



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 1/6/2026

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:

Various Community Development Requests: Funding, Policies and Plan Actions

Recommended Action:

Board of Supervisors:

- A) Approve Fiscal Year (FY) 2026-27 Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Low-and Moderate-Income Housing Asset Fund (LMIHAF)-Homeless Services Funding Policies for affordable housing, non-housing capital projects, fair housing programs, homeless prevention, homeless services, emergency shelter, and rapid rehousing programs;
- B) Approve a Substantial Amendment to the 2025 Citizen Participation Plan;
- C) Approve Permanent Local Housing Allocation (PLHA) Funding Recommendations for two affordable housing projects in the aggregate amount of \$686,075.40 and
- D) Authorize the Executive Director of the Sonoma County Community Development Commission (CDC), or designee, to execute loan agreements with housing developers on behalf of the County in accordance with the funding programs and to execute amendments, subordinations, and modifications to said agreements consistent with the terms set forth in CDC Funding Policies, Loan Policies, and/or other Board-adopted policies;
- E) Determine the proposed funding approvals are actions that are exempt from the California Environmental Quality Act (CEQA) per CEQA guideline 15061(b)(3), that the PLHA Funding Recommendation for the Gravenstein Commons Project is exempt pursuant to Section 15332, Class 32 and that the PLHA Funding Recommendation for the Heritage Park Apartments Project has 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; and
- F) Adopt a Resolution directing staff to apply for the Prohousing Incentive Program, Round 4 offered by the California Department of Housing and Community Development (HCD).

Board of Commissioners:

- G) Authorize submittal of a \$500,000 CDBG fund request by the CDC for the Housing Rehabilitation Loan and Earthquake Resistance Bracing System programs, and a \$500,000 HOME Investment Partnerships fund request by the Sonoma County Housing Authority for the Tenant-Based Rental Assistance

Program, for consideration during the FY 2026-27 Annual Action Plan funding cycle.

Executive Summary:

Federal Grants

This agenda item requests approval of the updated Federal Funding Policies (Funding Policies) for FY 2026-27 and a Substantial Amendment to the Citizen Participation Plan (CPP), which are separate documents, but both required of grantees by the U.S. Department of Housing and Urban Development (HUD). This item will also authorize the CDC and the Sonoma County Housing Authority (SCHA) to apply for federal funding for programs managed by the CDC. If funding is allocated to these programs by HUD, allocations would be reflected for the Housing Rehabilitation Loan Program (HRLP), Earthquake Resistance Bracing System (ERBS), and Tenant-Based Rental Assistance (TBRA) in the CDC FY 2026-27 budget, which will be presented to your Board later this year.

Lastly, this report requests approval of two PLHA funding recommendations, a state fund source program, made by the Community Development Committee (CD Committee) on December 17, 2025 and authorization to apply for the California Department of Housing and Community Development (HCD) Prohousing Incentive Program (PIP) Round 4 funds to support the implementation of Housing Element programs.

Discussion:

The CDC administers various loan and grant programs using policies and procedures that are consistent with the applicable local, state, or federal requirements of the funding sources being used, and with the policies and goals of the County and CDC. The policies are updated as needed to properly implement the various loan and grant programs and ensure compliance with the most current applicable requirements and regulations.

Federal Funding and Low-and Moderate-Income Housing Asset Fund (LMIHAF) Policies

The Urban County, composed of the County of Sonoma, the cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and the Town of Windsor, is the entitlement jurisdiction of federal CDBG, HOME, ESG grant programs. These jurisdictions entered a Joint Powers Agreement (JPA) to form the Urban County. The JPA designates the County as the lead agency with final decision-making authority and assigns CDC as fiscal agent for the programs. CDC administers these funding programs, including LMIHAF-Homeless funds, which is a County program derived from the former Sonoma County, City of Sonoma, and City of Sebastopol redevelopment agencies. In 2014, your Board approved the annual use of up to \$250,000 in LMIHAF revenue for homelessness-prevention and rapid rehousing program, the maximum permitted by California Redevelopment Law.

The Federal Funding and LMIHAF-Homeless Policies guide administration, solicitation, and selection of proposals to receive funds. Attachment 1, the proposed policies, was updated to remove outdated pandemic language and the now-completed CDBG-CV addendum. References were modernized by replacing “Continuum of Care” with “Homeless Coalition,” and restoring HUD’s official term “Citizen Participation Plan.” Mentions of fair-housing-related programs were removed where required to align with the April 23, 2025, presidential executive order titled “Restoring Equality of Opportunity and Meritocracy.” Additional minor clerical edits and clarifications were also made throughout.

