



First Program Year CAPER

The CPMP First Consolidated Annual Performance and Evaluation Report includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

The grantee must submit an updated Financial Summary Report (PR26).

GENERAL

Executive Summary

The Sonoma County Consolidated Annual Performance and Evaluation Report (CAPER), prepared by the Sonoma County Community Development Commission describes FY 2005-06 accomplishments resulting from the use of Community Development Block Grant (CDBG), Home Investment Partnerships (HOME) and Federal Emergency Shelter Grants (FESG) funds. These three funding sources are components of a single strategy for meeting locally defined housing and community development needs. This report also details projects and programs completed during the period and measures the accomplishments compared to the goals established in the County's 2005 Consolidated Plan. While the CAPER uses the required Department of Housing and Urban Development's (HUD) Integrated Disbursement and Information System (IDIS) as a means of tracking expenditures and reporting performance, citizens are encouraged to review the narrative and tables in the document to help assess actual performance.

This narrative report, as well as the IDIS financial information, reflects the activities undertaken within the community between July 1, 2005 and June 30, 2006. In FY 2005-06, the Community Development Commission received \$2,295,165 in CDBG Entitlement funds, \$1,237,006 in HOME funds and \$89,054 in FESG funds. Any additional CDBG and HOME funds generated as program income was reutilized for programs. Accomplishments noted in the report include:

- Public service programs funded with CDBG dollars served 7,932 extremely-low, very-low and low-income households and individuals.
- 100% of the CDBG funds were utilized to support either low-income households, ADA projects benefiting the elderly or disabled or area-wide benefit projects with 51% or more households at low-income.
- Thirty-three single-family dwellings, occupied by very low-income households, were rehabilitated. Some of these units house elderly and disabled individuals.
- The County's Homeownership Program assisted four low-income families using CDBG funds.
- The County continued support for the development of 80 family rental units and 30 family ownership units.
- One existing low-income senior rental housing project with 31 total units was rehabilitated.

The FY 2005-2006 Consolidated Annual Performance and Evaluation Report is comprised of this narrative report and the statistical reports listed below.

Narrative Report

The CAPER's narrative report consists of three basic elements: 1) a summary of resources and programmatic accomplishments, 2) the status of actions taken during the

year to implement the jurisdiction's overall strategy, and 3) a self-evaluation as to the progress made during the past year in addressing identified priority needs and objectives, including the extent to which those activities yielded the desired outcomes in the community and lives of the persons assisted. Included in the narrative are:

- A summary of financial resources used to address community development priorities identified in the Sonoma County Consolidated Plan and Action Plans.
- Summaries of the community development accomplishments for FY 2005-2006 using CDBG, HOME and FESG funds for activities in the areas of housing and emergency shelter facilities, public services and public facilities and improvements.
- Summaries of the income levels and the racial/ethnic composition of persons assisted through the CDBG, HOME and FESG Programs.
- Summaries of the relationship between the community development goals and specific objectives identified in the County's Consolidated Plan, the projects funded with CDBG, HOME and FESG funds, and the outcomes achieved by those activities.

Statistical Reports Attached

- **Community Development Block Grant (CDBG) Reports**
Financial Summary Report (CO4PR26)
Reconciliation of Funds
- **HOME Investment Partnerships (HOME) Reports**
Match Report (HUD-40107-A)
MBE/WBE Report for HOME Projects (HUD-40107)

Statistical Reports Available through HUD's Integrated Disbursement and Information System

- **Consolidated Plan Reports**
Summary of Consolidated Plan Projects (CO4PR06)
Program Year 2005 Summary of Accomplishments Report (CO4PR23)
- **Community Development Block Grant (CDBG) Reports**
Timeliness Report (CO4PR56)
Activity Summary (GPR) (CO4PR03)
Housing Activities (CO4PR10)
New Housing Construction Activities (CO4PR11)
- **Federal Emergency Shelter Grants (FESG) Reports**
Activity Summary (CO4PR20)
Statistics for Projects (CO4PR19)
- **HOME Investment Partnerships (HOME) Reports**
Status of Grants (CO4PR27)
Status of CHDO Funds (CO4PR25)
Status of Activities (CO4PR22)
Cost Per Assisted Unit/Family (CO4PR15)
Lower-income Benefit (CO4PR16)
HOME Match Liabilities (CO4PR33)
- **General Reports**
HUD Grants and Program Income (CO4PR01)

General Questions

1. Assessment of the one-year goals and objectives:

a. Describe the accomplishments in attaining the goals and objectives for the reporting period.

All funds received from the CDBG, HOME and FESG Programs were used to address the goals and objectives identified in the County’s Consolidated Plan 2005 and One Year Action Plans. The majority of funds received in FY 2005-2006 were used to develop new housing units, preserve the stock of existing affordable housing, and assist very low- and low-income persons with monthly rental costs. Funds were also used to address the needs of transitional/supportive housing, homeless programs, infrastructure and non-housing community development priorities, fair housing and family self-sufficiency programs.

b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.

The following reflects completed activities awarded funding in FY 2005-2006 as well as projects awarded funding in prior years but not completed until FY 05-06. Funding was provided to meet the following goals and objectives:

Housing Goal: To increase the housing stock affordable, accessible and available to extremely low-, low-, and moderate-income residents of Sonoma County, including special needs subpopulations. This meets HUD’s objective for Decent Housing (DH).

