



Cities & Towns Advisory Committee

Sonoma County Community Development Commission

Regular Meeting and Concurrent Public Hearing

November 17, 2021

10:00 am – 12:00 pm

This meeting will be held virtually to comply with the Governor’s Executive Order N-29-20

Please see Page 2 for instructions on making public comments

MEMBERS MAY NOT ATTEND THIS MEETING IN PERSON

General public meeting access:**

<https://sonomacounty.zoom.us/j/97524347081?pwd=amVXVEpPbWlrZFF0cVZiTG90bitTZz09>

Webinar ID: 975 2434 7081 #

Passcode: 229472 #

Phone: +1 669 900 9128

***CTAC Committee members will receive unique Zoom links the day before the meeting to participate.*

AGENDA

1. Call to Order and Roll Call (5 minutes)

2. Public Comment on Items Not on the Agenda (5 minutes)

3. Approve Meeting Minutes of September 15, 2021 (5 minutes)

The Committee will review, discuss, and may take action to approve the meeting minutes or may recommend changes.

- Committee questions/discussion
- Public comments
- Motion
- Roll Call Vote

Recommended Action: Approve minutes

4. Interim Director’s Report (10 minutes) - Dave Kiff

Information only - No Action Item

5. Items Board Members Would Like Placed on a Future Agenda

6. PUBLIC HEARING - Concurrently with the Community Development Committee: Review and Approve Revised Federal Funding Policies (10 minutes)

Staff (Veronica Ortiz-De Anda, Community Development Associate) will present revised Federal Funding Policies for the Community Development Block Grant and HOME Investment Partnerships programs.

- Staff presentation
- Committee questions
- Open public hearing
- Close public hearing
- Committee discussion
- Motion(s)
- Roll Call Vote

Recommended Action: Approve revised policies as presented

7. Informational Presentation of the CDBG and HOME Notice of Funding Availability (NOFA) (5 Minutes)

Staff (Rhonda Coffman, Community Development Assistant Manager) will present the NOFA as requested at the September 15, 2021 concurrent CD and CTAC committee meetings.

- Staff presentation
- Committee questions/discussion
- Public comments

Information only - No Action Item

6. Adjournment

CTAC members are welcome to attend the remainder of the CD Committee's Meeting as members of the public.

Next Regular Meeting Date: To Be Determined

PUBLIC COMMENT PRIOR TO THE COMMITTEE MEETING: Public Comment may be submitted via email to Veronica.Ortiz-DeAnda@sonoma-county.org.

PUBLIC COMMENT DURING THE BOARD MEETING: Members of the public who join the WebEx meeting, either through their web browser online or by calling in, will be able to provide live public comment at specific points throughout the meeting. One may also email public comment to Veronica.Ortiz-DeAnda@sonoma-county.org throughout the meeting. All emailed public comments will be read into the record.

Any writings or documents presented to a majority of the Community Development Committee

regarding any item on this agenda may be requested by email.

DISABLED ACCOMMODATION: If you have a disability that requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Section 504 Coordinator at (707) 565-7520, as soon as possible to ensure arrangements for accommodation.

Language Services are available upon request if made at least 48 hours in advance of the meeting to help ensure availability. For more information or to request services, please contact the Section 504 Coordinator at (707) 565-7520.

Servicios de idiomas se pueden proveer para esta junta. Para más información o para solicitar servicios de traducción llame al (707) 565-7520 por lo menos 48 horas (2 días) antes de la fecha de la junta.

INTENTIONALLY LEFT BLANK



Cities & Towns Advisory Committee
 Sonoma County Community Development Commission

Regular Meeting & Concurrent Public Hearing
DRAFT Meeting Minutes

Wednesday, September 15, 2021

10:00 am - 12:00 pm

Meeting Recording:

<https://www.youtube.com/watch?v=HUFKntgie2I>

1. Call to Order and Roll Call

The meeting was called to order at 10:01 a.m.

Community Development Commission (CDC) staff initiated roll call:

Committee Members Present

Cloverdale	Kevin Thompson
Cotati	Noah Housh
Healdsburg	Stephen Sotomayor
Rohnert Park	Jenna Garcia
Sebastopol	Kari Svanstrom

Absent:

Sonoma	David Storer
Town of Windsor	Jessica Jones

CDC Staff Present

Dave Kiff, Interim Executive Director
 Martha Cheever, Housing Authority Manager
 Marc Chandler, Acting Community Development Manager
 Veronica Ortiz-De Anda, Community Development Associate
 Valerie Johnson, Senior Community Development Specialist
 Christopher Raschke, Administrative Aide
 Susan Vahlstrom, Executive Secretary

Guests

Margaret Grahame, Timber Cove
 Efren Carrillo, Burbank Housing
 Riley Weissenborn, MidPen Housing
 McKenzie Dibble, Danco Communities

Changes to the order of the agenda were announced.

2. Public Comments for Items Not on the Agenda

Margaret Grahame of Timber Cove spoke to the Committee about her interest in learning about affordable housing opportunities in the coastal zone, including becoming involved in the process of the Committee and raising awareness of housing issues in the coastal area. She works with Timber Cove Resort, which has begun to independently work on housing for resort staff.

There was no additional public comment.

3. Approval of August 18, 2021, Meeting Minutes

Noah Housh from the City of Cotati moved to approve the minutes; Stephen Sotomayor from the City of Healdsburg seconded.

Ayes:

Cloverdale	Kevin Thompson
Cotati	Noah Housh
Healdsburg	Stephen Sotomayor
Rohnert Park	Jenna Garcia
Sebastopol	Kari Svanstrom

Abstain:

None

Absent:

Sonoma	David Storer
Town of Windsor	Jessica Jones

4. Interim Director's Report

Dave Kiff, Interim Executive Director, shared his screen and provided the committee with a monthly progress report regarding the Emergency Rental Assistance Program (ERAP). Members of the Committee posed questions and these were answered by Dave Kiff and Christopher Raschke, CDC staff.

Dave Kiff also spoke about the CDBG-CV Round 3 Program. Marc Chandler, CDC staff, informed the Committee that there is money left over from the CDBG-CV Round 1 Program and these could potentially be grouped for distribution to specific projects with Round 3 funds, but more information will be brought forward to the Committee when available.

Dave Kiff invited Martha Cheever, CDC staff, to speak about the opening of the Housing Authority waitlist lottery. Martha Cheever informed the Committee that on October 1, 2021, the waitlist lottery would be opening and it would be closing on November 1, 2021. This time the waitlist will be opened to 750 applicants, as opposed to the last time when only 500 applicants were allowed to apply.

Martha Cheever also provided an update on AB 686 concerning the RFP previously released for work related to complying with affirmatively furthering fair housing requirements in all local housing elements. She advised that one proposal was received in response to the RFP, and it was

determined by staff that the one applicant did not possess sufficient experience in this realm of work. Instead of issuing another RFP, CDC will be working with the Association of Bay Area Government's (ABAG) Napa-Sonoma Planning Collaborative, which is a group of local jurisdictions that share consulting resources as they work together to address their housing priorities. CDC will be joining the Collaborative's contract with 4-Leaf, Inc. to do this work. Staff will be taking a contract with 4-Leaf, Inc. to the Board of Commissioners in November.

In response to questions about the Housing Authority waitlist, Martha Cheever said she would send out additional information to the Committee. During public comment a person from the public asked whether the ABAG survey of disability access would be included in the assessment of fair housing analysis. Staff answered that it could be included.

