

Sonoma County Community Development Committee



Human Services Dept. Representative: Oscar Chavez (Chair), Tenant Representatives: Stephanie Hiller, Jessica Vega
1st Dist: Betsy Chavez (Vice Chair); **2nd Dist:** Michael Regan; **3rd Dist:** Susan Hollingsworth Adams;
4th Dist: Willie Lamberson; **5th Dist:** Linda Garcia
Interim Executive Director: Barbie Robinson, CHC, JD, MPP

Public Meeting

Wednesday, November 18, 2020

10:00am-11:30am

This meeting will be held virtually to comply with the Governor's Executive Order N-29-20.

Please see page 2 for instructions on making public comment.

MEMBERS MAY NOT ATTEND THIS MEETING IN PERSON

Online access:

<https://sonomacounty.zoom.us/j/99402331492?pwd=UUUabmgyaVZLZlpFR1d5ZkhUR1pmdz09>

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Agenda

1. Call to Order and Roll Call

2. Public Comments for Items Not on the Agenda

3. Approval of Minutes from October 21, 2020 Meetings

The Committee will discuss and may take action to approve the minutes from October 21, 2020 or may recommend changes to these minutes.

4. Interim Executive Director's Report (10 Minutes)

- a. Update on Bylaws and Ordinance

5. 2021-2022 Funding Policies (5 minutes)

Tina Rivera will present a redlined version of 2021-22 Federal Funding policies based on Committee conversation from the August and October meetings.

6. Presentation of Housing Pipeline (10 Minutes)

Tina Rivera will present the current pipeline of housing projects in Sonoma County

7. Election of Officers (10 Minutes)

Chair Oscar Chavez will facilitate the election of officers. Committee members will nominate and vote for a Chair and Vice Chair to serve a 12-month term.



Telephone (707) 565-7500
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8. CD Committee Tenant Representative (5 Minutes)

Martha Cheever will provide an overview of the application and selection process for CD Committee Tenant Representatives.

- a) Chair appoints CD committee member to participate with Commission staff in Tenant Representative interviews

9. Public Hearing: Proposed Amendments to Public Housing Authority (PHA) Administrative Plan (10 Minutes)

Martha Cheever will present proposed changes to the PHA Administrative Plan.

- a) Open public hearing
- b) Close public hearing
- c) Committee Discussion
- d) Make Motion or Change Recommendation

10. Overview of County Fund for Housing Applications (10 Minutes)

Tina Rivera will provide a summary of the applications received in response to the 2020 Notice of Funding Availability

11. Flood Elevation, Marc Chandler (15 minutes)

Marc Chandler will provide an update regarding Flood Elevation.

12. Adjournment

Next Regular Meeting

December 16, 2020

10:00 am

Virtual

PUBLIC COMMENT PRIOR TO THE COMMITTEE MEETING: Public Comment may be submitted via email to Shelley.Ticehurst@sonoma-county.org.

PUBLIC COMMENT DURING THE BOARD MEETING: PUBLIC COMMENT USING WEBEX: Members of the public who join the Webex meeting, either through their web browser online or by calling in, will be able to provide live public comment at specific points throughout the meeting. One may also email public comment to Shelley.Ticehurst@sonoma-county.org throughout the meeting. All emailed public comments will be read into the record.



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Any writings or documents presented to a majority of the Community Development Committee regarding any item on this agenda may be made available for public inspection in the Sonoma County Community Development Commission office located at 1440 Guerneville Road, Santa Rosa, CA 95403 during normal business hours.

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5th Dist: Linda Garcia **Interim Executive Director:** Barbie Robinson, CHC, JD, MPP

Public Meeting Concurrent with the CTAC

Wednesday, October 21, 2020
10:00am-11:30am

Minutes

1. Call to Order and Roll Call

Steven Sotomayor called meeting to order.

Attendees:

| | |
|-----------------|-------------------|
| Healdsburg | Stephen Sotomayor |
| Rohnert Park | Jenna Garcia |
| Cloverdale | Kevin Thompson |
| Cotati | Noah Housh |
| Sebastopol | Kari Svanstrom |
| Town of Windsor | Jessica Jones |

Absent: Sonoma

2. Public Comments for Items Not on the Agenda

No comments.

3. Approval of Minutes from August 19 and September 16 Meetings

Changes requested to the August and September meeting minutes:

CD Committee

- Linda Garcia requested a comment attributed to her be removed from the August minutes regarding methods of travel. She does not recall the comment.
- Stephanie Hiller would like page 6 corrected that she does share the concerns mentioned. She suggested that the minutes be redone to correct typographic errors and sentence structure.



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- Betzy Chavez clarified her comments in the August meeting during the discussion of agenda item 9, *Update: CD Committee Ordinance Changes*, by saying her comments were not intended to undermine the wonderful work that the CDC staff is conducting on a daily basis. She noted that she is a fan of the work and absolutely appreciates the diligence, efficiency and professionalism. When she says that we have an obligation to our constituents, she was referring to the recommendations the committee is responsible for discussing and making that benefit the community and to move the work forward. Her concern is that we are spending time on the wording of the ordinance and though she does understand that this is important to define the scope of work and purpose, it is not something that was requested by the Committee members and has been given much of the Committee's time.

She also requested that the Committee receive a copy of the Equity Report. The CDC leadership has this vital and pivotal information that the Committee should be discussing and setting action items.

Additionally in the September meeting Ms. Chavez's intent was to highlight the voice of government leaders who are running for office throughout the County, who are saying that one of their top priorities is to hear directly from the people and hear their perspective. The Fair Housing Report addresses this and much more. Another universal priority is incentivizing affordable housing development, which the Committee should be discussing as well.

Lastly, she wanted to be understood that the request to add a conversation about the permanent executive director for the CDC is not personal nor a comment against Interim Executive Director Barbie Robinson nor Assistant Director Tina Rivera nor their performance. She would like to clarify that the request is in regards to the time commitment and responsibilities that this position holds. Again, not in reference to the operations or the size of departments that Director Barbie Robinson is responsible for, but rather the heavy lift given today's environmental, political and social climate. She would again like to request adding the conversation about the permanent executive director role to the agenda.

CTAC

- Please correct the name of Jessica Jones of Windsor in the September minutes.
- Jenna Garcia of Rohnert Park noted that normally the CD Committee and CTAC minutes are separate, and asked why they are combined.
- Ms. Garcia also noted that in the August minutes she echoes some of the concerns that there are errors in the minutes, such as:

- The City of Sonoma was not included in the list of attendees in August meetings
- The September minutes do not include CTAC adjournment
- In the August minutes, staff did not include the discussion about the usage and allocation of the CDBG-CV funds used. At the time it was presented to the CTAC that the CARES relief funds and the CDBG-CV funds would be combined into a singular NOFA, but after discussion it was clarified that that would not be the case because the CDBG-CV funds are for the of the Urban County which is the unincorporated county and the 9 entitlement jurisdictions that make up the CTAC. As a result there would be a separate NOFA for the CDBG-CV, please update the minutes to reflect this discussion.
- In the August minutes there is also a reference to CDBG-DR which is likely a typo and should be CDBG-CV.

As CTAC members would like to see the edited minutes before approving, Kari Svanstrom of Sebastopol made a motion to continue approval of the minutes to the next meeting, Jenna Garcia of Rohnert Park seconded.

Ayes:

Healdsburg
Rohnert Park
Cloverdale
Sebastopol
Town of Windsor

Abstain:

Cotati

Absent:

Sonoma

4. Fair Housing Assessment Equity Report

Ana Lugo, Founder of Equity First Consulting presented this item on Community Engagement in Latinx Communities for the Assessment of Fair Housing. For County, City of Santa Rosa and Petaluma.

The comprehensive community engagement report will be completed in December of 2020. The County is “required to submit the assessment consistent with 2015 AFH. Community engagement report will meet the community input from ‘Protected Groups’ requirement.”

Ms. Lugo opened for questions and CD Committee Chair Chavez turned the meeting over to CTAC Chair Sotomayor.

CTAC Comments

Kari Svanstrom of Sebastopol, commented that she had discussed the Fair Housing Assessment with Felicity Gasser and learned that this assessment would meet the HUD Fair Housing Assessment requirement for the CTAC and County for the Housing Elements and asked for confirmation.

Ms. Lugo clarified that she did not take over the assessment for fair housing from Ms. Gasser, but rather she and her team focused only on the community engagement part.

Ms. Svanstrom asked this same question of staff.

Ms. Rivera commented that Kirsten Larsen is taking over this work from Ms. Gasser. Ms. Larsen is out this week, but they will take the question to her. Ms. Rivera's understanding is that this work will address those assessment of fair housing requirements.

Noah Housh of Cotati requested that the committees be updated on timeline of the assessment report at the next meeting.

Ana noted that the Community Engagement was conducted in line with 2015 AFH requirements. Within the AFH there are categories around transportation, education and income that were included within the survey instrument to gather that data. The type of data that the community engagement team decided to gather was data that they would not otherwise have access to from other data or reports. Also, other the different portraits in different neighborhoods throughout Sonoma County were conducted by Bay Area Economic Council is on the website. All data collected will give each community valuable data and meet Fair Housing Assessment requirements.

Jenna Garcia of Rohnert Park noted that the data is available on a neighborhood basis so cities and towns can get their data. This data is available on the CDC website.

Director Barbie Robinson noted that there will be a full presentation of the assessment report at a future meeting.

Ms. Garcia asked if the CTAC members could get clarification that Fair Housing Assessment satisfies the requirements for their Housing Elements and whether the report will be done by the time the cities start working on their Housing Elements starting in January.

Director Robinson reassured her that the full report would be done in a timely manner and will be an agenda item in a future meeting.

Chair Sotomayor asked if utilities were included in the rent amount noted in the data.

Ms. Lugo mentioned that the rent data was pulled from the Open Housing Displacement Report. She also added that the question about rent increases showed an average increase of \$400.

Public Comments

Caroline Petie, Executive Director of Fair Housing Advocates. She complimented Ms. Lugo on her great report as it is very thorough and the intentionality of it. She also noted that data has been collected for other protected groups as well which still needs to be compiled and analyzed. This data collection being done is so helpful and she complimented the great work on community engagement and the good first start of the Fair Housing Assessment. Her agency has also historically helped with Fair Housing Assessment data. They are available for collaboration and assistance with this assessment.

Ms. Petie addressed two of comments in the report. One is the concern that Fair Housing has moved to Marin County and that it needs to come back into the community. Also the comment that there needs to be legal services in the North Bay. Her agency partners with Legal Aid to ensure that they have the most integrated legal and fair housing services in the North Bay. She realized that they need to increase their outreach efforts to let people know that these services exist in the North Bay and are available to assist them.

5. Interim Executive Director's Report

Director Robinson acknowledged the feedback received on the minutes of the previous meetings, and as Ms. Rivera mentioned we are in the midst of transition. She noted that there has been a lot of discussion around the leadership of the CDC since she was appointed interim executive director by the Board of Supervisors. At that time she mentioned that the Board is in the process of hiring a consultant to perform an assessment of the organizational structures that are addressing housing across County departments. That work is moving forward and continuing and the Committees will have an opportunity to share input and feedback. She also stated that she hears the comments about her capacity and, respectfully, she is well-equipped to talk about her abilities and capacity to lead and do the work. She stated that if there are specific concerns and issues the quality of the work or the needs of the community as it relates to the mission of the Committee as well as the CDC, she would gladly hear that information and feedback. It is important to separate out the importance of the work and getting the work done from who is leading that work.

- a) Bylaws and Ordinance: A legal opinion has been received and approved by HUD. Interim Director Robinson acknowledged that there are concerns about the changes and stated that she is available for one on one meetings with individual members of the Committees to hear those concerns. She stated that she believes it is in the interest of the Committee to move with the changes as they meet the direction requested by the Board of Commissioners/Supervisors. She recommended that staff time on this issue be spent with individual Committee members who still have questions and concerns.

- b) VASH Vouchers: Director Robinson reported that the County requested additional VASH Vouchers, but were denied due to the number of unused vouchers at the City of Santa Rosa. She noted that we will continue to coordinate with the City of Santa Rosa on the use of vouchers.
- c) Mainstream Vouchers: The Housing Authority has applied for 75 mainstream vouchers. If awarded, we will be able to expand our program.
- d) Rental Assistance: Approximately \$2.5M has been allocated to provide rental assistance, and there are five contractors administering the rental assistance program. Some of the funding is also allocated to Legal Aid for eviction defense. This program started in September, and so far 221 families have been assisted. We continue to expand this program and ramp it up quickly to get the money out as quickly as possible.
- e) COVID-19: We continue to support the COVID-vulnerable homeless individuals with our non-congregate sheltering services programs. In the Board's October 20, 2020 meeting they approved enhanced strategies to address the disparate impact of COVID-19 on Latinx community in particular, as well as to help support our efforts to meet State requirements around metrics to support populations that are disproportionately impacted by COVID. Some of the enhanced strategies include more robust COVID testing within the identified census tracts with a high incidence of COVID, incentives for individuals to engage in testing as well as some support for those who are losing wages due to the need to isolate and quarantine with COVID 19. We are also looking to establish a more centralized ACS site to help people quarantine.
- f) 100 Day Challenge: Sonoma County, along with San Francisco and Santa Barbara, were selected to participate in Governor Newsom's 100 Day Challenge which focuses on homelessness. Community partners and providers are championing and leading this work and the focus will be on transition age youth.
- g) CoC/Leadership Council Update: The Continuum of Care (CoC) that existed in 2017 is being reconvened and the Leadership Council is no longer operational. The first CoC meeting will be held on October 22, 2020 to pick up the work that the Leadership Council has been doing for the last 2 and a half years.

Director Robinson opened for questions.

CD Committee Comments

Willie Lamberson asked for confirmation that the Leadership Council was abolished and we have reconvened the CoC.

Director Robinson responded that the Leadership Council was not abolished, but that we had received a legal opinion and direction from HUD to reconvene the CoC.

Mr. Lamberson asked if the CoC would be under the CD Committee's purview?

Director Robinson stated that is not the guidance received from legal counsel, but will bring that back to the CD Committee if a motion is made directing staff to look into that issue.

Mr. Lamberson and Chair Chavez would like more clarification on whether the CoC was under the CD Committee in 2017. Mr. Lamberson noted that the CoC was under the CD Committee's purview before the Leadership Council.

Mr. Lamberson made a motion to request information on the structure of the CD Committee and the CoC prior to the Leadership Council, Linda Garcia seconded.

Ayes:

Stephanie Hiller
Betzy Chavez
Susan Hollingsworth-Adams
Willie Lamberson
Linda Garcia
Oscar Chavez

Absent:

Michael Regan

Chair Chavez clarified with Director Robinson that currently the intention is to continue to have the CD Committee and CoC remain separate, as it was only reconvened to meet a legal requirement and comply with HUD.

Director Robinson confirmed Chair Chavez's statement and will return with the information and have Counsel present at the next meeting.

Mr. Lamberson commented that he had requested an agenda item on an ad hoc committee for the language of the bylaws and didn't get an answer, yes or no. Betzy Chavez and he spent some time on article one cleaning up language of the purpose of the Committee. He quoted from the bylaws "...to review and make recommendations on all matters concerning housing, including, but not limited to, housing development..." The reason he wanted "all" matters because you never know what is going to come up. Nowhere in there is the idea buying hotels or motels to relieve homelessness. Those are the kind of things that would come up before CD Committee for review. Again he would like to ask or make a motion that at the next meeting they have an ad hoc committee presentation agenda item to discuss language, housing and capabilities going forward.

Director Robinson reminded the Committee that purchase of the hotels and motels was done under the emergency response to COVID.

Ms. Adams asked if there wasn't an emergency COVID situation would purchase of the

hotels have gone to the Board or the CD Committee.

Director Robinson replied that it would have come through the CD Committee as it relates to the funding source. The funding source associated with these properties and the authority of these decisions being made is from the COVID response and CARES Act funding and being spent in accordance with the direction sent down by the government. Reminded the Committee that the Board has not completed approval of these purchases.

Discussion was held regarding the Bylaws of the Committee and the structure of the CDC.

Director Robinson provided a report on staffing and noted that the organizational and operational infrastructure of the CDC were being reviewed. She stated that there have been some efficiencies from integrating the administrative work.

CTAC Comments

Kari Svanstrom, Sebastopol, asked if the funding for the purchase of hotels and motels would come before the CTAC and CD Committee after the CARES Act funding is exhausted.

Director Robinson responded that yes, if the funding was in the scope and purview of these Committees then it would come before these Committees.

Ms. Svanstrom expressed concerns regarding staff capacity as the County is experiencing a pandemic and the CDC has also lost five staff members in the last 6-8 months. She has noticed that projects and contracts are slower. They are trying to provide permanent housing solutions and when things are slow then those projects can't happen.

Director Robinson agreed that we are in an unprecedented time and the CDC has a small staff in general. The slower response time you are seeing is from the greater demands placed on staff during this unprecedented time.

Jenna Garcia, Rohnert Park, seconded Ms. Svanstrom's concerns and questions.

Ms. Garcia asked if federal ESG funds would fall back under the CTAC's purview with the CoC back in place. She requested an answer be brought back to the next meeting.

Noah Housh wasn't aware we were staffed up and Ben Wickham's position was filled. He does agree that housing is healthcare, but as people move up the Continuum of Care that the elements become more technical and staff's institutional knowledge is critical to him to leverage resources to maximize housing solutions. He has some concerns regarding the staff changes as that expertise is as very helpful to small cities.

Mr. Housh iterated that he wants to ensure that we are in conformance with JPA in these transitions. There is a strong interest in the all the information on the testing and COVID response goals.

Jenna Garcia of Rohnert Park stated that based on her reading of the JPA those ESG funds would not fall under the CoC Board and requested a timeline related to those funds.

Ms. Garcia motioned that the timeline of the ESG COVID funds be in the November meeting, Mr. Housh, Cotati, seconded.

Ayes:

Healdsburg
Rohnert Park
Cloverdale
Cotati
Sebastopol

Absent:

Town of Windsor
Sonoma

6. Public Hearing: 2020 Action Plan Substantial Amendment

Martha Cheever presented on proposed changes to the 2019-2020 Action Plan to allow for \$1,854,351 of CDBG-CV3 funds to be combined with CDBG-CV1 funds to administer a rental assistance program for tenants and landlords who have been medically or economically impacted by COVID-19 or the Eviction Defense Ordinance.

No CD Committee Comments.

CTAC Comments

Ms. Garcia also asked if the administrative dollars would be going to pay for the consultant that would be administering the grant? Is it still the plan that this will be a NOFA and will not be managed internally in the Housing Authority? Will the NOFA come to the CTAC prior to being posted?

AD Rivera and Ms. Cheever responded yes to all of Ms. Garcia's questions.

