
“PEP Housing is proposing the rehabilitation of the former Valley of the Moon Children’s Home at 155 Pythian Road in Santa Rosa. The project includes 22 units (21 units plus a Manager’s unit) of affordable housing for low-income seniors, 55 and older to help meet the immediate needs of the housing shortage caused by the 2017 fires. Many seniors lost their homes and are now living in substandard conditions or worse, homeless. The project, staffed by a part-time onsite manager and resident service coordinator, provides private rooms and restrooms and minimal cooking amenities (microwave and small refrigerator) with common space and shared kitchen space. Amenities include a dog fun, garden area, and outdoor terrace.”

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?
Applicant provided a letter from the County of Sonoma General Services Department stating that the project may be consistent with the County General Plan. Upon further review, this project is located within the City of Santa Rosa. The applicant did not provide information from the City of Santa Rosa Planning and Economic Development Department.

Does the applicant possess site control?
The applicant has a Letter of Intent from the County of Sonoma dated August 23, 2018 to negotiate a lease for a term of 55 years.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. Projects that serve the maximum number of people at the lowest income threshold.
The project proposes to create a total of 21 units, which can potentially house 22 people. Twenty units are restricted to very low-income at 50% AMI and 1 unit is restricted to very low-income at 60% AMI.

2. Projects that expedite the creation of new housing opportunities.
The project will provide housing within 10 months after project approval. This is significantly faster than a new construction. We are taking an existing resource that has been vacant for more than a decade and rehabilitating the building into housing for a cost that is significantly less of a new build project. Residents will be given stable housing with services and can opt to be placed on a PEP Housing (or any other provider) wait list for an apartment. Providing housing is the first step to helping chronically homeless seniors.

3. Projects that leverage public funds to the greatest extent possible.
This project proposes to leverage funds from the following sources:
$1,000,000  Grant from Kaiser Permanente (Uncommitted)
$1,500,000  Grant from Resiliency Fund (Uncommitted)

If applicant receives all of the requested local funding, each $1 of CDC funds would leverage $1.67. The full amount of CDC subsidy requested would be $71,429 per unit.

 Applicant stated that, if necessary, they would apply to the Finley Foundation for additional gap funding. However, they did not provide a figure for the potential amount request. The applicant also stated that it will apply for 21 available vouchers under a future NOFA for homeless.

**CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.**

Project proposes to create 21 affordable housing units for low-income seniors, 55 and older.

*Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.*

Applicant provided a letter from the County of Sonoma General Services Department. However, this project is located within the City of Santa Rosa. The applicant did not provide information from the City of Santa Rosa Planning and Economic Development Department. Therefore, this project information is unknown.

**Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.**

Applicant did not provide a General Plan Consistency Certification from the City of Santa Rosa. Applying Permit Sonoma’s Readiness Scoring Form to the City’s general plan consistency certification, the project would have comparable Readiness Score of 3 (3 indicates more information needed to determine consistency & necessary entitlements).

**Analysis**

Total development cost per unit:  $ 190,460
Total hard cost per unit:  $ 168,986

**Pros for the Project:**
- Project will create transitional senior housing for low-income residents who were displaced by the fire
- Resident service referrals will be provided onsite
- Project will incorporate solar and other green and sustainable concepts
- Project is located across from existing services that cater to seniors
- Project has access to transit
- Initial occupancy is projected for December 2019

**Cons for the Project:**
- The applicant assumes 21 vouchers will be available from an upcoming RFP from the Sonoma County Housing Authority
- Administrative design review and administrative approval is not yet complete
- Applicant has not yet received board approval for predevelopment budget of $200,000
- None of the identified financing for the project has been committed

**Consequences of no Funding:**
If the application is not approved the applicant would be unable to move forward with construction and would seek funding from other sources.

**Staff Recommendation**
This project would address an underserved need in the county. Although a worthy project, the applicant is in only the preliminary stages of securing all of its necessary financing. This project would be more appropriately funded when current uncertainties are resolved. **Staff recommends no funding for the Valley of the Moon proposal due to: lack of leveraging; lack of accurate project information, due to confusion regarding entitlement jurisdiction; and the transitional nature of proposed housing.**
EDEN DEVELOPMENT, INC– DEL NIDO APARTMENTS – ACQUISITION/REHAB/NEW CONSTRUCTION – PHASE 1

Amount Requested: $3,000,000

Amount Requested: $3,000,000

Total Project Cost: $94,775,142

Project Description Summary from Applicant’s Submitted Application:
“Eden Housing is working on recapitalizing its Del Nido Apartments property in the city of Santa Rosa, CA. The project site is an approximately 9.4 acre parcel at 850 Russell Avenue. Del Nido was originally built in 1970 and currently consists of 206 Studio and 1-Bedroom apartments spread across 25 single-story structures, including common and storage spaces, as well as 228 parking spaces and a swimming pool. We are contemplating a substantial occupied rehabilitation of the majority of the apartments on site, demolishing a portion of the existing units, and building a new multi-family building in their place. We hope to add 50-60 net new units on the site and upgrade community spaces to better suit the residents’ needs.”

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?
Applicant did not submit a letter stating consistency with General Plan.

Does the applicant possess site control?
Yes, applicant possesses site control in the form of a grant deed dated December 20, 2012.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. Projects that serve the maximum number of people at the lowest income threshold.
   Phase 1 of this project proposes rehabilitation of existing units totaling 188 units, the demolishing of 18 units and creation of 24 units (netting 6 new units). Rehabilitation includes 28 Studios at Very-Low Income (50% AMI), 27 Studios at 60% AMI, 24 One-Bedrooms at Very Low-Income (50% AMI), 131 One-Bedroom at 60% AMI, 1 Two-Bedroom at 60% AMI and 1 unrestricted manager’s unit.

2. Projects that expedite the creation of new housing opportunities.
   While the project proposes the creation/rehab of many units, the speed in which this would be accomplished is hard to determine. The project schedule shows construction financing not closing until March 2020. Additionally, there will be significant relocating costs (nearly $1.5 million) which has the potential to add a large amount of time to the project schedule.

3. Projects that leverage public funds to the greatest extent possible.
   This project proposes to leverage funds from the following sources:
   $15,803,000 Conventional Loan (Committed)
   $15,500,000 Gap Loan (Uncommitted)
   $630,000 AHP (Uncommitted)
If applicant receives all of the requested local funding, each $1 of CDC funds would leverage $30.59 from other sources. The full amount of CDC subsidy requested would be $14,218 per affordable unit.

*CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.*

Project is classified as an affordable housing apartment community.

*Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.*

The proposed project plans to seek approval for additional density and a potential lot split.

*Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.*

Without a certification from the City of Santa Rosa Planning and Economic Development, staff has applied Permit Sonoma Readiness Scoring form, the project would have a comparable readiness score of 4 (4 being does not appear to be consistent based on information provided).

**Analysis**

Total development cost per unit: $444,953.72  
Total hard cost per unit: $137,191.17

**Pros for the Project:**
- Rehabilitation of 189 Units in Phase 1
- Applicant serves a wide range of individuals with low income and disabilities
- Extremely low vacancy rate
- Project location near hub for public transit and government services
- CFH Financing Per Unit $14,218

**Cons for the Project:**
- Relocation of tenants costing nearly $4 Million
- No tiers of affordability provided for new units
- Most funds will be spent on rehab of units and not creation of new units
- Entitlements were not addressed in proposal
• Inconsistent # of new clients—project narrative reads 7 net new units, project phasing narrative reads 24 new units

Consequences of no Funding:  
Applicant did not specify consequences of no funding other than that a partial award for Phase 1 would help fund pre-development costs and move the project forward.

Staff Recommendation  
Project may be eligible but due to missing General Plan Consistency by local permitting agency we are unable to make a determination. **Staff recommends no funding for the Del Nido Apartments proposal due to the creation of few new housing units.**
HABITAT FOR HUMANITY OF SONOMA COUNTY – GREEN VALLEY VILLAGE

Amount Requested: $70,000  Total Project Cost: $1,037,674

Project Description Summary from Applicant’s Submitted Application:
“Habitat for Humanity will build two homes on the 1.28 acre parcel in Graton, known as the Green Valley Village project. These homes will be the affordable component for project which totals 10 homes, and a community park being developed by Thiessen Homes. Both homes will be three bedroom, two baths. These homes will be located adjacent to the main street of Graton, and within half a mile of an elementary school, and bus stop that provides a 30 minute ride to downtown Santa Rosa. A build ready pad is expected to be furnished by Theissen homes this fall, and both families for these homes have been qualified and selected.”

CFH Funding Policies

Threshold Criteria

Is the proposed project consistent with the General Plan?
Yes, all entitlements for the project have been approved by the Sonoma County Board of Supervisors by resolution #16-0201 on May 17, 2016 and Sonoma Permit deems the project to be consistent with the General Plan and Zoning Ordinance.

Does the applicant possess site control?
Yes, the Applicant has a written agreement dated March 26, 2015.

CFH Policy Priorities: Housing Element Goals and County Strategic Priority

The Commission established the top three guiding principles and priorities for this funding cycle as follows:

1. Projects that serve the maximum number of people at the lowest income threshold.
This project proposes to create a total of 2 single-family ownership units, which can potentially house up to 14 people. The units will be targeted to low-income household with incomes between 50% - 60% AMI. The average affordability of all restricted units would be for households at 55% AMI. The CFH Policies require all assisted units to be restricted at specified levels for 55 years but applicant proposes an affordability period of 99 years.

2. Projects that expedite the creation of new housing opportunities.
This project will create 2 new ownership housing opportunities. Applicant proposes to acquire the property by Fall 2018, Land Use Entitlement approvals were approved in May 2016 and could begin unit construction as early as April 2019.

3. Projects that leverage public funds to the greatest extent possible.
This project proposes to leverage funds from the following sources:

$ 350,000  conventional mortgage lending (Uncommitted)
$ 20,000  Pacific Gas & Electric (PGE) Solar Grant (Uncommitted)
$ 50,000  US Bank predevelopment/construction financing (Committed)
$ 70,000  County Fund for Housing (Uncommitted)
$30,000  Federal Home Loan Bank of San Francisco (FHLBSF) WISH Program (Uncommitted)
$516,174  Habitat for Humanity of Sonoma County (Uncommitted)

If they received all of the requested local funding, each $1 of local funds would leverage $13.80 from other sources. The full amount of CDC subsidy requested would be $35,000 per affordable unit.

**CFH funding should assist in preservation of affordable rental projects at risk of becoming market rate housing, serving families, or serving the special needs populations identified in the County Housing Element: elderly, disabled, large families, single-parent households, farmworkers, and homeless persons.**
This development would create 2 new single-family ownership housing opportunities while meeting Goal 3 in the housing element by utilizing planning policies to create low-income units and Quantified Objectives for Special Housing Needs by producing new affordable housing units for large families.

