



SUMMARY REPORT

Agenda Date: 3/14/2023

To: Sonoma County Board of Supervisors and Board of Commissioners of the Sonoma County Community Development Commission

Department or Agency Name(s): Sonoma County Community Development Commission

Staff Name and Phone Number: Rhonda Coffman, (707) 565-7542

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Sonoma County HOME Investment Partnerships American Rescue Plan - Allocation Plan

Recommended Action:

- A) Approve the third Substantial Amendment to the Sonoma County 2020 Consolidated Plan Annual Action Plan: One-Year Use of Funds for Fiscal Year (FY) 2021-2022 to incorporate the HOME Investment Partnerships American Rescue Plan (HOME-ARP) Allocation Plan for the proposed use of \$2,991,512 of HOME-ARP funds.
- B) Adopt the required certifications for submission to the U.S. Department of Housing and Community Development (HUD) with the Substantial Amendment to the FY 2021-2022 Annual Action Plan.
- C) Authorize and direct the Executive Director of the Sonoma County Community Development Commission (CDC), or designee, to execute the HUD Standard Form 424 (Application for Federal Assistance) and the required certifications, and to submit the Substantial Amendment to the FY 2021-2022 Action Plan with the required Certifications and said form to HUD.
- D) Authorize and direct the Executive Director of the CDC, or designee, to respond to requests for additional information from HUD and to modify the amended FY 2021-2022 Annual Action Plan as may be required for HUD to approve the HOME-ARP Allocation Plan, and to comply with any future regulations or guidelines issued by HUD.
- E) Authorize and direct the Executive Director of the CDC, or designee, to execute the Funding Approval Grant Agreement, as required by HUD, on behalf of the County

Executive Summary:

The American Rescue Plan (ARP) Act of 2021 appropriated \$5 billion to the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnership Program (HOME) Participating Jurisdictions (PJs) through formula allocations. The Sonoma County "Urban County" entitlement entity and the City of Santa Rosa are PJs and each received HOME-ARP allocations. Sonoma County received an allocation of \$2,991,512. In collaboration with other community stakeholders, HOME PJs can use the funding to make targeted, strategic investments in housing and other assistance for people experiencing or at imminent risk of homelessness, experiencing or fleeing domestic violence, human trafficking, stalking, and other vulnerable populations (qualifying populations).

This agenda item seeks approval of a Substantial Amendment to the Sonoma County 2020 Consolidated Plan Annual Action Plan: One-Year Use of Funds for Fiscal Year (FY) 2021-2022, to incorporate the new HOME-ARP Allocation Plan (“the Plan”), which is a HUD requirement for the use of HOME-ARP grant funds to address the needs of the qualifying populations. In accordance with HUD requirements, the Plan provides an inventory and identifies the needs and gaps in services and housing, including shelter housing for the Urban County. Staff based the inventory, needs, and gaps assessments on specific data sources recommended by HUD and the outcome of consultations with community-based stakeholders, which was also a HUD requirement. The Plan includes recommended use of funds for the allowed activities or projects as well as the administration costs for CDC staff to implement the program. Grant funds would then be subsequently awarded through a notice of funding availability (NOFA) process inviting eligible organizations to submit proposals for funds to carry out activities or projects that would benefit the qualifying populations. The CDC will return to the Board at a later date to seek approval of HOME-ARP funding recommendations.

The draft Plan was available for a 30-day public comment period, in accordance with HUD grant requirements, and was reviewed by the Community Development Committee (CD Committee) and the Cities and Towns Advisory Committee (CTAC), which held concurrent public hearings on February 15, 2023. HUD has established a deadline for participating jurisdictions to submit the Plan for their review and approval by no later than March 31, 2023. If the Plan is not submitted by this deadline, HUD will recapture (rescind) the HOME-ARP grant and any funds used from the grant to prepare the draft Plan may need to be repaid to HUD.

All HOME-ARP funds must be expended prior to September 30, 2030. After September 30, 2030, any HOME-ARP funds remaining in the PJ’s HOME account will be cancelled and not available for obligation or expenditure for any purpose.

Discussion:

Consolidated Plan and Urban County Entitlement

Your Board of Supervisors approved the Sonoma County 2020 Consolidated Plan on June 2, 2020. The Consolidated Plan is a document required by HUD for jurisdictions that receive annual allocations of Community Development Block Grant (CDBG), HOME, and Emergency Solutions Grant (ESG) funding, as well as supplemental CDBG-CV and ESG-CV funds provided under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and supplemental HOME-ARP funds provided under the American Rescue Plan Act. The Consolidated Plan spans a five-year planning period and lays out local rationales and priorities for the use of the subject federal grant funds to benefit lower-income residents.

For Sonoma County, the entitlement entity that is eligible to receive both the annual and supplemental CDBG, HOME, and ESG allocations is the “Urban County”, which is established through a Joint Powers Agreement (JPA) between the County of Sonoma and the cities/towns of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and Windsor. The Sonoma County Community Development Commission (CDC) is the designated fiscal agent under the JPA and administers all aspects of the Urban County program using these funds from HUD.

Funds Available for Third FY 2021-22 Action Plan Amendment

To address the impacts of coronavirus on homeless and other vulnerable populations, Congress appropriated \$5 billion in ARP funds through the HOME program to Participating Jurisdictions. In September of 2021, Sonoma County received notification of a supplemental HOME-ARP grant from HUD, which allocates a total of \$2,991,512 to the Urban County to make targeted, strategic investments in housing and other assistance for

people experiencing or at imminent risk of homelessness, experiencing or fleeing domestic violence, human trafficking, stalking, and other vulnerable populations (qualifying populations). The allocation amount was determined by formula by HUD and offered to HOME PJs, who qualified for HOME allocations in federal fiscal year 2021. In Sonoma County, the city of Santa Rosa and the Urban County are HOME PJs and received allocations.

