



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 11/4/2025

To: Board of Supervisors

Department or Agency Name(s): Community Development Commission

Staff Name and Phone Number: Michelle Whitman, 707-565-7504

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Two Separate Administrative Actions: Fiscal Year 2020-21 Action Plan Substantial Amendment for the 2020-2024 Consolidated Plan; and Authorization to the Executive Director to Execute Documents for Mickey Zane Place

Recommended Action:

- A) Approve a Substantial Amendment to Fiscal Year (FY) 2020-21 Action Plan of the 2020-2024 Consolidated Plan to Reprogram Community Development Block Grant CARES Act funds from the U.S. Department of Housing and Urban Development (HUD);
- B) Adopt the required certification from and authorize the Executive Director of the Community Development Commission, or designee, to execute the required forms and certifications to submit the Substantial Amendment to FY 2020-21 Action Plan to HUD;
- C) Adopt a resolution to authorize the Executive Director of Sonoma County Community Development Commission, or their designee, to enter into and execute all agreements and future amendments between the Commission and the California Department of Housing and Community Development for Mickey Zane Place, formerly known as Hotel Azura.

Executive Summary:

This item consists of two unrelated, administrative amendment requests to support the operations of the Community Development Commission (Commission).

Fiscal Year 2020-21 Action Plan Substantial Amendment

The County of Sonoma received \$2,963,500 in federal supplemental funding under the Community Development Block Grant CARES ACT (CDBG-CV) from the U.S. Department of Housing and Urban Development (HUD). The funds are intended to address the impacts of the coronavirus. The Board of Supervisors (Board) approved allocations to eligible activities during the course of multiple fiscal years, and all funding was distributed in 2023. However, a previously funded activity was unable to move forward; \$113,296 remains available for reallocation, and HUD requires that a Substantial Amendment to the FY 2020-21 Action Plan be prepared to reallocate funds. The Commission requests that the Board approve the FY 2020-21 Action Plan Substantial Amendment to award \$113,296 of CDBG-CV funds to Legal Aid of Sonoma County.

Authorization to Execute Documents related to Project Homekey, Mickey Zane Place

On August 18, 2020, the Board authorized the Commission to apply to the California Department of Housing and Community Development (HCD) Homekey Program for funding to acquire Hotel Azura, now known as Mickey Zane Place, a 44-room hotel, located at 635 Healdsburg Avenue in Santa Rosa. The current administrative documents authorize a previous staffer no longer with the Commission, to execute documents related to the project. HCD has requested, and the Commission requests of the Board, an updated resolution authorizing the Executive Director of the Commission, Michelle Whitman, to execute all documents related to the Homekey Standard Agreement and any future amendments thereof.

Discussion:

FY 2021-21 Action Plan Substantial Amendment - Background

On March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, providing supplemental funding to federal grantees nationwide to address the impacts of coronavirus. Sonoma County received \$2,963,500 in CARES Act funds, also known as CDBG-CV funds, from HUD. The Board approved allocations to eligible projects and services during the course of multiple fiscal years, with the last approval made on July 8, 2025. However, a previously funded activity was unable to move forward, and \$113,296 in CDBG-CV funds remains available for reallocation. HUD requires that a Substantial Amendment to the Fiscal Year 2020-21 Action Plan be processed to reprogram these funds to another eligible activity. Use of the CDBG-CV funds will expire on September 4, 2026, and if not allocated and fully expended before then, the funds will be recaptured by HUD.

Beneficiaries of CDBG-CV funds must reside in the Urban County entitlement jurisdiction, which comprises the unincorporated county area and the cities of Cloverdale, Healdsburg, Sonoma, Sebastopol, Rohnert Park, Cotati, and the Town of Windsor. The cities of Santa Rosa and Petaluma each receive their own entitlement grants directly from HUD and are not a part of the Urban County. The Community Development (CD) Committee and Cities and Towns Advisory Committee (CTAC) are two advisory committees that assist the Commission in the administration and distribution of these grants. Members of the CD Committee are appointed by the Board, one for each district in the County, and two tenant representatives who are appointed by the Sonoma County Housing Authority. Members of the CTAC are composed of one city staff member from each municipality that makes up the Urban County. Both committees review matters of policy related to the federal funding programs and make funding recommendations that go before the Board.

Notice of Funding Availability (NOFA)

The Commission received three applications in response to the CDBG-CV NOFA published on July 17, 2025. Applications were due to the Commission on August 15, 2025. Commission staff reviewed and evaluated each application to determine eligibility, completeness, conformance with the Federal Funding Policies, consistency with the priorities contained in the 2020-2024 Consolidated Plan, and compliance with CDBG-CV program regulations. Two of the three applications received were determined to adhere to the requirements aforementioned, and a summary analysis was prepared for each (Attachments 1 and 2). The two funding requests received are as follows:

Applicant	Proposed Activity	Funding Requested
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West County Community Services	Emergency Housing - Shelter Operation	\$113,296
Legal Aid of Sonoma County	Housing Justice Program - Homeless Prevention	\$113,296

Funding Recommendation by Advisory Committees

The CD Committee and CTAC held a concurrent public meeting on September 17, 2025, to review the funding requests, hear public comment, and make their initial funding recommendation to the Board. Two public comments were made at the meeting, which were considered by the Committees.

