



Human Services Department Representative: Michelle Bendyk | Tenant Representatives: Judith Morgan
1st District: Vacant | 2nd District: Jake Mackenzie | 3rd District: Chris Borr | 4th District: Teddie Pierce
5th District: John Valdovinos | Executive Director: Michelle Whitman

Sonoma County Community Development Committee Regular Meeting

**PLEASE NOTE: This is a hybrid meeting and will be held in-person and online.
The meeting will be held in the Hearing Room of the Sonoma County Community
Development Commission located at 141 Stony Circle, Suite 210, Santa Rosa, CA, 95401.**

The Zoom webinar may be accessed at the following link:

<https://sonomacounty.zoom.us/j/96914050771?pwd=d3VMNmlvKzRoRjNSUzFNdnc2RDVPdz09>

Telephone Option: (669) 444-9171

Webinar ID: 969 1405 0771

Passcode: 013093

Wednesday, September 18, 2024

10:00 am – 12:00 pm

AGENDA

1. Call to Order and Roll Call

2. Public Comment on Items Not on the Agenda

3. Approve Meeting Minutes from June 26, 2024 Meeting

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

Recommended Action: Approve minutes as drafted by staff

4. Executive Director's Report

Michelle Whitman, Executive Director

The executive director will give an update on agency business.

Information Only – No Action Item

5. PUBLIC HEARING: Consolidated Annual Performance Evaluation Report (CAPER)

Valerie Johnson, Community Development Associate

Staff will present the CAPER to both committees for comments and feedback.

- Staff Presentation
- Committee Questions
- Open Public Hearing
- Hear Public Comments
- Close Public Hearing
- Committee Discussion
- Motion
- Roll Call Vote

Recommended Action: Accept the CAPER as drafted by staff

6. Funding Recommendations: HOME – American Rescue Plan (HOME-ARP)

Krista Fotou, Community Development Program Coordinator

Staff will present the funding recommendations for all HOME-ARP applications that were submitted in response to the latest Notice of Funding Availability (NOFA).

Recommended Action: Approve funding recommendations as drafted by staff

7. Funding Recommendations: County Fund for Housing (CFH) and Permanent Local Housing Allocation (PLHA)

Krista Fotou, Community Development Program Coordinator

Staff will present the funding recommendations for all CFH and PLHA applications that were submitted in response to the latest Notice of Funding Availability (NOFA).

Recommended Action: Approve funding recommendations as drafted by staff

8. Adjournment

**Next Meeting (SPECIAL MEETING):
October 23rd, 2024, 10:00 am – 12:00 pm**

PUBLIC COMMENTS PRIOR TO THE COMMITTEE MEETING: Public comments may be submitted via email to CDC-8130-Public-Comment@sonoma-county.org. Virtual attendees are encouraged to submit their comments via email before the meeting.

PUBLIC COMMENTS DURING THE COMMITTEE MEETING: Any member of the audience desiring to address the Committee on a matter on the agenda, please complete a **Speaker Card**, and hand it to the Recording Secretary prior to the beginning of the meeting. When called by the Chair, please walk to the **Public Comments** table, state your name, and make your comments. Please be brief and limit your comments to the subject matter under discussion. Virtual attendees may raise their hand using Zoom, or dial *9 to raise their hand by telephone and will be directed to speak by the Chair. Each person is granted 3 minutes to speak; time limitations are at the discretion of the Chair.

MEETING DOCUMENTS: The associated documentation is available on the website at <https://sonomacounty.ca.gov/development-services/community-development-commission/boards-commissions-and-committees/community-development-committee>. Any changes to the date of the meeting, or any other updates, will be noticed on the above website.

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.

COMENTARIOS PÚBLICOS ANTES DE LA REUNIÓN DEL COMITÉ: Pueden enviarse por correo electrónico a Veronica.Ortiz-DeAnda@sonoma-county.org.

COMENTARIOS DEL PÚBLICO DURANTE LA REUNIÓN DEL COMITÉ: Cualquier miembro de la audiencia que desee dirigirse al Comité sobre un asunto de la agenda, complete una Tarjeta de Orador y entréguela al Secretario de Actas antes del comienzo de la reunión. Cuando lo llame el presidente, diríjase a la mesa de comentarios públicos, diga su nombre y haga sus comentarios. Para que todas las partes interesadas tengan la oportunidad de hablar, sea breve y limite sus comentarios al tema en discusión. Generalmente a cada persona se le conceden 3 minutos para hablar; Las limitaciones de tiempo quedan a discreción del Presidente.

DOCUMENTOS DE LA REUNIÓN: La documentación asociada está disponible en el sitio web en <https://sonomacounty.ca.gov/development-services/community-development-commission/boards-commissions-and-committees/community-development-committee>. Cualquier cambio en la fecha de la reunión, o cualquier otra actualización, se notificará en el sitio web mencionado anteriormente.

ALOJAMIENTO PARA DISCAPACITADOS: Si tiene una discapacidad que requiere un alojamiento, un formato alternativo o requiere que otra persona lo ayude mientras asiste a esta reunión, comuníquese con el Coordinador de la Sección 504 al (707) 565-7520 lo antes posible para garantizar los arreglos para alojamiento.

Los servicios lingüísticos están disponibles previa solicitud si se realizan al menos 48 horas antes de la reunión para ayudar a garantizar la disponibilidad. Para obtener más información o solicitar servicios, comuníquese con el Coordinador de la Sección 504 al (707) 565-7520.



Human Services Department Representative: Michelle Bendyk, Tenant Representatives: Judith Morgan, Nicky McDermott
1st District: Rena Wang | **2nd District:** Jake Mackenzie (Chair) | **3rd District:** Chris Borr (Vice Chair)
4th District: Teddie Pierce | **5th District:** John Valdovinos | Executive Director: Michelle Whitman

**Sonoma County Community Development Committee
Concurrent Special Meeting**

DRAFT Meeting Minutes

Wednesday, June 26, 2024
1440 Guerneville Road, Santa Rosa, CA 95403
10:00 a.m. - 12:00 p.m.
Hybrid Meeting

1. Call to Order and Roll Call

The meeting was called to order at 10:02 a.m. by Chair Mackenzie. Community Development Commission (CDC) staff conducted the roll call:

Community Development Committee Members

Rena Wang - District 1	Present
Jake Mackenzie, Chair – District 2	Present
Chris Borr, Vice Chair – District 3	Present
Teddie Pierce – District 4	Present
John Valdovinos – District 5	Present
Judy Morgan – Tenant Representative	Present
Tenant Representative	Vacant
Michelle Bendyk – Human Services Representative	Present

CDC and Sonoma County Housing Authority Staff Present

Michelle Whitman, Executive Director
Rhonda Coffman, Deputy Director
Martha Cheever, Deputy Director (remotely)
Dorothy Norton, Community Development Associate
Valerie Johnson, Community Development Program Coordinator
Madison Murry, Senior Community Development Specialist
Laurie Dinwiddie, Community Development Program Specialist
Krista Fotou, Affordable Housing Finance Specialist
Veronica Ortiz-De Anda, Community Development Program Coordinator

2. Public Comments for Items Not on the Agenda

None.

3. Approval of February 14, 2024 and March 20, 2024 Meeting Minutes

Public comments: None.

Action

Motion: Mackenzie

Second: Borr

Ayes: Wang, Mackenzie, Borr, Pierce, Valdovinos, Morgan, Bendyk

Noes: None

Abstain: None

Absent: None

Motion Passed.

4. Executive Director's Report

Executive Director, Michelle Whitman, provided an update regarding the Bay Area Housing Finance Authority expenditure plan and other agency business related to Elderberry Commons, George's Hideaway, Tierra de Rosas, and annual budget hearings. The Deputy Director provided information about a Notice of Funding Availability that will be published in July.

Public comments: None.

5. Public Hearing: Substantial Amendment to the HOME American Rescue Act Allocation Plan (HOME-ARP Plan)

CDC staff, Veronica Ortiz-De Anda, gave a presentation about the proposed changes to the HOME-ARP Allocation Plan for Sonoma County.

Public comments:

None.

Action

Motion: Mackenzie

Second: Wang

Ayes: Wang, Mackenzie, Valdovinos, Morgan

Noes: Borr, Pierce, Bendyk

Abstain: None

Absent: None

Motion Passed.

6. Adjournment

The meeting adjourned at 11:33 a.m.



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

141 Stony Circle, Suite 210, Santa Rosa, CA 95401
P.O. Box 12025, Santa Rosa CA 95406-2025

*Members of the
Commission*

David Rabbitt
Chair

Lynda Hopkins
Vice Chair

Susan Gorin
Chris Coursey
James Gore

Michelle Whitman
Executive Director

MEMORANDUM

Date: September 18, 2024

To: Community Development Committee and Cities and Towns Advisory Committee

From: Valerie Johnson, Community Development Associate

Subject: Fiscal Year (FY) 2023-2024 Consolidated Annual Performance and Evaluation Report

Each year, the Sonoma County Community Development Commission (Commission) submits a Consolidated Annual Performance Evaluation Report (CAPER) to the U.S. Department of Housing and Urban Development (HUD), as required of federal entitlement jurisdictions. The CAPER describes accomplishments made using funding from HUD entitlement programs that the Commission administers on behalf of the Urban County, which includes the County of Sonoma, and the cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and the Town of Windsor. These funds include the HOME Investments Partnership Program (HOME), Community Development Block Grant (CDBG), and Emergency Solutions Grant (ESG). Annual accomplishments are measured toward the goals identified in the corresponding One-Year Action Plan and the goals identified in the 5-Year Consolidated Plan.

The CAPER categorizes achievements into three priority needs areas as identified in the 5 Year Consolidated Plan and One Year Action Plan including affordable housing, homelessness, and non-housing capital improvements. In order for an accomplishment to be reported, the activity must have been completed within the fiscal year (July 1, 2023, to June 30, 2024). Some activities occur over a multi-year period, such as the development and construction of affordable housing, or other capital improvements. The report delineates the households served by race, ethnicity, income, and the types and number of units leased to lower-income rental households, units rehabilitated for lower-income homeowners, special needs persons served, and services provided to people experiencing homelessness. It is important to note that the results only include information about accomplishments made using the three federal funding sources; they do not include the entirety of Commission program accomplishments for the year. However, some narrative descriptions do provide an explanation of accomplishments made with certain other funding sources, and other efforts to improve program delivery being made across the county.



The Public Review Draft of the FY 2023-2024 CAPER is available for public comment online at <https://sonomacounty.ca.gov/development-services/community-development-commission/plans-policies-and-reports> or at the following locations:

Sonoma County Community Development Commission
141 Stony Circle, Suite 210
Santa Rosa, CA

Sonoma County Board of Supervisors Office
575 Administration Drive - Room 100A,
Santa Rosa, CA

Sonoma County Central Library
3rd and E Streets
Santa Rosa, CA

The Commission will present a summary of the draft CAPER accomplishments and accept public comments at the Committees' concurrent public hearing on Wednesday, September 18, 2024. Written comments can also be submitted until September 19, 2024, by email to valerie.johnson@sonomacounty.org or mailed to the Sonoma County Community Development Commission, 141 Stony Circle, Suite 210, Santa Rosa, CA, 95401.

2023-2024
Consolidated Annual Performance and
Evaluation Report
Public Review Draft

Prepared by the Sonoma County Community Development Commission

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CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

During Fiscal Year (FY) 2023-2024, the fourth year of the 2020 Consolidated Plan, the Sonoma County Community Development Commission (Commission) made significant progress toward identified goals, with many activities and projects initiated and underway, with several FY 2023-2024 on track to be completed in FY 2024-2025.

For the Affordable Housing goal, the Commission is continuing to leverage activities and projects funded with CDBG and HOME to increase the production of affordable rental housing and create accessible public amenities by engaging developers and cities, collaborating with other County departments, updating funding policies, and leveraging County owned property. The Commission has awarded CDBG and HOME funds to three housing developments in the cities of Cloverdale, Sonoma, and Windsor. These developments will add 170 affordable units to the county when complete. Also, more than 3,000 households received housing assistance in the form of Section 8 tenant-based rental assistance during the program year.

In the area of Homelessness, the administration ESG, and certain local and state funds for homeless services are guided by funding policies set annually by the Community Development Committee. Coordinated Entry (CE) is a streamlined system designed to efficiently match people experiencing homelessness to available housing, emergency shelter, and services. CE prioritizes those who are most in need of assistance and provides crucial information that helps communities strategically allocate resources and identify gaps in service. In FY 2023-2024, 2,252 households were assisted through CE, and of those, almost 30% or 673 individuals exited to permanent housing.

Across all Commission-funded homeless service programs during FY 2023-2024, 127 persons entered emergency shelters. Rapid re-housing assistance ended homeless episodes for one household out of ten households served (10%). A total of 2,822 households were assisted using a combination of CE, street outreach, and day services; 710 of them accessed temporary or permanent housing

through those services.

In the area of Non-Housing Community Development, the Commission staff worked closely with community development staff in Urban County member jurisdictions over the past year providing guidance for selecting projects that Affirmatively Further Fair Housing, projects that needed predevelopment funds, and projects that could proceed quickly with an infusion of CDBG funds, asking cities to prioritize projects that could spend money first. Three architectural barrier removal projects were completed in FY 2023-2024 that will benefit low and moderate-income households by improving accessibility that encompass census tracts in which more than 51% of residents are low to moderate-income. Additionally, two architectural barrier removal projects are currently underway at the Sebastopol Youth Annex and at the Gualala Point Regional Park. One microenterprise project was completed which assisted forty-three low and moderate-income daycare operators to retain and expand their businesses.

The Commission also funded a robust Fair Housing Program in FY 2023-2024. Fair Housing Advocates of Northern California and Legal Aid of Sonoma County assisted a combined total of 564 Sonoma County individuals supported by CDBG and CDBG-CV funds. These organizations and activities helped to address fair housing complaints and unlawful detainers, helping to prevent homelessness.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Affordable Housing	Affordable Housing	CDBG: \$ / HOME: \$ / Section 8: \$	Rental units constructed	Household Housing Unit	100	1	1.00%	173	0	0.00%

Affordable Housing	Affordable Housing	CDBG: \$ / HOME: \$ / Section 8: \$	Rental units rehabilitated	Household Housing Unit	100	44	44.00%			
Affordable Housing	Affordable Housing	CDBG: \$ / HOME: \$ / Section 8: \$	Homeowner Housing Added	Household Housing Unit	10	0	0.00%			
Affordable Housing	Affordable Housing	CDBG: \$ / HOME: \$ / Section 8: \$	Homeowner Housing Rehabilitated	Household Housing Unit	50	19	38.00%	55	5	9.09%
Affordable Housing	Affordable Housing	CDBG: \$ / HOME: \$ / Section 8: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	3000	274	9.00%	2945	205	6.96%
Affordable Housing	Affordable Housing	CDBG: \$ / HOME: \$ / Section 8: \$	Housing for Homeless added	Household Housing Unit	10	2	20.00%			
Homelessness	Homeless	ESG: \$ / Competitive McKinney-Vento Homeless Assistance Act: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	160	0	0.00%	170	0	0.00%
Homelessness	Homeless	ESG: \$ / Competitive McKinney-Vento Homeless Assistance Act: \$	Homeless Person Overnight Shelter	Persons Assisted	2000	511	25.55%			

Homelessness	Homeless	ESG: \$ / Competitive McKinney- Vento Homeless Assistance Act: \$	Homelessness Prevention	Persons Assisted	50	92	184.00%	17	27	158.82%
Non-Housing Community Development	Non- Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	50000	50044	100.09%	4363	5313	121.77%
Non-Housing Community Development	Non- Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	3400	3169	93.21%	701	1050	149.79%
Non-Housing Community Development	Non- Homeless Special Needs Non-Housing Community Development	CDBG: \$	Jobs created/retained	Jobs	13	0	0.00%			

Non-Housing Community Development	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	53	43	81.13%	0	43	
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Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

As Sonoma County continues to recover from the wildfires and the global pandemic it still faces a shortage of affordable housing. The Commission is prioritizing affordable housing creation and preservation, alleviating homelessness, and improving access to housing and amenities for low-income neighborhoods. Several large affordable housing projects are gearing up to start construction in FY 2024-2025 that will create over 170 new units in the region.

