

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: NANCY MANCHESTER, PROGRAM SPECIALIST II  
HOUSING AND COMMUNITY SERVICES

SUBJECT: PUBLIC HEARING AUTHORIZING SUBMISSION OF THE 2016 –  
2020 CONSOLIDATED PLAN AND THE FISCAL YEAR 2016/2017  
ACTION PLAN TO THE U.S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT (HUD)

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council, by resolution, authorize submission of the 2016 – 2020 Consolidated Plan and the Fiscal Year 2016/2017 Action Plan to the U.S. Department of Housing and Urban Development (HUD), approve the Fiscal Year 2016/2017 funding allocations for Public Services and Housing Opportunities for Persons with AIDS (HOPWA) funds in the amount of \$619,908, and authorize the City Manager to execute annual federal funding agreements, HUD forms, and other documents required by HUD which are required to implement the Consolidated Plan for its four year term.

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EXECUTIVE SUMMARY

The proposed action will authorize submission of the Consolidated Plan for 2016 – 2020 and the Fiscal Year 2016/2017 Action Plan. Submission of these Plans is required by HUD for the City to continue to receive federal housing and community development funding in the form of Community Development Block Grant (CDBG), HOME Investments Partnerships Act (HOME) and Housing Opportunities for Persons with AIDS (HOPWA) allocations. This item supports Council Goal 1.2 – Create a Strong, Sustainable Economic Base: Evaluate Housing Initiatives: Housing for All.

## BACKGROUND

1. HUD requires states and local communities to prepare a Consolidated Plan in order to receive federal housing and community development funding. The City typically submits the Consolidated Plan to HUD every five years.
2. The Consolidated Plan identifies the City's housing and community development needs, priorities, goals and strategies for the term of the Plan.
3. The last Consolidated Plan update covered 2014 – 2019, however, because Santa Rosa now receives Housing Opportunities for Persons with AIDS (HOPWA) funds, and to align with the Plan periods for Sonoma County and the City of Petaluma, the other HUD entitlement jurisdictions in the area, Santa Rosa's Plan is being updated earlier than usual to cover a four year period from 2016 through 2020.
4. The 2016 – 2020 Consolidated Plan was prepared using data available from the U.S. Census Bureau, American Community Survey, and other sources, and following the template provided by HUD. The Plan establishes the following seven goals to address the City's housing and community development needs:
  - a. Increase supply of affordable rental housing for the City's lowest income households;
  - b. Provide housing assistance and support services for low-income persons living with HIV/AIDS and their families;
  - c. Preserve existing affordable housing stock;
  - d. Provide housing and services to special needs populations;
  - e. Increase access to homeownership opportunities for City residents;
  - f. Provide funding for public facilities and improvements; and
  - g. Promote economic development activities in the City.

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

5. In addition to the Consolidated Plan, the City is required to submit an annual Action Plan to HUD for the CDBG, HOME, and HOPWA funds it will receive in the upcoming fiscal year and to identify the City's housing and community development needs and priorities, and how federal funds will be allocated to these activities.
6. In fiscal year 2016/2017, the City will receive:
  - \$1,316,501 in CDBG funds plus approximately \$22,000 in program income for a total of \$1,338,501;
  - \$517,935 in HOME funds plus approximately \$33,300 in program income for a total of \$551,235; and
  - \$396,830 in HOPWA funds.

7. By regulation, a maximum of 15% of CDBG funds may be used for Public Services activities which the City has prioritized for homeless service providers. For Fiscal Year 2016/2017, the City plans to budget \$198,980 in CDBG funds for Public Services activities plus \$36,000 in local funds from the Housing Authority's portion of Real Property Transfer Tax for the federally-mandated Fair Housing program.
8. A community meeting was held on March 30, 2016, to review the Consolidated Plan process and solicit input from residents on the draft 2016 – 2020 Consolidated Plan and the Fiscal Year 2016/2017 Action Plan. The draft Plans were made available to the public for the 30-day comment period from March 31, 2016 through April 30, 2016, at locations throughout the City: the Department of Housing and Community Services, the City Manager's Office, and the Main Branch of the Sonoma County Public Library. The drafts were also available on the City's website at: [http://www.srcity.org/DEPARTMENTS/ECONOMICDEV/HOUSING/Pages/fed\\_grant.aspx](http://www.srcity.org/DEPARTMENTS/ECONOMICDEV/HOUSING/Pages/fed_grant.aspx)
9. To date, no comments have been received. Should comments be received, they will be included in the final Consolidated Plan and Action Plan due to HUD on May 15, 2016.

#### PRIOR CITY COUNCIL REVIEW

The City Council reviewed the 2014 – 2019 Consolidated Plan in May, 2014, and authorized submission of the Plan to HUD.

#### ANALYSIS

1. The funding strategy for Fiscal Year 2016/2017 allocates 85% of CDBG funds and 100% of HOME funds to the Housing Authority for affordable housing purposes. A total of \$234,980 is allocated to Public Services. This amount includes \$198,980 (15%) in CDBG funds allocated to Catholic Charities for the operation of the Homeless Services Center and the Family Support Center.
2. Fair Housing of Marin (FHOM) is the recommended provider for federally-mandated fair housing services in Santa Rosa for Fiscal Year 2016/2017; \$36,000 in local funds have been allocated for this service. Two agencies, Petaluma People Services Center and FHOM, responded to the Request for Proposals for Fair Housing Services for Fiscal Year 2016/2017. The review committee, which included Councilmember Julie Combs and staff members Nancy Gornowicz and Nancy Manchester, selected FHOM because FHOM's application was more responsive to the Request for Proposals, aligns more closely to the current Sonoma County Analysis of Impediments to Fair Housing Choice, meets HUD's Fair Housing requirements more comprehensively, and will help Santa Rosa to effectively prepare for the coming changes to HUD's Assessment of Fair Housing tool.

3. Oversight of HOPWA funds for Fiscal Year 2016/2017 in the amount of \$396,830 for Sonoma County was transferred from the State Office of AIDS to the City of Santa Rosa with little notice. The majority of the funds (\$384,928) will fund a contract with Face to Face; the remainder (\$11,902) will be retained by the City for administrative costs. Face to Face's mission in Sonoma County is, "improving the lives of people affected by HIV and eliminating new infections." Face to Face is the only agency that has provided HOPWA services in Sonoma County and the only agency with the expertise to provide these specialized services, therefore, the City may contract with Face to Face via noncompetitive proposals under HUD regulations and City Code Title 3, Chapter 3-44.080, Exceptions to Competitive Bidding.
4. Although HUD does not require a policy-making body to adopt the Consolidated Plan or Annual Action Plan, it has historically been Council's practice to make the final determination on the annual funding allocations to nonprofit service providers and authorize submittal of the Action Plan.

#### FISCAL IMPACT

\$36,000 has been appropriated from the General Fund for the Fiscal Year 2016/2017 budget, the source of funds being Real Property Transfer Tax revenues as per Council Policy 000-48.

#### 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

None

#### NOTIFICATION

Not applicable.

#### ATTACHMENTS

- Attachment 1 – Draft Executive Summary to 2016 - 2020 Consolidated Plan and Fiscal Year 2016/2017 Action Plan
- Attachment 2 – Public Services Providers Fiscal Year 2016/2017 Funding Allocations
- Attachment 3 – Public Correspondence

- Resolution

CONTACT

Nancy Manchester, [nmanchester@srcity.org](mailto:nmanchester@srcity.org), 543-4339.