

SONOMA COUNTY
COMMUNITY DEVELOPMENT COMMISSION

FY 2018-2019 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 comprise the Urban County, an entity recognized by 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 2018-2019 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

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.

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". 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

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.

<i>Community Development Block Grant (CDBG) Allocation Categories</i>	<i>Percentage of Funding</i>	<i>Notes</i>
Community Development Commission Housing Rehabilitation Program Set-Aside	15%	These funds will be allocated as a set-aside and will not be subject to a competitive process.
County-Sponsored Projects	10%	These funds will be allocated in a competitive process to fund projects sponsored by 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.
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.

<i>Community Development Block Grant (CDBG) Allocation Categories</i>	<i>Percentage of Program Income</i>	<i>Notes</i>
Community Development Commission Housing Rehabilitation Program and Homebuyer Assistance	65%	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.
Public Services	15%	Fifteen percent (15%) of program income derived from all CDBG-funded projects will be used for Public Services, as allowed under 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.

<i>HOME Investment Partnership Program Categories</i>	<i>Percentage of Funding</i>	<i>Notes</i>
Community Development Commission Tenant-Based Rental Assistance Program Set-aside	37.5% or \$250,000, whichever is more	These funds will be allocated as a set-aside to the Sonoma County Housing Authority and will not be subject to a competitive process.

Development and Preservation of Rental Housing	Up to 37.5%	These funds will be allocated in a competitive process to fund projects located in any of the eight Urban County jurisdictions. Eligible projects 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.
Community Housing Development Organizations operational support	Up to 5%	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.
Community Housing Development Organization development or preservation of affordable housing set-aside	At least 15%	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.
Program Administration	10%	Percentage limited by HOME federal regulations.

3.4. HOME Program Income and Reprogrammed Funds Allocation

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

HOME Program Income and Reprogrammed Fund Categories	Percentage of Program Income	Notes
Executive Director's discretion	90%	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.
CHDO Projects	CHDO reprogrammed funds	CHDO Set-Aside funds may only be reprogrammed to eligible CHDO projects.
Program Administration	10%	Percentage limited by HOME federal regulations. Commission will use ten percent of program income for program administration and operation of the HOME program.

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

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.

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.

6.3. Loan Documents and Close of Escrow

The Commission will execute a Subrecipient or Developer Agreement and Promissory Note with each developer and record a Deed of Trust with a Rider in evidence of the Commission loan commitment and obligations.

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.

7. FUNDING CONDITIONS AND PROGRAM REQUIREMENTS

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.

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.

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.

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 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 months after the start of the fiscal year associated with the award. Funds that are unexpended after this deadline will be reprogrammed.

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 24 months of the date on which the Subrecipient Agreement is offered for execution. Funds that are unexpended after this deadline will be reprogrammed.

7.1.5. Tenant-Based Rental Assistance

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

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.

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.

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]

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.;]

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.

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]

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.

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.

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.

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]

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.

7.11. Change in Use

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, 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.

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.

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. Affordability Restrictions for Housing Projects

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.

7.13.1. Income Limits

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.

7.13.2. 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.

7.13.3. 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.

7.14. 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.

7.15. 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

8. PROJECT SELECTION

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 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.

8.2. 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.

8.3. Selection Process

8.3.1. Community Development Committee

The Sonoma County Community Development Committee (CD Committee) appointed by the Board of Supervisors will assume responsibility for reviewing all proposals except those competing in the "City/Towns Projects" category.

The CD Committee conducts one or more annual public hearings to take testimony regarding proposals submitted under these categories. 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.

8.3.2. 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.

8.4. 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.

8.5. 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.

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?
5. *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?
6. 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?

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.

<i>Selection Criteria</i>
Administrative and Financial Capacity
<i>If applicant was previously awarded grant funds:</i> 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.
<i>If applicant was previously awarded grant funds:</i> Previously awarded grant funds were expended in a timely manner.
<i>If applicant has not been previously awarded grant funds:</i> <ol style="list-style-type: none"> 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.).
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.