Although the Commission did not meet its Action Plan goals for housing rehabilitation during FY 2023-2024 it’s on track to meet these goals in the 2024-2025 fiscal year with the Earthquake Bracing Program and housing rehabilitations projects currently in progress. A total of three housing rehabilitation projects were completed for low-income households enabling them to remain in their homes and preserving their existing affordable housing. Two housing accessibility modification projects were completed for low-income homeowners using CDBG funds through the Disability Services and Legal Center's (DSLCL) Housing Access Modification Grant Program, allowing these households to maintain accessible, safe, decent, and affordable housing. Three additional housing accessibility modification projects were initiated during FY 2023-24 and are currently underway. Housing rehabilitation continues to be a high priority for the use of CDBG, state, and local funds because it is a critical resource for helping low-income households to remain in their homes, and it is one of the most cost-effective ways to maintain the existing affordable housing stock and preventing

homelessness.

The Commission exceeded its Action Plan goals for replacing infrastructure systems and public facilities during the reporting period.. The Commission exceeded the goal of serving 50,000 people through infrastructure and public facility activities in the course of the five-year Consolidated Plan. Projects completed in this reporting period served approximately 5,313 low-income residents in the cities of Sebastopol, Healdsburg, and Sonoma.

The Commission is still utilizing CDBG-CV funding, 893 residents were assisted through eight organizations funded with CDBG-CV funding, this includes Fair Housing Services, Emergency Shelter Services, and other public services aimed at preventing, preparing for, and responding to Coronavirus.

DRAFT

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME
White	5,300	300
Black or African American	55	44
Asian	64	1
American Indian or American Native	78	29
Native Hawaiian or Other Pacific Islander	5	5
Total	5,502	379
Hispanic	1,145	106
Not Hispanic	4,357	273

Describe the clients assisted (including the racial and/or ethnicity of clients assisted with ESG)


	HESG
American Indian, Alaska Native, or Indigenous	13
Asian or Asian American	0
Black, African American, or African	4
Hispanic/Latina/e/o	9
Middle Eastern or North African	0
Native Hawaiian or Pacific Islander	0
White	44
Multiracial	0
Client doesn't know	0
Client prefers not to answer	0
Data not collected	0
Total	70

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

It should be noted that Table 2 above does not include all racial categories that are reported in the HUD Integrated Disbursement Information System (IDIS) for CDBG-CV-funded accomplishments, therefore, the total provided in the table below is reflective of the listed categories that were not included.

The Community Development Committee and the Cities and Towns Advisory Committee requested in their concurrent September 21, 2022 public meeting that in subsequent years the Commission provide a comparative analysis of the Race and Ethnicity for each year of the 5-year Consolidated Plan, to evaluate and address any racial equity issues and potential solutions or investments.



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
CDBG-CV Summary of Accomplishments
Program Year: 2023

DATE: 07-26-24
TIME: 15:27
PAGE: 3

SONOMA COUNTY

CDBG-CV Beneficiaries by Racial / Ethnic Category

Housing-Non Housing	Race	Total Persons	Total Hispanic Persons	Total Households	Total Hispanic Households
Non Housing	White	868	151	0	0
	Black/African American	48	4	0	0
	Asian	8	1	0	0
	American Indian/Alaskan Native	62	29	0	0
	Native Hawaiian/Other Pacific Islander	2	1	0	0
	American Indian/Alaskan Native & White	6	0	0	0
	Asian & White	5	0	0	0
	Black/African American & White	6	0	0	0
	Other multi-racial	232	158	0	0
	Total Non Housing		1,237	344	0
Grand Total	White	868	151	0	0
	Black/African American	48	4	0	0
	Asian	8	1	0	0
	American Indian/Alaskan Native	62	29	0	0
	Native Hawaiian/Other Pacific Islander	2	1	0	0
	American Indian/Alaskan Native & White	6	0	0	0
	Asian & White	5	0	0	0
	Black/African American & White	6	0	0	0
	Other multi-racial	232	158	0	0
	Total Grand Total		1,237	344	0

CDBG-CV Beneficiaries by					
<u>Racial/Ethnic Category</u>					
Housing or Non-Housing	Race	Total Persons	Total Hispanic Persons	Total Households	Total Hispanic Households
Non-Housing	White	868	151	0	0
Non-Housing	Black/African American	48	4	0	0
Non-Housing	Asian	8	1	0	0
Non-Housing	American Indian/Alaskan Native	62	29	0	0
Non-Housing	Native Hawaiian/Other Pacific Islander	2	1	0	0
Non-Housing	American Indian/Alaskan Native and White	6	0	0	0
Non-Housing	Asian and White	5	0	0	0
Non-Housing	Black/African American and White	6	0	0	0
Non-Housing	Other/Multi-Racial	232	158	0	0
Total Non-Housing		1237	344	0	0
Grand Total	White	868	151	0	0
Grand Total	Black/African American	48	4	0	0
Grand Total	Asian	8	1	0	0
Grand Total	American Indian/Alaskan Native	62	29	0	0
Grand Total	Native Hawaiian/Other Pacific Islander	2	1	0	0
Grand Total	American Indian/Alaskan Native and White	6	0	0	0
Grand Total	Asian and White	5	0	0	0
Grand Total	Black/African American and White	6	0	0	0
Grand Total	Other/Multi-Racial	232	158	0	0
Total Non-Housing		1237	344	0	0

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	2,016,808	1,459,062
HOME	public - federal	1,072,243	673,486
ESG	public - federal	150,786	144,476
Competitive McKinney-Vento Homeless Assistance Act	public - federal	4,275,968	3,231,130
Section 8	public - federal	46,461,984	46,461,984

Table 3 - Resources Made Available

Narrative

For CDBG, Table 3 – “Resources Made Available” matches the PR-26 Report, which included the FY 2023-2024 CDBG award from HUD (\$ 1,706,374) and CDBG program income (\$310,433.85). CDBG "Amount Expended During Program Year" matches the PR-26 report.

For HOME, "Amount Expended During Program Year" is the sum of \$570,654.17 in Tenant Based Rental Assistance (TBRA), IDIS activities 1179 and 1187, and \$102,831.55 expended on HOME Administration, IDIS activity 1192.

For ESG, "Amount Expended during Program Year" reflects the amount expended in FY 2023-2024, which was \$144,475.94.

During FY 2023-2024, 90 project-based voucher units came into service; 82 of these are serving extremely low-income households who are coming out of homelessness. At the end of calendar year 2024, it is expected that the Sonoma County Housing Authority (SCHA) will have spent all available rental assistance dollars and all reserves. Additional funding will be made available through HUD’s Shortfall Prevention program, ensuring that all currently housed households can remain stably housed.

During FY 2023-2024, the Commission disbursed \$536,284.35 in CDBG-CV funding to eight public service activities including Fair Housing Activities and Emergency Shelter, and \$119,324.46 expended on CDBG-CV general administration costs.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description

Table 4 – Identify the geographic distribution and location of investments

Narrative

The FY 2023-2024 One-Year Action Plan encompassed activities undertaken by the County of Sonoma, as well as the seven municipalities comprising the HUD entitlement Urban County: Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and Windsor. Sonoma County does not dedicate funds to target areas. One hundred percent of funds are used in the Urban County.

The Urban County jurisdictions share CDBG funds for capital projects in similar proportion to the number of low and moderate-income populations in each area. Historically and in FY 2023-2024, beyond an initial allocation of available CDBG funds intended to assist capital projects, the jurisdictions did not pre-determine the locations where CDBG, HOME, and ESG funding are to be used in Sonoma County. However, the Urban County has begun tracking where investments are made and provides the Cities and Towns Advisory Committee updates as to how much has been allocated and expended over the five-year strategic plan based on their respective proportions of low- and moderate-income populations. This information helps inform the Cities and Towns Advisory Committee where investments have been made and helps ensure funds are invested in a way that promotes geographic equity.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The Commission utilized CDBG, CDBG-CV, HOME, HOME-ARP, ESG, ESG-CV, County General Fund, Low- and Moderate-Income Housing Asset Fund, County Fund for Housing, State of California funding (Partnership HealthPlan of California, Emergency Rental Assistance Program, Permanent Local Housing Allocation, and Homekey) and funds from other public and private sources.

The County of Sonoma has invested millions of local dollars into affordable housing production over the past four years. These resources provide gap financing in permanent soft and hard debt for affordable rental development projects that often use federal Low-Income Housing Tax Credits, and a standard combination of other private debt and equity sources.

Continuum of Care (CoC) funds were used to administer the Countywide Homeless Management Information System (HMIS), expand the Countywide CE program, and for four CoC Rental Assistance programs.

In January 2019, Sonoma County received approximately \$12.1 million from the one-time Homeless Emergency Aid Program (HEAP) grant, and in July 2019, \$843,907 from the California Emergency Solutions and Housing (CESH) grant. These grants fund activities that assist persons experiencing or at risk of homelessness. Additionally, in May 2020, approximately \$3.4 million was secured through the Homeless Housing Assistance and Prevention (HHAP) grant. The Commission strategically leveraged these funds with ESG to optimize their impact on catalyzing future expansion of public services. In 2021, the Commission was awarded approximately \$1.4 million in State HHAP-2 funds under the purview of the CoC. In 2022, over \$4 million was received for State HHAP-3 after approval of a local Homeless Action Plan. The Commission currently owns several properties. that include the following;

8190-8194 Arthur Street, Cotati – Permanent Supportive Housing

866 Sonoma Avenue, Santa Rosa – Jail Diversion Program

Tierra de Rosas, Sebastopol Road, Santa Rosa – This project is under development and will include 75 units of affordable housing

7991 Covert Lane, Sebastopol – Affordable rental housing

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	3,302,107
2. Match contributed during current Federal fiscal year	0
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	3,302,107
4. Match liability for current Federal fiscal year	71,585
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	3,230,522

Table 5 – Fiscal Year Summary - HOME Match Report

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Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at begin-ning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
0	194,317	172,270	152,838	22,046

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	0	0	0	0	0	0
Number	0	0	0	0	0	0
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	0	0	0			
Number	0	0	0			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		0		0		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

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CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	3,118	205
Number of Special-Needs households to be provided affordable housing units	55	5
Total	3,173	210

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	2,945	205
Number of households supported through The Production of New Units	173	0
Number of households supported through Rehab of Existing Units	55	5
Number of households supported through Acquisition of Existing Units	0	0
Total	3,173	210

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

Goals: There are four Affordable Housing goals including households supported through rental assistance, production of new units, rehabilitation of existing units, and acquisition of existing units, each with a quantitative one-year goal.

Outcomes: Eight households were supported with rental assistance, 197 households were provided security deposit assistance, no new units were produced, five existing units were rehabilitated, and no existing units were acquired.

Three non-homeless homeowners were assisted through the Sonoma County Housing Rehabilitation Program. Two housing accessibility modification projects were completed for low-income homeowners using CDBG funds through the DSLC's Housing Access Modification Grant Program the SCHA provided rental assistance through the Tenant-Based Rental Assistance (TBRA) program to eight households.

Problems Encountered in Meeting Goals: The quantitative goals were identified in the 2020-2025 Consolidated Plan, which was developed before the COVID-19 pandemic and multiple local disasters were experienced. Some of the one-year quantitative goals were not achievable due to these impacts, however, many affordable activities are funded and making progress to help support these quantitative goals.

The affordable housing production goals were delayed due to an unanticipated lengthy NEPA Section 106 Tribal Consultation process for several affordable housing projects that were awarded funds CDBG and HOME funds. Fortunately, those Tribal Consultations were recently completed and the environmental reviews have been submitted to HUD along with a request for release of funds. The housing rehabilitation goals were not met due to the use of local funds being used to complete multiple projects in the Earthquake Retrofit Bracing Program, rather than the planned use of CDBG funds. This was addressed internally and CDBG funds are now being utilized for these rehabilitation projects.

Additionally, a policy change was made to the TBRA program by the SCHA and it was determined they would not be using HOME funds for rental assistance under TBRA, as they have been working to wean households off rental assistance, and instead are providing security deposits under the HOME TBRA program. In FY 2023-2024, 197 households received security deposit assistance.

Discuss how these outcomes will impact future annual action plans.

It is anticipated that future action plans will continue to reflect the affordable housing goal set in the Consolidated Plan, which emphasizes the construction and preservation of affordable rental housing as a high priority. Construction of new affordable rental housing is accomplished over several years, however, the Urban County has prioritized investments in projects that are “shovel ready”.

Include the number of extremely low-income, low-income, and moderate-income persons

served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	3	162
Low-income	0	42
Moderate-income	2	1
Total	5	205

Table 13 – Number of Households Served

Narrative Information

The extremely low-income households reported include 162 recipients of HOME TBRA (IDIS activity 1179) and three recipients of the CDBG Funded Housing Rehabilitation (IDIS activities 1175 and 1188). The low-income households reported include two recipients of CDBG-funded DSLC Housing Accessibility Modifications (IDIS activity 1184) forty-two HOME TBRA recipients (IDIS Activity 1179) and one moderate-income recipient of HOME TBRA.

The Commission works with private rental property owners and non-profit organizations to identify suitable rental properties that can be acquired and/or rehabilitated to provide housing. The Commission also implements a continuum of care approach to help families and individuals by funding programs and activities that provide supportive services, transitional housing, and permanent supportive housing.

The Commission administered over 35 million dollars in Emergency Rental Assistance Funds to support housing stability throughout the COVID-19 pandemic.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

In FY 2023-2024, the Commission continued its support of the Countywide Homeless Outreach Services Team (HOST) that began in 2015. The project works in cooperation with the CoC's implementation of CE. The HOST street outreach teams utilize the same evidence-based screening tools that are used by CE and aim to connect participants directly with CE for housing placement, as well as with benefits and health resources. The standard screening and assessment tools prioritize resources to the most vulnerable persons: those with critical health needs and the longest periods of homelessness.

Addressing the emergency shelter and transitional housing needs of homeless persons

Sonoma County's emergency shelter and transitional housing programs focus on establishing safety through trauma-informed care to stabilize and quickly house participants. In FY 2023-2024, ESG funds supported seventy individuals with Street Outreach and Homeless Prevention Services. In addition, local funds supported emergency shelters and transitional housing throughout the Urban County, including Guerneville and Sonoma, as well as a women's shelter and domestic violence safe house located in Santa Rosa, which serves the entire region.

Sonoma County's emergency shelter programs focus on establishing safety through trauma-informed care, stabilizing, and moving participants toward permanent supportive housing. In addition, State and local funds supported emergency shelters throughout the Urban County, including Guerneville, Santa Rosa, and Sonoma, which serve the entire region.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The County, cities, and local nonprofit agencies offer a range of programs that provide financial and other assistance to those who are at risk of becoming homeless due to financial emergencies, loss of existing dwelling units through inaccessibility by persons with mobility

impairments, natural disasters, or unabated deterioration.

In FY 2023-2024, the Commission allocated State and local funds to two Homelessness Prevention & Diversion programs. These were operated by TLC Child & Family Services (TLC), and West County Community Services and cumulatively assisted sixty-four households in avoiding homelessness through connection with resources aimed at improving housing stability.