On November 19, 2025, the Cities and Towns Advisory Committee and the CD Committee held a concurrent public hearing to review and consider the proposed changes. No public comment was received prior to the hearing or made at the hearing. Each Committee voted to recommend approval to your Board.

2025 Community Participation Plan (CPP)

Jurisdictions receiving housing and community development funds under the CDBG, HOME, and ESG federal programs are required to adopt and follow a CPP. The purpose of the CPP is to provide a written policy and procedure that describes the actions to be taken to provide for, and to encourage, public participation in the development of the Assessment of Fair Housing, Consolidated Plan and Annual Action Plans, any substantial amendments to an adopted Consolidated Plan, and the Consolidated Annual Performance Evaluation Report, which are required documents by HUD.

The proposed substantial amendment to the CPP will further clarify the public engagement process for the public and CDC staff, including new language that defines “minor amendments” and allows staff to process them administratively. Additionally, the updates revert the name of the document from “Community Participation Plan” to “Citizen Participation Plan” and increase the grant amount threshold from 10% to 25% that triggers a Consolidated Plan or Action Plan substantial amendment for changes made to previous federal funding awards. Increasing the grant amount threshold to 25% will allow staff to process a “minor amendment”, rather than a substantial amendment, to reprogram funds to another eligible project without delay. The change ensures that eligible projects receive meaningful needed funds in a timely manner and not wait 2-3 months to process a substantial amendment.

The draft 2025 CPP was made available for a 30-day public comment period from October 22, 2025, through November 21, 2025. The draft was available on the CDC’s website, CDC office, Board of Supervisors office, and the Sonoma County Central Library in Santa Rosa. On November 19, 2025, the CD Committee and the Cities and Towns Advisory Committee held a concurrent public hearing to review and consider the proposed changes. No public comments were received prior to the hearing or after the hearing; however, there was one public comment made at the meeting. The commenter stated their concerns about the lack of public participation in proceedings related to the administration of federal funds and asked that public meetings take place in the evening hours, when working residents can set time aside to attend. The commenter also asked for more transparency in the management of federal programs. Upon closing the public hearing, each committee voted to recommend approval of the revised Plan to your Board.

Authorization for CDC and Housing Authority Funding Requests

The Funding Policies require all project sponsors to include with their application evidence of their governing board’s approval to submit a request for funding. To comply with this requirement, the CDC and the Sonoma County Housing Authority request your Board’s approval for the following funding requests:

1. A request by CDC to apply for \$500,000 in FY 2026-2027 CDBG funding for the HRLP and mobile home ERBS program.
2. A request by the Sonoma County Housing Authority to apply for \$500,000 in FY 2026-27 HOME funding to provide monthly rental subsidies or security deposits under the TBRA program.

HCD PIP-Round 4 (PIP-R4)

The Prohousing Designation Program was enacted by legislation in 2019, allowing local Prohousing Designated government organizations to apply for and benefit from enhanced grant opportunities. The PIP-R4 is the most recent funding opportunity for local governments that have received the Prohousing Designation. The County received its Prohousing Designation in July 2023. With adoption of the Resolution, staff will prepare the application for PIP-R4, not to exceed \$1,070,000, to support Housing Element programs. The deadline to

submit the application is March 31, 2026.

As for the above items, the applying for and receiving of grant funds does not constitute a “project” within the meaning of Public Resources Code Section 21065, 14 Cal Code Reg. Section 15060(c)(2), 15060(c)(3), or 15378 because there is no potential that it will result in a direct or reasonably foreseeable indirect physical change in the environment. In addition, the proposed above action is exempt from the California Environmental Quality Act (CEQA) per CEQA guideline 15061(b)(3).

PLHA Funding Recommendations

PLHA is a state housing fund source that was created through California Health and Safety Code Section 50470. The program’s goal is to make funding available for affordable housing projects to local jurisdictions. These funds can be used for the development and preservation of affordable rental and homeownership projects. The state required Sonoma County to prepare a five-year PLHA Plan specifying how funds will be used. The PLHA guidelines require at least 20% of funds to be set aside for Affordable Ownership Workforce Housing (AOWH). The Board of Commissioners approved the PLHA Plan on August 14, 2020, and it was subsequently approved by HCD.

CDC published a PLHA Notice of Funding Availability (NOFA) on September 10, 2025, requesting eligible affordable housing proposals for projects located in the County with a preference given to AOWH and eligible projects that are ready to proceed towards construction. The amount of funds available that was published in the NOFA is \$840,284. Staff conducted a technical assistance session for prospective applicants and proposals were due on October 31, 2025.