**5. Public Hearing (Concurrently with the Community Development Committee)
Approval of Fiscal Year 2022-23 Federal Funding Policies**

Veronica Ortiz-De Anda, CDC staff, presented the proposed FY 2022-23 Federal Funding Policies for the CDBG and HOME programs. She explained that no major changes were being proposed at this time.

There was no public comment.

Committee members asked questions regarding language in the policies related to projects outside of the Urban County that are being recommended for funding. They expressed their concerns that more projects outside of the Urban County are being brought forward for funding recommendation and that applicants need to have a clear understanding as to whether or not their project is eligible if it is not located in the Urban County.

Noah Housh moved to place on the November meeting agenda the draft CDBG/HOME NOFA with language included informing prospective applicants that priority will be given to projects in non-entitlement jurisdictions within the Urban County and with language directing applicants with projects in entitlement jurisdictions to HUD's regulations requiring that project benefits to Urban County residents must be demonstrated. Seconded by Kevin Thompson.

Ayes:

Cloverdale	Kevin Thompson
Cotati	Noah Housh
Healdsburg	Stephen Sotomayor
Rohnert Park	Jenna Garcia
Sebastopol	Kari Svanstrom

Abstain:

None

Absent:

Sonoma	David Storer
Town of Windsor	Jessica Jones

The Committee also asked for clarification of language in the policies involving Emergency Solutions Grant (ESG) programs that are under the purview of the Continuum of Care Committee and how they relate to the CDBG/HOME programs that the Community Development and CTAC committees oversee. CDC staff responded that fair housing set-aside funds are a fixed percentage [15% maximum], which can only be funded via CDBG, not ESG or HOME. Chair Garcia provided clarification about the relationship of ESG funds intended for homelessness and CDBG/HOME funds. The Interim Director said he would share a chart, which lists programs, funds, and their respective committees who have oversight of them.

Chair Garcia called for a motion to approve the Federal Funding Policies as proposed by staff. Stephen Sotomayor moved to approve, and this was seconded by Kevin Thompson. There was no discussion or additional questions.

Ayes:

Cloverdale	Kevin Thompson
Cotati	Noah Housh
Healdsburg	Stephen Sotomayor
Rohnert Park	Jenna Garcia
Sebastopol	Kari Svanstrom

Abstain:

None

Absent:

Sonoma	David Storer
Town of Windsor	Jessica Jones

6. Public Hearing (Concurrently with the Community Development Committee) 2020 Consolidated Annual Performance and Evaluation Report (CAPER)

Valerie Johnson, CDC staff, presented the CAPER report to the Committee. There was no public comment.

Committee members commented about the report and asked questions. Staff responded accordingly.

Kari Svanstrom moved to approve the CAPER as presented by staff. This was seconded by Noah Housh.

Ayes:

Cloverdale	Kevin Thompson
Cotati	Noah Housh
Healdsburg	Stephen Sotomayor
Rohnert Park	Jenna Garcia
Sebastopol	Kari Svanstrom

Abstain:
None

Absent:
Sonoma David Storer
Town of Windsor Jessica Jones

The Committee adjourned at 11:18 a.m.

DRAFT

INTENTIONALLY LEFT BLANK



Sonoma County Community Development Commission
1440 Guerneville Road, Santa Rosa, CA 95403-4107

*Members of the
Commission*

Lynda Hopkins
Chair

Chris Coursey
Vice Chair

David Rabbitt
James Gore
Susan Gorin

Dave Kiff
Interim Executive
Director

MEMORANDUM

Date: November 17, 2021
To: Cities and Town Advisory Committee
From: Veronica Ortiz-De Anda, Community Development Associate
Subject: Revised - Fiscal Year 2022-2023 Federal Funding Policies

At the September 15, 2021 meeting, staff presented the CDBG-HOME Federal Funding Policies (Policies) for fiscal year 2022-23 for review and approval by the Community Development Committee (CD Committee) in a concurrent public hearing with the Cities and Towns Advisory Committee (CTAC). As explained by staff, the Policies did not have significant changes from the prior fiscal year version. At the hearing, CTAC expressed their concerns regarding the use of funds for projects that are not within the Urban County, which is composed of the eight county jurisdictions with the exception of the cities of Petaluma and Santa Rosa.

Specifically, the Committee's concerns revolved around the lack of clarity in the Policies and in the annual Notice of Funding Availability (NOFA) causing confusion to applicants about what projects are eligible for these funds. Both Committees approved the Policies with the request to review the upcoming CDBG-HOME NOFA that is scheduled to be released in December of this year.

After the hearing, staff reviewed the policies once again and received additional input from the County's Housing and Urban Development (HUD) representative about eligible uses of these funds. In an effort to further reduce ambiguity related to eligible uses and ranking of projects, including uses involving supportive housing for the homeless, staff has revised the Policies once more. Additionally, the proposed changes provide consistency within the document and bring the Policies into compliance with HUD's requirements. While there are numerous revisions, they are minor in nature and do not represent significant changes.

The red-lined Policies document showing all proposed changes is attached to this memo for the Committee's review. Below are highlights of the proposed revisions:

Section 1.1.1

Added language to clarify that the funds are intended for activities that benefit a person or households within the 80% of the average median income (AMI).



Section 2, No. 1

Deleted text regarding projects having to demonstrate that they will incur benefits to the Urban County, thereby requiring projects to be located in the Urban County.

Section 2, No. 2 and No. 4

Added "Once determined to be eligible" to clarify that No. 1 above establishes eligibility and No. 2 speaks to ranking of projects.

Section 3.2 Table – CDBG Program Income and Reprogrammed Funds Allocation

- Corrected the category by deleting "Community Development Commission Housing Rehabilitation Program and Homebuyer Assistance" and replaced with: "County Sponsored Projects, Countywide/Unincorporated Area Projects, City/Town Projects".
- Replaced 65% with 80%.
- Text under "Notes" was revised to clarify how program income funds will be expended in compliance with CDBG rules.
- Public Services section was deleted as CDBG program income and reprogrammed funds are not allocated for this activity to ensure compliance with the 15% CDBG statutory maximum of the program year grant allocation.

Section 3.4 Table – HOME Program Income and Reprogrammed Funds Allocation

- Removed text "Executive Director's discretion" and replaced with "Tenant-Based Rental Assistance, Development/Preservation of Rental Housing" in the category section as CDC's Executive Director does not have authority on how to reallocate funds.
- Text under "Notes" was revised to clarify how program income funds will be expended in compliance with HOME rules.
- CHDO section was deleted as HOME program income and reprogrammed funds are not allocated to CHDO activities.

Section 7.1.2.1 Affordable Housing Development (HOME)

Deleted the last sentence "A HOME assisted homebuyer unit must have a ratified sales contract within six months of construction completion", because the Urban County does not fund ownership projects with HOME funds.

Section 7.1.2.2 Affordable Housing Development – CHDO set aside (HOME)

Same as Section 7.1.2.1 above.

Section 7.5 – Federal Labor Standards

Added text to clarify which CDBG projects are subject to Davis-Bacon and Related Acts requirements.

Section 7.9 – Building Standards

Deleted the second paragraph, because the Urban County does not use HOME funds for owner-occupied housing rehabilitation projects.

Section 7.14.3 – Terms of Income and Price Restrictions

Clarified that this requirement pertains to rental housing projects and expanded on the affordability restriction period by adding: “Ownership housing units must remain restricted for resale to income eligible households for a period of at least 30 years from the date of each assisted sale of the home, as further detailed in the Sonoma County Affordable Housing Program Homeownership Policies”.

Section 8.2.2 Discretion of Commission Staff

Deleted the entire paragraph as staff does not have the authority to substitute a different funding source.

