

CITY OF SANTA ROSA  
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS  
FROM: REBECCA LANE, PROGRAM SPECIALIST  
HOUSING AND COMMUNITY SERVICES DEPARTMENT  
SUBJECT: FISCAL YEAR 2024-2025 NOTICE OF FUNDING AVAILABILITY  
PRIORITIES

AGENDA ACTION: STUDY SESSION

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RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority hold a Study Session to receive information and provide direction on funding priorities for the Fiscal Year 2024-2025 Notice of Funding Availability process.

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EXECUTIVE SUMMARY

The Housing Authority (Authority) issues Notices of Funding Availability (NOFAs) for its federal, state and local funds for affordable housing services annually and as new funding opportunities arise. This study session will review the estimated amount of available funds for the upcoming Fiscal Year 2024-2025 NOFA and discuss priorities for funding awards.

BACKGROUND

At least annually, traditionally aligned with the start of a Fiscal Year, the Authority releases a NOFA for the federal, state and local affordable housing funds for which it is responsible. In addition to the Fiscal Year NOFAs, the Authority has released NOFAs for specialized funding or funding that became available outside the Fiscal Year cycle.

Between Fiscal Years 2019-2020 and 2021-2022, the NOFA funding priorities were largely focused on making new construction projects more competitive for state and federal funding programs. In that time frame six NOFAs were released, five of which focused on providing funds for new construction and to leverage Authority funds to make projects more competitive for state funding sources. Beginning in Fiscal Year 2022-2023, the state and federal funding application timelines fell out of alignment with the July 1 Fiscal Year calendar start, and the NOFA funds could no longer be prioritized to leverage state funding. The focus of the Fiscal Year 2022-2023 and 2023-2024 NOFAs was primarily on new construction.

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The most recent awards in the 2023-2024 NOFA were as follows:

<b>Project</b>	<b>Amount</b>	<b>Eligible Use</b>
Burbank Avenue Apartments	\$3,500,000	New Construction
Laurel at Perennial Park Phase III	\$2,585,610	New Construction
Caritas Homes Phase II	\$1,300,000	New Construction
Vigil Light Apartments	\$1,073,583	Rehabilitation/Preservation

PRIOR HOUSING AUTHORITY REVIEW

Not applicable.

ANALYSIS

The funding sources available in the upcoming Fiscal Year 2024-2025 NOFA will likely include Community Development Block Grant (CDBG), HOME Investment Partnership Community Housing Development Organization (HOME-CHDO), Permanent Local Housing Allocation (PLHA) and local funds. From these sources, CDBG and local sources can be used for acquisition, demolition and rehabilitation of existing units, PLHA can be used for predevelopment and new construction, and local sources can be used for acquisition, new construction and rehabilitation. HOME-CHDO funds may be used for acquisition, new construction, rehabilitation or seed money loans for predevelopment expenses. The U.S. Department of Housing and Urban Development (HUD) has not yet announced the funding award amounts for fiscal year 2024-2025, which are expected to be published in May. Preliminary information suggests that CDBG and HOME-CHDO funds are estimated to be similar to last fiscal year's appropriation which would make approximately \$1,100,000 and \$112,000 available in loan product respectively. PLHA funds are expected to be approximately \$600,000. With the inclusion of approximately \$1,900,000 in local funds, the Fiscal Year 2024-2025 NOFA is expected to amount to approximately \$3,700,000 total.

Outreach was conducted over the past year to develop the City of Santa Rosa's 2024-2027 Consolidated Plan (Plan) which identifies how the City will use its federal funding, including CDBG, HOME, and Housing Opportunities for Persons with Aids (HOPWA) funds. This outreach sought feedback from Santa Rosa residents, developers, and service providers, and the feedback largely pointed towards a preference of utilizing federal funds for rehabilitation and preservation of existing affordable housing.

If the Authority direction regarding the upcoming NOFA is to include rehabilitation and/or preservation of affordable housing units as eligible activities, the amount of funds allocated from the NOFA for these uses would depend on the amount of funding available, the funding applications submitted and the associated eligible use of funds in response to the NOFA. To create a preference for rehabilitation and preservation

applications, the NOFA points scoring would include additional points for these eligible uses.

### FISCAL IMPACT

A Study Session does not have a fiscal impact on Authority funds.

### ENVIRONMENTAL IMPACT

This is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

### NOTIFICATION

Not applicable.

### ATTACHMENTS

Draft FY 2024-2025 Points Scoring System

### PRESENTER

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