

# Sonoma County Community Development Committee



Human Services Dept. Representative: Oscar Chavez (Chair), Tenant Representatives: Stephanie Hiller, Jessica Vega  
**1<sup>st</sup> Dist:** Betzy Chavez (Vice Chair) **2<sup>nd</sup> Dist:** Michael Regan **3<sup>rd</sup> Dist:** Susan Hollingsworth Adams **4<sup>th</sup> Dist:** Willie Lamberson  
**5<sup>th</sup> Dist:** Linda Garcia  
Interim Executive Director: Barbie Robinson, CHC, JD, MPP

Public Meeting  
Wednesday, August 19, 2020  
10:00am-11:30am

*This meeting will be held virtually to comply with the Governor's Executive Order N-29-20. Please see pages 2 and 3 for instructions on making public comment*

**MEMBERS MAY NOT ATTEND THIS MEETING IN PERSON**

**Join by Zoom:** <https://bit.ly/comdev0819>

**Enter Passcode:** 345819

**Join by Phone:** +1 669 900 9128 **Webinar ID:** 980 3546 4583

## Agenda

### 1. Call to Order and Roll Call

### 2. Public Comments for Items Not on the Agenda

### 3. Approval of Minutes from July 15, 2020 Meeting (page 4)

The Committee will discuss and may take action to approve the minutes from July 15, 2020 or may recommend changes to these minutes.

### 4. Interim Assistant Director's Update

Tina Rivera, Interim Assistant Director, will present an update on Commission activities and COVID-19 response.

### 5. Plan: CDBG-CV and ESG-CV (page 10)

Assistant Director Tina Rivera will present a plan for the implementation of a rental-assistance program for vulnerable households impacted by COVID-19 using CARES Act CDBG-CV funds and implementation of various CARES Act homeless programs using ESG-CV funds.

### 6. Discussion: FY 2021-22 Funding Policies (page 15)

Committee members will have opportunity to review funding priorities and policies from 2020-2021 and make suggestions on priorities for the 2021-22 policies. The updated policies will be proposed to the Committees for their recommendation at a subsequent meeting.

### 7. Update on County Fund for Housing Policies

Angela Morgan, Affordable Housing Finance Associate, will provide a brief explanation of the funding policies for the County Fund for Housing



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### 8. Update: CDBG-DR Notice of Funding Availability

Assistant Director Tina Rivera will present an update on the proposed release of a Notice of Funding Availability for Block Grant funds allocated to the County from the 2017 fires.

### 9. Update: CD Committee Ordinance Changes Update (page 58)

Continuation of conversation regarding the Board of Supervisors' direction for the CD Committee Ordinance. The proposed changes will not change the scope of the existing body of work that the Committee oversees, but will help delineate and clarify responsibility for Committee members and staff in relation to Commission programs and funding sources.

### 10. Discussion: Role of CD Committee

Staff and Committee will hold a discussion on the ongoing roles and responsibilities of the Community Development Committee as the advisory body for the Sonoma County Housing Authority and for matters regarding public/private housing and capital development projects.

### 11. Adjournment

#### Next Regular Meeting

September 16, 2020

10:00 a.m.

PUBLIC COMMENT PRIOR TO THE COMMITTEE MEETING: Public Comment may be submitted via email to [Holly.Kelley@sonoma-county.org](mailto:Holly.Kelley@sonoma-county.org) before or during the meeting.

PUBLIC COMMENT DURING THE BOARD MEETING: Members of the public who join the Zoom meeting, either online or by calling in, will be able to provide live public comment at specific points throughout the meeting.

Any writings or documents presented to a majority of the Community Development Committee regarding any item on this agenda may be made available for public inspection in the Sonoma County Community Development Commission office located at 1440 Guerneville Road, Santa Rosa, CA 95403 during normal business hours.



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Servicios de idiomas se pueden consultar previa solicitud si se solicita por lo menos 48 horas antes de la reunión. Para más información o para solicitar servicios de traducción llame al (707) 565-7520.



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Public Meeting  
Wednesday, July 15, 2020  
10:00am-11:30am

## Minutes

### 1. Call to Order and Roll Call

Oscar Chavez called the meeting to order at 10:07a.m. and roll was called  
CD Committee Members Present: Oscar Chavez, Betzy Chavez, Jessica Vega, Stephanie Hiller, Michael Regan, Susan Hollingsworth Adams, Willie Lamberson, Linda Garcia  
CD Committee Members Absent: None  
CDC Staff Present:

### 2. Public Comments for Items Not on the Agenda

No comments were made for items not on the agenda.

### 3. Approval of Minutes from May 20 and June 3 Meetings

Betzy Chavez moved to approve the minutes as-is from the May 20, 2020 and June 3, 2020 meetings of the Community Development Committee. Linda Garcia seconded the motion  
Ayes: Oscar Chavez, Betzy Chavez, Michael Regan, Willie Lamberson, Linda Garcia  
Noes: None  
Abstain: Jessica Vega, Stephanie Hiller, Susan Hollingsworth Adams  
Absent: None

### 4. Swearing In: 3<sup>rd</sup> District Representative

Item #4 was postponed as the Interim Executive Director was not yet present.

### 5. Discussion: Uses for CDBG-CV and ESG-CV Funding

Felicity Gasser, Equity and Compliance Manager, presented background on the process for the approval of ESG-CV and CDBG-CV funds. Staff is asking for input on how CDBG-CV is allocated. A final plan will go to the Board for approval at the end of August.

There are a number of eligible uses for these funds, as we've seen at the County and from the news, the most pressing need is the concern about people who don't have access to resources who are having to continue to pay rent. The easiest way to deploy these funds quickly to provide relief for households most impacted is to provide a short-term emergency assistance program which would pay to landlords. The plan would be geographically equitable, and be



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accessible to all incorporated cities and unincorporated County. Still deciding if funds would go through nonprofit partners or our Housing Authority. We need to get legal guidance to ensure we are serving the most households.

ESG-CV is limited in use, and HUD has given strong direction to ensure that funds go to those who are homeless or at risk of homelessness. Eligible uses include emergency shelter, rapid rehousing, homelessness prevention, street outreach. We have an immediate need to provide funding for non-congregate shelters to ensure most vulnerable homeless (elderly, chronic illness) have a safe place to go where they can shelter in place and physically distance from others. Some efforts have been arrangements with hotels and are providing services in hotels and be able to provide path to permanent housing. At least \$1.2 mil for RRH and a portion for Los Guilicos, which meets standards for a non-congregate shelter. The balance of funds is still being worked out, and we will come back to CD Committee and Leadership Council who will provide direction on that.

**Stephanie Hiller:** So money won't be used for new housing?

**Felicity Gasser:** Generally it's difficult to use CDBG for new housing construction. The best use of funds specific to COVID would be a short term rental assistance.

**Stephanie Hiller:** How will people find out that this program is available?

**Felicity Gasser:** We don't have program design finalized, but we have track record in the Housing Authority of doing broad community outreach and would want to engage non-traditional partners in getting word out. We may run funds through nonprofits based in the community.

**Martha Cheever:** Like we did with the Housing Authority Waitlist, we got word out widely. Community partners assisted in distributing information. We will also use our landlord contacts to identify tenants who are struggling to pay rent.

**Oscar Chavez:** Community Action Partnership has the community fund and Seasons of Sharing, their application is online and they work with CBOs throughout the County so they can quickly deploy and generate reports around who is being served. We would want to use an existing infrastructure rather than create something from scratch.

**Linda Garcia:** I realize you want to be able to serve as many people as possible. When you distribute through other agencies, they're taking a cut off the top for administration. I support reporting of geographical outcomes and recording where funds go. Also, other counties are doing the same thing and have they developed a process already that we can take and tweak if we can prevent some evictions. October is a long way away, and if a neighboring county has developed a process then we shouldn't have to develop a new one. I support reporting in general and geographically. Thank you so much for what you are doing.

**Stephanie Hiller:** When we say the awards will be proportional to geographic distribution, is that also proportional to concentrations of people that are in need? And what's verification



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that would be used to prove people are in need?

**Felicity Gasser:** We would be relying on our partners to ensure geographic distribution of the program. Then we would accept applications and run lottery. The lottery is a random selection and we would hope would reflect geographic distribution as best possible. We won't do a quota from each jurisdiction – that would lead to some fairness issues. We would rely on outreach and lottery. Not everyone will qualify and not everyone will accept assistance and we will run with that data at the back end.

**Susan Hollingsworth Adams:** When does the CARES deadline pass that allows landlords that is back past due?

**Felicity Gasser:** In terms of the CDBG-CV program design, there isn't the same deadlines as Coronavirus Relief Fund. CDBG does not have strict deadlines – just a timeliness test.

**Susan Hollingsworth Adams:** Is there a way to give priority or is it appropriate to give priority to those who would be able to stay in their place long-term?

**Martha Cheever:** That could raise equity issues. People who are at such high risk for eviction may be eligible for the ESG-CV program. We are working on trying to weave all of the programs together.

**Felicity Gasser:** There is a design element to the rapid rehousing program in the homeless system of care, that's the model that is closest to what you're describing when you pick and choose what someone might qualify for. We don't have that level of design with this program at this time.

**Susan Hollingsworth Adams:** That makes sense if you're going to be using an RRH model. But for equity issues, the money is going to the landlord, not the person being evicted. So it would be prioritizing equity for the landlord.

**Felicity Gasser:** At least \$1.2 million will go into the Rapid Rehousing program. The numbers served as we calculated would serve 32 households because it's longer term, so it won't serve complete need but it will make sense for those households to receive that assistance to stay or become housed. Can also do homelessness prevention through ESG funding and that may be more appropriate to ensure someone doesn't get displaced after their landlord.

### Public Comment

No public comment was made on item #5

### 6. Discussion: PLHA Program Guidelines

Felicity Gasser, Equity and Compliance Program Manager, explained that the PLHA funds are distributed using the CPD/Formula Grant. Sonoma County's allocation for the 2020 year is \$899,393, and we are estimating about the same amount coming through the state each year for the next five years. We have to submit by July 27 an application. We have to have plan before we submit the plan to HCD. The plan is available online and comments will be accepted



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until July 21 end of day.

This money will run concurrently with the County Fund for Housing dollars. We have priority in terms of those funds for deep targeting, readiness of projects and projects that exist in the urban core to ensure that we have housing that is resilient and promotes sustainability. We plan to use a similar framework for distributing these dollars. It would be for multifamily housing productions and with deep targeting priority we hope to have housing for homeless or PSH as part of a package for what's awarded. It would be competitive NOFA. We are required by HCD to include 20% funds for set aside for affordable workforce ownership housing projects/programs so we will have applicants indicate that on their application. Must be income-restricted from 120% and below.