Ms. Garcia asked requested that the NOFA be really clear on definition of the Urban County

as Santa Rosa and Petaluma are entitlement jurisdictions that have already received their own funding from the CDBG-CV funds. Our funds would be going to the non-entitlement jurisdictions and the unincorporated county.

Ms. Svanstrom, Rohnert Park, noted that the administrative cost of \$200,000 seems very high to administer less than \$2M in funding. Where did the number come from?

Ms. Cheever responded that we won't know what the administrative amount will be until we get the proposals. The NOFA allows up to 20% in administrative costs, which will also cover any CDC staff time.

Kevin Thompson, Cloverdale, motioned to approve the amendment, Noah Housh, Cotati, seconded.

Ayes:

Healdsburg
Rohnert Park
Cloverdale
Cotati

Abstain:

Sebastopol

Absent:

Sonoma
Windsor

7. No Place Like Home (NPLH)

Darrin O'Hara presented information regarding the NPLH Round 3 funds and the two projects the Commission has selected to co-sponsor. The CDC released a NPLH Request for Proposals (RFP) or Request for Qualifications (RFQ) in May 2020 soliciting proposals for qualified respondents for planning, design, construction and long term management of facilities that would provide permanent supportive housing for people who are living with mental illness and are chronically homeless, homeless, or at risk of becoming chronically homeless.

We received 2 proposals. One from Midpen Housing Corporation for their project in Petaluma, and one from Burbank Housing for their project also in Petaluma.

The review board was made up of 3 CDC staff members and one from Behavioral Health. Both applicants were strong and rated very highly. Currently meeting with the applicants and discussing roles and responsibilities as well as determining next steps.

No questions from the Committees.

8. 2021-2022 Funding Policies

AD Rivera presented the redlined 2021-22 Federal Funding policies based on Committee conversation from the August meeting.

No CD Committee Comments.

CTAC Comments

Jenna Garcia, Rohnert Park, thanked staff for doing the work. She requested adding a definition on page 90 of packet of what an Urban County is.

Kari Svanstrom, Sebastopol, seconded Ms. Garcia's comments about Urban County.

No public comments.

Voted to approve with the amendments noted:

Ayes:

Betzy Chavez
Susan Hollingsworth-Adams
Willie Lamberson
Oscar Chavez

Absent:

Jessica Vega
Stephanie Hiller
Michael Regan
Linda Garcia

Jenna Garcia, Rohnert Park, motioned to pass with the amendments mentioned, the addition of the Urban County definition and Housing Land Trust to Appendix A. Kevin Thompson, Cloverdale, seconded:

Ayes:

Healdsburg
Rohnert Park
Cloverdale

Absent:

Cotati
Sebastopol
Sonoma
Windsor

Note: If three ayes is not enough for a quorum then will need to redo the vote. Members were open to having a quick meeting to vote on this issue.

9. Flood Elevation, Marc Chandler, 15 minutes

Staff Marc Chandler will provide an update regarding Flood Elevation.

Moved to next month's meeting.

10. Adjournment

Chair Chavez noted that the election of officers for CD Committee needs to be in November meeting.

Mr. Lamberson requested would like update on Hewitt and Water Agency properties on the Urban Renewal District project, the RED. Also would like an update on the Sonoma County 5-Year Strategic Plan update. There are some comments in there about housing in there about a few properties to acquire in there. He would like to get the ball rolling on getting some housing going. He would also like an agenda item about the ad hoc committee about language for bylaws.

Adjourned.

SONOMA COUNTY
COMMUNITY DEVELOPMENT COMMISSION

FY 20210-20212
CDBG, CDBG-DR & HOME
Funding Policies

for

Affordable Housing

Non-Housing Capital Projects

and

Fair Housing and Housing Justice Program

Approved by the Cities and Towns Advisory Committee on [~~October 16, 2019~~](#)

Approved by the Community Development Committee on [~~November 20, 2019~~](#)

TABLE OF CONTENTS

| | |
|--|-----------|
| 1. Overview | 14 |
| 1.1. HUD Funding Programs | 14 |
| 1.1.1. Community Development Block Grant Program (CDBG) | 14 |
| 1.1.2. HOME Investment Partnership Program (HOME) | 2 |
| 1.2. Consolidated Plan | 2 |
| 2. Funding Goals and Objectives | 23 |
| 3. Funding Allocations | 54 |
| 3.1. CDBG Allocation..... | 54 |
| 3.2. CDBG Program Income and Reprogrammed Funds Allocation..... | 55 |
| 3.3. HOME Allocation | 65 |
| 3.4. HOME Program Income and Reprogrammed Funds Allocation | 76 |
| 4. Eligible Applicants | 76 |
| 4.1. CDBG | 87 |
| 4.2. HOME | 87 |
| 5. Eligible Activities | 87 |
| 6. Types of Assistance | 87 |
| 6.1. Form of Assistance – Rental Housing and Public Facility Projects | 87 |
| 6.2. Form of Assistance – Ownership Housing Projects | 87 |
| 6.3. Funding Agreements, Subrecipient Agreements, Loan Documents and Close of Escrow | 87 |
| 6.4. Alternate Loan Terms | 98 |
| 7. Funding Conditions and Program Requirements | 98 |
| 7.1. Timeliness..... | 98 |
| 7.1.1. CDBG | 98 |
| 7.1.2. HOME | 109 |
| 7.1.3. Tenant-Based Rental Assistance (HOME)..... | 119 |
| 7.2. Site Control | 1140 |
| 7.3. Environmental Review..... | 1140 |
| 7.3.1. Certifying Officer, Roles, and Responsibilities | 1140 |
| 7.3.2. CEQA Compliance | 1140 |
| 7.4. Section 3..... | 1240 |
| 7.5. Federal Labor Standards..... | 1244 |
| 7.6. Reasonable Cost of Real Estate Acquisition | 1244 |
| 7.7. Land Use Approvals | 1244 |
| 7.8. Compliance with Disabled Access Requirements | 1344 |
| 7.9. Building Standards | 1342 |
| 7.10. Relocation and One-for-One Replacement | 1342 |
| 7.11. Change in Use | 1342 |
| 7.11.1. Requirements for Urban County Jurisdictions..... | 1342 |
| 7.11.2. Requirements for All Other Entities | 1443 |
| 7.12. Demonstrating Benefit to Low- and Moderate-Income Persons | 1443 |
| 7.13. Affirmatively Furthering Fair Housing | 1443 |
| 7.14. Affordability Restrictions for Housing Projects | 1443 |
| 7.14.1. Income Limits | 1544 |
| 7.14.2. Rent and Purchase Price Limits | 1544 |
| 7.14.3. Term of Income and Price Restrictions | 1544 |
| 7.15. Match Requirements | 1544 |
| 7.16. Other Federal Requirements | 1544 |
| 7.17. HOME Projects Sponsored by a member of the HOME Consortia..... | 1645 |
| 7.18. Use of HOME funds for the Commission’s Tenant-based Rental Assistance Program..... | 1645 |
| 7.19. Use of CDBG funds for the Commission’s Single-Family Housing Rehabilitation Program..... | 1645 |
| 7.20. Fair Housing-Related Services and Set-Aside Funding..... | 1645 |

| | |
|--|-------------|
| 7.20.1. Other Requirements of the Fair Housing and Housing Justice Program | 1746 |
| 7.20.2. Fair Housing Provider Selection Process (multiple proposals) | 1746 |
| 7.20.3. Fair Housing Set-aside | 1746 |
| 8. Project Selection..... | 1847 |
| 8.1. Application Submission Process | 1847 |
| 8.2. Selection Process..... | 1847 |
| 8.2.1. Community Development Committee and Cities and Towns Advisory Committee Workshop..... | 1847 |
| 8.2.2. Discretion of Commission Staff | 1948 |
| 8.2.3. Community Development Committee and Technical Advisory Committee Public Hearing | 1948 |
| 8.2.4. Tiebreaker Methodology..... | 1948 |
| 8.2.5. Selection of a “B” list of projects..... | 1948 |
| 8.3. Action Plan – One-Year Use of Funds | 2048 |
| 8.4. Board of Supervisors and Board of Commissioners Final Approval | 2049 |
| 9. Threshold Criteria for Project Evaluation | 2049 |
| 10. Selection Criteria | 2120 |
| 10.1. Selection Criteria – All Projects | 2120 |
| 10.1.1. Funding Priorities..... | 2120 |
| 10.1.2. Community Goals..... | 2120 |
| 10.1.3. Readiness to Proceed | 2224 |
| 10.1.4. Need | 2224 |
| 10.1.5. Adherence to a competitive procurement process..... | 2224 |
| 10.1.6. Financial Feasibility | 2224 |
| 10.1.7. Outcomes | 2224 |
| 10.2. Selection Criteria – Housing Projects..... | 2224 |
| 10.2.1. Leverage..... | 2224 |
| 10.2.2. Development Experience | 2324 |
| 10.2.3. Support..... | 2322 |
| 10.2.4. Income and Population targeting..... | 2322 |
| 10.3. Selection Criteria – Non-Housing Projects | 2322 |
| 10.3.1. Leverage and Meeting Community Need..... | 2322 |
| 11. Definitions | 2322 |
| 12. More Information | 2625 |
| Appendix A: Eligible Uses of Funds | 2726 |
| CDBG Eligible Activities | 2726 |
| HOME Eligible Activities | 3433 |
| Appendix B: Income Limits..... | 3635 |
| Appendix C: Rent Limits | 3736 |

Exhibit 4: Funding Policies

1. OVERVIEW

The County of Sonoma, as well as the seven municipalities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and Windsor, through a Joint Powers Agreement, comprise the Urban County, an entity recognized by the U.S. Department of Housing and Urban Development (HUD) as an entitlement jurisdiction eligible for formula grant funding under the CDBG, HOME, and other HUD programs. The cities of Santa Rosa and Petaluma, although located within the boundaries of Sonoma County, each qualify as separate entitlement jurisdictions and administer their respective HUD funding allocations. The references made in this document to “County” refer to the eight-jurisdiction Urban County.

This document, the FY 2021-2024 CDBG & HOME for Capital Projects Funding Policies, provides the policy framework to guide the allocation and administration of CDBG and HOME funds, consistent with federal rules, statutes, and regulations, as well as local priorities.

The Sonoma County Community Development Commission (Commission) is the designated local administrative body for each of the federal funding programs.

1.1. HUD Funding Programs

1.1.1. Community Development Block Grant Program (CDBG)

The CDBG Program, as created by the federal Housing and Community Development Acts of 1974, as amended, has as its primary objective the development of viable communities through the provision of decent housing, a suitable living environment, and the expansion of economic opportunities, primarily for low- and moderate-income persons. At least 70 percent of Sonoma County’s CDBG funds must be used for activities that benefit low- and moderate-income persons (i.e., persons earning less than 80 percent of the area median income). Any programs or projects allocated CDBG funding must meet one of the following National Objectives:

- Benefit low- and moderate-income persons
- Prevent or eliminate slums and blight
- Meet an urgent need

1.1.1.1. Within the CDBG program, up to 15 percent of funds can be obligated for public service activities. In recent years, the Commission has used its public services set aside for a combination of homeless services and fair housing services. In FY 2021-2024, given the large investment from the State of California in ending homelessness, and the recognition by the Commission of the need to build a robust Fair Housing and Housing Justice Program, the Commission will use 100% of the CDBG Public Services Set-aside to fund its Fair Housing and Housing Justice Program. Clients served by this program are often prevented from becoming homeless because of legal interventions made. ~~Because~~ Households who are served by the Fair Housing and Housing Justice Programs do not entertouch the HomeOME Sonoma County CoC homeless system of care; ~~therefore,~~ decisions about awarding these fundings decisions are made by the Board of CommissionersSupervisors, with recommendations from the Cities and Towns Advisory

Committee and Community Development Committee, ~~as Fair Housing and Housing Justice Programs are within their purview.~~

1.1.2. HOME Investment Partnership Program (HOME)

The Cranston-Gonzalez National Affordable Housing Act created the HOME Program in 1990. The HOME Program provides funding to local jurisdictions to increase the stock of housing affordable to very low- and low-income households. In 1991, HUD designated Sonoma County a Participating Jurisdiction under the HOME Program.

1.2. ~~Consolidated Plan~~

The Consolidated Plan is a five-year plan required by HUD in order for Sonoma County to receive federal housing and community development funds under the CDBG, HOME, and the ESG programs. Federal ESG funds are awarded through a process governed by [HOME the Home](#) Sonoma County [CoC Leadership Council](#), the governance structure for Sonoma County's homeless system of care. The Consolidated Plan, ~~including~~ [includes](#) the goals and specific objectives for the five years ~~and~~, also includes the County's One-Year Action Plans for the use of CDBG, HOME, and local ESG funds during each fiscal year.

The goals and objectives are developed through a citizen participation process conducted concurrently with the first Action Plan's CDBG, HOME, and ESG funding approval process of each Consolidated Plan. The new Consolidated Plan will cover the period from July 1, 2020, to June 30, 2025.

The Consolidated Plan serves the following four functions:

1. A planning document for Sonoma County, which builds on a participatory process.
2. A strategy to be followed in carrying out HUD programs
3. An action plan that provides a basis for assessing performance
4. A required element of the annual application for federal funds under HUD's CDBG, HOME, and ESG programs

The Sonoma County Consolidated Plan encompasses activities undertaken by the Urban County. The cities of Santa Rosa and Petaluma each establish an individual Consolidated Plan for their sole jurisdiction.

2. FUNDING GOALS AND OBJECTIVES

These FY 2021~~0~~–2022~~1~~ Funding Policies are based on the goals and objectives that will be identified in the Sonoma County 2020 Consolidated Plan. The Consolidated Plan will organize community priorities for the use of HUD funds by the Urban County. ~~These funding priorities have not yet been set for the FY 2020–2021 Consolidated Plan and will be informed by the completion of a 2019 Countywide Assessment of Fair Housing, to be completed in February 2020, and through a community engagement process to be undertaken in February, March and April 2020.~~

The 2020 Consolidated Plan goals will align with the Strategic Priorities set by the Sonoma County Board of Supervisors on April 4, 2017, particularly “Securing our Safety Net” and

Exhibit 4: Funding Policies

“Housing for All.” With the assistance of the Community Development Commission, Sonoma County also adopted a Recovery and Resiliency Framework in December 2018 that sets a vision for community recovery following the October 2017 fires. ~~The Community Development Commission assisted in the development of this framework.~~ The Framework includes ~~five~~5 strategy areas, three of which are closely aligned with and build upon the Consolidated Plan goals: Housing, Economy, and Safety Net Services. These multi-year priorities drive the Commission’s work plans and will dovetail with the Consolidated Plan goals and objectives and the selection criteria for funding projects.

Furthermore, the global COVID-19 emergency and shelter-in-place mandates resulted in significant social and economic impacts for Sonoma County residents. Thousands of residents lost jobs or wages due to business closures or medical emergencies connected to the virus. On March 27, 2020, Congress passed the CARES Act. The Act will support preparation for and response to the community impacts of the COVID-19 pandemic and identified additional funding for several programs designed to prepare for, prevent and respond to the coronavirus. This includes new allocations of CDBG and ESG, and added flexibilities to the existing federal programs, which have been incorporated into the Commission’s funding programs through amendments to the 2019-2020 Action Plan. Though it is yet unclear whether there will be additional allocations during the 2021-2022 fiscal year for coronavirus response, variations of the shelter-in-place orders are expected to continue into early 2021. Both the Community Development Committee and Cities & Towns Advisory Committee in public meetings from March through August have expressed a priority to use funds to respond to residents of the Urban County who are most vulnerable economically or medically as a result of COVID-19.

To begin preparing for the 2021-2022 One Year Action Plan~~2021 Consolidated Plan~~, at a public hearing/meeting on March 20, 2019, related to the FY 2020~~2019-202~~ Consolidated Plan and One Year~~0~~ Action Plan, the Cities and Towns Advisory Committee, and the Community Development Committee identified the following draft Selection Criteria for projects. These criteria were further refined during the ~~September 18~~August 16, 2020, 19, Public Hearing at which the Committees gave direction to create a hierarchy for~~incorporate~~ these criteria, into the FY 20210-2024~~2~~ Funding Policies. ~~thus building on the criteria identified through the Spring 2020 5-Year Consolidated Plan community engagement process. These criteria will be vetted and refined through a community engagement process currently underway and continuing through Spring 2020 to become a set of goals and objectives for the 5 Year Consolidated Plan.~~One Year Action Plan.

1. The following criteria will be used to determine project eligibility:

- Projects must be located in the Urban County, or clearly demonstrate that they will incur benefit to residents of the Urban County entitlement jurisdiction.
- Preference for projects~~Projects must that demonstrate need with evidence.~~

1.2. The following Selection Criteria will continue to be used as baseline criteria to rank projects:

- Preference for projects that create or preserve affordable housing
- Preference for infrastructure or public facilities that support creation or preservation of affordable housing

Exhibit 4: Funding Policies

- Preference for infrastructure or public facilities that support low or moderate-income populations
- Preference for projects that demonstrate that the proposed project can spend grant funding within the applicable timeliness provisions.
- ~~Preference for projects that demonstrate need with evidence.~~
- For Non-Housing Projects: preference for projects that leverage public funds or in-kind contributions to the greatest extent possible, or projects that meet a particular community need that cannot be met by other funding sources.
 - Examples of non-monetary leveraging includes but is not limited to: in-kind labor or materials, existing site ownership and control, extensions of a current or an existing project that has already received environmental or permit approval.

2.3. The following Selection Criteria will be given additional consideration in the event of deciding between more than one eligible projects that meet the criteria above; will be added to those currently used to rank projects, based on last year's feedback from the committees:

- Preference for projects that prevent displacement in high opportunity areas.
- Preference for housing projects with that will create units for very low, extremely low, deep income targeting and special needs populations.
- Preference for projects that demonstrate they will alleviate the impact of climate change on low-income populations. Examples include:
 - ~~infill development~~
 - ~~infrastructure to reduce environmental impacts in LMA communities including:~~
 - ~~new energy efficient housing construction~~
 - ~~Considers mobility needs of low income people, looking at a variety of factors, including:~~
 - ~~Projects that are aligned with local jurisdiction's General Plan Climate Change Element & Equity Element~~
- **For Housing Projects: preference for:**
 - Projects that demonstrate funds will be leveraged against total development costs at least 7:1
 - Projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting (d) environmental review
 - Project developers who can demonstrate consistent previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years
 - Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

3.4. The policies will reflect committees' direction that awards be made with general holistic attention to the following distribution of investments:

- Balance projects with fast results with-by funding predevelopment for projects that need early money to be successful
- Balance creation of new housing stock with maintaining existing housing stock and keeping people in their homes.

