

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: MEGAN BASINGER, DIRECTOR
HOUSING AND COMMUNITY SERVICES
SUBJECT: SUBMITTAL OF THE FISCAL YEAR 2026/2027 ACTION PLAN TO
THE U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Housing and Community Services Department recommends that the Council, by resolution: 1) authorize submittal of the Fiscal Year 2026/2027 Action Plan to the U.S. Department of Housing and Urban Development (HUD); and 2) authorize the City Manager to execute any forms or documents required by HUD to implement the Fiscal Year 2026/2027 Action Plan.

EXECUTIVE SUMMARY

The proposed action will authorize submittal of the Fiscal Year 2026/2027 Action Plan (Plan) to HUD. HUD requires submittal of the Plan so that the City can receive federal housing and community development funds in the form of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) grants. In Fiscal Year 2026/2027, the City will receive \$1,268,543 in CDBG funds and \$620,063 in HOME funds for a total award of \$1,888,606.

GOAL

This item relates to Council Goal #5 - Plan for and Encourage Housing for All and Reduce Homelessness expanding access to housing opportunities for low-income households and vulnerable community members.

BACKGROUND/PRIOR COUNCIL REVIEW

On April 16, 2024, Council, by Resolution No. RES-2024-058 authorized submittal of the 2024 – 2027 Consolidated Plan, the Fiscal Year 2024/2025 Action Plan, and the 2024 Fair Housing Plan to HUD.

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On April 15, 2025, Council, by Resolution No. RES-2025-052 authorized submittal of the Fiscal Year 2025/2026 Action Plan to HUD.

HUD requires grantees to prepare an Annual Action Plan to define how federal funds, including CDBG and HOME, will be spent in the coming year. HUD requires jurisdictions to submit their plan 45 days prior to the start of the Fiscal Year as a requirement to receive funding.

The Fiscal Year 2026/2027 CDBG and HOME award amounts are outlined below:

Funding Resource	Grant Award	Estimated Program Income*	Total
CDBG	\$1,268, 543	\$60,000	\$1,328,543
HOME	\$620,063	\$60,000	\$680,063
<i>Total</i>	\$1,888,606	\$120,000	\$2,008,606

*generated by past use of CDBG funds, like loan repayments

The Fiscal Year 2026/2027 funding strategy allocates approximately 85% of CDBG funds for affordable housing purposes and administration and approximately 15% to public services. For HOME Funds, federal regulations require that 15% of the City's HOME allocation must be used for a Community Housing Development Organizations (CHDO's); the remainder of the Fiscal Year 2026/2027 HOME allocation will be used for administration (10%) and Tenant-Based Rental Assistance (TBRA), a program that initially launched during the COVID-19 pandemic. These percentages will be applied to the award amounts.

On January 28, 2026, staff issued a Notice of Funding Availability (NOFA) for the Public Services Program, which includes homeless services, fair housing, and other public service programs. Additionally, a virtual community meeting was held on February 11, 2026, to provide an overview of the application process for the Public Services Program and the process for the Plan. Staff received four applications and will return to Council with funding recommendations and grant agreements following submittal of the Plan to HUD.

The draft Plan was made available to the public for the 30-day public comment period March 20, 2026 through April 20, 2026 on the City's website; emailed to interested parties upon request; and at the City Hall Annex, City Manager's Office and the Central Branch of the Sonoma County Library in downtown Santa Rosa. Availability of the draft Plan was advertised in the Press Democrat, through the City Connections Newsletter, to an opt-in email subscriber list, and through the Sonoma County Homeless Coalition's (Continuum of Care) email subscriber list.

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The draft Plan includes estimated funding amounts based on the City's Fiscal Year 2025/2026 allocations as HUD announced CDBG and HOME award amounts after the Plan was made available to the public. The Fiscal Year 2026/2027 award amounts will be included in the final Plan submitted to HUD.

Comments received to date and any additional comments received at the Public Hearing on April 21 will be included in the final Plan submitted to HUD.

ANALYSIS

Although HUD does not require Council to adopt the Plan, it has been Council's practice to authorize submittal of the Plan to HUD and make the final determination on the annual grant agreements to nonprofit service providers. Grant agreements will be brought forward as separate action.

FISCAL IMPACT

CDBG and HOME are not General Fund resources and will be included in the City's Fiscal Year 2026/2027 budget.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended 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. The action consists solely of the submittal of a plan to the U.S. Department of Housing and Urban Development and authorization to execute related administrative documents, and does not approve or authorize any specific projects, construction, or physical modifications to the environment. In the alternative, the recommended action is exempt from CEQA 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

A public hearing notice was published in the Press Democrat on April 3, 2026.

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ATTACHMENTS

- Attachment 1 – Draft Fiscal Year 2026/2027 Action Plan
- Resolution

PRESENTER(S)

Kelli Kuykendall, Housing and Community Services Manager, kkuykendall@srcity.org