

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: ANGELA MORGAN, PROGRAM SPECIALIST  
HOUSING & COMMUNITY SERVICES  
SUBJECT: PUBLIC HEARING AUTHORIZING SUBMISSION OF THE  
FISCAL YEAR 2021/2022 ACTION PLAN AND APPROVAL OF  
GRANT AGREEMENTS FOR PUBLIC SERVICES, FAIR  
HOUSING, AND HOUSING OPPORTUNITIES FOR PERSONS  
WITH AIDS

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing & Community Services Department that the Council, by resolution: (1) authorize submission of the Fiscal Year 2021/2022 Action Plan to the U.S. Department of Housing & Urban Development (HUD); (2) approve the Fiscal Year 2021/2022 Grant Agreements for public services, fair housing, and Housing Opportunities for Persons with AIDS (HOPWA) funds in the amount of \$707,641 and authorize the Director of Housing and Community Services, or its designee to execute the Grant Agreements and any future amendments thereto for public services, fair housing, and HOPWA; and (3) authorize the City Manager to execute the annual federal funding agreements with HUD and any additional forms or documents required by HUD to implement the Fiscal Year 2021/2022 Action Plan.

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EXECUTIVE SUMMARY

The proposed action will authorize submission of the Fiscal Year 2021/2022 Action Plan (Plan) to the U.S. Department of Housing & Urban Development (HUD) and approve Grant Agreements for public services, fair housing, and HOPWA programs. HUD requires submission of the Annual Action Plan (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 requires Santa Rosa to submit its Plan by May 15<sup>th</sup>, 45-days prior to the start of the City's fiscal year in order to receive the annual funding allocations.

**BACKGROUND**

1. HUD requires state and local grantees to prepare a Consolidated Plan every four to five years and an annual Action Plan to define how federal funds, including CDBG, HOME, and HOPWA will be spent in the coming year.
2. The Fiscal Year 2021/2022 Action Plan follows the templates provided by HUD. The Plan utilize current data from the U.S. Census Bureau, the American Community Survey, HUD resources and other sources applicable to the local region. The Plan is based on the data collected from these sources, resulting in the following broad funding categories:
  - a. Increase the supply of affordable rental housing for the City’s lowest income households;
  - b. Preserve existing affordable housing stock;
  - c. Provide housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families;
  - d. Provide housing and services to special needs populations;
  - e. Increase access to home ownership opportunities for City residents;
  - f. Provide funding for public facilities and improvements;
  - g. Promote economic development activities in the City; and
  - h. Provide housing for non-special needs populations through rent subsidies.

Items a – d and h are first-tier priorities, while e – g could be prioritized more highly if the City received additional funding from HUD or other resources.

3. HUD announced its federal funding allocations on February 25, 2021, and the City’s allocations, and projected program income, are as follows:

<b>Funding Resource</b>	<b>Estimated Grant Award</b>	<b>Program Income</b>	<b>Total</b>
<b>CDBG</b>	\$1,476,993	\$60,000	\$1,536,993
<b>HOME</b>	\$755,307	\$60,000	\$815,307
<b>HOPWA</b>	\$454,734	-0-	\$454,734
<b>Total</b>	\$2,687,034	\$120,000	\$2,807,034

4. By federal regulation, a maximum of 15% of CDBG funds plus program income generated by past use of CDBG funds, like loan repayments, may be used for public services activities. The Council has directed that these funds be used to provide

focused, comprehensive homeless services through coordinated entry operation of homeless facilities. For Fiscal Year 2021/2022, the City plans to budget \$230,549 in CDBG funds/program income for public services and \$36,000 in local resources for federally mandated fair housing services. Additionally, as allowed by HUD regulation, the City will retain 3% of the HOPWA grant amount for administrative costs, therefore the City has budgeted the remaining \$441,092 for HOPWA services.

5. Staff held a publicly noticed virtual public meeting on February 16, 2021, to provide an overview of the public services application procedure and the process for completing the Plan. Tonight's public hearing provides an additional opportunity for the public to participate in the Plan development process.
6. The draft Plan was made available for the 30-day public comment period March 2, 2021, through April 2, 2021. Due to the COVID-19 Shelter-in-Place orders, the Plan was available online at <http://srcity.org/767/State-Federal-Reports> and available to be sent to interested parties upon request. 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 Continuum of Care's email subscriber list.
7. Comments received to date have been included in the Plan. Any additional comments received during the Public Hearing will be included in the final Plan before it is submitted to HUD.