Section 9, No. 6 and No. 9 – Threshold Criteria for Project Evaluation

- No. 6 - Removes the option for applicants to request Community Development Commission assistance. Organizations requesting funds for an eligible activity must demonstrate they have the capacity to carry out the project.
- No. 9 – Revised to ensure the project is located in the Urban County.

Appendix A – Eligible Uses for CDBG HOME Funded Projects

Appendix A was revised to remove Emergency Solutions Grant uses, because these policies do not apply to ESG programs and consolidated all uses for staff and applicants to use as a reference. As proposed they are easier for applicants and staff to understand and follow.

Requested Action: Staff requests that the Committees review the proposed revisions to CDBG-HOME Federal Funding Policies and approve them.

Attachment:

Revised CDBG-HOME Federal Funding Policies for Fiscal Year 2022-23

INTENTIONALLY LEFT BLANK

SONOMA COUNTY
COMMUNITY DEVELOPMENT COMMISSION

FY 2022-2023
CDBG & HOME
Funding Policies

for

Affordable Housing

Non-Housing Capital Projects

and

Fair Housing and Housing Justice Program

Approved by the Cities and Towns Advisory Committee on 9/15/2021, revised
on 11/17/2021~~XX~~

Approved by the Community Development Committee on 9/15/2021, revised
on 11/17/2021~~XX~~

TABLE OF CONTENTS

[Page numbers to be corrected accordingly after approval]

1. Overview	5
1.1. HUD Funding Programs	5
1.1.1. Community Development Block Grant Program (CDBG)	5
1.1.2. HOME Investment Partnership Program (HOME)	6
1.2. Consolidated Plan	6
2. Funding Goals and Objectives	6
3. Funding Allocations	9
3.1. CDBG Allocation	9
3.2. CDBG Program Income and Reprogrammed Funds Allocation	9
3.3. HOME Allocation	10
3.4. HOME Program Income and Reprogrammed Funds Allocation	11
4. Eligible Applicants	12
4.1. CDBG	12
4.2. HOME	12
5. Eligible Activities	12
6. Types of Assistance	13
6.1. Form of Assistance – Rental Housing and Public Facility Projects	13
6.2. Form of Assistance – Ownership Housing Projects	13
6.3. Funding Agreements, Subrecipient Agreements, Loan Documents and Close of Escrow	13
6.4. Alternate Loan Terms	13
7. Funding Conditions and Program Requirements	14
7.1. Timeliness	14
7.1.1. CDBG	14
7.1.2. HOME	15
7.1.3. Tenant-Based Rental Assistance (HOME)	16
7.2. Site Control	16
7.3. Environmental Review	16
7.3.1. Certifying Officer, Roles, and Responsibilities	16
7.3.2. CEQA Compliance	16
7.4. Section 3	17
7.5. Federal Labor Standards	17
7.6. Reasonable Cost of Real Estate Acquisition	17
7.7. Land Use Approvals	17
7.8. Compliance with Disabled Access Requirements	18
7.9. Building Standards	18
7.10. Relocation and One-for-One Replacement	18
7.11. Change in Use	18
7.11.1. Requirements for Urban County Jurisdictions	18
7.11.2. Requirements for All Other Entities	19
7.12. Demonstrating Benefit to Low- and Moderate-Income Persons	19
7.13. Affirmatively Furthering Fair Housing	19
7.14. Affordability Restrictions for Housing Projects	19
7.14.1. Income Limits	20
7.14.2. Rent and Purchase Price Limits	20
7.14.3. Term of Income and Price Restrictions	20
7.15. Match Requirements	20
7.16. Other Federal Requirements	20
7.17. HOME Projects Sponsored by a member of the <u>Urban CountyHOME Consortia</u>	21
7.18. Use of HOME funds for the Commission’s Tenant-based Rental Assistance Program	21
7.19. Use of CDBG funds for the Commission’s Single-Family Housing Rehabilitation Program	21
7.20. Fair Housing-Related Services and Set-Aside Funding	21

7.20.1.	Other Requirements of the Fair Housing and Housing Justice Program	22
7.20.2.	Fair Housing Provider Selection Process (multiple proposals).....	22
7.20.3.	Fair Housing Set-aside	22
8.	Project Selection.....	23
8.1.	Application Submission Process	23
8.2.	Selection Process.....	23
8.2.1.	Community Development Committee and Cities and Towns Advisory Committee Workshop.....	23
8.2.2.	Discretion of Commission Staff	24
8.2.3.	Community Development Committee and Technical Advisory Committee Public Hearing.....	24
8.2.4.	Tiebreaker Methodology.....	24
8.2.5.	Selection of a “B” list of projects.....	24
8.3.	Action Plan – One-Year Use of Funds	25
8.4.	Board of Supervisors and Board of Commissioners Final Approval.....	25
9.	Threshold Criteria for Project Evaluation.....	25
10.	Selection Criteria	26
10.1.	Selection Criteria – All Projects	26
10.1.1.	Funding Priorities	26
10.1.2.	Community Goals.....	27
10.1.3.	Readiness to Proceed	27
10.1.4.	Need.....	27
10.1.5.	Adherence to a competitive procurement process	27
10.1.6.	Financial Feasibility.....	27
10.1.7.	Outcomes	27
10.2.	Selection Criteria – Housing Projects	27
10.2.1.	Leverage.....	27
10.2.2.	Development Experience	28
10.2.3.	Support	28
10.2.4.	Income and Population targeting	28
10.3.	Selection Criteria – Non-Housing Projects.....	28
10.3.1.	Leverage and Meeting Community Need	28
11.	Definitions	28
12.	More Information	31
Appendix A:	Eligible Uses of Funds	32
	CDBG Eligible Activities.....	32
	HOME Eligible Activities	39
Appendix B:	Income Limits	41
Appendix C:	Rent Limits	42

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 [Community Development Block Grant \(CDBG\)](#), [HOME Investment Partnerships Program \(HOME\)](#), 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 2022-2023 CDBG & HOME for Capital Projects 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 [with incomes that do not exceed 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 [up to 80 percent of area median income](#)
- Prevent or eliminate slums and blight
- Meet an urgent need

1.1.1.1. Within the CDBG program, up to 15 percent of funds can be obligated for public service activities. In recent years, the Commission has used its public services set aside for a combination of homeless services and fair housing services. In FY 2021- 2022, given the large investment from the State of California in ending homelessness, and the recognition by the Commission of the need to build a robust Fair Housing and Housing Justice Program, the Commission will use 100% of the CDBG Public Services Set-aside to fund its Fair Housing and Housing Justice Program. Clients served by this program are often prevented from becoming homeless because of legal interventions made. Households who are served by the Fair Housing and Housing Justice Programs do not enter the Sonoma County CoC homeless system of care. Therefore, funding decisions are made by the Board of Commissioners with recommendations from the Cities and Towns Advisory Committee and Community Development Committee.

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. 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. Federal ESG funds are awarded through a process governed by Sonoma County Continuum of Care (CoC), the governance structure for Sonoma County's homeless system of care. The Consolidated Plan includes the goals and specific objectives for the five years and the County's One-Year Action Plans for the use of CDBG, HOME, and local [Emergency Solutions Grant \(ESG\)](#) 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. The current Consolidated Plan covers the period from July 1, 2020, to June 30, 2025.

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 2022–2023 Funding Policies are consistent with the goals and objectives identified in the Sonoma County 2020 Consolidated Plan. The Consolidated Plan organizes community priorities for the use of HUD funds by the Urban County.