**Projects should take advantage of the maximum density permitted under the Sonoma County or local jurisdiction’s General Plan, Zoning Ordinance, and other relevant regulations.**
Permit Sonoma has indicated the Board of Supervisors approved this project and meets the necessary density to construct the units.

**Readiness to proceed: projects that appear ready to proceed to the construction and then occupancy stage in a timely fashion will also be provided a priority in the approval consideration process. This can be gauged by the status of land use entitlements as well as the degree to which other funding commitments have been secured.**
Permit Sonoma has given this project a Readiness Score of 1 (1 indicates all entitlements (except building permit) are in place and valid).

**Analysis**
Total development cost per unit: $518,837
Total hard cost per unit: $328,670

**Pros for the Project:**
- The project would provide 2 new ownership affordable housing units
- Project proposes an affordability period of 99 years
- The project would be developed using a self-help model and a volunteer based labor to significantly reduce the costs of construction
- The average affordability of the ownership units would be low and suitable for owners at 50%-60% AMI
- This proposed funding would help site work to commence as quickly as March 2019
- All project entitlements have been approved
- The Applicant has a proven track records of successfully completing ownership projects in Sonoma County
**Cons for the Project:**
- The project appears to be an ineligible use of CFH funds
- Most of the project financing has not been committed yet
- The project will provide a much smaller number of units than other proposals

**Consequences of no Funding:**
If this application is not approved, the Applicant would be unable to target low-income households between 50%-60% AMI.

**Staff Recommendation**
This project would allow low income homebuyers to purchase a home at an affordable price. The two lots are part of a larger project at Green Valley Village. The subject property is currently owned by a developer who is selling the two improved lots to satisfy the inclusionary housing requirements for the entire development. The CFH loan policies section 3.4 read: “CFH resources shall not be used to meet the inclusionary or workforce housing requirements required of developers by the jurisdiction in which the project is located.” Therefore, this proposal appears to be ineligible. **Staff recommends no funding for the Green Valley Village proposal—project is not eligible.**
MEMORANDUM

Date: October 17, 2018

To: Community Development Committee

From: Felicity Gasser, Interim CDBG-DR Administrator

Subject: Substantial Amendment of the FY 2018-2019 Action Plan

When your committee approved the FY 2018-2019 Action Plan, $391,269 in HOME funds and $130,338 in CDBG funds were reserved to be awarded under a future substantial amendment. This decision was made because the Urban County received substantially more CDBG and HOME funds than originally anticipated. Staff recommended holding these funds in reserve until more was known about how CDBG-Disaster Recovery funds and State Homeless Emergency Aid Program (HEAP) funds would be rolled out.

We now know that CDBG-Disaster Recovery funds coming to the State of California Department of Housing and Urban Development will include a multi-family housing program. Deploying CDBG and HOME funds to the most shovel ready projects will ensure that CDBG-DR can be deployed to future multifamily rental housing in the pipeline. We also know that HEAP will include resources for capital projects and homeless services. Using CDBG dollars to assess anticipated homeless services needed to serve vulnerable populations impacted by the October fires will ensure strategic deployment of future CDBG Public Services dollars as well as state funds earmarked for addressing homelessness.

With this knowledge, staff recommends the following uses of the FY 18-19 CDBG and HOME funds currently held in reserve:

**HOME Program - $391,269 in FY 18-19 funds currently held in reserve**

Duncan Village $300,000 – Habitat for Humanity has consistently messaged that filling this gap will move them across the threshold and allow them to break ground. The HOME program works well to fund single family new construction. County Fund for Housing is better suited for multi-family projects, so being able to use HOME funds for Duncan Village frees up $300,000 in CFH dollars to support multi-family development.

Altamira Apartments $91,269 – Combined with $91,338 in CDBG dollars (see below), Satellite Affordable Housing Associates (SAHA) is confident that this additional funding will make the project sufficiently competitive for the next round of 9% tax credits, meaning that these funds will be highly leveraged to provide deep affordability for the Altamira Apartments project.

**CDBG Program funds - $130,338 in FY 18-19 funds currently held in reserve**

$39,000 Precariously Housed Study -- Last year the Commission conducted a telephone survey after the fires to understand the precariously housed population following the October 2017 fires, and predict the anticipated impact on homeless services as people who were precariously housed used up resources, some becoming homeless. The Sonoma County homeless system
of care has since seen an uptick in the need for homeless services. The Commission has a continued need to understand this vulnerable population, as it informs the future deployment of homeless services for populations impacted by the fires. A survey identifying people in need of public services is an eligible use of CDBG public service dollars.

**$91,338 Altamira Apartments** – Because of the disaster waiver granted by HUD, the County has a unique ability to use the FY 17, 18 and 19 allocations of CDBG for new construction. Altamira has other funding subjecting them to prevailing wage, so use of CDBG won't increase construction costs for this project. Combined with the $91,269 in HOME dollars, Satellite Affordable Housing Associates (SAHA) is confident that this additional funding will make the project sufficiently competitive for the next round of 9% tax credits, meaning that these funds will be highly leveraged to provide deep affordability for the Altamira Apartments project. Furthermore, CDBG dollars will be able to be spent quickly, ensuring that the Commission meets its “timeliness test”.

According to the Sonoma County Citizen Participation Plan adopted in May 2018, the above proposed changes constitute a material change to the FY 18-19 Action Plan and are therefore considered a substantial amendment, subject to a public process and board approval.

Staff requests your committee’s recommendation that the proposed substantial amendments to the FY 18-19 Action Plan go before the Board of Supervisors for approval so that the Substantial Amendment can be submitted to HUD.
MEMORANDUM

Date: October 17, 2018

To: Community Development Committee

From: Felicity Gasser, Interim CDBG-DR Administrator

Subject: FY 2019-20 Federal Funding Policies and Timetable

At the September 19, 2018 concurrent staff meeting with the Technical Advisory Committee staff presented a number of changes to the Federal Funding Policies for discussion by both committees. The goal of that discussion was for committee members to provide feedback to staff on the proposed changes. A summary of the discussion is attached to this memo.

Staff took committee feedback into consideration when preparing the final timetable for the FY 19-20 Federal Funding Process and when finalizing the Federal Funding Policies for adoption by your committee at today’s meeting and by the Technical Advisory Committee on November 20th.

The following three changes were made to the Federal Funding Policies since your committee reviewed them in September:

1. To allow ample time for the combined committees to review proposals, ask questions, and provide feedback to staff, an all day workshop will be held on Wednesday, February 20th. Decisions will not be made on this day, but rather, staff will use feedback received from the committees to prepare the draft Action Plan. A public hearing will then be held on April 17th, which is during the 30 day public comment period for the Action Plan. At this hearing, the two committees will recommend approval of the projects listed in the Action Plan to the Board of Supervisors. Section 8.2, pages 16-17

2. A tiebreaker methodology was added to the policies. The tiebreaker would be used during the public hearing on the Action Plan in the case that the committees cannot come to consensus as to which projects should be funded. It divvies up funds based on a combination of the percentage of low and moderate income persons residing in each member jurisdiction of the Urban County and/or HOME Consortia and which jurisdictions have spent their CDBG dollars in compliance with timeliness provisions. Section 8.2.3., page 17
3. Non-material, clarifying language was also added to distinctly identify the municipalities which, through a joint powers agreement are considered recipients, rather than subrecipients of CDBG dollars. This is important for determining the terms under which funds are awarded to projects sponsored by the municipalities. Section 1, page 1; Section 3.1, page 5; Section 6.3, page 9; Section 7.11.1, page 13; Section 11, page 22-23

Staff requests that the Committee review the timetable for the federal funding process and adopt the FY 2019-2020 Federal Funding Policies to serve as a guide for the upcoming federal funding process.
FY 19-20 Federal Funding Policies
Questions for Discussion – September 19, 2018

- Shall the Urban County suspend the use of CDBG for microenterprise for this fiscal year to focus dollars on housing and housing related infrastructure – a key economic driver?

Both Committees came to consensus that suspending funds for microenterprise makes sense given the waivers for affordable housing new construction and the economic benefit of constructing new housing. Committee members look forward to a more robust analysis of the impact of these dollars on economic development during the development of the 2020 Consolidated Plan.

- Shall the Urban County use a single competitive category for CDBG and a single competitive category for HOME in which all projects compete to ensure that funding is going to the highest and best use?

The CD Committee had few comments on this, but given the change from past practice, the TAC wanted to understand this more deeply. Staff committed to meeting with each jurisdiction before the TAC’s next meeting to understand its pipeline projects and its concerns about the new combined competitive process. Staff committed to taking this feedback respecting anonymity of the jurisdictions where appropriate, and integrating it into a marked-up policy for both committees to adopt at their next meeting (CD Committee meeting is October 17th – TAC meeting is November 20th).

- Shall the Urban County tighten timelines for spending HOME and CDBG to ensure expeditious use of scarce resources?

Both committees understood the importance of funding projects that can meet federally mandated timeliness provisions to ensure that the Urban County does not have money taken back or future awards reduced.

- Shall the Urban County call out the federal requirement that all projects must Affirmatively Further Fair Housing?

The Committees agreed that this language should be in the policy and the TAC requested access to AFFH training prior to the March hearings.

- Shall the CD Committee and the Technical Advisory Committee hold one concurrent hearing to make recommendations about how to award CDBG and HOME funds, ensuring that all representatives of the constituent base of the HOME consortia and the Urban County are working together to make funding decisions?

A recommendation was made that the committees introduce themselves and describe their roles before deliberating to build trust among the two bodies. Each committee will have different drivers that motivate their recommendations so both committees agreed that thorough staff
reports that clearly demonstrate how each project was measured against the selection criteria will be key to making decisions together.

- Shall the Federal Funding Policies contain streamlined, high level selection criteria that serve as an enduring framework – for which the metrics and specific detail can change annually based on what staff determines will best demonstrate how criteria are met in the NOFA and application?

There was agreement on this and a sense that over the 6 years of planning – including this last year of the 2015 Con Plan and the 5 years of the 2020 Con Plan there should be some kind of mapping out of what projects will be in the pipeline.

- Shall the Technical Advisory Committee, CD Committee and staff ensure that geographic equity is maintained over the 5-year Consolidated Planning period by looking at dollars spent over multiple years, so that each year, projects that are most ready to proceed are funded?

The Committees articulated that it is not just the most ready to proceed projects that should be prioritized but also those that meet our selection criteria and policy goals. It has been through past policy-making that we have created inequities so we should embrace correcting these inequities as a core value.
SONOMA COUNTY
COMMUNITY DEVELOPMENT COMMISSION

FY 2019-2020 Capital Projects and Economic Development
Federal Funding Policies

Federal CDBG and HOME Funding Programs
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1. OVERVIEW

The County of Sonoma, as well as the seven municipalities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and Windsor, through a Joint Powers Agreement, comprise the Urban County, an entity recognized by the U.S. Department of Housing and Urban Development (HUD) as an entitlement jurisdiction eligible for formula grant funding under the CDBG, HOME, and other HUD programs. The cities of Santa Rosa and Petaluma, although located within the boundaries of Sonoma County, each qualify as separate entitlement jurisdictions and administer their respective HUD funding allocations. The references made in this document to “County” refer to the eight-jurisdiction Urban County.