Homelessness prevention programs work with CE staff to identify individuals exiting institutions. CE staff includes a position at a local hospital and linkages with Sonoma County Probation (through the provider Interfaith Shelter Network) that offers transitional housing and linkage to homelessness prevention. Finally, Sonoma County Behavioral Health staff, via the Interdepartmental Multidisciplinary Team (IMDT) and Accessing Coordinated Care and Empowering Self Sufficiency (ACCESS) initiatives, link with homelessness prevention for individuals being discharged from both mental health and youth facilities, and Sonoma County Child Welfare provides linkage for foster age youth.

The Health Care for the Homeless Collaborative includes representatives from all major local clinics for linkage to homelessness prevention. For youth and transition-age youth needs, TLC operates homelessness prevention countywide for Transitional Aged Youth (TAY) and also links to educational needs. For seniors and older adults, SHARE Sonoma County is a primary linkage for home shares as well as linkages to homelessness prevention.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Local and State funds paid for the cost of services and housing operations at three separate properties operating as permanent supportive housing. These include housing operations and case management provided by Catholic Charities at the Palms Inn's 104 units for veterans and chronically homeless persons and an additional scattered site master leasing and services for eight adults; and housing operations and case management provided by Reach for Home for ten chronically homeless persons, and at Community Support Network for twenty-six persons. The Commission also allocated State and local funds supporting homelessness prevention, homeless outreach, and rapid re-housing to focus on homeless and at-risk of homelessness individuals.

In FY 2023-2024, the Sonoma County CoC continued system-wide training in the Seeking Safety evidence-based practice to give traumatized clients the tools to address life challenges before those challenges become a trigger for relapse and a return to homelessness. The refinement of the system-wide performance measures has clarified baseline recidivism information: Between FY 2019-2020 and FY 2021-2022, the rate of homeless individuals returning to homelessness after two years was 14%, a 4% improvement over the previous year. Between 2023 and 2024, the number of chronically homeless in the County increased from 550 to 606 individuals, according to the Point-in-Time Homeless Count.

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CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The Commission does not own or operate public housing.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

Not applicable, as the Commission does not own or operate public housing units.

Actions taken to provide assistance to troubled PHAs

Not applicable. The SCHA has been designated as a High Performing Agency for twenty-two consecutive years.

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CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The Commission ensures compliance with the Federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 for all new housing construction projects. This strategy includes, at a minimum, five percent of the total dwelling units or at least one unit in a multifamily housing project, whichever is greater, shall be made accessible for persons with mobility impairments. A unit that is on an accessible route and is adaptable and otherwise in compliance with the standards outlined in §8.32 is accessible for purposes of this section. An additional two percent of the units (but not less than one unit) in such a project shall be accessible for persons with hearing or vision impairments.

In addition, the Commission requires all projects receiving HOME funds to adhere to the requirements of 24 CFR 92.351 and to follow its affirmative marketing procedures and requirements for rental projects containing five or more HOME-assisted housing units.

After offering all applicants on its waitlist an opportunity for service, in November of 2021, the SCHA opened its waitlist for new applications and 750 applications were selected at random to be placed on a new waitlist. The Housing Choice Voucher waitlist was reopened in October 2023, and 750 applicants were selected at random to be placed on the new waitlist.

The County of Sonoma and the City of Santa Rosa formed the Renewal Enterprise District (RED) as a Joint Powers Authority (JPA) to coordinate around planning, entitling, and assembling public financing to make it as easy and cost-effective as possible for builders and developers to produce housing stock that aligns with community needs. This JPA model of housing and community development takes a regional approach to housing planning and production; pooling and leveraging financing tools and funding sources; sharing the risks and benefits of development; and streamlining environmental review.

The Urban County and Cities of Santa Rosa and Petaluma completed the preparation of a Countywide Assessment of Fair Housing (AFH) intended to identify and resolve barriers to affordable housing, especially those barriers experienced by minorities and people in protected classes. In 2019 an extensive community outreach and development of an Equity Report was initiated and the final report was completed in January of 2021. The report focused on the culturally responsive efforts that aim to remove barriers to participation for some of the populations covered under AB686's protected classes including but not limited to race, gender,

sexual orientation, familial status, and disability. Coupled with the engagement report, the Urban County and cities used this information in the preparation of their Housing Elements. Additionally, the Commission continues to work with the Bay Area Council Economic Institute to collect data on disparities in housing and economic security among minorities. This work, coupled with community engagement highlight barriers that still exist and opportunities to reverse the *de facto* discrimination that has come about as a result of earlier public policy decisions.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Some of the obstacles identified as preventing access to housing include the lack of housing supply necessary to meet the demand, low vacancy rates for rental housing, high homeownership costs, a higher-than-normal percentage of homeless residents needing housing in the jurisdiction, and the post-fire and pandemic recovery needs impacting the community. In response to these, the Commission is specifically targeting programs to meet the needs of those who are underserved in our community.

All of the projects funded in the FY 2023-2024 Action Plan addressed one or more of the obstacles to meeting underserved needs delineated in the 2020 Consolidated Plan. In addition, the Commission committed local Low-Moderate Income Housing Asset Funds to rapid re-housing and homelessness prevention programs, and the County of Sonoma committed funds to support programs that serve the needs of the most vulnerable in the community and underserved regions in the County with County general funds, Reinvestment and Revitalization funds (R&R) Transit Occupancy Tax funds (TOT) and the County Fund for Housing (CFH). Funded affordable housing projects were based on readiness to proceed and innovative approaches to overcoming regulatory barriers to accelerate the creation of new units. Funded emergency rental assistance and family self-sufficiency activities enabled lower-income individuals and families to obtain and retain rental housing in the high-priced market in Sonoma County.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Making housing lead-safe is the most effective strategy to protect children from lead poisoning. The Commission addresses this by proactively disseminating printed information concerning lead-based paint hazards to all residents of housing rehabilitation and rental assistance programs. The Commission's Housing Quality Standards (HQS) Inspectors have received training in visual assessment of lead-based paint hazards and are observant of the existence of this hazard during their property inspections, thereby preventing exposure to lead hazards by identifying the risks before families with children under six years of age move into rental units that are assisted by the SCHA.

The Commission's Rehabilitation Specialists are trained in the identification of lead hazards, proper methods of paint stabilization, interim control, abatement procedures, and testing/clearance reports to ensure compliance with all lead hazard reduction requirements during rehabilitation activities. Any dwellings not exempt from HUD's lead hazard reduction requirements (single-room occupancy, dedicated senior housing, and housing constructed after 1978) renovated under the Housing Rehabilitation Program undergo a lead hazard risk assessment by a state-certified Risk Assessor before the formulation of the project's scope of work. Any identified lead hazards are addressed in the scope of work and a certified clearance is obtained before the project is considered complete.

The Commission also ensures compliance with lead hazard reduction requirements through subrecipients of CDBG, HOME, and ESG funding used to acquire and/or renovate existing buildings for housing or to undertake residential and re-housing service activities through regular monitoring of those activities.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The Urban County works to reduce the number of poverty-level families by targeting CDBG, HOME, ESG, State and local funds to projects that provide services to foster self-sufficiency, in conjunction with the provision of housing, shelter, and other public facilities. The SCHA implements the Section 8 Housing Choice Voucher Program and numerous CoC Rental Assistance Programs. Rental assistance enables lower-income individuals and families to obtain and retain rental housing in the high-priced market in Sonoma County. These households face severe obstacles to obtaining safe, affordable, local housing and cannot afford market-rate rental housing in Sonoma County. The payment standards for Housing Choice Vouchers are now set to 110% of the Fair Market Rent for studio, one-, two- and three-bedroom dwellings. This aids applicants and participants in being able to afford the higher rents that have occurred in Sonoma County since the fires of October 2017 and 2019 and better compete for available units in a tight market. The Commission made CDBG and ESG funding available to some nonprofit agencies to operate programs that work to reduce the number of persons living below the poverty level through various services for low-income and homeless residents, including shelter and rapid re-housing programs.

The County's involvement in the CoC process, Section 3 implementation, Sonoma WORKS, Job Link, Upstream Investments, Health Action, and the actions of the Local Workforce Investment Board all foster greater economic opportunities for the lower-income residents of Sonoma County.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The Commission experienced a substantial staff transition as a result of local disasters and COVID-19, resulting in the temporary loss of institutional knowledge and capacity. During the past three years, the Commission has successfully stabilized staffing by hiring experienced leadership, hiring and training new staff, and promoting existing staff. Staff have been attending various HUD trainings and utilizing the HUD Exchange resources to improve knowledge and have a standing monthly check in meeting with the HUD CPD Representative. A substantial amount of progress has been achieved to help implement programs to achieve the 5-year Consolidated Plan goals.

The County encourages collaboration between housing and service providers to foster the development of more supportive housing options. The County's leading nonprofit housing developers successfully collaborate with other local nonprofit agencies to develop and operate affordable housing projects with specific set-asides of permanent supportive housing units for persons with disabilities.

The Commission established the CoC, which was transferred to the Sonoma County Department of Health Services (DHS) along with the former Ending Homelessness Division of the Commission in 2023. The Commission works in consultation with the CoC on matters related to housing, homelessness and homelessness prevention, and also serves on the CoC Board. The CoC provides structure to the homeless system of care to make policy decisions and measure results for ending homelessness throughout the County. The seventeen-member governing board was seated in November 2020 and includes elected officials from the three HUD entitlement jurisdictions (City of Santa Rosa, City of Petaluma, and the Urban County), representatives from other jurisdictions, individuals and youth with lived experience of homelessness and homeless and healthcare providers. The CoC endeavors to achieve functional zero in homelessness under a Housing First approach with aligned funding streams and overall policy/planning.

The Commission also collaborated with other safety net agencies to create the Accessing Coordinated Care and Empowering Self-Sufficiency (ACCESS), which has the goal of identifying the most vulnerable residents in the community and holistically supports clients with complex needs. The safety net departments including the Commission assembled a multidisciplinary team to develop a data-sharing support system and compile information about shared clients.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The Commission has ongoing interaction with many public and private entities to further the objectives outlined in the 2020 Consolidated Plan and the FY 2023-2024 Action Plan. The

Commission is an agency of county government and is charged by the Board of Supervisors with closely collaborating with other relevant county government departments including, but not limited to the Department of Health Services and the Human Services Department. With these two agencies and other county departments, the Commission is engaged in a comprehensive Safety Net Initiative to improve service delivery to county residents who are shared clients.

The Commission has regular contact with the County of Sonoma's planning and land use department, Permit Sonoma, to enhance affordable housing program coordination. Additionally, the Commission cooperates with the Economic Development Board and the Workforce Investment Board as members of the countywide initiatives: Health Action and Upstream Investments.

Along with working in conjunction with multiple other County departments, the Commission has coordinated with the seven Urban County municipalities, and various nonprofit agencies receiving CDBG, HOME, and ESG funding to carry out the activities during the FY 2023-2024 year. The Commission also worked closely with Santa Rosa and Petaluma, cities not part of the Urban County but which operate similar programs. The SCHA maintains service provider agreements with local supportive service agencies, such as local credit unions, Santa Rosa Junior College and Sonoma State University, Joblink Sonoma County, and more to provide services to its Family Self-Sufficiency participants.

The Commission embarked on a comprehensive Data Management and Technology Infrastructure upgrade project to identify and implement modern, secure, collaborative, responsive, and efficient data and technology solutions in direct support of housing delivery services. This project encompasses cloud-based data platforms fully integrated with other county systems. This work will foster increased collaboration with other county departments and improves resiliency during disasters such as COVID.

The SCHA has grown its housing navigation program to include three housing navigators, one housing locator, and one housing navigation supervisor. This team assists unhoused clients gain housing and works to recruit new landlords to accept housing vouchers. The navigation program has successfully leveraged American Rescue Plan Act funding and administrative fees to pay for landlord incentives, deposit assistance, and provide basic furniture, and other items to assist clients to stabilize in housing. During FY 2023-2024, 125 new landlords began working with the Housing Authority, and 168 households (237 persons) who were homeless at entry were housed using a rental assistance voucher issued by one of the two local Housing Authorities rental assistance programs.

Identify actions taken to overcome the effects of any impediments identified in the

jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The Commission completed a Countywide Community Engagement for the Assessment of Fair Housing report in early 2021 to help Sonoma County address longstanding disparities in access to jobs, transportation, education, community amenities, and housing. This report was used with the Affirmatively Furthering Fair Housing (AFFH) Element of the Housing Element that the county recently completed to assist the Urban County in identifying programs and policies to further fair housing in the county. While the AFFH is a required federal mandate and new State mandate, the overarching equity agenda is an agency-led effort to ensure that all Commission actions are approached with an equity-based lens – a comprehensive approach to modifying agency policies and programs that will put the Commission at the forefront of equity efforts. Additionally, in August of 2021, the Commission completed a new ADA Section 504 Self Evaluation Report and Transition Plan that identifies the Commission's opportunities and goals to comply with state and federal accessibility requirements, which is a continued effort for the Commission. Finally, the Commission continues to use its CDBG and HOME funding to support projects that increase the supply and improve the conditions of affordable housing for lower-income persons. The Commission annually allocates funds for a Fair Housing program and engages the community in collecting data to create the AFFH.

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CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

All subrecipients receiving CDBG Public Services and ESG funds are regularly monitored through the submittal of quarterly reports to the Commission. Each report provides statistics on program participant outcomes and a narrative on the activities undertaken during the reporting period. Each subrecipient also submits an annual report at the end of the contract term summarizing their accomplishments for the year. The information that is provided to the Commission is entered into HUD's Integrated Disbursement and Information System. At least quarterly, subrecipients submit reimbursement requests including proof of payment for all eligible expenses, which are reviewed by staff. Commission staff reviews the financials and program records of each subrecipient annually; a selection of these reviews are conducted on-site, and the remainder are desktop reviews.

Both CDBG Public Services and ESG-funded projects are subject to annual on-site monitoring visits. Before the on-site monitoring, subrecipients complete questionnaires and submit current policies required for review. Commission staff conducts a review of the current agreement, quarterly reports, reimbursement requests, and financial audits. The overall focus of monitoring visits is to ensure compliance with federal regulations and provide technical assistance for quality improvement. Commission staff help subrecipients understand regulations and avoid compliance issues. During the visit and exit conference, the Commission review preliminary findings and concerns, and after the visit staff send a letter to the subrecipient describing any findings and concerns, including corrective actions to be taken. Once the organization has responded to the corrective actions, Commission staff evaluate the responses and follow up as required.

For capital improvement projects, the Commission collects income/asset verifications, demographic data, verification of insurance, and ownership verification, as applicable. Projects are inspected during construction to ensure all work is within the original scope. Projects must obtain National Environmental Policy Act clearance before incurring costs, executing agreements, or expending any funds on the project. Commission staff determines the appropriate level of environmental review required when project proposals are received. Finally, for all projects subject to Davis-Bacon Labor Standards, the Commission staff locks in the wage rate applicable to the project, verifies the contractor is eligible and not debarred from federal contracts, conducts in-house desk reviews of Certified Payroll Reports, and performs

on-site interviews to ensure wage compliance of all contractors.

