



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 7/14/2026

To: Board of Supervisors and Board of Commissioners
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:

Fiscal Year (FY) 2025/26 County Fund for Housing annual report. FY2026/27 County Fund for Housing and Low- and Moderate-Income Housing Asset Fund Allocations

Recommended Action:

- A) Accept FY2025/26 Annual Report for County Fund for Housing;
- B) Approve funding allocations for County Fund for Housing in the aggregate amount of \$8 million;
- C) Approve funding allocations of Low- and Moderate-Income Housing Asset Fund in the aggregate amount of \$250,000;
- D) Approve the proposed funding approvals for 120 E. Cotati in Cotati, Saggio Hills Phase 3 in Healdsburg, The Laurel at Perennial Phase III in Santa Rosa, and Caritas Homes Phase 2 in Santa Rosa, exempt from California Environmental Quality Act (CEQA) pursuant to CEQA guideline 15061(b)(3) and that the projects have adequately analyzed the potential environmental effects and that none of the criteria in CEQA Guidelines Section 15162 requiring additional review have been triggered and that no further environmental review by the CDC is required

Executive Summary:

This item requests the Board review and accept the County Fund for Housing (CFH) report providing an overview of allocations made in FY2024/25. It also seeks approval of FY 2026/27 funding recommendations totaling \$8 million from the CFH program to support affordable housing development, and \$250,000 from the Low- and Moderate-Income Housing Asset Fund (LMIHAF) to support homeless prevention and rapid rehousing services administered by community organizations, as detailed in the attached materials.

Discussion:

Proposed CFH and LMIHAF Funding Allocations

The Sonoma County Community Development Commission (CDC) administers local and state funding programs on behalf of the County of Sonoma. These include the following:

CFH: A local county funding program to support the development and preservation of affordable housing

countywide. CFH funds are generated from various sources including, but not limited to, developer-in-lieu fees, transient occupancy tax, loan servicing fees, CFH loan interest, and CFH loan repayments.

LMIHAF: As the designated housing successor, the CDC administers all funds generated from the County's former Redevelopment Agency projects. LMIHAF funds are derived from various sources including, but not limited to, rents, loan interest payments, and repayment of loans. Up to \$250,000 per year of LMIHAF funds can be used for public services addressing homelessness including homelessness prevention and rapid rehousing.

Between FY2024/25 and FY2025/26, the CDC awarded a total of \$3,406,182 from the CFH to support the development of 229 affordable housing units in Sonoma County. These awards included 50 units of emergency shelter for families with children and 40 units of respite care for individuals experiencing homelessness. As of the end of the third quarter of the current fiscal year, the CFH fund balance is \$13,400,000, of which \$8,000,000 has been recommended for allocation through the annual NOFA process.

The CDC published a NOFA on February 21, 2026, with applications due on April 3, 2026. The Community Development Committee (Committee), composed of seven members appointed by the Board (one from each supervisorial district), 2 tenant members of Sonoma County Housing Authority (one at least 62 years old), and one member appointed by the Human Services Department Director, reviewed the funding recommendations at their meeting on May 13, 2026, according to their respective program criteria, project readiness, applicant experience and capacity. The Committee voted to support funding recommendations as presented by staff. The projects recommended by the Committee for CFH funding includes 120 E. Cotati in Cotati, Saggio Hills Phase 3 in Healdsburg, The Laurel at Perennial Phase III in Santa Rosa, and Caritas Homes Phase 2 in Santa Rosa. The Committee recommended LMIHAF for the Committee on the Shelterless' Keep People Housed Homelessness prevention project, The Living Room's Homelessness Prevention project, and West County Community Services' Rapid Rehousing project. Public comment was made by the applicants present at the meeting, who expressed their gratitude to the Committee for their support. A total of \$8 million was available from the CFH and \$250,000 from LMIHAF to allocate. The full amount of funds available are recommended for funding, as detailed in the tables in Attachment 1.

The City of Cotati as the lead agency determined that the affordable housing development at 120 E. Cotati Avenue is exempt pursuant to Government Code 65651(a), which designates permanent supportive housing developments by right, requiring ministerial approval, in all zoning districts where multi-family and mixed-use developments are permitted by the local jurisdiction. In its capacity as CEQA responsible agency, CDC has considered the City's determination and concurs and hereby determines no further environmental review is required.

The City of Healdsburg completed and certified an Environmental Impact Report (EIR) (State Clearinghouse No. 2003062025) through the adoption of City Resolution No. 15-2011 for the project known as Saggio Hills Phase 3. The CDC has considered the EIR adopted by the City of Healdsburg and hereby determines that the EIR adequately analyzed the potential environmental effects of the Saggio Hill Phase 3 project; that none of the criteria in CEQA Guidelines Section 15162 requiring additional review have been triggered and that no further environmental review is required.

The Laurel at Perennial Park Phase 3, the City of Santa Rosa approved a Sustainable Environmental Assessment

in accordance with Chapter 4.2 Section 21155.2 of CEQA Guidelines on December 8, 2020 and no further environmental review is required.

As for Caritas Homes Phase 2 in Santa Rosa, the City prepared an EIR that was certified on March 3, 2020, through Resolution No. 2020-037. The CDC has considered the EIR adopted by the City of Santa Rosa and hereby determines that the EIR adequately analyzed the potential environmental effects of the Caritas Home Phase 2 project; that none of the criteria in CEQA Guidelines Section 15162 requiring additional review have been triggered and that no further environmental review is required.

Strategic Plan:

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

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 3: In collaboration with cities, increase affordable housing development near public transportation and easy access to services.

Objective: Objective 2: Identify and leverage grant funding sources for permanent supportive and affordable housing development.

Racial Equity:

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

No

Prior Board Actions:

07/08/2025 Approval of funding recommendations for CFH and LMIHAF for FY2025/26

01/28/2025 Approval of the 2025-2026 Federal Funding Policies and LMIHAF Policies

FISCAL SUMMARY

Expenditures	FY26-27 Adopted	FY27-28 Projected	FY28-29 Projected
Budgeted Expenses		\$8,250,000	
Additional Appropriation Requested			
Total Expenditures		\$8,250,000	
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		\$8,250,000	
Use of Fund Balance			
General Fund Contingencies			
Total Sources		\$8,250,000	

Narrative Explanation of Fiscal Impacts:

Expenditure and Revenue appropriations for FY2026/27 are included in the Commission's FY2026/27 adopted budget. Revenue for the CFH is projected at \$2,384,172 in FY2025/26 and \$8,000,000 in FY2026/27. Funding sources include developer in-lieu fees, Measure L/Transient Occupancy Tax (TOT) revenues, and loan origination fees. In addition, FY2026/27 revenues include \$250,000 in loan interest earnings and loan repayment revenues.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

Not applicable

Attachments:

Attachment 1: Recommended FY 2026/27 County Funding for Housing, and Low-and Moderate-Income Housing Asset Fund Allocations

Attachment 2: County Fund for Housing FY 2025-26 report.

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

Not applicable