Staff requested feedback and approval from the Committees so the Commission could enter into agreement with HCD and distribute these funds concurrently with the County Fund for Housing.

Committee members did not have comment on this plan.

### **Public Comment**

No public comment was submitted for Item #6.

Linda Garcia moved to recommend the PLHA plan for approval. Betzy Chavez seconded the motion

Ayes: Oscar Chavez, Betzy Chavez, Michael Regan, Willie Lamberson, Linda Garcia, Jessica Vega, Stephanie Hiller

Noes: None

Abstain: Susan Hollingsworth Adams

Absent: None

### **Item #4**

Barbie Robinson, Interim Executive Director, joined the meeting at about 11:25AM and swore in 3<sup>rd</sup> District Member Susan Hollingsworth Adams.

### **7. Update: Proposed Changes to the CD Committee Ordinance and Bylaws**

Felicity Gasser, Equity and Compliance Manager, provided an update for the Committee on the Ordinance change material that staff presented this to the Board on July 7<sup>th</sup>. The changes clarify the purpose of the Committee and memorializes those changes. Nothing should be surprising.



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**Willie Lamberson:** This is all fine and good except that the word “all” is left out of the ordinance and the bylaws. So to my mind it should read to review and make recommendations on all matters to come before the CDC and all matters concerning housing etc. The reason all should be in there is because we don’t know what the future is going to look like. Leaving out “all” restricts us to what is written down here, and I don’t think that we should be restricted.

**Barbie Robinson:** Those issues were raised with the BOS with respect to the scope and intent of responsibility with the CD Committee. You’re speaking to the specific concern in regarding policy for example of the Home Sonoma Leadership Council. Given the fact that a great deal of the work of the CD Committee has been the Housing Authority and Community Development, it was the intent of the Board to delineate those roles as they transition into having the homeless work and other work rest with other bodies or entities that have been established for those purposes.

**Willie Lamberson:** We’ve known that we as the CD Committee became the Housing Authority. What you say is good, but former Director Geoffrey Ross gave us a memorandum and we were given a meeting explaining the different roles. We’ve been operating under that already. I can’t support this change without the word “all.”

**Linda Garcia:** I agree with Willie. There needs to be a representative from this Committee attending Leadership Council meetings, they don’t have to be a voting member, but should be part of the committee of the Leadership Council. We can resolve differences if a member of this committee is a member of that board as well.

**Oscar Chavez:** Has Board already approved this Ordinance?

**Barbie Robinson:** They have approved the ordinance and language, but we haven’t begun the process of first and second readings. We’d do that in August.

**Oscar Chavez:** I think because there has to be a first and second reading, feedback the Committee provides to staff will be provided to the Board based on their initial approval of the Ordinance.

**Tina Rivera:** We will take that feedback to the Board.

**Oscar Chavez:** Recap – the Committee wants to be sure “all” is included in the CD Committee Ordinance in Bylaws.

**Betzy Chavez:** I agree with Willie and Linda. I wonder if these decisions were made a bit prematurely. There has been some transitioning happening recently and I’m not sure it is well known what has happened within our Committee between the leadership of Margaret and Geoffrey. I wonder if we can have a discussion about our role or ask a member of the Board of Directors to attend so they can understand how we operate. I agree with the intent but I think there should be more discussion and the word “all” should not be omitted.

**Stephanie Hiller:** What are the implications of changing this? Whether we keep “all” in or not?

**Felicity Gasser:** We’d have to defer to Director Robinson or Legal Counsel in including that word ‘all’.



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**Oscar Chavez:** It might be a good idea to invite Legal Counsel to our next meeting so that we have someone who can answer those questions.

**Tina Rivera and Felicity Gasser:** Referred to the slide and redlined Ordinance – the wording still includes *all* policy matters and programs of the Housing Authority and that that the word “all” was in the ordinance, but moved further down in the paragraph in question.

**Willie Lamberson:** Thank you. I would also recommend staff go back to the August 15, 2018 meeting of the CD Committee where AED actually explained the different roles of the CD Committee and the Home Sonoma County Leadership Council. We voted on it and accepted it.

**Oscar Chavez:** Sounds like we will have Legal review and clarify the implications of moving forward with this. Thank you for feedback.

### 8. Adjournment

Oscar Chavez adjourned the meeting at 11:52 a.m.

Respectfully Submitted,

Holly Kelley, Equity and Compliance Program Specialist



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

*Members of the Commission*

**Susan Gorin**  
Chair

**Lynda Hopkins**  
Vice Chair

**David Rabbitt**  
**Shirlee Zane**  
**James Gore**

**Barbie Robinson**  
**MPP, JD, CHC**  
Interim Executive Director

MEMORANDUM

Date: August 19, 2020  
To: Community Development Committee & Cities and Towns Advisory Committee  
From: Tina Rivera, Interim Assistant Manager  
Subject: Agenda Item 5: Plan for CDBG-CV and ESG-CV

**CDBG-CV Rental Assistance Program**

At the direction of the Board of Supervisors, the Commission has been working in concert with the County Administrator’s Office to set up a Rental Assistance Program using Coronavirus Relief Fund (CRF). Approximately \$2 million have been allocated for this programmatic use, given the community need for rent relief.

The Commission has been in close contact with community non-profits that have extensive relationships and trust among vulnerable populations, in particular undocumented households. Sonoma County Counsel has issued a legal opinion that a short term rental assistance program using either Coronavirus Relief Fund or Community Development Block grant administered by a non-profit will not be required to request information about immigration status to qualify potential applicants.

In the coming week, a very condensed Request for Proposals timeline will commence so that community based contractors with experience running this kind of emergency assistance program will be able to apply for use of CRF funds for a rental assistance program. It is possible that more than one contractor will be selected, due to the tight timeline to spend the CRF funds – December 31, 2020.

The program will be designed to serve low income tenants, as well as low income landlords, who are negatively impacted by the eviction defense ordinance currently in place. Up to six months of assistance can be provided, and can include back payments of rent and past due utilities, as well as current rental payments or current utility bills. Eligible applicants must demonstrate that they have not been able to pay or have not received rental payments for any period of time starting March 1, 2020, and will need to certify that the reason is related to COVID-19. Additional documentation of need may be required, and staff will conduct further review of the CRF guidance prior to entering into funding agreements with contractors.

After contractors have been selected for the CRF funds and agreements have been executed, the Commission will issue a NOFA for the approximately \$880,000 available in CDBG funds for a similarly structured program. The CDBG funds are not subject to the same expenditure



deadline, and therefore can be used starting in January 2021, so that the resources are available in the New Year.

### **ESG-CV Homelessness Assistance**

The County of Sonoma and the Continuum of Care have access to approximately \$8.3 million in ESG funds designated for COVID-19 disaster relief from both HUD and HCD. HUD funds are awarded to the County of Sonoma, whereas the funds that flow from HUD to HCD are allocated to Home Sonoma County, which makes the final funding decisions. The Commission administers all ESG funds on behalf of both the County and Home Sonoma County. Staff has completed an analysis of need and homeless service provider capacity and is proposing the following set of uses of these one-time funds:

1. **Rapid Rehousing** – A Rapid Rehousing has been recognized as a best practice by HUD to stabilize households and create a path to permanent housing. In an effort to centralize and streamline assistance, the Housing Authority will qualify households and provide Housing Navigation. Homeless services provider partners will receive referrals, and provide ongoing case management and make payments to landlords. It is estimated that approximately 85 households can be served at a cost of \$39,880 per household. Estimated total cost is \$3.4 million.
2. **Emergency Shelter Augmentation** – Because emergency shelters across the system of care had to reduce bed space and put in place added health and safety infrastructure due to COVID-19, shelter costs are more than anticipated. To ensure shelters have sufficient operating budgets, staff recommends that shelters be funded at the same level as in 2019-2020, rather than subject to the 30% cuts that were made across all homeless system of care programs. The amount to provide this augmented operating support for two years is \$1,185,592.
3. **Non-congregate Shelter Operations (The Astro, Dry Creek Inn, and Alliance Redwoods)** – The Department of Health Services and the Community Development Commission have secured The Astro Hotel, Dry Creek Inn, and space at Alliance Redwoods to provide emergency non-congregate shelter accommodation for homeless households who are in high-risk categories related to COVID-19. The Non-congregate shelters also provide space for households to isolate or quarantine in the case of COVID-19 exposure. The estimated cost of hotel leasing for two years of hotel leasing and operating expenses is approximately \$13.2 million. These funds will provide approximately \$539,000 toward that expense.
4. **Non-congregate Shelter Operations (Los Guillicos)** – Los Guillicos has been serving as an important addition to the shelter system, providing critical non-congregate shelter accommodations for homeless households. Los Guillicos is scheduled to remain open through October 2020. ESG-CV funds will provide the remaining funds for this emergency shelter to operate. Estimated cost is \$800,000.
5. **Street Outreach** – In order to ensure maximum coordination and outreach capacity the Interdepartmental Multi-disciplinary Team (IMDT) will augment operation of a countywide coordinated street outreach program. Estimated cost is \$700,000.

- 6. Commission Staffing** – To ensure compliance with this large influx of federal funds, staff recommends the creation of four full time, term limited positions. Two would provide contract administration support (contract preparation, program monitoring, reporting, reviewing of invoices and submitting reimbursement requests). One would provide full time HMIS support and one would provide Housing Navigation support for the Rapid Rehousing Program. Estimated cost for these four positions over two years is \$1,040,000.

The staff recommendation is scheduled to go before the Home Sonoma County Leadership Council on August 27<sup>th</sup> for approval of the uses of ESG-CV awarded by HCD to HOME Sonoma County, and for a recommendation to bring the ESG-CV awarded by HUD to the Board of Supervisors for approval of an Action Plan Amendment and to the Board of Commissioners to request authority to enter into services agreements in mid-September.

Staff requests committee feedback and a recommendation from CTAC and CD Committee to bring this staff recommendation for use of ESG-CV allocated by HUD to the board for approval in mid-September following recommendation of the Home Sonoma County Leadership Council.

Attached is an estimated budget.