Before funds can be used by the Urban County to fund projects/activities that benefit the qualifying populations, HUD requires that each PJ develop a HOME-ARP Allocation Plan, which aids communities in planning for their allocation of funding. The Plan includes a required consultation process with the local Continuum of Care (CoC) and other agencies and service providers in development of the inventory, needs, and gap analysis. HUD also recommends that the PJ use data from sources such as latest census survey, Comprehensive Housing Affordability (CHAS), Point-In-Time Homeless Count, and the Continuum of Care (CoC) Homeless Assistance Programs Housing Inventory County Report in the analysis. Based on the outcome of the consultations and data analysis, the Plan must identify priority needs of the qualifying populations and propose a distribution of the HOME-ARP funds to uses to address the needs and gaps in housing and services. The HOME-ARP Allocation Plan must be submitted by March 30, 2023 to HUD for approval through local adoption of a Substantial Amendment of the 2020 Consolidated Plan's FY 2021-2022 Annual Action Plan.

The HUD HOME-ARP program defines the 4 qualifying populations as follows:

- homeless persons or households as defined in HUD regulations 24 CFR 91.5;
- persons or households at risk of homelessness as defined by HUD in regulations 24 CFR 91.5;
- persons or households experiencing, fleeing domestic violence, dating violence, sexual assault, stalking, and or human trafficking as defined by HUD in the grant notice; and
- other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability as defined by HUD regulations in the grant notice.

In accordance with HUD regulations, HOME ARP funds can be used to fund 4 general types of activities or projects:

- production or preservation of affordable housing;
- tenant-based rental assistance (TBRA);
- supportive services, homeless prevention services, and housing counseling; and
- purchase and development of non-congregate shelters.

Draft Urban County HOME-ARP Plan

In collaboration with City of Santa Rosa staff, CDC staff met with the CoC Board on February 23, 2022, and has since conducted several stakeholder consultations with other community service providers that work directly with the qualifying populations to solicit their input for development of the draft HOME-ARP Allocation Plan. Based on the outcome of the consultation process and the data analysis, the draft Plan identifies the following priority needs of the qualifying populations and the proposed amounts of the HOME-ARP grant to be allocated for each need:

Use Category	Amount	Percentage of Grant
Supportive Services	\$1,196,605	40%
Purchase and Development of Non-Congregate Shelters	\$747,878	25%

Development and/or Preservation of Affordable Housing	\$598,303	20%
Administration and Planning (to implement grant program)	\$448,726	15%
Total HOME-ARP Allocation	\$2,991,512	100%

HUD requires for all HOME-ARP funds to be spent by September, 2030. Additionally, the amounts shown in the table above are maximum figures, which can be changed by processing a FY 2021-2022 Annual Action Plan Substantial Amendment.

Public Comments and Plan Approval

In accordance with HUD requirements, the draft Plan was made available for a 30-day public review period, which closed on March 1, 2023. All public comments received are included in this report as Attachment 2. The draft Plan was presented to the CD Committee and the CTAC at concurrent public hearings held on February 15, 2023. The committees heard public testimony from one person, who commented in support of the Plan and emphasized the importance of homeless prevention to address the issue of homelessness in the county. The committees and subsequently voted to recommend approval of the Plan to the Board with the following comments:

1. As the HOME-ARP Plan is being implemented and should the priority needs of the qualifying populations change, the Plan will be modified in accordance with HUD regulations, to change the planned distribution of funds to reflect the updated priorities.
2. Include an impact evaluation metric of persons served by activities funded with HOME-ARP funds in the compliance monitoring program.

Both of these comments were considered, and the recommendations can be included in the HOME-ARP Allocation Plan process and administration of the grant.

After the Substantial Amendment to the FY 2021-2022 Annual Action Plan, incorporating the HOME-ARP Allocation Plan, is submitted to HUD, and approved, staff will solicit funding request applications from nonprofit organizations, affordable housing developers, and community-based service providers through a notice of funding availability process (NOFA) to distribute funds for eligible activities that benefit the qualifying populations in the Urban County. Staff will return to your Board for approval of the specific funding awards for use of the HOME-ARP funds after receiving recommendations from the CD Committee and CTAC.

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 3: Increase investment in programs that treat underlying causes of homelessness, including substance abuse, mental illness, poverty, and lack of affordable housing.

Prior Board Actions:

05/10/2022: Board approved FY 2021-22 Action Plan Substantial Amendment
03/15/2022: Board approved FY 2021-22 Action Plan Substantial Amendment
07/27/2021: Board approved FY 2021-22 Action Plan
06/20/2020: Board approved Sonoma County 2020-25 Consolidated Plan

FISCAL SUMMARY

	FY 2022-23	FY 2023-24 Projected	FY 2025-26
Development of Draft Allocation Plan	\$50,000		
Implementation of Allocation Plan		\$2,941,512	
Additional Appropriation Requested			
Total Expenditures	\$50,000	\$2,941,512	
Funding Sources			
General Fund/WA GF			
State/Federal - HOME-ARP	\$50,000	\$2,941,512	
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$50,000	\$2,941,512	

Narrative Explanation of Fiscal Impacts:

FY 2022-23 expenditure and revenue appropriations are already included in the CDC's budget. FY 2023-24 expenditure and revenue appropriations will be included in the CDC's annual budget development process.

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

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1 - Draft Sonoma County HOME-ARP Allocation Plan with Attachments
Attachment 2 - Public Comments
Attachment 3 - SF-424 Form and HUD Required Certifications

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

Agenda Date: 3/14/2023

None