For all Commission projects including HOME and CDBG housing projects, long-term affordability regulatory agreements are executed. Commission staff conduct compliance reviews as required by regulations. Additionally, the Commission amended its affordable housing monitoring policy and in 2023 and implemented onsite monitoring for all affordable housing projects no less than once every 3 years. This is in addition to annual “desk monitoring” of all affordable housing units. In addition, subrecipients are subject to federal audit requirements. The Commission has monitoring and compliance procedures in place to ensure that any deficiencies or findings are handled consistently. For all Commission rental projects including HOME and CDBG-funded rental projects, Commission staff conducts regular reporting and compliance monitoring. For all Commission-regulated projects, reporting includes household size, household income, whether the household receives rental assistance, unit size, the rent charged, maximum rent, and the household's recertification date. All of the Commission's units including HOME and CDBG are subject to regular on-site monitoring per regulations.

answer continued

On an annual basis, the Commission submits the CDBG and HOME Minority Owned and Women Owned Business Report to HUD. The Commission encourages participation from minority and women business enterprises by providing bid solicitation notices, newspaper advertisements, and contract clauses requiring contractors, to the greatest extent feasible, to provide opportunities for training and employment for minority- and women-owned business enterprises. The Commission staff also attended HUD provided trainings on the new Build America, Buy America Act 2023, to ensure that these new requirements are implemented.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

To ensure that all residents, public agencies, and other interested parties have the opportunity to review and comment on performance reports on housing and community development activities and the use of CDBG, HOME, and ESG funds, the Commission ensures that the public is provided with reasonable and timely access to meetings, information, and records. A draft of the Consolidated Annual Performance and Evaluation Report (CAPER) is made available for public review for fifteen days prior to submission to HUD and a notice of availability is published in the local newspapers. The public comment period is September 3, 2024 through September

19, 2024. Public comments will be included with the CAPER submission to HUD. Public service announcements, describing the CAPER's contents and its availability for comment are distributed to local English- and Spanish-language radio stations. The draft is posted on the Commission's website in a format accessible to persons with disabilities and links are made available through email distribution lists and multiple social media websites in both English and Spanish. Hard copies are available at the main library and by request. The draft CAPER is also distributed via email to interested parties and no-cost copies of the documents are provided to interested persons that do not have Internet access, upon request. A concurrent public hearing to review the CAPER is held during the public comment period by the Community Development Committee and Cities and Towns Advisory Committee and a public notice of the concurrent public hearings is published at least two weeks before the hearing date in English and Spanish on the Commission website. Written comments will be accepted at cdc@sonoma-county.org. Oral comments are received during the Community Development Committee and Cities and Towns Advisory Committee concurrent public hearings in person and through remote participation (Zoom meeting). Members of the public who join the meeting remotely, either through their web browser or by calling in, are able to provide public comments during the concurrent public hearings.

Special accommodations for persons with visual or hearing impairments are made upon request. In cases where a significant number of non-English speaking residents are expected to participate in the public hearing, the Commission provides an interpreter. The Commission also has Spanish speaking staff in attendance at each meeting in case interpretation services are needed but not requested in advance.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

No changes in the Urban County program objectives were made for FY 2023-2024.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

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CR-50 - HOME 24 CFR 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in 24 CFR §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

During FY 2023-2024, the Commission's compliance staff did not conduct any on-site inspections of HOME-assisted rental housing developments. After the COVID restrictions were lifted, on-site inspections of all HOME-assisted rental housing developments were conducted, which are required once every three years. The next on-site inspections are scheduled for September 2024. Commission staff conducted on-site inspections at fifteen rental housing developments during FY 2023-2024 and followed the same standards as HOME inspections.

Each HOME on-site inspection includes an interview with the resident manager, a review of the tenant files for all HOME-assisted units, inspections of HOME-assisted units under the regulatory requirements, and an inspection of the common areas and grounds.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)

All recipients of HOME and CDBG funds are required to submit Minority Business Enterprise/Woman Owned Business Enterprise (MBE/WBE) outreach, affirmative marketing, and Section 3 Plans as applicable to their projects, and Commission staff monitors subrecipients on an ongoing basis to ensure that they implement such plans and are in compliance with all related laws and regulations.

The Commission requires all projects receiving HOME funds to adhere to the requirements of 24 CFR 92.351 and to follow its affirmative marketing procedures and requirements for rental projects. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex (including sexual orientation and gender identity), religion, familial status, or disability.

Projects receiving HOME funds must annually assess the success of affirmative marketing at balancing applicants and residents with the demographics of the jurisdiction at large. Commission staff review this annual assessment and determine if corrective actions are

needed.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

\$152,838.49 of program income was used for Tenant-Based Rental Assistance

Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)

The Commission continues to support and fund the housing rehabilitation program, which is mostly dedicated to rehab low-income senior housing. The Commission continues to support first-time homebuyer programs through non-HOME funds with our community partners by providing financial assistance for new housing developments and low-income housing resales. The Commission also provides funding to projects with the highest leveraging points to maximize its investment to foster and maintain affordable housing.

DRAFT

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours					
Total Section 3 Worker Hours					
Total Targeted Section 3 Worker Hours					

Table 14 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					

Other.					
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Table 15 – Qualitative Efforts - Number of Activities by Program

Narrative

The Commission includes Section 3 materials in all bid documentation, preconstruction meetings, and technical assistance sessions. Section 3 guidelines are also included in all funding agreements. There were no Section 3 activities during the reporting year. The Commission anticipates several housing activities to begin development in FY 2024-2025 which will result in Section 3 reporting.

DRAFT

CR-60 - ESG 91.520(g) (ESG Recipients only)

ESG Supplement to the CAPER in *e-snaps*

For Paperwork Reduction Act

1. Recipient Information—All Recipients Complete

Basic Grant Information

Recipient Name	SONOMA COUNTY
Organizational DUNS Number	080126444
UEI	
EIN/TIN Number	946000539
Identify the Field Office	SAN FRANCISCO
Identify CoC(s) in which the recipient or subrecipient(s) will provide ESG assistance	Santa Rosa/Petaluma/Sonoma County CoC

ESG Contact Name

Prefix	Ms
First Name	Rhonda
Middle Name	L
Last Name	Coffman
Suffix	
Title	Deputy Director

ESG Contact Address

Street Address 1	1440 Guerneville Rd
Street Address 2	
City	Santa Rosa
State	CA
ZIP Code	95403-4107
Phone Number	7075657542
Extension	
Fax Number	
Email Address	rhonda.coffman@sonoma-county.org

ESG Secondary Contact

Prefix	Ms
First Name	Valerie
Last Name	Johnson
Suffix	
Title	Community Development Associate
Phone Number	7075657514
Extension	
Email Address	valerie.johnson@sonoma-county.org

2. Reporting Period—All Recipients Complete

Program Year Start Date 07/01/2023
Program Year End Date 06/30/2024

3a. Subrecipient Form – Complete one form for each subrecipient

Subrecipient or Contractor Name: West County Community Services
City: Guerneville
State: CA
Zip Code: 95446, 0325
DUNS Number: 946000428
UEI:
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 49006

Subrecipient or Contractor Name: Sonoma Applied Villages Services
City: Santa Rosa
State: CA
Zip Code: 95404, 4057
DUNS Number:
UEI: DC8BF3RJMR34
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 90472

CR-65 - Persons Assisted

4. Persons Served

4a. Complete for Homelessness Prevention Activities

Number of Persons in Households	Total
Adults	22
Children	14
Don't Know/Refused/Other	0
Missing Information	0
Total	36

Table 16 – Household Information for Homeless Prevention Activities

4b. Complete for Rapid Re-Housing Activities

Number of Persons in Households	Total
Adults	0
Children	0
Don't Know/Refused/Other	0
Missing Information	0
Total	0

Table 17 – Household Information for Rapid Re-Housing Activities

4c. Complete for Shelter

Number of Persons in Households	Total
Adults	0
Children	0
Don't Know/Refused/Other	0
Missing Information	0
Total	0

Table 18 – Shelter Information

4d. Street Outreach

Number of Persons in Households	Total
Adults	34
Children	0
Don't Know/Refused/Other	0
Missing Information	0
Total	34

Table 19 – Household Information for Street Outreach

4e. Totals for all Persons Served with ESG

Number of Persons in Households	Total
Adults	56
Children	14
Don't Know/Refused/Other	0
Missing Information	0
Total	70

Table 20 – Household Information for Persons Served with ESG

5. Gender—Complete for All Activities

	Total
Male	40
Female	30
Transgender	0
Don't Know/Refused/Other	0
Missing Information	0
Total	70

Table 21 – Gender Information

6. Age—Complete for All Activities

	Total
Under 18	14
18-24	2
25 and over	54
Don't Know/Refused/Other	0
Missing Information	0
Total	70

Table 22 – Age Information

7. Special Populations Served—Complete for All Activities

Number of Persons in Households				
Subpopulation	Total	Total Persons Served – Prevention	Total Persons Served – RRH	Total Persons Served in Emergency Shelters
Veterans	1	1	0	0
Victims of Domestic Violence	20	4	0	0
Elderly	15	8	0	0
HIV/AIDS	0	0	0	0
Chronically Homeless	17	0	0	0
Persons with Disabilities:				
Severely Mentally Ill	17	0	0	0
Chronic Substance Abuse	12	0	0	0
Other Disability	21	0	0	0
Total (Unduplicated if possible)	103	12	0	0

Table 23 – Special Population Served

CR-70 – ESG 91.520(g) - Assistance Provided and Outcomes

8. Shelter Utilization

Number of New Units - Rehabbed	0
Number of New Units - Conversion	0
Total Number of bed-nights available	0
Total Number of bed-nights provided	0
Capacity Utilization	0.00%

Table 24 – Shelter Capacity

9. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

The CoC has established "exit to permanent housing" as the performance measure for emergency shelters. The Commission did not fund any emergency shelters with ESG funds, however, did fund Street Outreach and Rapid ReHousing programs with ESG that served seventy households during FY 2023-2024. Of the seventy households served, eighteen exited to a permanent housing destination.

CR-75 – Expenditures

11. Expenditures

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year		
	2021	2022	2023
Expenditures for Rental Assistance	0	0	40,430
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	0
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	0	0
Subtotal Homelessness Prevention	0	0	40,430

Table 25 – ESG Expenditures for Homelessness Prevention

11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year		
	2021	2022	2023
Expenditures for Rental Assistance	0	0	0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	0
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0
Subtotal Rapid Re-Housing	0	0	0

Table 26 – ESG Expenditures for Rapid Re-Housing

11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year		
	2021	2022	2023
Essential Services	0	0	0
Operations	34,421	148,735	0
Renovation	0	0	0
Major Rehab	0	0	0
Conversion	0	0	0
Subtotal	34,421	148,735	0

Table 27 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year		
	2021	2022	2023
Street Outreach	0	0	22,628
HMIS	0	0	0
Administration	12,060	24,586	81,197

Table 28 - Other Grant Expenditures

11e. Total ESG Grant Funds

Total ESG Funds Expended	2021	2022	2023
	46,481	173,321	144,255

Table 29 - Total ESG Funds Expended

11f. Match Source

	2021	2022	2023
Other Non-ESG HUD Funds	0	0	0
Other Federal Funds	0	0	75,875
State Government	573,022	0	187,022
Local Government	32,300	2,741,585	723,441
Private Funds	0	45,231	69,057
Other	0	0	1,736
Fees	0	0	0
Program Income	0	0	0
Total Match Amount	605,322	2,786,816	1,057,131

Table 30 - Other Funds Expended on Eligible ESG Activities

11g. Total

Total Amount of Funds Expended on ESG Activities	2021	2022	2023
	651,803	2,960,137	1,201,386

Table 31 - Total Amount of Funds Expended on ESG Activities



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

141 Stony Circle, Suite 210, Santa Rosa, CA 95401
P.O. Box 12025, Santa Rosa CA 95406-2025

*Members of the
Commission*

David Rabbitt
Chair

Lynda Hopkins
Vice Chair

Susan Gorin
Chris Coursey
James Gore

Michelle Whitman
Executive Director

MEMORANDUM

Date: September 18, 2024
To: Community Development Committee (CD Committee)
From: Krista Fotou, Affordable Housing Finance Program Coordinator and
Veronica Ortiz-De Anda, Community Development Program Coordinator
Subject: Staff Funding Recommendations for Fiscal Year 2024-2025 – Permanent Local Housing
Allocation, County Fund for Housing, and HOME American Rescue Plan Funds

BACKGROUND

Permanent Local Housing Allocation (PLHA) Program

The Building Homes and Jobs Trust Fund and PLHA programs were created through California Health and Safety Code (HSC) Section 50470. PLHA is a state housing funding program. The principal goal of this program is to make funding available to eligible local governments in California for housing-related projects and assist in addressing the unmet housing needs of their local communities. Twenty percent of the funding in the Building Homes and Jobs Trust Fund is required to be expended for affordable owner-occupied workforce housing, and the program prioritizes investments that increase the supply of housing to households that are at or below 60 percent of the Area Median Income (AMI), adjusted for household size.

Sonoma County's (County) PLHA 5-year plan identifies the types of activities that funding will be used to support and specifies allocating its annual awards to the following categories: 75% of funding to affordable multi-family rental housing for units available to persons at or below 50% AMI, 20% to affordable owner-occupied workforce housing with units available to persons at or below 120% AMI, with 5% allocated to administrative costs associated with implementing the PLHA program.

For fiscal year 2024-2025, the County allocated \$726,630 with a carryover of \$605,042 of unspent funds from the 2023-24 fiscal year funding cycle, for a total of \$1,331,672 available in in the 2024-25



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fiscal year. Funds are made available in the form of deferred payment loans to qualified developers, public entities, groups, and individuals to undertake activities which create, maintain, or expand the County's affordable housing stock. Program income (generated through any surplus cash repayment, loan repayment, etc.) will be reused for eligible activities specified in the 5-year PLHA plan and PLHA program guidelines.

The goals of the 5-year Plan for 2019-2023 PLHA funds are as follows:

- Creation or preservation of the greatest number of affordable housing units, affordable to the lowest-income populations.
- Creation of housing opportunities throughout the County, in incorporated cities as well as in the unincorporated County, so that housing is effectively distributed throughout the County. Specific locations may be prioritized based on the County's Regional Housing Needs.
- Allocation or other needs assessments or market studies which may be periodically undertaken by the Commission or the County.
- Utilization of Housing Opportunity sites identified by the County and sites identified by the incorporated cities and town in Sonoma County.
- Integration with health and human service systems and programs designed to aid those people experiencing poverty to live independently or to achieve economic self-sufficiency.
- Collaboration with local jurisdictions and other funders of affordable housing.

County Fund for Housing (CFH)

The County of Sonoma established the CFH program in 2003 to provide financial assistance for the development and preservation of affordable housing countywide. CFH is a local housing funding program. The purpose of the CFH program is to develop, preserve, and accelerate the pace of development of below market-rate housing for low-, very low-, and extremely low-income households. CFH resources are used to provide loans and grants to qualified developers, public entities, groups, and individuals that undertake activities which create, maintain, and or expand the affordable housing stock in the county. The CFH program supports the goals contained in the County's Housing Element and its Strategic Plan. CFH receives funds from local sources, including, but not limited to County of Sonoma General Fund, County of Sonoma Reinvestment and Revitalization Funds, Developer-In-Lieu Fees, Transient Occupancy Tax countywide, CFH loan processing fees,

interest, and loan repayments. The goals of the CFH program mirror those listed above in the PLHA Plan and eligible activities include:

- Development and or preservation of affordable housing,
- Permanent supportive rental housing,
- Below market-rate homeownership projects,
- Housing projects for populations with special needs,
- Emergency shelters, transitional housing, group homes, and other type of congregate facilities serving households with special needs, and
- Projects that house residents receiving services from other County departments such the Department of Health Services, Probation Department, and Human Services Department.

HOME American Rescue Plan Program (HOME-ARP)

The HOME-ARP funding source is a federal program that is administered by the U.S. Department of Housing and Urban Development (HUD). HUD released this one-time special funding program during the pandemic to address the impacts of coronavirus on the most vulnerable populations. These funds are designed to serve the following types of populations: homeless, households at-risk of becoming homeless, households fleeing or experiencing domestic violence, human trafficking, and or stalking; and other vulnerable populations as defined in the HOME-ARP program notice. Funds cannot support an eligible project that uses funding from other sources that excludes anyone of the qualifying populations.