CDBG funding:

BHDC – Springs Village	\$ 325,420
City of Rohnert Park - Housing Rehabilitation Program	\$ 28,542
City of Sebastopol – Housing Rehabilitation Program	\$ 25,000
City of Sonoma – Housing Rehabilitation Program	\$ 32,717
Community Action Partnership of Sonoma County – Fair Housing	\$ 35,000
Community Action Partnership - Homeless Prevention Program	\$ 38,000
Community Resources for Independence - Housing Access Modifications	\$ 111,645
Housing Corporation of America - Divine Senior Apartments	\$ 300,000
SCAYD – Homeless Prevention Program	\$ 5,000
Sonoma County CDC – Housing Rehabilitation Program	\$ 230,579
Sonoma County CDC – Homebuyer Assistance Program	\$ 233,500
Town of Windsor – Housing Rehabilitation Program	\$
<u>15,851</u>	
TOTAL CDBG Funding for this goal and objective	\$1,381,254

HOME funding:

Burbank Housing Development Corp. – Springs Village	\$ 185,068
Sonoma County Housing Authority – Tenant-based Rental Assistance	<u>\$ 591,751</u>
TOTAL HOME Funding for this goal and objective	\$ 776,819

Homelessness Goal: To promote new and existing day centers, emergency shelters, transitional housing facilities and services that will coordinate and improve the continuum of care system for homeless residents of Sonoma County. This meets HUD’s objective for Suitable Living Environment (SL).

CDBG funding:

Catholic Charities – Homeless Service Center	\$ 27,000
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Catholic Charities – Family Support Center	\$ 55,000
Church of the Incarnation – The Living Room	\$ 8,000
Committee on the Shelterless – Services for Homeless Children and Parents	\$ 40,000
Committee on the Shelterless – Mary Isaak Center	\$ 40,000
Community Action Partnership – Chanate Women’s Shelter	\$ 12,000
Community Service Network – Representative Payee Program	\$ 5,000
Episcopal Community Services – The Wallace House	\$ 5,000
Social Advocates for Youth – The Coffee House	\$ 15,000
SOME/COTS – The Family Connection	\$ 5,000
Sonoma County Housing Authority – Project HERO:FSS	\$ 30,090
Women’s Recovery Services – Residential Treatment	\$ 13,000
YWCA – Adobe Project	<u>\$ 10,200</u>
TOTAL CDBG Funding for this goal and objective	\$ 265,290

FESG funding:

Catholic Charities – Family Support Center	\$ 23,052
COTS – Services for Homeless Children and Parents	\$ 23,050
COTS – Mary Isaak Center	\$ 23,050
YWCA – Women’s Emergency Shelter	<u>\$ 15,450</u>
TOTAL FESG Funding for this goal and objective	\$

84,602

Non-Housing Community Development Goal: To assist in creating and/or replacing infrastructure systems, public facilities and non-housing services that meet the needs of the extremely low-, low- and moderate-income residents of Sonoma County, including the homeless and special needs subpopulations. This meets HUD’s objective for Suitable Living Environment (SL).

CDBG funding:

City of Healdsburg – Matheson Street/Fitch Mountain Sidewalks	\$ 120,000
City of Sonoma – Wildflower Subdivision Site Improvements	\$ 300,000
COTS - Transitional Housing Improvements	\$ 12,384
S.C. D.T.P.W. – Melody Avenue Drainage Improvements	\$ 90,000
S.C. General Services – Occidental Community Center	\$ 80,000
South Park Sanitation District – Corby Ave./Victoria Dr. Collection System	\$ 181,401
Town of Windsor – Wild Oak Neighborhood Sidewalk Improvements	<u>\$</u>

152,446

TOTAL CDBG Funding for this goal and objective \$ 936,231

c. If applicable, explain why progress was not made towards meeting the goals and objectives.

Some annual goals set in the 2005 Consolidated Plan were not met for several reasons.

The annual goal of ten units for the development of new housing with supportive services was not met due to the difficulty of finding additional funding sources and environmental concerns for the California Tiger Salamander’s habitat in the construction area of the BHDC COTS Commons (Vida Nueva) project. This project is moving forward on the environmental issue and, while construction often takes longer than one year to complete, as in the case of BHDC’s Larkfield Oaks project, it is expected that the five-year goal of fifty units will be met.

The CDC’s objective to provide comprehensive rehabilitation loans, hazard mitigation and access modifications for a minimum of 50 units annually was not met due to the

declining amount of federal funding coupled with escalating costs of rehabilitation construction. Sources of additional funding are being actively pursued. Please see answer to Question 2 below and the Lead Based Paint section.

The agency providing fair housing education and mediation is constricted by federal guidelines to use CDBG funds to assist only those individuals who have provided face-to-face interviews and were willing to certify the amount of their income. Many people either call in for advice or utilize the agency's website or written material for information. Others do not feel their income relates to the fair housing issue and refuse to comply. Finally, fair housing issues span all income levels and are not limited to the low-income population for which CDBG funding can be allocated. Therefore, the number of clients served using CDBG funds represents only those with documented incomes below 80% AMI and this, in fact, is a small fraction of the total served using CDBG as well as funds from other sources.

Access modifications to public facilities fell below the annual goal for this fiscal year as the design, environmental and bidding processes have taken longer than expected. Two County departments have requested extensions to the term of their agreement for projects requiring acquisition of right-of-way. Other projects required design changes and additional funding due to the continuing increase in the already high cost of construction in Sonoma County.

2. Describe the manner in which the recipient would change its program as a result of its experiences.

The 2005/2006 fiscal year brought into focus that the Commission has historically been organized along funding source lines and that this is an impediment to adaptability and rapid responsiveness to a changing environment.

The Commission successfully re-organized during 2005/2006. The new structure is organized more along functional lines rather than strict funding source lines. This allows for a more nimble organization able to better and more rapidly respond to changing externalities. The new structure is also less “top-heavy” which creates a more cost-effective organization as well as a more flexible one.

Early in the fiscal year, the Sonoma County Board of Supervisors adopted a package of new housing-related zoning ordinances that provide myriad incentives for affordable housing development including, but not limited to, exactions from residential and commercial developers. These new funding sources are allocated to the Commission into the existing County Fund for Housing (CFH). The establishment and expansion of the CFH over the last several years coincides with the decrease in federal CDBG, HOME and FESG funding levels. This dynamic of local funds growing as federal funds decrease triggered the need to re-organize along functional lines.