The 2020 Consolidated Plan goals align 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.” With the assistance of the Community Development Commission, Sonoma County also adopted a Recovery and Resiliency Framework in December 2018 that sets a vision for community recovery following the October 2017 fires. The Framework includes five strategy areas, three of which align with and build upon the Consolidated Plan goals: Housing, Economy, and Safety Net Services. These multi-year priorities drive the Commission’s work and coincide with the Consolidated Plan goals and objectives and the selection criteria for funding projects.

Furthermore, the global COVID-19 emergency and shelter-in-place mandates resulted in significant social and economic impacts for Sonoma County residents. Thousands of residents lost jobs or wages due to business closures or medical emergencies connected to the virus. On March 27, 2020, Congress passed the CARES Act. The Act supported preparation for and response to the community impacts of the COVID-19 pandemic and identified additional funding for several programs designed to prepare for, prevent and respond to the coronavirus. This includes new allocations of CDBG and ESG (CDBG-CV and ESG-CV), and added flexibilities to the existing federal programs, which were incorporated into the Commission’s funding programs through amendments to the 2019-2020 Action Plan.

The Cities and Towns Advisory Committee, and the Community Development Committee identified the following Selection Criteria for projects. These criteria were refined during the August 19, 2020, Public Hearing at which the Committees gave direction to create a hierarchy for these criteria into the FY 2021-2022 Funding Policies.—thus building on the criteria identified through the Spring 2020 5-Year Consolidated Plan community engagement process.

1. The following criteria will be used to determine project eligibility:

- Projects requesting CDBG or HOME funds must be located in the Urban County, ~~or clearly demonstrate that they will incur benefit to residents of the Urban County entitlement jurisdiction;~~
- Projects must demonstrate need with evidence.

2. Once determined to be eligible The following will be used as a baseline to rank projects:

- Preference for projects that create or preserve affordable housing;
- Preference for infrastructure or public facilities that support creation or preservation of affordable housing;
- Preference for infrastructure or public facilities that support low or moderate income populations;
- Preference for projects that demonstrate that they ~~proposed project~~ can spend grant funding within the applicable timeliness provisions;
- For Non-Housing Projects: preference for projects that leverage public funds or in-kind contributions to the greatest extent possible, or projects that meet a particular community need that cannot be met by other public funding sources.

- Examples of non-monetary leveraging includes but is not limited to: in-kind labor or materials, existing site ownership and control, extensions of a current or existing project that has already received environmental or permit approval.

3. The following Selection Criteria will be given additional consideration in the event of deciding between more than one eligible project(s) that meet the criteria above:

- Preference for projects that prevent displacement in high opportunity areas;
- Preference for housing projects that create units for very low, extremely low, and special needs populations;
- Preference for projects which demonstrate they will alleviate the impact of climate change on low-income populations;
- For Housing Projects: preference for:
 - Projects that demonstrate funds will be leveraged against total development costs at least 7:1;
 - Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) building permits (d) environmental review;
 - Project developers who can demonstrate consistent success obtaining federal tax credits and/or state funding to develop housing within the last seven years
 - Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

4. The policies will reflect the committees' direction that awards be made with general attention to the following distribution of investments:

- Balance projects that provide with fast result with by funding predevelopment for projects that need early money to be successful;
- Balance creation of new housing stock with maintaining existing housing stock and keeping people in their home; and
- Make investments in low and moderate income areas that have not had investments historically and in high opportunity areas that increase access for low and moderate income people.

3. FUNDING ALLOCATIONS

3. The tables below provide a breakdown of CDBG and HOME program allocations. Unless otherwise indicated, the percentage of funding in each category is set by the Urban County, not by federal regulation.

3.1. CDBG Allocation

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

<i>Community Development Block Grant (CDBG) Allocation Categories</i>	<i>Percentage of Funding</i>	<i>Notes</i>
County-Sponsored Projects, Countywide/Unincorporated Area Projects, City/Town Projects	65%	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). Eligible projects are described in Appendix A.
Public Services Projects	15%	Percentage limited by CDBG federal regulations. Given the federal mandate to Affirmatively Further Fair Housing, and the recommendation in the 2011 Analysis of Impediments to Fair Housing to strengthen the capacity of a local fair housing organization to reduce discriminatory activities, the Commission will spend its public services set-aside on a Fair Housing <u>Choice</u> and Housing Justice Program.
Program Administration	20%	Percentage limited by CDBG federal regulations. <u>Commission will use up to twenty percent of CDBG for program administration.</u>

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 Commissioners, 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	80 65%	Program income derived from all CDBG-funded projects will be allocated as follows: Sixty five percent (65%) will be expended pursuant to priorities set in the annual Action Plan. Use of program income may be subject to an Action

County Sponsored Projects,
Countywide/Unincorporated Area
Projects, City/Town Projects

Plan Amendment.
80% of program income from all CDBG funded
projects will be expended pursuant to priorities set
in the annual Action Plan. Use of program income
may be subject to an Action Plan Amendment.

		<p>Any rReprogrammed funds from all projects other than public services will be expended pursuant to priorities set in the annual Action Plan. Use of reprogrammed funds may be subject to an Action Plan amendment.</p> <p>If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Supervisors Commissioners approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.</p>
Public Services	15%	<p>Fifteen percent (15%) of program income derived from all CDBG-funded projects will be used for Public Services, as allowed under CDBG regulations. Use of the 15% set aside of program income will be expended pursuant to priorities set in the annual Action Plan and may be subject to an Action Plan amendment. Reprogrammed funds derived from Public Services will be expended on Public Services pursuant to priorities set in the annual Action Plan and may be subject to an Action Plan amendment. If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Commissioners approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.</p>
Program Administration	Up to 20%	<p>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.</p>

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 Commissioners, not by federal regulation.~~

HOME Investment Partnership Program Categories	Percentage of Funding	Notes
Tenant-Based Rental Assistance, Development, and Preservation of Rental Housing	Up to 75 90%	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.
Community Housing Development Organizations operational support	Up to 5%	Percentage limited by HOME federal regulations.

Community Housing Development Organization development or preservation of affordable <u>rental</u> 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 <u>in Appendix A, elsewhere in these policies.</u>
Program Administration	10%	Percentage limited by HOME federal regulations. <u>Commission will use up to ten percent of HOME for program administration.</u>

3.4. HOME Program Income and Reprogrammed Funds Allocation

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

<i>HOME Program Income and Reprogrammed Fund Categories</i>	<i>Percentage of Program Income</i>	<i>Notes</i>
<u>Executive Director's discretion</u> <u>Tenant-Based Rental Assistance, Development/Preservation of Rental Housing</u>	90%	<p>At the Executive Director's discretion, funds will be reallocated to the Sonoma County Housing Authority's Tenant-Based Rental Assistance Program, reallocated through an Action Plan Amendment, or rolled forward to the next fiscal year allocation. If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Commissioners approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.</p> <p><u>90% of program income from all HOME funded projects will be expended pursuant to priorities set in the annual Action Plan. Use of program income may be subject to an Action Plan Amendment.</u></p> <p><u>Any HOME reprogrammed funds will be expended pursuant to priorities set in the annual Action Plan. Use of reprogrammed funds may be subject to an Action Plan amendment.</u></p> <p><u>If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Supervisors approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.</u></p>

CHDO Projects	CHDO reprogrammed funds	At the Executive Director's discretion, funds will be reallocated through an Action Plan Amendment or rolled forward to the next fiscal year allocation. CHDO Set Aside funds may only be reprogrammed to eligible CHDO projects. If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Commissioners approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.
Program Administration	10%	Percentage limited by HOME federal regulations. Commission will use up to 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.~~500(c)204~~).