Program	Funding Source	Deadline to spend	Amount - Year 1	Amount - Year 2	Total	Number Served	Average Amount per client	Uses
Rapid Rehousing					0			
	State ESG-DR	Feb-21	\$ 157,502		\$110,583	4	\$28,000	Direct Assistance
					\$37,124		\$9,400	Case Management
					\$9,794		\$2,480	Housing Navigation
					<b>\$157,502</b>		<b>\$39,880</b>	<b>Total</b>
					0			
	State ESG-CV	Approx 9/1/2022	749,000.00		525,877.63	19	\$28,000	Direct Assistance
					176,544.63		\$9,400	Case Management
					\$46,578		\$2,480	Housing Navigation
					<b>\$749,000</b>		<b>\$39,880</b>	<b>Total</b>
	Subtotal				\$0			
	Federal ESG-CV R1	Approx 9/1/2022	\$507,600		\$356,389	13	\$28,000	Direct Assistance
					\$119,645		\$9,400	Case Management
					\$31,566		\$2,480	Housing Navigation
					<b>\$507,600</b>		<b>\$39,880</b>	<b>Total</b>
	Federal ESG-CV R2				\$1,400,000	50	\$28,000	Direct Assistance
					\$470,000		\$9,400	Case Management
					\$124,000		\$2,480	Housing Navigation
					<b>\$1,994,000</b>		<b>\$39,880</b>	<b>Total</b>
Emergency Shelter Augmentation								
	Federal ESG-CV R2			\$344,745	\$344,745			COTS Mary Isaak
	Federal ESG-CV R2		\$22,847	\$75,000	\$97,847			CAPSC Sloan House
	Federal ESG-CV R2			\$543,000	\$543,000			Catholic Charities Sam Jones
	Federal ESG-CV R2			\$200,000	\$200,000			Catholic Charities Family Support Center
					<b>\$1,185,592</b>			<b>Total</b>
Non-Congregate Shelter								
	State ESG-DR	2/1/2021	\$226,015		\$226,015			Los Guilicos
	Federal ESG-CV R2	Approx 9/1/2022	\$573,985.20		\$573,985			Los Guilicos
	Federal ESG-CV R2	Approx 9/1/2022			\$208,500			The Astro Hotel
	Federal ESG-CV R3	Approx 9/1/2022			\$208,500			Alliance Redwoods
					\$122,810			Dry Creek Inn
					<b>\$1,339,810</b>			<b>Total</b>
HMIS Support	Federal ESG-CV R2		\$115,000	\$115,000	<b>\$230,000</b>			HMIS Support
Street Outreach	Federal ESG-CV R2			<b>\$1,189,622</b>	<b>\$1,189,622</b>			IMDT Funding
Program Administration								
	ESG-CV (Admin)		\$150,000	\$150,000	\$300,000			NEW POSITION ECT, Senior CDS - 2 year limited term (program compliance and monitoring)

	ESG-CV (Admin)		\$105,000	\$105,000	\$210,000			NEW POSITION ECT, CDS 1 - 2 year limited term (Contract Management Support)
	ESG-CV (Admin)		\$50,000	\$50,000	\$100,000			Consultant (set up program design, advise on program guiding documents)
			\$79,065	\$79,065	\$158,130			Other Admin (legal, subscriptions, training, materials, meeting costs, computers, software)
	<b>Total</b>		<b>\$384,065</b>	<b>\$384,065</b>	<b>\$768,130</b>			
	<b>(Already budgeted above)</b>							
	ESG-CV R2 (Program)	Approx 9/1/2022	\$105,000	\$105,000	\$210,000			NEW POSITION ECT, CDS 1 - 2 year limited term (HMIS support)
	ESG-CV R2 (Program)		\$150,000	\$150,000	\$300,000			NEW POSITION LH - Leased Housing Negotiator - 2 year time limited
	<b>Total</b>		<b>\$255,000</b>	<b>\$255,000</b>	<b>\$510,000</b>			

**CDBG-CV - other potential uses**  
Contact Tracing Hiring  
Legal Aid  
Small Business Assistance  
Day Care Stipends



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

*Members of the  
Commission*

**Susan Gorin**  
Chair

**Lynda Hopkins**  
Vice Chair

**David Rabbitt**  
**Shirlee Zane**  
**James Gore**

**Barbie Robinson**  
**MPP, JD, CHC**  
Interim Executive  
Director

MEMORANDUM

Date: August 19, 2020

To: Community Development Committee & Cities and Towns Advisory Committee

From: Holly Kelley, Equity and Compliance Program Specialist

Subject: Agenda Item 6: Discuss FY 2021-2022 Federal Funding Policy Changes

---

The Community Development Commission is preparing policies to govern the FY 2021-2022 Funding Cycle for Housing and Neighborhood Investments CDBG and HOME funds. As the Commission also anticipates receiving and awarding CDBG-DR multi-family housing program the FY 21-22 funding policies will need to account for requirements attached to this additional funding source.

The following is a non-exhaustive list of policy priorities that have been approved by the Committees in the past:

- Preference for projects that create or preserve affordable housing
- Preference for infrastructure or public facilities that support creation or preservation of affordable housing
- Preference for infrastructure or public facilities that support low or moderate-income populations
- Preference for projects that demonstrate that the proposed project can spend grant funding within the applicable timeliness provisions.
- Preference for projects that demonstrate need with evidence.
- For Non-Housing Projects: preference for projects that leverage public funds to the greatest extent possible or projects that meet a particular community need that cannot be met by other funding sources.
- Preference for projects that prevent displacement in high opportunity areas.
- Preference for housing projects with deep income targeting and special needs populations.
- Preference for projects that alleviate the impact of climate change on low-income populations. Examples include:
  - infill development
  - infrastructure to reduce environmental impacts in LMA communities including:
    - bike lanes
    - walkable paths
    - electric vehicle charging infrastructure
    - ride share hailing locations
    - recycled water irrigation infrastructure



- new energy-efficient housing construction
- Considers mobility needs of low-income people, looking at a variety of factors, including:
  - Improved linkages to public transportation (e.g., adds transit stops
  - Provides car-share options
  - Supports people who work non-traditional hours
  - Supports people with limited mobility who can't walk far or ride bikes
  - Provides neighborhood safety that promotes walking and biking (e.g., lighting, parks)
- Projects that are aligned with local jurisdiction's General Plan Climate Change Element & Equity Element
- For Housing Projects: preference for:
  - Projects that demonstrate funds will be leveraged against total development costs at least 7:1
  - Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting
  - Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years
  - Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc."
- Balance projects with fast results with funding predevelopment for projects that need early money to be successful
- Balance creation of new housing stock with maintaining existing housing stock and keeping people in their homes.
- Make investments in low- and moderate-income areas that haven't had investments historically, and in high opportunity areas that increase access for low and moderate-income people.
- Inclusion of a "B" list of projects in the event that an awarded project is delayed or cancelled.
- Description of how Tenant Based Rental Assistance, Housing Rehabilitation, and projects presented by Consortia members will be ranked and awarded. Description of how program income and reprogrammed funds are distributed.
- Staff has some discretion in determining if CDBG or HOME funds are best for a project or if a project would be better suited for non-federal funds. Giving staff discretion will ensure maximum efficiency and effectiveness of limited local, state, and federal funds.

### **Next Steps**

Staff will incorporate policy changes needed to comply with the requirements of California Department of Housing and Community Development's CDBG-DR Multi-family Housing Program. Otherwise, staff does not have proposed changes to the regular 21-22 polices, but will take committee feedback into consideration and prepare a draft for adoption by both committees at subsequent separate meetings in October.



**SONOMA COUNTY**  
**COMMUNITY DEVELOPMENT COMMISSION**

**FY 2020-2021**  
**CDBG & HOME**  
**Funding Policies**

*for*

*Affordable Housing*

*Non-Housing Capital Projects*

*and*

*Fair Housing and Housing Justice Program*

Approved by the Cities and Towns Advisory Committee on October 16, 2019

Approved by the Community Development Committee on November 20, 2019



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## Exhibit 4: Funding Policies

## **1. OVERVIEW**

The County of Sonoma, as well as the seven municipalities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and Windsor, through a Joint Powers Agreement, comprise the Urban County, an entity recognized by the U.S. Department of Housing and Urban Development (HUD) as an entitlement jurisdiction eligible for formula grant funding under the CDBG, HOME, and other HUD programs. The cities of Santa Rosa and Petaluma, although located within the boundaries of Sonoma County, each qualify as separate entitlement jurisdictions and administer their respective HUD funding allocations. The references made in this document to “County” refer to the eight-jurisdiction Urban County.

This document, the FY 2020-2021 CDBG & HOME for Capital Projects Funding Policies, provides the policy framework to guide the allocation and administration of CDBG and HOME funds, consistent with federal rules, statutes, and regulations, as well as local priorities.

The Sonoma County Community Development Commission (Commission) is the designated local administrative body for each of the federal funding programs.

### **1.1. HUD Funding Programs**

#### **1.1.1. Community Development Block Grant Program (CDBG)**

The CDBG Program, as created by the federal Housing and Community Development Acts of 1974, as amended, has as its primary objective the development of viable communities through the provision of decent housing, a suitable living environment, and the expansion of economic opportunities, primarily for low- and moderate-income persons. At least 70 percent of Sonoma County’s CDBG funds must be used for activities that benefit low- and moderate-income persons (i.e., persons earning less than 80 percent of the area median income). Any programs or projects allocated CDBG funding must meet one of the following National Objectives:

- Benefit low- and moderate-income persons
- Prevent or eliminate slums and blight
- Meet an urgent need

1.1.2. Within the CDBG program, up to 15 percent of funds can be obligated for public service activities. In recent years, the Commission has used its public services set aside for a combination of homeless services and fair housing services. In FY 2020-2021, given the large investment from the State of California in ending homelessness, and the recognition by the Commission of the need to build a robust Fair Housing and Housing Justice Program, the Commission will use 100% of the CDBG Public Services Set-aside to fund its Fair Housing and Housing Justice Program. Clients served by this program are often prevented from becoming homeless because of legal interventions made. Because households who are served do not touch the HOME Sonoma County homeless system of care, decisions about awarding these funds are made by the Board of Supervisors, with recommendations from the Cities and Towns Advisory Committee and Community Development Committee, as Fair Housing and Housing Justice Programs are within their purview. HOME Investment Partnership Program (HOME)

The Cranston-Gonzalez National Affordable Housing Act created the HOME Program in 1990. The HOME Program provides funding to local jurisdictions to increase the stock of housing affordable to very low- and low-income households. In 1991, HUD designated Sonoma County a Participating Jurisdiction under the HOME Program.

## **1.2. -Consolidated Plan**

The Consolidated Plan is a five-year plan required by HUD in order for Sonoma County to receive federal housing and community development funds under the CDBG, HOME, and the ESG programs. Federal ESG funds are awarded through a process governed by HOME Sonoma County, the governance structure for Sonoma County's homeless system of care. The Consolidated Plan, including the goals and specific objectives for the five years, also includes the County's One-Year Action Plans for the use of CDBG, HOME, and local ESG funds during each fiscal year.