The five-year trend in decreasing CDBG funding reduces the funds available for public services. This, in turn, has generated an intense focus on funding for homeless services because the vast majority of CDBG public services funding has been directed locally to homeless programs. This increased financial strain on public services coincides with federal policy emphasizing plan development to end chronic homelessness in ten years, principally through the federal McKinney-Vento Continuum of Care program. Locally, the Commission and its many partners in the Sonoma County Continuum of Care have redoubled efforts to plan, coordinate and measure the effectiveness of homeless prevention and intervention services. The development of a 10-Year Action Plan to End Homelessness was initiated in late 2005/2006 and will be completed during 2006/2007. Additionally, local funding policies of the Commission and other local funding agencies are increasingly connected to the Continuum of Care process and increasingly relying on outcome measures as a tool to direct funding allocations.

Lastly, with most federal sources of funding for human services and housing and community development activities shrinking, it has become imperative for local funding agencies to better coordinate their funding programs. Locally, a manifest example of this is the Funder’s Roundtable, an informal group consisting of representatives from several county government agencies, the local United Way, the local community foundation, the City of Santa Rosa and other funding agencies. The Roundtable has been in existence for over a decade but has been re-energized during 2005/2006 around the need to develop and implement common outcome measurements with service providers as well as coordinate funding processes and objectives as service dollars become increasingly scarce.

3. Affirmatively Furthering Fair Housing:

a. Provide a summary of impediments to fair housing choice.

The Sonoma County Community Development Commission (CDC), in conjunction with the CDBG entitlement Cities of Santa Rosa and Petaluma, completed a joint Analysis of Impediments to Fair Housing Choice (AI) in the fall of 2005. A copy of the Analysis was submitted to HUD and is available for review at the CDC office. During FY 2005-2006, the Analysis was used as a guide for actions to be taken. The research completed in the process of writing the AI included statistics from the two agencies primarily undertaking fair housing activities in Sonoma County, Petaluma People Services Center (PPSC) and Fair Housing of Sonoma County (FHOSC).

In fiscal year 2005, FHOSC handled a total of 3,857 client contacts, 43 of which were discrimination complaints. Twenty-six percent of those complaints were for issues regarding disability and access. Familial status was the second largest category, followed by race, national origin and sexual orientation. Conversely, PPSC indicated 45% of complaints received since 1996 related to familial status, and disability

complaints second with 18%. Both fair housing providers agree that there is not a great outward discrimination problem in Sonoma County. There is a more pervasive problem of differential treatment rather than outright discrimination towards some renters in protected classes throughout the county. Fair Housing of Marin conducted an audit of three counties, Marin, Sonoma and Napa, in the spring of 2005 to determine the extent to which persons of Latin or Hispanic origin experience discrimination of differential treatment in the initial stages of home seeking, based on their accented speech. Paired testers, Caucasian and Hispanic, called inquiring about the same twenty properties listed for rent in each of the three counties. The results were recorded and analyzed. In Sonoma County, six tests showed clear differential treatment towards the Hispanic caller, ten showed some instance of differential treatment and four evinced no differential treatment. Differential treatment is defined as overt differences in screening techniques, terms and conditions offered, amenities, availability, flexibility and the types of questions asked of the applicants. These audit results provide an example of differential treatment; the area the providers feel requires the greatest educational efforts and enforcement actions to better promote fair housing choice amongst all those seeking housing in Sonoma County.

The data compiled in the AI shows that Sonoma County is not immune to the actions, attitudes and conditions that may create impediments to fair housing choice in its population. There are a disproportionate number of Sonoma County residents who experience a cost burden, often severe, in maintaining housing. In many cases, the burden is compounded by other housing problems, such as overcrowded conditions or substandard housing. This problem is more prevalent for those living in rental housing than in homeownership housing. Many attempting to become homeowners find they are priced out of the market by the steep increase in home values in Sonoma County over the past decade. Those that can attain homeownership in Sonoma County often shoulder a significant cost burden to do so, not only for the low-income population, but throughout the middle-class population. The lack of access to affordable housing, when added to the needs of many of the protected classes of citizens, compounds the difficulties that those individuals may experience in obtaining or maintaining affordable permanent housing.

Subprime lending, the provision of loan financing to individuals with blemished or limited credit histories not meeting standard underwriting criteria, has increased in the past decade. As subprime loans carry potentially higher risk, the interest rate is often higher and the terms more restrictive. The potential for consumer abuses in the form of predatory lending has increased with greater subprime lending activity. HUD has conducted studies across the nation and ascertained that low-income, elderly and minority borrowers are at risk of being taken advantage of, often through aggressive and sometimes deceptive sales techniques, in their quest for homeownership. Many are put at risk of losing equity or facing eventual foreclosure because of abusive loan terms and conditions. HUD has taken an active role in curbing predatory lending practices nationwide. Anecdotal evidence received by fair housing service providers suggests that such practices do occur in Sonoma County.

Review of statewide fair housing complaints shows that disability, race, familial status and national origin are the primary areas of fair housing complaints, and complaints submitted to local fair housing providers parallel those categories. Along with

affordability, availability and accessibility are key issues in providing and maintaining fair housing choice for all individuals. Those with disabilities may encounter significant challenges in finding or maintaining housing that is accommodating of their needs. Property owners are often reticent to provide access modifications and amenities to ameliorate the inaccessibility. If federal subsidies are not supporting the housing, the cost burden of access modifications falls solely on the disabled tenant, which is often prohibitive, much as those same types of modifications may be cost prohibitive to homeowners with disability. Accessibility restraints and the lack of means to rectify them may be instrumental in causing elderly or disabled populations to enter nursing homes or other institutional settings prematurely.