This document, the FY 2019-2020 Funding Policies, provides the policy framework to guide the allocation and administration of CDBG and HOME funds, consistent with federal rules, statutes, and regulations, as well as local priorities.

The Sonoma County Community Development Commission (Commission) is the designated local administrative body for each of the federal funding programs.

1.1. HUD Funding Programs

1.1.1. Community Development Block Grant Program (CDBG)

The CDBG Program, as created by the federal Housing and Community Development Acts of 1974, as amended, has as its primary objective the development of viable communities through the provision of decent housing, a suitable living environment, and the expansion of economic opportunities, primarily for low- and moderate-income persons. At least 70 percent of Sonoma County’s CDBG funds must be used for activities that benefit low- and moderate-income persons (i.e., persons earning less than 80 percent of the area median income). Any programs or projects allocated CDBG funding must meet one of the following National Objectives:

- Benefit low- and moderate-income persons
- Prevent or eliminate slums and blight
- Meet an urgent need

APPLICABLE SUSPENSION/WAIVER FOR FY 2019-20

Suspension and waiver of the CDBG requirements that disallow new construction of affordable housing as an eligible activity. The suspension and waiver permit to County to use CDBG funds for new construction. Effective through October 10, 2019.

1.1.2. HOME Investment Partnership Program (HOME)

The Cranston-Gonzalez National Affordable Housing Act created the HOME Program in 1990. The HOME Program provides funding to local jurisdictions to increase the stock of
housing affordable to very low- and low-income households. In 1991, HUD designated Sonoma County a Participating Jurisdiction under the HOME Program.

**APPLICABLE SUSPENSION/WAIVER FOR FY 2019-20**

Suspension and waiver of the HOME requirement that requires a 15% set aside of the annual allocation for Community Housing Development Organizations (CHDOs). This requirement is reduced to 0%. The purpose of this suspension and waiver is to relieve the County of requirements that may impede use of funds to provide housing to persons displaced by the wildfire. **Effective for FY 2017, 2018, 2019 allocations.**

Suspension of the per unit dollar limitations established for HOME. The cost of new construction of affordable housing will escalate due to the extensive damage caused by the wildfire. These high costs could exceed the maximum per unit subsidy limit for HOME-assisted projects. The suspension provides the County the needed flexibility to assist low-income individuals and families. **Effective through March 27, 2020.**

1.2. **Other Funding Programs**

The Urban County also administers HUD funding for public services, in the form of a 15-percent set-aside of CDBG funds and the federal Emergency Solutions Grant (ESG) program.

As part of its annual funding cycle, the Sonoma County Community Development Commission (Commission) also administers the locally funded County Community Services Funding (CSF), the Low- and Moderate-Income Housing Asset Fund (LMIHAF), and an allocation of State ESG funds. Per Board direction, the award process for these funds is integrated with the CDBG Public Services and ESG funding processes to the extent possible. The CSF, LMIHAF-Services, and State ESG programs will follow the priorities set forth in the Consolidated Plan.

Policies related to CDBG Public Services, CSF, LMIHAF-Services, and federal and State ESG funding are available in a separate document, Policies for Public Services Funding.

1.3. **Consolidated Plan**

The Consolidated Plan is a five-year plan required by HUD in order for Sonoma County to receive federal housing and community development funds under the CDBG, HOME, and the ESG programs. The Plan, including the goals and specific objectives for the five-year period, also includes the County’s One-Year Action Plans for use of CDBG, HOME, and local ESG funds during each fiscal year.

The goals and objectives are developed through a citizen participation process conducted concurrently with the first Action Plan’s CDBG, HOME, and ESG funding approval process of each Consolidated Plan. The current Consolidated Plan covers the period from July 1, 2015 to June 30, 2020.

The Consolidated Plan serves the following four functions:

1. A planning document for Sonoma County, which builds on a participatory process.
2. A strategy to be followed in carrying out HUD programs
3. An action plan that provides a basis for assessing performance
4. A required element of the annual application for federal funds under HUD’s CDBG, HOME, and ESG programs

The Sonoma County Consolidated Plan encompasses activities undertaken by the Urban County. The cities of Santa Rosa and Petaluma each establish an individual Consolidated Plan for their sole jurisdiction.

2. FUNDING GOALS AND OBJECTIVES

These FY 2018–2019 Funding Policies are based on the goals and objectives identified in the Sonoma County 2015 Consolidated Plan. The Consolidated Plan organizes community priorities for the use of HUD funds by the Urban County by grouping said priorities into three categories: affordable housing, homelessness, and non-housing community development.

The 2015 Consolidated Plan goals are closely aligned with the Strategic Priorities set by the Sonoma County Board of Supervisors on April 4, 2017, particularly “Securing our Safety Net” and “Housing for All”. Sonoma County is currently preparing a Recovery and Resiliency Framework that sets a vision for community recovery following the October 2017 fires. The Community Development Commission assisted in the development of this framework. It includes 5 strategy areas, three of which are closely aligned with and build upon the Consolidated Plan goals: Housing, Economy, and Safety Net Services. These multi-year priorities drive the Commission’s work plans and dovetail with the Consolidated Plan goals and objectives and the selection criteria for funding projects.

The County has identified the following as priority objectives for the use of CDBG and HOME funds. These objectives will be used in the evaluation of proposals for the use of these funds.

2.1. Affordable Housing

2.1.1. Goal

To promote the well-being and economic integration of lower income persons, increase and preserve the housing stock that is affordable, safe, and accessible for extremely low-, very low-, and low-income families and individuals, including those with special needs and those who are homeless or at imminent risk of homelessness

2.1.2. Objectives

2.1.2.1. Develop new rental and ownership housing units that are affordable and available to extremely low-, very low-, and low-income households, some with special needs. Give preference to applications for residential developments requesting CDBG or HOME funds that set aside homes for persons or households experiencing homelessness or who are at imminent risk of becoming homeless within 14 days.
2.1.2.2. Develop new housing units with appropriate supportive services that are affordable, accessible, and available to extremely low-, very low-, and low-income special needs households.

2.1.2.3. Provide tenant-based rental subsidies to make market-rate housing units affordable to very low-income and low-income households, some with special needs, with a preference for extremely low-income households and those experiencing or at risk of experiencing homelessness.

2.1.2.4. Provide comprehensive rehabilitation and targeted hazard mitigation assistance to make needed repairs and improvements to conventional single- and multi-family housing and mobile homes owned and/or occupied by extremely low-, very low-, and low-income households, some with special needs.

2.1.2.5. Provide loans to eligible entities to acquire and/or rehabilitate existing multi-family housing affordable, accessible and available to extremely low-, very low-, and low-income households at risk of becoming market rate housing. The occupants of some of these assisted housing units will include special needs households.

2.1.2.6. Provide direct fair housing education and mediation services to low- and moderate-income renter households, some with special needs. Guidelines on applying for funds to meet this objective found separately in the Policies for Public Services Funding.

2.2. **Homelessness (NOTE: Funding for homelessness-related public services are found separately in the Policies for Public Services Funding.)**

2.2.1. **Goal**

Promote effective and proven strategies for homelessness prevention and intervention county-wide.

2.2.2. **Objectives**

2.2.2.1. Reduce the number of episodes of homelessness experienced by residents of Sonoma County.

2.2.2.2. Provide a platform of stable housing with supportive services to persons who are living “on the streets” or to persons leaving emergency shelters, some with special needs.

2.2.2.3. For residential developments requesting CDBG or HOME funds, give preference to applications that set aside homes for persons or households experiencing homelessness or who are at imminent risk of becoming homeless within 14 days.

2.3. **Non-Housing Community Development**

2.3.1. **Goals**

2.3.1.1. Assist in creating and/or replacing infrastructure systems and public facilities that meet the needs of lower income people, people with disabilities, and other special needs subpopulations county-wide.
2.3.1.2. Promote the well-being and economic integration of lower income persons through non-housing services, self-sufficiency programs, job training, and economic development assistance for micro-enterprises to increase job opportunities in the Urban County.

2.3.2. Objectives

2.3.2.1. Preserve low- and moderate-income neighborhoods and improve the quality of neighborhood-based living, including construction or reconstruction of storm/flood drain improvements, water and sewer improvements (connecting water and sewer lines to new or existing affordable housing developments, sewer mains, and rural water facilities), streets, streetlights, sidewalks, and curbs and gutters (either non-existent or in need of repair or upgrade).

2.3.2.2. Construct, renovate, or install access modifications to reduce or eliminate architectural barriers to meet the special needs of persons with disabilities and the elderly in accordance with the American with Disabilities Act (ADA) in public facilities, including but not limited to public parks, restrooms, youth centers, senior centers, fire stations, libraries, and community recreation facilities.

2.3.2.3. Facilitate economic integration and self-sufficiency for lower income persons through self-sufficiency programs and through job training and economic development assistance for microenterprises to increase job opportunities.

3. FUNDING ALLOCATIONS

3.1. CDBG Allocation

CDBG Funds shall be allocated per the table below. Unless otherwise indicated, the percentage of funding in each category is set by the Board of Supervisors, not by federal regulation.

<table>
<thead>
<tr>
<th>Community Development Block Grant (CDBG) Allocation Categories</th>
<th>Percentage of Funding</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Commission Housing Rehabilitation Program Set-Aside</td>
<td>15%</td>
<td>These funds will be allocated as a set-aside and will not be subject to a competitive process.</td>
</tr>
<tr>
<td>County-Sponsored Projects, Countywide/Unincorporated Area Projects, City/Town Projects</td>
<td>1065%</td>
<td>These funds will be allocated in a competitive process to fund projects located in the Urban County sponsored by CDBG eligible recipients (all municipalities within the Urban County and subrecipients (all other eligible applicants), County Departments and Agencies. Eligible projects are described in Appendix A. If this funding category is undersubscribed, any unallocated funds will be awarded to the Community Development Commission Housing Rehabilitation Program.</td>
</tr>
</tbody>
</table>
Countywide / Unincorporated Area Projects | 9.5% | These funds will be allocated in a competitive process to fund projects operating county-wide or located in and serving an unincorporated area of the County. Eligible projects are described in Appendix A. If this funding category is undersubscribed, any unallocated funds will be awarded to the Community Development Commission Housing Rehabilitation Program.

City/Town Projects | 30.5% | These funds will be allocated in a competitive process to fund projects located within the incorporated limits of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma or Windsor. Eligible projects are described in Appendix A. If this funding category is undersubscribed, any unallocated funds will be awarded to the Community Development Commission Housing Rehabilitation Program.

