

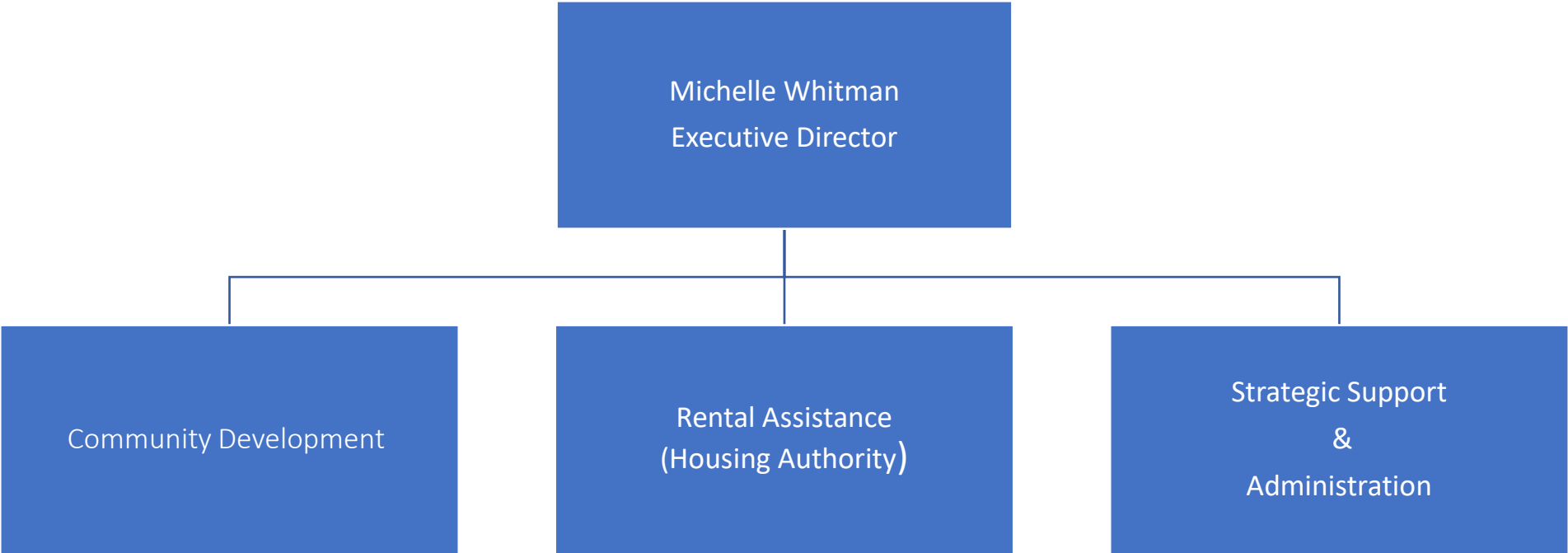
# Community Development Commission

FY 2025-26 Preliminary Budget



# Department Overview

	Operating Expenditures	FTE
FY 2024-25 Adopted	\$106,768,934	52.5
FY 2025-26 Preliminary	\$111,049,668	48.0
Net Change	\$4,280,734	(4.5)



# Departmental Expenditures

FY 2025-26 Service Area Expenditures	Preliminary Budget	FTE
Community Development	\$41,066,720	16
Rental Assistance (Housing Authority)	\$70,963,863	19
Strategic Support & Administration	\$9,676,997	13
<b>Gross Departmental Expenditures</b>	<b>\$121,707,580</b>	<b>48</b>
Less Internal Departmental Transfers	\$10,657,912	n/a
<b>Departmental Operating Expenditures</b>	<b>\$111,049,668</b>	<b>48</b>

# Departmental Funding Sources

FY 2025-26 Funding Sources	Preliminary Budget
General Fund Contribution	\$1,202,703
Fees & Charges for Services	\$455,500
State, Federal & Other Funds*	\$84,998,303
Other Departmental Revenue**	\$1,904,008
Use of Fund Balance	\$21,872,329
Transfers & Reimbursements within the County	\$11,274,737
<b>Total Sources</b>	<b>\$121,707,580</b>