Proposals were reviewed by CDC staff for eligibility and consistency with the applicable program requirements, including funding and loan policies. CDC staff prepared a staff report for each funding recommendation and all recommendations were presented to the CD Committee on December 17, 2025 at a public meeting. There were no public comments made prior or at the meeting. The committee unanimously recommended a \$200,000 loan to Gravenstein Commons, a permanent supportive housing project located in Sebastopol and \$486,075.40 loan to Heritage Park Apartments a multifamily affordable rental project located in Windsor to the Board in accordance with CDC’s staff recommendations. The remainder of the funds included in the NOFA will be set aside for AOWH projects.

The City of Sebastopol, as lead agency for the Gravenstein Commons Project has determined that the project is categorically exempt from CEQA in accordance with CEQA Guidelines, § 15332. 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. As for the Heritage Park Apartments Project, the Town of Windsor, as the lead agency, prepared an Initial Study/Mitigated Negative Declaration (MND) for the Heritage Park Apartments Project, which was adopted by the Town of Windsor Planning Commission on July 28, 2020, in accordance with the CEQA. The CDC has considered the MND adopted by the Town of Windsor pursuant to CEQA Guidelines Section 15096 and hereby determines that the MND adequately analyzed the potential environmental effects of the Heritage Park Apartments 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:

Agenda Date: 1/6/2026

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 1: Strengthen operational effectiveness, fiscal reliability, and accountability

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

The Federal Funding and LMIHAF Policies guide the administration and allocation process of grants to eligible projects. These projects include affordable housing production, housing preservation and public services addressing fair housing and homelessness in the county. Approval of the policies will support CDC's efforts to create and preserve affordable housing and reduce homelessness countywide as well as support the goals in the strategic plan of the Consolidated Plan. Approval of the CPP will ensure public participation in the allocation process of these funds and in the preparation of documents required by HUD. The proposed PLHA funding recommendations will support affordable housing projects in the county. Authorization to apply for PIP-R4 state funds will support the implementation of the Housing Element programs, which includes the development and preservation of affordable housing stock.

Racial Equity:

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

No

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Prior Board Actions:

1/28/2025: Federal Funding Policies and 2025 Community Participation Plan

12/10/2024: Substantial Amendments to the Fiscal Year (FY 2021-2022 Annual Action Plan; County Fund for Housing (CFH) and Permanent Local Housing Allocation (PLHA) allocations; by Resolution, authorize the Sonoma Community Development Commission (CDC) to apply for California Department of Housing and Community Development (HCD) Prohousing Incentive Program, Round 3 (PIP-R3); Authorization to execute documents related to Tierra de Rosas Development; and adopt a Resolution declaring CDC owned land to be transferred for the development of Case Roseland affordable housing to be exempt surplus land.

08/15/2023: Permanent Local Housing Allocation Awards

02/8/2022: County Fund for Housing and Permanent Local Housing Allocation Loan Awards

08/18/2020: Authorization and adopt by Resolution the Plan for Permanent Local Housing Allocation Program Funds to be Used Over Next 5 Years

07/08/2020: 2025-2029 Consolidated Plan, Fiscal Year (FY) 2025-26 Annual Action Plan, Substantial Amendments to Prior Year Action Plans, and Funding Recommendations for FY 2025-26 County Fund for Housing, Permanent Local Housing Allocation and Low-and Moderate-Income Housing Asset Fund Programs

06/02/2020: Approve 2020-2025 Consolidated Plan

FISCAL SUMMARY

	FY25-26 Adopted	FY26-27 Projected	FY27-28 Projected
Budgeted Expenses	\$686,075.40		
Additional Appropriation Requested			
Total Expenditures	\$686,075.40		
Funding Sources			
General Fund/WA GF			
State/Federal	\$686,075.40		
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources	\$686,075.40		

Narrative Explanation of Fiscal Impacts:

The proposed revisions to the Funding Policies and amended CPP will have no fiscal impact. The Action Plan with proposed funding allocations will come before your Board in May of 2026. The PLHA funds to be awarded have been appropriated in CDC's approved FY 2025-26 budget.

STAFFING IMPACTS

Not applicable

Narrative Explanation of Staffing Impacts (If Required):

Approval of the requested actions will not impact staffing.

Attachments:

- Attachment 1: Proposed Federal Funding and LMIHAF-Homeless Services Policies
- Attachment 2: Proposed 2025 Citizen Participation Plan
- Attachment 3: PIP, Round 4 Authorizing Resolution

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

1. RED-LINE Proposed Federal Funding and LMIHAF-Homeless Services Policies
2. RED-LINE Proposed 2025 Citizen Participation Plan
3. Current FY 2025-26 Federal Funding and LMIHAF-Homeless Services Policies
4. Notice of Funding Availability Permanent Local Housing Allocation
5. CDC Loan Policies
6. Sonoma County PLHA Plan