



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

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Commission*

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Interim Executive
Director

MEMORANDUM

Date: September 21, 2022

To: Community Development Committee (CD Committee) and Cities and Towns
Advisory Committee (CTAC)

From: Veronica Ortiz-De Anda, Community Development Associate

Subject: Fiscal Year (FY) 2023-2024 Federal Funding Policies

In the August 2022 concurrent meeting of the CD Committee and CTAC, Community Development Commission (CDC) staff presented a summary of the proposed revisions to the FY 2023-2024 Federal Funding Policies for Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Solution Grant (ESG), which are federal programs regulated by the U.S. Department of Housing and Urban Development (HUD). The Low Moderate Income Housing Asset Fund (LMIHAF), a local fund source, was also proposed to be added back into the revised Federal Funding Policies for annual allocation. The Committees provided their feedback on the proposed revisions during the August meeting and staff has prepared the revised document. The final proposed changes to the FY 2023-2024 Federal Funding Policies are as follows:

- Reinsert ESG policies . This HUD program was being implemented by CDC's Ending Homelessness division and Continuum of Care (CoC) Board for the past few years. However, with the anticipated departure of the Ending Homelessness Division to the Department of Health Services in January 2023, the program will be separated from this division and shall remain with CDC. The CoC will continue to be consulted on the use of the ESG funds and their funding recommendations will be forwarded to these Committees for their consideration for inclusion in the Annual Action Plan funding recommendations to the Board of Supervisors.
- Add LMIHAF set aside of up to \$250,000 associated with the annual allocation for homelessness prevention and rapid rehousing activities. This program will be administered similar to the ESG funds, with the CoC consulted on the funding recommendations. The CoC's recommendations will then be presented to the CD Committee for their consideration when formulating recommendations to the Board of Supervisors.



- Make minor revisions to the CDBG-CV addendum to expand and clarify qualifying applicants and activity requirements.
- Add clarification on the section related to environmental reviews.
- Add information on the timing of federal funding availability to ensure applicants understand when funds would be available (e.g. after all pre-conditions are met and after the CDC receives and executes grant agreements with HUD).
- Reinsert the requirement for Board of Supervisors approval of annual Federal Funding Policies.
- Reinsert language that funding preference is given to non-profit developers for housing development funds, in compliance with the County's Housing Element.
- Make non-substantial minor clerical and format corrections to overall document
- The Notice of Funding Availability (NOFA) process and schedule for two CD Committee/CTAC meetings for funding recommendations will not change. The practice of having one meeting serve as a workshop and one public hearing for funding recommendations to the Board of Supervisors will continue. This was proposed to be reduced to one combined, concurrent public hearing and funding recommendation meeting, however the CD Committee and CTAC provided a preference to retain the two meetings, a workshop and public hearing.

Staff requests that the Committees review the policies document, which is available in the link below, and approve the proposed changes for recommendation to the Board of Supervisors. New text in the document is underlined and deletions are shown in blue strikethrough text.

Fiscal Year 2023-24 Federal Funding Policies Link:

<https://share.sonoma-county.org/link/Sf84Li-qSSU/>