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)(~~2~~) and (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 homeownership 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. ~~Funding Agreements and, Subrecipient Agreements, Loan Documents and Close of Escrow~~

The Commission will execute a ~~fFunding aAgreement and applicable loan documents, Subrecipient Agreement, or Developer Agreement~~ with each recipient, subrecipient, or developer receiving financial assistance.

For financial assistance provided in the form of loans, the Commission will additionally execute a ~~pPromissory nNote~~ 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. CDBG

7.1.1.1. Fair Housing and Housing Justice Program (CDBG)

Funds for Fair Housing and Housing Justice ~~Programs~~ activities must be expended within the 12 months of the fiscal year for which funding is allocated. Funds that are unexpended after the agreement term will be reprogrammed.

7.1.1.2. Public Facilities and Public Improvements (CDBG)

The applicant must satisfy all conditions of approval that are set forth in these Funding Policies and the SCCDC Loan Policies as a prerequisite to the CDC offering the Subrecipient Agreement for execution within 12 months of the start of the fiscal year associated with the award. Funds for all Public Facilities and Public Improvement projects, including predevelopment costs, hard and soft costs of construction, renovation, or reconstruction (but excluding site acquisition costs, which are governed by 7.1.1.3 ~~below~~ above), must be expended within 18 months of the date on which the Subrecipient Agreement is offered for execution. Funds that are unexpended after this deadline may be reprogrammed.

7.1.1.3. Site Acquisition (CDBG)

The applicant must satisfy all conditions of approval that are set forth in the ~~SCCDC Commission~~ Loan Policies as a 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. Site Acquisition funds must be spent within 18 months of the date on which the Subrecipient Agreement is offered for execution. If the site acquisition is not complete within 18 months of the date on which the Subrecipient Agreement is offered for execution, the funds ~~may~~ will be reprogrammed.

7.1.1.4. Affordable Housing Development (CDBG)

The applicant must satisfy all conditions of approval that are set forth in the ~~SCCDC 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. Disbursement of funds for all affordable housing projects, including predevelopment costs, hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects (but excluding Site Acquisition, which is governed by 7.1.1.3 above) must be initiated within 18 months of the date on which the Subrecipient or Developer Agreement is offered for execution. All funds must be disbursed within 24 months after the date on which the Subrecipient or Developer Agreement is offered for execution. Funds that are unexpended after this deadline ~~may~~ will be reprogrammed.

7.1.2. HOME

7.1.2.1. Affordable Housing Development (HOME)

The applicant must satisfy all conditions of approval that are set forth in the ~~SCCDC Commission~~ Loan Policies as prerequisite to the CDC offering the Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. Disbursement of funds for all affordable housing projects, including predevelopment costs, hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects must be initiated within 24 months of the date on which the Developer Agreement is offered for execution. All funds must be disbursed within 36 months of the date on which the Developer Agreement is offered for execution. Project related soft costs will be paid for to only those that were incurred not more than 24 months before the date that HOME funds are committed to the project. Funds that are unexpended after this deadline ~~may~~ will be reprogrammed. Affordable housing projects must be completed within four years of the date on which the Developer Agreement is offered for execution. Project completion will be documented by the submission of a temporary or permanent certificate of occupancy for all HOME-funded units. HOME-assisted rental units must be occupied by income-eligible households within 12 months of project completion. ~~A HOME-assisted homebuyer unit must have a ratified sales contract within six months of construction completion.~~

7.1.2.2. Affordable Housing Development – CHDO set-aside (HOME)

The community housing development organization (CHDO) must satisfy all conditions of approval that are set forth in the ~~SCCDC Commission~~ Loan Policies as prerequisite to the CDC offering the ~~CHDO Subrecipient or~~ Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. The participating jurisdiction must enter into a legally binding agreement with the CHDO for a specific project within 24 months of the start of the fiscal year associated with the award. Disbursement of funds for all CHDO projects, including predevelopment costs, hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects must be initiated within 24 months of the date on which the Developer Agreement is offered for execution. All funds must be disbursed within 36 months of the date on which the Developer Agreement is offered for execution. Project related soft costs will be paid for to only those that were incurred not more than 24 months before the date that HOME funds are committed to the project. CHDO projects must be completed within four years of the date on which the HOME Funding Agreement is offered for execution. Project completion will be documented by the submission of temporary certificates of occupancy for all HOME-funded units. HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion. ~~A HOME-assisted homebuyer unit must have a ratified sales contract within nine months of construction completion.~~

7.1.3. Tenant-Based Rental Assistance (HOME)

Funds for tenant-based rental assistance programs must be committed to specific households within 12 months of, and expended within 36 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 applications 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 when 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 will not be offered for execution until the required environmental conditions have been met.

7.3.1. Certifying Officer, Roles, and Responsibilities

The Commission's Executive Director is designated by the Board of Commissioners 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 applicant will submit the CEQA status from the project's applicable Lead Agency with the grant 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 work, except for rehabilitation of properties with fewer than eight (8) or more total residential units or when using force account labor (construction carried out by the employees of the grantee) triggers DBRA. [See 24 CFR part 570.603_ and HUD Handbook 1344.1]

Any eligible use of HOME funds – including land acquisition, in which there are twelve (12) or more HOME-assisted units in the same project triggers 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 24 CFR 200.404, “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 cost.”

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. If a project does not have land use approvals, under certain circumstances, funding can be provided for predevelopment expenses only as long as other threshold criteria are met.

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, units 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 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, found on the web, here:

<http://sonomacounty.ca.gov/WorkArea/DownloadAsset.aspx?id=2147576719>

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 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.

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(b)(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. 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:

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

7.14. 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.

7.14.1. 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.

7.14.2. 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. [See Appendix C for rental and purchase limits.](#)

7.14.3. Term of Income and Price Restrictions

Upon completion or acquisition of a [rental](#) 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. [Ownership housing units must remain restricted for resale to income-eligible households for a period of at least 30 years from the date of each assisted sale of the home, as further detailed in the Sonoma County Affordable Housing Program Homeownership Policies.](#)

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.

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

7.17. HOME Projects Sponsored by a member of the ~~Urban County HOME Consortia~~

Each year, members of the ~~Urban County HOME Consortia~~ may present for consideration by the Committee's projects that a particular member wishes to sponsor. These projects may be brought forward by a member rather than by a private housing developer. Projects are subject to the same threshold and selection criteria as any other project during the Selection Process.

7.18. Use of HOME funds for the Commission's Tenant-based Rental Assistance Program

The Sonoma County Community Development Commission uses HOME funds for Tenant-Based Rental Assistance (TBRA) as a tool to help very low- and extremely low-income households access permanent housing. Commission staff will make recommendations to the Community Development Committee and Cities and Towns Advisory ~~C~~ommittee regarding the appropriate amount for funding and the ranking compared to other proposed uses of HOME funds. The Commission will not submit an application for TBRA funds through the NOFA process since it is operated internally by the Commission, but any recommendation by staff will be subject to the same threshold and selection criteria as other applicant projects, and a staff report will be prepared for ~~C~~ommittee consideration.

7.19. Use of CDBG funds for the Commission's Single-Family Housing Rehabilitation Program

The Sonoma County Community Development Commission uses CDBG funds for single-family (up to 4 units) housing rehabilitation as a tool to help low- and very-low-income households retain decent housing that is affordable to them. This program is key to retaining existing housing stock in the County. Commission staff will make recommendations to the Community Development Committee and Cities and Towns Advisory ~~C~~ommittee regarding the appropriate amount for funding and the ranking compared to other proposed uses of CDBG funds. The Commission will not submit an application through the NOFA process for the Housing Rehabilitation Program since it is operated internally by the Commission, but any recommendation by staff will be subject to the same threshold and selection criteria as other applicant projects, and a staff report will be prepared for ~~C~~ommittee consideration.

