



Legislation Text

File #: 2023-0382, **Version:** 1

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: Michelle Whitman, (707) 565-7504

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, Community Development Block Grant-CARES Act, and Low- and Moderate-Income Housing Asset Fund Funding Awards for Fiscal Year (FY) 2020-21, FY 2022-23, and FY 2023-24

Recommended Action:

- A) Approve the Sonoma County FY 2023-24 Annual Action Plan for the proposed use of \$2,248,874 of Community Development Block Grant (CDBG), \$858,495 of HOME Investment Partnerships Program (HOME), and \$150,786 of Emergency Solutions Grants (ESG) funds. Approve \$250,000 in funding awards for the Low-and Moderate-Income Housing Asset Fund (LMIHAF).
- B) Approve the Substantial Amendments to the Sonoma County FY 2020-21 and FY 2022-23 Annual Action Plans for the proposed use of \$792,056 of CDBG funds, \$1,370,855 of CDBG-CARES Act (CDBG-CV) funds, and \$1,474,780 of HOME funds.
- C) Adopt the required certifications and authorize the Executive Director of the Sonoma County Community Development Commission (CDC), or designee, to execute the required forms and certifications to submit the Sonoma County FY 2023-2024 Annual Action Plan, and the Substantial Amendments to FY 2020-21 and FY 2022-23 Annual Action Plans to the U.S. Department of Housing and Urban Development (HUD).
- D) Authorize the Executive Director of the CDC, or designee, to execute the Funding Approval Grant Agreements, as required by HUD, on behalf of the County, and to execute agreements with subrecipients and developers on behalf of the County in accordance with the Action Plans, to execute amendments and modifications to said agreements, to execute loan and grant documents with subrecipients and developers consistent with the terms set forth in CDC Funding Policies, Loan Policies, and/or other Board-adopted policies, and to execute construction contracts, and related agreements on behalf of program beneficiaries, in accordance with the Board-approved Housing Rehabilitation Loan and Earthquake Resistant Bracing System Grant program designs.

Executive Summary:

This agenda item seeks Board approval of the funding awards recommended by the Community Development Committee for FY 2023-24 to be made from federal and local funding sources to benefit lower income residents, which comprise the Fiscal Year (FY) 2023-2024 Annual Action Plan. The FY 2023-24 Annual Action Plan describes the use of \$3,508,155 of federal CDBG, HOME, and ESG and local LMIHAF funds. Board approval is also requested for the Substantial Amendments to the Action Plans for FY 2020-21 and FY 2022-23

to reprogram \$3,637,691 of CDBG, HOME, and CDBG-CARES Act (CDBG-CV) funds from these prior years. Funds from prior years that are not used for planned funding awards must be reprogrammed to new eligible activities, through a substantial amendment to the relevant Action Plan.

HUD requires submission of the Action Plan and amended Action Plans to enable the “Urban County” entitlement jurisdiction to receive federal grant funding. The Action Plans list the specific projects that are being awarded funding to use the combined total of \$7,145,846 for affordable housing development and preservation, public facilities improvements, rental assistance, emergency shelter operations, fair housing services, homelessness prevention, case management, and financial stability, all to benefit lower-income residents, as well as administrative costs for CDC staff to operate these HUD-funded programs.

Discussion:

Consolidated Plan and Urban County Entitlement

The Board of Supervisors approved the Sonoma County 2020 Consolidated Plan on June 2, 2020, which is a strategic policy document that spans a five-year planning period. The Consolidated Plan is required by HUD for jurisdictions that receive annual allocations of Community Development Block Grants (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grants (ESG) funding, as well as any supplemental federal funds.

The Consolidated Plan lays out local rationales and priorities for the use of 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/town of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and Windsor. The CDC is the designated fiscal agent under the JPA and administers all aspects of the Urban County program using these funds from HUD.

FY 2020-21 and 2022-23 Action Plan Amendments

In FY 2022-23, the Urban County received more federal grant funds than were awarded to eligible projects, leaving a remaining balance to be awarded (which is unusual). There were also federal funds that became available from prior funding awards to projects that did not proceed. In total, \$792,056 of CDBG and \$1,474,780 of HOME funds were available to be reprogrammed as funding awards to new eligible projects. A mid-year funding process was carried out and these funding awards in the amounts noted above were recommended by the Community Development Commission and Cities and Towns Advisory Committee on November 16, 2022, as a substantial amendment to the FY 2022-2023 Annual Action Plan.

There was also a remaining balance of \$1,370,855 of CDBG-CV funds from FY 2020-21 that needed to be awarded to eligible activities. A mid-year funding process was carried out and these funding awards in the amounts noted above were recommended by the Community Development Commission and Cities and Towns Advisory Committee on November 16, 2022, and April 19, 2023, as a substantial amendment to the FY 2020-21 Annual Action Plan.