At the meeting, each Committee voted consistent with staff's recommendation to award the funds in full to Legal Aid of Sonoma County based on its past performance in similar projects and demonstrated ability to deploy funding in a timely manner, thereby minimizing the risk of forfeiting funds to HUD due to the short timeline available for expenditure. Although, the funds expire on September 4, 2026, subrecipients must expend the funds and submit final reimbursement requests to the Commission by June 30, 2026. This internal deadline ensures the Commission has sufficient time to process payments and draw down the funds from HUD before the expiration date.

Following the meeting, the funding recommendation was incorporated into a FY 2020-21 Annual Action Plan Substantial Amendment (Attachment 3) and made available for public review for 30-days. No public comments were received during the 30-day period. A concurrent public hearing with the CD Committee and CTAC was held on October 22, 2025, to review, hear public comment on, and recommend approval of the FY 2020-21 Annual Action Plan Substantial Amendment to the Board. At the hearing both Committees voted to recommend approval of the Substantial Amendment to the Board with no changes to it.

The Commission requests the Board approve the FY 2020-21 Action Plan Substantial Amendment, as recommended by the CD Committee and CTAC, to award \$113,296 to Legal Aid of Sonoma County to support their Housing Justice Program; and adopt the required certification from HUD (Attachment 4); and authorize the Executive Director of the Commission, or designee, to execute the required forms and certifications to submit the Substantial Amendment to FY 2020-21 Action Plan to HUD.

Authorization to Execute Documents related to Project Homekey, Mickey Zane Place

On August 18, 2020, the Board authorized the Commission to apply for the Homekey Project Grant administered by HCD to acquire Hotel Azura, now known as Mickey Zane Place, located at 635 Healdsburg Avenue, Santa Rosa, CA. On October 27, 2020, the Commission received a letter of award from HCD for an \$8.8 million grant. After the acquisition, the Commission renovated the property to be used as an interim non-congregate shelter for homeless individuals at risk of coronavirus. Since the renovation was completed, the Ending Homelessness Division of the Department of Health Services has been operating a shelter at the facility, which provides 44 units of non-congregate shelter.

The current administrative documents and resolution authorizing the Executive Director of the Commission to execute documents with HCD related to this project, reflect a previous Director that is no longer with the Commission. As such, HCD has requested an updated resolution authorizing the Executive Director of the Commission to execute all documents related to the Homekey Standard Agreement and any future

amendments. Michelle Whitman was appointed as the Executive Director of the Commission on April 18, 2023, and as such has assumed all the duties and responsibilities that had previously been assigned to the former Interim Executive Directors.

The Commission requests that the Board adopt a resolution (Attachment 5) giving the Executive Director, or their designee, authorization to execute all documents, and any future amendments and or modifications related to Homekey Project 20-HK-00108 for Mickey Zane Place.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities

Goal: Goal 4: Reduce the County's overall homeless population by 10% each year by enhancing services through improved coordination and collaboration.

Objective: Objective 5: Continue to collaborate with local partners, including Continuum of Care, to advance planning and policies to address homelessness.

Approval of the FY 2020-21 Annual Action Plan Substantial Amendment will redirect federal funding to provide lower income households housing stability. The authorization to the Executive Director will allow Commission staff to continue working with HCD on the Homekey project at Mickey Zane Place, which provides housing to formerly homeless individuals.

Racial Equity:**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

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Prior Board Actions:

7/8/2025 Board Item No. 15: Approval of Substantial Amendment to FY 2020-21 Action Plan to Reprogram CDBG-CV Funds

5/9/2023 Board Item No. 24: Approval of Substantial Amendments to FY 2020-21 Annual Action Plan for CDBG -CV Funding Awards

5/10/2022 Board Item No. 4: Approval of FY 2021-22 Action Plan Substantial Amendment

8/18/2020 Board Item No. 7 Authorization to Apply for Homekey Project, Adoption of Resolution 20-03032

6/9/2020 Board Item No. 9: Approval of FY 2019-20 Action Plan Substantial Amendment

FISCAL SUMMARY

Expenditures	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected
Budgeted Expenses	N/A	N/A	N/A
Additional Appropriation Requested			
Total Expenditures			

Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

There are no fiscal impacts associated with this item. The funds being recommended to Legal Aid of Sonoma County are available, as they were issued by HUD on March 22, 2021, and were previously included in the Commission's fiscal year budget.

Narrative Explanation of Staffing Impacts (If Required):

The approval of the FY 2020-21 Action Plan Substantial Amendment and authorization to the Executive Director to execute HCD documents for Mickey Zane Place will not cause staffing impacts.

Attachments:

Attachment 1: Staff Report - Legal Aid of Sonoma County

Attachment 2: Staff Report - West County Community Services

Attachment 3: FY 2020-21 Annual Action Plan Substantial Amendment

Attachment 4: HUD Certifications

Attachment 5: Authorization Resolution for Mickey Zane Place Homekey Project

Related Items "On File" with the Clerk of the Board:

N/A