Public Services Projects | 15% | Percentage limited by CDBG federal regulations. The process for awarding these funds is described in a separate document, called Policies for Public Services Funding.

Program Administration | 20% | Percentage limited by CDBG federal regulations.

3.2. CDBG Program Income and Reprogrammed Funds Allocation

CDBG Program Income and Reprogrammed Funds shall be allocated per the table below. Unless otherwise indicated, the percentage of funding in each category is set by the Board of Supervisors, not by federal regulation.

<table>
<thead>
<tr>
<th>Community Development Block Grant (CDBG) Allocation Categories</th>
<th>Percentage of Program Income</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Commission Housing Rehabilitation Program and Homebuyer Assistance</td>
<td>65%</td>
<td>Program income derived from all CDBG-funded projects will be allocated as follows: Sixty-five percent (65%) will be used for housing rehabilitation and homebuyer assistance and associated direct program delivery costs in either the incorporated or unincorporated areas of the Urban County. Reprogrammed funds from all projects other than public services will be used for housing rehabilitation and homebuyer assistance and associated direct program delivery costs in either the incorporated or unincorporated areas of the Urban County.</td>
</tr>
<tr>
<td>Public Services</td>
<td>15%</td>
<td>Fifteen percent (15%) of program income derived from all CDBG-funded projects will be used for Public Services, as allowed under</td>
</tr>
</tbody>
</table>
CDBG regulations. The process for awarding these funds is described in a separate document, called Policies for Public Services Funding. Reprogrammed funds derived from Public Services will be used for Public Services projects.

| Program Administration | Up to 20% | Percentage limited by CDBG federal regulations. Commission will use up to twenty percent of CDBG program income for program administration and operation of the CDBG program. |

### 3.3. HOME Allocation

New annual allocations of HOME funds shall be allocated per the table below. Unless otherwise indicated, the percentage of funding in each category is set by the Board of Supervisors, not by federal regulation.

<table>
<thead>
<tr>
<th>HOME Investment Partnership Program Categories</th>
<th>Percentage of Funding</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Commission Tenant-Based Rental Assistance Program Set-aside</td>
<td>37.5% or $250,000, whichever is more</td>
<td>These funds will be allocated as a set-aside to the Sonoma County Housing Authority and will not be subject to a competitive process.</td>
</tr>
<tr>
<td>Tenant Based Rental Assistance, Development and Preservation of Rental Housing</td>
<td>Up to 37.5%</td>
<td>These funds will be allocated in a competitive process to fund projects or programs located in any of the eight Urban County jurisdictions. Eligible projects and programs are described in Appendix A. If this funding category is undersubscribed, any unallocated funds will be awarded to the Community Development Commission Tenant-Based Rental Assistance Program.</td>
</tr>
<tr>
<td>Community Housing Development Organizations operational support</td>
<td>Up to 5%</td>
<td>Percentage limited by HOME federal regulations. If no funds are requested in this category, the funds will then be available to the Tenant-Based Rental Assistance and Development and Preservation of Rental Housing category, per the percentages of funding indicated above.</td>
</tr>
<tr>
<td>Suspended/Waived for FY 17, FY 18, FY 19 Community Housing Development Organization development or preservation of affordable housing set-aside</td>
<td>At least 15%</td>
<td>Minimum required by HOME federal regulations. Per federal regulation, if this funding category is undersubscribed, any unallocated funds will roll over for allocation in the next fiscal year. Eligible projects are described elsewhere in these policies.</td>
</tr>
<tr>
<td>Program Administration</td>
<td>10%</td>
<td>Percentage limited by HOME federal regulations.</td>
</tr>
</tbody>
</table>
3.4. HOME Program Income and Reprogrammed Funds Allocation

HOME Program Income and Reprogrammed Funds shall be allocated per the table below.

<table>
<thead>
<tr>
<th>HOME Program Income and Reprogrammed Fund Categories</th>
<th>Percentage of Program Income</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director’s discretion</td>
<td>90%</td>
<td>At the Executive Director’s discretion, funds will be reallocated to the Sonoma County Housing Authority’s Tenant-Based Rental Assistance Program or rolled forward to the next fiscal year allocation.</td>
</tr>
<tr>
<td>CHDO Projects</td>
<td>CHDO reprogrammed funds</td>
<td>At the Executive Director’s discretion, funds will be reallocated to the Sonoma County Housing Authority’s Tenant-Based Rental Assistance Program or rolled forward to the next fiscal year allocation. Suspended/Waived for FY 17, FY 18, FY 19: CHDO Set-Aside funds may only be reprogrammed to eligible CHDO projects.</td>
</tr>
<tr>
<td>Program Administration</td>
<td>10%</td>
<td>Percentage limited by HOME federal regulations. Commission will use ten percent of program income for program administration and operation of the HOME program.</td>
</tr>
</tbody>
</table>

4. ELIGIBLE APPLICANTS

Individual persons are not eligible to apply for CDBG or HOME funds; however, individuals may apply for assistance from programs assisted with these funds such as housing rehabilitation, first-time homebuyer, or tenant-based rental assistance programs. [See 24 CFR 570.207(b)(4)]

4.1. CDBG

Eligible applicants for CDBG funding are specified by federal regulations. The type of eligible applicant varies by activity type. Generally, eligible applicants are governmental agencies, private non-profit organizations, and Community Based Development Organizations (CBDOs; see 24 CFR 570.204). In some cases, private for-profit entities can apply for funding for certain economic development activities [see 24 CFR 570.201(o)].

4.2. HOME

Only non-profit and qualifying for-profit organizations and public agencies or local government entities may apply for HOME funding. [See 24 CFR 92.504(c)(3).]

5. ELIGIBLE ACTIVITIES

Eligible activities are described in Appendix A.
6. TYPES OF ASSISTANCE

5.1.6.1. Form of Assistance – Rental Housing and Public Facility Projects

All financial assistance will be in the form of loans secured by real property except for non-housing projects (i.e. public facility projects) sponsored and owned by units of local government where the assistance will be in the form of a grant. Generally, all loans will be three percent (3%) simple interest with payments deferred for the term of the loans. See Sonoma County Community Development Commission Loan Policies for additional information regarding interest rates and other loan parameters. Upon completion of the project, Commission loans must be fully secured by the post-completion value of the property. The term of the loan will be the longer of thirty (30) years or the longest term of any project financing source.

5.2.6.2. Form of Assistance – Ownership Housing Projects

The interest rate and security requirements for home ownership projects will be the same as those for rental housing developments, as detailed above. The Commission loan to the developer will be for a maximum five-year term and will convert to deferred-payment, subordinate loans to income-eligible buyers at the time of first sale of each unit in the ownership project. The total amount of these loans will be sufficient to recapture the initial amount of Commission loan, plus any interest accrued on the Commission loan as of the date of conversion.

5.3.6.3. Funding Agreements, Subrecipient Agreements, Loan Documents and Close of Escrow

The Commission will execute a Funding Agreement, Subrecipient Agreement or Developer Agreement and Promissory Note with each recipient, subrecipient or developer receiving financial assistance. For financial assistance provided in the form of loans, the Commission will additionally and record a Deed of Trust with a Rider in evidence of the Commission loan commitment and obligations.

5.4.6.4. Alternate Loan Terms

The Commission will consider alternate loan terms that the applicant may request for coordination with other sources of project financing. On a case-by-case basis, the Commission staff may approve requests to assign the Subrecipient or Developer Agreement and/or Commission loan to a partnership or other assignee in compliance with HUD regulations.

6.7. FUNDING CONDITIONS AND PROGRAM REQUIREMENTS

6.1.7.1. Timeliness

All projects shall proceed in a timely manner as detailed below. Extensions may be granted for good cause at the discretion of the Executive Director and must be consistent with the funding source regulations.
6.1.1.7.1.1. Program Operations—Economic Development

Program Operations are non-capital projects, i.e., “Economic Development.” Funds for Program Operations must be expended within the 12 months of the fiscal year associated with the award. Program Operations funding that is unexpended after the agreement term will be reprogrammed. **NOT APPLICABLE** for FY 19-20. Program operations will not be eligible use of funds.

6.1.2.7.1.2. Site Acquisition

Site Acquisition funds must be spent within 18 months of the start of the fiscal year associated with the funding. The applicant must satisfy all conditions of approval that are set forth in the Commission Loan Policies as prerequisite to the CDC offering the Subrecipient or Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. If the site acquisition is not complete within 18 months of the start of the fiscal year associated with the award, the funds will be reprogrammed.

6.1.3.7.1.3. Affordable Housing Development

Disbursement of funds for all affordable housing projects, including hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects (but excluding site acquisition costs, which are governed by 7.1.2 above), must be initiated within 24-18 months of start of the fiscal year associated with the award. The applicant must satisfy all conditions of approval that are set forth in the Commission Loan Policies as prerequisite to the CDC offering the Subrecipient or Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. All funds must be disbursed within 30-24 months after the start of the fiscal year associated with the award. Funds that are unexpended after this deadline will be reprogrammed.

6.1.4.7.1.4. Public Facilities and Public Improvements

Funds for all Public Facilities and Public Improvement projects (excluding site acquisition costs, which are governed by 7.1.2 above), must be expended within 1824 months of the date on which the Subrecipient Agreement is offered for execution. Funds that are unexpended after this deadline will be reprogrammed.

6.1.5.7.1.5. Tenant-Based Rental Assistance

Funds for tenant-based rental assistance programs must be committed to specific households within 24-12 months of, and expended within 48-36 months of, the start of the fiscal year associated with the award. Funds that are unexpended after this deadline will be reprogrammed.

6.2.7.2. Site Control

In order to demonstrate project readiness and facilitate compliance with the CDBG stress test [24 CFR 570.902(a)] and the HOME timeliness provisions [92.205(e)(2)], capital project proposals must demonstrate site control at the time funding is made available to the County by HUD (generally August of the new fiscal year). An executed long-term lease, signed option or purchase agreement or equivalent, legally enforceable instrument may satisfy this
requirement. If site control is not in force at the time HUD makes the funding available to the County, the funding approval will be rescinded and the funds will be reprogrammed.

6.3.7.3. Environmental Review

All CDBG- and HOME-funded projects must comply with federal environmental regulations. [24 CFR part 58 National Environmental Policy Act of 1969 (NEPA) and 24 CFR 570.604 (CDBG) and 24 CFR 92.352 (HOME)]

Funding agreements may not be offered for execution until the required federal environmental conditions have been met.

6.3.7.3.1. Certifying Officer, Roles, and Responsibilities

The Commission’s Executive Director is designated by the Board of Supervisors as the Certifying Officer for all National Environmental Policy Act (NEPA) environmental review of CDBG- and HOME-funded projects. Therefore, the Commission will determine and complete, or cause to be completed, the appropriate level of NEPA environmental review, the cost of which shall be the responsibility of the awardee and may be paid from the awarded grant or loan funds. The awardee must provide all requested information pertinent to completing the environmental review in a timely manner. Failure to do so will result in the reprogramming of the allocated funds to another project.