The goals and objectives are developed through a citizen participation process conducted concurrently with the first Action Plan's CDBG, HOME, and ESG funding approval process of each Consolidated Plan. The new Consolidated Plan will cover the period from July 1, 2020 to June 30, 2025.

The Consolidated Plan serves the following four functions:

1. A planning document for Sonoma County, which builds on a participatory process.
2. A strategy to be followed in carrying out HUD programs
3. An action plan that provides a basis for assessing performance
4. A required element of the annual application for federal funds under HUD's CDBG, HOME, and ESG programs

The Sonoma County Consolidated Plan encompasses activities undertaken by the Urban County. The cities of Santa Rosa and Petaluma each establish an individual Consolidated Plan for their sole jurisdiction.

## **Exhibit 4: Funding Policies**

## **2. FUNDING GOALS AND OBJECTIVES**

These FY 2020–2021 Funding Policies are based on the goals and objectives that will be identified in the Sonoma County 2020 Consolidated Plan. The Consolidated Plan will organize community priorities for the use of HUD funds by the Urban County. These funding priorities have not yet been set for the FY 2020-2021 Consolidated Plan and will be informed by the completion of a 2019 Countywide Assessment of Fair Housing, to be completed in February 2020, and through a community engagement process to be undertaken in February, March and April 2020. .

The 2020 Consolidated Plan goals will align with the Strategic Priorities set by the Sonoma County Board of Supervisors on April 4, 2017, particularly “Securing our Safety Net” and “Housing for All.” Sonoma County also adopted a Recovery and Resiliency Framework in December 2018 that sets a vision for community recovery following the October 2017 fires. The Community Development Commission assisted in the development of this framework. It includes 5 strategy areas, three of which are closely aligned with and build upon the Consolidated Plan goals: Housing, Economy, and Safety Net Services. These multi-year priorities drive the Commission’s work plans and will dovetail with the Consolidated Plan goals and objectives and the selection criteria for funding projects.

To begin preparing for the 2020-2021 Consolidated Plan, at a public hearing/meeting on March 20, 2019, related to the FY 2019-2020 Action Plan, the Cities and Towns Advisory Committee, and the Community Development Committee identified the following draft Selection Criteria for projects. These criteria were further refined during the September 18, 2019, Public Hearing at which the Committees gave direction to incorporate these criteria into the FY 2020-2021 Funding Policies. These criteria will be vetted and refined through a community engagement process currently underway and continuing through Spring 2020 to become a set of goals and objectives for the 5 Year Consolidated Plan.

### **1. The following Selection Criteria will continue to be used to rank projects:**

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

### **2. The following Selection Criteria will be added to those currently used to rank projects, based on last year’s feedback from the committees:**

- Preference for projects that prevent displacement in high opportunity areas.
- Preference for housing projects with deep income targeting and special needs populations.
- Preference for projects that alleviate the impact of climate change on low-income populations. Examples include:
  - infill development

## **Exhibit 4: Funding Policies**

- infrastructure to reduce environmental impacts in LMA communities including:
  - new energy-efficient housing construction
  - Considers mobility needs of low-income people, looking at a variety of factors, including:
    - Projects that are aligned with local jurisdiction’s General Plan Climate Change Element & Equity Element
- **For Housing Projects: preference for:**
  - Projects that demonstrate funds will be leveraged against total development costs at least 7:1
  - Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting
  - Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years
  - Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

**3. The policies will reflect committees’ direction that awards be made with holistic attention to the following distribution of investments:**

- Balance projects with fast results with funding predevelopment for projects that need early money to be successful
- Balance creation of new housing stock with maintaining existing housing stock and keeping people in their homes.
- Make investments in low- and moderate-income areas that haven’t had investments historically and in high opportunity areas that increase access for low and moderate-income people.

**3. FUNDING ALLOCATIONS**

**3.1. CDBG Allocation**

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

<i><b>Community Development Block Grant (CDBG) Allocation Categories</b></i>	<i><b>Percentage of Funding</b></i>	<i><b>Notes</b></i>
<b>County-Sponsored Projects, Countywide/Unincorporated Area Projects, City/Town Projects</b>	65%	These funds will be allocated in a competitive process to fund projects located in the Urban County sponsored by CDBG eligible recipients (all municipalities within the Urban County) and subrecipients (all other eligible applicants). Eligible projects are described in Appendix A.

**Exhibit 4: Funding Policies**



<b>Public Services Projects</b>	15%	Percentage limited by CDBG federal regulations. Given the federal mandate to Affirmatively Further Fair Housing, and the recommendation in the 2011 Analysis of Impediments to Fair Housing to strengthen the capacity of a local fair housing organization to reduce discriminatory activities, the Commission will spend its public services set-aside on a Fair Housing and Housing Justice Program.
<b>Program Administration</b>	20%	Percentage limited by CDBG federal regulations.

### 3.2. CDBG Program Income and Reprogrammed Funds Allocation

CDBG Program Income and Reprogrammed Funds shall be allocated per the table below. Unless otherwise indicated, the percentage of funding in each category is set by the Board of Supervisors, not by federal regulation.

<b><i>Community Development Block Grant (CDBG) Allocation Categories</i></b>	<b><i>Percentage of Program Income</i></b>	<b><i>Notes</i></b>
<b>Community Development Commission Housing Rehabilitation Program and Homebuyer Assistance</b>	65%	<p>Program income derived from all CDBG-funded projects will be allocated as follows: Sixty-five percent (65%) will be expended pursuant to priorities set in the annual Action Plan. Use of program income may be subject to an Action Plan Amendment.</p> <p>Reprogrammed funds from all projects other than public services will be expended pursuant to priorities set in the annual Action Plan. Use of reprogrammed funds may be subject to an Action Plan amendment.</p> <p>If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Supervisors approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.</p>
<b>Public Services</b>	15%	<p>Fifteen percent (15%) of program income derived from all CDBG-funded projects will be used for Public Services, as allowed under CDBG regulations. Use of the 15% set-aside of program income will be expended pursuant to priorities set in the annual Action Plan and may be subject to an Action Plan amendment.</p> <p>Reprogrammed funds derived from Public Services will be expended on Public Services pursuant to priorities set in the annual Action Plan and may be subject to an Action Plan amendment. If the amendment to the Action</p>

## Exhibit 4: Funding Policies

		Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Supervisors approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.
<b>Program Administration</b>	Up to 20%	Percentage limited by CDBG federal regulations. Commission will use up to twenty percent of CDBG program income for program administration and operation of the CDBG program.

### 3.3. HOME Allocation

New annual allocations of HOME funds shall be allocated per the table below. Unless otherwise indicated, the percentage of funding in each category is set by the Board of Supervisors, not by federal regulation.

<b>HOME Investment Partnership Program Categories</b>	<b>Percentage of Funding</b>	<b>Notes</b>
<b>Tenant-Based Rental Assistance, Development, and Preservation of Rental Housing</b>	Up to 90%	These funds will be allocated in a competitive process to fund projects or programs located in any of the eight Urban County jurisdictions. Eligible projects and programs are described in Appendix A.
<b>Community Housing Development Organizations operational support</b>	Up to 5%	Percentage limited by HOME federal regulations.
<b>Community Housing Development Organization development or preservation of affordable housing set-aside</b>	At least 15%	Minimum required by HOME federal regulations. Per federal regulation, if this funding category is undersubscribed, any unallocated funds will roll over for allocation in the next fiscal year. Eligible projects are described elsewhere in these policies.
<b>Program Administration</b>	10%	Percentage limited by HOME federal regulations.

### 3.4. HOME Program Income and Reprogrammed Funds Allocation

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

<b>HOME Program Income and Reprogrammed Fund Categories</b>	<b>Percentage of Program Income</b>	<b>Notes</b>
<b>Executive Director's discretion</b>	90%	At the Executive Director's discretion, funds will be reallocated to the Sonoma County Housing Authority's Tenant-Based Rental Assistance Program, reallocated through an Action Plan Amendment, or rolled forward to the next fiscal year allocation. If the amendment to the Action Plan is substantial, as defined in the

## Exhibit 4: Funding Policies

		Commission's Citizen Participation Plan, it is subject to Board of Supervisors approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.
<b>CHDO Projects</b>	CHDO reprogrammed funds	At the Executive Director's discretion, funds will be reallocated through an Action Plan Amendment or rolled forward to the next fiscal year allocation. CHDO Set-Aside funds may only be reprogrammed to eligible CHDO projects.  If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Supervisors approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.
<b>Program Administration</b>	10%	Percentage limited by HOME federal regulations. Commission will use ten percent of program income for program administration and operation of the HOME program.

#### **4. ELIGIBLE APPLICANTS**

Individual persons are not eligible to apply for CDBG or HOME funds; however, individuals may apply for assistance from programs assisted with these funds such as housing rehabilitation, first-time homebuyer, or tenant-based rental assistance programs. [See 24 CFR 570.207(b)(4)]

##### **4.1. CDBG**

Eligible applicants for CDBG funding are specified by federal regulations. The type of eligible applicant varies by activity type. Generally, eligible applicants are governmental agencies, private non-profit organizations, and Community Based Development Organizations (CBDOs; see 24 CFR 570.204).

##### **4.2. HOME**

Only non-profit and qualifying for-profit organizations and public agencies or local government entities may apply for HOME funding. [See 24 CFR 92.504(c)(3).]

#### **5. ELIGIBLE ACTIVITIES**

Eligible activities are described in Appendix A.

## **Exhibit 4: Funding Policies**

## **6. TYPES OF ASSISTANCE**

### **6.1. Form of Assistance – Rental Housing and Public Facility Projects**

All financial assistance will be in the form of loans secured by real property except for non-housing projects (i.e. public facility projects) sponsored and owned by units of local government where the assistance will be in the form of a grant. Generally, all loans will be three percent (3%) simple interest, with payments deferred for the term of the loans. See Sonoma County Community Development Commission Loan Policies for additional information regarding interest rates and other loan parameters. Upon completion of the project, Commission loans must be fully secured by the post-completion value of the property. The term of the loan will be the longer of thirty (30) years or the longest term of any project financing source.

### **6.2. Form of Assistance – Ownership Housing Projects**

The interest rate and security requirements for homeownership projects will be the same as those for rental housing developments, as detailed above. The Commission loan to the developer will be for a maximum five-year term and will convert to deferred-payment, subordinate loans to income-eligible buyers at the time of first sale of each unit in the ownership project. The total amount of these loans will be sufficient to recapture the initial amount of Commission loan, plus any interest accrued on the Commission loan as of the date of conversion.