7.20. Fair Housing-Related Services and Set-Aside Funding

Each jurisdiction receiving CDBG funds from HUD must certify that it will affirmatively further fair housing, which means it will conduct an Assessment of Fair Housing or the Analysis of Impediments within the jurisdiction and take meaningful actions to achieve a material positive change that affirmatively furthers fair housing. To remain eligible for CDBG funding, adequate funding for a range of Fair Housing-related services ~~is must be~~ provided through a Set-Aside under the Public Services category. ~~Developing a Fair Housing program that meaningfully furthers fair housing is the responsibility of the Commission's advisory body, the Community Development Committee, in its CDBG oversight role.~~

For FY 2022-2023, the Commission will use 100% of its Public Services Set-aside to fund

a Fair Housing and Housing Justice Program. Subrecipients may be selected through a NOFA process, or staff may recommend maintaining the current subrecipients through an extension and/or expansion of the currently funded one-year subrecipient agreements.

A Fair Housing and Housing Justice Program is a critical Upstream Investment that can prevent people from becoming homeless. Because people served by this program do not enter the homeless system of care, the funding is not governed by Sonoma County CoC, the governing body for Sonoma County's homeless system of care.

7.20.1. Other Requirements of the Fair Housing and Housing Justice Program

The Commission shall endeavor to join with other entitlement jurisdictions within Sonoma County (Petaluma and Santa Rosa) in the NOFA process to provide consistent and cost-effective service and assistance to citizens of the entire County.

Fair Housing-related services that are part of a robust Fair Housing and Housing Justice Program may include but are not limited to:

education about Fair Housing law; investigative testing and auditing; advocating for tenants who may be targets of discrimination; enforcement of Fair Housing law; as well as legal services designed to prevent eviction.

7.20.2. Fair Housing Provider Selection Process (multiple proposals)

In the event that there are multiple proposals for providing fair housing services, a committee made up of staff members of each jurisdiction will recommend appropriate Fair Housing-related services based on the following factors:

- The capacity of the applicant to provide these services.
- The degree to which a capable applicant can leverage additional funding sources to augment the County's funding allocation.
- Coordination with neighboring jurisdictions in the regional provision of fair housing services for optimizing efficiency and customer service
- Cost-effectiveness.

7.20.3. The degree to which the proposed services will implement meaningful actions to achieve a material positive change that affirmatively furthers fair housing, or that addresses recommended actions in the current Analysis of Impediments to Fair Housing Choice. In the event, no viable proposals are received from community-based non-profit agencies, or no fair housing proposals are awarded funds, Commission staff will provide the required fair housing services utilizing funding from the Public Services Set-aside until which time that a subsequent RFP process can be implemented to secure a qualified contract provider of Fair Housing-related services. Fair Housing Set-aside:

The set-aside amount for all Fair Housing-related services shall be 100% of the 15% Public Services Set-aside subject to adequate funding. If the

Community Development Committee recommends a change to the set-aside amount for any fiscal year, the following factors will be considered:

- i. Current funding level for CDBG funding.
- ii. Historical funding levels of selected services.
- iii. Expected cost of activities required to take the recommended actions identified in the Aanalysis of Impediments to Fair Housing Choice document.
- iv. Consideration of actual or potential funding from other sources.

8. **PROJECT SELECTION**

8.1. **Application Submission Process**

Details regarding the application requirements and timelines 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 ~~specified listed on the FY 2022-2023 NOFA Funding Timeline.~~ Any applicant who cannot attend the scheduled ~~s~~Session 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 specified in listed on the FY 2022-2023 NOFA Funding Timeline. 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 that do not include all applicable requested documents or complete answers to all applicable questions will be deemed ineligible for funding.

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

8.2. **Selection Process**

Note: See the ~~FY 2022-2023 NOFA Funding Timeline~~ for selection process dates.

8.2.1. Community Development Committee and Cities and Towns Advisory Committee Workshop

The Sonoma County Community Development Committee (CD Committee) appointed by the Board of Commissioners and the Cities and Towns Advisory Committee

comprised of one appointed representative from each of the seven incorporated jurisdictions in the Urban County are responsible for reviewing all applications concurrently.

The CD Committee and Cities & Town Advisory Committee conduct a concurrent annual public workshop in February to review staff analysis of applications submitted under the competitive funding categories, take testimony from applicants, and provide feedback to staff that will be integrated into staff recommendations in the dDraft 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. Discretion of Commission Staff~~

~~Staff will have some discretion in determining if CDBG or HOME funds are best for a project or if a project would be better suited for non-federal funds. Giving staff discretion will ensure maximum efficiency and effectiveness of limited local, state, and federal funds.~~

~~8.2.3-8.2.2. Community Development Committee and Cities & Towns Advisory Committee Public Hearing~~

The dDraft Annual Action Plan will be presented to both committees at a public hearing during the public comment period for the Action Plan no later than April 2022. The dDraft Action Plan will include a list of projects and programs recommended for funding. The committees will concurrently review the draft and finalize the recommendations to be made to the Board of Commissioners.

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.

~~8.2.4-8.2.3. 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 may 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.

~~8.2.5-8.2.4. Selection of Contingency “B” list of Pprojects~~

The committees will include in their ranking process, a set of projects that could be funded if a project to which funds are originally awarded is delayed or cancelled, or if sufficient program income is received during the fiscal year. This will ensure flexibility and timely expenditure of funds.

8.3. Action Plan – One-Year Use of Funds

The Commission will use the CD Committee and CTAC recommendations to prepare the “Action Plan ~~One Year Use of Funds for Fiscal Year 2022-23: 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 allowing for written comments to be submitted to the Commission. ~~See the FY 2021-2022 Funding Timeline for the publication dates and the end of the comment period.~~

8.4. Board of Supervisors and Board of Commissioners Final Approval

The Commission will submit the CD Committee and CTAC recommendations, along with all written comments received during the ~~FY 2022-23~~ 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 ~~FY 2024-20232 Funding Timeline~~ ~~NOFA~~ 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. Does the project Affirmatively Further Fair Housing?
5. Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?
6. 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?~~
7. *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?
8. *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?

9. ~~Is For CDBG, does the project serve Urban County? For HOME affordable housing development, is~~ the project located in a member jurisdiction of the Urban County 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. Capital Projects must meet all pre-award conditions, as is also the case for housing awards.

10.1. **Selection Criteria – All Projects**

10.1.1. Funding Priorities

10.1.1.1. Projects will be ranked on how well they meet the following priorities:

10.1.1.2. Creation or Preservation of Affordable Housing

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

10.1.1.4. Infrastructure or Public Facility supporting low or moderate-income populations

10.1.2. Community Goals

Projects that meet the following community goals identified by the advisory committees will be ranked highly:

10.1.2.1. Projects that prevent displacement in high opportunity areas

10.1.2.2. Projects that alleviate the impact of climate change on low-income populations such as:

- infill development,
- infrastructure to reduce environmental impacts in LMA communities including bike lanes,
- walkable paths,
- electric vehicle charging infrastructure,
- ride share hailing locations,
- recycling water irrigation infrastructure,
- new energy-efficient housing construction,
- Projects that consider the mobility needs of low-income people, looking at a variety of factors, including:
 - Improved linkages to public transportation
 - Providing car-share options

- Supports people who work non-traditional hours
- Supports people with limited mobility who can't walk far or ride bikes
- Provides neighborhood safety that promotes walking and biking
- Projects that are aligned with local jurisdictions General Plan Climate Change Element & Equity Element

10.1.3. Readiness to Proceed

The applicant demonstrates that the 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.