The applicant must provide the Commission with documentation verifying the satisfaction of any required environmental impact mitigation measures. [See 24 CFR part 58 Subpart B Section 58.13]

6.3.7.3.2. CEQA Compliance

If applicable, all projects must receive local environmental clearance in accordance with the requirements of the California Environmental Quality Act (CEQA). The Commission will request the CEQA status from Permit and Resource Management Department ( Permit Sonoma) when reviewing the funding application. The applicant must submit a copy of the CEQA clearance to the Commission prior to a funding commitment being made. [See Cal. Code Regs. Tit. 14. Section 15000 et seq.]

6.4.7.4. Section 3

All CDBG and HOME funded projects must comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, and with the implementing regulations set forth in 24 CFR Part 135. Any funded entity shall comply with these Section 3 requirements and with the Section 3 Affirmative Action Plan of the Community Development Commission at the time that the funding agreement is executed.

6.5.7.5. Federal Labor Standards

Federal Labor Standards requirements include the Davis-Bacon Act, Copeland “Anti-Kickback Act,” and Contract Work Hours and Safety Standards Act. Usually these requirements are referred to as “Davis-Bacon and Related Acts” or DBRA.
CDBG-funded construction or rehabilitation of properties with eight (8) or more total residential units trigger DBRA. [See 24 CFR part 570.603]

Any eligible use of HOME funds – including land acquisition, in which there are twelve (12) or more HOME-assisted units in the same project trigger DBRA. [See 24 CFR part 92.354 & HUD Handbook 1344.1]

6.6.7.6. Reasonable Cost of Real Estate Acquisition

For CDBG- and HOME-funded acquisition projects, the Commission must determine that the cost of the property is reasonable.

A property appraisal carried out by a licensed real estate appraiser, or other evidence of valuation acceptable to the Commission, must be provided to the Commission prior to the Commission offering a funding agreement for execution. Funds for direct site acquisition will not be provided if the purchase price exceeds the documented “reasonable cost” of the real property.

As defined in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, and A-122, Cost Principles for Non-Profit Organizations, “A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs."

Funds for related transaction costs (e.g., title, soils tests, Phase I reports, etc.) may be allowed above the reasonable cost.

6.7.7.7. Land Use Approvals

In order to demonstrate project readiness and facilitate compliance with the CDBG stress test [24 CFR 570.902(a)] and the HOME timeliness provisions [92.205(e)(2)], all CDBG- and HOME-funded projects that require land use approvals must be consistent with the General Plan of the jurisdiction in which they are located. A certification of the project’s consistency with the applicable General Plan, signed by an authorized representative of the jurisdiction, must be submitted with the project application.

6.8.7.8. Compliance with Disabled Access Requirements

All CDBG- and HOME-funded projects must be able to comply with the Architectural Barriers Act of 1968 (PL 90-480) and with 24 CFR Part 8 entitled “Nondiscrimination Based on Handicapped Status in Federally Assisted Programs and HUD Activities.”

24 CFR Part 8 states that no qualified individual with disabilities shall, solely on the basis of disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance from the Department of Housing and Urban Development.

Disabled access must be provided to the greatest extent feasible in non-housing as well as housing facilities. Proposed projects that do not provide access for the disabled may not be considered for funding. In addition, all local and State disability access guidelines must be followed.
6.9.7.9. **Building Standards**

All capital projects (housing and non-housing) must be constructed and maintained in compliance with all applicable federal, State, and local codes, standards, and ordinances.

For HOME owner-occupied housing rehabilitation, unit must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. HOME funds may not be used for emergency or small home repairs. [See 24 CFR 92.251]

6.10.7.10. **Relocation and One-for-One Replacement**

All CDBG- and HOME-funded projects must follow the relocation and one-for-one replacement procedures outlined in 24 CFR 570.606 (CDBG) and 24 CFR 92.353 (HOME) and in HUD's Uniform Relocation and Real Property Acquisition Act.

Projects requiring permanent displacement of families, individuals, and/or businesses must also comply with the Sonoma County Residential Anti-Displacement and Relocation Assistance Plan.

6.11.7.11. **Change in Use**

6.11.1.7.11.1. **Requirements for Urban County Jurisdictions**

All properties acquired and/or improved by the County of Sonoma or participating municipalities that comprise the Urban County entitlement jurisdiction memorialized by a Joint Powers Agreement, using CDBG funds must comply with the CDBG regulations at 24 CFR 570.505, which require that the use of the property (including the beneficiaries of such use) cannot be changed from that for which the acquisition or improvement was made unless the jurisdiction in which the project is located provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either: (1) the new use of such property qualifies as a CDBG-eligible activity; or (2) if the jurisdiction determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify for CDBG funding, the jurisdiction reimburses the Sonoma County CDBG Program in the amount of the then current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property. This requirement shall be in effect until five (5) years after the Urban County is no longer participating in the CDBG Program. For County-owned or controlled properties, compliance with this requirement shall be secured through an annual certification.

6.11.2.7.11.2. **Requirements for All Other Entities**

All properties acquired and/or improved by local government entities other than those described in the above paragraph and by non-profit agencies using CDBG funds must comply with the CDBG regulations at 24 CFR 570.503(7)(i) & (ii), which require that the property be used to meet one of the national objectives in 24 CFR 570.208 until five (5) years after expiration of the CDBG Subrecipient Agreement, or for such longer period of time as determined to be appropriate by the Commission; and that if the property is not used to meet one of the national objectives during this time period, the applicant shall pay to
the Sonoma County CDBG Program an amount of the then current fair market value of the
property, less any portion of the value attributable to expenditures of non-CDBG funds for
acquisition of, or improvement to, the property. Compliance with this requirement shall be
secured by a deed restriction recorded on title to the acquired or improved property.

6.12.7.12. Demonstrating Benefit to Low- and Moderate-Income Persons

If a project proposes to meet the National Objective of providing a benefit to low- and
moderate-income persons, the project must be able to demonstrate that at least 51 percent
of households qualify as low- or moderate-income. [See 24 CFR 570.208]

7.13. Affirmatively Furthering Fair Housing

The Fair Housing Act reflects the federal requirement that HUD “use its grant programs to
end discrimination and segregation, to the point where the supply of genuinely open
housing increases.” As such, the Affirmatively Furthering Fair Housing rule requires fair
housing planning to connect housing and community development policy and investment
planning with meaningful actions that achieve material, positive changes in outcomes for
protected classes: families with children, people with disabilities, and people of different
races, colors and national origins. To be eligible for funding, a project must demonstrate
what actions it takes to achieve material, positive changes that advance one of these four
goals:

1. Decrease residential segregation
2. Eliminate racially and ethnically concentrated areas of poverty
3. Reduce unequal access to important community assets, including quality schools, job centers, and transit
4. Narrow gaps that result in disproportionate housing needs for people in protected classes.


The following provisions identify the minimum affordability requirements for new housing
development and rehabilitation of existing rental housing developments. Projects that
provide greater and/or longer affordability than the minimums shown will receive a higher
priority.


One hundred percent of CDBG and HOME funds will be used to assist units occupied by
households with incomes of no more than eighty percent (80%) of the Sonoma County area
median income (AMI), adjusted for household size.

At least eighty percent (80%) of the units assisted with HOME funds must initially be
occupied by households with incomes of no more than sixty percent (60%) of Sonoma
County AMI, adjusted for household size. Subsequently, these units may be occupied by
households with incomes of up to eighty percent (80%) of Sonoma County AMI, adjusted for
household size.
At least twenty percent (20%) of the units assisted with HOME funds must be occupied by households with incomes of no more than fifty percent (50%) of the Sonoma County AMI, adjusted for household size.

6.13.2.7.14.2. Rent and Purchase Price Limits

Units assisted with CDBG or HOME funds may be sold or rented to income-eligible households at affordable prices and rents, as determined by the Commission in accordance with HUD regulations.

6.13.3.7.14.3. Term of Income and Price Restrictions

Upon completion or acquisition of a housing project, the assisted units must remain affordable for the longer of fifty-five (55) years or the longest affordability term required by other financing in the project. In no case shall the period of affordability be less than the original term of the loan.

6.14.7.15. Match Requirements

Per federal regulation, the expenditure of HOME funds will accrue a match obligation equal to twenty five percent (25%) of the amount of the HOME funds expended. The Commission looks to each project receiving HOME funds to generate eligible match funds during the same fiscal year in which the HOME funds are expended. However, the Commission may cite previously reported match funds to satisfy HOME match requirements in subsequent years.

6.15.7.16. Other Federal Requirements

In addition to the requirements outlined in this document, all awardees are required to adhere to federal rules, statutes, policies, and regulations associated with the underlying source of federal funds. Primary federal regulatory citations for the two funding sources (CDBG and HOME) are listed below:

1. CDBG: 24 CFR Parts 91 and 570
2. HOME: 24 CFR Parts 91 and 92

7.8. PROJECT SELECTION

7.1.8.1. Proposal Submission Process

Details regarding the application requirements and time lines are included in the Notice of Funding Availability (NOFA) released in late-October to mid-November of each year for the fiscal year that begins the following July.

All applicants should attend a Technical Assistance Session for interested applicants to be held on the date listed on the Funding Application Process Timetable. Any applicant who cannot attend the scheduled Sessions should contact the Commission staff as soon as possible.
Applicants must submit funding applications to the Commission by 5:00 p.m. on the date listed on the Funding Application Process Timetable. Project applications must be complete by the deadline date to be considered eligible for funding. Required application contents differ by allocation category; please refer to the NOFA for specific requirements. Applications which do not include a required Resolution from the Board of Directors, a required Certification of Consistency with the jurisdiction’s General Plan, a required City Council Resolution endorsing a Public Service project, a current operating budget, a copy of the applicant’s most recent audit, or all applicable requested documents or complete answers to all applicable questions, will be deemed ineligible for funding.

Proposals may not be revised and/or submitted after the deadline date. In addition, once a proposal is awarded funding by the Commission it cannot be materially revised prior to contract execution.

7.2. City/Town Local Priority Ranking

Each municipality will review the proposals to be located within its jurisdiction and will assign priorities for funding.

Any affordable housing project determined to meet threshold criteria and score well under the selection criteria for CDBG funds shall be prioritized above other proposed projects for funding. This provision shall apply to all projects located in any of the seven municipalities, regardless of applicant.

All proposals from the municipalities must be submitted to the Commission together with city/town council resolutions adopting priority rankings by the deadline date shown in the Funding Application Process Timetable.

8.2. Selection Process

Note: See the Timetable for Capital Projects Funding Proposal Process for selection process dates.