Other factors that may impede fair housing choice for the most vulnerable of the populace include the lack of transportation, both to housing and to jobs can be a great barrier to low-income, elderly and disabled persons; the screening tactics used by landlords and income and security deposit requirements for approval of rental applications may be insurmountable burdens to the low-income population who may not have adequate credit ratings or sufficiently available cash; a lack of proactive code enforcement, allowing substandard housing units to go unrepaired, causing low-income, elderly, disabled and minority tenants to live in unsafe conditions; limited proficiency in English language may cause difficulty in house seeking and may afford an avenue allowing abusive terms and conditions to be enforced and, education, job training and credit counseling options may not be readily available to low-income persons to enable them to rise to the challenge of obtaining and maintaining permanent housing in a high-cost area such as Sonoma County.

Community Development Block Grant (CDBG) formula allocations and Fair Housing Initiative Program (FHIP) funding have decreased since FY 2000. As these funding sources are primary to the provision of fair housing activities, as well as funding programs that strive to overcome the effects of impediments identified, the funding reduction itself has the potential for becoming an impediment fair housing choice.

b. Identify actions taken to overcome effects of impediments identified.

Affordable Housing:

- Continued maintenance and production of affordable housing.
- All segments of the populace, seniors, young families, large families, those with disabilities, are considered in the allocation of funding for projects.
- Homeownership opportunities, through first-time homebuyer and self-help programs, remain priorities.
- As much of the available funding as possible is made available to affordable housing projects that leverage additional finding.
- Notices of funding availability are adequately disseminated to potential developers and service providers, and the application procedure is attainable, practicable and not overly restrictive.
- Fostered collaboration between housing developers and other service providers that results in blocks of units with supportive services in new affordable housing projects targeted towards specific special needs populations, such as those with mental disabilities or farm workers.

- Jurisdictional policies require that all new housing units funded conform to the provisions of Section 504 to ensure an acceptable number of accessible and adaptable units upon completion.

Housing Rehabilitation:

- Provided for the operation and/or funding of housing rehabilitation activities, including housing access modifications programs, to preserve the existing housing stock.
- Continued to provide for access modifications to rental properties, as well as owner-occupied properties.
- Assisted low-income, elderly and disabled households in maintaining housing in lieu of becoming homeless or being driven into institutional facilities prematurely.

Fair Housing Activities:

- Continued to provide funding for the provision of fair housing services, including outreach and education activities for both landlords and tenants.
- Instituted a “set-aside” of CDBG public services funding, to ensure adequate support for the provision of the HUD-mandated level of fair housing activity, to begin with FY 06-07 funding.
- Included Fair Housing provisions in all contracts with subgrantees.
- Continued desktop and site visit monitoring to ensure that all allocated funding is used in a manner that affirmatively furthers fair housing, where applicable.

Economic Development:

- Supported economic development activities, family self-sufficiency and other educational endeavors, such as ESL instruction and credit counseling, to provide low-income residents with the tools to increase their income and compete effectively in this high-cost housing market.

Interagency Collaboration:

- Collaborated with public works officials to facilitate ADA-compliant access and functional public transportation options linking both current and planned affordable housing units to employment opportunities and services.
- Aligned with other funding agencies to prevent duplication of efforts and over burdensome administration expenses, both within their own operations and those of the agencies funded.

Public Policy:

- Encouraged participation by a varied group of citizenry in the planning process.
- Continually assessed policies, procedures and guidelines to identify any overly restrictive elements.

4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

Mortgage Credit Certificate Program: The County’s Mortgage Credit Certificate (MCC) Program, available to residents of the entire county, including the eight incorporated cities and one town, assisted 3 lower-income homebuyers to purchase their first homes. Thirty-seven Mortgage Credit Certificates were also reissued when previous first time homebuyers refinanced their original mortgages. The MCC program enables a homebuyer to convert an annual tax credit into a higher monthly income, thereby enabling the buyer to qualify more easily for a loan.

Housing Assistance Committee Employee Programs: The CDC also administered the First-Time Homebuyer Program (FTHB) and the Rental/Mortgage Assistance Program (RMAP) for the County of Sonoma’s Housing Assistance Committee utilizing funds

consisting of contributions by the County of Sonoma and county employees represented by the SEIU Local 707. Under the FTHB program, one low interest loan was made for secondary mortgage financing during 2005-2006. Fifty-two interest free loans were made for rental move-in costs, delinquent rent, mortgages, insurance or tax payments for eligible County employees. During fiscal year 2005/2006, a third employee program was designed and implemented, a housing rehabilitation program to assist employees in financing needed health and safety improvements in their homes.

Land Use Incentive Programs: In addition to funding and/or administering the variety of affordable housing finance programs described throughout this report, the County administers aspects of land-use incentives to encourage creation of new affordable for-sale and rental housing.

During 2005/2006, the County implemented a comprehensive set of new housing land-use policies in favor of affordable housing. Provisions include land-use incentives for spurring new affordable housing production such as aggressive inclusionary housing requirements, with a provision allowing developers to pay a fee in-lieu of developing units on site. So-called in-lieu fees are placed in the County Fund for Housing (CFH) for assisting affordable housing developments. Other incentives include a liberalized second dwelling unit policy to encourage “granny” units on existing single-family home parcels in the unincorporated areas and the adoption of a commercial impact fee where commercial developers pay a fee proportional to the amount of jobs created by the development and that fee also goes into the CFH. The density bonus program continues allowing increases in zoned residential density in exchange for an affordable housing component within the development project.

County Fund for Housing: The \$2,850,000 County Fund for Housing was funded with an allocation of \$1.1 million of local County funds, a \$1 million matching grant from the state Department of Housing and Community Development (HCD) Local Housing Trust Fund (LHTF) grant, and a \$750,000 Housing Enabled by Local Partnerships (HELP) loan. The County previously loaned BHDC a \$750,000 short-term loan for their Springs Village project. During 05/06, a \$394,000 CFH loan was made to BHDC for the existing Sea Ranch 14 affordable rental housing property. The \$1.7 million balance of the CFH is currently available for use on eligible projects and due to the aforementioned influx of in-lieu and commercial impact fees, the fund balance is growing steadily.