#### PRIOR CITY COUNCIL REVIEW

The Council reviewed and approved the 2020-2024 Consolidated Plan which set the planning period framework for this Action Plan on June 23, 2020.

#### ANALYSIS

1. CDBG and HOME funds are allocated by the City to the Housing Authority of the City of Santa Rosa (Authority) for affordable housing purposes. The funding strategy for Fiscal Year (FY) 2021/2022 allocates 85% of CDBG funds for affordable housing purposes and administration and 15% to public services. For HOME Funds, federal regulations require that up to 15% of the City's HOME allocation must be used for a Community Housing Development Organization (CHDO); a portion has been identified as CHDO operating expenses, and the remainder of the FY 2021/2022 HOME allocation, \$652,246 will be used for tenant-based rental assistance (TBRA) and program administration, a program that originally launched during the COVID-19 pandemic.

2. On February 16, 2021, staff issued a notice of funding availability for the Public Services Program. Staff received a total of five applications which are described below: two from Catholic Charities, one from The Living Room, one from Face-to-Face, and one from Fair Housing Advocates of Northern California.

Comprehensive Homeless Services through coordinated entry operations:

- Catholic Charities – Homeless Services Center (HSC) proposes continuing to operate the Homeless Services Center (HSC), requested \$102,000;
  - Catholic Charities - Family Support Center (FSC), proposes continuing to operate the Family Support Center family homeless shelter, requested \$96,000;
  - The Living Room (TLR) proposes providing case management, counseling, and meals for homeless women, requested \$32,549.
3. The review committee recommends approval of Grant Agreements with Catholic Charities in the amount of \$102,000 for HSC and \$96,000 for FSC. The review committee further recommends approval of a Grant Agreement with TLR in the amount of \$32,549, the balance of the City's FY 2021/2022 CDBG public services allocation. Should Council approve the recommended Grant Agreements for HSC and FSC, the practice of combining the public services funds with the General Fund contributions to homeless services into one overall Agreement for each of the two Catholic Charities homeless service programs will continue.
  4. Staff received one application for fair housing services from Fair Housing Advocates of Northern California (FHANC), the City's existing provider of fair housing services. FHANC's proposed program continues to align with the 2012 Sonoma County Analysis of Impediments to Fair Housing (AI), which requires strengthening capacity to reduce discriminatory activities through complaint intake, fair housing training, fair housing testing, counseling, renter seminars on fair housing, and higher visibility. The review committee recommends an award of a Grant Agreement for fair housing services to FHANC in the amount of \$36,000 for FY 2021/2022.
  5. Staff received one application for HOPWA services from Face to Face, the City's existing service provider for the HOPWA program. Face to Face's program aligns with the HOPWA program goal of providing housing assistance and related supportive services for low-income persons living with HIV/AIDS (PLWHA) and their families. The total HOPWA allocation for FY 2021/2022 is \$454,734 and the City retains 3%, \$13,436, of the allocation for administrative costs. Therefore, the review committee recommends that, \$441,092, be used to fund a Grant Agreement with Face to Face. Since Face to Face is the only local agency with the expertise to provide the specialized services required for a successful HOPWA program, the City is allowed by HUD regulation to contract with Face to Face as a sole source.

6. Although HUD does not require Council to adopt the Plans, it has been Council's practice to make the final determination on the annual Grant Agreements to nonprofit service providers and authorize submittal of the Plans to HUD.

### FISCAL IMPACT

\$36,000 will be appropriated in the Fiscal Year 2021/2022 budget for fair housing services from the General Fund, the source of funds being a portion of Real Property Transfer Tax (RPTT) revenues as per *Council Policy 000-48: Policy to Designate General Fund for Homeless and Affordable Housing Production*. CDBG, HOME, and HOPWA are not General Fund resources and are included in the FY 2021/2022 budget.

### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

### NOTIFICATION

Not applicable.

### ATTACHMENTS

- Attachment 1 – Draft 2021/2022 Action Plan (English)
- Resolution/Exhibits A – F

### CONTACT

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