

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JULIE GAREN, PROGRAM SPECIALIST
HOUSING & COMMUNITY SERVICES
SUBJECT: PUBLIC HEARING AUTHORIZING SUBMISSION OF THE
FISCAL YEAR 2022/2023 ACTION PLAN AND APPROVAL OF
GRANT AGREEMENTS FOR PUBLIC SERVICES, FAIR
HOUSING, AND HOUSING OPPORTUNITIES FOR PERSONS
WITH AIDS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing & Community Services Department that the Council, by resolution: 1) authorize submission of the Fiscal Year 2022/2023 Action Plan to the U.S. Department of Housing & Urban Development (HUD); 2) approve the Fiscal Year 2022/2023 Grant Agreements for public services funds with the Living Room Center, Catholic Charities of the Diocese of Santa Rosa (Family Support Center), and Catholic Charities of the Diocese of Santa Rosa (Homeless Service Center); fair housing funds with Fair Housing Advocates of Northern California; and Housing Opportunities for Persons with AIDS (HOPWA) funds with Face to Face/The Sonoma County AIDS Network, in the combined amount of \$748,482; 3) authorize the Director of Housing and Community Services, or their designee to execute the Grant Agreements and any future amendments thereto for public services, fair housing, and HOPWA; and 4) 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 2022/2023 Action Plan.

EXECUTIVE SUMMARY

The proposed action will authorize submission of the Fiscal Year 2022/2023 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 60 days after the date allocations are announced and no later than August 16, 2022, in order to receive the annual funding.

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. The Council approved the 2020 – 2024 Consolidated Plan on June 23, 2020.
2. The Fiscal Year 2022/2023 Action Plan follows the template 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 May 17, 2022, the City's allocations and projected program income, are as follows:

Funding Resource	Grant Award	Program Income	Total
CDBG	\$1,384,132	\$195,000	\$1,579,132
HOME	\$785,012	\$60,000	\$845,012
HOPWA	\$481,043	-0-	\$481,043

Total	\$2,650,187	\$255,000	\$2,905,187
--------------	-------------	-----------	-------------

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 2022/2023, the City plans to budget approximately \$236,870 in CDBG funds for public services and \$45,000 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, the City has budgeted the remaining \$466,612 for HOPWA services.
5. Staff held a publicly noticed virtual public meeting on February 4, 2022, 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 and provide comments.
6. The draft Plan was made available for the 30-day public comment period March 11, 2022 through April 11, 2022 online at <http://srcity.org/767/State-Federal-Reports> and available to be sent to interested parties upon request. An updated draft was released to reflect the guidance provided by HUD in CPD-22-05 and March 25, 2022. The updated draft Action Plan was made available to the public electronically for an additional 30-day public comment period from May 3, 2022, until June 3, 2022, to encourage the public to submit comments in email to staff.
7. 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.
8. 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 and the Year Two Action Plan on April 27, 2021.

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 2022/2023 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 funded toward a Community Housing Development Organization (CHDO); and the remainder will be used for affordable housing purposes, program administration, and tenant-based rental assistance (TBRA), a program that originally launched during the COVID-19 pandemic to provide an additional means of rental assistance to income-eligible residents.
2. In November 2021, the City released a Request for Proposals (RFP) for Homeless Services funding. The award recommendations for the November 2021 RFP will be referenced in a separate item on the June 7, 2022, City Council meeting Agenda. Catholic Charities has received additional funding from the City General Fund for services at the Family Support Center and Homeless Services Center since FY 2018/2019, however in FY 2022/23, the City is utilizing American Rescue Plan Act (ARPA) funding in place of City General Fund for all homeless services related contracts. In FY 2022/2023 the Family Support Center will receive an allocation of \$100,000 and the Homeless Services Center will receive an allocation of \$134,000 in ARPA funding.

	CDBG	ARPA Contribution
a. Catholic Charities – Family Support Center	\$96,000	\$100,000
b. Catholic Charities – Homeless Services Center	\$102,000	\$134,000

3. On February 4, 2022, staff issued a notice of funding availability for the Public Services Program. Staff received a total of four applications which are described below: one from The Living Room, one from Face-to-Face, one from Community Action Partnership of Sonoma County and one from Fair Housing Advocates of Northern California.
4. The Living Room (TLR) applied for \$190,435 for case management, counseling, and meals for homeless women. The review committee recommends approval of a Grant Agreement with TLR in the amount of \$38,870 in 2022/2023 CDBG funds after the November 12, 2021 awards to Catholic Charities for the Family Support Center and Homeless Services Center. 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.

5. 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 \$45,000 for FY 2022/2023.
6. 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 HOPWA allocation for FY 2022/2023 is \$481,043 and the City retains 3%, \$14,431, for administrative costs. Therefore, the review committee recommends that approximately \$466,612 be used to fund a Grant Agreement with Face to Face.
7. Although HUD does not require Council to adopt the Plan, 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 Plan to HUD.

FISCAL IMPACT

\$45,000 will be appropriated in the FY 2022/2023 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*. \$234,000 will be appropriated in the FY 2022/2023 budget for Public Services from the ARPA fund. CDBG, HOME, and HOPWA are not General Fund resources and are included in the FY 2022/2023 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 Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution
- Exhibit A – Grant Agreement for Public Service Providers Program Funds with Living Room Center
- Exhibit B – Grant Agreement for Public Service Providers Program Funds with Fair Housing Advocates of Northern California
- Exhibit C – Grant Agreement for Public Service Providers Program Funds with Face to Face/The Sonoma County AIDS Network
- Exhibit D – Grant Agreement for Public Service Providers Program Funds with Catholic Charities of the Diocese of Santa Rosa (Family Support Center)
- Exhibit E – Grant Agreement for Public Service Providers Program Funds with Catholic Charities of the Diocese of Santa Rosa (Homeless Service Center)
- Exhibit F – Draft 2022/2023 Action Plan

CONTACT

Julie Garen, Program Specialist, jgaren@srcity.org, 707-543-4339