In accordance with HUD regulations a HOME-ARP Allocation Plan was prepared for the use of these funds, approved by the Board of Supervisors, and HUD. The HOME-ARP Plan identified the following eligible types of projects: development or preservation of affordable housing, development of non-congregate housing projects, and provision of supportive services. In an effort to meet the HUD expenditure deadline of September 30, 2030, and due to a lack of eligible funding requests for the provision of supportive services and non-congregate housing projects, the HOME-ARP Plan was amended earlier this year to identify development and preservation of affordable housing as the sole eligible use of the remainder of these funds. The amendment was approved by the Board of Supervisors on July 9, 2024. Unlike PLHA and CFH programs, which support projects countywide, HOME-ARP funds are limited to projects located in the cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, Town of Windsor, and the unincorporated area of Sonoma

County. All projects awarded federal funds must support the goals of the 2020-2025 Consolidated Plan and be consistent with the Federal Funding Policies.

Funding recommendations made for HOME-ARP funds will be included in the FY 2021-2022 Action Plan as a Substantial Amendment, which will be published for a 30-day public review period following this meeting. Comments received will be addressed by staff and the draft Action Plan will be presented to this committee in October in a public hearing for review and recommendation to the Board of Supervisors. After the Board of Supervisors reviews and approves the Action Plan Substantial Amendment, it will be submitted to HUD.

NOTICE OF FUNDING AVAILABILITY (NOFA)

The Commission issues an annual NOFA and requests funding proposals from eligible applicants for eligible affordable housing projects in Sonoma County. Staff holds at least one technical assistance session for interested applicants, to review detailed application requirements and funding eligibility. The funding is awarded through a competitive process consistent with Commission Loan Policies and Federal Funding Policies. A NOFA for HOME-ARP, CFH, and PLHA funding programs was published on July 10, 2024, and two technical assistance sessions were held for interested applicants.

The following amounts are available for each program source:

Funding Source	Amount Available to Award
Permanent Local Housing Allocation	\$1,331,672
County Fund for Housing	\$1,000,000
HOME American Rescue Plan	\$784,482*
Total	\$3,116,154

Applications were due on August 15, 2024. A total of seven (7) funding requests were received in response to the NOFA; 6 were for affordable rental housing developments and 1 development of an affordable homeownership project. Two applications were deemed as incomplete and or insufficient information was provided to determine eligibility. Prior to this meeting, staff met with these applicants to discuss why their applications were not considered for funding. A total of 3 funding

requests were received for PLHA, 5 requests were received for CFH (2 requesting both CFH and PLHA sources), and none were received for HOME-ARP. However, one eligible applicant changed their request from CFH to HOME-ARP and therefore, there is one request for HOME-ARP funds.

FUNDING RECOMMENDATIONS

Based on the information provided in the applications and review against the requested funding program, staff recommends the following funding:

PLHA Program - Funds Available: \$1,331,672

Applicant, Project Location, Total Units	Funds Requested	Funding Recommended
Burbank Housing Corporation, The Laurels at Perennial Park Phase 3 in Santa Rosa, 30 units	\$1,000,000*	\$681,672
Burbank Housing Corporation, Caritas HOME Phase II in Santa Rosa, 63 units	\$1,000,000*	\$650,000
Total	\$2,000,000	\$1,331,672

*Applicant requested a total of \$1million from either PLHA or CFH or a combination thereof

CFH Program – Fund Available: \$1,000,000

Applicant, Project Location, Total Units	Funds Requested	Funding Recommended
Burbank Housing Corporation, The Laurels at Perennial Park Phase 3 in Santa Rosa, 30 units	\$1,000,000*	None
Burbank Housing Corporation, Caritas HOME Phase II in Santa Rosa, 63 units	\$1,000,000*	\$350,000
Jamboree Housing Corporation, Saggio Hills Phase 1, in Healdsburg, 47 units	\$1,000,000	\$600,000
CommonSpace Community Land Trust, Cooper Road ADU Project, 3 units	\$63,000 grant	\$50,000 grant
Total	\$3,063,000	\$1,000,000

*Applicant requested a total of one million from either PLHA or CFH or a combination thereof.

HOME-ARP Program – Funds Available: \$784,482

Applicant, Project Location, Total Units	Funds Requested	Funding Recommended
Spectrum Affordable Housing Corporation, Redwood Glen Apartments in Town of Windsor, 42 units	\$1,000,000	\$784,482
Total	\$1,000,000	\$784,482

Staff reports were completed for each funding recommendation and are included in this memorandum as an attachment.

RECOMMENDED ACTION

Staff recommends that the CD Committee take the following actions:

- PLHA Funding Recommendations: recommend approval of funding recommendations as presented by staff to the Board of Supervisors;
- CFH Funding Recommendations: recommend approval of funding recommendations as presented by staff to the Board of Commissioners;
- HOME-ARP Funding Recommendation: direct staff to incorporate the funding recommendation as presented by staff into the FY 2021-2022 Action Plan as a Substantial Amendment, publish the draft Action Plan Amendment for a 30-day public comment period, and bring back to the CD Committee the funding recommendation in a public hearing to be held on October 23, 2024.

Table of Contents: Staff Reports

County Fund for Housing (CFH) and Permanent Local Housing Allocation (PLHA)

- **BRJE Phase 3 Housing Partners, L.P. – Laurel at Perennial Park Phase 3**
- **Burbank Housing and Development Corporation – Caritas Homes Phase 2**
- **Community Land Trust – Cooper Road Project**
- **Jamboree Housing Corporation – Saggio Hills Phase 1**

HOME – American Rescue Plan (HOME-ARP)

- **Spectrum Affordable Housing Corporation – Redwood Glen Apartments**

County Fund for Housing (CFH) and Permanent Local Housing Allocation (PLHA)

Affordable Housing Projects

Organization Name: BRJE Phase 3 Housing Partners, L.P. (Burbank Related Joint Venture/Enterprise)

Project Name: Laurel at Perennial Park Phase 3

Project Type: Senior affordable rental housing

Project Description

Applicant-Provided Summary Description from Submitted Application:

“Laurel at Perennial Park Phase 3 (“Project”) is a disaster-recovery project and the final affordable housing phase at the former Journey’s End mobile home park that was destroyed by the 2017 Tubbs wildfire, Located at 502 Renaissance Way (formerly 3575 Mendocino Avenue) in Santa Rosa. This phase will include the construction of a four-story, elevator-equipped building with 30 one-bedroom units on 0.42-acre site to serve senior households earning between 30-60% AMI. The broader redevelopment will transform the entire site into a mixed-income, multi-generational village centralized around a community park. Just a short bus ride from the vibrant Santa Rosa downtown, the development has excellent transit connectivity, and is within a half-mile of commercial businesses, the Kaiser Permanente campus and Sonoma County government offices. Phases 1 and 2 of Laurel, cumulatively 132 units, completed construction in Summer 2023 and are 100% leased up as of Q1 2024.”

Amount Requested: \$1,000,000 County Fund for Housing (CFH) and/or Permanent Local Housing Allocation (PLHA) funds. Developer indicates either source can be used for their \$1,000,000 request.

Proposed use of funds: Predevelopment and construction hard and soft costs, permanent financing

Funding Policies

Does the applicant demonstrate capacity to effectively deliver the proposed project? Does the developer demonstrate consistent success in obtaining federal tax credits and/or other federal and state funding to develop housing within the last seven years?

Yes, both partners have demonstrated experience in delivering comparable projects utilizing state and federal funding sources, including tax credits, within the last seven years.

If the application is for acquisition and/or preservation, are the units at risk of becoming market rate housing without additional CDC funding?

Not applicable.

Does the project set aside units for persons or households experiencing homelessness or who are at imminent risk of becoming homeless?

No.

Will the project provide units for special needs populations?

Yes, the project will provide 30 1-bedroom units for seniors.

Does the project address one of the following funding priorities?

- 1) Creating or preserving affordable housing**
- 2) Building infrastructure or public facilities that support creation or preservation of affordable housing**
- 3) Building infrastructure or public facilities that support low-income communities**
- 4) Promoting effective and proven strategies for homelessness prevention and intervention county-wide that align with Continuum of Care Strategic Plan goals**
- 5) Emphasizing self-sufficiency of agencies and or life skills for beneficiaries**

Answer: Yes, the project creates affordable housing. The multi-generational mixed income project also includes a public community park.

Selection Criteria

How do the proposed outcomes of the project/activity align with the goals of the Five-Year Consolidated Plan?

BRJE Laurel at Perennial Park Phase 3 will create 30 new affordable housing units for senior households earning between 30-60% AMI combined with quality resident services, community areas, and open space. The project will supply high quality affordable housing to allow senior Sonoma County residents to age in place despite living in an area with a high cost of living.

List the number and size of the proposed units, including the income levels to be served:

Six (6) 1-bedroom units for household incomes below 30% Area Median Income (AMI)

Seventeen (17) 1-bedroom units for household incomes below 50% AMI

Seven (7) 1-bedroom units for household incomes below 60% AMI

Are the proposed rents below the maximum rents allowed by the requested funding source?

CFH and PLHA assisted units must initially be rented to households below 50% AMI. The project proposes 23 units of 30 will be rented to households below 50% AMI. The funding sources would not support the remaining 7 units at the proposed 60% AMI level.

Does the project demonstrate advanced readiness via (a) entitlements; (b) financing commitments; (c) building permits, (d) environmental review?

- a) Yes, the project is fully entitled.
- b) No. Of the total \$28.5M in project costs, approximately \$22.6M of funds needed are not committed, pending application and/or approval in 2025.
- c) No. Land use approved. Building permits have not yet been submitted to the City of Santa Rosa.

- d) Yes. Sustainable Communities Environmental Assessment (SCEA) prepared in accordance with CEQA guidelines. “Project shall comply with all conditions of approval and CEQA mitigation measures noted within the Mitigation Monitoring and Reporting Program (MMRP) within the SCEA environmental document.”

Will the requested funds for the project be leveraged against total development costs at least 7:1?

Total project cost: \$28,468,418

Funds requested: \$1,000,000

$\$28,468,418 / \$1,000,000 = 28.47$

Yes, the funds requested will be leveraged 28:1.

ESTIMATED PREDEVELOPMENT AND CONSTRUCTION FINANCING

Lender	Amount	Interest Rate/Term	Use(s)	Commitment Status
Banner Bank Construction Loan (Taxable)	\$13,038,826.00	7.50%	Construction	Committed
City of Santa Rosa 2023 Local Funds	\$2,585,610.00	3.00%	Construction	Committed
City of Santa Rosa 2024 Local and/or PLHA Request	\$832,500.00	3.00%	Construction	Applied
County of Sonoma 2023 PLHA Funds	\$158,918.00	3.00%	Construction	Committed
County of Sonoma 2024 CFH and/or PLHA Request	\$1,000,000.00	3.00%	Construction	Applied
HCD CDBG Disaster Recovery Multifamily Housing Program	\$7,021,650.00	3.00%	Construction	Will Apply - Due 9/6/2024
Market Rate Developer Reimbursement	\$1,030,000.00	1.00%	Predevelopment	Committed
General Partner Equity Contribution	\$100.00	n/a	Predevelopment and Construction	Committed
Deferred Costs (e.g. Developer Fee, Cap Operating Reserve)	\$1,419,850.00	n/a	Construction	Committed
9% LIHTC Tax Credit Equity	\$1,380,964.00	n/a	Construction	Will Apply 2025
Total	\$28,468,418.00			

ESTIMATED PERMANENT FINANCING

Lender	Amount	Interest Rate/Term	Use(s)	Commitment Status
Banner Bank Permanent Loan	\$2,030,000.00	6.50%	Permanent Source	Committed
City of Santa Rosa 2023 Local Funds	\$2,585,610.00	3.00%	Permanent Source	Committed
City of Santa Rosa 2024 Local and/or PLHA Request	\$832,500.00	3.00%	Permanent Source	Applied
County of Sonoma 2023 PLHA Funds	\$158,918.00	3.00%	Permanent Source	Committed
County of Sonoma 2024 CFH and/or PLHA Request	\$1,000,000.00	3.00%	Permanent Source	Applied
HCD CDBG Disaster Recovery Multifamily Housing Program	\$7,021,650.00	3.00%	Permanent Source	Will Apply - Due 9/6/2024
Market Rate Developer Reimbursement	\$1,030,000.00	1.0%	Permanent Source	Committed
General Partner Equity Contribution	\$100.00	n/a	Permanent Source	Committed
9% LIHTC Tax Credit Equity	\$13,809,640.00	n/a	Permanent Source	Will Apply 2025
Total	\$28,468,418.00			

Does the applicant have adequate provisions for long-term maintenance and operations?

Yes, the 30-year cash flow demonstrates a debt service coverage ratio (DSCR) of 1.20 in year 1 and trends higher in the years following. Operating and maintenance reserves will be funded in accordance with Tax Credit Allocation Committee and other lender requirements. BHDC and Related provided copies of recent annual audited financial statements showing no adverse issues. Both developers have recent demonstrated experience in obtaining private, local, state, and federal funding sources.

Does the project Affirmatively Further Fair Housing?

Yes, the project will provide senior housing to low-income households with resident services and programming. *“The affordable housing in itself is part of a larger master plan for the 13.3-acre site that will include up to 260 units of market rate homes and the construction of a central public park. The integration of both communities within the Master Plan contributes to the neighborhood character by creating a mixed-income, multi-generational community.”*

The project helps overcome segregation through the integration of mixed-income and multi-generational residents.

Does the project demonstrate existing support from the jurisdiction in which it is located via letters of support, funding commitments, etc.?

Yes, the project has Article 34 approval, is fully entitled by the City of Santa Rosa, has a commitment of City of Santa Rosa loan funds, and will be the third and final phase of a fully leased-up and operational housing project.

Additional Information:

Application was signed by authorized signatory. Debt Service Coverage Ratio (DSCR is high without added financial support of Project Based Voucher's being considered.

Consequences of Partial or No Funding:

The project can proceed with no/partial funding award. The developer notes they are seeking additional local funding to increase the competitiveness of pending applications for Housing Community Development funds available as well as 9% tax credits.

Staff Recommendation:

Staff recommends a partial funding award of \$681,672, which when combined with a prior PLHA FY 23/24 award of \$158,918 will amount to \$840,590, to demonstrate the County's support of the project and increase the competitiveness of developer's upcoming application for Low-Income Housing Tax Credits.

Preliminary Condition(s) of Approval

Allocated funding will be a loan.

1.	All loans for Affordable Housing Acquisition, Predevelopment, Construction, Multi-family Housing Rehabilitation, and Community Facilities are subject to the provisions of the Sonoma County Community Development Commission (SCCDC) Loan Policies and the Permanent Local Housing Allocation (PLHA) program guidelines.
2.	Developer must demonstrate site control prior to funds being made available.
3.	PLHA funds will be used to reimburse eligible predevelopment, hard construction, and soft construction costs only. Ten percent (10%) of funds will be retained until construction is completed.
4.	If applicable, all projects must receive local environmental clearance in accordance with the requirements of the California Environmental Quality Act (CEQA).
5.	Applicant must submit sufficient documentation to enable the SCCDC to determine if the proposed project meets the program requirements.
6.	Prior to final approval of funding, applicant must demonstrate sufficient Article 34 authority for the affordable units if they exceed forty-nine percent of the total affordable units.
7.	Developer will be required to submit evidence that all required construction and permanent financing has been committed prior to being offered a Funding Agreement.
8.	Developer will be required to submit an acceptable site appraisal that demonstrates that the “as is” value of the property will fully secure the loan prior to receiving a funding commitment. The SCCDC will require the PLHA loan to record in a sufficiently senior lien position to ensure that the value of the completed development will fully secure the loan.
9.	Loans for construction and all other costs require a current post-completion appraisal that demonstrates that the value of the completed project, taking into account all projected permanent financing for the project.
10.	The project must be completed within four years of the date on which the Developer Agreement is offered for execution.
11.	Developer must satisfy all regulatory requirements and all conditions of approval that are set forth in the SCCDC Loan Policies as prerequisite to the SCCDC offering the Funding Agreement for execution within 12 months of approval of the award. Disbursement of funds must be initiated within 24 months of the date on which the Funding Agreement is offered for execution. All funds must be disbursed within 30 months of the date on which the Funding Agreement is offered for execution. Funding awards that do not meet these deadlines will be reprogrammed.