7.2.1. Community Development Committee and Technical Advisory Committee Workshop

The Sonoma County Community Development Committee (CD Committee) appointed by the Board of Supervisors and the Technical Advisory Committee comprised of one appointed representative from each of the seven incorporated jurisdictions in the Urban County are responsible will assume responsibility for reviewing all proposals concurrently, except those competing in the “City/Towns Projects” category.

The CD Committee and Technical Advisory Committee conducts a one or more concurrent annual public hearingworkshops to review staff analysis of take testimony regarding proposals submitted under the competitive funding categories, take testimony from applicants, and to provide feedback to staff that will be integrated into staff recommendations in the Draft Annual Action Plan.
The committees will not recommend funding for any project unless a representative from the applicant agency is present at the workshop to answer questions about the proposed project.

8.2.2. Community Development Committee and Technical Advisory Committee Public Hearing

The Draft Annual Action Plan will be presented to both committees at a public hearing during the public comment period for the Action Plan. The Draft Action Plan will include a list of proposals recommended for funding. The committees will concurrently review the draft and finalize the recommendations to be made to the Board of Supervisors.

The committees will not recommend funding for any project unless a representative from the applicant agency is present at the hearing to answer questions about the proposed project.

8.2.3. Tiebreaker Methodology

If the Committees are unable to come to a consensus about which projects should receive funding, a tiebreaker methodology will be used. The tiebreaker methodology will divide funding up based on two factors:

1. The percentage of low and moderate income persons residing in each member jurisdiction of the Urban County and/or HOME Consortia.
2. Jurisdictions that have two years or more of unallocated CDBG funds will be considered ineligible to receive the proportional allocation of funds, because allocating funds to such a jurisdiction will place the Urban County at risk of failing its “timeliness test”. Failing the timeliness test can result in a loss of CDBG funding from the U.S. Department of Housing and Urban Development.

See the Funding Application Process Timetable for the CD Committee’s public hearing dates. The CD Committee will formulate a funding recommendation to the Board of Supervisors for each program year. The CD Committee’s recommendation will include a list of projects recommended for funding, the recommended award amount, and conditions to be satisfied prior to funding, if any. The CD Committee will not recommend funding for any project unless a representative from the applicant agency is present at the hearing to answer questions about the proposed project.

7.2.2. Technical Advisory Committee

The Technical Advisory Committee (TAC), comprised of one appointed representative from each of the seven incorporated jurisdictions included in the Urban County, is responsible for reviewing all proposals submitted in the city/town project category.

The TAC will conduct an annual public hearing on the date shown in the Funding Application Process Timetable to take testimony regarding proposals submitted to the TAC. At the conclusion of its hearing, the TAC will develop its funding recommendation to the Board of Supervisors for each program year. The TAC’s recommendation will include a list of projects recommended for funding, the level of funding recommended, and conditions to
be satisfied prior to funding, if any. The TAC may decide not to recommend funding for any project if a representative of the jurisdiction or applicant is not present at the hearing to answer questions about the proposed project.

7.3.8.3. Action Plan – One-Year Use of Funds

The Commission will use the CD Committee and TAC recommendations to prepare the “Action Plan: One Year Use of Funds” to be included in the relevant Sonoma County Consolidated Plan. The Consolidated Plan Summary will be published/disseminated in accordance with HUD regulations and the Sonoma County Citizen Participation Plan. Per the Citizen Participation Plan, a review draft of the Consolidated Plan will be made available to the public for thirty days allowed for written comments to be submitted to the Commission. See the Funding Application Process Timetable for the publication dates and the end of the comment period.

7.4.8.4. Board of Supervisors and Board of Commissioners Final Approval

The Commission will submit the CD Committee and TAC recommendations, along with all written comments received during the Action Plan comment period and supplementary Commission staff comments, to the Board of Supervisors / Board of Commissioners for approval. The Board is the final decision-maker for determining CDBG and HOME awards. See the Funding Application Process Timetable for the Board’s public meeting date.

8.9. THRESHOLD CRITERIA FOR PROJECT EVALUATION

Applications must meet the following criteria to be eligible for consideration:

1. Is the application complete?
2. Is the proposed project an eligible activity per CDBG or HOME regulations?
3. If applying for CDBG funds, does the proposed project meet a CDBG National Objective?
4. Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?
4.5. Does the applicant demonstrate administrative capacity or request the assistance of the Community Development Commission to effectively deliver the proposed project? If the project requests assistance from the Commission, does the Commission make a determination that it can effectively deliver the required assistance to deliver the project while meeting the timeliness provisions in these policies?
6. For homelessness-related projects only: Will the project significantly impact HEARTH system-wide performance measures? Will it shorten the length of homeless episodes, decrease returns to homelessness, or increase placements in permanent housing?
7. For homelessness-related projects only: Does the project adhere to the principles of Housing First and participate in Coordinated Entry? If a homeless-serving housing project, does it accept referrals from Coordinated Entry?

5.8. For CDBG, does the project serve the Urban County? For HOME affordable housing development, is the project located in a member jurisdiction of the HOME consortium?
9.10. SELECTION CRITERIA

The following criteria will be used in the evaluation of eligible applications and will influence the Commission’s funding recommendations to the CD Committee. A total of 100 points are available, however, only projects that meet the housing and homelessness criteria can receive full points.

10.1. Selection Criteria – All Projects

10.1.1. Funding Priorities

Projects will be ranked in how well they meet the following priorities, ranked in the order listed below:

10.1.2. Creation or Preservation of Affordable Housing

10.1.3. Infrastructure or Public Facility Supporting creation or preservation of affordable housing

10.1.4. Infrastructure or Public Facility supporting low or moderate income populations

10.1.5. Readiness to Proceed

Applicant demonstrates that proposed project can spend grant funding within the applicable timeliness provisions (See Section 7.1). Requirements will vary by project type but may include demonstration of site control, completion of environmental review, approval of entitlements, etc.

10.1.6. Need

Applicant describes the need for the project/program and demonstrates with applicable evidence (e.g. waiting list, census data, documentation of deteriorated conditions, etc.).

10.1.7. Adherence to a competitive procurement process

Applicant adheres to a process wherein conversations outside an adopted competitive procurement process with members of either the Community Development Committee or Technical Advisory advocating for funding of applicant project or program will result in recusal of those members from the decision making process or ineligibility of that applicant project

10.1.8. Financial Feasibility

Project adheres to guidance set out in the Notice of Funding Availability

10.1.9. Outcomes

Applicant demonstrates that the project/program will result in outcomes that are clearly defined, measurable, and directly related to alleviation of the stated problem
10.1.10. Affirmatively Furthering Fair Housing

The project will affirmatively further fair housing and facilitate and further fair housing principles; specifically, fully comply with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, E.O. 11063, and HUD regulations issued pursuant thereto.

10.2. Selection Criteria – Housing Projects

10.2.1. Leverage

Priority will go to projects that leverage public funds to the greatest extent possible.

10.3. Selection Criteria – Non-Housing Projects

10.3.1. Leverage and Meeting Community Need

Priority will go to projects that leverage public funds to the greatest extent possible or projects that meet a particular community need that cannot be met by other funding sources.

<table>
<thead>
<tr>
<th>Selection Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative and Financial Capacity</strong></td>
</tr>
</tbody>
</table>

| If applicant was previously awarded grant funds: All required documentation, work products, and reimbursement requests were submitted in a complete, accurate, and timely manner, in compliance with all applicable policies, rules, and regulations. |

| If applicant was previously awarded grant funds: Previously awarded grant funds were expended in a timely manner. |

| If applicant has not been previously awarded grant funds: |
| 1. Applicant demonstrates a record of administrative and programmatic capacity using federal, state, local, and private grant funds from other sources. |
| 2. Organization’s financials (audited if applicable) show that the agency is in good financial health (does not apply to recipients, i.e., County departments/agencies and TAC members). |

**Demonstration of Need**

Applicant describes the need for the project/program and demonstrates with applicable evidence (e.g. waiting list, census data, documentation of deteriorated conditions, etc.).
### Selection Criteria

**Funding Request and Project Budget**

Applicant demonstrates leveraging of other funds, in-kind contributions, and/or land donation or discount. Funds must be committed at the time of application to be considered as leveraged funds.

Applicant demonstrates that the proposed budget is realistic.

**Outcomes**

Applicant demonstrates that the project/program will result in outcomes that are clearly defined, measurable, and directly related to alleviation of the stated problem.

The project would facilitate and further fair housing principles; specifically, full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, E.O. 11063, and HUD regulations issued pursuant thereto.

### Housing and Homelessness

**Applications for housing or for homeless-related projects will be prioritized.** For both housing and homelessness projects, a separate set of criteria will be used to score for additional points that are not available to non-housing, non-homelessness projects. The following criteria is how these projects will be prioritized.

#### Housing

- The proposed project would provide rental housing.
- Project targets extremely low-, very low-, and low-income families and special needs populations, the households given priority in the Consolidated Plan.
- The project’s level of affordability targeting will be scored. A rent-per-bedroom figure will be calculated by staff (monthly GPR/total number of bedrooms).
- The project will be scored on whether it serves special needs households.
- The percentage of restricted units is greater than the minimum required by HOME or CDBG program regulations.
- Project adds new units to the County’s permanent affordable housing stock, either through new construction or through conversion of non-housing existing facilities. Projects designed to preserve affordability of housing units which would otherwise revert to market rate during the current fiscal year will be counted as adding new housing units.

#### Homelessness

- The project sets aside homes for persons or households experiencing homelessness or who are at imminent risk of becoming homeless within 14 days.
- For permanent supportive housing projects, has the applicant identified a service provider?

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*Note: The text above is a natural representation of the document content.*
Selection Criteria

| The applicant has committed to accepting referrals from Coordinated Entry and/or to lowering barriers to potential tenants to entering permanent housing |
| Project maintains current capacity for serving homeless population. |

### 10.11. DEFINITIONS

**Community Development Block Grant Program (CDBG):** Created under the Housing and Community Development Act of 1974, this program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents.

**CDBG Recipient:** a state, city, or urban county that receives a direct allocation of CDBG dollars from the U.S. Department of Housing and Urban Development. Through an urban county cooperation agreement, in the form of a Joint Powers Agreement the County of Sonoma, the Town of Windsor, and the cities of Cloverdale, Healdsburg, Rohnert Park, Sebastopol, and Sonoma together constitute a HUD-designated “Urban County.”

**CDBG Subrecipient:** Government agencies, private, or public non-profit organizations, including institutions of higher education and private for-profit entities, designated by the Urban County to undertake selected CDBG activities.

**Community Housing Development Organization (CHDO):** As defined by HUD, A private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience.

**Continuum of Care (CoC):** The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments.

**Emergency Shelter Grant (ESG) Program:** A federal grant program designed to assist homeless persons through five activity types including Street Outreach, Emergency Shelter, Homeless Prevention, Rapid Re-housing, and HMIS.