### **6.3. Funding Agreements, Subrecipient Agreements, Loan Documents and Close of Escrow**

The Commission will execute a Funding Agreement, Subrecipient Agreement or Developer Agreement with each recipient, subrecipient, or developer receiving financial assistance. For financial assistance provided in the form of loans, the Commission will additionally execute a Promissory Note and record a Deed of Trust with a Rider in evidence of the Commission loan commitment and obligations.

### **6.4. Alternate Loan Terms**

The Commission will consider alternate loan terms that the applicant may request for coordination with other sources of project financing. On a case-by-case basis, the Commission staff may approve requests to assign the Subrecipient or Developer Agreement and/or Commission loan to a partnership or other assignee in compliance with HUD regulations.

## **7. FUNDING CONDITIONS AND PROGRAM REQUIREMENTS**

### **7.1. Timeliness**

All projects shall proceed in a timely manner, as detailed below. Extensions may be granted for good cause at the discretion of the Executive Director and must be consistent with the funding source regulations.

## **Exhibit 4: Funding Policies**

### 7.1.1. CDBG

#### 7.1.1.1. Fair Housing and Housing Justice Program (CDBG)

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

#### 7.1.1.2. Public Facilities and Public Improvements (CDBG)

The applicant must satisfy all conditions of approval that are set forth in these Funding Policies as a prerequisite to the CDC offering the Subrecipient Agreement for execution within 12 months of the start of the fiscal year associated with the award. Funds for all Public Facilities and Public Improvement projects, including predevelopment costs, hard and soft costs of construction, renovation or reconstruction (but excluding site acquisition costs, which are governed by 7.1.2 above), must be expended within 18 months of the date on which the Subrecipient Agreement is offered for execution. Funds that are unexpended after this deadline will be reprogrammed.

#### 7.1.1.3. Site Acquisition (CDBG)

The applicant must satisfy all conditions of approval that are set forth in the Commission Loan Policies as a prerequisite to the CDC offering the Subrecipient or Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. Site Acquisition funds must be spent within 18 months of the date on which the Subrecipient Agreement is offered for execution. . If the site acquisition is not complete within 18 months of the date on which the Subrecipient Agreement is offered for execution, the funds will be reprogrammed.

#### 7.1.1.4. Affordable Housing Development - CDBG

The applicant must satisfy all conditions of approval that are set forth in the Commission Loan Policies as prerequisite to the CDC offering the Subrecipient or Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. Disbursement of funds for all affordable housing projects, including predevelopment costs, hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects (but excluding Site Acquisition, which are governed by 7.1.1.3 above) must be initiated within 18 months of the date on which the Subrecipient or Developer Agreement is offered for execution. All funds must be disbursed within 24 months after the date on which the Subrecipient or Developer Agreement is offered for execution. Funds that are unexpended after this deadline will be reprogrammed.

### 7.1.2. HOME

#### 7.1.2.1. Affordable Housing Development (HOME)

The applicant must satisfy all conditions of approval that are set forth in the Commission Loan Policies as prerequisite to the CDC offering the Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. Disbursement of funds for all affordable housing projects, including predevelopment costs, hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects must be

## **Exhibit 4: Funding Policies**

initiated within 24 months of the date on which the Developer Agreement is offered for execution. All funds must be disbursed within 36 months of the date on which the Developer Agreement is offered for execution. Funds that are unexpended after this deadline will be reprogrammed. Affordable housing projects must be completed within four years of the date on which the Developer Agreement is offered for execution. Project completion will be documented by the submission of temporary certificates of occupancy for all HOME-funded units. HOME-assisted rental units must be occupied by income-eligible households within 12 months of project completion. A HOME-assisted homebuyer unit must have a ratified sales contract within six months of construction completion.

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

The community housing development organization (CHDO) must satisfy all conditions of approval that are set forth in the Commission Loan Policies as prerequisite to the CDC offering the Subrecipient or Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. The participating jurisdiction must enter into a legally binding agreement with the CHDO for a specific project within 24 months of the start of the fiscal year associated with the award. Disbursement of funds for all CHDO projects, including predevelopment costs, hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects must be initiated within 24 months of the date on which the Developer Agreement is offered for execution. All funds must be disbursed within 36 months of the date on which the Developer Agreement is offered for execution. CHDO projects must be completed within four years of the date on which the HOME Funding Agreement is offered for execution. Project completion will be documented by the submission of temporary certificates of occupancy for all HOME-funded units. HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion. A HOME-assisted homebuyer unit must have a ratified sales contract within nine months of construction completion.

#### 7.1.3. Tenant-Based Rental Assistance (HOME)

Funds for tenant-based rental assistance programs must be committed to specific households within 12 months of, and expended within 36 months of, the start of the fiscal year associated with the award. Funds that are unexpended after this deadline will be reprogrammed.

### 7.2. **Site Control**

In order to demonstrate project readiness and facilitate compliance with the CDBG stress test [24 CFR 570.902(a)] and the HOME timeliness provisions [92.205(e)(2)], capital project applications must demonstrate site control at the time funding is made available to the County by HUD (generally August of the new fiscal year). An executed long-term lease, signed option or purchase agreement or equivalent, legally enforceable instrument may satisfy this requirement. If site control is not in force at the time HUD makes the funding available to the County, the funding approval will be rescinded and the funds will be reprogrammed.

## Exhibit 4: Funding Policies

### **7.3. Environmental Review**

All CDBG- and HOME-funded projects must comply with federal environmental regulations. [24 CFR part 58 National Environmental Policy Act of 1969 (NEPA) and 24 CFR 570.604 (CDBG) and 24 CFR 92.352 (HOME)]

Funding agreements may not be offered for execution until the required environmental conditions have been met.

#### **7.3.1. Certifying Officer, Roles, and Responsibilities**

The Commission's Executive Director is designated by the Board of Supervisors as the Certifying Officer for all National Environmental Policy Act (NEPA) environmental review of CDBG- and HOME-funded projects. Therefore, the Commission will determine and complete, or cause to be completed, the appropriate level of NEPA environmental review, the cost of which shall be the responsibility of the awardee, and may be paid from the awarded grant or loan funds. The awardee must provide all requested information pertinent to completing the environmental review in a timely manner. Failure to do so will result in the reprogramming of the allocated funds to another project.

The applicant must provide the Commission with documentation verifying the satisfaction of any required environmental impact mitigation measures. [See 24 CFR part 58 Subpart B Section 58.13]

#### **7.3.2. CEQA Compliance**

If applicable, all projects must receive local environmental clearance in accordance with the requirements of the California Environmental Quality Act (CEQA). The applicant will submit the CEQA status from the project's applicable Lead Agency with the grant funding application. The applicant must submit a copy of the CEQA clearance to the Commission prior to a funding commitment being made. [See Cal. Code Regs. Tit. 14. Section 15000 et seq.;]

### **7.4. Section 3**

All CDBG and HOME funded projects must comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, and with the implementing regulations set forth in 24 CFR Part 135. Any funded entity shall comply with these Section 3 requirements and with the Section 3 Affirmative Action Plan of the Community Development Commission at the time that the funding agreement is executed.

### **7.5. Federal Labor Standards**

Federal Labor Standards requirements include the Davis-Bacon Act, Copeland "Anti-Kickback Act," and Contract Work Hours and Safety Standards Act, usually these requirements are referred to as "Davis-Bacon and Related Acts" or DBRA.

CDBG-funded construction or rehabilitation of properties with eight (8) or more total residential units trigger DBRA. [See 24 CFR part 570.603]

## **Exhibit 4: Funding Policies**

Any eligible use of HOME funds – including land acquisition, in which there are twelve (12) or more HOME-assisted units in the same project trigger DBRA. [See 24 CFR part 92.354 & HUD Handbook 1344.1]

#### **7.6. Reasonable Cost of Real Estate Acquisition**

For CDBG- and HOME-funded acquisition projects, the Commission must determine that the cost of the property is reasonable.

A property appraisal carried out by a licensed real estate appraiser, or other evidence of valuation acceptable to the Commission, must be provided to the Commission prior to the Commission offering a funding agreement for execution. Funds for direct site acquisition will not be provided if the purchase price exceeds the documented “reasonable cost” of the real property.

As defined in CFR 200.404 “A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.”

Funds for related transaction costs (e.g., title, soils tests, Phase I reports, etc.) may be allowed above the reasonable cost.

#### **7.7. Land Use Approvals**

In order to demonstrate project readiness and facilitate compliance with the CDBG stress test [24 CFR 570.902(a)] and the HOME timeliness provisions [92.205(e)(2)], all CDBG- and HOME-funded projects that require land use approvals must be consistent with the General Plan of the jurisdiction in which they are located. A certification of the project’s consistency with the applicable General Plan, signed by an authorized representative of the jurisdiction, must be submitted with the project application. If a project does not have land use approvals, under certain circumstances funding can be provided for predevelopment expenses only as long as other threshold criteria are met.

#### **7.8. Compliance with Disabled Access Requirements**

All CDBG- and HOME-funded projects must be able to comply with the Architectural Barriers Act of 1968 (PL 90-480) and with 24 CFR Part 8 entitled “Nondiscrimination Based on Handicapped Status in Federally Assisted Programs and HUD Activities.”

24 CFR Part 8 states that no qualified individual with disabilities shall, solely on the basis of disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance from the Department of Housing and Urban Development.

Disabled access must be provided to the greatest extent feasible in non-housing as well as housing facilities. Proposed projects that do not provide access for the disabled may not be considered for funding. In addition, all local and State disability access guidelines must be followed.

## **Exhibit 4: Funding Policies**



## **7.9. Building Standards**

All capital projects (housing and non-housing) must be constructed and maintained in compliance with all applicable federal, State, and local codes, standards, and ordinances.

For HOME owner-occupied housing rehabilitation, unit must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. HOME funds may not be used for emergency or small home repairs. [See 24 CFR 92.251]

## **7.10. Relocation and One-for-One Replacement**

All CDBG- and HOME-funded projects must follow the relocation and one-for-one replacement procedures outlined in 24 CFR 570.606 (CDBG) and 24 CFR 92.353 (HOME) and in HUD's Uniform Relocation and Real Property Acquisition Act.

Projects requiring permanent displacement of families, individuals, and/or businesses must also comply with the Sonoma County Residential Anti-Displacement and Relocation Assistance Plan, found on the web, here:

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

## **7.11. Change in Use**

### 7.11.1. Requirements for Urban County Jurisdictions

All properties acquired and/or improved by the County of Sonoma or participating municipalities that comprise the Urban County entitlement jurisdiction memorialized by a Joint Powers Agreement, using CDBG funds must comply with the CDBG regulations at 24 CFR 570.505, which require that the use of the property (including the beneficiaries of such use) cannot be changed from that for which the acquisition or improvement was made unless the jurisdiction in which the project is located provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either: (1) the new use of such property qualifies as a CDBG-eligible activity; or (2) if the jurisdiction determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify for CDBG funding, the jurisdiction reimburses the Sonoma County CDBG Program in the amount of the then current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property. This requirement shall be in effect until five (5) years after the Urban County is no longer participating in the CDBG Program. For County-owned or controlled properties, compliance with this requirement shall be secured through an annual certification.