The Commission has found it difficult to use the LHTF and County match funding due to restrictions on concurrent use with HCD Multi-Family Housing Program funds. During FY 05-06, the County, in cooperation with a coalition of other LHTF recipients, has supported the passage of AB2638 (Laird) through the California State Senate. The Laird bill, among other changes, would allow the use of LHTF funds for projects that also have HCD-MHP funding.

BEGIN Grant: During the reporting year, the Commission processed a \$900,000 BEGIN program grant from HCD for BHDC’s 30-unit Meadowlark Subdivision in Forestville. The grant financed \$30,000 in subordinate loans to each of the first-time homebuyers. Those included 15 low-income families and 15 moderate-income families,

all of whom contributed a total of 1,500 hours of time in “sweat equity” toward the construction of their homes.

Sonoma County Redevelopment Agency – housing assistance: During 05/06, the County Redevelopment Agency completed the financial transactions for the Bonfini owner-occupant development in unincorporated Sonoma Valley. The project made home ownership possible for very low income (at or below 50% AMI) through county land-use incentives, deep financial subsidy provided by the redevelopment agency in concert the County Housing Authority Housing Choice Voucher Section 8 Family Self-Sufficiency (FSS) and CDBG-funded Project HERO programs.

Tenant-Based Rental Assistance: The Sonoma County Housing Authority operates a number of programs to supplement rents for low-income households to ensure that their housing costs do not exceed 30-40% of their monthly income. These programs enable low-income households to maintain existing rental units that would otherwise be unaffordable to them, and helps to prevent homelessness for these families. The Section 8 Housing Choice Voucher Program, Shelter Plus Care Program, and Mobile Home Space Rent Assistance Program all serve this purpose. During FY 05-06:

- The Section 8 Housing Choice Voucher Program assisted 2,896 households.
- Previous McKinney “Continuum of Care“ funds commitments and a renewal commitment of Shelter Plus Care funding from HUD provide rental subsidies for 69 units for persons with HIV/AIDS, 15 units for persons with mental illness, 12 units for persons with physical disabilities and 7 units for former foster care youth.
- The Mobile Home Space Rental Assistance Program (MSRAP) subsidized the space rent of 30 very low-income seniors and persons with disabilities and families who own their own mobile home and pay for space rent.

Flood Elevation Program: During the report year, the Commission sought and obtained an extension of existing FEMA funding allowing 6 repetitive flood loss homes in the lower Russian River area to be assisted through the Commission’s flood elevation program. Also, \$800,000 in FEMA funding scheduled for recapture has been retained through a program extension, and there is a high probability of additional funding to continue this program for a minimum of several more years.

Supportive Services: The CDC provides CDBG funding to nonprofits to operate programs that work to reduce the number of persons living below the poverty level through self-sufficiency programs. For HUD performance measurement purposes, the assisted individuals are reported under the Homelessness Specific Objectives of agencies providing day center services, emergency shelter beds or transitional housing. However, the activities provided in addition to these basics needs are worth noting. Supportive services such as health services, counseling, childcare, parenting education, substance abuse treatment, domestic violence intervention, transportation assistance, assessment of individual and family needs and outreach to the “street” homeless are also provided by the agencies listed below.

- Committee On The Shelterless
- Catholic Charities
- Church of the Incarnation
- YWCA

- Episcopal Community Services
- Women’s Recovery Services

5. Leveraging Resources

a. Identify progress in obtaining “other” public and private resources to address needs.

As detailed throughout this report, the Commission utilized CDBG, HOME, FESG, SHP, S+C, County General Fund, County Fund for Housing and Redevelopment along with funds from other public and private sources to administer programs providing emergency shelter, transitional housing, permanent housing, and supportive/transitional services for the low-income residents of Sonoma County, including special needs populations who are not homeless but who require supportive housing. The CDC also worked collaboratively with non-profit developers to pursue State of California housing grants and loans. Through the Continuum of Care, Supportive Housing Program funds were used to administer the Countywide HMIS program.

Several federal funding sources, including HOME and McKinney-Vento funds, provide administration funding in amounts less than actual administration costs. The Sonoma County Board of Supervisors annually appropriates local general funds to the Commission to augment these administration funds. In addition Sonoma County General Funds provided operational resource for the Russell Avenue Shelter, providing 30 beds and the Samuel Jones Shelter providing 80 beds.

b. How Federal resources from HUD leveraged other public and private resources.

For affordable housing projects in general, local government is often looked to as a “gap” financier to provide funds to achieve final feasibility for projects that have acquired commercial mortgage and tax credit equity commitments and perhaps, other public sources of debt or grant funding. The Commission routinely fills these *pro forma* “gaps” causing projects to move forward and by doing so, leverages five to twenty dollars for every dollar of “gap” finance. The Commission also routinely commits funds early in the pre-development process thereby enabling the sponsor to be more competitive in seeking funding from other sources because a commitment of local public dollars can be demonstrated.

Similarly, with regards to public services funding, service provider agencies invariably cobble together a number of private and public sources of funding in order to deliver program services. Thus, the Commission is typically one of many funders for each public service program awarded grant funding. As a result, the level of service delivery taking place is far greater than the commensurate level of Commission funding due to this mutual leveraging of funds with other funders.

In addition to FESG matching fund requirements stated in the ESG portion of this report and the matching funds for HOME projects shown on form 40107-A, agencies reported \$929,380 of additional federal funding, \$3,926,207 state funding, \$1,970,393 local public funding and \$1,963,285 private funding received to enable them to carry out their projects.

c. How matching requirements were satisfied.

The chart in the ESG Section, Question 3 delineates the source and amount of matching funds utilized in carrying out the FESG projects in the FY 2005-2006 Action Plan. Form 40107-A delineating matching funds for HOME projects can be found in Appendix B.