**Fair Housing Act:** 1968 act (amended in 1974 and 1988) providing the HUD Secretary with fair housing enforcement and investigation responsibilities. A law that prohibits discrimination in all facets of the homebuying process on the basis of race, color, national origin, religion, sex, familial status, or disability.

**Fair Market Value:** The amount of money that would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy.

**HOME (HOME Investment Partnerships Program):** Provides formula grants to states and localities that communities use––often in partnership with local nonprofit groups––to fund a
wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people.

**HOME Participating Jurisdiction:** localities, metropolitan cities, urban counties or approved consortia that are eligible to receive an allocation of funds under the HOME program. Through an urban county cooperation agreement, in the form of a Joint Powers Agreement the County of Sonoma, the Town of Windsor, and the cities of Cloverdale, Healdsburg, Rohnert Park, Sebastopol, and Sonoma together constitute a participating jurisdiction.

**HOME Subrecipient:** A public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction’s HOME program.

**HOME Owner, Developer, or Sponsor:** A non-profit or for-profit organization that will own, develop, or sponsor a HOME-assisted project.

**Homeless:** An individual who lacks a fixed, regular, and adequate nighttime residence; as well an individual who has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations, an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

**Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act:** Amended and reauthorized the earlier McKinney-Vento Homeless Assistance Act with substantial changes in 2009. It consolidated HUD's Continuum of Care grant programs and changed HUD's definition of homelessness and chronic homelessness.

**Homeless Prevention:** Activities or programs designed to prevent the incidence of homelessness, including, but not limited to: (1) short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices; (2) security deposits or first month’s rent to permit a homeless family to move into its own apartment; (3) mediation programs for landlord-tenant disputes; (4) legal services programs that enable representation of indigent tenants in eviction proceedings; (5) payments to prevent foreclosure on a home; and (6) other innovative programs and activities designed to prevent the incidence of homelessness.

**Household:** All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

**Housing Stock:** The number of existing housing units based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

**HUD:** The federal Department of Housing and Urban Development.

**Income Limit:** Determines the eligibility of applicants for HUD's assisted housing programs.
Lead-Based Paint: Paint or other surface coatings that contain lead equal to or exceeding 1.0 milligram per square centimeter or 0.5 percent by weight or 5,000 parts per million (ppm) by weight.

Lease: A written agreement between an owner and a family for the leasing of a decent, safe, and sanitary dwelling unit to the family.

Low and Moderate Income Housing Asset Fund (LMIHAF): Sonoma County’s Low-and Moderate-Income Housing Asset Fund (assets from County of Sonoma, Cities of Sonoma and Sebastopol Redevelopment Successor Agencies).

Market Value: The most probable price that a property should bring in a competitive and open market, provided that all conditions requisite to a fair sale are present, the buyer and seller are knowledgeable and acting prudently, and the price is not affected by any undue stimulus.

Microenterprise: A commercial enterprise that has five or fewer employees, one or more of who owns the enterprise.

Manufactured Home or Mobile Home: A structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width, or 40 body feet or more in length, or which when erected onsite is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure. This term includes all structures that meet the above requirements except the size requirements and with respect to which the manufacturer voluntarily files a certification pursuant to 24 CFR 3282.13 and complies with the construction and safety standards set forth in this 24 CFR 3280. The term does not include any self-propelled recreational vehicle. Calculations used to determine the number of square feet in a structure will include the total of square feet for each transportable section comprising the completed structure and will be based on the structure’s exterior dimensions measured at the largest horizontal projections when erected onsite. These dimensions will include all expandable rooms, cabinets, and other projections containing interior space, but do not include bay windows. Nothing in this definition should be interpreted to mean that a manufactured home necessarily meets the requirements of HUD’s Minimum Property Standards (HUD Handbook 4900.1) or that it is automatically eligible for financing under 12 U.S.C. 1709(b).

Special Needs Subpopulations: Include, but are not limited to: 1) elderly households, 2) persons with physical, mental or developmental disabilities, 3) persons with HIV/AIDS and their families, 4) large families, 5) single-headed households, and 6) farm workers.

Uniform Relocation Act (URA): The Uniform Act (or “Uniform Relocation Act”), passed by Congress in 1970, is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The Uniform Act’s protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.
11.12. MORE INFORMATION

Visit the Commission’s website to find more information: http://www.sonoma-county.org/cdc
## APPENDIX A: ELIGIBLE USES OF FUNDS

### CDBG Eligible Activities

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<th>Consolidated Plan Goal Met</th>
<th>National Objective Code</th>
<th>CDBG Eligible Activity</th>
<th>Eligible Applicants</th>
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</thead>
<tbody>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>All uses below as they relate to construction or rehabilitation of facilities to serve homeless households</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Acquisition of Property</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Disposition of property assisted with CDBG</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Rehabilitation</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Solid Waste Disposal Improvements</td>
<td>Governmental Agency or Non-profit</td>
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<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Flood Drainage Improvements</td>
<td>Governmental Agency or Non-profit</td>
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<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Water/Sewer Improvements</td>
<td>Governmental Agency or Non-profit</td>
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<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Street Improvements</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Sidewalks</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Tree Planting</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Homeless Facilities</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Health Facilities</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Shelter for persons with special needs</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Group homes for people with developmental delays</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Battered Spouse Shelters</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Abused or Neglected Children Facilities</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Facilities for AIDS Patients</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Asbestos Removal</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Clearance, Demolition and Remediation</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Cleanup of Contaminated Sites</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Relocation</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Rehabilitation Administration</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Consolidated Plan Goal Met</td>
<td>National Objective Code</td>
<td>CDBG Eligible Activity</td>
<td>Eligible Applicants</td>
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<tr>
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</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Nonprofit Capacity Building - provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance.</td>
<td></td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Assistance to Higher Education Institutions - any eligible activity can be provided to an institution of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more for the basic eligibility categories under the CDBG program</td>
<td></td>
</tr>
<tr>
<td>Homelessness</td>
<td>LMC - homeless persons</td>
<td>Operation and Repair of Foreclosed Property</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing: Increase and preserve the housing stock that is affordable, safe, and accessible for low-, very low-, and extremely-low income families and individuals, including those with special needs and those who are homeless or at imminent risk of homelessness.</td>
<td>LMH</td>
<td>New housing construction - only as &quot;are clearly needed to address a lack of affordable housing accessible to existing or planned jobs&quot;</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Homeownership Assistance - can include subsidizing interest rates, financing acquisition, mortgage insurance premiums, closing costs, down payment assistance</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Housing Rehabilitation - Single family: repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancements of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly or in combination.</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Housing Rehabilitation - Multi-family: repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancements of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly or in combination.</td>
<td></td>
</tr>
<tr>
<td>Consolidated Plan Goal Met</td>
<td>National Objective Code</td>
<td>CDBG Eligible Activity</td>
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<td>---------------------------</td>
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</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Acquisition for Rehabilitation of Housing</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Housing Rehabilitation Administration - Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities.</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Lead Based Paint/Hazards Test/Abatement</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Housing Services - costs in support of activities eligible for funding under the HOME program. This includes services such as housing counseling in connection with TBRA and Affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of TBRA, other services related to assisting owners, tenants, contractors and other entities participating or seeking to participate in the HOME program. Such assistance must also meet HOME income targeting requirements.</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>All Uses below as they relate to construction or rehabilitation of housing affordable to low-income households:</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Acquisition of Real Property</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Disposition of property assisted with CDBG</td>
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<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Solid Waste Disposal Improvements</td>
<td>If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Flood Drainage Improvements</td>
<td>If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Water/Sewer Improvements</td>
<td>If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Street Improvements</td>
<td>If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only</td>
</tr>
<tr>
<td>Consolidated Plan Goal Met</td>
<td>National Objective Code</td>
<td>CDBG Eligible Activity</td>
<td>Eligible Applicants</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Sidewalks</td>
<td>If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Tree Planting</td>
<td>If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Clearance, Demolition and Remediation</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Cleanup of Contaminated Sites</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Relocation</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Rental Income Loss - Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG eligible activities.</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Energy Efficiency Improvements - includes installation of storm windows and doors, wall and attic insulation, and conversion, modification or replacement of heating and cooling equipment, including the use of solar energy equipment.</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Residential Historic Preservation - authorizes the costs of preserving or restoring properties of historic significance that will be used for housing for low-income households.</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Nonprofit Capacity Building - provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance.</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Assistance to Higher Education Institutions - any eligible activity can be provided to an institution of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more of the basic eligibility categories under the CDBG program</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>LMH</td>
<td>Operation and Repair of Foreclosed Property - authorizes activities necessary to make essential repairs and payment of operating expenses needed to maintain habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low income neighborhoods.</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Consolidated Plan Goal Met</td>
<td>National Objective Code</td>
<td>CDBG Eligible Activity</td>
<td>Eligible Applicants</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------</td>
<td>------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Disposition of property assisted with CDBG</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Public Facilities or Improvements</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Senior Centers</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Handicapped Centers</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Youth Centers</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Neighborhood Facilities</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Parks, Recreational Facilities</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Parking Facilities</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Solid Waste Disposal Improvements</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Flood Drainage Improvements</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Water/Sewer Improvements</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Street Improvements</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Sidewalks</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development -</td>
<td>various</td>
<td>Child Care Centers</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td><strong>Consolidated Plan Goal Met</strong></td>
<td><strong>National Objective Code</strong></td>
<td><strong>CDBG Eligible Activity</strong></td>
<td><strong>Eligible Applicants</strong></td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>-----------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>Infrastructure systems and public facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Tree Planting</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Fire Station/Equipment</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Health Facilities</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Abused or Neglected Children Facilities</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Asbestos Removal</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Facilities for AIDS Patients</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Clearance, Demolition and Remediation</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Cleanup of Contaminated Sites</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Relocation</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Rental Income Loss - Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG eligible activities.</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Privately Owned Utilities - acquire, construct, reconstruct, rehabilitate or install distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Rehabilitation of Public or Privately Owned Commercial/Industrial buildings - some limitations for buildings owned by private for-profit business</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various Rehabilitation Administration: Rehabilitation services, such as rehabilitation counseling, energy</td>
<td></td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Consolidated Plan Goal Met</td>
<td>National Objective Code</td>
<td>CDBG Eligible Activity</td>
<td>Eligible Applicants</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------</td>
<td>------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Infrastructure systems and public facilities</td>
<td></td>
<td>auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities.</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Non-Residential Historic Preservation - authorizes the costs of preserving or restoring properties otherwise eligible as Public Facilities</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>various</td>
<td>Renovation of closed buildings - such as closed school buildings, for use as an eligible public facility</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>LMA or, if not applicable: LMC</td>
<td>Public Facility or improvements access projects that remove of material or architectural barriers that limit the accessibility of elderly persons or adults with severe disabilities</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities</td>
<td>LMA, LMJ, or, if neither apply: LMC</td>
<td>Rehabilitation of a privately owned nonresidential building or improvement that removes material or architectural barriers that limit the accessibility of elderly persons or adults with severe disabilities</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>SUSPENDED FOR FY 19-20 Non-Housing Community Development - Micro-enterprise</td>
<td>various</td>
<td>Micro-Enterprise Assistance: providing credit, including, but not limited to grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization and expansion of microenterprises; providing technical assistance, advice and business support services to owners of microenterprises and persons developing microenterprises; providing general support including but not limited to peer support programs, counseling, childcare, transportation and other similar services to owners of microenterprises and persons developing microenterprises.</td>
<td>Governmental Agency, Non-profit or for-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities/ Non-Housing Community Development - microenterprise</td>
<td>various - must match eligible use</td>
<td>Nonprofit Capacity Building: provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance.</td>
<td>Governmental Agency or Non-profit</td>
</tr>
<tr>
<td>Non-Housing Community Development - Infrastructure systems and public facilities/ Non-Housing Community Development - microenterprise</td>
<td>various - must match eligible use</td>
<td>Assistance to Higher Education Institutions - any eligible activity can be provided to an institution of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more for the basic eligibility categories under the CDBG program</td>
<td>Institution of Higher Education (Secondary and above)</td>
</tr>
</tbody>
</table>
## HOME Eligible Activities