### 7.11.2. Requirements for All Other Entities

All properties acquired and/or improved by local government entities other than those described in the above paragraph and by non-profit agencies using CDBG funds must comply with the CDBG regulations at 24 CFR 570.503(7)(i) & (ii), which require that the property be used to meet one of the national objectives in 24 CFR 570.208 until five (5) years after expiration of the CDBG Subrecipient Agreement, or for such longer period of time as determined to be appropriate by the Commission; and that if the property is not

## **Exhibit 4: Funding Policies**

used to meet one of the national objectives during this time period, the applicant shall pay to the Sonoma County CDBG Program an amount of the then current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Compliance with this requirement shall be secured by a deed restriction recorded on title to the acquired or improved property.

### **7.12. Demonstrating Benefit to Low- and Moderate-Income Persons**

If a project proposes to meet the National Objective of providing a benefit to low- and moderate-income persons, the project must be able to demonstrate that at least 51 percent of households qualify as low- or moderate-income. [See 24 CFR 570.208]

### **7.13. Affirmatively Furthering Fair Housing**

The Fair Housing Act reflects the federal requirement that HUD “use its grant programs to end discrimination and segregation, to the point where the supply of genuinely open housing increases.” As such, the Affirmatively Furthering Fair Housing rule requires fair housing planning to connect housing and community development policy and investment planning with meaningful actions that achieve material, positive changes in outcomes for protected classes: families with children, people with disabilities, and people of different races, colors and national origins. To be eligible for funding, a project must demonstrate what actions it takes to achieve material, positive changes that advance one of these four goals:

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

### **7.14. Affordability Restrictions for Housing Projects**

The following provisions identify the minimum affordability requirements for new housing development and rehabilitation of existing rental housing developments. Projects that provide greater and/or longer affordability than the minimums shown will receive a higher priority.

#### **7.14.1. Income Limits**

One hundred percent of CDBG and HOME funds will be used to assist units occupied by households with incomes of no more than eighty percent (80%) of the Sonoma County area median income (AMI), adjusted for household size.

At least eighty percent (80%) of the units assisted with HOME funds must initially be occupied by households with incomes of no more than sixty percent (60%) of Sonoma County AMI, adjusted for household size. Subsequently, these units may be occupied by households with incomes of up to eighty percent (80%) of Sonoma County AMI, adjusted for household size.

## **Exhibit 4: Funding Policies**

At least twenty percent (20%) of the units assisted with HOME funds must be occupied by households with incomes of no more than fifty percent (50%) of the Sonoma County AMI, adjusted for household size.

#### 7.14.2. Rent and Purchase Price Limits

Units assisted with CDBG or HOME funds may be sold or rented to income-eligible households at affordable prices and rents, as determined by the Commission in accordance with HUD regulations.

#### 7.14.3. Term of Income and Price Restrictions

Upon completion or acquisition of a housing project, the assisted units must remain affordable for the longer of fifty-five (55) years or the longest affordability term required by other financing in the project. In no case shall the period of affordability be less than the original term of the loan.

### **7.15. Match Requirements**

Per federal regulation, the expenditure of HOME funds will accrue a match obligation equal to twenty five percent (25%) of the amount of the HOME funds expended. The Commission looks to each project receiving HOME funds to generate eligible match funds during the same fiscal year in which the HOME funds are expended. However, the Commission may cite previously reported match funds to satisfy HOME match requirements in subsequent years.

### **7.16. Other Federal Requirements**

In addition to the requirements outlined in this document, all awardees are required to adhere to federal rules, statutes, policies, and regulations associated with the underlying source of federal funds. Primary federal regulatory citations for the two funding sources (CDBG and HOME) are listed below:

1. CDBG: 24 CFR Parts 91 and 570
2. HOME: 24 CFR Parts 91 and 92

### **7.17. HOME Projects Sponsored by a member of the HOME Consortia**

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

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

The Sonoma County Community Development Commission uses HOME funds for Tenant-Based Rental Assistance (TBRA) as a tool to help very low- and extremely low-income

## **Exhibit 4: Funding Policies**

households access permanent housing. Commission staff will make recommendations to the Community Development Committee and Cities and Towns Advisory committee regarding the appropriate amount for funding and the ranking compared to other proposed uses of HOME funds. The Commission will not submit an application for TBRA funds through the NOFA process since it is operated internally by the Commission, but any recommendation by staff will be subject to the same threshold and selection criteria as other applicant projects, and a staff report will be prepared for committee consideration.

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

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

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

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

For FY 2020-2021, the Commission will use 100% of its Public Services Set-aside to fund a Fair Housing and Housing Justice Program. Subrecipients may be selected through a NOFA process, or staff may recommend maintaining the current subrecipients through an extension and/or expansion of the currently funded one-year subrecipient agreements.

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

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

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

## **Exhibit 4: Funding Policies**

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

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

#### 7.20.2. Fair Housing Provider Selection Process (multiple proposals)

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

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

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

The set-aside amount for all Fair Housing-related services shall be 100% of the 15% Public Services Set-aside subject to adequate funding. If the Community Development Committee recommends a change to the set-aside amount for any fiscal year, the following factors will be considered:

- i. Current funding level for CDBG funding.
- ii. Historical funding levels of selected services.
- iii. Expected cost of activities required to take the recommended actions identified in the analysis of impediments to fair housing choice document.
- iv. Consideration of actual or potential funding from other sources.

## 8. **PROJECT SELECTION**

### 8.1. **Application Submission Process**

Details regarding the application requirements and timelines are included in the Notice of Funding Availability (NOFA) released in late-October to mid-November of each year for the fiscal year that begins the following July.

**All applicants should attend a Technical Assistance Session for interested applicants to be held on the date listed on the FY 2020-2021 Funding Timeline. Any applicant who cannot attend the scheduled Session should contact the Commission staff as soon as possible.**

Applicants must submit funding applications to the Commission by 5:00 p.m. on the date listed on the FY 2020-2021 Funding Timeline. Project applications must be complete by the deadline date to be considered eligible for funding. Required application contents differ by allocation category; please refer to the NOFA for specific requirements. Applications that do not include all applicable requested documents or complete answers to all applicable questions will be deemed ineligible for funding.

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

### 8.2. **Selection Process**

Note: See the FY 2019-2020 Funding Timeline for selection process dates.

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

The Sonoma County Community Development Committee (CD Committee) appointed by the Board of Supervisors and the Cities and Towns Advisory Committee comprised of one appointed representative from each of the seven incorporated jurisdictions in the Urban County are responsible for reviewing all applications concurrently.

The CD Committee and Technical Advisory Committee conduct a concurrent annual public workshop to review staff analysis of applications submitted under the competitive funding categories, take testimony from applicants, and to provide feedback to staff that will be integrated into staff recommendations in the Draft Annual Action Plan.

**The committees will not recommend funding for any project unless a representative from the applicant agency is present at the workshop to answer questions about the proposed project.**

#### 8.2.2. Discretion of Commission Staff

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

#### 8.2.3. Community Development Committee and Technical Advisory Committee Public Hearing

The Draft Annual Action Plan will be presented to both committees at a public hearing during the public comment period for the Action Plan. The Draft Action Plan will include a list of projects and programs recommended for funding. The committees will concurrently review the draft and finalize the recommendations to be made to the Board of Supervisors.

**The committees will not recommend funding for any project unless a representative from the applicant agency is present at the hearing to answer questions about the proposed project.**

#### 8.2.4. Tiebreaker Methodology

If the Committees are unable to come to a consensus about which projects should receive funding, a tiebreaker methodology will be used. The tiebreaker methodology will divide funding up based on two factors:

1. The percentage of low and moderate-income persons residing in each member jurisdiction of the Urban County and/or HOME Consortia.
2. Jurisdictions that have two years or more of unallocated CDBG funds will be considered ineligible to receive the proportional allocation of funds because allocating funds to such a jurisdiction may place the Urban County at risk of failing its “timeliness test.” Failing the timeliness test can result in a loss of CDBG funding from the U.S. Department of Housing and Urban Development.

#### 8.2.5. Selection of a “B” list of projects

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

### 8.3. **Action Plan – One-Year Use of Funds**

The Commission will use the CD Committee and TAC recommendations to prepare the “Action Plan: One Year Use of Funds” to be included in the relevant Sonoma County Consolidated Plan. The Consolidated Plan Summary will be published/disseminated in accordance with HUD regulations and the Sonoma County Citizen Participation Plan. Per the Citizen Participation Plan, a review draft of the Consolidated Plan will be made available to the public for thirty days allowed for written comments to be submitted to the Commission. See the FY 2019-2020 Funding Timeline for the publication dates and the end of the comment period.

## Exhibit 4: Funding Policies

#### **8.4. Board of Supervisors and Board of Commissioners Final Approval**

The Commission will submit the CD Committee and TAC recommendations, along with all written comments received during the Action Plan comment period and supplementary Commission staff comments, to the Board of Supervisors / Board of Commissioners for approval. The Board is the final decision-maker for determining CDBG and HOME awards. See the FY 2019-2020 Funding Timeline for the Board's public meeting date.

### **9. THRESHOLD CRITERIA FOR PROJECT EVALUATION**

Applications must meet the following criteria to be eligible for consideration:

1. Is the application complete?
2. Is the proposed project an eligible activity per CDBG or HOME regulations?
3. If applying for CDBG funds, does the proposed project meet a CDBG National Objective?
4. Does the project Affirmatively Further Fair Housing?
5. Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?
6. Does the applicant demonstrate administrative capacity or request the assistance of the Community Development Commission to effectively deliver the proposed project? If the project requests assistance from the Commission, does the Commission make a determination that it can effectively deliver the required assistance to deliver the project while meeting the timeliness provisions in these policies?
7. *For homelessness-related projects only:* Will the project significantly impact HEARTH system-wide performance measures? Will it shorten the length of homeless episodes, decrease returns to homelessness, or increase placements in permanent housing?
8. *For homelessness-related projects only:* Does the project adhere to the principles of Housing First and participate in Coordinated Entry? If a homeless-serving housing project, does it accept referrals from Coordinated Entry?
9. For CDBG, does the project serve Urban County? For HOME affordable housing development, is the project located in a member jurisdiction of the HOME consortium?

