



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

Michelle Whitman
Executive Director

MEMORANDUM

Date: September 20, 2023

To: Community Development Committee & Cities and Towns Advisory Committee

From: Veronica Ortiz-De Anda, Community Development Associate

Subject: Fiscal Year (FY) 2024-2025 Federal Funding Policies

The Federal Funding Policies (Policies) provide the local framework for the allocation and administration of Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) federal funding programs. The Sonoma County Community Development Commission administers these programs on behalf of the Urban County, as an entitlement jurisdiction of the U.S. Department of Housing and Urban Development (HUD). The Policies include the Low-Moderate Income Housing Asset Fund, a local fund source, in addition to the federal funds and are updated annually. The Policies support the priority needs identified in the 2020-2025 Consolidated Plan, which are:

- Affordable Housing
- Homelessness
- Non-Housing Community Development

At the August 16, 2023 concurrent meetings of the Community Development Committee and Cities and Towns Advisory Committee, staff presented the following proposed substantive updates and asked that the Committees review them and provide feedback:

- Section 2 – Insertion of the text introducing HOME American Rescue Plan Act program, a new supplemental federal program.
- Section 3.5 – Insertion of text related to ESG program limiting funding to emergency shelter and street outreach activities.
- Section 7.3 – Insertion of text clarifying that applicants awarded funds for affordable housing and non-housing capital projects must pay for the preparation of a federal environmental review with funds other than the federal award, and prior to the execution of a funding agreement.



- Section 7.17 – Insertion of clarification text regarding prohibition of use of Indirect Cost Rates by funded organizations.
- Section 8.2 - Clarification of the consultation process with the Continuum of Care on funding proposals for ESG and LMIHAF funds.
- Section 9 – Reformat of “Threshold Criteria for Project Evaluation” for purposes of clarification.
- Section 7.16 – Insertion of text related to “Buy America, Build America” (BABA), a new federal law that is being phased-in by HUD, which requires that certain projects obtain their building materials from sources located in the United States.
- Addendum – Deletion of CDBG-CV addendum and replaced with HOME-ARP addendum.

Other non-sub substantial updates were made including clerical, format corrections, minor clarifications and other corrections were made throughout the document.

The Committees discussed the changes and requested that the following be added:

- Section 2 – Insertion of text giving funding preference to projects that align with the goals of the Continuum of Care Strategic Plan for homeless services and rapid rehousing projects.
- Section 7.3 – Add text pertaining to reimbursement of NEPA environmental review expenses for projects funded by the HOME program for predevelopment expenses.
- Section 7.22 – Insertion of text requiring that applicants abide by County of Sonoma Living Wage Ordinance.
- Definitions – Insertion of “Indirect Cost Rate” definition.

The Committees expressed their desire that funded organizations be self-sustaining and staff will be adding a question in the public services funding application in this regard.

Staff requests that the Committees review the updated policies and recommend approval to the Board of Supervisors and Board of Commissioners.