Exhibit 4: Funding Policies

- Make investments in low- and moderate-income areas that have n'ot had investments historically and in high opportunity areas that increase access for low and moderate-income people.

3. FUNDING ALLOCATIONS

3.1. CDBG Allocation

CDBG Funds shall be allocated per the table below. Unless otherwise indicated, the percentage of funding in each category is set by the Board of ~~Supervisor~~Commissioners, not by federal regulation.

| <i>Community Development Block Grant (CDBG) Allocation Categories</i> | <i>Percentage of Funding</i> | <i>Notes</i> |
|---|------------------------------|---|
| County-Sponsored Projects, Countywide/Unincorporated Area Projects, City/Town Projects | 65% | These funds will be allocated in a competitive process to fund projects located in the Urban County sponsored by CDBG eligible recipients (all municipalities within the Urban County) and subrecipients (all other eligible applicants). Eligible projects are described in Appendix A. |
| Public Services Projects | 15% | Percentage limited by CDBG federal regulations. Given the federal mandate to Affirmatively Further Fair Housing, and the recommendation in the 2011 Analysis of Impediments to Fair Housing to strengthen the capacity of a local fair housing organization to reduce discriminatory activities, the Commission will spend its public services set-aside on a Fair Housing and Housing Justice Program. |
| Program Administration | 20% | Percentage limited by CDBG federal regulations. |

3.2. CDBG Program Income and Reprogrammed Funds Allocation

CDBG Program Income and Reprogrammed Funds shall be allocated per the table below. Unless otherwise indicated, the percentage of funding in each category is set by the ~~Board of Supervisors~~Commissioners, not by federal regulation.

| <i>Community Development Block Grant (CDBG) Allocation Categories</i> | <i>Percentage of Program Income</i> | <i>Notes</i> |
|---|-------------------------------------|--|
| Community Development Commission Housing Rehabilitation Program and Homebuyer Assistance | 65% | Program income derived from all CDBG-funded projects will be allocated as follows: Sixty-five percent (65%) will be expended pursuant to priorities set in the annual Action Plan. Use of program income may be subject to an Action Plan Amendment. |

Exhibit 4: Funding Policies

| | | |
|-------------------------------|-----------|---|
| | | <p>Reprogrammed funds from all projects other than public services will be expended pursuant to priorities set in the annual Action Plan. Use of reprogrammed funds may be subject to an Action Plan amendment.</p> <p>If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Supervisor<u>Commissioner</u>s approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.</p> |
| Public Services | 15% | <p>Fifteen percent (15%) of program income derived from all CDBG-funded projects will be used for Public Services, as allowed under CDBG regulations. Use of the 15% set-aside of program income will be expended pursuant to priorities set in the annual Action Plan and may be subject to an Action Plan amendment.</p> <p>Reprogrammed funds derived from Public Services will be expended on Public Services pursuant to priorities set in the annual Action Plan and may be subject to an Action Plan amendment. If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Supervisor<u>Commissioners</u> approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee.</p> |
| Program Administration | Up to 20% | <p>Percentage limited by CDBG federal regulations. Commission will use up to twenty percent of CDBG program income for program administration and operation of the CDBG program.</p> |

3.3. HOME Allocation

New annual allocations of HOME funds shall be allocated per the table below. Unless otherwise indicated, the percentage of funding in each category is set by the Board of ~~Supervisor~~Commissioners, not by federal regulation.

| HOME Investment Partnership Program Categories | Percentage of Funding | Notes |
|--|------------------------------|---|
| Tenant-Based Rental Assistance, Development, and Preservation of Rental Housing | Up to 90% | These funds will be allocated in a competitive process to fund projects or programs located in any of the eight Urban County jurisdictions. Eligible projects and programs are described in Appendix A. |
| Community Housing Development Organizations operational support | Up to 5% | Percentage limited by HOME federal regulations. |

Exhibit 4: Funding Policies

| | | |
|---|--------------|--|
| Community Housing Development Organization development or preservation of affordable housing set-aside | At least 15% | Minimum required by HOME federal regulations. Per federal regulation, if this funding category is undersubscribed, any unallocated funds will roll over for allocation in the next fiscal year. Eligible projects are described elsewhere in these policies. |
| Program Administration | 10% | Percentage limited by HOME federal regulations. |

3.4. HOME Program Income and Reprogrammed Funds Allocation

HOME Program Income and Reprogrammed Funds shall be allocated per the table below.

| HOME Program Income and Reprogrammed Fund Categories | Percentage of Program Income | Notes |
|---|-------------------------------------|--|
| Executive Director's discretion | 90% | At the Executive Director's discretion, funds will be reallocated to the Sonoma County Housing Authority's Tenant-Based Rental Assistance Program, reallocated through an Action Plan Amendment, or rolled forward to the next fiscal year allocation. If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Supervisor Commissioners approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee. |
| CHDO Projects | CHDO reprogrammed funds | At the Executive Director's discretion, funds will be reallocated through an Action Plan Amendment or rolled forward to the next fiscal year allocation. CHDO Set-Aside funds may only be reprogrammed to eligible CHDO projects. If the amendment to the Action Plan is substantial, as defined in the Commission's Citizen Participation Plan, it is subject to Board of Supervisor Commissioner s approval following a recommendation from the Cities and Towns Advisory Committee and the Community Development Committee. |
| Program Administration | 10% | Percentage limited by HOME federal regulations. Commission will use ten percent of program income for program administration and operation of the HOME program. |

4. ELIGIBLE APPLICANTS

Individual persons are not eligible to apply for CDBG or HOME funds; however, individuals may apply for assistance from programs assisted with these funds such as housing

Exhibit 4: Funding Policies

rehabilitation, first-time homebuyer, or tenant-based rental assistance programs. [See 24 CFR 570.207(b)(4)]

4.1. CDBG

Eligible applicants for CDBG funding are specified by federal regulations. The type of eligible applicant varies by activity type. Generally, eligible applicants are governmental agencies, private non-profit organizations, and Community Based Development Organizations (CBDOs; see 24 CFR 570.204).

4.2. HOME

Only non-profit and qualifying for-profit organizations and public agencies or local government entities may apply for HOME funding. [See 24 CFR 92.504(c)(3).]

5. ELIGIBLE ACTIVITIES

Eligible activities are described in Appendix A.

6. TYPES OF ASSISTANCE

6.1. Form of Assistance – Rental Housing and Public Facility Projects

All financial assistance will be in the form of loans secured by real property except for non-housing projects (i.e. public facility projects) sponsored and owned by units of local government where the assistance will be in the form of a grant. Generally, all loans will be three percent (3%) simple interest, with payments deferred for the term of the loans. See Sonoma County Community Development Commission Loan Policies for additional information regarding interest rates and other loan parameters. Upon completion of the project, Commission loans must be fully secured by the post-completion value of the property. The term of the loan will be the longer of thirty (30) years or the longest term of any project financing source.

6.2. Form of Assistance – Ownership Housing Projects

The interest rate and security requirements for homeownership projects will be the same as those for rental housing developments, as detailed above. The Commission loan to the developer will be for a maximum five-year term and will convert to deferred-payment, subordinate loans to income-eligible buyers at the time of first sale of each unit in the ownership project. The total amount of these loans will be sufficient to recapture the initial amount of Commission loan, plus any interest accrued on the Commission loan as of the date of conversion.

6.3. Funding Agreements, Subrecipient Agreements, Loan Documents and Close of Escrow

The Commission will execute a Funding Agreement, Subrecipient Agreement, or Developer Agreement with each recipient, subrecipient, or developer receiving financial assistance. For financial assistance provided in the form of loans, the Commission will additionally

Exhibit 4: Funding Policies

execute a Promissory Note and record a Deed of Trust with a Rider in evidence of the Commission loan commitment and obligations.

6.4. Alternate Loan Terms

The Commission will consider alternate loan terms that the applicant may request for coordination with other sources of project financing. On a case-by-case basis, the Commission staff may approve requests to assign the Subrecipient or Developer Agreement and/or Commission loan to a partnership or other assignee in compliance with HUD regulations.

7. FUNDING CONDITIONS AND PROGRAM REQUIREMENTS

7.1. Timeliness

All projects shall proceed in a timely manner, as detailed below. Extensions may be granted for good cause at the discretion of the Executive Director and must be consistent with the funding source regulations.

7.1.1. CDBG

7.1.1.1. Fair Housing and Housing Justice Program (CDBG)

Funds for Fair Housing and Housing Justice Programs activities must be expended within the 12 months of the fiscal year for which funding is allocated. Funds that are unexpended after the agreement term will be reprogrammed.

7.1.1.2. Public Facilities and Public Improvements (CDBG)

The applicant must satisfy all conditions of approval that are set forth in these Funding Policies as a prerequisite to the CDC offering the Subrecipient Agreement for execution within 12 months of the start of the fiscal year associated with the award. Funds for all Public Facilities and Public Improvement projects, including predevelopment costs, hard and soft costs of construction, renovation, or reconstruction (but excluding site acquisition costs, which are governed by 7.1.2 above), must be expended within 18 months of the date on which the Subrecipient Agreement is offered for execution. Funds that are unexpended after this deadline ~~will~~may be reprogrammed.

7.1.1.3. Site Acquisition (CDBG)

The applicant must satisfy all conditions of approval that are set forth in the Commission Loan Policies as a prerequisite to the CDC offering the Subrecipient or Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. Site Acquisition funds must be spent within 18 months of the date on which the Subrecipient Agreement is offered for execution. ~~–~~If the site acquisition is not complete within 18 months of the date on which the Subrecipient Agreement is offered for execution, the funds will be reprogrammed.

7.1.1.4. Affordable Housing Development (~~–~~CDBG)

Exhibit 4: Funding Policies

The applicant must satisfy all conditions of approval that are set forth in the Commission Loan Policies as prerequisite to the CDC offering the Subrecipient or Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. Disbursement of funds for all affordable housing projects, including predevelopment costs, hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects (but excluding Site Acquisition, which aisre governed by 7.1.1.3 above) must be initiated within 18 months of the date on which the Subrecipient or Developer Agreement is offered for execution. All funds must be disbursed within 24 months after the date on which the Subrecipient or Developer Agreement is offered for execution. Funds that are unexpended after this deadline will be reprogrammed.

7.1.2. HOME

7.1.2.1. Affordable Housing Development (HOME)

The applicant must satisfy all conditions of approval that are set forth in the Commission Loan Policies as prerequisite to the CDC offering the Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. Disbursement of funds for all affordable housing projects, including predevelopment costs, hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects must be initiated within 24 months of the date on which the Developer Agreement is offered for execution. All funds must be disbursed within 36 months of the date on which the Developer Agreement is offered for execution. Funds that are unexpended after this deadline will be reprogrammed. Affordable housing projects must be completed within four years of the date on which the Developer Agreement is offered for execution. Project completion will be documented by the submission of a temporary or permanent certificates of occupancy for all HOME-funded units. HOME-assisted rental units must be occupied by income-eligible households within 12 months of project completion. A HOME-assisted homebuyer unit must have a ratified sales contract within six months of construction completion.

7.1.2.2. Affordable Housing Development – CHDO set-aside (HOME)

The community housing development organization (CHDO) must satisfy all conditions of approval that are set forth in the Commission Loan Policies as prerequisite to the CDC offering the Subrecipient or Developer Agreement for execution within 12 months of the start of the fiscal year associated with the award. The participating jurisdiction must enter into a legally binding agreement with the CHDO for a specific project within 24 months of the start of the fiscal year associated with the award. Disbursement of funds for all CHDO projects, including predevelopment costs, hard and soft costs of new development, renovation, rehabilitation, and reconstruction projects must be initiated within 24 months of the date on which the Developer Agreement is offered for execution. All funds must be disbursed within 36 months of the date on which the Developer Agreement is offered for execution. CHDO projects must be completed within four years of the date on which the HOME Funding Agreement is offered for execution. Project completion will be documented by the submission of temporary certificates of occupancy for all HOME-funded units. HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion. A HOME-assisted homebuyer unit must have a ratified sales contract within nine months of construction completion.

Exhibit 4: Funding Policies

7.1.3. Tenant-Based Rental Assistance (HOME)

Funds for tenant-based rental assistance programs must be committed to specific households within 12 months of, and expended within 36 months of, the start of the fiscal year associated with the award. Funds that are unexpended after this deadline will be reprogrammed.

7.2. **Site Control**

In order to demonstrate project readiness and facilitate compliance with the CDBG stress test [24 CFR 570.902(a)] and the HOME timeliness provisions [92.205(e)(2)], capital project applications must demonstrate site control at the time funding is made available to the County by HUD (generally August of the new fiscal year). An executed long-term lease, signed option, or purchase agreement or equivalent, legally enforceable instrument may satisfy this requirement. If site control is not in force at the time when HUD makes the funding available to the County, the funding approval will be rescinded, and the funds will be reprogrammed.

7.3. **Environmental Review**

All CDBG- and HOME-funded projects must comply with federal environmental regulations. [24 CFR part 58 National Environmental Policy Act of 1969 (NEPA) and 24 CFR 570.604 (CDBG) and 24 CFR 92.352 (HOME)]

Funding agreements may will not be offered for execution until the required environmental conditions have been met.

7.3.1. Certifying Officer, Roles, and Responsibilities

The Commission's Executive Director is designated by the Board of ~~Supervisor~~Commissioners as the Certifying Officer for all National Environmental Policy Act (NEPA) environmental review of CDBG- and HOME-funded projects. Therefore, the Commission will determine and complete, or cause to be completed, the appropriate level of NEPA environmental review, the cost of which shall be the responsibility of the awardee, and may be paid from the awarded grant or loan funds. The awardee must provide all requested information pertinent to completing the environmental review in a timely manner. Failure to do so will result in the reprogramming of the allocated funds to another project.

The applicant must provide the Commission with documentation verifying the satisfaction of any required environmental impact mitigation measures. [See 24 CFR part 58 Subpart B Section 58.13]

7.3.2. CEQA Compliance

If applicable, all projects must receive local environmental clearance in accordance with the requirements of the California Environmental Quality Act (CEQA). The applicant will submit the CEQA status from the project's applicable Lead Agency with the grant funding application. The applicant must submit a copy of the CEQA clearance to the Commission prior to a funding commitment being made. [See Cal. Code Regs. Tit. 14. Section 15000 et seq.;]

Exhibit 4: Funding Policies

7.4. Section 3

All CDBG and HOME funded projects must comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, and with the implementing regulations set forth in 24 CFR Part 135. Any funded entity shall comply with these Section 3 requirements and with the Section 3 Affirmative Action Plan of the Community Development Commission at the time that the funding agreement is executed.

7.5. Federal Labor Standards

Federal Labor Standards requirements include the Davis-Bacon Act, Copeland “Anti-Kickback Act,” and Contract Work Hours and Safety Standards Act; usually these requirements are referred to as “Davis-Bacon and Related Acts” or DBRA.

CDBG-funded construction or rehabilitation of properties with eight (8) or more total residential units trigger DBRA. [See 24 CFR part 570.603]

Any eligible use of HOME funds – including land acquisition, in which there are twelve (12) or more HOME-assisted units in the same project trigger DBRA. [See 24 CFR part 92.354 & HUD Handbook 1344.1]

7.6. Reasonable Cost of Real Estate Acquisition

For CDBG- and HOME-funded acquisition projects, the Commission must determine that the cost of the property is reasonable.

A property appraisal carried out by a licensed real estate appraiser, or other evidence of valuation acceptable to the Commission, must be provided to the Commission prior to the Commission offering a funding agreement for execution. Funds for direct site acquisition will not be provided if the purchase price exceeds the documented “reasonable cost” of the real property.

As defined in CFR 200.404, “A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.”

Funds for related transaction costs (e.g., title, soils tests, Phase I reports, etc.) may be allowed above the reasonable cost.

7.7. Land Use Approvals

In order to demonstrate project readiness and facilitate compliance with the CDBG stress test [24 CFR 570.902(a)] and the HOME timeliness provisions [92.205(e)(2)], all CDBG- and HOME-funded projects that require land use approvals must be consistent with the General Plan of the jurisdiction in which they are located. A certification of the project’s consistency with the applicable General Plan, signed by an authorized representative of the jurisdiction, must be submitted with the project application. If a project does not have land use approvals, under certain circumstances, funding can be provided for predevelopment expenses only as long as other threshold criteria are met.

Exhibit 4: Funding Policies

7.8. Compliance with Disabled Access Requirements

All CDBG- and HOME-funded projects must be able to comply with the Architectural Barriers Act of 1968 (PL 90-480) and with 24 CFR Part 8 entitled “Nondiscrimination Based on Handicapped Status in Federally Assisted Programs and HUD Activities.”

24 CFR Part 8 states that no qualified individual with disabilities shall, solely on the basis of disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance from the Department of Housing and Urban Development.

Disabled access must be provided to the greatest extent feasible in non-housing as well as housing facilities. Proposed projects that do not provide access for the disabled may not be considered for funding. In addition, all local and sState disability access guidelines must be followed.

7.9. Building Standards

All capital projects (housing and non-housing) must be constructed and maintained in compliance with all applicable federal, sState, and local codes, standards, and ordinances.

For HOME owner-occupied housing rehabilitation, units must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. HOME funds may not be used for emergency or small home repairs. [See 24 CFR 92.251]

7.10. Relocation and One-for-One Replacement

All CDBG- and HOME-funded projects must follow the relocation and one-for-one replacement procedures outlined in 24 CFR 570.606 (CDBG) and 24 CFR 92.353 (HOME) and ~~in~~ HUD’s Uniform Relocation and Real Property Acquisition Act.

Projects requiring permanent displacement of families, individuals, and/or businesses must also comply with the Sonoma County Residential Anti-Displacement and Relocation Assistance Plan, found on the web, here:

<http://sonomacounty.ca.gov/WorkArea/DownloadAsset.aspx?id=2147576719>

7.11. Change in Use

7.11.1. Requirements for Urban County Jurisdictions

All properties acquired and/or improved by the County of Sonoma or participating municipalities that comprise the Urban County entitlement jurisdiction memorialized by a Joint Powers Agreement, using CDBG funds must comply with the CDBG regulations at 24 CFR 570.505, which require that the use of the property (including the beneficiaries of such use) cannot be changed from that for which the acquisition or improvement was made unless the jurisdiction in which the project is located provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either: (1) the new use of such property qualifies as a CDBG-eligible activity; or (2) if the jurisdiction determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify for CDBG funding, the jurisdiction

Exhibit 4: Funding Policies

reimburses the Sonoma County CDBG Program in the amount of the then current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property. This requirement shall be in effect until five (5) years after the Urban County is no longer participating in the CDBG Program. For County-owned or controlled properties, compliance with this requirement shall be secured through an annual certification.