Managing the Process

1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

Every effort is made by the County to assure that the objectives of the Consolidated Plan and One-Year Action Plans are met. Successful applications from subrecipients for CDBG, HOME and FESG funds are those that further the objectives of the Plans and which are certified as consistent with the General Plans of the jurisdictions in which the projects are located. The CDC conducts two Technical Assistance Sessions for subrecipients during each fiscal year. One is held for all parties interested in submitting applications for funding to explain the program guidelines and submission requirements. A second session is held for successful applicants prior to commencement of each new fiscal year delineating the programmatic contractual requirements. Each subrecipient is supplied with a comprehensive handbook containing sample forms, programmatic descriptions and examples specific to the type of activity they are undertaking, and all handbooks are updated on a regular basis. All technical assistance sessions are conducted at the CDC's office, which is fully accessible to all.

Citizen Participation

1. Provide a summary of citizen comments.

The CAPER was made available to the public for examination and written comment for a period of 15 days (9/7/06 through 9/22/06) prior to its submission to the U.S. Department of Housing and Urban Development (HUD) on or before 9/30/06. Additionally, public comment on the CAPER was solicited during a public meeting of the Community Development Committee held at 3:30 p.m. on 9/12/06 at the Community Development Commission's office in Santa Rosa. No members of the public appeared at the meeting to submit a verbal comment, and no written comments were received during the public comment period.

2. In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.

A variety of resources were available during FY 2005-2006 for affordable housing, public services, public improvements, homeless assistance and generally furthering the goals and specific objectives identified in the Sonoma County Consolidated Plan and Action Plans. The following federal resources were utilized by a variety of entities during this reporting period.

Community Development Block Grant Program (CDBG)

In FY 2005-2006, Sonoma County used the majority of the available CDBG funds for housing or housing related activities. Funds were also used for public services and public facilities/improvements activities. A complete listing of projects funded in various years and completed during FY 05-06 is included in General Questions 1b.

<u>Grant Funds</u>	<u>Program Income</u>	<u>Funds Obligated</u>	<u>Funds Expended</u>	<u>Geographic distribution / location of expenditures -</u> (See Maps in Appendix C)
\$4,793,072.20	\$674,297.16	\$1,923,411.47	\$3,543,656.44	

As of 6/30/06, \$301.45 remains to be obligated during FY 2006-2007.

Federal Emergency Shelter Grants Program (FESG)

In FY 2005-2006, the County received a small FESG allocation that was used for the administration and operation of emergency homeless shelters and provision of homeless prevention assistance and supportive services for homeless persons. A listing of projects funded is included in Emergency Shelter Grant portion of this report.

<u>Grant Funds</u>	<u>Program Income</u>	<u>Funds Obligated</u>	<u>Funds Expended</u>	<u>Geographic distribution / location of expenditures -</u> (See Maps in Appendix C)
\$94,660.00	\$0.00	\$260.00	\$94,400.00	

Home Investment Partnerships Program (HOME)

In FY 2005-2006, Sonoma County used its HOME entitlement funds for new rental housing construction and tenant based rental assistance. Housing Section, HOME/ADDI, Question 1 includes a list of funded projects.

<u>Grant Funds</u>	<u>Program Income</u>	<u>Funds Obligated</u>	<u>Funds Expended</u>	<u>Geographic distribution / location of expenditures -</u> (See Maps in Appendix C)
\$3,435,070.61	\$0.00	\$1,638,460.98	\$1,796,609.63	

During FY 2005-2006, no HOME program income was received.

Institutional Structure

1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.

During FY 2005-2006, the CDC worked closely with the various County Departments, municipalities and other entitlement jurisdictions within Sonoma County to address a wide range of housing and homeless issues and needs. Through the CDC's annual CDBG, HOME and FESG application and funding approval process, and through the CDC's coordination of the Continuum of Care planning process, the County works closely with many of the nonprofit agencies and County Departments to coordinate their application for, and utilization of, federal funds. The CDC also coordinates its activities with the Federal Emergency Management Agency (FEMA) in connection with their joint

effort to mitigate the effects of seasonal flooding within the County. Please also see General Question #2 and Monitoring Question #1 below.

Monitoring

1. Describe how and the frequency with which you monitored your activities.

The CDC closely monitors the performance of subrecipients receiving CDBG, HOME and FESG funds. On-site monitoring visits and desktop monitoring are conducted at least annually by CDC staff to assure compliance with program regulations and requirements. All requests for reimbursement submitted by subrecipients are compared to the approved budget line items and each request must be accompanied by complete supportive documentation to be eligible for reimbursement. Quarterly reports are required and reviewed to ensure each agency is providing assistance as outlined in the Scope of Service and that capital projects are proceeding in a timely manner. The Steering Committee of the Continuum of Care, made up of managers of each lead agency, annually visit and review each non-profit requesting funding for adherence to federal regulations and acceptable accounting practices. Many agencies receiving McKinney Vento funding through the Continuum of Care, also receive CDBG or FESG funding from the Sonoma County Community Development Commission. The Funder's Roundtable, comprised of agencies within the County providing funding to non-profits, meets quarterly. This group includes the CDC, Human Services Commission, United Way, Community Foundation, City of Santa Rosa, Sonoma County Adult and Aging and First Five. Among other topics of discussion, participants share information regarding experiences with service delivery of the non-profit agencies. Sonoma County's Health and Human Services functional subcommittee meets monthly. Department heads and other senior staff of all departments involved in human services meet to discuss performance of Health and Human Service activities. A local administrative board, whose membership includes a CDC staff member, reviews applications and deliberates funding allocations for The Emergency Food and Shelter Program, a FEMA-funded program to provide food for the homeless. In reviewing the applications and deliberating funding allocations, agencies' services, functions, staff turnover, problems, duplication of services, et cetera are monitored. The grant process for this funding is competitive and committee members review past performance of all applicant agencies, many of which also receive CDBG and FESG funding from the CDC.