FY 2023-24 Action Plan

HUD published the allocations for FY 2023-24 CDBG, HOME, and ESG funds which are allocated to eligible projects through the Annual Action Plan and \$250,000 of local LMIHAF funds are included in the Action Plan. The Action Plan must be approved by your Board and submitted to HUD by the federal annual statutory deadline of May 15, 2023. The CDC received grant funding from HUD in prior years that was awarded to ineligible projects and had to be removed from projects and replaced with non-federal funds. The funds need to be made available through our local NOFA process to award them to eligible projects, in order to meet HUD

requirements. This agenda item is based on HUD published annual entitlement awards and estimated CDBG program income as follows:

Total Funds Available for Allocation

Table 1 shows the combined totals of funds available and recommended awards and allocations.

Table 1

Funding Source	FY 2023-24 Action Plan	FY 2022-23 Action Plan Amendment	FY 2020-21 Action Plan Amendment	Totals by Funding Source
CDBG Housing/Capital Projects	\$1,109,144	\$792,056	\$0	\$1,901,200
CDBG - Public Services	\$255,956	\$0	\$0	\$255,956
HOME	\$643,871	\$1,215,621	\$0	\$1,859,482
HOME - CHDO	\$128,775	\$259,159	\$	\$387,934
ESG	\$139,478	\$0	\$0	\$139,478
CDBG - CV	\$0	\$0	\$1,370,855	\$1,370,855
LMIHAF	\$250,000	\$0	\$0	\$250,000
Estimated CDBG reprogrammed funds and Program Income	\$542,500			\$542,500
CDBG, HOME, CDBG-CV, and ESG Program Admin Costs	\$438,431	\$0	\$0	\$438,431
Totals by Action Plan Year	\$3,508,155	\$2,266,836	\$1,370,855	\$7,145,846

FY 2022-23 and FY 2020-21 Action Plan Substantial Amendments

The CDC FY 2022-23 Federal Funding Policies define the proposal selection process, the specific objectives and criteria used to review proposals, application deadlines, and the roles of the various review bodies. The CDC issued a mid-year Notice of Funding Availability (NOFA) for CDBG, HOME, CDBG-CV, and LMIHAF funds on September 1, 2022.

The Community Development (CD) Committee (comprised of one representative of each supervisorial district and two tenant representatives of the Sonoma County Housing Authority, who are all appointed by your Board, plus one appointee by the Human Services Department Director), and the Cities and Town Advisory Committee (CTAC) (comprised of one representative from each of the seven incorporated jurisdictions that participate in the Urban County JPA), held a public hearing on November 16, 2022, to review, discuss and make funding recommendations on all eligible proposals submitted for funding.

At the conclusion of the committees' November 16, 2022, meetings, which included public comments and clarifications from applicant organizations, the committees voted to make funding recommendations for \$2,441,836 to support the activities listed in the FY 2022-23 and \$2,441,836 to support FY 2020-21 Action Plan Substantial Amendments and the FY 2020-21 Amended Action Plan, as summarized in Table 2.

Table 2

Project Sponsor	Project Name	Funding Source	Recommended Award
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Mid-Peninsula the Farm	Summer Oaks	CDBG	\$592,056
City of Healdsburg	L&M Village Rehabilitation	CDBG	\$200,000
Homeless Action Sonoma	Home & Safe Center	CDBG - CV	\$75,000
Legal Aid Sonoma County	Housing Justice Program	CDBG - CV	\$100,000
Mid-Peninsula the Farm	Summer Oaks	HOME	\$1,103,132
Common Space Community Land Trust	Cooper Road	HOME-CHDO	\$112,489
Mid-Peninsula the Farm	Summer Oaks	HOME-CHDO	\$259,159
Total			\$2,441,836

Consolidated Plan and Urban County Entitlement

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The Consolidated Plan lays out local rationales and priorities for the use of 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/town of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and Windsor. The CDC is the designated fiscal agent under the JPA and administers all aspects of the Urban County program using these funds from HUD.

FY 2020-21 and 2022-23 Action Plan Amendments

In FY 2022-23, the Urban County received more federal grant funds than were awarded to eligible projects, leaving a remaining balance to be awarded (which is unusual). There were also federal funds that became available from prior funding awards to projects that did not proceed. In total, \$792,056 of CDBG and \$1,474,780 of HOME funds were available to be reprogrammed as funding awards to new eligible projects. A mid-year funding process was carried out and these funding awards in the amounts noted above were recommended by the Community Development Commission and Cities and Towns Advisory Committee on November 16, 2022, as a substantial amendment to the FY 2022-2023 Annual Action Plan.