7.11.2. Requirements for All Other Entities

All properties acquired and/or improved by local government entities other than those described in the above paragraph and by non-profit agencies using CDBG funds must comply with the CDBG regulations at 24 CFR 570.503(7)(i) & (ii), which require that the property be used to meet one of the national objectives in 24 CFR 570.208 until five (5) years after expiration of the CDBG Subrecipient Agreement, or for such longer period of time as determined to be appropriate by the Commission; and that if the property is not used to meet one of the national objectives during this time period, the applicant shall pay to the Sonoma County CDBG Program an amount of the then current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Compliance with this requirement shall be secured by a deed restriction recorded on title to the acquired or improved property.

7.12. Demonstrating Benefit to Low- and Moderate-Income Persons

If a project proposes to meet the National Objective of providing a benefit to low- and moderate-income persons, the project must be able to demonstrate that at least 51 percent of households qualify as low- or moderate-income. [See 24 CFR 570.208]

7.13. Affirmatively Furthering Fair Housing

The Fair Housing Act reflects the federal requirement that HUD “use its grant programs to end discrimination and segregation, to the point where the supply of genuinely open housing increases.” As such, the Affirmatively Furthering Fair Housing rule requires fair housing planning to connect housing and community development policy and investment planning with meaningful actions that achieve material, positive changes in outcomes for protected classes: families with children, people with disabilities, and people of different races, colors and national origins. To be eligible for funding, a project must demonstrate what actions it takes to achieve material, positive changes that advance one of these four goals:

- a. Decrease residential segregation
- b. Eliminate racially and ethnically concentrated areas of poverty
- c. Reduce unequal access to important community assets, including quality schools, job centers, and transit
- d. Narrow gaps that result in disproportionate housing needs for people in protected classes

7.14. Affordability Restrictions for Housing Projects

The following provisions identify the minimum affordability requirements for new housing development and rehabilitation of existing rental housing developments. Projects that

Exhibit 4: Funding Policies

provide greater and/or longer affordability than the minimums shown will receive a higher priority.

7.14.1. Income Limits

One hundred percent of CDBG and HOME funds will be used to assist units occupied by households with incomes of no more than eighty percent (80%) of the Sonoma County area median income (AMI), adjusted for household size.

At least eighty percent (80%) of the units assisted with HOME funds must initially be occupied by households with incomes of no more than sixty percent (60%) of Sonoma County AMI, adjusted for household size. Subsequently, these units may be occupied by households with incomes of up to eighty percent (80%) of Sonoma County AMI, adjusted for household size.

At least twenty percent (20%) of the units assisted with HOME funds must be occupied by households with incomes of no more than fifty percent (50%) of the Sonoma County AMI, adjusted for household size.

7.14.2. Rent and Purchase Price Limits

Units assisted with CDBG or HOME funds may be sold or rented to income-eligible households at affordable prices and rents, as determined by the Commission in accordance with HUD regulations.

7.14.3. Term of Income and Price Restrictions

Upon completion or acquisition of a housing project, the assisted units must remain affordable for the longer of fifty-five (55) years or the longest affordability term required by other financing in the project. In no case shall the period of affordability be less than the original term of the loan.

7.15. Match Requirements

Per federal regulation, the expenditure of HOME funds will accrue a match obligation equal to twenty five percent (25%) of the amount of the HOME funds expended. The Commission looks to each project receiving HOME funds to generate eligible match funds during the same fiscal year in which the HOME funds are expended. However, the Commission may cite previously reported match funds to satisfy HOME match requirements in subsequent years.

7.16. Other Federal Requirements

In addition to the requirements outlined in this document, all awardees are required to adhere to federal rules, statutes, policies, and regulations associated with the underlying source of federal funds. Primary federal regulatory citations for the two funding sources (CDBG and HOME) are listed below:

1. CDBG: 24 CFR Parts 91 and 570
2. HOME: 24 CFR Parts 91 and 92

Exhibit 4: Funding Policies

7.17. HOME Projects Sponsored by a member of the HOME Consortia

Each year, members of the HOME Consortia may present for consideration by the Committee's projects that a particular member wishes to sponsor. These projects may be brought forward by a member rather than by a private housing developer. Projects are subject to the same threshold and selection criteria as any other project during the Selection Process.

7.18. Use of HOME funds for the Commission's Tenant-based Rental Assistance Program

The Sonoma County Community Development Commission uses HOME funds for Tenant-Based Rental Assistance (TBRA) as a tool to help very low- and extremely low-income households access permanent housing. Commission staff will make recommendations to the Community Development Committee and Cities and Towns Advisory committee regarding the appropriate amount for funding and the ranking compared to other proposed uses of HOME funds. The Commission will not submit an application for TBRA funds through the NOFA process since it is operated internally by the Commission, but any recommendation by staff will be subject to the same threshold and selection criteria as other applicant projects, and a staff report will be prepared for committee consideration.

7.19. Use of CDBG funds for the Commission's Single-Family Housing Rehabilitation Program

The Sonoma County Community Development Commission uses CDBG funds for single-family (up to 4 units) housing rehabilitation as a tool to help low- and very-low-income households retain decent housing that is affordable to them. This program is key to retaining existing housing stock in the County. Commission staff will make recommendations to the Community Development Committee and Cities and Towns Advisory committee regarding the appropriate amount for funding and the ranking compared to other proposed uses of CDBG funds. The Commission will not submit an application through the NOFA process for the Housing Rehabilitation Program since it is operated internally by the Commission, but any recommendation by staff will be subject to the same threshold and selection criteria as other applicant projects, and a staff report will be prepared for committee consideration.

7.20. Fair Housing-Related Services and Set-Aside Funding

Each jurisdiction receiving CDBG funds from HUD must certify that it will affirmatively further fair housing, which means it will conduct an Assessment of Fair Housing or the Analysis of Impediments within the jurisdiction and take meaningful actions to achieve a material positive change that affirmatively furthers fair housing. To remain eligible for CDBG funding, adequate funding for a range of Fair Housing-related services must be provided through a Set-Aside under the Public Services category. Developing a Fair Housing program that meaningfully furthers fair housing is the responsibility of the Commission's advisory body, the Community Development Committee, in its CDBG oversight role.

For FY 2021-2024, the Commission will use 100% of its Public Services Set-aside to fund

Exhibit 4: Funding Policies

a Fair Housing and Housing Justice Program. Subrecipients may be selected through a NOFA process, or staff may recommend maintaining the current subrecipients through an extension and/or expansion of the currently funded one-year subrecipient agreements.

A Fair Housing and Housing Justice Program is ~~an important~~ critical Upstream Investment that can prevent people from becoming homeless. Because people served by this program do not enter the homeless system of care, the funding is not governed by ~~HOME~~ Sonoma County CoC, the governing body for Sonoma County's homeless system of care.

7.20.1. Other Requirements of the Fair Housing and Housing Justice Program

The Commission shall endeavor to join with other entitlement jurisdictions within Sonoma County (Petaluma and Santa Rosa) in the NOFA process to provide consistent and cost-effective service and assistance to citizens of the entire County.

Fair Housing-related services that are part of a robust Fair Housing and Housing Justice Program may include but are not limited to ~~the~~

education about Fair Housing law ~~and~~ investigative testing and auditing ~~and~~ advocating for tenants who may be targets of discrimination ~~and~~ enforcement of Fair Housing law ~~and~~ as well as legal services designed to prevent eviction.

7.20.2. Fair Housing Provider Selection Process (multiple proposals)

In the event that there are multiple proposals for providing fair housing services, a committee made up of staff members of each jurisdiction will recommend appropriate Fair Housing-related services based on the following factors:

- The capacity of the applicant to provide these services.
- The degree to which a capable applicant can leverage additional funding sources to augment the County's funding allocation.
- Coordination with neighboring jurisdictions in the regional provision of fair housing services for optimizing efficiency and customer service
- Cost-effectiveness.

7.20.3. The degree to which the proposed services will implement meaningful actions to achieve a material positive change that affirmatively furthers fair housing, or that addresses recommended actions in the current Analysis of Impediments to Fair Housing Choice. —In the event, no viable proposals are received from community-based non-profit agencies, or no fair housing proposals are awarded funds, Commission staff will provide the required fair housing services utilizing funding from the Public Services Set-aside until which time that a subsequent RFP process can be implemented to secure a qualified contract provider of Fair Housing-related services. Fair Housing Set-aside

The set-aside amount for all Fair Housing-related services shall be 100% of the 15% Public Services Set-aside subject to adequate funding. If the

Exhibit 4: Funding Policies

Community Development Committee recommends a change to the set-aside amount for any fiscal year, the following factors will be considered:

- i. Current funding level for CDBG funding.
- ii. Historical funding levels of selected services.
- iii. Expected cost of activities required to take the recommended actions identified in the analysis of impediments to fair housing choice document.
- iv. Consideration of actual or potential funding from other sources.

8. PROJECT SELECTION

8.1. Application Submission Process

Details regarding the application requirements and timelines are included in the Notice of Funding Availability (NOFA) released in late-October to mid-November of each year for the fiscal year that begins the following July.

All applicants should attend a Technical Assistance Session for interested applicants to be held on the date listed on the FY 20210-20224 Funding Timeline. Any applicant who cannot attend the scheduled Session should contact the Commission staff as soon as possible.

Applicants must submit funding applications to the Commission by 5:00 p.m. on the date listed on the FY 20210-20224 Funding Timeline. Project applications must be complete by the deadline date to be considered eligible for funding. Required application contents differ by allocation category; please refer to the NOFA for specific requirements. Applications that do not include all applicable requested documents or complete answers to all applicable questions will be deemed ineligible for funding.

Applications may not be revised and/or submitted after the deadline date. In addition, once a project or program is awarded funding by the Commission it cannot be materially revised prior to contract execution.

8.2. Selection Process

Note: See the FY 20210-20224 Funding Timeline for selection process dates.

8.2.1. Community Development Committee and Cities and Towns Advisory Committee Workshop

The Sonoma County Community Development Committee (CD Committee) appointed by the Board of ~~Supervisor~~Commissioners and the Cities and Towns Advisory Committee

Exhibit 4: Funding Policies

comprised of one appointed representative from each of the seven incorporated jurisdictions in the Urban County are responsible for reviewing all applications concurrently.

The CD Committee and ~~Technical Advisory Committee~~ Cities & Towns Advisory Committee conduct a concurrent annual public workshop in February to review staff analysis of applications submitted under the competitive funding categories, take testimony from applicants, and ~~to~~ provide feedback to staff that will be integrated into staff recommendations in the Draft Annual Action Plan.

The committees will not recommend funding for any project unless a representative from the applicant agency is present at the workshop to answer questions about the proposed project.

8.2.2. Discretion of Commission Staff

Staff will have some discretion in determining if CDBG or HOME funds are best for a project or if a project would be better suited for non-federal funds. Giving staff discretion will ensure maximum efficiency and effectiveness of limited local, state, and federal funds.

8.2.3. Community Development Committee and ~~Technical Advisory Committee~~ Cities & Towns Advisory Committee Public Hearing

The Draft Annual Action Plan will be presented to both committees at a public hearing during the public comment period for the Action Plan no later than April 2021. The Draft Action Plan will include a list of projects and programs recommended for funding. The committees will concurrently review the draft and finalize the recommendations to be made to the Board of ~~Supervisor~~ Commissioners.

The committees will not recommend funding for any project unless a representative from the applicant agency is present at the hearing to answer questions about the proposed project.

8.2.4. Tiebreaker Methodology

If the Committees are unable to come to a consensus about which projects should receive funding, a tiebreaker methodology will be used. The tiebreaker methodology will divide funding up based on two factors:

1. The percentage of low and moderate-income persons residing in each member jurisdiction of the Urban County and/or HOME Consortia.
2. Jurisdictions that have two years or more of unallocated CDBG funds will be considered ineligible to receive the proportional allocation of funds because allocating funds to such a jurisdiction may place the Urban County at risk of failing its “timeliness test.” Failing the timeliness test can result in a loss of CDBG funding from the U.S. Department of Housing and Urban Development.

8.2.5. Selection of a “B” list of projects

The committees will include in their ranking process, a set of projects that could be funded if a project to which funds are originally awarded is delayed or cancelled. This will ensure flexibility and timely expenditure of funds.

Exhibit 4: Funding Policies

8.3. Action Plan – One-Year Use of Funds

The Commission will use the CD Committee and TAC recommendations to prepare the “Action Plan: One Year Use of Funds” to be included in the relevant Sonoma County Consolidated Plan. The Consolidated Plan Summary will be published/disseminated in accordance with HUD regulations and the Sonoma County Citizen Participation Plan. Per the Citizen Participation Plan, a review draft of the Consolidated Plan will be made available to the public for thirty days allowed for written comments to be submitted to the Commission. See the FY 2019-2020 Funding Timeline for the publication dates and the end of the comment period.

8.4. Board of Supervisors and Board of Commissioners Final Approval

The Commission will submit the CD Committee and CTAC recommendations, along with all written comments received during the Action Plan comment period and supplementary Commission staff comments, to the Board of Supervisors / Board of Commissioners for approval. The Board is the final decision-maker for determining CDBG and HOME awards. See the FY 2019-2020 Funding Timeline for the Board’s public meeting date.

9. THRESHOLD CRITERIA FOR PROJECT EVALUATION

Applications must meet the following criteria to be eligible for consideration:

1. Is the application complete?
2. Is the proposed project an eligible activity per CDBG or HOME regulations?
3. If applying for CDBG funds, does the proposed project meet a CDBG National Objective?
4. Does the project Affirmatively Further Fair Housing?
5. Is the applicant an eligible applicant/sub-recipient/recipient per CDBG/HOME regulations?
6. Does the applicant demonstrate administrative capacity or request the assistance of the Community Development Commission to effectively deliver the proposed project? If the project requests assistance from the Commission, does the Commission make a determination that it can effectively deliver the required assistance to deliver the project while meeting the timeliness provisions in these policies?
7. *For homelessness-related projects only:* Will the project significantly impact HEARTH system-wide performance measures? Will it shorten the length of homeless episodes, decrease returns to homelessness, or increase placements in permanent housing?
8. *For homelessness-related projects only:* Does the project adhere to the principles of Housing First and participate in Coordinated Entry? If a homeless-serving housing project, does it accept referrals from Coordinated Entry?

9. For CDBG, does the project serve Urban County? For HOME affordable housing development, is the project located in a member jurisdiction of the HOME consortium?

10. SELECTION CRITERIA

The following criteria will be used in the evaluation of eligible applications and will influence the Commission's funding recommendations to the CD Committee. Capital Projects must meet all pre-award conditions, as is also the case for housing awards.

10.1. Selection Criteria – All Projects

10.1.1. Funding Priorities

10.1.1.1. Projects will be ranked on how well they meet the following priorities:

10.1.1.2. Creation or Preservation of Affordable Housing

10.1.1.3. Infrastructure or Public Facility Supporting creation or preservation of affordable housing

10.1.1.4. Infrastructure or Public Facility supporting low or moderate-income populations

10.1.2. Community Goals

Projects that meet the following community goals identified by the advisory committees will be ranked highly:

10.1.2.1. Projects that prevent displacement in high opportunity areas

10.1.2.2. Projects that alleviate the impact of climate change on low-income populations such as:

- infill development,
- infrastructure to reduce environmental impacts in LMA communities including bike lanes,
- walkable paths,
- electric vehicle charging infrastructure,
- ride share hailing locations,
- recycling water irrigation infrastructure,
- new energy-efficient housing construction,
- Projects that consider the mobility needs of low-income people, looking at a variety of factors, including:
 - Improved linkages to public transportation
 - Providing car-share options

Exhibit 4: Funding Policies

- Supports people who work non-traditional hours
- Supports people with limited mobility who can't walk far or ride bikes
- Provides neighborhood safety that promotes walking and biking
- Projects that are aligned with local jurisdictions General Plan Climate Change Element & Equity Element

10.1.3. Readiness to Proceed

The applicant demonstrates that the proposed project can spend grant funding within the applicable timeliness provisions (See Section 7.1). Requirements will vary by project type but may include demonstration of site control, completion of environmental review, approval of entitlements, etc.

For Housing Projects, projects demonstrating advanced readiness via (a) entitlements; (b) financing commitments; (c) permitting will rank highly.

10.1.4. Need

Applicant describes the need for the project/program and demonstrates with applicable evidence (e.g., waiting list, census data, documentation of deteriorated conditions, etc.).

10.1.5. Adherence to a competitive procurement process

Applicant adheres to a process wherein conversations outside an adopted competitive procurement process with members of either the Community Development Committee or Technical Advisory advocating for funding of applicant project or program will result in recusal of those members from the decision making process or ineligibility of that applicant project

10.1.6. Financial Feasibility

The project adheres to guidance set out in the Notice of Funding Availability

10.1.7. Outcomes

Applicant demonstrates that the project/program will result in outcomes that are clearly defined, measurable, and directly related to the alleviation of the stated problem

10.2. Selection Criteria – Housing Projects

10.2.1. Leverage

Projects that demonstrate funds will be leveraged against total development costs at least 7:1.

Exhibit 4: Funding Policies

10.2.2. Development Experience

Project developers who can demonstrate previous success obtaining federal tax credits and/or state funding to develop housing within the last seven years

10.2.3. Support

Projects that can demonstrate existing support from other jurisdictions via letters of support, funding commitments, etc.

10.2.4. Income and Population targeting

Housing projects with deep income targeting and special needs populations

10.3. Selection Criteria – Non-Housing Projects

10.3.1. Leverage and Meeting Community Need

Priority will go to projects that leverage public funds to the greatest extent possible or projects that meet a particular community need that cannot be met by other funding sources.

11. DEFINITIONS

Areas of Opportunity: places where jobs are relatively plentiful and access to education, healthcare, and other amenities are close at hand.

Board of Commissioners: The Board of Supervisors serve as the Board of Commissioners. The Board of Commissioners oversees housing assistance, affordable housing and community infrastructure projects.

Community Development Block Grant Program (CDBG): Created under the Housing and Community Development Act of 1974, this program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents.

CDBG Recipient: a state, city, or urban county that receives a direct allocation of CDBG dollars from the U.S. Department of Housing and Urban Development. Through an urban county cooperation agreement, in the form of a Joint Powers Agreement the County of Sonoma, the Town of Windsor, and the cities of Cloverdale, Healdsburg, Rohnert Park, Sebastopol, and Sonoma together constitute a HUD-designated “Urban County.”

CDBG Subrecipient: Government agencies, private, or public non-profit organizations, including institutions of higher education and private for-profit entities, designated by the Urban County to undertake selected CDBG activities.

Community Housing Development Organization (CHDO): As defined by HUD, A private nonprofit, community-based organization that has staff with the capacity to develop

Exhibit 4: Funding Policies

affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience.

Continuum of Care (CoC): The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments.

