

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: MEGAN BASINGER, DIRECTOR
HOUSING & COMMUNITY SERVICES
SUBJECT: SUBMITTAL OF THE 2024 – 2027 CONSOLIDATED PLAN,
FISCAL YEAR 2024/2025 ACTION PLAN, AND THE 2024 FAIR
HOUSING PLAN TO THE U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council, by resolution: 1) authorize submittal of the 2024 – 2027 Consolidated Plan, the Fiscal Year 2024/2025 Action Plan, and the 2024 Fair Housing Plan to the U.S. Department of Housing & Urban Development (HUD); and 2) authorize the City Manager to execute any forms or documents required by HUD to implement the 2024 – 2027 Consolidated Plan, the Fiscal Year 2024/2025 Action Plan and 2024 Fair Housing Plan.

EXECUTIVE SUMMARY

The proposed action will authorize submittal of the three-year, 2024 – 2027, Consolidated Plan, the Fiscal Year 2024/2025 Action Plan (Plans) and the 2024 Fair Housing Plan to the U.S. Department of Housing & Urban Development (HUD). HUD requires submittal of the Consolidated Plan and Annual Action 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.

In the past, HUD has required jurisdictions to submit their Plans by May 15th as a requirement to receive funding. The Housing & Community Services (HCS) Department recommends that Council hold a public hearing to receive comments on the 2024 – 2027 Consolidate Plan and Fiscal Year 2024-2025 Action Plan, and the 2024 Fair Housing Plan, and authorize submittal of the plans to HUD. Due to the delay in the approval of the federal budget, HUD has not announced the award amounts for CDBG, HOME, and HOPWA programs to entitlement jurisdictions, tentatively scheduled for release sometime in May. Due to this delay, staff have included estimated funding

amounts in the Plans and will return to Council at a later date to approve the grant agreements for public services, HOPWA service provider contract, and the fair housing contract with the final funding amounts.

BACKGROUND

HUD requires grantees to prepare a Consolidated Plan every three 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 and project how the same federal funds will be utilized over the Consolidated Plan period. HUD also requires jurisdictions to affirmatively further the policies and purposes of the Fair Housing Act and periodically adopt a plan to achieve these goals.

The 2024 – 2027 Consolidated Plan and the Fiscal Year 2024/2025 Action Plan (Plans) follow the templates provided by HUD. The Plans utilize current data from the U.S. Census Bureau, the American Community Survey, HUD resources and other sources applicable to the local region. The Plans are 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;
- h. Assist the City's lowest income households through rental subsidies partially fund by home in the form of Tenant-Based Rental Assistance; and
- i. Provide Community Housing Development Organizations (CHDO's) Seed Money Loans, or funds for Operating Expenses.

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

Due to the delay in approval of the federal budget, HUD has directed staff to include estimated funding amounts in the Plans until the actual funding awards are announced in May. The estimated funding amounts are as follows:

Funding Resource	Estimated Grant Award	Program Income	Total
CDBG	\$1,300,000	\$60,000	\$1,360,000
HOME	\$750,000	\$60,000	\$810,000
HOPWA	\$500,000	\$0	\$500,000
Total	\$2,550,000	\$120,000	\$2,670,000

The City has up to 60 days following the May 15th due date for the Plans to be submitted to HUD to update the Plans with the exact grant award amounts.

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 2024/2025, the City plans to budget approximately \$204,000 from CDBG funds/program income for public services. Additionally, as allowed by HUD regulation, the City will retain 3% of the HOPWA grant amount for administrative costs, estimated at \$15,000; therefore, the City will budget the remaining estimated amount of \$485,000 for HOPWA services.

Staff presented the draft goals contained within the 2024 – 2027 Draft Consolidated Plan to a publicly noticed community meeting on January 11, 2024, and held a stakeholders meeting on January 12, 2024, the Housing Authority on January 22, 2024, and to the Community Advisory Board (CAB) on January 24, 2024 to provide an overview of the public services application procedure and the process for completing the Plans. The meetings held in January and February of 2024 meet HUD regulations for in-person meetings, and the public hearing that is the subject of this Council meeting is the public hearing required by HUD.

Additionally, Title VIII of the Civil Rights Act of 1968, known as the Fair Housing Act, requires HUD and recipients of federal funds from HUD to affirmatively further the policies and purposes of the Fair Housing Act, also known as “affirmatively further fair housing” or “AFFH.” The obligation to affirmatively further fair housing requires recipients of HUD funds to take meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities. To this end, the City, in collaboration with the County of Sonoma and the City of

Petaluma, as the other two entitlement jurisdictions in Sonoma County, have prepared 2024 Fair Housing Plans.

The draft Plans and the 2024 Fair Housing Plan were made available to the public for the 30-day public comment period beginning March 16, 2024 through April 16, 2024. The Plans were made available online at <https://www.srcity.org/767/Reports-and-Resources>, were emailed to interested parties upon request, and made available 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 Plans 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.

Comments received to date and any additional comments received at the Public Hearing on April 16 will be included in the final Plans before they are submitted to HUD.

PRIOR CITY COUNCIL REVIEW

No prior review of the 2024 -2027 Consolidated Plan has occurred.

ANALYSIS

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 2024/2025 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 used for a Community Housing Development Organizations (CHDO's); the remainder of the Fiscal Year 2024/2025 HOME allocation will be used for Tenant-Based Rental Assistance (TBRA), a program that originally launched during the COVID-19 pandemic.

On February 6, 2024, staff issued a notice of funding availability for the Public Services Program. Staff received seven applications and will return to Council in June with funding recommendations once HUD announces the actual amount of CDBG, HOME, and HOPWA funds allocated to the City.

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. Similarly, staff is seeking adoption of the 2024 Fair Housing Plan prior to submittal to HUD. The last fair housing plan, entitled Sonoma County Regional Analysis of Impediments to Fair Housing Choice was published in 2012.

If HUD allocates additional funds to Santa Rosa after the initial award announcement expected in May, staff will prepare a Substantial Amendment to the City's Action Plan for the fiscal year in which any funds are allocated and will follow the prescribed process

for public comment and adoption of a Substantial Amendment.

FISCAL IMPACT

CDBG, HOME, and HOPWA are not General Fund resources and estimates are included in the Fiscal Year 2024/2025 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 – Draft Executive Summary to 2024 – 2027 Consolidated Plan and Fiscal Year 2024/2025 Action Plan
- Exhibit B - Executive Summary to 2024 Fair Housing Plan

PRESENTER

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