

# Community Development Commission

FY 2024-25 Preliminary Budget



# Department Overview

	Expenditures	FTE
FY 2023-24 Adopted	\$109,569,378	52.5
FY 2024-25 Preliminary	\$115,842,191	52.5
Net Change	\$6,272,813	0.0



# Departmental Expenditures

FY 2024-25	Preliminary Budget	FTE
Strategic Support & Administration	\$9,846,315	13.5
Community Development	\$44,356,149	14.0
Rental Assistance	\$61,539,727	25.0
<b>Gross Departmental Expenditures</b>	<b>\$115,842,191</b>	<b>52.5</b>
Less Internal Departmental Transfers	\$11,046,543	n/a
<b>Departmental Operating Expenditures</b>	<b>\$104,795,648</b>	<b>52.5</b>

# Departmental Funding Sources

FY 2024-25 Funding Sources	Preliminary Budget
General Fund Contribution	\$1,665,101
Fees & Charges for Services	\$384,700
State, Federal & Other Funds	\$90,722,074
Other Departmental Revenue*	\$958,967
Use of Fund Balance	\$10,101,158
Transfers & Reimbursements within the County**	\$12,010,191
<b>Total Sources</b>	<b>\$115,842,191</b>

*\*Other Department Revenue includes \$958,967 of Transient Occupancy Tax/  
Measure L funding*

*\*\*Reflects all funds that are transferred both within Departments as well as between  
Departments*

# Key Departmental Funds

Housing Choice Voucher Program, \$3,593,108

CDC Housing Fund, \$2,826,080

Housing Element / Other County Funds, \$1,307,260

County Fund for Housing, \$5,465,339\*

Flood Elevation, \$1,023,118

*\*The Affordable Housing Permit fees and the Permanent Local Housing allocation Grant are included in the County Fund for Housing. In addition, that fund also receives Permanent Local Housing Allocation Grant Proceeds.*

# State and Federal Budget Implications

- The US Department of Housing and Urban Development changed its inflation factor methodology without any notification to housing authorities.
  - Under the new methodology, the Sonoma County Housing Authority is receiving a 0% inflation factor placing the Housing Authority in danger of being placed in “shortfall” leaving us with not enough funding to lease approximately 200 housing choice vouchers.
- Administrative Fees used to support staffing and other programmatic needs are being prorated at 92%.
  - The Housing Authority has funding reserves to make up the difference for this fiscal year.

# Key Operational Opportunities and Challenges

- **Mobile home Park Space Rent Stabilization Ordinance** administration contract with cities exceeds staff capacity given current and anticipated arbitration activity in several municipalities. Contract not achieving full cost recovery.
- Funding for capital improvements and operating reserves for **Project Homekey** permanent supportive housing (PSH) needs to be identified.
- **Unable to expand** housing program and grant administration, Housing Element implementation, equity work, regional housing bond planning programs due to current staffing at capacity.
- **HUD Grants level** does not fully offset costs to administer Federal programs, increasing reliance on constrained County General Fund dollars.
- **Lack of HUD inflationary adjustment** for the Housing Authority in 2024 potentially impacting new affordable housing construction projects and leaving roughly 200 rental assistance vouchers unused due to lack of available funding.

# Key Operational Objectives

- **Complete the [Project Homekeys](#):** Elderberry Commons in Sebastopol and George's Hideaway in Guerneville to operationalize a total of 50 new permanent supportive housing units.
- **With an equity and fair housing focus,** successfully access and administer federal, state, local funding to support the development of affordable housing, including permanent supportive housing.
- Continue Phase One and Two infrastructure improvements for **Tierra de Rosas and Casa Roseland.**
- Submit the **Affirmatively Furthering Fair Housing (AFFH)** plan to the Housing and Urban Development and implement the AFFH for the Commissions' federally funded programs.
- In consultation with partner cities, develop an **Expenditure Plan for proposed Bay Area Housing Finance Authority (BAHFA)** regional housing bond.
- Fully utilize the **rental assistance programs to maximum** budget capacity while increasing housing for those experiencing homelessness.



# Program Change Requests

## **County General Fund Funding:**

- \$450,000 General Liability Insurance Support, one-time
- \$100,000 Development of the Five-Year Consolidated Plan, one-time
- \$300,000 Asset Management projected deficit for owned properties, one-time
- \$238,919 Community Development Assistant Manager, on-going
- \$176,104 Community Development Program Specialist, on-going