2. Describe the results of your monitoring including any improvements.

Monitoring activities found most non-profit agencies funded with CDBG and FESG funding complying with federal and local requirements. One agency was found to have on-going significant financial issues and did not complete race/ethnicity forms for clients. As a result of the financial difficulties, this agency was not funded for FY 06-07. However, technical support and forms were provided for gathering race/ethnicity information so that compliance would not be an issue in the future. Several meetings were held with the Executive Director, CDC, HUD and other funders to provide technical assistance in addressing the financial issues. This agency is striving to achieve financial compliance. Several agencies over estimated the number of clients they would serve on the FY 05-06 application. A Recommendation was made to address the issue of fewer than expected clients served. One agency submitted quarterly reports late and a Concern was issued. One local policy for all agencies is to provide minutes from their Board of Director's meetings no later than 30 days from approval of the minutes. The CDC finds these minutes a valuable source of information for the financial and programmatic health of each agency. Several agencies received Recommendations to submit these minutes in a more consistent manner. Results of monitoring help to inform the CDC of future technical assistance topics of discussion.

During FY 2005-2006, the Commission's Affordable Housing Staff visited seven HOME-assisted rental housing developments. These included the Canyon Run Apartments in Healdsburg, Vinecrest Senior Apartments in Windsor, Winter Creek Village in Windsor, Carrillo Place in the City of Santa Rosa, Sea Ranch Apartments in Sea Ranch, Lavell Village Apartments in the unincorporated area of Larkfield, and Giffen Transitional Housing in the unincorporated area of Santa Rosa. Each HOME site visit included a meeting with the resident manager, a review of a random sample of the files for HOME-assisted and other units, inspections of several HOME-assisted and other units and a tour of the common areas and grounds. Without exception, all of the HOME-assisted developments were found to be well managed and well maintained. Commission monitoring staff was pleased to witness indicators of positive tenant-relations and property management staff that were committed and sufficiently trained to meet HOME compliance responsibilities. The site visits did not reveal any findings or significant concerns. Income verification and other documentation were available, accurate and organized. Minor problems or discrepancies that were noted were followed up and quickly rectified by property managers. Likewise, Commission monitoring staff took the opportunity of site visits to point out minor facility maintenance issues and these were all taken care of in a short time span by responsive property managers. This included minor, but potentially serious, safety issues like broken electrical outlet covers, inoperable smoke alarms, caulking issues, some mold issues and similar routine findings in rental housing developments.

3. Self Evaluation

a. Describe the effect programs have in solving neighborhood and community problems.

The County's activities and strategies are making a positive impact on the goals and objectives contained in the County's Consolidated Plan 2005. Funding from the County's CDBG, HOME and FESG programs are combined with other resources to achieve measurable outcomes from the services and activities provided to the County's low-income residents and neighborhoods. The CDBG, HOME and FESG monies fund new construction and rental assistance programs to increase the affordability and accessibility to decent housing for the low- and moderate-income residents of Sonoma County. Funding from these programs also finance needed improvements in low-income neighborhoods and assist in the elimination of slums and blight, increasing the sustainability and availability to suitable living environments. CDBG and FESG funds also support varied public service activities that assist low-income households and individuals, including those households with special needs such as HIV/AIDS, people with mental illness and physical disabilities, the homeless and those at risk of becoming homeless. These services enhance the accessibility and availability of decent housing and economic opportunities, and help stabilize the lives of many of those served.

b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.

Sonoma County, as the third least affordable housing market in the United States, has significant barriers to overcome. Please see the first question in the Housing section of this report under Housing Needs, Specific Housing Objectives, Barriers to Affordable Housing, HOME, ADDI; the first question in the Homeless section under Homeless Needs, Specific Homeless Prevention Elements, Emergency Shelter Grants; the first question in the Community Development section and the first question in the Non-Homeless Special Needs section, for specific progress made in meeting the priority needs and objectives in this County.

c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.

Please see the Executive Summary, General Question #4, Housing Needs Question #1, Specific Housing Objectives Question #1, HOME/ADDI Question #1, Community Development Question #1, #7 and #12.

d. Indicate any activities falling behind schedule.

The County has emphasized timely expenditure of grant funds throughout all programs by both the enactment of specific time-line policies and the implementation of the funding process. The subrecipients of the grant funds, associated members of the Urban County and the recommending bodies have all responded positively to this emphasis. Funding proposals are not submitted for consideration unless the projects are capable of getting underway in a timely manner and the recommending bodies reinforce that criterion in their funding recommendations. The CDC process contains several benchmarks to determine timely completions. For example, a completed environmental report is required no later than five months from funding allocation. Only upon completion of the environmental report will the agreement be executed. The subrecipient has eighteen months from the time the agreement is sent for signature to have a construction project under contract. If developers do fall behind schedule they are contacted by the CDC to get back on track or reprogram funds to a contingency project. As a result, nearly all projects are progressing according to the approved schedule.

e. Describe how activities and strategies made an impact on identified needs.

Objectives were clearly defined in the Consolidated Planning process, stating specific goals to be met annually in order to achieve the overall goals of providing decent housing, a suitable living environment and economic opportunity. Please see Monitoring section, Question 3b.

f. Identify indicators that would best describe the results.

The CPD Performance Measurement Indicators used to help measure the impact federal funding made on the needs identified in the 2005 Consolidated Plan are as follows:

- Public facility or infrastructure
- Public service
- Rental Units constructed
- Rental units rehabilitated
- Homeownership units constructed or acquired with rehabilitation
- Owner occupied units rehabilitated
- Direct financial assistance to homebuyers
- Tenant Based Rental Assistance
- Homeless shelters
- Emergency housing
- Homeless prevention

g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.

The County's Analysis of Impediments to Fair Housing Choice identified a number of impediments, such as lack of affordable housing, differential treatment, serious health problems, and physical or mental disabilities, which all may act to restrict the choice of housing, but are beyond the capacity of the CDC to fully remedy. Further, the County lacks the resources to directly elevate the incomes of poverty level persons, although it can and does act to reduce the housing costs for those individuals and to fund services that could assist them to stabilize their lives and increase their job skills and marketability.

h. Identify whether major goals are on target and discuss reasons for those that are not on target.