Emergency Shelter Grant (ESG) Program: A federal grant program designed to assist homeless persons through five activity types including Street Outreach, Emergency Shelter, Homeless Prevention, Rapid Re-housing, and HMIS.

Fair Housing Act: 1968 act (amended in 1974 and 1988) providing the HUD Secretary with fair housing enforcement and investigation responsibilities. A law that prohibits discrimination in all facets of the homebuying process on the basis of race, color, national origin, religion, sex, familial status, or disability.

Fair Market Value: The amount of money that would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy.

HOME (HOME Investment Partnerships Program): Provides formula grants to states and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people.

HOME Participating Jurisdiction: localities, metropolitan cities, urban counties or approved consortia that are eligible to receive an allocation of funds under the HOME program. Through an urban county cooperation agreement, in the form of a Joint Powers Agreement the County of Sonoma, the Town of Windsor, and the cities of Cloverdale, Healdsburg, Rohnert Park, Sebastopol, and Sonoma together constitute a participating jurisdiction.

HOME Subrecipient: A public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME program.

HOME Owner, Developer, or Sponsor: A non-profit or for-profit organization that will own, develop, or sponsor a HOME-assisted project.

Homeless: An individual who lacks a fixed, regular, and adequate nighttime residence; as well an individual who has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations, an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act: Amended and reauthorized the earlier McKinney-Vento Homeless Assistance Act with substantial changes in 2009. It consolidated HUD's Continuum of Care grant programs and changed HUD's definition of homelessness and chronic homelessness.

Exhibit 4: Funding Policies

Homeless Prevention: Activities or programs designed to prevent the incidence of homelessness, including, but not limited to: (1) short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices; (2) security deposits or first month's rent to permit a homeless family to move into its own apartment; (3) mediation programs for landlord-tenant disputes; (4) legal services programs that enable representation of indigent tenants in eviction proceedings; (5) payments to prevent foreclosure on a home; and (6) other innovative programs and activities designed to prevent the incidence of homelessness.

Household: All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

Housing Stock: The number of existing housing units based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

HUD: The federal Department of Housing and Urban Development.

Income Limit: Determines the eligibility of applicants for HUD's assisted housing programs.

Lead-Based Paint: Paint or other surface coatings that contain lead equal to or exceeding 1.0 milligram per square centimeter or 0.5 percent by weight or 5,000 parts per million (ppm) by weight.

Lease: A written agreement between an owner and a family for the leasing of a decent, safe, and sanitary dwelling unit to the family.

Low and Moderate Income Housing Asset Fund (LMIHAF): Sonoma County's Low-and Moderate-Income Housing Asset Fund (assets from County of Sonoma, Cities of Sonoma and Sebastopol Redevelopment Successor Agencies).

Market Value: The most probable price that a property should bring in a competitive and open market, provided that all conditions requisite to a fair sale are present, the buyer and seller are knowledgeable and acting prudently, and the price is not affected by any undue stimulus.

Microenterprise: A commercial enterprise that has five or fewer employees, one or more of who owns the enterprise.

Manufactured Home or Mobile Home: A structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width, or 40 body feet or more in length, or which when erected onsite is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure. This term includes all structures that meet the above requirements except the size requirements and with respect to which the manufacturer voluntarily files a certification pursuant to 24 CFR 3282.13 and complies with the construction and safety standards set forth in this 24 CFR 3280. The term does not include any self-propelled recreational vehicle. Calculations used to determine the

Exhibit 4: Funding Policies

number of square feet in a structure will include the total of square feet for each transportable section comprising the completed structure and will be based on the structure's exterior dimensions measured at the largest horizontal projections when erected onsite. These dimensions will include all expandable rooms, cabinets, and other projections containing interior space, but do not include bay windows. Nothing in this definition should be interpreted to mean that a manufactured home necessarily meets the requirements of HUD's Minimum Property Standards (HUD Handbook 4900.1) or that it is automatically eligible for financing under 12 U.S.C. 1709(b). **Racially and Ethnically Concentrated Areas of Poverty:** Census tracts where more than half the population is non-white and 40% or more of the population is in poverty OR where the poverty rate is greater than three times the average poverty rate in the area.

Special Needs Subpopulations: Include, but are not limited to: 1) elderly households, 2) persons with physical, mental or developmental disabilities, 3) persons with HIV/AIDS and their families, 4) large families, 5) single-headed households, and 6) farm workers.

Uniform Relocation Act (URA): The Uniform Act (or "Uniform Relocation Act"), passed by Congress in 1970, is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

Urban County: The County of Sonoma and the municipalities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma, and Windsor, through a Joint Powers Agreement, comprise the Urban County, an entity recognized by the U.S. Department of Housing and Urban Development (HUD) as an entitlement jurisdiction eligible for formula grant funding under the CDBG, HOME, and other HUD programs.

12. **MORE INFORMATION**

Visit the Commission's website to find more information: <http://www.sonoma-county.org/cdc>

APPENDIX A: ELIGIBLE USES OF FUNDS

CDBG Eligible Activities

| <i>Consolidated Plan Goal Met</i> | <i>National Objective Code</i> | <i>CDBG Eligible Activity</i> | <i>Eligible Applicants</i> |
|--|---------------------------------------|--|-----------------------------------|
| Homelessness | LMC - homeless persons | All uses below as they relate to construction or rehabilitation of facilities to serve homeless households | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Acquisition of Property | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Disposition of property assisted with CDBG | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Rehabilitation | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Solid Waste Disposal Improvements | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Flood Drainage Improvements | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Water/Sewer Improvements | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Street Improvements | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Sidewalks | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Tree Planting | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Homeless Facilities | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Health Facilities | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Shelter for persons with special needs | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Group homes for people with developmental delays | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Battered Spouse Shelters | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Abused or Neglected Children Facilities | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Facilities for AIDS Patients | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Asbestos Removal | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Clearance, Demolition and Remediation | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Cleanup of Contaminated Sites | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Relocation | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Rehabilitation Administration | Governmental Agency or Non-profit |

Exhibit 4: Funding Policies

| Consolidated Plan Goal Met | National Objective Code | CDBG Eligible Activity | Eligible Applicants |
|--|--------------------------------|--|---|
| Homelessness | LMC - homeless persons | Nonprofit Capacity Building - provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance. | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Assistance to Higher Education Institutions - any eligible activity can be provided to an institution of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more for the basic eligibility categories under the CDBG program | Governmental Agency or Non-profit |
| Homelessness | LMC - homeless persons | Operation and Repair of Foreclosed Property | Governmental Agency or Non-profit |
| Affordable Housing: Increase and preserve the housing stock that is affordable, safe, and accessible for low-, very low-, and extremely-low income families and individuals, including those with special needs and those who are homeless or at imminent risk of homelessness. | LMH | New housing construction - only as "are clearly needed to address a lack of affordable housing accessible to existing or planned jobs" | Community Based Development Organization (CBDO) |
| Affordable Housing | LMH | Homeownership Assistance - can include subsidizing interest rates, financing acquisition, mortgage insurance premiums, closing costs, down payment assistance | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Housing Rehabilitation - Single family: repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancements of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly or in combination. | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Housing Rehabilitation - Multi-family: repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancements of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly or in combination. | Governmental Agency or Non-profit |

Exhibit 4: Funding Policies

| Consolidated Plan Goal Met | National Objective Code | CDBG Eligible Activity | Eligible Applicants |
|-----------------------------------|--------------------------------|--|--|
| Affordable Housing | LMH | Acquisition for Rehabilitation of Housing | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Housing Rehabilitation Administration - Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities. | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Lead Based Paint/Hazards Test/Abatement | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Housing Services - costs in support of activities eligible for funding under the HOME program. This includes services such as housing counseling in connection with TBRA and Affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of TBRA, other services related to assisting owners, tenants, contractors and other entities participating or seeking to participate in the HOME program. Such assistance must also meet HOME income targeting requirements. | Governmental Agency or Non-profit |
| Affordable Housing | LMH | All Uses below as they relate to construction or rehabilitation of housing affordable to low-income households: | |
| Affordable Housing | LMH | Acquisition of Real Property | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Disposition of property assisted with CDBG | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Solid Waste Disposal Improvements | If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only |
| Affordable Housing | LMH | Flood Drainage Improvements | If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only |
| Affordable Housing | LMH | Water/Sewer Improvements | If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only |
| Affordable Housing | LMH | Street Improvements | If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only |

Exhibit 4: Funding Policies

| Consolidated Plan Goal Met | National Objective Code | CDBG Eligible Activity | Eligible Applicants |
|-----------------------------------|--------------------------------|--|--|
| Affordable Housing | LMH | Sidewalks | If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only |
| Affordable Housing | LMH | Tree Planting | If publicly owned land or to support rehab: Governmental Agency or Non-profit; if private to support new construction: CBDO only |
| Affordable Housing | LMH | Clearance, Demolition and Remediation | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Cleanup of Contaminated Sites | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Relocation | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Rental Income Loss - Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG eligible activities. | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Energy Efficiency Improvements - includes installation of storm windows and doors, wall and attic insulation, and conversion, modification or replacement of heating and cooling equipment, including the use of solar energy equipment. | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Residential Historic Preservation - authorizes the costs of preserving or restoring properties of historic significance that will be used for housing for low-income households. | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Nonprofit Capacity Building - provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance. | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Assistance to Higher Education Institutions - any eligible activity can be provided to an institution of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more of the basic eligibility categories under the CDBG program | Governmental Agency or Non-profit |
| Affordable Housing | LMH | Operation and Repair of Foreclosed Property - authorizes activities necessary to make essential repairs and payment of operating expenses needed to maintain habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low income neighborhoods. | Governmental Agency or Non-profit |

Exhibit 4: Funding Policies

| Consolidated Plan Goal Met | National Objective Code | CDBG Eligible Activity | Eligible Applicants |
|--|--------------------------------|--|-----------------------------------|
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Disposition of property assisted with CDBG | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Public Facilities or Improvements | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Senior Centers | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Handicapped Centers | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Youth Centers | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Neighborhood Facilities | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Parks, Recreational Facilities | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Parking Facilities | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Solid Waste Disposal Improvements | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Flood Drainage Improvements | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Water/Sewer Improvements | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Street Improvements | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Sidewalks | Governmental Agency or Non-profit |
| Non-Housing Community Development - | various | Child Care Centers | Governmental Agency or Non-profit |

Exhibit 4: Funding Policies

| Consolidated Plan Goal Met | National Objective Code | CDBG Eligible Activity | Eligible Applicants |
|--|--------------------------------|--|-----------------------------------|
| Infrastructure systems and public facilities | | | |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Tree Planting | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Fire Station/Equipment | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Health Facilities | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Abused or Neglected Children Facilities | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Asbestos Removal | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Facilities for AIDS Patients | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Clearance, Demolition and Remediation | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Cleanup of Contaminated Sites | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Relocation | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Rental Income Loss - Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG eligible activities. | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Privately Owned Utilities - acquire, construct, reconstruct, rehabilitate or install distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines. | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Rehabilitation of Public or Privately Owned Commercial/Industrial buildings - some limitations for buildings owned by private for-profit business | Governmental Agency or Non-profit |
| Non-Housing Community Development - | various | Rehabilitation Administration: Rehabilitation services, such as rehabilitation counseling, energy | Governmental Agency or Non-profit |

Exhibit 4: Funding Policies

| Consolidated Plan Goal Met | National Objective Code | CDBG Eligible Activity | Eligible Applicants |
|---|-------------------------------------|---|--|
| Infrastructure systems and public facilities | | auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities. | |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Non-Residential Historic Preservation - authorizes the costs of preserving or restoring properties otherwise eligible as Public Facilities | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | various | Renovation of closed buildings - such as closed school buildings, for use as an eligible public facility | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | LMA or, if not applicable: LMC | Public Facility or improvements access projects that remove of material or architectural barriers that limit the accessibility of elderly persons or adults with severe disabilities | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities | LMA, LMJ, or, if neither apply: LMC | Rehabilitation of a privately owned nonresidential building or improvement that removes material or architectural barriers that limit the accessibility of elderly persons or adults with severe disabilities | Governmental Agency or Non-profit |
| Non-Housing Community Development - Micro-enterprise | various | Micro-Enterprise Assistance: providing credit, including, but not limited to grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization and expansion of microenterprises; providing technical assistance, advice and business support services to owners of microenterprises and persons developing microenterprises; providing general support including but not limited to peer support programs, counseling, childcare, transportation and other similar services to owners of microenterprises and persons developing microenterprises. | Governmental Agency, Non-profit or for-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities/ Non-Housing Community Development - microenterprise | various - must match eligible use | Nonprofit Capacity Building: provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for CDBG assistance. | Governmental Agency or Non-profit |
| Non-Housing Community Development - Infrastructure systems and public facilities/ Non-Housing Community Development - microenterprise | various - must match eligible use | Assistance to Higher Education Institutions - any eligible activity can be provided to an institution of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more for the basic eligibility categories under the CDBG program | Institution of Higher Education (Secondary and above) |

Exhibit 4: Funding Policies

HOME Eligible Activities

| Consolidated Plan Goal Met | HOME Eligible Activity | Eligible Applicants |
|--|--|--|
| Affordable Housing and possibly Homelessness | Rental Assistance (Assistance to Developers of Rental Housing). | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | Minimum set-aside of 15% for CHDOs. All development or TBRA expenses are eligible. | Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | New Construction: costs to meet applicable new construction standards | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | Rehabilitation: To meet minimum property standards or to make essential improvements, including energy-related repairs or improvements, improvements necessary to permit use by persons with disabilities and the abatement of lead-based paint hazards. Rehabilitation includes conversion within the existing footprint of a building. | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | Demolition of existing structures, associated with both new construction and rehabilitation | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | Utility connections including off-site connections from property line to adjacent street, associated with both new construction and rehabilitation | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | Improvements to project site in keeping with improvements of surrounding standard projects including on-site roads, and sewer and water lines. | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | Refinancing for rehabilitation projects to permit continued affordability | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | Acquisition: May use HOME funds to cover the costs of acquiring improved or unimproved real property | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | Project Related Soft Costs reasonable and necessary costs associated with financing or development of new construction, rehab or acquisition including: Architectural, engineering or related services, costs to process or settle financing, cost of a project audit, costs to provide information services, cost of funding an initial operating deficit reserve, PJ staff and overhead costs directly related to carrying out the project, developer impact fees, costs of environmental review | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, including Community Housing Development Organizations |
| Affordable Housing and possibly Homelessness | Relocation associated with development or rehabilitation of units | Non-profit or for-profit organization that will own, develop or sponsor a HOME-assisted project, |

Exhibit 4: Funding Policies

| Consolidated Plan Goal Met | HOME Eligible Activity | Eligible Applicants |
|--|--|---|
| | | including Community Housing Development Organizations |
| Affordable Housing and likely Homelessness | Tenant-Based Rental Assistance | Public agency or nonprofit organization |
| Affordable Housing and possibly Homelessness | CHDO Operating Costs - An individual CHDO may be used for operating costs of CHDO(s). An individual CHDO may receive no more than the lesser of 50% of its total operating costs or \$50,000. These funds are not part of the CHDO Set-Aside. These funds may be used for general operating assistance and may not be used or costs eligible under the CHDO Set-Aside. | Community Housing Development Organizations |

Exhibit 4: Funding Policies

APPENDIX B: INCOME LIMITS

These income limits apply to HOME Investment Partnership Program (HOME) and Community Development Block Grant Program (CDBG) projects and programs and apply only to Sonoma County Community Development Commission-assisted projects or programs. They are not to be used as a guide for programs regulated by any agency other than the Sonoma County Community Development Commission. It is up to each property owner to determine which regulations preside if a program is regulated by more than one program.

Current Income Limits are found on the CDC website at the following link:

<http://sonomacounty.ca.gov/CDC/Housing-and-Neighborhood-Investment/Income-and-Rent-Limits/#federal>

APPENDIX C: RENT LIMITS

These rent limits apply to HOME Investment Partnership Program (HOME) and Community Development Block Grant Program (CDBG) projects and programs and apply only to Sonoma County Community Development Commission-assisted units. They are not to be used as a guide for projects regulated by any agency other than the Sonoma County Community Development Commission. It is up to each property owner to determine which regulations preside if a unit is regulated by more than one program.

Property owners must subtract from the maximum rent the approved utility allowance for any utilities that the tenant pays in addition to the rent. Confirm the appropriate utility allowance with the Sonoma County Community Development Commission.

