

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: MEGAN BASINGER, DIRECTOR
HOUSING & COMMUNITY SERVICES
SUBJECT: PUBLIC HEARING AUTHORIZING SUBMITTAL OF THE
FISCAL YEAR 2023/2024 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 and Community Services Department that the Council, by resolution: (1) authorize submittal of the Fiscal Year 2023/2024 Action Plan to the U.S. Department of Housing and Urban Development (HUD); (2) approve the Fiscal Year 2023/2024 Grant Agreements for public service funds with the Living Room Center, Catholic Charities of the Diocese of Santa Rosa (The Family Center and 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 \$785,265 and 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 (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 2023/2024 Action Plan.

EXECUTIVE SUMMARY

The proposed action will authorize submittal of the Fiscal Year 2023/2024 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 submittal of the Annual Action Plan (Plan) so that the City of Santa Rosa (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 the City to submit its Plan by May 15th, 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. On June 23, 2020, the Council approved a four-year Consolidated Plan, this is the fourth Action Plan.
2. The Fiscal Year 2023/2024 Action Plan follows the templates provided by HUD. The Plan utilizes 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 27, 2023; the City’s allocations, and projected program income, are as follows:

Funding Resource	Grant Award	Program Income	Total
CDBG	\$1,324,261	\$60,000	\$1,384,261
HOME	765,722	\$60,000	\$825,722
HOPWA	\$518,964	-0-	\$518,964
Total	\$2,608,947	\$120,000	\$2,728,947

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 allocation of CDBG funds and the anticipated loan repayments have decreased in Fiscal Year 2023/2024 by approximately \$195,000. Through prior actions, the Council has directed that the CDBG public services funds be used to provide focused, comprehensive homeless services through coordinated entry operation of homeless facilities. For Fiscal Year 2023/2024, the City plans to budget \$207,639 in CDBG funds/program income for public services, representing the maximum 15% of the CDBG funds, and \$79,231 in local resources for public services and federally mandated fair housing services. Of the local resources, \$29,231 is budgeted for public services to preserve the existing level of services despite the decrease in CDBG funds for Fiscal Year 2023/2024. 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 \$503,395 for HOPWA services.
5. Staff held a virtual public meeting on February 1, 2023, to provide an overview of the public services application procedure and the process for completing the Plan. The April 25, 2023 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 from March 24, 2023, through April 23, 2023. The Plan was available online at <http://srcity.org/767/State-Federal-Reports> and available to be sent to interested parties upon request. Hardcopies were made available at City Hall and the Main 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 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) 2023/2024 allocates 85% of CDBG funds for affordable housing purposes and administration and 15% to public services. For HOME Funds, federal regulations require that at least 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 2023/2024 HOME allocation, \$650,864 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 1, 2023, the City released 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.

- Catholic Charities – Homeless Services Center (HSC) proposes continuing to operate a day services center and provide access to shelter, requested \$236,000;
 - Catholic Charities - The Family Center (FC), formerly the Family Support Center, proposes continuing operation of a family homeless shelter, requested \$202,057;
 - The Living Room (TLR) proposes providing case management, counseling, and meals for homeless women, requested \$57,681
 - Face to Face/The Sonoma County AIDS Network proposes providing comprehensive services to support safe and stable housing and to decrease homelessness among people living with HIV/AIDS (PLWHA), requested \$503,395
- Fair Housing Advocates of Northern California proposes providing a comprehensive fair housing counseling and services to people across all protected classes under federal, state, and local fair housing laws, requested \$45,000

3. Following review of the applications, staff recommends approval of Grant Agreements as follows:

Agency	CDBG	HOPWA	Local Funds	ARPA	Contract TOTAL
Catholic Charities-FC	\$96,000	-0-	-0-	\$100,000	\$196,000
Catholic Charities-HSC	\$102,000	-0-	-0-	\$150,000	\$252,000
The Living Room	\$9,639	-0-	\$29,231	-0-	\$38,870

Face to Face	-0-	\$503,395	-0-	-0-	\$503,395
Fair Housing Advocates of Northern California	-0-	-0-	\$45,000	-0-	\$45,000

In Fiscal Year 2022/2023, the City began utilizing American Rescue Plan Act (ARPA) funding for all homeless services related contracts. Should Council approve the recommended Grant Agreements for HSC and FC, the practice of combining the public services funds with the ARPA funding contributions to homeless services into one overall Agreement will continue. HSC and the Warming Center will receive an allocation of \$150,000 and FC will receive an additional \$100,000 in ARPA funding.

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. Staff recommends an award of a Grant Agreement for fair housing services to FHANC in the amount of \$45,000 for FY 2023/2024.
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 2023/2024 is \$518,964; the City retains 3%, \$15,568, for administrative costs. It is recommended that, \$503,395 be used to fund a Grant Agreement with Face to Face; 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

If approved, this item approves Grant Agreements totaling \$785,265: \$206,639 from CDBG, \$503,395 from HOPWA, and \$74,231 from the General Fund. The \$45,000 budgeted for fair housing services from the General Fund is a portion of Real Property Transfer Tax (RPTT) revenues per *Council Policy 000-48: Policy to Designate General Fund for Homeless and Affordable Housing Production*. An additional \$29,231 will be appropriated in the FY 2023/2024 budget from fund 2130-340609 Homeless and Youth

Services for the provision of homeless services by The Living Room. CDBG, HOME, and HOPWA are not General Fund resources and these funds are included in the FY 2023/2024 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

A public hearing notice was published in the Press Democrat on April 14, 2023.

ATTACHMENTS

- Resolution
- Exhibit A – Draft 2023/2024 Action Plan
- Exhibit B – Grant Agreement for Public Service Providers Program Funds with Catholic Charities of the Diocese of Santa Rosa (Homeless Service Center)
- Exhibit C – Grant Agreement for Public Service Providers Program Funds with Catholic Charities of the Diocese of Santa Rosa (Family Center)
- Exhibit D – Grant Agreement for Public Service Providers Program Funds with Living Room Center
- Exhibit E – Grant Agreement for Public Service Providers Program Funds with Fair Housing Advocates of Northern California
- Exhibit F – Grant Agreement for Public Service Providers Program Funds with Face to Face/The Sonoma County AIDS Network

PRESENTER

Julie Garen, Program Specialist