### **10. SELECTION CRITERIA**

The following criteria will be used in the evaluation of eligible applications and will influence the Commission's funding recommendations to the CD Committee. Capital Projects must meet all pre-award conditions, as is also the case for housing awards.

#### **10.1. Selection Criteria – All Projects**

##### **10.1.1. Funding Priorities**

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

10.1.1.2. Creation or Preservation of Affordable Housing

## **Exhibit 4: Funding Policies**



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

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

#### 10.1.2. Community Goals

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

10.1.2.1. Projects that prevent displacement in high opportunity areas

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

- infill development,
- infrastructure to reduce environmental impacts in LMA communities including bike lanes,
- walkable paths,
- electric vehicle charging infrastructure,
- ride share hailing locations,
- recycling water irrigation infrastructure,
- new energy-efficient housing construction,
  
- Projects that consider the mobility needs of low-income people, looking at a variety of factors, including:
  - Improved linkages to public transportation
  - Providing car-share options
  - Supports people who work non-traditional hours
  - Supports people with limited mobility who can't walk far or ride bikes
  - Provides neighborhood safety that promotes walking and biking
  
- Projects that are aligned with local jurisdictions General Plan Climate Change Element & Equity Element

#### 10.1.3. Readiness to Proceed

The applicant demonstrates that the proposed project can spend grant funding within the applicable timeliness provisions (See Section 7.1). Requirements will vary by project type but may include demonstration of site control, completion of environmental review, approval of entitlements, etc.

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

## **Exhibit 4: Funding Policies**

#### 10.1.4. Need

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

#### 10.1.5. Adherence to a competitive procurement process

Applicant adheres to a process wherein conversations outside an adopted competitive procurement process with members of either the Community Development Committee or Technical Advisory advocating for funding of applicant project or program will result in recusal of those members from the decision making process or ineligibility of that applicant project

#### 10.1.6. Financial Feasibility

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

#### 10.1.7. Outcomes

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

### **10.2. Selection Criteria – Housing Projects**

#### 10.2.1. Leverage

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

#### 10.2.2. Development Experience

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

#### 10.2.3. Support

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

#### 10.2.4. Income and Population targeting

Housing projects with deep income targeting and special needs populations

### **10.3. Selection Criteria – Non-Housing Projects**

#### 10.3.1. Leverage and Meeting Community Need

Priority will go to projects that leverage public funds to the greatest extent possible or projects that meet a particular community need that cannot be met by other funding sources.

## **Exhibit 4: Funding Policies**

## 11. DEFINITIONS

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

**Community Development Block Grant Program (CDBG):** Created under the Housing and Community Development Act of 1974, this program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents.

**CDBG Recipient:** a state, city, or urban county that receives a direct allocation of CDBG dollars from the U.S. Department of Housing and Urban Development. Through an urban county cooperation agreement, in the form of a Joint Powers Agreement the County of Sonoma, the Town of Windsor, and the cities of Cloverdale, Healdsburg, Rohnert Park, Sebastopol, and Sonoma together constitute a HUD-designated “Urban County.”

**CDBG Subrecipient:** Government agencies, private, or public non-profit organizations, including institutions of higher education and private for-profit entities, designated by the Urban County to undertake selected CDBG activities.

**Community Housing Development Organization (CHDO):** As defined by HUD, A private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience.

**Continuum of Care (CoC):** The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments.

**Emergency Shelter Grant (ESG) Program:** A federal grant program designed to assist homeless persons through five activity types including Street Outreach, Emergency Shelter, Homeless Prevention, Rapid Re-housing, and HMIS.

**Fair Housing Act:** 1968 act (amended in 1974 and 1988) providing the HUD Secretary with fair housing enforcement and investigation responsibilities. A law that prohibits discrimination in all facets of the homebuying process on the basis of race, color, national origin, religion, sex, familial status, or disability.

**Fair Market Value:** The amount of money that would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy.

**HOME (HOME Investment Partnerships Program):** Provides formula grants to states and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people.

**HOME Participating Jurisdiction:** localities, metropolitan cities, urban counties or approved consortia that are eligible to receive an allocation of funds under the HOME

## Exhibit 4: Funding Policies

program. Through an urban county cooperation agreement, in the form of a Joint Powers Agreement the County of Sonoma, the Town of Windsor, and the cities of Cloverdale, Healdsburg, Rohnert Park, Sebastopol, and Sonoma together constitute a participating jurisdiction.

**HOME Subrecipient:** A public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME program.

**HOME Owner, Developer, or Sponsor:** A non-profit or for-profit organization that will own, develop, or sponsor a HOME-assisted project.

**Homeless:** An individual who lacks a fixed, regular, and adequate nighttime residence; as well an individual who has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations, an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

**Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act:** Amended and reauthorized the earlier McKinney-Vento Homeless Assistance Act with substantial changes in 2009. It consolidated HUD's Continuum of Care grant programs and changed HUD's definition of homelessness and chronic homelessness.

**Homeless Prevention:** Activities or programs designed to prevent the incidence of homelessness, including, but not limited to: (1) short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices; (2) security deposits or first month's rent to permit a homeless family to move into its own apartment; (3) mediation programs for landlord-tenant disputes; (4) legal services programs that enable representation of indigent tenants in eviction proceedings; (5) payments to prevent foreclosure on a home; and (6) other innovative programs and activities designed to prevent the incidence of homelessness.

**Household:** All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

**Housing Stock:** The number of existing housing units based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

**HUD:** The federal Department of Housing and Urban Development.

**Income Limit:** Determines the eligibility of applicants for HUD's assisted housing programs.

**Lead-Based Paint:** Paint or other surface coatings that contain lead equal to or exceeding 1.0 milligram per square centimeter or 0.5 percent by weight or 5,000 parts per million (ppm) by weight.

## Exhibit 4: Funding Policies

**Lease:** A written agreement between an owner and a family for the leasing of a decent, safe, and sanitary dwelling unit to the family.

**Low and Moderate Income Housing Asset Fund (LMIHAF):** Sonoma County's Low-and Moderate-Income Housing Asset Fund (assets from County of Sonoma, Cities of Sonoma and Sebastopol Redevelopment Successor Agencies).

**Market Value:** The most probable price that a property should bring in a competitive and open market, provided that all conditions requisite to a fair sale are present, the buyer and seller are knowledgeable and acting prudently, and the price is not affected by any undue stimulus.

**Microenterprise:** A commercial enterprise that has five or fewer employees, one or more of who owns the enterprise.

**Manufactured Home or Mobile Home:** A structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width, or 40 body feet or more in length, or which when erected onsite is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure. This term includes all structures that meet the above requirements except the size requirements and with respect to which the manufacturer voluntarily files a certification pursuant to 24 CFR 3282.13 and complies with the construction and safety standards set forth in this 24 CFR 3280. The term does not include any self-propelled recreational vehicle. Calculations used to determine the number of square feet in a structure will include the total of square feet for each transportable section comprising the completed structure and will be based on the structure's exterior dimensions measured at the largest horizontal projections when erected onsite. These dimensions will include all expandable rooms, cabinets, and other projections containing interior space, but do not include bay windows. Nothing in this definition should be interpreted to mean that a manufactured home necessarily meets the requirements of HUD's Minimum Property Standards (HUD Handbook 4900.1) or that it is automatically eligible for financing under 12 U.S.C. 1709(b). **Racially and Ethnically Concentrated Areas of Poverty:** Census tracts where more than half the population is non-white and 40% or more of the population is in poverty OR where the poverty rate is greater than three times the average poverty rate in the area.

**Special Needs Subpopulations:** Include, but are not limited to: 1) elderly households, 2) persons with physical, mental or developmental disabilities, 3) persons with HIV/AIDS and their families, 4) large families, 5) single-headed households, and 6) farm workers.

**Uniform Relocation Act (URA):** The Uniform Act (or "Uniform Relocation Act"), passed by Congress in 1970, is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

## Exhibit 4: Funding Policies

**12. MORE INFORMATION**

Visit the Commission's website to find more information: <http://www.sonoma-county.org/cdc>

## **APPENDIX A: ELIGIBLE USES OF FUNDS**

### **CDBG Eligible Activities**

<b><i>Consolidated Plan Goal Met</i></b>	<b><i>National Objective Code</i></b>	<b><i>CDBG Eligible Activity</i></b>	<b><i>Eligible Applicants</i></b>
Homelessness	LMC - homeless persons	All uses below as they relate to construction or rehabilitation of facilities to serve homeless households	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Acquisition of Property	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Disposition of property assisted with CDBG	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Rehabilitation	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Solid Waste Disposal Improvements	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Flood Drainage Improvements	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Water/Sewer Improvements	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Street Improvements	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Sidewalks	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Tree Planting	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Homeless Facilities	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Health Facilities	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Shelter for persons with special needs	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Group homes for people with developmental delays	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Battered Spouse Shelters	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Abused or Neglected Children Facilities	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Facilities for AIDS Patients	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Asbestos Removal	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Clearance, Demolition and Remediation	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Cleanup of Contaminated Sites	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Relocation	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Rehabilitation Administration	Governmental Agency or Non-profit

### **Exhibit 4: Funding Policies**

<b>Consolidated Plan Goal Met</b>	<b>National Objective Code</b>	<b>CDBG Eligible Activity</b>	<b>Eligible Applicants</b>
Homelessness	LMC - homeless persons	Nonprofit Capacity Building - provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance.	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Assistance to Higher Education Institutions - any eligible activity can be provided to an institution of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more for the basic eligibility categories under the CDBG program	Governmental Agency or Non-profit
Homelessness	LMC - homeless persons	Operation and Repair of Foreclosed Property	Governmental Agency or Non-profit
Affordable Housing: Increase and preserve the housing stock that is affordable, safe, and accessible for low-, very low-, and extremely-low income families and individuals, including those with special needs and those who are homeless or at imminent risk of homelessness.	LMH	New housing construction - only as "are clearly needed to address a lack of affordable housing accessible to existing or planned jobs"	Community Based Development Organization (CBDO)
Affordable Housing	LMH	Homeownership Assistance - can include subsidizing interest rates, financing acquisition, mortgage insurance premiums, closing costs, down payment assistance	Governmental Agency or Non-profit
Affordable Housing	LMH	Housing Rehabilitation - Single family: repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancements of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly or in combination.	Governmental Agency or Non-profit
Affordable Housing	LMH	Housing Rehabilitation - Multi-family: repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancements of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly or in combination.	Governmental Agency or Non-profit