Current Rent Limits are found on the CDC website at the following link:

<http://sonomacounty.ca.gov/CDC/Housing-and-Neighborhood-Investment/Income-and-Rent-Limits/#federal>

Pipeline of Affordable Housing Projects

| | | Borrower | Project Name | Location | # Units/ Bed | # PSH Units/ Beds | TDC | Project Type | CDC Funding Source | CDC Loan Amount(s) | Loan Closed | Project Status |
|----|-----------------|-------------------------------------|---------------------------------------|--------------|-----------------|-------------------------|------------|---------------------|-----------------------|-----------------------|---------------------------|-----------------------|
| 1 | 19/20 | Reach for Home | 103 Commercial | Cloverdale | 5 | 5 | 750,000 | Housing | PHC | \$750,000 | 1/22/2019 | Completed |
| 2 | 19/20 | Reach for Home | Cloverdale Rehab | Cloverdale | 2 | 2 | 60,000 | Housing | HEAP | \$50,000 | 11/5/2020 | Pending Closing |
| 3 | 19/20 | CDC | Acquisition of 8190 Arthur St. Cotati | Cotati | 6 | 6 | 980,000 | Housing | CFH/NPLH | \$980,000 | 2/11/2020 | Completed |
| 4 | 17/18 | Housing Land Trust of Sonoma County | Jaime Lane Affordable Housing | Cotati | 5 | 0 | 100,000 | Housing | TOT | \$100,000 | 11/2/2020 | In Construction |
| 5 | 19/20 | Bridge Housing Corporation | Cotati Station | Cotati | 74 | 0 | 47,336,334 | Housing | HOME | \$605,000 | 3/31/2021 | Planning |
| 6 | 19/20 | City of Healdsburg | Victory Studios/Apartments | Healdsburg | 4 | 4 | 1,500,000 | Housing | HOME, HEAP | \$500,000 | 11/1/2020 | Pending Closing |
| 7 | 19/20 | Eden Housing Corporation | Mill District | Healdsburg | 40 | 0 | 32,946,161 | Housing | CFH | \$1,500,000 | 4/21/2021 | Planning |
| 8 | 16/17 | Ortiz Plaza II LP | Ortiz Plaza II | Larkfield | 24 | 0 | 9,172,589 | Housing | CFH | \$510,000 | 8/7/2017 | Planning |
| 9 | 19/20 | Reach for Home | 2 Home Purchase | North County | 2 | 2 | 1,558,066 | Housing | HEAP | \$825,000 | 11/15/2020 | Pending Closing |
| 10 | 19/20 | City of Petaluma | COTS and KFFS Shelter Rehab | Petaluma | 0 | 0 | 386,000 | Capital Non-Housing | HEAP | \$386,000 | 8/5/2020 | Completed |
| 11 | 19/20 | Petaluma Ecumenical | River City Senior Apartments | Petaluma | 54 | 53 | 30,214,391 | Housing | CFH, HEAP | \$1,575,000 | 9/4/2020 | In Construction |
| 12 | 19/20 | MidPen Housing Corp | 414 Petaluma | Petaluma | 42 | 0 | 29,531,013 | Housing | CFH | \$500,000 | 12/5/2020 | Planning |
| 13 | 17/18 | Housing Land Trust of Sonoma County | Essential Workforce Pilot Program | Rohnert Park | 4 | 0 | 300,000 | Housing | TOT | \$300,000 | 11/9/2020 | Completed |
| 14 | 20/21 | City of Rohnert Park | Essential Workforce Housing | Rohnert Park | 2 | 0 | 1,730,000 | Housing | CDBG | \$350,000 | 12/31/2020 | Planning |
| 15 | 17/18 | Catholic Charities | Caritas Center | Santa Rosa | 0 | 0 | 340,000 | Non-Housing | CDBG | \$540,000 | 7/3/2018, 9/20/20 | Planning |
| 16 | 16/17, 18/19 | MidPen Housing Corp | Roseland Village | Santa Rosa | 75 | 0 | 50,618,980 | Mixed-Use | CFH | \$2,537,500 | 12/11/2018, 12/27/2019 | Planning |
| 17 | 17/18 | Burbank Housing | Lantana Place | Santa Rosa | 48 | 0 | 23,718,000 | Housing | CFH & TOT | \$1,100,000 | 12/19/2019 | In Construction |
| 18 | 19/20 | St. Vincent De Paul | The Gold Coin | Santa Rosa | 55 | 55 | 5,750,000 | Housing | HEAP | \$1,975,000 | 12/31/2019 | Rehab in construction |
| 19 | 19/20 | CDC | Acquisition of 866 Sonoma Ave. SR | Santa Rosa | 6 | 6 | 1,100,000 | Housing | CFH/NPLH | \$1,100,000 | 2/6/2020 | Completed |
| 20 | 18/19 | Danco Communities | College Ave Homeless | Santa Rosa | 53 | 53 | 22,282,209 | Housing | NPLH | \$11,066,939 | 6/24/2020 | Planning |
| 21 | 19/20 | City of Santa Rosa | Samuel Jones Hall Homeless Shelter | Santa Rosa | 0 | 0 | 2,008,533 | Capital Non-Housing | HEAP | \$1,255,185 | 9/15/2020 | Completed |
| 22 | 18/19 | Danco Communities | Orchard Commons | Santa Rosa | 46 | 0 | 22,150,406 | Housing | CFH | \$1,500,000 | 9/30/2020 | In Construction |
| 23 | 20/21 | CDC | Hotel Azura - Acquisition | Santa Rosa | 44 | 44 | 7,950,000 | Capital Housing | CARES Act Funds | \$7,950,000 | 10/9/2020 | Pending Closing |
| 24 | 18/19 | CDC | 330 Hewett Street - Acquisition | Santa Rosa | Undetermined | Undetermined | 563,000 | Housing | CFH | \$563,000 | 10/31/2020 | Pending Closing |
| 25 | 19/20 | Community Action Partnership | Sloan Capital Improvements | Santa Rosa | 0 | 0 | 93,699 | Capital Non-Housing | HEAP | \$93,699 | 11/1/2020 | Planning |



Sonoma County Community Development Commission
Sonoma County Housing Authority

Pipeline of Affordable Housing Projects

| | | Borrower | Project Name | Location | # Units/ Bed | # PSH Units/ Beds | TDC | Project Type | CDC Funding Source | CDC Loan Amount(s) | Loan Closed | Project Status |
|----|---------------------------|---------------------------------------|---------------------------------|------------|-----------------|-------------------------|--------------------|--------------------|-----------------------------|-----------------------------------|--|-----------------|
| 26 | 17/18, 18/19, 19/20 | Burbank Housing | Caritas Homes | Santa Rosa | 64 | 32 | 11,052,300 | Housing | CFH, HOME, PHC, NPLH | \$13,197,298 | 1/20/2021 | Planning |
| 27 | 20/21 | CDC | Sebastopol Inn - Acquisition | Sebastopol | 31 | 31 | 6,375,000 | Capital Housing | CARES Act Funds | \$6,375,000 | 11/18/2020 | Wait-listed |
| 28 | 18/19, 19/20 | WCCS & City of Sebastopol | Park Village | Sebastopol | 29 | 10 | 637,700 | Housing | PHC, CDBG, HEAP, CDBG | \$642,334 | 3/13/2019, 4/1/2021 | Planning |
| 29 | 17/18, 18/19 | Satellite Affordable Housing Assoc | Altamira Apartments | Sonoma | 48 | 0 | 29,690,584 | Housing | CDBG, HOME, CFH, LMIHAF | \$5,800,213 | 11/27/2019, 11/28/2019, 11/29/2019 | In Construction |
| 30 | 19/20 | City of Sonoma | Sonoma Valley Homeless Facility | Sonoma | 0 | 0 | 305,492 | Non-Housing | HEAP | \$245,000 | 12/1/2020 | Planning |
| 31 | Various | BHDC | Portfolio Refi Phase II | Various | 0 | 0 | N/A | Housing | Various existing sources | Refinance - no funds requested | 12/15/2020 | Planning |
| 32 | 17/18, 18/19 | Habitat for Humanity | Duncan Village | Windsor | 16 | 0 | 9,689,790 | Housing | CFH, HOIME | \$836,346 | 1/7/2019, 2/1/2021 | Planning |
| 33 | 17/18 | UHC | Windsor Veterans Village | Windsor | 60 | 0 | 34,633,456 | Housing | CFH | \$1,950,000 | 7/15/2019 | In Construction |
| | | | | | 839 | 303 | 385,523,703 | | | \$67,658,514 | | |

11/10/2020 - sorted by City



Sonoma County Community Development Commission
1440 Guerneville Road, Santa Rosa, CA 95403-4107

*Members of the
Commission*

Susan Gorin
Chair

Lynda Hopkins
Vice Chair

David Rabbitt
Shirlee Zane
James Gore

Barbie Robinson,
MPP, JD, CHC
Interim Executive
Director

Date: November 18, 2020
To: Community Development Committee
From: Martha Cheever, Housing Authority Manager
Subject: Tenant Representative

The Sonoma County Housing Authority (Housing Authority) administers the Housing Choice Voucher and Mainstream Voucher Programs under contract with the U.S. Department of Housing and Urban Development (HUD). Vouchers are the federal government's primary method for helping low-income families, the elderly, and the disabled rent housing from private property owners.

Federal, state, and local ordinance require that two participants of the Housing Choice Voucher ("HCV") program serve on the Housing Authority's advisory board ("Committee"). At least one of the two tenant representatives must be over the age of 62. The bylaws of the Committee provide that the tenant representatives are nominated by the Sonoma County Board of Commissioners or Commission staff. The Committee will not consider the nomination.

Stephanie Hiller has notified staff of her intention to resign from the Committee effective December 31, 2020, necessitating a recruitment for a new tenant representative. On November 10, 2020, applications for participation were mailed to all HCV households with at least one household member over the age of 62.

Applications will be accepted until December 8, 2020, after which, staff will review applications for relevancy to the body of work performed by the Committee. The top four to five applicants will be interviewed by a panel who will considered each applicant's experience working in an advisory capacity, their willingness to represent the broad interests of program beneficiaries, and their demonstrated understanding of the commitments necessary to serve on the Committee. Staff are requesting that the Committee select one member to participate on an interview panel.

Once the interview panel selects a new tenant representative, appointment to the Committee will be requested of the Board of Commissioners.





Sonoma County Community Development Commission
1440 Guerneville Road, Santa Rosa, CA 95403-4107

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Barbie Robinson,
MPP, JD, CHC
Interim Executive
Director

Date: November 18, 2020
To: Community Development Committee
From: Martha Cheever, Housing Authority Manager
Subject: Housing Authority Administrative Plan Update

The Sonoma County Housing Authority (Housing Authority) administers the Housing Choice Voucher and the Mainstream Voucher Program under contract with the U.S. Department of Housing and Urban Development (HUD). Vouchers are the federal government's primary method for helping low-income families, the elderly, and the disabled rent housing from private property owners.

Federal regulation 24 CFR § 982.54 requires all Housing Authorities to adopt a written Administrative Plan to ensure that local programs operate within HUD's requirements. The Administrative Plan dictates the program's waitlist management, preferences, and other local needs-based policies. If a Housing Authority proposes substantive changes to its Admin Plan, public engagement and a public hearing are required to solicit feedback on the changes.

In order to allow Housing Authorities flexibility to adapt to shelter-in-place orders and other challenges related to the COVID-19 pandemic, the Department of Housing and Urban Development (HUD) issued Public and Indian Housing (PIH) Notice 2020-05. This Notice authorized Housing Authorities to adopt changes to the Administrative Plan without formal Board approval. Under that authority, the Housing Authority informally adopted several technical changes to the Administrative Plan. The most significant changes that were informally adopted have allowed the Housing Authority to conduct certain recertification exams on a biennial basis and eliminated the requirement for in-person appointments.

Since the publication of the proposed changes to the Administrative Plan, staff have determined that the proposed change to add a Residential Care Facility Step Down program (pages 4-4 & 4-5 of draft Administrative Plan) is unnecessary. HUD has modified eligibility rules for the Mainstream Voucher program enabling the Housing Authority to utilize vouchers for this population without the addition of a local preference. Because of this, staff is not requesting that this proposed change *not* be recommended for approval.

Before changes to the Administrative Plan are formally adopted, a public hearing is required. Notification of this public hearing was posted on the Community Development Commission's website, in the Press Democrat, and emailed out to all Community Development Commission email list-servs. Written comments were accepted through the November 16, 2020.



Requested Action: Staff is seeking a recommendation of approval of the proposed Administrative Plan updates, excluding the preference for the Residential Care Facility step-down program.

Attachments:

1. Summary of proposed changes
2. Redline Administrative Plan Chapters 4, 7, and 12

Sonoma County Housing Authority Administrative Plan Summary of Proposed Changes

Chapter 4 – Establishing Preferences and Maintaining a Waitlist

1. Adds an additional local preference. This preference will provide an allocation of vouchers to be designated for a Residential Care Facility Step Down program. Providing this allocation of vouchers will create vacancies in permanent supportive housing programs thereby allowing additional homeless families in need of services to be housed. (Pages 4-4 & 4-5)

Chapter 7 – Verification Procedures

1. Changes documentation requirement for additional bedrooms to the time or recertification rather than annually. This change reduces administrative burden and also eliminates additional burden for disabled clients. (Page 7-12)
2. Removes the word annually from statements about calculation of medical expenses. This change reduces administrative burden by only requiring medical expense documentation to be collected at time of recertification (Page 7-13)

Chapter 12 – Recertifications

1. Updates policies to allow for biennial inspections (page 12-1)
2. Eliminates the requirement for in-person appointments (page12-2)
3. Updates policies to allow for recertifications to be conducted through the mail (pages 12-2 & 12-3)
4. Clarifies interim recertification policy when income increases or new income sources are added (page 12-4)
5. Updates policies for streamlined recertifications to indicate biennial recertification policies (page 12-6)

Chapter 4 ESTABLISHING PREFERENCES AND MAINTAINING A WAITING LIST

[24 CFR Part 5, Subpart D; 982.54(d)(1); 982.204, 982.205, 982.206, 982.207] INTRODUCTION

It is the Housing Authority's objective to ensure that families are selected from the waiting list for admissions in accordance with the policies in this Administrative Plan.

This Chapter explains the local preferences which the Housing Authority has adopted to meet local housing needs, defines the eligibility criteria for the preferences and explains the Housing Authority's system of applying them. An applicant does not need to be eligible for local preferences in order to be eligible for assistance.

By maintaining an accurate waiting list, the Housing Authority will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

A. WAITING LIST [24 CFR 982.204]

The Housing Authority uses a single waiting list for admission to its HCV tenant-based assistance program. The Housing Authority may opt to accept only the number of applicants who may be expected to be reached within one year in accordance with the policies outlined within this Chapter. Applicants who will be placed on the waitlist will be selected by random lottery. All applicants will be notified of their waitlist status within a reasonable time after waitlist close in accordance with the policies included in Chapter 3.

Except for Special Admissions, defined below, applicants will be selected from the Housing Authority waiting list in accordance with policies and preferences outlined in this chapter.

The Housing Authority will maintain information that permits proper selection from the waiting list.

The waiting list includes, but is not limited to, the following information for each applicant listed:

Applicant Name

Family Unit Size (number of bedrooms family qualifies for under Housing Authority subsidy standards)

Randomly assigned applicant identification number

Qualification for any preferences administered locally

Racial or ethnic designation of the head of household

B. SPECIAL ADMISSIONS [24 CFR 982.54(d)(e), 982.203]

If HUD awards the Housing Authority program funding that is targeted for specific families, the Housing Authority will admit these families under a Special Admission procedure.

Special Admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list.

The Housing Authority maintains separate records of these admissions.

Applicants who are admitted under Special Admissions, rather than from the waiting list, are identified by codes in the automated system.

If HUD awards a Housing Authority program funding that is targeted for families living in specified units, the Housing Authority must use the assistance for the families living in these units under a Special Admission procedure.

The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:

- A family displaced because of demolition or disposition of a public or Indian housing project;

- A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;

- For housing covered by the Low Income Housing Preservation and Resident Home-ownership Act of 1990; and

- A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term.

C. TARGETED FUNDING [24 CFR 982.204(e)]

When HUD awards special funding for certain family types, families who qualify are placed on the regular waiting list. When a specific type of funding becomes available, the waiting list is searched for the first available family meeting the targeted funding criteria.

D. LOCAL PREFERENCES [24 CFR 982.207]

In addition to a randomly assigned applicant number, the Housing Authority has preferences used to select families from the wait list when families eligible for such preferences are present on the waitlist. Each preference will receive an allocation of points so that the computer software can accurately determine the placement of families on the wait list. The applicant's cumulative points will determine the preference status and how it affects applicant position on the wait list.

When verifying preferences, the Housing Authority reserves the right to verify the authenticity of any document it deems to be questionable or contains a discrepancy.

The Housing Authority has adopted the following preference system:

- a. In-Place Preference. During times when overall program lease-up is below 95%, a limited preference will be granted to families who are considered to be living in-place. This preference applies to those who have been living in a unit within the jurisdiction of the Sonoma County Housing Authority for at least three months and the property manager certifies that he/she is willing to accept the HCV Program if the applicant is approved. This preference will be granted to 15% of all names pulled from the waitlist at each pull during times of low lease-up. Required documentation will include a letter from the property manager certifying that he/she will accept the voucher, a copy of applicant's lease in an appropriate size dwelling for the family listed in the housing application, and copies of utility bills for a 3 (three) month period verifying residency in the unit. Should a voucher be issued using this preference and the voucher is unable to be utilized in the "in place" unit, the voucher will be rescinded and the applicant returned to the waiting list. (Rev 2019)

- b. In-Place Homeless Prevention Super Preference. Subject to the availability of Annual Contributions Contract authorized voucher units, an absolute preference for Housing Choice Vouchers will be made available for in-place occupants when the unit they are residing in is subject to the loss of affordability restrictions or a subsidy tied to a specific facility or unit and the loss of the restriction or subsidy places the occupant at imminent risk of losing stable housing and/or becoming homeless. In order for an applicant to be eligible for this super preference, the Housing Authority must receive notification from a local municipality or partner agency of the Sonoma County Community Development Commission ("Commission"). All notifications are subject to Commission determination that the loss of stable housing and/or homelessness for in-place resident(s) is eminent.

This preference will also apply to in-place, income eligible households whose rental assistance is being terminated due to insufficient funding or term expiration of other rental assistance programs administered by the Housing Authority or whose rental assistance is being terminated due to insufficient funding of other rental assistance programs funded through the Sonoma County Continuum of Care.

- c. Other Preference. Preference points will be granted to applicants with household members in the following groups. Preference points are cumulative.
 - Seniors (1)

- Persons with disabilities (1)
 - Persons with disabilities who are transitioning out of a mental health care institution or other segregated settings or at serious risk of institutionalization. (1)
- d. Homeless Preference. To promote ending homelessness, and subject to the availability of Annual Contributions Contract authorized voucher units, thirty-six (36) Housing Choice Vouchers per year may be made available for families engaged in homeless assistance programs and/or initiatives within the County of Sonoma. These vouchers will be issued based on referrals from the Sonoma County Coordinated Entry Program. Eligible families referred through this program will be granted an absolute preference on the Housing Authority Waiting List. Referred applicants must meet Housing Authority income and other eligibility requirements and be drawn from the waitlist.
- e. Move On Allocation. Contingent upon funding, the Housing Authority will allocate up to 20% of its annual turn-over program vouchers per year to serve households eligible for this limited preference. This preference is referral based and is intended for formerly homeless individuals/families who have successfully participated in a Permanent Supportive Housing (PSH) program (see Glossary for definition) within Sonoma County, and have been determined by the supportive services provider to be ready to move into housing without attached supportive services. Issuing these households tenant-based vouchers will create vacancies in PSH programs thereby allowing additional homeless families in need of services to be housed. Applicants referred for this program must be drawn from the waitlist and will be given an absolute preference. At its discretion, the Housing Authority will annually evaluate whether to renew this preference. Referrals will be taken from an approved PHA third party who have verified Permanent Supportive Housing units.
- f. Residential Care Facility Step Down Allocation. Contingent upon funding, the Housing Authority will allocate up to 10% of its annual turn-over program vouchers per year to serve households eligible for this limited preference. This preference is referral based and is intended for formerly homeless individuals/families who have successfully participated in a Permanent Supportive Housing (PSH) program (see Glossary for definition) within Sonoma County, and have been determined by the supportive services provider to be ready to move into housing without attached supportive services. Issuing these households tenant-based vouchers will create vacancies in PSH programs thereby allowing additional homeless families in need of services to be housed. Applicants

referred for this program must be drawn from the waitlist and will be given an absolute preference. At its discretion, the Housing Authority will annually evaluate whether to renew this preference. Referrals will be taken from an approved PHA third party who have verified Permanent Supportive Housing units.¹

e.g. Housing Access and Reentry Pilot Program. The Housing Authority may consider adopting policies that allows individuals formerly incarcerated to live with their families in assisted housing, while receiving supportive services. An individual who would otherwise be ineligible for assisted housing assistance must have been referred to the Housing Authority by an approved partnering agency who has entered into an agreement with the Sonoma County Probation Department or other law enforcement agency. Referred applicants may be considered for housing based on adjusted policy criteria associated with the programs suitability standards, to exclude any period of time from the date of the offense or release from incarceration as indicated in Section 15.A. This reentry pilot program proposes to allow approximately 45 individuals to participate in the Housing Choice Voucher program as a newly admitted household (See Section 4.3) over a three year period ending December 31, 2022, at which time the Housing Authority will evaluate the program and the program may convert from a pilot to an on-going preference or be terminated based upon outcomes recorded. There is no proposed cap on the number of individuals allowed to join a Housing Authority assisted household for the purpose of reunifying other family member households. All persons considered under this pilot program are subject to an Informal Review per the procedures outlined in Section 19.B. At its discretion, the Housing Authority will annually evaluate whether to renew this Pilot Program. Applicants for this Pilot Program must be drawn from the waitlist and will be given an absolute preference.