Attachment A: Link to Funding Applications - <https://share.sonoma-county.org/link/ojHkmhtqC48/>

County Fund for Housing (CFH) and Permanent Local Housing Allocation (PLHA)

Affordable Housing Projects

Organization Name: Burbank Housing Development Corporation (BHDC)

Project Name: Caritas Homes Phase II

Project Type: New Construction of Affordable Rental Housing

Project Description

Applicant-Provided Summary Description from Submitted Application:

“Caritas Homes Phase II is the third and final element of Caritas Village in downtown Santa Rosa. Like the adjacent and completed Caritas Homes Phase I project, Phase II will be 64 units of newly constructed affordable rental housing in a single, 4-story building, 30 of which are dedicated to serving homeless individuals and families. These 30 units will be supported by project-based vouchers, already awarded. The vacant project parcel is owned by Catholic Charities and will be ground-leased to a tax credit Limited Partnership managed by the sponsor and lead developer, Burbank Housing. Catholic Charities is a development partner and will be the primary services provider supporting households in the 30 homeless-dedicated units. There will be one managers unit and the remaining 33 units rent-restricted at 50% of Area Median Income (AMI). Caritas Homes Phase II will seek 4% federal tax credits and state tax credits as well as”

Amount Requested: \$1,000,000. Open to a combination of funds from County Fund for Housing (CFH) or Permanent Local Housing Allocation (PLHA) as the funding capacities allow.

Proposed use of funds: Predevelopment and construction hard and soft costs, permanent financing.

Funding Policies

Does the applicant demonstrate capacity to effectively deliver the proposed project? Does the developer demonstrate consistent success in obtaining federal tax credits and / or other federal and state funding to develop housing within the last seven years?

Yes, BHDC has demonstrated experience in delivering comparable projects utilizing local, state and federal funding sources, including tax credits and Project Based Voucher’s (PBV’s) within the past seven years.

If the application is for acquisition and/or preservation, are the units at risk of becoming market rate housing without additional CDC funding?

Not applicable.

Does the project set aside units for persons or households experiencing homelessness or who are at imminent risk of becoming homeless?

Yes, the project includes a set aside of 30 units dedicated to serving homeless individuals and families. It will use Coordinated Entry (CE) to fill these units and provides supportive services as well.

The applicant will implement a “Housing First” approach which emphasizes the importance of securing housing first to better combat other challenges individuals may be facing. Residents will have access to a variety of services onsite or within close proximity, to be provided by a Burbank Housing Service Coordinator, Catholic Charities Caritas Center, Sonoma County Behavioral Health, and/or Sonoma County Human Services.

Will the project provide units for special needs populations?

Yes, per CFH guidelines, special needs populations can include the elderly, persons with physical, mental, or behavioral disabilities, persons with HIV/AIDS, and/or persons with alcohol or drug addictions. These risk factors overlay with those who are homeless, or are at risk of homelessness, and the project includes a set aside of 30 units dedicated to serving homeless individuals and families.

Does the project address one of the following funding priorities?

- 1) Creating or preserving affordable housing,**
- 2) Building infrastructure or public facilities that support creation or preservation of affordable housing,**
- 3) Building infrastructure or public facilities that support low-income communities,**
- 4) Promoting effective and proven strategies for homelessness prevention and intervention county-wide that align with Continuum of Care Strategic Plan goals,**
- 5) Emphasizing self-sufficiency of agencies and or life skills for beneficiaries?**

Yes, the project addresses funding priorities 1, 4 and 5. It creates affordable housing as well as promoting effective and proven strategies for homelessness prevention that align with the Continuum of Care Strategic Plan goals and emphasizes self sufficiency and/or life skills for the beneficiaries with the supportive services.

Selection Criteria

How do the proposed outcomes of the project/activity align with the goals of the Five-Year Consolidated Plan?

Caritas Homes Phase II will create 63 new affordable housing units, including 30 units set aside for homeless individuals and families, and 33 units restricted to households earning 50% or less of Area Median Income (AMI), combined with quality resident services, community areas, a bicycle repair area and a highly walkable location in central Santa Rosa near shopping, medical, public transit, recreation, and employment opportunities.

List the number and size of the proposed units, including the income levels to be served:

Thirty (30) units are for households experiencing and/or at risk of homelessness with incomes below 20% AMI. These 30 units are comprised of fifteen (15) studios, twelve (12) 1-bedroom, and three (3) 2-bedroom units.

Thirty-three (33) units are for households with incomes below 50% AMI. Unit sizes are fourteen (14) studios, fifteen (15) 1-bedroom, and four (4) 2-bedroom units.

In addition, there will be a 2-bedroom manager's unit on the property.

Are the proposed rents below the maximum rents allowed by the requested funding source?

CFH assisted units must initially be rented to households below 50% AMI. The project proposes that 33 units will be rented to households below 50% AMI and an additional 30 units will be available for households below 20% AMI. Proposed rents are within CFH guidelines and include consideration of utility allowances.

PLHA assisted units for the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary operating subsidies. The project proposes that 33 units will be rented to households below 50% AMI and an additional 30 units will be available for households below 20% AMI. Proposed rents are within PLHA guidelines and include consideration of utility allowances and use of PBV's.

Does the project demonstrate advanced readiness via (a) entitlements; (b) financing commitments; (c) building permits, (d) environmental review?

- a. Yes. The project is fully entitled.
- b. Yes. Of the total \$47,152,302 in predevelopment and construction project costs, only \$3,961,611 of funds needed are not committed. Those funds include this application as well as a LIHTC application to be completed in early 2025.
- c. No. Land use approved. Building permit application documents have not yet been submitted to the City of Santa Rosa. They anticipate having them in place by June 2025.
- d. Yes. Since this is the final phase of the project, required environmental reports were completed based on the entire project, including Caritas Center, Caritas Homes Phase I and this Phase II.

Will the requested funds for the project be leveraged against total development costs at least 7:1?

Total project cost: \$49,877,844

Funds requested: \$1,000,000

$\$49,877,844 / \$1,000,000 = 49.87$

Yes, the funds requested will be leveraged 49:1.

ESTIMATED PREDEVELOPMENT AND CONSTRUCTION FINANCING

<u>Funding Source</u>	<u>Amount</u>	<u>Commitment Status</u>
State HCD – IIG program	\$1,366,000.00	committed
City of Santa Rosa	\$1,300,000.00	committed
SCCDC FY 23-24 PLHA	\$333,727.00	committed
Providence Health	\$400,000.00	committed
SCCDC FY 24-25 CFH/PLHA (this request)	\$1,00,000.00	pending
Misc. Sources*	\$504,351.00	pending
Tax exempt const. loan	\$24,294,848.00	committed
Taxable construction loan	\$11,460,111.00	committed
Deferred dev fee + GP contribution	\$4,034,905.00	committed
Limited partner equity (LIHTC)	\$2,189,317.00	pending
Deferred interest, soft loans	\$267,943.00	pending
GP contribution	\$100.00	committed
TOTAL**	\$47,152,302.00	

ESTIMATED PERMANENT FINANCING

<u>Funding Source</u>	<u>Amount</u>	<u>Commitment Status</u>
Tax exempt perm loan	\$3,281,000.00	committed
HCD CDBG-DR	\$14,232,857.00	pending
HCD IIG program	\$1,366,000.00	committed
City of Santa Rosa	\$1,300,000.00	committed
SCCDC FY 23-24 PLHA	\$333,727.00	committed
SCCDC FY 24-25 PLHA/CFH	\$1,000,000.00	pending
Misc. Sources*	\$1,138,138	pending
FHLBSF AHP	\$630,000.00	pending
Deferred developer fee	\$4,034,905.00	committed
Deferred interest, soft loans	\$267,943.00	pending
GP contribution	\$100.00	committed
Providence Health	\$400,000.00	committed
Limited partner equity (LIHTC)	\$21,893,174.00	pending
TOTAL**	\$49,877,844.00	

*Misc. Sources includes the City of Santa Rosa, the RED Housing Fund, as well as local philanthropy

**The totals differ from preconstruction/construction to permanent financing, and this difference is addressed by the applicant as being the “costs deferred until conversion” only appearing in the permanent financing budget.

Does the applicant have adequate provisions for long-term maintenance and operations?

Yes, the 30-year cash flow demonstrates a Debt Service Coverage Ratios (DSCR) of 1.15 in year 1 and trends higher in the years following. Operating and maintenance reserves will be funded in accordance with tax credit and lender requirements. In addition, BHDC provided copies of recent annual audited financial statements showing no adverse issues. BHDC has demonstrated experience in obtaining private, local, state, and federal funding sources.

Does the project Affirmatively Further Fair Housing?

Yes, the project will provide housing to both homeless and extremely low and very low-income households with resident services and programming. The development will provide affordable housing in an area of opportunity to combat segregation and promote integration. Use of PBV’s combined with the deep affordability of 20% AMI on 30 units means that persons with extremely low or even zero income will qualify and can afford to live in areas of opportunity.

Does the project demonstrate existing support from the jurisdiction in which it is located via letters of support, funding commitments, etc.?

Yes, the project has Article 34 approval (under Measure K through the City of Santa Rosa), is fully entitled by the City of Santa Rosa, has a commitment of City of Santa Rosa loan funds, along with most other funding sources.

Additional Information:

Project schedule fits within CFH timelines based on a start of construction in June 2025 and completion in November 2026.

Consequences of Partial or No Funding:

The developer only stated that this is the final phase, and it is a single building so it cannot be phased. However, the developer notes that they are seeking additional local funding to increase the competitiveness of pending applications for HCD funds available as well as 4% tax credits.

Staff Recommendation:

It is staff's recommendation to award \$350,000 in CFH funding and \$650,000 in PLHA with the conditions included in the table below.

Preliminary Condition(s) of Approval

Allocated funding will be a loan.

1.	All loans for Affordable Housing Acquisition, Predevelopment, Construction, Multi-family Housing Rehabilitation, and Community Facilities are subject to the provisions of the Sonoma County Community Development Commission (CDC) Loan Policies, the County Fund for Housing (CFH) program guidelines and the Permanent Local Housing Allocation (PLHA) guidelines.
2.	Developer must demonstrate site control prior to funds being made available.
3.	CFH funds will be used to reimburse eligible predevelopment, hard construction, and soft construction costs only. Ten percent (10%) of funds will be retained until construction is completed.
4.	PLHA funds will be used to reimburse eligible predevelopment, hard construction, and soft construction costs only. Ten percent (10%) of funds will be retained until construction is completed.
5.	If applicable, all projects must receive local environmental clearance in accordance with the requirements of the California Environmental Quality Act (CEQA).
6.	Applicant must submit sufficient documentation to enable the SCCDC to determine if the proposed project meets the program requirements.
7.	Prior to final approval of funding, applicant must demonstrate sufficient Article 34 authority for the affordable units if they exceed forty-nine percent of the total affordable units.
8.	Developer will be required to submit evidence that all required construction and permanent financing has been committed prior to being offered a Funding Agreement.
9.	For predevelopment funds, developer will be required to submit an acceptable site appraisal that demonstrates that the “as is” value of the property will fully secure the loan prior to receiving a funding commitment. The SCCDC will require the CFH and PLHA loans to record in a sufficiently senior lien position to ensure that the value of the completed development will fully secure the loan.
10.	Loans for construction and all other costs require a current post-completion appraisal that demonstrates that the value of the completed project, taking into account all projected permanent financing for the project.
11.	The project must be completed within four years of the date on which the Developer Agreement is offered for execution.

12.	Developer must satisfy all regulatory requirements and all conditions of approval that are set forth in the SCCDC Loan Policies as prerequisite to the SCCDC offering the Funding Agreement for execution within 12 months of approval of the award. Disbursement of funds must be initiated within 24 months of the date on which the Funding Agreement is offered for execution. All funds must be disbursed within 30 months of the date on which the Funding Agreement is offered for execution. Funding awards that do not meet these deadlines will be reprogrammed.
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Attachment A: Link to Funding Applications - <https://share.sonoma-county.org/link/ojHkmhtqC48/>

County Fund for Housing (CFH) and Permanent Local Housing Allocation (PLHA)

Affordable Housing Projects

Organization Name: CommonSpace Community Land Trust

Project Name: Cooper 1=3 ADU Project

Project Type: Affordable Housing

Project Description

Applicant-Provided Summary Description from Submitted Application:

“1809 Cooper Road, Sebastopol has a single-family residence which we will divide into two units: the new Junior Accessory Dwelling Unit will be one bedroom and the existing house will be one bedroom. The new third unit Accessory Dwelling Unit will be a detached two bedroom. This project illustrates the 1=3 concept by increasing the density from one unit to three units at lower overall cost than LIHTC projects. The two-bedroom Accessory Dwelling Unit will be rented at 60% of Area Median Income and the one-bedroom Junior Accessory Dwelling Unit will be rented at 50% of Area Median Income. The existing home will be rented at market rate. CommonSpace CLT was awarded \$112,489 from SCCDC for 2022-2023 for the 1=3 Project. Due to rising interest rates, operating expenses including insurance, along with the NEPA report and FEMA Letter of Map amendment, CommonSpace CLT requests \$63,000 to close the project funding gap.”

Amount Requested: \$63,000 grant of County Fund for Housing (CFH)

Proposed use of funds: Construction and septic system improvements

Funding Policies

Does the applicant demonstrate capacity to effectively deliver the proposed project? Does the developer demonstrate consistent success in obtaining federal tax credits and / or other federal and state funding to develop housing within the last seven years?

CommonSpace Community Development Land Trust was created in 2017. The project site was donated to the land trust by the former owner. This project is the land trust’s first construction related affordable housing project. The application states that in 2021 a grant was obtained for three years that was used for salaries of the land trust staff. Prior to that award all staff were volunteers. The land trust was also able to hire additional staff. Additionally, the applicant was awarded HOME funds in program year 2022 for this project.

If the application is for acquisition and/or preservation, are the units at risk of becoming market rate housing without additional CDC funding?

If awarded funds, the funds would be used for construction. The property was donated to the applicant a few years ago and the existing house would be a part of the project as it would be improved into two dwelling units. There are no existing affordable units on the site and therefore, no units at risk of becoming market rate housing.

Does the project set aside units for persons or households experiencing homelessness or who are at imminent risk of becoming homeless?

The proposed project is small in that it would create a total of three dwelling units. None of the units would be reserved for the homeless.

Will the project provide units for special needs populations?

Yes, the application indicates that the project would target farmworker households.

Does the project address one of the following funding priorities?