For Housing Projects, projects demonstrating advanced readiness via (a) entitlements: (b) financing commitments; and (c) permitting will rank highly.

10.1.4. Need

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

10.1.5. 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 Cities & Towns Advisory Committee advocating for funding of applicant's project or program will result in recusal of those members from the decision making process or ineligibility of that applicant's project.

10.1.6. Financial Feasibility

The project adheres to guidance set out in the Notice of Funding Availability.

10.1.7. Outcomes

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

10.2. Selection Criteria – Housing Projects

10.2.1. Leverage

Projects that demonstrate funds will be leveraged against total development costs at least 7:1.

10.2.2. Development Experience

Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years.

10.2.3. Support

Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

10.2.4. Income and Population Targeting

Housing projects with deep income targeting and special needs populations.

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.

11. DEFINITIONS

Areas of Opportunity: Places where jobs are relatively plentiful and access to education, healthcare, and other amenities are close at hand.

Board of Commissioners: The Board of Supervisors serve as the Board of Commissioners. The Board of Commissioners oversees housing assistance, affordable housing and community infrastructure projects.

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 authorized under 24 CFR Section 570.201(o), 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 ~~Solutions~~ 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 whom 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 ~~400320~~ 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).

Racially and Ethnically Concentrated Areas of Poverty: Census tracts where more than half the population is non-white and 40% or more of the population is in poverty OR where the poverty rate is greater than threetimes the average poverty rate in the area.

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.

Urban County: The County of Sonoma and the 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.

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

<i>Consolidated Plan Goal Met</i>	<i>National Objective Code</i>	<i>CDBG Eligible Activity</i>	<i>Eligible Applicants</i>
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 (CBDO)
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

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.

Current Income Limits are found on the CDC website at the following link:

<http://sonomacounty.ca.gov/CDC/Housing-and-Neighborhood-Investment/Income-and-Rent-Limits/#federal>

APPENDIX C: RENT AND PURCHASE LIMITS

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.

Current Rent and Purchase Limits are found on the CDC website at the following link: <http://sonomacounty.ca.gov/CDC/Housing-and-Neighborhood-Investment/Income-and-Rent-Limits/#federal>

SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION

ELIGIBLE USES OF CDBG & HOME FUNDS¹

- **TRANSITIONAL HOUSING PROJECTS**
- **PERMANENT AFFORDABLE HOUSING PROJECTS**
- **NON-HOUSING CAPITAL PROJECTS (Includes Homeless Shelters & Day Centers)**
- **OTHER ACTIVITIES: Economic Development & Fair Housing Programs**

TRANSITIONAL HOUSING PROJECTS²		
ACTIVITY	PROGRAM	ELIGIBLE APPLICANTS
Site Acquisition	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Acquisition of existing transitional housing units	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Development Impact Fees	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Site improvements for new transitional housing developments	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Construction of new transitional housing	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities.

¹ This list represents a summary of eligible uses of CDBG and HOME funds from the Sonoma County Community Development Commission. Each project must also demonstrate that it will meet all other regulatory requirements.

² HOME funds may be used for transitional housing units only if the project uses a minimum of a one-year lease.

TRANSITIONAL HOUSING PROJECTS, continued

ACTIVITY	PROGRAM	ELIGIBLE APPLICANTS
Demolition associated with development of new transitional housing	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Rehabilitation of existing transitional housing	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Energy-related and disabled accessibility improvements	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Relocation associated with development or rehab of transitional housing	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities

PERMANENT AFFORDABLE HOUSING PROJECTS		
ACTIVITY	PROGRAM	ELIGIBLE APPLICANTS
Site Acquisition	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Acquisition of existing rental housing	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Development Impact Fees	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Site improvements for new affordable housing	CDBG	Qualifying CDBOs ³
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Construction of new affordable housing	CDBG	Qualifying CDBOs
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Demolition associated with development of affordable housing	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities

³ A Community –Based Development Organization (CBDO) is a private, community-based, community development organization that meets the criteria specified in the CDBG regulations pertaining to legal status and organizational structure. CBDO projects must also qualify as a “neighborhood revitalization project” as defined at 24 CFR 570.204(a).

PERMANENT AFFORDABLE HOUSING PROJECTS, continued

ACTIVITY	PROGRAM	ELIGIBLE APPLICANTS
Rehabilitation of existing multi-family rental housing units	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Energy-related and disabled accessibility improvements	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Relocation associated with development or rehabilitation of affordable housing	CDBG	Non-profit organizations and local government entities
	HOME	Non-profit and qualifying for-profit organizations, and local government entities
Scattered-site Housing Rehabilitation Programs	CDBG	Sonoma County Community Development Commission
Homebuyer Assistance	CDBG	Non-profit organizations and local government entities
Tenant-Based Rental Assistance	HOME	Sonoma County Housing Authority
CHDO ⁴ Operating Costs	HOME	Qualifying CHDOs

⁴ A Community Housing Development Organization (CHDO) is a private, non-profit, community-based organization that meets criteria specified in the HOME regulations pertaining to legal status, organizational structure, and capacity and experience.

NON-HOUSING CAPITAL PROJECTS (Includes Emergency Overnight Shelters & Homeless Day Service Centers)		
ACTIVITY	PROGRAM	ELIGIBLE APPLICANTS
Site Acquisition	CDBG	Non-profit organizations and local government entities
Acquisition of existing facilities	CDBG	Non-profit organizations and local government entities
Site improvements for new facilities	CDBG	Non-profit organizations and local government entities
Development and construction of new public improvements and facilities	CDBG	Non-profit organizations and local government entities
Demolition associated with development of new public improvements and facilities	CDBG	Non-profit organizations and local government entities
Rehabilitation of existing facilities	CDBG	Non-profit organizations and local government entities
Reconstruction of existing public improvements (does not include repairs only)	CDBG	Non-profit organizations and local government entities
Energy-related and disabled accessibility improvements	CDBG	Non-profit organizations and local government entities
Relocation associated with development of new public improvements and facilities	CDBG	Non-profit organizations and local government entities

OTHER ELIGIBLE ACTIVITIES		
ACTIVITY	PROGRAM	ELIGIBLE APPLICANTS
Economic development and services for microenterprises	CDBG	Non-profit organizations, local government entities, qualifying for-profit business owners
Fair housing programs for low-income households and landlords	CDBG	Non-profit organizations and local government entities



**Sonoma County Community Development Commission
Sonoma County Housing Authority**

1440 Guerneville Road, Santa Rosa, CA 95403-4107

*Members of the
Commission*

Lynda Hopkins
Chair

Chris Coursey
Vice Chair

David Rabbitt
James Gore
Susan Gorin

Dave Kiff
Interim Executive
Director

MEMORANDUM

Date: November 17, 2021

To: Cities and Towns Advisory Committee

From: Rhonda Coffman, Community Development Assistant Manager

Subject: Notice of Funding Availability (NOFA) for
Fiscal Year 2022-2023 Action Plan and FY 2021-22 Action Plan Substantial
Amendment

Each year the Community Development Commission (Commission) receives an allocation of federal Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) from the United States Department of Housing and Urban Development (HUD). As a condition of receiving federal funds from HUD the Commission must prepare, adopt and submit a five-year Consolidated Plan (Plan) to HUD. The Plan is a strategic policy document for meeting the needs of low-income community members such as creation production or preservation of affordable housing and providing public services.