There was also a remaining balance of \$1,370,855 of CDBG-CV funds from FY 2020-21 that needed to be awarded to eligible activities. A mid-year funding process was carried out, and these funding awards in the amounts noted above were recommended by the Community Development Commission and Cities and Towns Advisory Committee on November 16, 2022, and April 19, 2023, as a substantial amendment to the FY 2020-21 Annual Action Plan.

FY 2023-24 Action Plan

HUD published the allocations for FY 2023-24 CDBG, HOME, and ESG funds which are allocated to eligible projects through the Annual Action Plan and \$250,000 of local LMIHAF funds are included in the Action Plan. The Action Plan must be approved by your Board and submitted to HUD by the federal annual statutory deadline of May 15, 2023. The CDC received grant funding from HUD in prior years that was awarded to ineligible projects and had to be removed from projects and replaced with non-federal funds. The funds need

to be made available through our local NOFA process to award them to eligible projects, in order to meet HUD requirements. This agenda item is based on HUD published annual entitlement awards and estimated CDBG program income as follows:

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HOME	\$643,871	\$1,215,621	\$0	\$1,859,482
HOME - CHDO	\$128,775	\$259,159	\$	\$387,934
ESG	\$139,478	\$0	\$0	\$139,478
CDBG - CV	\$0	\$0	\$1,370,855	\$1,370,855
LMIHAF	\$250,000	\$0	\$0	\$250,000
Estimated CDBG reprogrammed funds and Program Income	\$542,500			\$542,500
CDBG, HOME, CDBG-CV, and ESG Program Admin Costs	\$438,431	\$0	\$0	\$438,431
Totals by Action Plan Year	\$3,508,155	\$2,266,836	\$1,370,855	\$7,145,846

FY 2022-23 and FY 2020-21 Action Plan Substantial Amendments

The CDC FY 2022-23 Federal Funding Policies define the proposal selection process, the specific objectives and criteria used to review proposals, application deadlines, and the roles of the various review bodies. The CDC issued a mid-year Notice of Funding Availability (NOFA) for CDBG, HOME, CDBG-CV, and LMIHAF funds on September 1, 2022.

The Community Development (CD) Committee (comprised of one representative of each supervisorial district and two tenant representatives of the Sonoma County Housing Authority, who are all appointed by your Board, plus one appointee by the Human Services Department Director), and the Cities and Town Advisory Committee (CTAC) (comprised of one representative from each of the seven incorporated jurisdictions that participate in the Urban County JPA), held a public hearing on November 16, 2022, to review, discuss and make funding recommendations on all eligible proposals submitted for funding.

At the conclusion of the committees' November 16, 2022, meetings, which included public comments and clarifications from applicant organizations, the committees voted to make funding recommendations for \$2,441,836 to support the activities listed in the FY 2022-23 and \$2,441,836 to support FY 2020-21 Action Plan Substantial Amendments and the FY 2020-21 Amended Action Plan, as summarized in Table 2.

Table 2

Project Sponsor	Project Name	Funding Source	Recommended Award
Mid-Peninsula the Farm	Summer Oaks	CDBG	\$592,056
City of Healdsburg	L&M Village Rehabilitation	CDBG	\$200,000
Homeless Action Sonoma	Home & Safe Center	CDBG - CV	\$75,000
Legal Aid Sonoma County	Housing Justice Program	CDBG - CV	\$100,000
Mid-Peninsula the Farm	Summer Oaks	HOME	\$1,103,132
Common Space Community Land Trust	Cooper Road	HOME-CHDO	\$112,489
Mid-Peninsula the Farm	Summer Oaks	HOME-CHDO	\$259,159
Total			\$2,441,836

FY 2023-24 Annual NOFA

The CDC FY 2023-24 Federal Funding Policies define the proposal selection process, the specific objectives and criteria used to review proposals, application deadlines, and the roles of the various review bodies. The CDC issued a NOFA for CDBG, HOME, ESG, CDBG-CV, and LMIHAF funds on December 7, 2022, with funding proposals due for submission to the CDC by January 25, 2023. The CD Committee and CTAC held public workshops on March 15, 2023, and public hearings on April 19, 2023, to review and discuss all eligible proposals submitted for funding.

At the conclusion of the committees' March 15, 2023, meetings, they voted to make funding recommendations for \$4,661,510 to support the activities listed in the draft FY 2023-24 Action Plan and the FY 2020-21 Action Plan Substantial Amendment, as summarized in Table 3 below.