## Exhibit 4: Funding Policies



<b>Consolidated Plan Goal Met</b>	<b>National Objective Code</b>	<b>CDBG Eligible Activity</b>	<b>Eligible Applicants</b>
Affordable Housing	LMH	Acquisition for Rehabilitation of Housing	Governmental Agency or Non-profit
Affordable Housing	LMH	Housing Rehabilitation Administration - Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities.	Governmental Agency or Non-profit
Affordable Housing	LMH	Lead Based Paint/Hazards Test/Abatement	Governmental Agency or Non-profit
Affordable Housing	LMH	Housing Services - costs in support of activities eligible for funding under the HOME program. This includes services such as housing counseling in connection with TBRA and Affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of TBRA, other services related to assisting owners, tenants, contractors and other entities participating or seeking to participate in the HOME program. Such assistance must also meet HOME income targeting requirements.	Governmental Agency or Non-profit
Affordable Housing	LMH	All Uses below as they relate to construction or rehabilitation of housing affordable to low-income households:	
Affordable Housing	LMH	Acquisition of Real Property	Governmental Agency or Non-profit
Affordable Housing	LMH	Disposition of property assisted with CDBG	Governmental Agency or Non-profit
Affordable Housing	LMH	Solid Waste Disposal Improvements	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Flood Drainage Improvements	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Water/Sewer Improvements	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Street Improvements	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only

## Exhibit 4: Funding Policies

<b>Consolidated Plan Goal Met</b>	<b>National Objective Code</b>	<b>CDBG Eligible Activity</b>	<b>Eligible Applicants</b>
Affordable Housing	LMH	Sidewalks	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Tree Planting	If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only
Affordable Housing	LMH	Clearance, Demolition and Remediation	Governmental Agency or Non-profit
Affordable Housing	LMH	Cleanup of Contaminated Sites	Governmental Agency or Non-profit
Affordable Housing	LMH	Relocation	Governmental Agency or Non-profit
Affordable Housing	LMH	Rental Income Loss - Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG eligible activities.	Governmental Agency or Non-profit
Affordable Housing	LMH	Energy Efficiency Improvements - includes installation of storm windows and doors, wall and attic insulation, and conversion, modification or replacement of heating and cooling equipment, including the use of solar energy equipment.	Governmental Agency or Non-profit
Affordable Housing	LMH	Residential Historic Preservation - authorizes the costs of preserving or restoring properties of historic significance that will be used for housing for low-income households.	Governmental Agency or Non-profit
Affordable Housing	LMH	Nonprofit Capacity Building - provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance.	Governmental Agency or Non-profit
Affordable Housing	LMH	Assistance to Higher Education Institutions - any eligible activity can be provided to an institution of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more of the basic eligibility categories under the CDBG program	Governmental Agency or Non-profit
Affordable Housing	LMH	Operation and Repair of Foreclosed Property - authorizes activities necessary to make essential repairs and payment of operating expenses needed to maintain habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low income neighborhoods.	Governmental Agency or Non-profit

## Exhibit 4: Funding Policies

<b>Consolidated Plan Goal Met</b>	<b>National Objective Code</b>	<b>CDBG Eligible Activity</b>	<b>Eligible Applicants</b>
Non-Housing Community Development - Infrastructure systems and public facilities	various	Disposition of property assisted with CDBG	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Public Facilities or Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Senior Centers	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Handicapped Centers	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Youth Centers	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Neighborhood Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Parks, Recreational Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Parking Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Solid Waste Disposal Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Flood Drainage Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Water/Sewer Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Street Improvements	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Sidewalks	Governmental Agency or Non-profit
Non-Housing Community Development -	various	Child Care Centers	Governmental Agency or Non-profit

## Exhibit 4: Funding Policies

<b>Consolidated Plan Goal Met</b>	<b>National Objective Code</b>	<b>CDBG Eligible Activity</b>	<b>Eligible Applicants</b>
Infrastructure systems and public facilities			
Non-Housing Community Development - Infrastructure systems and public facilities	various	Tree Planting	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Fire Station/Equipment	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Health Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Abused or Neglected Children Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Asbestos Removal	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Facilities for AIDS Patients	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Clearance, Demolition and Remediation	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Cleanup of Contaminated Sites	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Relocation	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Rental Income Loss - Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG eligible activities.	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Privately Owned Utilities - acquire, construct, reconstruct, rehabilitate or install distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Rehabilitation of Public or Privately Owned Commercial/Industrial buildings - some limitations for buildings owned by private for-profit business	Governmental Agency or Non-profit
Non-Housing Community Development -	various	Rehabilitation Administration: Rehabilitation services, such as rehabilitation counseling, energy	Governmental Agency or Non-profit

## Exhibit 4: Funding Policies

<b>Consolidated Plan Goal Met</b>	<b>National Objective Code</b>	<b>CDBG Eligible Activity</b>	<b>Eligible Applicants</b>
Infrastructure systems and public facilities		auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities.	
Non-Housing Community Development - Infrastructure systems and public facilities	various	Non-Residential Historic Preservation - authorizes the costs of preserving or restoring properties otherwise eligible as Public Facilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	various	Renovation of closed buildings - such as closed school buildings, for use as an eligible public facility	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	LMA or, if not applicable: LMC	Public Facility or improvements access projects that remove of material or architectural barriers that limit the accessibility of elderly persons or adults with severe disabilities	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities	LMA, LMJ, or, if neither apply: LMC	Rehabilitation of a privately owned nonresidential building or improvement that removes material or architectural barriers that limit the accessibility of elderly persons or adults with severe disabilities	Governmental Agency or Non-profit
<del>Non-Housing Community Development - Micro-enterprise</del>	<del>various</del>	<del>Micro-Enterprise Assistance: providing credit, including, but not limited to grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization and expansion of microenterprises; providing technical assistance, advice and business support services to owners of microenterprises and persons developing microenterprises; providing general support including but not limited to peer support programs, counseling, childcare, transportation and other similar services to owners of microenterprises and persons developing microenterprises.</del>	<del>Governmental Agency, Non-profit or for-profit</del>
Non-Housing Community Development - Infrastructure systems and public facilities/ Non-Housing Community Development - microenterprise	various - must match eligible use	Nonprofit Capacity Building: provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance.	Governmental Agency or Non-profit
Non-Housing Community Development - Infrastructure systems and public facilities/ Non-Housing Community Development - microenterprise	various - must match eligible use	Assistance to Higher Education Institutions - any eligible activity can be provided to an institution of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more for the basic eligibility categories under the CDBG program	Institution of Higher Education (Secondary and above)

## Exhibit 4: Funding Policies

## HOME Eligible Activities

<b>Consolidated Plan Goal Met</b>	<b>HOME Eligible Activity</b>	<b>Eligible Applicants</b>
Affordable Housing and possibly Homelessness	Rental Assistance (Assistance to Developers of Rental Housing).	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Minimum set-aside of 15% for CHDOs. All development or TBRA expenses are eligible.	Community Housing Development Organizations
Affordable Housing and possibly Homelessness	New Construction: costs to meet applicable new construction standards	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Rehabilitation: To meet minimum property standards or to make essential improvements, including energy-related repairs or improvements, improvements necessary to permit use by persons with disabilities and the abatement of lead-based paint hazards. Rehabilitation includes conversion within the existing footprint of a building.	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Demolition of existing structures, associated with both new construction and rehabilitation	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Utility connections including off-site connections from property line to adjacent street, associated with both new construction and rehabilitation	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Improvements to project site in keeping with improvements of surrounding standard projects including on-site roads, and sewer and water lines.	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Refinancing for rehabilitation projects to permit continued affordability	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Acquisition: May use HOME funds to cover the costs of acquiring improved or unimproved real property	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Project Related Soft Costs reasonable and necessary costs associated with financing or development of new construction, rehab or acquisition including: Architectural, engineering or related services, costs to process or settle financing, cost of a project audit, costs to provide information services, cost of funding an initial operating deficit reserve, PJ staff and overhead costs directly related to carrying out the project, developer impact fees, costs of environmental review	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations
Affordable Housing and possibly Homelessness	Relocation associated with development or rehabilitation of units	Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project,

## Exhibit 4: Funding Policies

<b>Consolidated Plan Goal Met</b>	<b>HOME Eligible Activity</b>	<b>Eligible Applicants</b>
		including Community Housing Development Organizations
Affordable Housing and likely Homelessness	Tenant-Based Rental Assistance	Public agency or nonprofit organization
Affordable Housing and possibly Homelessness	CHDO Operating Costs - An individual CHDO may be used for operating costs of CHDO(s). An individual CHDO may receive no more than the lesser of 50% of its total operating costs or \$50,000. These funds are not part of the CHDO Set-Aside. These funds may be used for general operating assistance and may not be used or costs eligible under the CHDO Set-Aside.	Community Housing Development Organizations

## **APPENDIX B: INCOME LIMITS**

These income limits apply to HOME Investment Partnership Program (HOME) and Community Development Block Grant Program (CDBG) projects and programs and apply only to Sonoma County Community Development Commission-assisted projects or programs. They are not to be used as a guide for programs regulated by any agency other than the Sonoma County Community Development Commission. It is up to each property owner to determine which regulations preside if a program is regulated by more than one program.

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



## **APPENDIX C: RENT LIMITS**

These rent limits apply to HOME Investment Partnership Program (HOME) and Community Development Block Grant Program (CDBG) projects and programs and apply only to Sonoma County Community Development Commission-assisted units. They are not to be used as a guide for projects regulated by any agency other than the Sonoma County Community Development Commission. It is up to each property owner to determine which regulations preside if a unit is regulated by more than one program.

Property owners must subtract from the maximum rent the approved utility allowance for any utilities that the tenant pays in addition to the rent. Confirm the appropriate utility allowance with the Sonoma County Community Development Commission.

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

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



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

*Members of the  
Commission*

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Chair

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Vice Chair

**David Rabbitt**  
**Shirlee Zane**  
**James Gore**

**Barbie Robinson**  
**MPP, JD, CHC**  
Interim Executive  
Director

## MEMORANDUM

Date: August 19, 2020

To: The Sonoma County Community Development Committee

From: Barbie Robinson, Interim Executive Director

Subject: CD Committee Ordinance Changes

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At the July 15, 2020 Community Development Committee meeting, your Committee engaged staff in a conversation regarding the proposed changes recommended by the Board of Supervisors to the Committee's Ordinance.

Further revisions are being incorporated into the draft Ordinance based on your Committee's feedback and to further clarify the role of the Committee. This draft will be available as an addendum to the packet. At our meeting today, legal Counsel and staff are available to answer questions regarding some of the outstanding questions and any issues that arise in today's discussion.

The first reading of the Ordinance is tentatively scheduled to go before the Board of Supervisors in mid-September.



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