<table>
<thead>
<tr>
<th>Consolidated Plan Goal Met</th>
<th>HOME Eligible Activity</th>
<th>Eligible Applicants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Rental Assistance (Assistance to Developers of Rental Housing).</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Minimum set-aside of 15% for CHDOs. All development or TBRA expenses are eligible.</td>
<td>Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>New Construction: costs to meet applicable new construction standards</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Rehabilitation: To meet minimum property standards or to make essential improvements, including energy-related repairs or improvements, improvements necessary to permit use by persons with disabilities and the abatement of lead-based paint hazards. Rehabilitation includes conversion within the existing footprint of a building.</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Demolition of existing structures, associated with both new construction and rehabilitation</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Utility connections including off-site connections from property line to adjacent street, associated with both new construction and rehabilitation</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Improvements to project site in keeping with improvements of surrounding standard projects including on-site roads, and sewer and water lines.</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Refinancing for rehabilitation projects to permit continued affordability</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Acquisition: May use HOME funds to cover the costs of acquiring improved or unimproved real property</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Project Related Soft Costs reasonable and necessary costs associated with financing or development of new construction, rehab or acquisition including: Architectural, engineering or related services, costs to process or settle financing, cost of a project audit, costs to provide information services, cost of funding an initial operating deficit reserve, PJ staff and overhead costs directly related to carrying out the project, developer impact fees, costs of environmental review</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>Relocation associated with development or rehabilitation of units</td>
<td>Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project,</td>
</tr>
<tr>
<td>Consolidated Plan Goal Met</td>
<td>HOME Eligible Activity</td>
<td>Eligible Applicants</td>
</tr>
<tr>
<td>----------------------------</td>
<td>------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Affordable Housing and likely Homelessness</td>
<td>Tenant-Based Rental Assistance</td>
<td>Public agency or nonprofit organization</td>
</tr>
<tr>
<td>Affordable Housing and possibly Homelessness</td>
<td>CHDO Operating Costs - An individual CHDO may be used for operating costs of CHDO(s). An individual CHDO may receive no more than the lesser of 50% of its total operating costs or $50,000. These funds are not part of the CHDO Set-Aside. These funds may be used for general operating assistance and may not be used or costs eligible under the CHDO Set-Aside.</td>
<td>Community Housing Development Organizations</td>
</tr>
</tbody>
</table>
APPENDIX B: INCOME LIMITS

Effective April 11, 2017 - July 1, 2018

These income limits apply to HOME Investment Partnership Program (HOME) and Community Development Block Grant Program (CDBG) projects and programs, and apply only to Sonoma County Community Development Commission-assisted projects or programs. They are not to be used as a guide for programs regulated by any agency other than the Sonoma County Community Development Commission. It is up to each property owner to determine which regulations preside if a program is regulated by more than one program.

<table>
<thead>
<tr>
<th>Persons in Household</th>
<th>30% AMI*</th>
<th>Very Low Income 50% AMI (HOME Low)</th>
<th>60% AMI</th>
<th>Low Income 80% AMI (HOME High)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20,650</td>
<td>34,400 40,850</td>
<td>41,280</td>
<td>55,000</td>
</tr>
<tr>
<td></td>
<td>18,550</td>
<td></td>
<td>37,020</td>
<td>49,350</td>
</tr>
<tr>
<td>2</td>
<td>23,600</td>
<td>39,300 35,250</td>
<td>47,160</td>
<td>62,850</td>
</tr>
<tr>
<td></td>
<td>24,200</td>
<td></td>
<td>42,300</td>
<td>56,400</td>
</tr>
<tr>
<td>3</td>
<td>26,550</td>
<td>44,200 39,650</td>
<td>53,040</td>
<td>70,700</td>
</tr>
<tr>
<td></td>
<td>23,850</td>
<td></td>
<td>47,580</td>
<td>63,450</td>
</tr>
<tr>
<td>4</td>
<td>29,450</td>
<td>49,100 44,050</td>
<td>58,920</td>
<td>78,550</td>
</tr>
<tr>
<td></td>
<td>26,450</td>
<td></td>
<td>52,860</td>
<td>70,500</td>
</tr>
<tr>
<td>5</td>
<td>31,850</td>
<td>53,050 47,600</td>
<td>63,660</td>
<td>84,850</td>
</tr>
<tr>
<td></td>
<td>28,600</td>
<td></td>
<td>57,120</td>
<td>76,150</td>
</tr>
<tr>
<td>6</td>
<td>34,200</td>
<td>57,000 54,100</td>
<td>68,400</td>
<td>91,150</td>
</tr>
<tr>
<td></td>
<td>30,700</td>
<td></td>
<td>64,120</td>
<td>81,200</td>
</tr>
<tr>
<td>7</td>
<td>36,550</td>
<td>60,900 54,650</td>
<td>73,080</td>
<td>97,450</td>
</tr>
<tr>
<td></td>
<td>32,890</td>
<td></td>
<td>65,580</td>
<td>87,450</td>
</tr>
<tr>
<td>8</td>
<td>38,900</td>
<td>64,850 58,150</td>
<td>77,820</td>
<td>103,700</td>
</tr>
<tr>
<td></td>
<td>34,950</td>
<td></td>
<td>69,780</td>
<td>93,100</td>
</tr>
</tbody>
</table>

*Area Median Income (AMI) for a 4-person household: $84,100-$83,900
APPENDIX C: RENT LIMITS

Effective April 11, 2017 July 1, 2018

These rent limits apply to HOME Investment Partnership Program (HOME) and Community Development Block Grant Program (CDBG) projects and programs, and apply only to Sonoma County Community Development Commission-assisted units. They are not to be used as a guide for projects regulated by any agency other than the Sonoma County Community Development Commission. It is up to each property owner to determine which regulations preside if a unit is regulated by more than one program.

Property owners must subtract from the maximum rent the approved utility allowance for any utilities that the tenant pays in addition to the rent. Confirm the appropriate utility allowance with the Sonoma County Community Development Commission.

<table>
<thead>
<tr>
<th>Rent Level</th>
<th>Studio</th>
<th>One-bedroom</th>
<th>Two-bedroom</th>
<th>Three-bedroom</th>
<th>Four-bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low (Very Low-Income, 50% AMI*)</td>
<td>860774</td>
<td>921826</td>
<td>1,105994</td>
<td>1,2764745</td>
<td>1,4254277</td>
</tr>
<tr>
<td>High (Low-Income, 65% AMI)</td>
<td>1,09814020</td>
<td>1,1781094</td>
<td>1,4161316</td>
<td>1,6271511</td>
<td>1,7951666</td>
</tr>
</tbody>
</table>

*Area Median Income (AMI) for a 4-person household: $83,90084,100
TIMETABLE FOR  
CAPITAL PROJECTS FUNDING PROPOSAL PROCESS  
FISCAL YEAR 2019-2020  
SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION  

The Funding Application Process for fiscal year 2019-2020 includes applications for Community Development Block Grant (CDBG) and HOME Investment Partnerships Act (HOME) Programs.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday, September 19, 2018, 10am</td>
<td>Concurrent Technical Advisory Committee (TAC) and CD Committee Public Hearings to identify housing and community development needs, review and discuss the FY 2017-2018 Consolidated Annual Performance and Evaluation Report (CAPER) and recommend approval of FY 2019-2020 Funding Policies.</td>
</tr>
<tr>
<td>Wednesday, October 17, 2018, 10am</td>
<td>CD Committee approval of FY 2019-2020 Federal Funding Policies for Capital Projects</td>
</tr>
<tr>
<td>Thursday, November 15, 2018</td>
<td>Notice of FY 2019-2020 CDBG and HOME funding availability (NOFA) issued inviting submission of Capital Project funding proposals</td>
</tr>
<tr>
<td>Tuesday, November 20, 2018, 2pm</td>
<td>Technical Advisory Committee approval of FY 2019-2020 Federal Funding Policies for Capital Projects</td>
</tr>
<tr>
<td>Thursday, December 06, 2018</td>
<td>Technical Assistance Session for applicants interested in submitting a Capital Project funding proposal in FY 2019-2020</td>
</tr>
<tr>
<td>Friday, January 11, 2019</td>
<td>Capital Project Funding Proposals are due at the Commission Office</td>
</tr>
<tr>
<td>Wednesday, February 20, 2019</td>
<td>All-Day Workshop for Community Development Committee and Technical Advisory Committee Review and Feedback on FY 2019-2020 Capital Project Funding Proposals. All applicants must be present to be considered for funding.</td>
</tr>
<tr>
<td>Friday, March 29, 2019</td>
<td>Draft FY 2019-2020 Action Plan released. 30 Day Public Comment Period Begins (Closes April 29)</td>
</tr>
<tr>
<td>Wednesday, April 17, 2019</td>
<td>Draft FY 2019-2020 Action Plan Presented to CD Committee and Technical Advisory Committee at Public Hearing. All applicants must be present to be considered for funding.</td>
</tr>
<tr>
<td>Tuesday May 7, 2019 (Subject to Change)</td>
<td>Board of Supervisors to discuss and adopt the FY 2019-20 Action Plan</td>
</tr>
<tr>
<td>Wednesday, May 15, 2019</td>
<td>Deadline for FY 2019-2020 Action Plan to be received at HUD office.</td>
</tr>
<tr>
<td>July 1, 2019</td>
<td>Beginning of fiscal year 2019-2020 (through June 30, 2020)</td>
</tr>
</tbody>
</table>

**Contact Information**  
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