



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

*Members of the
Commission*

Chris Coursey
Chair

David Rabbitt
Vice Chair

Susan Gorin
Lynda Hopkins
James Gore

Rhonda Coffman
Interim Executive
Director

MEMORANDUM

Date: February 15, 2023

To: Community Development Committee and Cities and Towns Advisory Committee

From: Veronica Ortiz-De Anda, Community Development Associate

Subject: Draft HOME American Rescue Plan (ARP) Allocation Plan

In September of 2021, Sonoma County received a supplemental HOME Investment Partnerships program (HOME) grant named the HOME American Rescue Plan (HOME-ARP) from the United States Department of Housing and Urban Development (HUD), which allocated a total of \$2,991,512 to Sonoma County to administer programs that provide housing, services, and shelter to individuals and households experiencing homelessness and other vulnerable populations (qualifying populations). The allocation amount was determined by formula by HUD and offered to participating jurisdictions (PJs), who qualified for HOME grant entitlement allocations in fiscal year 2021. In Sonoma County, the city of Santa Rosa and the Urban County received allocations. The Urban County is the entitlement jurisdiction of HUD funds and is comprised of the cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sonoma, Sebastopol, Town of Windsor, and unincorporated county area.

Before funds can be used by the Urban County to fund projects or activities that benefit the qualifying populations, HUD requires that each PJ develop a HOME-ARP Allocation Plan (Plan), which aids communities in planning for the use and allocation of these funds. The Plan includes a required consultation process with the Continuum of Care (CoC) and other agencies and service providers in development of the housing, shelter, and services inventory, and the needs and gap analysis for the qualifying populations. HUD also recommends that the PJ use data from sources such as the American Community Survey, Comprehensive Housing Affordability (CHAS), Point-In-Time Homeless Count, and the CoC Homeless Assistance Programs Housing Inventory County Report in the analysis. Based on the outcome of the consultations and data analysis, the Plan must identify priority needs of the qualifying populations and propose a distribution of the grant funds to be used to address the needs and gaps in housing, shelter, and services.



The HUD HOME-ARP program defines the four qualifying populations as follows:

- homeless persons or households as defined in HUD regulations 24 CFR 91.5,
- persons or households at risk of homelessness as defined in HUD regulations 24 CFR 91.5,
- persons or households experiencing, fleeing domestic violence, dating violence, sexual assault, stalking, and/or human trafficking as defined by HUD in the grant notice, and
- other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability as defined by HUD regulations in the grant notice.

In accordance with HUD regulations, HOME ARP funds can be used to fund four general types of activities or projects:

- production or preservation of affordable housing,
- tenant-based rental assistance (TBRA),
- supportive services, homeless prevention services, and housing counseling,
- purchase and development of non-congregate shelters.

In collaboration with City of Santa Rosa staff, Sonoma County Community Development Commission staff held a consultation with the CoC Board on February 23, 2022 and has since conducted several stakeholder consultations with other community service providers that work directly with the qualifying populations to solicit their input for development of the draft Plan. Based on the outcome of the consultation process and the data analysis, the draft Plan identifies the following priority needs of the qualifying populations and the proposed amounts to be allocated for each need:

Use Category	Amount	Percentage of Grant
Supportive services	\$1,196,604.80	40%
Purchase and development of non-congregate shelters	\$747,878.00	25%
Development and/or preservation of affordable housing	\$598,302.40	20%
Administration and planning (necessary to implement grant program)	\$448,726.80	15%
Non-profit operating	0	0
Non-profit capacity building	0	0
Total HOME-ARP Allocation	\$2,991,512	100%

HUD provides PJs the option to establish preferences in the Plan for specific activities or projects that target specific qualifying populations. A preference would provide priority for selection of applicants whose activity or project benefits a specific qualifying population(s), or an allowed sub-population, over other applications for eligible activities or projects. Based on the outcome of the data analysis and the consultation process, staff is not recommending the use of preferences. The consensus among all of the groups consulted is that all of the qualifying populations are in need of housing, shelter, and services, including supportive and mental health

services, which are essential in providing housing stabilization, yet limited with currently available funding. Additionally, the groups agreed that homeless prevention is key to reducing homelessness, and additional housing, including permanent, transitional, and supportive housing, is needed, and the high cost of housing we are experiencing was exacerbated by the pandemic.

HUD also provides PJs the option to establish referral methods for certain types of activities or projects. A PJ may use CoC Coordinated Entry (CE) as a direct referral method only if the PJ changes (or expands) the CE system to accept all of the qualifying populations. A direct referral is where CE refers the eligible applicant directly to the PJ, subrecipient, or owner of the site that would serve the eligible applicant. The draft Plan does not contain specific referral methods. As previously stated, this grant is for the benefit of the Urban County, which excludes residents of the cities of Petaluma and Santa Rosa. The CoC CE system serves the county as a whole and establishing CE as a referral method in the Plan would require substantial changes in the CE system to allow equal access of all of the qualifying populations to use CE. These changes could conflict with existing programs and processes currently in place within CE and require further staff study to properly assess the implications of such changes. Additionally, changes to CE could further delay investment of HOME-ARP funds through a Notice of Funding Availability (NOFA) process to community-based service providers that urgently need assistance. Instead of using CE as a referral method, HUD allows for a waiting list to be kept by the subrecipient carrying out a funded activity or project providing access to one or all qualifying populations. Therefore, qualifying individuals or households on a waiting list would be accepted in chronological order (e.g. on a first-come, first-serve basis).

In accordance with HUD requirements, the draft Plan is being made available for a 30-day public review period. As of the date of preparation of this memorandum, one comment has been received and is included as Attachment 2. All public comments received will be properly addressed and forwarded to the Board of Commissioners along with the Committees' recommendation. Approval of the Plan will constitute a FY 2021-22 Action Plan Substantial Amendment.

HUD has established a deadline of March 31, 2023 to submit the draft Plan. After the plan is submitted and approved by HUD, staff will revise the Federal Funding Policies accordingly, and solicit funding request applications from nonprofit and community-based organizations. Through the NOFA process funds will be distributed for eligible activities that benefit the qualifying populations in the Urban County. If the Plan is not submitted by this deadline, the grant would have to be returned to HUD.

Requested Action:

Review and recommend approval of the draft HOME-ARP Allocation Plan to the Board of Commissioners, which will approve a substantial amendment to the FY 2021-22 Action Plan.

Attachment 1 – Sonoma County Draft HOME-ARP Allocation Plan

Attachment 2 – Public Comments Received

ATTACHMENT 1 – Sonoma County Draft HOME-ARP Allocation Plan

<https://sonomacounty.ca.gov/Main%20County%20Site/Development%20Services/CDC/Documents/Plans%20Policies%20and%20Reports/DRAFT-HOME-ARP-Plan-w-Attachments.pdf>

From: [REDACTED]
To: [Veronica Ortiz-De Anda](#)
Cc: [REDACTED]
Subject: Fw: HOME Investment Partnerships (HOME) American Rescue Plan (ARP) Draft Allocation Plan Now Available!
Date: Wednesday, February 1, 2023 1:39:00 PM

EXTERNAL

Hi Veronica,

Maybe a question more than a public comment: Are you able to talk about the thought process behind the decision not to use CES as the referral process for applicable projects funded through this plan? I noticed that section was left "N/A" and didn't see anything describing why.

Thank you!



CONFIDENTIALITY NOTICE: This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message.