Table 3

Project Sponsor	Project Name	Funding Source	Recommended Award
WeeCare	BOOST	CDBG	\$258,000
Spectrum Affordable Housing	Redwood Glen Apartments - 42 affordable units	CDBG	\$200,000
Burbank Housing	Dry Creek Commons - 57 affordable units	CDBG	\$259,144
City of Cloverdale	1st Street ADA barrier removal	CDBG	\$392,000
Sonoma County CDC	Housing Rehabilitation & Earthquake Resistant Bracing System Programs	CDBG	\$500,000 Program Income
Mid-Peninsula the Farm	Summer Oaks - Contingency project 71 affordable units	CDBG	\$0
Legal Aid of Sonoma Co.	HOME - Housing Justice Program	CDBG - Public Services	\$170,956

Fair Housing Advocates of Northern CA	Fair Housing Education & Enforcement	CDBG - Public Services	\$85,000
Fair Housing Advocates of Northern CA	Fair Housing Education & Enforcement	CDBG-CV	\$25,000
Community Action Partnership	Sloan House Women’s Shelter	CDBG - CV	\$82,155
Homeless Action Sonoma	Home & Safe Navigation Center	CDBG - CV	\$300,000
Social Advocates for Youth	Street Outreach & Rapid ReHousing	CDBG - CV	\$133,213
Sonoma Applied Villages Services	Horizon Shine Transitional Housing & Navigation Center	CDBG - CV	\$100,000
West County Community Services	West County Homeless Outreach	CDBG - CV	\$200,000
West County Community Services	Service Navigation, Health & Mental Health Services Project Contingency	CDBG - CV	\$213,851
City of Healdsburg	Northern Sonoma County Homeless Services Expansion	CDBG - CV	\$141,636
Burbank Housing	Dry Creek Commons - 57 affordable units	HOME	\$212,751
Mid-Peninsula the Farm	Summer Oaks - 71 affordable units	HOME	\$343,120
Sonoma County Housing Authority	Tenant Based Rental Assistance	HOME	\$88,000
Mid-Peninsula the Farm	Summer Oaks - 71 affordable units	HOME - CHDO	\$128,775
Sonoma Applied Villages	SAVS Outreach	ESG	\$139,478
Social Advocates for Youth	Rapid ReHousing	LMIHAF	\$75,400
TLC Child & Family Services	TLC Transition Age Youth Rapid Re-Housing Program	LMIHAF	\$102,400
West County Community Services	West County Homeless Prevention	LMIHAF	\$72,200
So. Co. CDC Program Admin Costs	Program Administrative Costs	CDBG, HOME, ESG	\$438,431
Total Funding			\$4,661,510

The draft Action Plans, including the recommended awards, were published on November 21, 2022, and on March 17, 2023, for 30-day comment periods as required by HUD. Two written public comments were

received prior to the committees' April 19, 2023, public hearings and were included in the information considered by the committees. One of the comments was submitted by a resident in support of full funding for the Cloverdale accessibility barrier removal project, and the other was submitted by a resident of the community regarding the lack of affordable housing. Following the hearings, the committees voted to confirm the funding recommendations listed above. As required by federal regulations, all written comments will also be included in the Action Plan submissions to HUD.

As in all prior years, HUD continues to require the annual Action Plan submission to include the attached SF-424 application forms and signed certifications that the Urban County entitlement will comply with all applicable federal regulations pertaining to the CDBG, HOME, and ESG funds. Approval of this agenda item will authorize the CDC Executive Director or designee to sign and submit the forms on behalf of the County.

The draft Action Plan and substantial amendments also include contingency projects, if for any reason a project that was awarded funds cannot proceed, the funds will be awarded to the following projects, up to their maximum funding request: 1) CDBG funds for Mid-Peninsula the Farm's Summer Oaks affordable housing project and 2) CDBG-CV funds for West County Community Services' Service Navigation, Health & Mental Health Services Project.

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 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.

Prior Board Actions:

5/10/2022 - Board approved FY 2022-23 Action Plan and FY 2020-21 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

06/02/2020 - Board approved Sonoma County 2020-2025 Consolidated Plan

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY23-24 Projected	FY 24-25 Projected
Budgeted Expenses	\$1,370,855	\$2,266,836	\$3,508,155
Additional Appropriation Requested			
Total Expenditures	\$1,370,855	\$2,266,836	\$3,508,155
Funding Sources			
LMIHAF			\$250,000
State/Federal - HUD Funds: CDBG, HOME, ESG, CDBG-CV	\$1,370,855	\$2,266,836	\$3,258,155

Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$1,370,855	\$2,266,836	\$3,508,155

Narrative Explanation of Fiscal Impacts:

Sufficient appropriations are included in the FY2022-23 budget for projects to begin. Appropriations for FY 2023-24 will be included in the FY 2023-24 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 - SF-424 Forms and Certifications

Attachment 2 - Public Review Draft FY 2023-24 One-Year Action Plan

Attachment 3 - Public Review FY 2020-21 and FY 2022-23 One-Year Action Plan Substantial Amendments

Attachment 4 - Funding Policies and Award Criteria

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

None