Exceptions to the suitability standards would not be extended to the following HUD required denials [24 CFR 960.204] to the following individuals:

- Persons convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing;
- Any person subject to a life time registration requirement under a state sex offender registration program.

E. INITIAL DETERMINATION OF LOCAL PREFERENCE QUALIFICATION [24 CFR 5.415]

At the time of application, an applicant's entitlement to a Local Preference may be made

¹ Adopted pursuant to waiver of formal Board adoption as authorized in PIH Notice 2020-05, issued April 10, 2020.

on the following basis:

An applicant's certification that they qualify for a preference will be accepted without verification at the time of preliminary application. When the family is selected from the waiting list for the final determination of eligibility, any preference claimed will be verified.

If the preference verification indicates that an applicant does not qualify for the preference, the applicant will be returned to the waiting list in their original waitlist position without the addition of a preference. Applicant will given an opportunity for an informal review to discuss the preference.

Change in Circumstances

Changes in an applicant's circumstances while on the waiting list may affect the family's entitlement to a preference. Applicants are required to notify the Housing Authority in writing when their circumstances change.

Preference Denial

[24 CFR 982.207]

If upon verification SCHA determines that the family does not qualify for the preference(s) claimed, the family will not receive the preference and will be placed back on the waitlist; unless the family was selected during the final draw, in which case the waitlist application may be cancelled. The family will be notified in writing and advised of the family's right to request an informal review. For additional information refer to Chapter 19.

F. INCOME TARGETING

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year the Housing Authority will reserve a minimum of seventy-five percent of its HCV new admissions for extremely low-income families. The Housing Authority will admit families who qualify under the Extremely Low Income limit to meet the income targeting requirement, regardless of preference.

If the family's verified annual income, at final eligibility determination, does not fall under the Extremely Low Income limit and the family was selected for income targeting purposes, the family will be returned to the waiting list.

The Housing Authority's income targeting requirement does not apply to low-income families continuously assisted as provided for under the 1937 Housing Act.

The Housing Authority is also exempted from this requirement where the Housing Authority is providing assistance to low-income or moderate income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

Chapter 7

VERIFICATION PROCEDURES

[24 CFR Part 5, Subparts B, D, E and F; 982.108]

INTRODUCTION

HUD regulations require that the factors of eligibility and Total Tenant Payment/Family Share be verified by the Housing Authority. Housing Authority staff will obtain written verification from independent sources whenever possible and will document participant files whenever third party verifications are not possible as to why third party verification was impossible to obtain.

Applicants and program participants must provide true and complete information to the Housing Authority whenever information is requested. The Housing Authority's verification requirements are designed to maintain program integrity. This Chapter explains the Housing Authority's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. The Housing Authority will obtain proper authorization from the family before requesting information from independent sources.

A. METHODS OF VERIFICATION AND TIME ALLOWED [24 CFR 982.516]

The Housing Authority will verify information through at least one of the following methods of verification acceptable to HUD:

- Up-Front Income Verification (UIV)
- Third-Party Written Verification
- Third-Party Oral Verification
- Review of Documents
- Self-Certification

The Housing Authority will allow two weeks for return of third-party verifications. In the event they are not received, the Housing Authority will use an alternate acceptable method of verification.

For applicants, verifications may not be more than 60 days old at the time of voucher issuance. For participants, they may not be more than 120 days old.

Up-Front Income Verification (UIV)

UIV is the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals. The Housing Authority will use available resources, including UIV techniques to obtain verification of participant-reported, including unreported or underreported income.

Enterprise Income Verification (EIV) is a HUD provided Internet-based tool that allows Housing Authorities to view employment information, wages, unemployment compensation and social security benefit information for HCV participants. The purpose of HUD's EIV System is to make integrated income data available from one source, via the Internet, for Housing Authorities to use to improve income verification during required income reexaminations.

The EIV system is used to validate participant reported income through a data matching process which allows Housing Authorities to view monthly information for participants within the Housing Authority's jurisdiction. It also provides income discrepancy reports to identify families who may have substantially underreported household income. The Housing Authority will use the EIV system as the primary source when available.

Third-Party Written Verification

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via fax or mail. The family will be required to sign an authorization for the information source to release the specified information.

The Housing Authority will accept verifications in the form of computerized printouts from the following agencies:

- Social Security Administration
- Veterans Administration
- Welfare Assistance
- Department of Child Support Services
- Employment Development Department
- Unemployment Compensation Board
- Other City, County or Federal Agencies

When computer matching results in a discrepancy with information in the Housing Authority records, the Housing Authority will follow up with the family and verification sources to resolve this discrepancy.

The Housing Authority also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense and the family has original documents that provide the necessary information.

Third-Party Oral Verification

Oral third-party verification may be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to

complete a certification of the document viewed or person contacted, noting with whom they spoke, the date of the conversation, and the facts provided.

Review of Documents

If the Housing Authority has determined that third-party verification is not available or not required, the Housing Authority will use documents provided by the family as verification. The Housing Authority may also review documents when necessary to help clarify information provided by third parties. In such cases the Housing Authority will document in the file how the Housing Authority arrived at a final conclusion about the income or expense to include in its calculations.

If the Housing Authority utilizes documents provided by the family as the primary source, the documents must provide complete information. All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a certification of the document viewed or the person contacted.

The Housing Authority will accept the following documents from the family:

- Printed wage stubs

- Computer print-outs from the employer

- Signed letters

- Other documents noted in this Chapter as acceptable verification

Self-Certification

When information cannot be verified by a third party or by review of documents, the applicant or program participant will be required to submit self-certification attesting to the accuracy of the household information they have provided to the Housing Authority. This source of verification will only be used when all other options have not been successful.

B. RELEASE OF INFORMATION [24 CFR 5.230]

Adult family members will be required to sign the HUD 9886 Release of Information/Privacy Act form.

In addition, family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice.

Each member requested to consent to the release of specific information may be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to

supply any information and to sign consent forms requested by the Housing Authority or HUD.

C. ITEMS TO BE VERIFIED [24 CFR 982.516]

- All income.
- Full-time student status including High School students who are 18 or over.
- Current assets.
- Child care expense where it allows an **adult** family member to be employed or to further his/her education.
- Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- Disability assistance expenses for a disabled member of the family, which allow an **adult** family member to be employed.
- Disability for determination of preferences, allowances or deductions.
- Eligible immigration status.
- Social Security Numbers for all family members who have been issued a social security number.
- "Preference" status.
- Status when needed for non-citizen rule.
- Birthdates for minor household members.
- Verification of Reduction in Benefits for Noncompliance:

The Housing Authority will obtain written verification from the appropriate social services agency ensuring that the family's benefits have not been reduced for fraud or noncompliance *before* processing the family's request for rent reduction.

D. VERIFICATION OF INCOME [24 CFR 982.516]

This section defines the methods the Housing Authority will use to verify various types of income.

Employment Income

Acceptable methods of verification include:

1. EIV
2. Verification of quarterly earnings may be requested from the Employment Development Department for adult household members under the age of 62.
3. Check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings.
4. Employment verification form completed by the employer. Verification forms request the employer to specify the:
 - Dates of employment
 - Amount and frequency of pay

- Estimated income from overtime, tips, bonus pay expected during next 12 months

5. W-2 forms plus income tax return forms.

6. Self-certifications or income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Social Security, Pensions, Supplementary Security Income (SSI), Disability Income

Acceptable methods of verification include:

- Enterprise Income Verification (EIV)
- Benefit verification form completed by agency providing the benefits.
- Award or benefit notification letters prepared and signed by the providing agency.
- Computer report electronically obtained or in hard copy.
- Direct deposit verification from bank statement.

Unemployment Compensation

Acceptable methods of verification include:

- Verification form completed by the unemployment compensation agency.
- Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.
- Payment stubs.

Welfare Payments or General Assistance

Acceptable methods of verification include:

- Cal-Win computerized State system
- Housing Authority verification form completed by payment provider.
- Computer generated or written statement from payment provider indicating the amount of grant/payment, start date of payments, and 12 month print-out of benefits.
- Computer-generated Notice of Action.

Spousal Support or Child Support Payments

Acceptable methods of verification include:

- Verification form from Department of Child Support Services
- Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- A letter from the person paying the support.
- Copy of the most recent checks and/or payment stubs from the agency or person paying support.
- Family's self-certification of amount received.

- Computer generated payment history.

Net Income from a Business

In order to verify the net income from a business, the Housing Authority will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

- IRS Form 1040, including:
 - Schedule C (Small Business)
 - Schedule E (Rental Property Income)
 - Schedule F (Farm Income)

Note: If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

- Audited or unaudited financial statement(s) of the business.
- Family's self-certification as to net income realized from the business during previous years, i.e.: ledgers and quarterly IRS reports.

Recurring Gifts

The family must furnish a statement from the person who provides the gifts which includes the following information:

The value of the gifts

The regularity (dates) of the gifts

The purpose of the gifts

Zero Income Status

The Housing Authority will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc., are not being received by families claiming to have zero annual income. If no income appears on any of these, then the Housing Authority will require the family to complete a self-declaration form.

Full-time Student Status

Only the first \$480 of the earned income of full-time students, other than head, co-head, or spouse, will be counted towards family income.

Generally, financial aid, scholarships and grants received by full-time students are not counted towards family income. However, financial aid that exceeds the amount paid for tuition may count towards family income when the student is over 23 years of age and has no dependent minor children in the household.

Verification of full-time student status includes:

- Written verification from the registrar's office or other school official.
- School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

Household members over 18 who claim on-going full-time student status will be required at each recertification to provide a transcript from the school in which they are enrolled and proof of current full-time enrollment.

E. INCOME FROM ASSETS [24 CFR 982.516] **Savings Account Interest Income and Dividends**

Acceptable methods of verification include, in this order:

1. Account statements, passbooks, certificates of deposit, or Housing Authority verification forms completed by the financial institution.
2. Broker's statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.
3. IRS Form 1099 from the financial institution.

Interest Income from Mortgages or Similar Arrangements

Acceptable methods of verification include, in this order:

1. A letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months. (A copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown.)
2. Amortization schedule showing interest for the 12 months following the effective date of the certification or recertification.

Net Rental Income from Property Owned by Family

Acceptable methods of verification include, in this order:

1. IRS Form 1040 with Schedule E (Rental Income).
2. Copies of latest rent receipts, leases, or other documentation of rent amounts.
3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
4. Lessee's written statement verifying rent payments to the family.

F. VERIFICATION OF ASSETS **Family Assets**

The Housing Authority will require the information necessary to determine the current cash value of the family's assets, (the net amount the family would receive if the asset were converted to cash).

Due to the prohibitive costs incurred by the Housing Authority to determine asset information directly from the financial institution, the Housing Authority will utilize a minimum of two months of current statements from the financial institution or broker and provided to the Housing Authority by the participant. Additional bank or financial statements may be requested by the Housing Authority to determine eligibility.

Acceptable verification may also include any of the following:

- Verification forms, letters, or documents from a financial institution or broker.
- Passbooks, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- Real estate tax statements if the approximate current market value can be deduced from assessment.
- Financial statements for business assets.
- Copies of closing documents showing the selling price and the distribution of the sales proceeds.
- Appraisals of personal property held as an investment.
- Family's self-certification describing assets or cash held at the family's home or in safe deposit boxes.

Assets Disposed of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification

For all Certifications and Re-certifications, the Housing Authority will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

If the family certifies that they have disposed of assets for less than fair market value, certification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

G. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME [24 CFR 982.516] Child Care Expenses

A Housing Authority child care provider verification form must be completed. The verification form will include the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

The family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources is required.

Medical Expenses

Families who claim anticipated medical expenses will be required to complete the Housing Authority medical expense form which must be verified and signed by a knowledgeable medical practitioner.

Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family will be accepted to document health insurance premiums to be paid by the family.

Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months will be accepted as verification.

For attendant care:

- A knowledgeable medical practitioner's certification that the assistance of an attendant is necessary as a medical expense.
- Attendant's written confirmation of amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.

See Medical Expense Deduction Policy at end of Chapter 7.

Assistance to Persons with Disabilities [24 CFR 5.611(c)]

In All Cases:

Written certification from a knowledgeable medical practitioner, social worker or other reliable third party with knowledge that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

Attendant's written certification of amount received from the family and frequency of receipt.

Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

H. VERIFYING NON-FINANCIAL FACTORS [24 CFR 982.153(b)(15)] **Verification of Permanent Absence of Family Member**

If an adult member who was formerly a member of the household is reported permanently absent by the family, the Housing Authority will consider any of the following as verification:

- Husband or wife provides divorce action documentation.
- Husband or wife provides legal separation documentation.
- Order of protection/restraining order obtained by one family member against another.
- Proof of another home address, such as utility bills, canceled checks for rent, driver license, or lease or rental agreement, if available.
- Statements from other agencies such as social services or a written statement from the owner or manager that the adult family member is no longer living at that location.
- If no other proof can be provided, the Housing Authority will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.

Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by a knowledgeable medical practitioner, social worker, or other reliable third party using the HUD language as the verification format.

Verification of Citizenship/Eligible Immigrant Status [24 CFR 5.508, 5.510, 5.512, 5.514]

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while the Housing Authority hearing is pending.

Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.

Eligible Immigrants who were Participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.

Non-citizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are

copied front and back and returned to the family. The Housing Authority verifies the status through the INS SAVE system. If this primary verification fails to verify status, the Housing Authority must request within ten days that the INS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse.

Non-citizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa but their status will not be verified and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide. If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide required information.

Time of Verification

For applicants, verification of U.S. citizenship or eligible immigrant status occurs at the time of initial application.

The Housing Authority will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of at least one member of the family.

Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial Housing Authority does not supply the documents, the Housing Authority must conduct the determination.

Extensions of Time to Provide Documents

The Housing Authority may grant an extension of 30 days for families to submit evidence of eligible immigrant status.

Acceptable Documents of Eligible Immigration

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien Card (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-688)
- Employment Authorization Card (I-688B)
- Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified

A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept a minimum of five years.

If the Housing Authority determines that a family member has knowingly permitted another individual who is not eligible for assistance (i.e. an unauthorized person) to reside permanently in the family's unit, the family's assistance may be terminated.

Verification of Social Security Numbers [24 CFR 5.216]

Social security numbers must be provided as a condition of eligibility for all family members age six and over if they have been issued a number. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration.

If a family member cannot produce a Social Security Card, the documents listed below showing his or her Social Security Number may be used for temporary verification.

Identification card issued by a Federal, State or local agency

Identification card issued by Medicare or Medicaid

Benefit award letters from government agencies

New family members ages six and older will be required to produce their Social Security Card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported to the Housing Authority.

If an applicant or participant is able to disclose the Social Security Number but cannot meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by the Housing Authority. The applicant/participant or family member will have an additional 60 days to provide proof of the Social Security Number. If they fail to provide this documentation, the family's assistance will be terminated.

In the case of an individual at least 62 years of age, the Housing Authority may grant an extension for an additional 60 days to a total of 120 days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance will be terminated.

If the family member states they have not been issued a number, the family member will be required to sign a certification to this effect.

Medical Need for Larger Unit

A request for a reasonable accommodation must be submitted per Housing Authority guidelines. Requests will be evaluated ~~on an annual basis~~ at each reexamination to determine ongoing medical need.

I. VERIFICATION OF WAITING LIST PREFERENCES [24 CFR 5.410-5.430]

Preference information on preliminary applications will be updated as applicants are selected from the Waiting List. At that time, the Housing Authority will obtain necessary verifications of preference.

MEDICAL EXPENSE DEDUCTION POLICY

Participant families in the Section 8 Housing Choice Voucher Program in which the head of household, spouse or co-head is 62 years of age or older, or is a person with disabilities are entitled to the deduction. If the family qualifies for the deduction, the allowable medical expenses of all family members are considered, including the expenses of children and nonelderly adults.

The allowable medical expense deduction is that portion of a family's total annual unreimbursed medical expenses that exceeds 3% of the household's annual income.

Anticipated medical expenses are expenses expected to be incurred during the 12 months following recertification which are not covered by an outside source such as insurance. The medical expense deduction is not intended to give a family an allowance equal to last year's expenses, but to anticipate regular ongoing and anticipated expenses during the coming year. Generally, medical expenses are calculated **annually** at the time of ~~Annual~~-Recertification.!

The following are expenses that may be included as long as they are actual anticipated out-of-pocket expenses that are not reimbursed or covered by insurance:

- Services of doctors and health care professionals
- Services of health care facilities
- Medical insurance premiums
- Prescription/nonprescription medicines (must be prescribed by a doctor)
- Dental expenses, eyeglasses, hearing aids, batteries (eligible upon payment of expense)
- Live-in or periodic medical assistance
- Monthly payment on accumulated medical bills (regular monthly payments on a bill that was previously incurred.) This deduction will only include the amount expected to be paid in the coming 12 months.

In order for the family to receive a medical deduction, each medical practitioner must complete and sign a Medical Expense Form, listing the name and cost for all prescriptions, and non-prescription and over the counter medications, and medical services that are anticipated to be paid by the participant during the upcoming 12 months. For medical bills for which the participant is making monthly payments, the Housing Authority requires documentation of the payment program or documentation from the medical provider showing payments made. Photocopies can be made of the Medical Expense Form if additional forms are needed. The Housing Authority will allow

a deduction for mileage or other transportation costs to and from required medical appointments. The IRS medical mileage rate will be used. The Housing Authority will not allow a deduction for food items (i.e. Ensure, organic foods). Allowable expenses for a verified, medically-necessary assistance animal are limited to an annual veterinarian examination and required vaccinations.

ⁱ Adopted pursuant to waiver of formal Board adoption as authorized in PIH Notice 2020-05, issued April 10, 2020.

