



**SONOMA COUNTY COMMUNITY
DEVELOPMENT COMMISSION
1440 Guerneville Road
Santa Rosa, CA**

Regular Meeting
June 9, 2009
Public Hearing Room
3:30 p.m.

I. CALL TO ORDER AND ROLL CALL

Vice Chair Emmie Morgan called the meeting to order at 3:35 p.m. and the roll was called.

CD Committee members present: Emmie Morgan (Vice Chair); Michael DeVore; and Gabe Kearney

CD Committee members absent: Lawrence Jaffe (Chair); Pat Stevens, and Paula Young

CDC staff present: Cathy Allyn, Community Development Associate; Heather Bond, Community Development Specialist; Bob Branson, Community Development Associate; Kathleen Kane, Executive Director; Mark Krug, Community Development Manager; Crissy Tuidor, Senior Community Development Specialist; and Frances Perdew, Recording Secretary

Public present:

Molly Ackley, Sonoma County Community Action Partnership
Larry Lakes, Catholic Charities
Scott Johnson, New Pueblo, LLC
Brian O'Callaghan, Catholic Charities
John Records, Committee on the Shelterless (COTS)
Kevin Thompson, New Pueblo, LLC

II. PUBLIC COMMENTS

There were no public comments at this time.

III. APPROVAL OF MINUTES

1. Gabe Kearney moved approval of the May 12, 2009 minutes, seconded by Michael DeVore, none opposed and the motion carried.
2. The May 19, 2009 minutes were not presented for approval and will be carried over for approval to the July 14, 2009 meeting.

IV. GENERAL ADMINISTRATION ITEMS

There were no general administration items for consideration.

V. HOMELESS ASSISTANCE AND PLANNING

1. Second Substantial Amendment to Consolidated Plan Action Plan: One-Year Use of Funds FY 08-09

Cathy Allyn, Community Development Associate, distributed the CDBG-R Activity Data spreadsheet, which details the allocations of awards for the "Recovery Stimulus" funding. The Board of Supervisors had an additional \$13,367 to award at its discretion, of which \$8,000 was awarded to The Living Room and \$5,367 was awarded to La Luz Center. The CDBG-R required submission was sent to the U.S. Department of Housing and Urban Development (HUD) on June 4, 2009. Staff is waiting for HUD's approval on these specific projects.

2. Neighborhood Stabilization Program (NSP) Joint Powers Agreement and Application Submittal

Mark Krug, Community Development Manager, briefly reviewed with the Committee the purpose of the NSP, and advised that most of the funds allocated directly by the federal government to California jurisdictions went largely to the Los Angeles basin and the Central Valley areas. No funds were directly allocated to Sonoma County. The State of California received approximately \$145 million, and the County of Sonoma will be applying for a portion of this funding. The Board of Supervisors authorized, through a Joint Powers Agreement with the City of Santa Rosa and the County of Sonoma, an application for up to 3.3 million to be used within the County, including all of the incorporated areas.

The eligible properties in this program have to be already foreclosed upon and bank-owned. The State requires targeting NSP funds to census blocks rated by HUD as having the highest rate of current foreclosures or the highest risk of near-future foreclosures. Staff is working on creating a program design that responds to these and other criteria for Sonoma County.

VI. RENTAL ASSISTANCE

There were no rental assistance items for consideration.

VII. AFFORDABLE HOUSING DEVELOPMENT & PRESERVATION

1. Las Palmas – Request for Loan Modification to Existing CHF Loan

Bob Branson, Community Development Associate, referred to his memorandum describing loan modification requests from the Las Palmas developer, New Pueblo, LLC. Representatives from New Pueblo, Scott Johnson and Kevin Kellogg, were in attendance to give a presentation to the Committee concerning these requests.

After Committee questions and discussion, Gabe Kearney moved to recommend Board of Supervisors approval for a CFH loan increase of \$418,000 to a total principal amount of \$1,840,000, and to allow the loan to convert to deferred-payment loans to the income-eligible first-time homebuyers at Las Palmas, seconded by Michael DeVore, none opposed, and the motion carried. The action also included a recommendation for the developer and the CDC to apply for \$600,000 in State HCD BEGIN funds to assist in the financing of the project, as outlined in the staff memo.