The process for preparing the Plan involves assessing the needs of the community with stakeholders and establishing priorities and strategies for the use of the federal funding resources. The Plan consists of three major components: A Community Needs Assessment; the five-year Priority Needs and Strategies; and an Annual Action Plan that identifies the programs and activities to be funded with CDBG and HOME funds each year of the five-year plan. The Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan.

Each year a NOFA is published to request funding proposals from qualified organizations for eligible activities identified in the Consolidated Plan. The NOFA includes the estimated amount of funds available, the types of eligible activities and a schedule of important dates including proposal due dates, meetings, public hearings and public comment periods for the development of the Action Plan.



This NOFA also includes one-time federal funds issued to the Commission for administration including CDBG-Coronavirus Aid, Relief and Economic Security Act (CARES Act), also referred to as CDBG-CV and HOME-American Rescue Plan Act (HOME-ARPA). These two fund sources were received during Fiscal Year 2021-22 are HUD requires they be included in a substantial amendment to the current year Action Plan. There are also funds from the FY 2020-21 CDBG-CV allocation that are available to reprogrammed to an eligible activity which are included in the NOFA.

Requested Action: This is an informational item only and no action is requested.

Attachment:

Draft NOFA/RFP Fiscal Year 2022-23 Action Plan and FY 2021-22 Action Plan Substantial Amendment



Sonoma County Community Development Commission
 Sonoma County Housing Authority
 1440 Guerneville Road, Santa Rosa, CA 95403-4107

**Notice of Funding Availability (NOFA) for
 Fiscal Year (FY) 2022-2023 CDBG, HOME and
 FY 2021-2022 CDBG-CV and HOME-ARP**

Issue Date: December 8, 2022

Application Due Date: January 21, 2022, 2:00 pm

The Sonoma County Community Development Commission (Commission) requests applications for eligible capital projects, affordable housing projects, tenant based rental assistance, supportive services, fair housing, noncongregate shelter and economic development activities to receive funding from the following sources:

FUND SOURCE	FY 2022-2023 ACTION PLAN	FY 2021-2022 ACTION PLAN SUBSTANTIAL AMENDMENT	ELIGIBLE USES
Community Development Block Grant (CDBG)	\$1,206,948 (estimated)		Affordable housing projects, non-housing capital projects
CDBG - Public Services set aside	\$278,526 (estimated)		Fair housing activities
HOME Investment Partnerships Program (HOME)	\$652,201 (estimated)		Development and preservation of affordable rental housing, tenant based rental assistance
HOME - Community Housing Development Organizations (CHDO) set aside	\$130,441 (estimated)		CHDO rental or ownership housing
CDBG - Coronavirus Aid, Relief and Economic Security Act (CARES Act, also known as CDBG-CV)		\$1,483,473 <i>\$53,398 also available from reprogrammed FY2020 CDBG-CV</i>	Coronavirus tieback: Acquisition of real property, housing related activities, microenterprise assistance, public facility improvements, public services
HOME-American Rescue Plan (HOME-ARP)		\$2,542,786	Affordable rental housing, supportive services, tenant based rental assistance, noncongregate shelter



Telephone (707) 565-7500
 FAX (707) 565-7583 TDD (707) 565-7555



The Commission administers United States Department of Housing and Urban Development (HUD) CDBG and HOME funds on behalf of the County of Sonoma, the Town of Windsor, and the cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, and Sonoma (collectively, the “Urban County”). This NOFA and associated guiding documents and policies govern the distribution of funds.

All proposals must be submitted through the application packet available at the following link: [\(WEB LINK TO BE UPDATED AND INSERTED\)](#)

The application packet contains the FY 2022-2023 CDBG and HOME and FY 2021-2022 CDBG-CV and HOME-ARP Funding Policies and addendum, the funding timeline, application guidelines and required forms. Please review this NOFA, the Funding Policies and application guidelines carefully for important information on project/program eligibility and application procedures.

Key Dates

Wednesday, December 8, 2021	Notice of FY 2022-2023 CDBG and HOME and FY 2021-2022, CDBG-CV and HOME-ARP funding availability (NOFA) issued inviting submission of funding applications.
Wednesday, January 12, 2022, 1:00 p.m.	Technical Assistance (TA) Session for applicants interested in submitting a funding application. Please note: The TA session will be to discuss specific project questions.
Friday, January 21, 2:00 p.m.	Funding applications are due at the Commission Office no later than 2:00 p.m.
Wednesday, February 16, 2022 10:00 a.m.	Workshop for Community Development Committee (Committee) and Cities and Towns Advisory Committee (CTAC) review and feedback for FY 2022-2023 and FY 2021-2022 funding applications. All applicants must be present to be considered for funding.
Wednesday, March 16, 2022 10:00 a.m.	Committee and CTAC make funding recommendations for FY 2022-2023 and FY 2021-22 funding applications. All applicants must be present to be considered for funding.
Thursday, March 21, 2022	Draft FY 2022-2023 Action Plan and draft FY 2021-22 Action Plan Substantial Amendment published for a 30-day public comment period.
Monday, April 20, 2022 10:00 a.m.	Draft FY 2022-2023 Action Plan and draft FY 2021-22 Substantial Amendment presented to Committee and CTAC at Public Hearing.
Tuesday, April 26, 2022 (Date subject to change)	Board of Supervisors to discuss and adopt the FY 2022-2023 Action Plan and FY 2021-22 Action Plan Substantial Amendment.

Potential applicants are required to attend the technical assistance session. The technical assistance session will provide information about CDBG, HOME, CDBG-CV and HOME-ARP project requirements and will be held:

Wednesday, January 12, 2022

1:00 p.m. - 4:00 p.m.

Meeting to be held Virtually

Please contact the Community Development Commission Office @ (707) 565-7500 or notify us via email at valerie.johnson@sonoma-county.org to indicate your interest in attending.

Due Date

All proposals must be submitted to the Commission by 2:00 p.m. on Friday, January 21 2022.

FY 2022-2023 Priorities

The CDBG & HOME Funding Policies further the five-year goals set out in the Consolidated Plan that can be viewed on this web page: <https://sonomacounty.ca.gov/CDC/Plans-Policies-and-Reports/>

The Commission will recommend awarding funds to the most competitive proposals that adhere to the basic Threshold Criteria and rank well under the Selection Criteria found in the FY 2022-2023 CDBG & HOME and addendum CDBG-CV and HOME-ARP Funding Policies.

Selection Process

All applications will be reviewed and evaluated by Commission staff, who will then prepare an analysis for consideration by the Committee and the CTAC at a public workshop on Wednesday, February 16, 2022, at 10:00 a.m. At the workshop, the committees will review staff analysis of proposals submitted under the competitive funding categories, take testimony from applicants, and provide feedback to staff that will be integrated into staff recommendations. **All applicants must be present at the public workshop to be considered for funding.**

Staff will present recommendations at a meeting of the Committee and the CTAC on Wednesday, March 16, 2022, at 10:00 a.m. The committees will concurrently review staff recommendations and make final funding recommendations to the Board of Supervisors.

The FY 2022-2023 Annual Action Plan and FY 2021-22 Action Plan Substantial Amendment will be presented to the Committee and CTAC at a public hearing during the public comment period. The hearing will be held on April 20, 2022, at 10:00 a.m. The FY 2022-23 draft Action Plan and draft FY 2021-22 Action Plan Substantial Amendment will include a list of projects and programs recommended for funding. **All applicants must be present at the public hearing to be considered for funding.**

Contact

Please contact Valerie Johnson at (707) 565-7514 or Valerie.johnson@[sonoma-county.org](mailto:Valerie.johnson@sonoma-county.org) if you have any questions about the application process and requirements.