\*State, Federal & Other Funds includes \$1,035,468 of Transient Occupancy Tax / Measure L Funding

\*\*Other Department Revenue includes Forfeitures, Rent, Interest on Pooled Cash and Loan Interest / Principal Payments

# Key Departmental Funds

- CDC Housing Fund - \$2,534,547
- County Fund for Housing\* - \$2,067,714
- Flood Elevation - \$1,337,192
- Housing Choice Voucher Program - \$2,939,851
- Housing Element / Other County Funds - \$2,067,714

\*The Affordable Housing Permit fees and the Permanent Local Housing Allocation Grant are included in the County Fund for Housing.

# State and Federal Budget/Policy Implications

- Federal Grant Programs that could be impacted: Community Development Block Grant (CDBG & CDBG-CV); HOME Investment Partnership Program (HOME); HOME-American Rescue Plan (HOME-ARP); Emergency Solution Grant (ESG) and the Federal Emergency Management Agency (FEMA) Flood Elevation Program.
- Both interest rate volatility and tariffs on building materials are having a chilling effect on affordable housing production in the County.
- Housing Connector Program, formerly funded with the American Rescue Plan Act Grant, has expired. Therefore, elevated service levels of housing location, tenant support, and housing navigation will return to baseline.

# State and Federal Budget/Policy Implications, cont.

- Federal grants of CDBG, HOME and ESG are approved through Sept. 30, 2025; however, the President's current budget recommendation for 2026 calls for elimination of these grants.
- Federal grants of CDBG, HOME, SNAP and ESG are administered by the U.S. Department of Housing and Urban Development (HUD) - Community Planning and Development Division (CPD). HUD is currently recommending an 84% staff reduction to CPD, which would impact local administration or access to these grant sources.

# Key Opportunities and Challenges

- The **Two-Year Development Impact Fee Elimination Program for Affordable Housing** is an opportunity to accelerate the production of affordable housing in unincorporated Sonoma County.
- Continue implementation of the **Housing Element Action Plan** – Partner with local housing land trust to expand programs to acquire, develop and maintain affordable ownership housing.
- December 10, 2024, Board of Supervisors action committing Project Based Vouchers to **support development of Permanent Supportive Housing** (PSH) units is an opportunity to program approximately 100 vouchers per year for persons eligible to reside in PSH units.
- The steep rise in General Liability insurance premiums, both for the Commission and its stakeholders, negatively impacts the **level of resources available** for affordable housing production and preservation in Sonoma County.

# Key Opportunities and Challenges, cont.

- **Add-Back:** \$400,000 (One-Time, with possible future requests, depending on insurance premiums). In response to rising General Liability insurance premiums, the Commission requests \$400,000 to allow the agency to focus its limited resources, specifically County Fund for Housing, on the production of affordable housing to meet countywide RHNA obligations and provide relief in an acute affordable housing shortage.

# Key Operational Objectives

- Full utilization of all **rental assistance program** funding to maximize the number of low-income households served.
- Continue and complete Phases One and Two infrastructure improvements for **Tierra de Rosas**. Commence Phase III, including construction of the eagerly awaited Plaza Permanente.
- Complete **George's Hideaway** construction to operationalize 21 new units of permanent supportive housing, as well as a service navigation center.

# Program Change Requests

Extend the following currently-funded positions for the period commencing 09/30/25 through 06/30/26:

- Community Development Program Coordinator, 1.0 FTE, \$163,781, Funding: Housing Choice Voucher Program
- Senior Office Assistant, 1.0 FTE, \$97,909, Funding: Housing Choice Voucher Program
- Housing Negotiator-Inspector, 1.0 FTE, \$132,078, Funding: Department of Health Services Grant
- Supervising Accountant, 0.5 FTE, \$82,482, Funding: Housing Fund
- Occupancy Specialist, 1.0 FTE, \$117,606, Funding: Housing Choice Voucher Program