- 1) Creating or preserving affordable housing,**
- 2) Building infrastructure or public facilities that support creation or preservation of affordable housing,**
- 3) Building infrastructure or public facilities that support low-income communities,**
- 4) Promoting effective and proven strategies for homelessness prevention and intervention county-wide that align with Continuum of Care Strategic Plan goals,**
- 5) Emphasizing self-sufficiency of agencies and or life skills for beneficiaries?**

The proposed project would create affordable housing for farmworker households. Two units would have an affordable housing covenant. One of the three units would be a market rate unit and the application states that this unit would be rented to a tenant household with a housing choice voucher.

Selection Criteria

How do the proposed outcomes of the project/activity align with the goals of the Five-Year Consolidated Plan?

With completion of the project, two new affordable housing units would be created and the property would be owned in perpetuity by a community land trust. Creation and or preservation of affordable housing is one of the three critical needs identified in the Consolidated Plan.

List the number and size of the proposed units, including the income levels to be served:

- One 1-bedroom unit at market rate rent,
- One 2-bedroom unit at 60% AMI,
- One 1-bedroom unit at 50% AMI.

Are the proposed rents below the maximum rents allowed by the requested funding source?

Yes, as indicated in the tables the proposed rents for the affordable units are below the maximums allowed by the County Fund for Housing (CFH) program. The market rate unit is proposed to be rented at \$2,460 per month.

The 2024 maximum rent allowed by the CFH program is as follows:

Household Income Level	1-Bedroom Unit	2-Bedroom Unit
Very Low Income (up to 50% AMI)	\$1,384	\$1,556
Low Income (up to 60% AMI)	\$1,661	\$1,868

The proposed rents in the project are as follows:

Household Income Level	1 Bedroom Unit	2 Bedroom Unit
Very Low Income (up to 50% AMI)	\$1,205	
Low Income (up to 60% AMI)		\$1,658

Does the project demonstrate advanced readiness via (a) entitlements; (b) financing commitments; (c) building permits, (d) environmental review?

Yes, the project demonstrates advanced readiness. The project is located in the County jurisdiction. The applicant has secured County planning and building permit approvals. In program year 2022, Sonoma County awarded HOME funds in the amount of \$112,489. An environmental review at the federal level is required as a condition of the award. The environmental review is currently in progress and should be completed in October of this year. Due to the increase of construction expenses, in part caused by the rate of inflation, there is a funding gap that would be addressed with this funding application. The application indicates that a construction lender has been identified and discussion with the prospective lender has taken place, however, the lender is not yet committed to the project.

ESTIMATED PREDEVELOPMENT AND CONSTRUCTION FINANCING

<u>Funding Source</u>	<u>Amount</u>	<u>Commitment Status</u>
Property Donation	\$1,300,000	Donated in 2017
Sonoma County HOME Funds	\$112,489	Committed Loan
CommonSpace CLT	\$74,089	Committed and Expended
Sonoma County Fund for Housing	\$63,000	Grant Requested
Construction Loan	\$300,000	Uncommitted
TOTAL	\$1,849,578	

ESTIMATED PERMANENT FINANCING

<u>Funding Source</u>	<u>Amount</u>	<u>Commitment Status</u>
Construction Loan	\$300,000	Uncommitted
Sonoma County HOME Funds	\$112,489	Committed Loan
TOTAL	\$412,489	

Will the requested funds for the project be leveraged against total development costs at least 7 to 1?

Yes, the requested funds for the project would be leveraged against total development costs approximately 28 to 1. If the HOME award is included as well, Sonoma County awarded funds would be leveraged against total development costs approximately 9 to 1.

Does the applicant have adequate provisions for long-term maintenance and operations?

Yes, based on the estimated project budget and proforma submitted, the project will have long-term maintenance and operation funds. If awarded funds, a condition of the award would require the applicant to submit an updated proforma and budget.

Does the project Affirmatively Further Fair Housing?

Yes, the project would serve lower income households that work in the farmworker industry and provide needed housing in the Sebastopol area of the County. The application indicates that the project will provide affordable housing in an area of opportunity to combat segregation and promote integration.

Does the project demonstrate existing support from the jurisdiction in which it is located via letters of support, funding commitments, etc.?

The project site is located in the County jurisdiction. The project has received planning and building permit approvals from Permit Sonoma indicating support from the local jurisdiction, Sonoma County. Additionally, the Sonoma Community Development Commission awarded the project \$112,489 from the HOME federal program. Therefore, the project demonstrates support from the local jurisdiction and has at least one funding commitment. The project has one uncommitted source of funding and if awarded CFH funds, the award will be contingent upon successful commitment of all funds to complete the project.

Additional Information:

This is a pilot program for the applicant and their first construction of affordable housing project. Although the project is very small, it is a viable project and located in an area that lacks affordable housing for farmworkers. The community housing land trust that is proposing this project is interested to pursuing other similar projects in other areas of the County.

If funds are awarded, prior to a funding agreement being offered, the applicant will be required to provide a thorough appraisal of the site as is and with the project completed. The applicant is

requesting that funding be awarded as a grant. The CFH policies allows grants to be considered for community land trusts.

Consequences of Partial or No Funding:

The application states that if full funding is not awarded, then the project may proceed in two phases.

Staff Recommendation:

Given that there is a high demand for this funding source, staff recommends awarding the project \$50,000 as a grant.

Preliminary Condition(s) of Approval

Allocated funding will be a grant.

1.	All loans for Affordable Housing Acquisition, Predevelopment, Construction, Multi-family Housing Rehabilitation, and Community Facilities are subject to the provisions of the Sonoma County Community Development Commission (CDC) Loan Policies and the County Fund for Housing Funding Policies.
2.	Prior to CDC offering a Developer agreement, the Developer must demonstrate site control.
3.	CFH funds will be used to reimburse eligible construction costs only. Ten percent (10%) of funds will be retained until construction is completed.
4.	If applicable, all projects must receive local environmental clearance in accordance with the requirements of the California Environmental Quality Act (CEQA).
5.	Applicant must submit sufficient documentation to enable the SCCDC to determine if the proposed project meets the program requirements.
6.	Prior to final approval of funding, applicant must demonstrate sufficient Article 34 authority for the affordable units if they exceed forty-nine percent of the total affordable units.
7.	Developer will be required to submit evidence that all required construction and permanent financing has been committed prior to being offered a Funding Agreement.
8.	Grant for construction and all other costs require a current post-completion appraisal that demonstrates that the value of the completed project, taking into account all projected permanent financing for the project.
9.	The project must be completed within four years of the date on which the Developer Agreement is offered for execution.
10.	Developer must satisfy all regulatory requirements and all conditions of approval that are set forth in the SCCDC Loan Policies as prerequisite to the SCCDC offering the Funding Agreement for execution within 12 months of approval of the award. Disbursement of funds must be initiated within 24 months of the date on which the Funding Agreement is offered for execution. All funds must be disbursed within 30 months of the date on which the Funding Agreement is offered for execution. Funding awards that do not meet these deadlines will be reprogrammed.

Attachment A: Link to Funding Applications - <https://share.sonoma-county.org/link/ojHkmhtqC48/>

County Fund for Housing (CFH) and Permanent Local Housing Allocation (PLHA)

Affordable Housing Projects

Organization Name: Jamboree Housing Corporation

Project Name: Saggio Hills Phase 1

Project Type: New Construction of Affordable Rental Housing

Project Description

Applicant-Provided Summary Description from Submitted Application:

Saggio Hills Phase I is a 57,000 square foot, three-story building with 48 residential units in a mix of studios and one-, two-, and three-bedroom units (Project). Specifically, the Project includes 6 studios, 18 one-bedroom units, 12 two-bedroom units, and 12 three-bedroom units. All units will be deed restricted for use by households at income tiers between 30 - 60 percent of area median income (AMI) except for 1 one-bedroom manager unit. 25% of the units will be reserved for people with intellectual and developmental disabilities. The Project will also include amenities including a laundry room on each floor, a social services office on the ground floor, and a 3,000 square foot community building with community room, teen room, property management offices, and open space. Included in the open space are a children's play area (separate play areas for ages 2-5 and ages 5-12), seating areas, a barbecue area.

Amount Requested: \$1M from the County Fund for Housing (CFH)

Proposed use of funds: The requested funds will primarily be used as capital funding for the construction of a 48-unit development known as Saggio Hills, which will include a 25% set-aside of units for people with development disabilities.

Funding Policies

Does the applicant demonstrate capacity to effectively deliver the proposed project? Does the developer demonstrate consistent success in obtaining federal tax credits and / or other federal and state funding to develop housing within the last seven years?

Jamboree has successfully managed federal, state, local and private grant funding, and the agency has gained experience across a wide variety of programs. Jamboree's unique financial approach has led to some "firsts" in affordable housing – for example, the organization developed an entire housing project using funding from the Mental Health Services Act (MHSA), which was the first development of its kind in the State of California. The organization has also developed mutual relationships with a variety of commercial lenders while enhancing their partnerships with local agencies. Jamboree has received over \$600M in tax credit equity and bond financing. The application does not specify any significant challenges in the administration of these funds.

If the application is for acquisition and/or preservation, are the units at risk of becoming market rate housing without additional CDC funding?

The proposed project involves new construction of affordable housing rather than acquisition or preservation. All of the proposed units will include affordability restrictions, varying from 30-60% of AMI.

Does the project set aside units for persons or households experiencing homelessness or who are at imminent risk of becoming homeless?

No, the project does not have a specific set-aside for people experiencing homelessness.

Will the project provide units for special needs populations?

Yes, this project includes a 25% set-aside for people with development disabilities.

Does the project address one of the following funding priorities?

- 1) Creating or preserving affordable housing,**
- 2) Building infrastructure or public facilities that support creation or preservation of affordable housing,**
- 3) Building infrastructure or public facilities that support low-income communities,**
- 4) Promoting effective and proven strategies for homelessness prevention and intervention county-wide that align with Continuum of Care Strategic Plan goals,**
- 5) Emphasizing self-sufficiency of agencies and or life skills for beneficiaries?**

Yes, this project aligns with these funding priorities because it creates new affordable housing.

Selection Criteria

How do the proposed outcomes of the project/activity align with the goals of the Five-Year Consolidated Plan?

The proposed outcomes of this plan include the creation of affordable housing, which aligns with the goals of the Five-Year Consolidated Plan.

List the number and size of the proposed units, including the income levels to be served:

The proposed project will contain the following unit types: 6 studios, 18 one-bedroom units, 12 two-bedroom units and 12 three-bedroom units. The income levels are as follows:

Extremely Low-Income (30% Area Median Income): 6 studios, 6 one-bedroom units

Very Low-Income (50% Area Median Income): 1 two-bedroom unit, 11 three-bedroom units.

Low-Income (60% Area Median Income): 11 one-bedroom units, 11 two-bedroom units, 1 three-bedroom unit

A single one-bedroom unit will function as a manager's unit, which brings the total number of units to forty-seven.

Are the proposed rents below the maximum rents allowed by the requested funding source?

CFH funds can only be used to support units for households with incomes below 50% AMI. This project will include twenty-four units that can be supported by CFH funding. The remaining units will still be affordable, but they will be available to households with incomes up to 60% of the AMI, which would make those units ineligible to receive support from CFH.

Does the project demonstrate advanced readiness via (a) entitlements; (b) financing commitments; (c) building permits, (d) environmental review?

The project has received all of the required local entitlements and approvals except for building permits, and the City of Healdsburg has approved a tentative subdivision map – the developer plans to submit their building permits along with the final subdivision map. An Environmental Impact Report (EIR) was certified in 2011, with an additional study and addendum conducted in 2023, which concludes that no further California Environmental Quality Act (CEQA) review is necessary. The project has received financing commitments totaling more than \$40M.

Will the requested funds for the project be leveraged against total development costs at least 7:1?

Requested Funds: \$1,000,000 of County Fund for Housing (CFH)

Total Development Costs: \$41,829,576

Leverage: $41,829,576 / 1,000,000 = 41.83$

Yes, the requested funding will be leveraged against total development costs at a ratio of nearly 42 to 1.

ESTIMATED PREDEVELOPMENT AND CONSTRUCTION FINANCING

<u>Funding Source</u>	<u>Amount</u>	<u>Commitment Status</u>
Raymond James	\$3,357,874	Committed
Citibank Tax Exempt Bonds	\$19,500,000	Committed
Citibank Taxable Bonds	\$9,817,839	Committed
City of Healdsburg	\$1,151,170	Committed
Deferred Developer Fee	\$1,250,000	Committed
Deferred Reserves	\$222,904	Committed
Land Donation	\$3,535,736	Committed
GP Loan (AHSC Grant Funds)	\$1,994,053	To be awarded 8/22/24
County of Sonoma	\$1,000,000	Pending
TOTAL	\$41,829,576	

ESTIMATED PERMANENT FINANCING

<u>Funding Source</u>	<u>Amount</u>	<u>Commitment Status</u>
Raymond James	\$16,789,370	Committed
Citibank Tax Exempt Bonds	\$3,617,149	Committed
City of Healdsburg	\$1,151,170	Committed
Land Donation	\$3,535,736	Committed
State of CA (AHSC Grant)	\$13,742,098	To be awarded 8/22/24
GP Loan (AHSC Grant Funds)	\$1,994,053	To be awarded 8/22/24
County of Sonoma	\$1,000,000	Pending
TOTAL	\$41,829,576	

Does the applicant have adequate provisions for long-term maintenance and operations?

Yes, the proforma indicates there will be sufficient funds for long term maintenance and operations. The applicant notes that there is a reserve operating fund of \$200,000 in addition to an initial replacement reserve totaling \$1,000 per housing unit, with ongoing annual contributions of \$500 per unit. Furthermore, the submitted proforma and associated financials were modeled with an inflation rate of 3.5%, along with an inflation rate of 2.5% for income-

related expenses. The project will have an initial debt service coverage ratio of 1.15 in an effort to increase cash flow over time.

Does the project Affirmatively Further Fair Housing?

The proposed project affirmatively furthers fair housing because it provides affordable housing in an effort to combat segregation and is located in an area that has been designated as a “high-opportunity area” by the California Tax Credit Allocation Committee.

Does the project demonstrate existing support from the jurisdiction in which it is located via letters of support, funding commitments, etc.?

The project has already received an allocation totaling more than \$1,000,000 from the City of Healdsburg for construction, in addition to a variety of other funding commitments that total more than \$40 million at the time of application submission. Site control has been established with a Development and Disposition Agreement (DDA) executed between Freebird Development Company and the City of Healdsburg – Freebird has partnered with Jamboree to assist with the Saggio Hills project.

Additional Information: This applicant was previously awarded HOME funds by the Commission for Fiscal Year 2024-25, but they recently contacted Commission staff to inquire about rescinding the award. The applicant explained that they would prefer to receive CFH funding because it does not come with the same restrictive regulations as federal HOME funding, notably the “Build America, By America” (BABA) statute, which requires that a certain percentage of building materials be purchased from American manufacturers. The BABA regulations will increase the cost of the project significantly, and the applicant would prefer to utilize CFH funding if possible.

Consequences of Partial or No Funding: The applicant states that the organization will likely have to apply for other funds if the Commission does not award the requested funds. The only notable consequence outlined in the application is a delay in construction.

Staff Recommendation: The application notes that a wide variety of funding has already been committed to this project, totaling over \$40M. Additionally, Jamboree has a wealth of experience in successfully managing a variety of funding streams with differing regulations. Furthermore, the proposed project would provide 47 units of new affordable housing for the city of Healdsburg, and it will also serve people with development disabilities. Staff would like to recommend fully funding this request – however, due to the limited amount of funding available, along with the fact that there are other competitive applicants, staff recommends funding in the amount of \$600,000 from the County Fund for Housing (CFH) program.

Preliminary Condition(s) of Approval

Allocated funding will be a grant a loan.