VIII. NON-HOUSING COMMUNITY & ECONOMIC DEVELOPMENT

1. Russian River Redevelopment Project Strategic Plan

Kathleen Kane, Executive Director, reported that the Board of Supervisors approved the Russian River Redevelopment Project Strategic Plan earlier in the day. The Plan, which has been in the process of development for about three years, lays out the vision for the Russian River area communities for the next 20 years. Ms. Kane added that the Plan would be posted on the CDC website in approximately one week. This item was provided for the Committee's information.

2. Russian River Redevelopment Project Area – Small Business Assistance Program

Ms. Kane described the basics of the Program, which is designed to provide one-on-one assistance and counseling, as well as small group trainings, through the Small Business Development Center at Santa Rosa Junior College, to small businesses in the Project Area. This project complies with the Redevelopment Plan that identifies 23 specific goals and objectives, which provides for "Economic development that leads to increased employment opportunities that mitigates underemployment problems for local residents." This item will go before the Board of Commissioners on June 16, 2009, and is provided for the Committee's information.

3. Russian River Redevelopment Project Area – Banners & Baskets Program

Ms. Kane described and Agreement with the Russian River Chamber of Commerce to facilitate, administer, and maintain the Banners & Baskets Program in downtown Guerneville. This Program also complies with the goals of the Redevelopment Plan. This Program is expected to result in increased tourism by placing flower baskets for beautification, and banners promoting various events and activities in the area. This item will go before the Board of Commissioners on June 16, 2009, and is provided for the Committee's information.

IX. MONTHLY ACTIVITIES REPORT

Mr. Krug referred the Committee to the second bullet point, first page. He advised that CDC staff and the City of Santa Rosa staff, along with Jenny Abramson, the Continuum of Care Coordinator, are drafting the Request for

Qualifications (RFQ) to select a local non-profit agency to carry-out many programmatic aspects of the new, federal HPRP "stimulus" program for Sonoma County. A selection committee consisting of one CD Committee member, one Technical Advisory Committee member, two CDC staff (Mark Krug and Cathy Allyn), two City of Santa Rosa staff members, two City of Santa Rosa Housing Authority members, and Jenny Abramson will look at responses to the RFQ and make recommendations to the Board of Supervisors. Mr. Krug offered to send a copy of the RFQ to the Committee. Emmie Morgan volunteered to sit on the selection committee as representative of the CD Committee.

X. EXECUTIVE DIRECTORS REPORT

Ms. Kane reported on the County's budget process and said she expects the Board of Supervisors to vote on the final budget June 16, 2009. The Community Development Commission's budget was approved with no issues or concerns.

Ms. Kane also reported that the Section 8 Program funding is holding steady, at least for now. Client's incomes are going down, and the Housing Authority's spending is going up, but is being covered through use of Net Restricted Assets (Section 8 funds that were not needed to provide assistance to eligible households during last fiscal year). As the Net Restricted Assets are exhausted, the Housing Authority may need to reduce the number of households served. Staff has submitted a request to HUD for additional funding, but staff does not yet know if additional funding will be received. Attrition, those leaving the program, would be the first option for reductions.

Ms. Kane also reported that the funding amount for FY 2009-10 CDBG actually changed through a calculation revision to make corrections in the formula allocations. Some communities challenged their population count, therefore, the CDC's FY 2009-2010 funding allocation was reduced by \$119. This reduction will be absorbed by reducing funds expended for administration costs.

Emmie Morgan congratulated staff on all the extra work they have done making sure all the extra stimulus funding that is available to Sonoma County gets back into the community. Michael DeVore agreed.

XI. ADJOURN

There being no other items for discussion, Gabe Kearney moved to adjourn, seconded by Michael DeVore, none opposed, and the meeting adjourned at 4:52 pm.

Respectfully submitted,

Frances Perdew