Selection Criteria
<p>Housing and Homelessness <i>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.</i></p>
Housing
The proposed project would provide rental housing.
<p>Project targets extremely low-, very low- and low-income families and special needs populations, the households given priority in the Consolidated Plan.</p> <ol style="list-style-type: none"> 1. The project's level of affordability targeting will be scored 2. 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.
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?
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.

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.

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.

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.

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

Consolidated Plan Goal Met	National Objective Code	CDBG Eligible Activity	Eligible Applicants
Homelessness	LMC - homeless persons	All uses below as they relate to construction or rehabilitation of facilities to serve homeless households	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Acquisition of Property	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Disposition of property assisted with CDBG	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Rehabilitation	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Solid Waste Disposal Improvements	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Flood Drainage Improvements	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Water/Sewer Improvements	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Street Improvements	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Sidewalks	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Tree Planting	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Homeless Facilities	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Health Facilities	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Shelter for persons with special needs	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Group homes for people with developmental delays	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Battered Spouse Shelters	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Abused or Neglected Children Facilities	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Facilities for AIDS Patients	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Asbestos Removal	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Clearance, Demolition and Remediation	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Cleanup of Contaminated Sites	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Relocation	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Rehabilitation Administration	Governmental Agency or Non-profit

Consolidated Plan Goal Met	National Objective Code	CDBG Eligible Activity	Eligible Applicants
Homelessness	LMC - homeless persons	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.	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	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	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Operation and Repair of Foreclosed Property	Governmental Agency or Non-profit
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.	LMH	New housing construction - only as "are clearly needed to address a lack of affordable housing accessible to existing or planned jobs"	Community Based Development Organization (CDBDO)
Affordable Housing	LMH	Homeownership Assistance - can include subsidizing interest rates, financing acquisition, mortgage insurance premiums, closing costs, down payment assistance	Governmental Agency or Non-profit
Affordable Housing	LMH	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.	Governmental Agency or Non-profit
Affordable Housing	LMH	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.	Governmental Agency or Non-profit

Consolidated Plan Goal Met	National Objective Code	CDBG Eligible Activity	Eligible Applicants
Affordable Housing	LMH	Acquisition for Rehabilitation of Housing	Governmental Agency or Non-profit
Affordable Housing	LMH	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.	Governmental Agency or Non-profit
Affordable Housing	LMH	Lead Based Paint/Hazards Test/Abatement	Governmental Agency or Non-profit
Affordable Housing	LMH	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.	Governmental Agency or Non-profit
Affordable Housing	LMH	All Uses below as they relate to construction or rehabilitation of housing affordable to low-income households:	
Affordable Housing	LMH	Acquisition of Real Property	Governmental Agency or Non-profit
Affordable Housing	LMH	Disposition of property assisted with CDBG	Governmental Agency or Non-profit
Affordable Housing	LMH	Solid Waste Disposal Improvements	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Flood Drainage Improvements	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Water/Sewer Improvements	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Street Improvements	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only

Consolidated Plan Goal Met	National Objective Code	CDBG Eligible Activity	Eligible Applicants
Affordable Housing	LMH	Sidewalks	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Tree Planting	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Clearance, Demolition and Remediation	Governmental Agency or Non-profit
Affordable Housing	LMH	Cleanup of Contaminated Sites	Governmental Agency or Non-profit
Affordable Housing	LMH	Relocation	Governmental Agency or Non-profit
Affordable Housing	LMH	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.	Governmental Agency or Non-profit
Affordable Housing	LMH	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.	Governmental Agency or Non-profit
Affordable Housing	LMH	Residential Historic Preservation - authorizes the costs of preserving or restoring properties of historic significance that will be used for housing for low-income households.	Governmental Agency or Non-profit
Affordable Housing	LMH	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.	Governmental Agency or Non-profit
Affordable Housing	LMH	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	Governmental Agency or Non-profit
Affordable Housing	LMH	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.	Governmental Agency or Non-profit

Consolidated Plan Goal Met	National Objective Code	CDBG Eligible Activity	Eligible Applicants
Non-Housing Community Development - Infrastructure systems and public facilities	various	Disposition of property assisted with CDBG	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Public Facilities or Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Senior Centers	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Handicapped Centers	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Youth Centers	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Neighborhood Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Parks, Recreational Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Parking Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Solid Waste Disposal Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Flood Drainage Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Water/Sewer Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Street Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Sidewalks	Governmental Agency or Non-profit
Non-Housing Community Development -	various	Child Care Centers	Governmental Agency or Non-profit