1.	All loans for Affordable Housing Acquisition, Predevelopment, Construction, Multi-family Housing Rehabilitation, and Community Facilities are subject to the provisions of the Sonoma County Community Development Commission (SCCDC) Loan Policies and the Permanent Local Housing Allocation (PLHA) program guidelines.
2.	Developer must demonstrate site control prior to funds being made available.
3.	PLHA funds will be used to reimburse eligible predevelopment, hard construction, and soft construction costs only. Ten percent (10%) of funds will be retained until construction is completed.
4.	If applicable, all projects must receive local environmental clearance in accordance with the requirements of the California Environmental Quality Act (CEQA).
5.	Applicant must submit sufficient documentation to enable the SCCDC to determine if the proposed project meets the program requirements.
6.	Prior to final approval of funding, applicant must demonstrate sufficient Article 34 authority for the affordable units if they exceed forty-nine percent of the total affordable units.
7.	Developer will be required to submit evidence that all required construction and permanent financing has been committed prior to being offered a Funding Agreement.
8.	Developer will be required to submit an acceptable site appraisal that demonstrates that the “as is” value of the property will fully secure the loan prior to receiving a funding commitment. The SCCDC will require the PLHA loan to record in a sufficiently senior lien position to ensure that the value of the completed development will fully secure the loan.
9.	Loans for construction and all other costs require a current post-completion appraisal that demonstrates that the value of the completed project, taking into account all projected permanent financing for the project.
10.	The project must be completed within four years of the date on which the Developer Agreement is offered for execution.
11.	Developer must satisfy all regulatory requirements and all conditions of approval that are set forth in the SCCDC Loan Policies as prerequisite to the SCCDC offering the Funding Agreement for execution within 12 months of approval of the award. Disbursement of funds must be initiated within 24 months of the date on which the Funding Agreement is offered for execution. All funds must be disbursed within 30 months of the date on which the Funding Agreement is offered for execution. Funding awards that do not meet these deadlines will be reprogrammed.

Attachment A: Link to Funding Applications - <https://share.sonoma-county.org/link/ojHkmhtqC48/>

Home American Rescue Plan (HOME-ARP)
Affordable Housing Projects

Organization Name: Spectrum Affordable Housing Corporation

Project Name: Redwood Glen Apartments

Project Type: New construction multifamily rental housing.

Project Description

Applicant-Provided Summary Description from Submitted Application:

“Redwood Glen Apartments, located on a 1.54-acre site along Old Redwood Highway in Windsor, CA, will provide 43 affordable family housing units (including one manager’s unit). All of the one-to-three-bedroom units will be for very-low/low-income persons, and the units will be configured for accessibility in a single elevator-served building. The building will be four stories high along the main street frontage and step to three stories at the rear to modulate scale from commercial to residential neighbors. There will be on-grade parking accessed around a loop drive. The project will feature residential amenity space including a community center with kitchen, administrative offices, residential services, mail room, laundry rooms, trash and recycling rooms. There will be a generous landscaped exterior plaza with adjacent dedicated children's play area and community garden. The all-electric powered building will be energy efficient with energy star appliances, and LED lighting.”

Amount Requested: \$784,482

Proposed use of funds:

HOME-ARP funds are requested to help pay for site acquisition and construction costs.

HOME-ARP Requirements

In order to receive HOME-ARP funding, the proposed project must serve ALL four of the qualifying populations listed below. Please explain how the proposed project will benefit the following populations:

- Homeless persons or households as defined in Section IV(A)(1) of the HUD HOME-ARP Notice: CPD 21-10
- Persons or households at risk of homelessness as defined in Section IV(A)(2) of the HUD HOME-ARP Notice: CPD 21-10
- Persons or households fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD
- Other populations at risk of becoming homeless as defined in Section IV(A)(4) of the HUD HOME-ARP Notice: CPD 21-10

The applicant states that JCL Development, LLC (“JCL”) through its wholly owned affiliates/subsidiaries Newport Partners, LLC (“Newport”) and Domus Development, LLC (“Domus”), has been creating and preserving affordable housing and innovative infill mixed-use projects to support the needs of the communities across the United States for over 25 years. Together with its affiliates/subsidiaries, JCL has experience in providing housing for (1)

homeless persons, (2) persons/households at risk of homelessness, (3) persons/households fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, and (4) other populations at risk of becoming homeless. JCL and its affiliates/subsidiaries will work with the Sonoma County Housing Authority and local agencies to target serving all four of the populations listed above.

Funding Policies

Does the applicant demonstrate capacity to effectively deliver the proposed project? Does the developer demonstrate consistent success in obtaining federal tax credits and / or other federal and state funding to develop housing within the last seven years?

Yes, the application indicates that Spectrum currently manages various affordable housing apartment sites in California and outside of the state. The applicant also states that they have experience working with state tax-exempt bonds and federal housing tax credits.

The developer for this project will be JCL Development, LLC. The application states that JCL will develop, own, and manage the property in partnership with Spectrum. The application does not address experience and successes in obtaining federal or state funding grants by JCL, but as mentioned above, Spectrum has experience in working with governmental grants and managing affordable housing sites. The property management company for this site will be DOMUS Management Company, which specializes in affordable and supportive housing properties.

If the application is for acquisition and/or preservation, are the units at risk of becoming market rate housing without additional CDC funding?

The funding request is not for the acquisition and or preservation of affordable housing. It is for new construction.

Does the project set aside units for persons or households experiencing homelessness or who are at imminent risk of becoming homeless?

The project has set aside at least five units for homeless households and the rest will be available to large families and other households, which may include households at-risk of becoming homeless and other HOME-ARP qualifying populations.

Will the project provide units for special needs populations?

Yes, aside from having designated units for homeless households, the project will also provide seven mobility units, five adaptable communication units as well as 31 units configured for accessibility in a single elevator-served building.

Does the project address one of the following funding priorities?

- 1) Creating or preserving affordable housing,**
- 2) Building infrastructure or public facilities that support creation or preservation of affordable housing,**
- 3) Building infrastructure or public facilities that support low-income communities,**
- 4) Promoting effective and proven strategies for homelessness prevention and intervention county-wide that align with Continuum of Care Strategic Plan goals,**
- 5) Emphasizing self-sufficiency of agencies and or life skills for beneficiaries?**

The proposed project is new construction of affordable rental housing, which supports the priority of “creating affordable housing.”

Selection Criteria

How do the proposed outcomes of the project/activity align with the goals of the Five-Year Consolidated Plan?

The 2020 Consolidated Plan identifies affordable housing, addressing homelessness, and non-housing development as the highest priority needs. The proposed project supports the first two needs by creating new affordable housing and designating units for homeless households.

List the number and size of the proposed units, including the income levels to be served:

The applicant is proposing the following rents:

- Extremely Low-Income households (up to 30% AMI) –
\$953 for 1-bedroom; \$1,174 for 2-bedroom; \$1,377 for 3-bedroom
- Very Low-Income (up to 50% AMI) – \$2,097 for 3-bedroom
- Very Low Income (up to 60% AMI) – not noted in the application
- Manager Unit (unrestricted) –2-bedroom

Does the proposed number of units exceed the minimum requirements for the requested funding source?

Yes, the proposed project includes 42 affordable units out of a total of 43 units, all targeted for households earning below 50% AMI.

Are the proposed rents below the maximum rents allowed by the requested funding source?

As proposed, not all rents comply with the maximum limits. If awarded funds, a preliminary condition of approval would be imposed requiring the applicant to revise the rents, so they comply with the applicable limits.

Does the project demonstrate advanced readiness via (a) entitlements; (b) financing commitments; (c) building permits, (d) environmental review?

The project has obtained city planning approvals and is exempt from the California Environmental Quality Act (CEQA) review. Building permits will be secured after tax credit award anticipated in 2025. The applicant is in the process of securing most of the project financing, which largely depends on a successful and highly competitive Low-Income Housing Tax Credit (LIHTC) application. The federal environmental review is in the early stages and staff anticipates the review to be completed in approximately six to nine months.

Will the requested funds for the project be leveraged against total development costs at least 7:1?

Yes, assuming all \$784,482 HOME-ARP funds requested are awarded, the leverage of HOME-ARP funds against total development costs would exceed the 7 to 1 ratio (35.58 to 1 actual).

If applicant receives the funding requested in this proposal, each \$1 of HOME-ARP funds would leverage \$35.58 from other sources. The full amount of HOME-ARP funds requested would be \$130,747 per HOME-ARP assisted unit.

ESTIMATED PREDEVELOPMENT AND CONSTRUCTION FINANCING

<u>Funding Source</u>	<u>Amount</u>	<u>Commitment Status</u>
Citibank, N.A.	\$16,194,307.00	Committed
Sonoma County (CDBG)	\$200,000.00	Committed
Newport Partners, LLC	\$2,783,037.00	Committed
Tax Credit Equity	\$7,218,750.00	Not committed
CEC (BUILD)	\$522,311.00	Committed
Sonoma County (HOME-ARP)	\$1,000,000.00	Committed
Sonoma County (HOME-ARP)	\$784,482.00	Applied
TOTAL	\$28,702,887.00	

ESTIMATED PERMANENT FINANCING

<u>Funding Source</u>	<u>Amount</u>	<u>Commitment Status</u>
Tax Credit Equity	\$21,875,000.00	Not committed
Citibank, N.A.	\$2,853,445.00	Committed
Sonoma County (CDBG)	\$200,000.00	Committed
Newport Partners, LLC	\$745,164.00	Committed
Sonoma County (PLHA)	\$222,485.00	Committed
CEC (BUILD)	\$522,311.00	Committed
Sonoma County (HOME-ARP)	\$1,000,000.00	Committed
Town of Windsor (IHF)	\$500,000.00	Committed
Sonoma County (HOME-ARP)	\$784,482.00	Applied
TOTAL	\$28,702,887.00	

Does the applicant have adequate provisions for long-term maintenance and operations?

Yes. The operating budget includes a replacement reserve of \$21,500, or \$500 per unit per year. The development budget includes a capitalized 3-month operating reserve totaling approximately \$151,000. The project will be required to meet the regulations of Housing and Community Development (HCD) and the permanent lender to ensure its long-range maintenance and continuing operations.

Does the project Affirmatively Further Fair Housing?

Yes. It provides affordable housing in an area(s) of moderate opportunity to combat segregation and promote integration. The project's location has access to community resources including schools, jobs, parks, bus stops, and grocery stores.

Does the project demonstrate existing support from the jurisdiction in which it is located via letters of support, funding commitments, etc.?

Yes, the project has received planning approvals and was granted an award of \$500,000 to assist in the acquisition of the site by the Town of Windsor. The Town of Windsor passed Resolution No. 3795-22 in support of the Developer's funding application submitted to the Sonoma County CDC for CDBG/HOME fiscal year 22/23. The project received a construction pre-qualification letter from Citi Bank and received CDBG, PLHA, and HOME ARP allocations from the Commission/County.

Additional Information:

If awarded HOME-ARP funds from the Sonoma County CDC, the project will apply for the first round of 9% tax credits in 2025.

The occupancy of the units must be available to the four qualifying populations under the HOME-ARP program: homeless, at-risk of becoming homeless, victims or persons fleeing domestic violence, human trafficking, and or stalking, as well as other vulnerable at-risk of becoming homeless populations. However, not all units are required to be occupied by these populations. At this time the applicant is still seeking funding from other sources and if awarded HOME-ARP funds, the project cannot use funding sources that exclude any one of the aforementioned populations. Per the U.S. Department of Housing and Urban Development regulations, HOME-ARP funds are not subject to Build America, Buy America Act.

Consequences of Partial or No Funding:

The application indicates that this project can still proceed if given partial funding through deferring developer fee and/or value engineering.

Staff Recommendation:

The County of Sonoma has funded the project with Community Development Block Grant funds and Permanent Local Housing Allocation funds in fiscal year 2023-2024 totaling \$422,485, and HOME-ARP funds in fiscal year 2024-2025 totaling \$1,000,000. At this time, staff recommends HOME-ARP funding in the amount of \$784,482 for this project.

Preliminary Condition(s) of Approval

Allocated funding will be a loan.

1. All loans for Affordable Housing Acquisition, Predevelopment, Construction, Multi-family Housing Rehabilitation, and Community Facilities are subject to the provisions of the Sonoma County Community Development Commission (CDC) Loan Policies, the FY2024-2025 Funding Policies, the HOME-ARP regulations, and the HOME Final Rule.
2. Developer must demonstrate site control at the time HOME-ARP funding is made available to the County by HUD.
3. HOME-ARP funds will be used to reimburse allowable construction costs only.
4. A NEPA environmental review must be completed before Developer can be offered a Development Agreement. Funds are not planned to pay for NEPA related expenses. Evidence that sufficient funds for this purpose are available from another source to pay for this work must be provided.
5. In compliance with Section 504 of the federal Rehabilitation Act of 1973, developer must design and construct 5 percent of the dwelling units, or at least one unit, whichever is greater, to be accessible for persons with mobility disabilities. An additional 2 percent of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.
6. The CDC will make the HOME-ARP loan to Linc Housing as the Developer. The loan shall bear three percent (3%) per annum simple interest with payments deferred for a term of 55 years. A subsequent assignment to a limited partnership must comply with federal regulations. Notwithstanding this requirement, Developer may assign the loan to a limited partnership prior to project completion and occupancy of the development.
7. Developer will be required to submit evidence that all required construction and permanent financing has been committed prior to being offered a Developer Agreement.
8. For awards involving site acquisition and/or predevelopment costs only: Developer will be required to submit an acceptable site appraisal that demonstrates that the “as is” value of the property will fully secure the loan prior to receiving a funding commitment. The CDC will require the HOME-ARP loan to record in a sufficiently senior lien position to ensure that the value of the completed development will fully secure the loan.
9. For awards involving construction costs only: Developer will be required to submit an acceptable post-construction appraisal prior to receiving final approval to expend HOME-ARP funds for construction costs. The CDC will require the HOME-ARP loan to record in a sufficiently senior lien position to ensure that the value of the completed development will fully secure the loan.
10. The level of funding allocated to the development cannot exceed the amount that a federal subsidy layering analysis would permit. A subsidy layering analysis prior to final loan approval must be completed. Developer will be required to submit an updated Sources and Uses Table that breaks out the estimated cost of any community building or other non-housing components, as well as other required data to enable the CDC to complete this analysis.

11. Prior to final approval of the HOME funds, Developer must demonstrate sufficient Article 34 authority for the affordable units if they exceed forty-nine percent of the total affordable units or submit a written legal opinion describing why Article 34 authority is not required.
12. Developer must satisfy all regulatory requirements and all conditions of approval that are set forth in the SCCDC 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.
13. The project 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.
14. To ensure compliance with file setup, preparation of reimbursement requests, reporting of outcomes, and timely spend-down of funds, applicant must attend a technical assistance session provided by CDC staff after a funding agreement is executed.
15. HOME-ARP funds must only be used to serve the four qualifying populations: homeless, at-risk of becoming homeless, victims or persons fleeing domestic violence, human trafficking, and or stalking, as well as other vulnerable at-risk of becoming homeless populations.
16. At the time of initial occupancy of the project, not less than 70 percent of the units designated as "HOME-ARP units" must be restricted for occupancy by households that are qualifying households as described in condition No. 15 above. Not more than 30% of HOME-ARP units may be restricted to low-income (LI) households as defined in the HOME program, 24 CFR 92.2. The LI units for low-income households are not required to be restricted for occupancy by the four qualifying households as described in condition No. 15 above.
17. Prior to execution of a Development agreement, Developer shall submit a 30-year operating budget with cash flow for review and approval by CDC along with proposed rents of the project.

Attachment A: Link to Funding Applications - <https://share.sonoma-county.org/link/ojHkmhtqC48/>