Chapter 12

RECERTIFICATIONS

[24 CFR 982.516]

INTRODUCTION

In accordance with HUD requirements, the Housing Authority will reexamine the income and household composition of all families at least annually. Families will be provided accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. All annual activities will be coordinated in accordance with HUD regulations. It is a HUD requirement that families report all changes in household composition and income. This Chapter defines the Housing Authority's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

A. ANNUAL & BIENNIAL ACTIVITIES [24 CFR 982.516, 982.405]

Recertification of Income and Family Composition

B. RECERTIFICATION/[24 CFR 982.516]

Families are required to be recertified at least ~~biennially~~¹ annually¹. Family members must report and verify U.S. citizenship/eligible immigrant status if there have been changes and for any added household members.

Moves Between Recertifications

When families move to another dwelling unit:

A review of family income and household composition will be completed prior to issuance of a voucher to move. An annual recertification may be scheduled if a recertification is due within 120 days from the date of the mover voucher.

Income limits are not used as a test for continued eligibility at recertification.

Recertification Notice to the Family

The Housing Authority will maintain a recertification tracking system and the household will be notified by mail of the date and time for their interview at least 90 days in advance of the anniversary date. The Housing Authority will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities.

Completion of Annual Recertification

The Housing Authority will have all recertifications for families completed before the applicable anniversary date, giving families reasonable notice of any changes in rent.

¹ Adopted pursuant to waiver of formal Board adoption as authorized in PIH Notice 2020-05, issued April 10, 2020.

Persons with Disabilities

Persons with disabilities who are unable to come to the Housing Authority's office will be granted a reasonable accommodation by conducting the interview [either over the phone or](#) at the person's home, upon verification that the accommodation requested meets the need presented by the disability.²

Collection of Information [24 CFR 982.516(f)]

The Housing Authority has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

The Housing Authority representative will interview the family and enter the information provided by the family on the recertification form, collect written verifications, review the information with the family and have them sign ~~the~~ [necessary forms](#).

Documents Required From the Family

In the notification letter to the family, the Housing Authority will include instructions for the family to provide the following:

Documentation of all income and assets, as described in Chapter 7.

Documentation of any deductions/allowances, as described in Chapter 7.

Verification of Information

The Housing Authority will follow the verification procedures and guidelines described in Chapter 7.

~~Verifications for reexaminations must be less than 120 days old.~~

~~Requirements In-Person Recertification Appointments: to Attend~~

~~If it is necessary for a recertification appointment to be conducted in-person, the head of household and spouse/co-head are~~ required to attend ~~the recertification interview~~. When possible, all adult household members should attend the recertification interview. If requested, Housing Authority staff will work with households to accommodate schedules of employed family members.³

If the head of household ~~and spouse/co-head are~~ unable to attend the interview, the appointment will be rescheduled. If other household members are unable to attend the interview, the head of household and spouse/co-head should bring required documents signed by all adult household members to the interview.

Recertification by Mail:

² Adopted pursuant to waiver of formal Board adoption as authorized in PIH Notice 2020-05, issued April 10, 2020.

³ Adopted pursuant to waiver of formal Board adoption as authorized in PIH Notice 2020-05, issued April 10, 2020.

To reduce the amount of in-person appointments, the Housing Authority may opt to conduct recertifications via mail. If a recertification appointment is conducted by mail, all required documents should be signed by all adult household members and returned to the Housing Authority before the deadline specified by the Housing Authority. ⁴

Failure to Respond to Notification to Recertify

The Housing Authority's written notification must state which family members are required to attend the interview or sign the mail-in recertification documents. The family may call to request another appointment date if an in-person appointment has been scheduled.

If the family does not appear for the recertification interview, and has not rescheduled or made prior arrangements with the Housing Authority, the Housing Authority will **send a letter to the participant requesting they contact the Housing Authority within seven (7) days to reschedule the appointment.**

If the family fails to appear for the second appointment or participate in a mail-in recertification, the Housing Authority will send a letter advising the family that Housing Authority is considering termination of their housing assistance and advising them to contact the Housing Authority within five working days to reschedule the appointment or make arrangements to participate in the recertification appointment remotely. If the family makes no contact or fails to return all required documentation, the Housing Authority will send the family a notice of termination and offer them an informal hearing.⁵

Tenant Rent Increase and Decrease

If tenant rent increases or decreases, a notice is mailed to the family prior to the scheduled effective date of the annual recertification.

If the family causes a delay so that the processing of the recertification is not completed by the anniversary date, the rent change will be effective on the first day of the month following completion of the recertification processing by the Housing Authority.

C. REPORTING INTERIM CHANGES [24 CFR 982.516]

Program participants must report all changes in household composition to the Housing Authority between annual recertifications. This includes additions due to birth, adoption and court-awarded custody. The family must obtain Housing Authority approval prior to all other additions to the household.

If any new family member is added, family income must include any income of the new family member. The Housing Authority will conduct a recertification to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family unit size.

The U.S. citizenship/eligible immigrant status of additional family members must be

⁴ Adopted pursuant to waiver of formal Board adoption as authorized in PIH Notice 2020-05, issued April 10, 2020.

⁵ Adopted pursuant to waiver of formal Board adoption as authorized in PIH Notice 2020-05, issued April 10, 2020.

declared and verified as required at the first interim or regular recertification after moving into the unit.

When a head of household has a member that turns 18 years of age, they must inform the Housing Authority.

Interim Recertification Policy

The Housing Authority may conduct an interim recertification when families have an increase in income. An interim recertification will be made when an income increase from a previously reported income source is anticipated to be \$5,000 or more in a calendar year. All increases in income should be reported, but will not be included in the family's income calculation unless it is determined that the increase will result in \$5,000 or more in a calendar year. Any new income source, regardless of the amount of increase will result in an interim recertification. The Housing Authority must conduct an interim recertification when families report a decrease in income.⁶

Families will be required to report all changes in income/assets and household composition within 14 days of the change.

Housing Authority Errors

If the Housing Authority makes a calculation error at admission to the program or at an annual recertification, an interim recertification will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable, retroactive to when the decrease for the change would have been effective if calculated correctly.

D. OTHER INTERIM REPORTING ISSUES

An interim reexamination does not affect the date of the annual recertification.

An interim recertification may be scheduled for families with low or fluctuating income every 90 days.

E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

The Housing Authority will not reduce the family share of rent for families whose welfare assistance is reduced for any of the following:

- fraud
- failure to participate in an economic self-sufficiency program
- noncompliance with a work activities requirement

However, the Housing Authority will reduce the rent if the welfare assistance reduction is a result of any of the following:

- The expiration of a lifetime time limit on receiving benefits

⁶ Adopted pursuant to waiver of formal Board adoption as authorized in PIH Notice 2020-05, issued April 10, 2020.

- A situation where the family has complied with welfare program requirements but cannot or has not obtained employment

(See Chapter 7, "Verification Procedures".)

Cooperation Agreements

The Housing Authority has taken a proactive approach towards an effective working relationship between the Housing Authority and the Sonoma County Human Services Department and other supportive service agencies. These partnerships identify economic self-sufficiency programs throughout the community that are available to HCV tenant-based assistance families.

F. NOTIFICATION OF RESULTS OF RECERTIFICATIONS [HUD Notice PIH 98-6]

The HUD form 50058 will be completed and transmitted as required by HUD.

The Notice of Change which gives the tenant and Housing Authority rent portions is mailed to the owner and the tenant. Families are advised to call the Housing Authority if they have questions. If the family disagrees with the rent portion adjustment, they may request an informal hearing.

G. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES [24 CFR 982.516(c)]

(See "Subsidy Standards" Chapter 5.)

H. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.518]

Under the Noncitizens Rule, "Mixed" families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

The Noncitizens Rule was implemented on or after June 19, 1995. Mixed families may receive prorated assistance only. For example, a two person family with only one eligible member would receive a 50% subsidy.

I. MISREPRESENTATION OF FAMILY CIRCUMSTANCES

If any participant deliberately misrepresents the information on which eligibility or tenant rent is established, the Housing Authority may terminate assistance and may refer the family file/record to the proper authorities for appropriate disposition. Such authorities may include, but are not limited to:

- Sonoma County Sheriff Department for investigation
- Welfare Fraud Investigators
- SSI/Medi-Cal fraud investigators
- HUD Inspector General

J. **STREAMLINED ANNUAL RECERTIFICATIONS** (PIH 2016-05; 24 CFR 5.230)

-In an interim final rule published by HUD, it was determined that families with fixed-incomes are only required to undertake a full recertification every 32 years. Families with 90 percent or more of their income coming from a fixed-source will be eligible for a ~~triennial~~-biennial recertification.

When a ~~triennial~~-biennial recertification is conducted, the family will still be required to sign and submit ~~consent forms~~ the authorization and release of information privacy act notice (Form 9886) annually (due in the recertification month) as the form expires 15 months from the original date that it is signed. ⁷

The PHA may determine a family's fixed income by applying a verified cost of living adjustment (COLA) to the individual sources of fixed income. In the case of a family with at least 90 percent of the family's unadjusted income from fixed income, the PHA using streamlined income verification may, but is not required to, adjust the non-fixed income. The term 'fixed income' includes income from:

1. Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
2. Federal, State, local, and private pension plans; and
3. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic receipts that are of substantially the same amounts from year to year.

⁷ Adopted pursuant to waiver of formal Board adoption as authorized in PIH Notice 2020-05, issued April 10, 2020.



Sonoma County Community Development Commission
1440 Guerneville Road, Santa Rosa, CA 95403-4107



Flood Elevation Mitigation Program

The Flood Elevation Mitigation Program is a striking example of the partnership between Federal, State and County government supporting a tremendous investment in the local community.

To learn more about the Program contact Marc Chandler at:

(707) 565-7524

Marc.Chandler@Sonoma-County.org

<https://sonomacounty.ca.gov/CDC/Housing-and-Neighborhood-Investment/Flood-Elevation-Mitigation-Program/>

Ariel Photo Guerneville, CA During Flood of 1986



Flood Water Receding in Guerneville, CA. Flood of 2019





Local Resident Evacuating During 2019 Flood Event.









04/11/2019 21:36



04/11/2019 21:50



04/11/2019 21:49



04/11/2019 21:49



SPEED
LIMIT
25

03/06/2019 22:00



03/06/2019 22:12

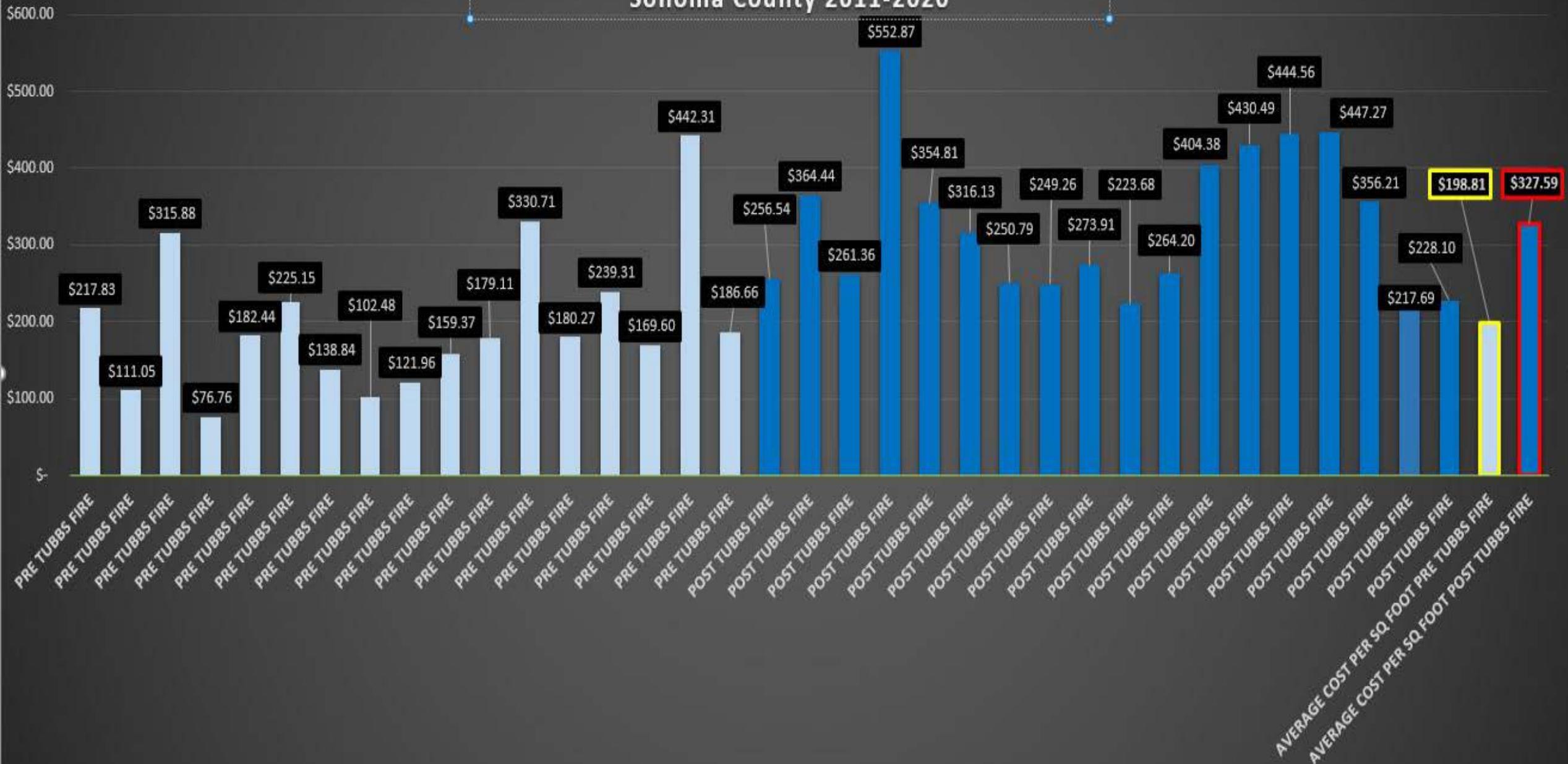
In the beginning, cost was not a significant obstacle for structure elevation projects.



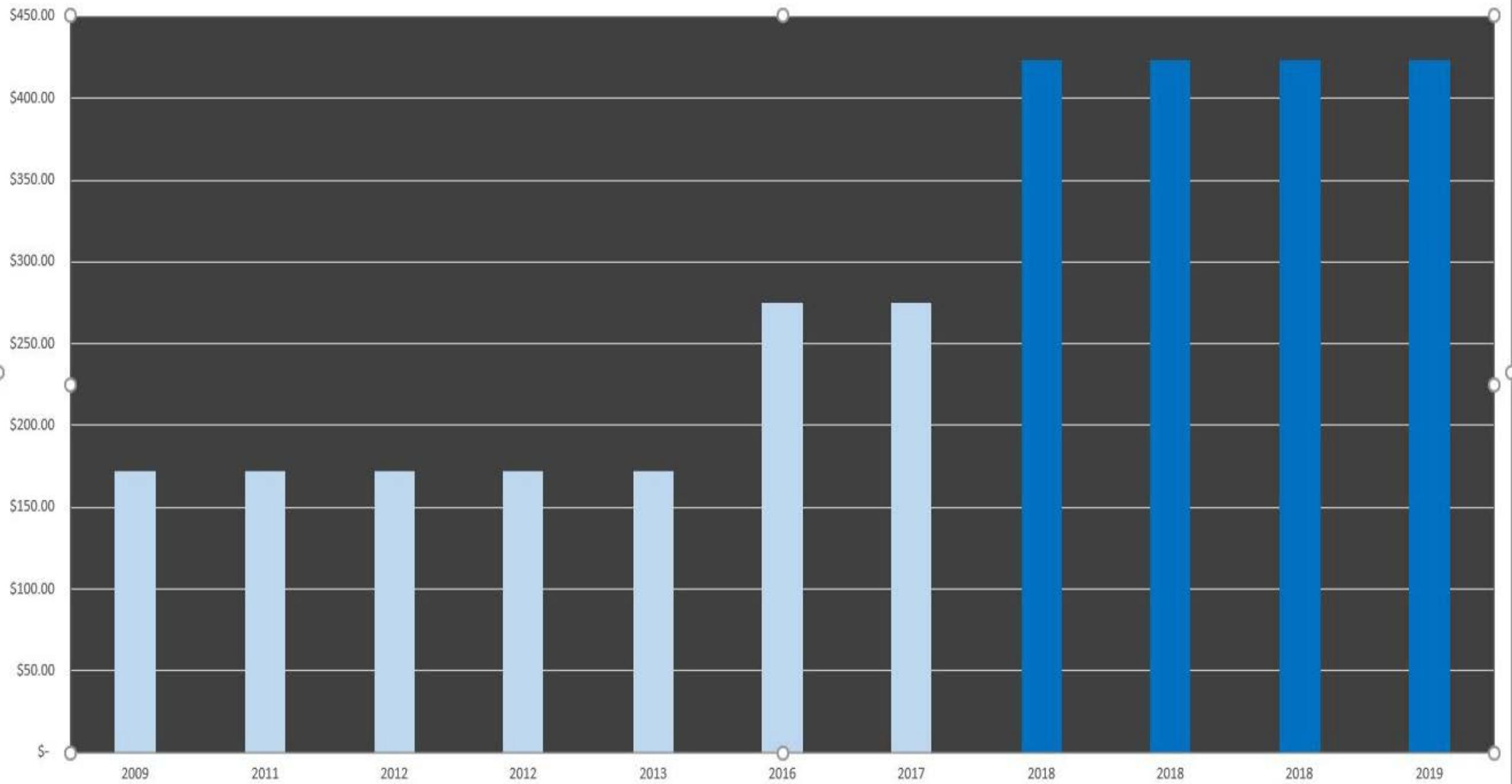
As the process evolved, projects were required to be designed per local building code, ASCE 24-14 standards as well as FEMA Technical Bulletins. This obviously increased project costs.



Elevation Cost Per Square Foot of Building Footprint Sonoma County 2011-2020



Building Replacement Values Per Square Foot of Living Space Sonoma County



This structure was in the process of elevation when the flood of Feb 2019 hit Sonoma County.









Structure elevated, temporarily supported by cribbing.



10/15/2018



10/11/2018



10/19/2018 00:39



11/06/2018 22:52



11/20/2018 02:40

Fortunately the project was passed the initial elevation stage and the living space of the structure was above the flood level and received no flood damage.



FLOOD WATER LEVEL ---
PRE-ELEVATION FLOOR ---

03/01/2019 03:10



03/01/2019 03:12

Project complete and the flood hazard mitigated!



09/12/2019 09:37



09/12/2019 09:38



09/12/2019 09:38



09/12/2019 09:36