

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, DIRECTOR
HOUSING AND COMMUNITY SERVICES DEPARTMENT
SUBJECT: FISCAL YEAR 2026-2027 NOTICE OF FUNDING AVAILABILITY
PRIORITIES

AGENDA ACTION: STUDY SESSION

RECOMMENDATION

The Housing and Community Services Department recommends that the Housing Authority hold a Study Session to receive information and provide direction on funding priorities and appoint two Housing Authority Commissioners to serve on the Ad-Hoc Review Committee for the Fiscal Year 2026-2027 Notice of Funding Availability process.

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 2026-2027 NOFA and discuss priorities for funding awards.

BACKGROUND

At least annually, traditionally aligned with the start of a Fiscal Year, the Authority releases NOFAs 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.

The Authority generally hears a Study Session prior to the release of a NOFA to provide direction on how funds can be prioritized. These priorities correspond with additional points awarded under the NOFA Points Scoring System (attached) under "Other Factors."

FISCAL YEAR 2026-2027 NOTICE OF FUNDING AVAILABILITY PRIORITIES
PAGE 2 OF 3

Funding applications that are received by the deadline will be reviewed by staff and by an Ad-Hoc Committee of the Authority, which will develop the final funding recommendations.

PRIOR HOUSING AUTHORITY REVIEW

Not applicable.

ANALYSIS

Beginning in Fiscal Year 2024-2025, based on feedback received from developers, residents and service providers through the Consolidated Plan process and Authority direction, a funding priority for rehabilitation and preservation of existing affordable housing was established. There continues to be limited funding available for rehabilitation; therefore, additional points under "Other Factors" remain for rehabilitation projects.

In addition, based on increasingly restrictive expenditure deadlines from funding sources and to ensure that available funds are deployed as efficiently and timely as possible for the purpose the Authority intends, the draft Point Scoring System proposes the deduction of points from an application if the developer has been awarded funds in a previous NOFA and subsequently rejected the award, failed to enter loan agreements by the deadline required by the funding source, or returned funds after loan agreements have been executed.

To help understand the development community's experience with the NOFA process, including the scoring system, a survey was released on April 2, 2026, soliciting feedback from previous NOFA applicants. The intent of the survey is to identify opportunities to improve clarity, accessibility, and efficiency in the process. Feedback will be evaluated and may be incorporated into the NOFA.

The funding sources available in the upcoming Fiscal Year 2026-2027 NOFA will include federal Community Development Block Grant (CDBG), state Prohousing Incentive Program (PIP) funds through the California Department of Housing and Community Development (HCD), and local funds. From these sources, CDBG, PIP and local funds can be used for rehabilitation of existing units, and PIP and local funds may also be used for predevelopment, development, acquisition, and preservation.

The CDBG funds available for the NOFA will be approximately \$1,056,071, and PIP funds are approximately \$1,187,500. With the inclusion of approximately \$1,399,000 in local funds, the Fiscal Year 2026-2027 NOFA is expected to make available approximately \$3,642,571 for rehabilitation and/or new construction projects.

The Authority also receives federal funding that can only be made available to Community Housing Development Organizations (CHDOs), a specific type of nonprofit community-based organization that meets the requirements at 24 CFR § 92 Subpart G. These funds are released under a separate NOFA with a rolling deadline using the same scoring system. There will be approximately \$399,960 available under the HOME-CHDO NOFA, including \$93,009 in the Fiscal Year 2026-2027 allocation plus prior year's HOME-CHDO funds.

FISCAL IMPACT

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

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 the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the action is exempt pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the action 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 2026-2027 NOFA Points Scoring System

PRESENTER

Kelli Kuykendall, Manager