Consolidated Plan Goal Met	National Objective Code	CDBG Eligible Activity	Eligible Applicants
Infrastructure systems and public facilities			
Non-Housing Community Development - Infrastructure systems and public facilities	various	Tree Planting	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Fire Station/Equipment	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Health Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Abused or Neglected Children Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Asbestos Removal	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Facilities for AIDS Patients	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Clearance, Demolition and Remediation	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Cleanup of Contaminated Sites	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Relocation	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	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.	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	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.	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Rehabilitation of Public or Privately Owned Commercial/Industrial buildings - some limitations for buildings owned by private for-profit business	Governmental Agency or Non-profit
Non-Housing Community Development -	various	Rehabilitation Administration: Rehabilitation services, such as rehabilitation counseling, energy	Governmental Agency or Non-profit

Consolidated Plan Goal Met	National Objective Code	CDBG Eligible Activity	Eligible Applicants
Infrastructure systems and public facilities		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.	
Non-Housing Community Development - Infrastructure systems and public facilities	various	Non-Residential Historic Preservation - authorizes the costs of preserving or restoring properties otherwise eligible as Public Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Renovation of closed buildings - such as closed school buildings, for use as an eligible public facility	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	LMA or, if not applicable: LMC	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	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	LMA, LMJ, or, if neither apply: LMC	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	Governmental Agency or Non-profit
Non-Housing Community Development - Micro-enterprise	various	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.	Governmental Agency, Non-profit or for-profit
Non-Housing Community Development - Infrastructure systems and public facilities/ Non-Housing Community Development - microenterprise	various - must match eligible use	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.	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities/ Non-Housing Community Development - microenterprise	various - must match eligible use	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	Institution of Higher Education (Secondary and above)

HOME Eligible Activities

Consolidated Plan Goal Met	HOME Eligible Activity	Eligible Applicants
Affordable Housing and possibly Homelessness	Rental Assistance (Assistance to Developers of Rental Housing).	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Minimum set-aside of 15% for CHDOs. All development or TBRA expenses are eligible.	Community Housing Development Organizations
Affordable Housing and possibly Homelessness	New Construction: costs to meet applicable new construction standards	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	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.	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Demolition of existing structures, associated with both new construction and rehabilitation	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Utility connections including off-site connections from property line to adjacent street, associated with both new construction and rehabilitation	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Improvements to project site in keeping with improvements of surrounding standard projects including on-site roads, and sewer and water lines.	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Refinancing for rehabilitation projects to permit continued affordability	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Acquisition: May use HOME funds to cover the costs of acquiring improved or unimproved real property	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	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	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Relocation associated with development or rehabilitation of units	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project,

Consolidated Plan Goal Met	HOME Eligible Activity	Eligible Applicants
		including Community Housing Development Organizations
Affordable Housing and likely Homelessness	Tenant-Based Rental Assistance	Public agency or nonprofit organization
Affordable Housing and possibly Homelessness	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.	Community Housing Development Organizations

APPENDIX B: INCOME LIMITS

Effective April 11, 2017

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.

Persons in Household	30% AMI*	Very Low Income 50% AMI (HOME Low)	60% AMI	Low Income 80% AMI (HOME High)
1	18,550	30,850	37,020	49,350
2	21,200	35,250	42,300	56,400
3	23,850	39,650	47,580	63,450
4	26,450	44,050	52,860	70,500
5	28,600	47,600	57,120	76,150
6	30,700	51,100	61,320	81,800
7	32,800	54,650	65,580	87,450
8	34,950	58,150	69,780	93,100

**Area Median Income (AMI) for a 4-person household: \$83,900*

APPENDIX C: RENT LIMITS

Effective April 11, 2017

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.

Rent Level	Studio	One-bedroom	Two-bedroom	Three-bedroom	Four-bedroom
Low (Very Low-Income, 50% AMI*)	771	826	991	1,145	1,277
High (Low-Income, 65% AMI)	1,020	1,094	1,316	1,511	1,666

**Area Median Income (AMI) for a 4-person household: \$83,900*