

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: MEGAN BASINGER, DIRECTOR  
HOUSING & COMMUNITY SERVICES  
SUBJECT: SUBMITTAL OF THE FISCAL YEAR 2025/2026 ACTION PLAN TO  
THE U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council, by resolution: 1) authorize submittal of the Fiscal Year 2025/2026 Action Plan to the U.S. Department of Housing and Urban Development (HUD); and 2) authorize the City Manager to execute any forms or documents required by HUD to implement the Fiscal Year 2025/2026 Action Plan.

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EXECUTIVE SUMMARY

The proposed action will authorize submittal of the Fiscal Year 2025/2026 Action Plan (Plan) to the U.S. Department of Housing & Urban Development (HUD). HUD requires submittal of the Annual Action Plan so that the City can receive federal housing and community development funds in the form of Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Housing Opportunities for Persons with AIDS (HOPWA) grants. HUD has not announced the award amounts for CDBG, HOME, and HOPWA programs to entitlement jurisdictions for Fiscal Year 2025/2026 but advancing this item will allow the City to submit a timely Annual Action Plan. Staff have included estimated funding amounts based on the City's Fiscal Year 2024/2025 allocations.

BACKGROUND

HUD requires grantees to prepare an Annual Action Plan to define how federal funds, including CDBG, HOME, and HOPWA will be spent in the coming year. HUD requires jurisdictions to submit their plan 45 days prior to the start of the Fiscal Year as a requirement to receive funding.

HUD has not announced the award amounts for CDBG, HOME, and HOPWA programs to entitlement jurisdictions for Fiscal Year 2025/2026 but to remain in compliance with the timeline staff has drafted a Plan based on estimates, outlined below:

<b>Funding Resource</b>	<b>Estimated Grant Award</b>	<b>Program Income*</b>	<b>Total</b>
<b>CDBG</b>	\$1,306,590	\$60,000	\$1,366,590
<b>HOME</b>	\$645,619	\$60,000	\$705,619
<b>HOPWA</b>	\$522,399	\$0	\$522,399
<b>Total</b>	\$2,247,608	\$120,000	\$2,594,608

\*generated by past use of CDBG funds, like loan repayments

The Fiscal Year 2025/2026 funding strategy allocates 85% of CDBG funds for affordable housing purposes and administration and 15% to public services. For HOME Funds, federal regulations require that 15% of the City's HOME allocation must be used for a Community Housing Development Organizations (CHDO's); the remainder of the Fiscal Year 2025/2026 HOME allocation will be used for administration (10%) and Tenant-Based Rental Assistance (TBRA), a program that initially launched during the COVID-19 pandemic. These percentages will be applied to the award amounts.

On January 22, 2025, staff issued a Notice of Funding Availability (NOFA) for the Public Services Program, which includes homeless services, fair housing, and HOPWA programs. Additionally, a virtual community meeting was held on February 5, 2025, to provide an overview of the application process for the Public Services Program and the process for the Plan. Staff received five applications and will return to Council with funding recommendations and grant agreements once HUD announces the Fiscal Year 2025/2026 award amounts.

The draft Plan was made available to the public for the 30-day public comment period beginning March 14, 2025, through April 15, 2025. The Plan was made available on the City's website; emailed to interested parties upon request; and made available at the City Hall Annex, City Manager's Office and the Central Branch of the Sonoma County Library in downtown Santa Rosa. Availability of the draft Plan was advertised in the Press Democrat, La Voz, through the City Connections Newsletter, to an opt-in email subscriber list, and through the Sonoma County Homeless Coalition's (Continuum of Care) email subscriber list.

Comments received to date and any additional comments received at the Public Hearing on April 15 will be included in the final Plan before being submitted to HUD.

### PRIOR CITY COUNCIL REVIEW

On April 16, 2024, Council authorized submittal of the 2024 – 2027 Consolidated Plan, the Fiscal Year 2024/2025 Action Plan, and the 2024 Fair Housing Plan to the U.S. Department of Housing & Urban Development (HUD).

### ANALYSIS

Although HUD does not require Council to adopt the Plan, it has been Council's practice to authorize submittal of the Plan to HUD and make the final determination on the annual grant agreements to nonprofit service providers. Grant agreements will be brought forward as a separate action once award amounts are confirmed.

### FISCAL IMPACT

CDBG, HOME, and HOPWA are not General Fund resources and estimates will be included in the City's Fiscal Year 2025/2026 budget.

### ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

### NOTIFICATION

Not applicable.

### ATTACHMENTS

- Attachment 1 - Draft Fiscal Year 2025/2026 Action Plan
- Resolution

### PRESENTER

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