The major objectives of the County, specified as Goals and Specific Objectives in the Consolidated Plan 2005 and FY 2005-2006 One Year Action Plan, have been addressed by the activities, programs and projects itemized in General Question 1.c. The County's FY 2006-2007 Annual Action Plan continues to fund programs and activities that directly and materially address the goals and objectives of the County's Consolidated Plan.

i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

The 2005 Sonoma County Consolidated Plan developed an overall goal for federal housing and community development funds received during the five-year plan covering FY 2005-2006 through FY 2009-2010 under the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and the Federal Emergency Shelter Grants (FESG) program. That goal is to provide decent housing, a suitable living environment and to expand economic opportunities. To address this primary goal, three goals, one each in the areas of homelessness, housing and non-housing community development, were set with specific objectives to address the goals were established. The development of these goals and objectives are detailed in the Consolidated Plan 2005 and reflect adjustments and improvements to the Consolidated Plan 2004. The charts in b. above show these objectives.

The 2006 Continuum of Care funding submission, that the County and the cities of Santa Rosa and Petaluma have endorsed, promises to continue promoting more cooperation among the jurisdictions and a broad coalition of community organizations and interested citizens to better achieve the County's goals in the area of homelessness. Four of the Continuum's goals focus on maintaining, expanding and creating new programs that will prevent homelessness, provide emergency shelter, transitional housing and permanent supportive housing to meet the special needs of homeless subpopulations, increase shelter and permanent supportive housing opportunities for the chronically homeless, and prevent or mitigate the loss of existing shelters, housing and services. The remaining five goals and their related action steps will improve service linkages to provide seamless access to services from the street to permanent housing, build a community consensus in support of ending chronic homelessness in Sonoma County, strengthen the Continuum of Care Planning Group's collaborative planning and implementation process, develop more reliable information on homelessness in Sonoma County, and improve integration of homeless service

delivery throughout the Continuum. The Planning Group continued to meet at least quarterly during FY 2005-2006, and will continue the work of four standing committees and ad hoc committees to complete identified action steps throughout the year. These actions will enable the group to complete necessary planning and monitoring functions in a more effective way. An increasingly coordinated effort will make the most effective use of the limited federal, state, local and private resources available to address the housing and service needs of Sonoma County's homeless residents.

Lead-based Paint

1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.

The CDC's continuing efforts to reduce lead-based paint hazards include proactively disseminating printed information concerning lead based paint hazards to all residents of housing rehabilitation and rental assistance programs, visual inspections conducted by all CDC on-site inspection staff, and third-party risk assessments conducted on all non-exempt structures in the housing rehabilitation program. The CDC's Lease Negotiator/Inspectors have received training in visual assessment of lead-based paint hazards and are observant of the existence of this hazard during their property inspections. The Housing Rehabilitation Specialists have received training in the identification of lead hazards, proper methods of paint stabilization, interim control, abatement procedures and testing/clearance reports to ensure compliance with all lead hazard reduction requirements during rehabilitation activities. A California state certified risk assessor is utilized to conduct all necessary lead-based paint inspections and risk assessments. During the fiscal year, fifteen risk assessments were undertaken, with approximately seventy-five percent showing no presence of lead-based paint. The lead-based paint hazards identified have been limited to specific building components, and have been addressed through safe work practices and interim controls specified in the work write-ups. No projects requiring lead-based paint abatement have been encountered. The CDC also ensures compliance with lead hazard reduction requirements by subrecipients of CDBG, HOME and FESG funding used to acquire and/or renovate existing buildings for housing or to undertake residential activities.

In June of 2006, the CDC submitted a grant application for \$2 million of Lead-Based Paint Hazard Control Grant Program funding identified in the SuperNOFA released 3/8/2006. If awarded, the funding would support the Childhood Lead Poisoning Prevention program, a new collaboration between the CDC and the Sonoma County Department of Health Services (DHS). This new program would increase the level of testing and intervention activities targeting children with elevated blood lead levels, provide training and certification opportunities for contractors and workmen performing work in areas where lead-based paint hazards have been identified and create a pool of funding available to assist residential property owners in reducing lead-based paint hazards found in their property. The program would operate countywide and be targeted mainly to low-income homeowners.

HOUSING

Housing Needs

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe Actions taken during the last year to foster and maintain affordable housing.

See also General Question #4.

The Home Tenant-Based Rental Assistance Program (TBA) enables homeless families residing in shelters, survivors of domestic violence, seniors and persons with HIV/AIDS, to receive housing assistance. It provides these very low-income families and individuals with rental subsidies, making market rate housing units affordable to them. It results in their successful transition from homelessness to maintaining decent and affordable housing.

All participants are referred by various emergency shelters, transitional shelters or non-profit service providers, including the Catholic Charities Family Support Center, YWCA, Community Action Partnership, Face to Face and the County of Sonoma Human Services Department, Division of Adult and Aging Services. Please see HOME/ADDI section, Question 1.

Also during FY 05-06, \$35,000 of CDBG funding was allocated to Community Action Partnership Fair Housing Program. This program assisted 340 individuals, 60% of whom had income of less than 30% of the MAI, 23% had 31-50% of MAI, 8% were between 51-80% of MAI and 9% were over 80% of MAI. Please see General Question 1c.

See Monitoring, Question 3b. As stated throughout this report, developing and maintaining affordable housing is a high priority for the CDC. In addition to funding the above two programs, several major housing projects are listed in Specific Housing Objectives as well as the HOME/ADDI section. Please also see General Question 4 for other funding directed toward affordable housing as well as other services not directly funded.

Specific Housing Objectives

1. Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.

See also HOME/ADDI Question 1a. and Community Development Question 12. The Consolidated Plan 2005 proposed an annual goal of 40 units of affordable housing to be provided. This goal was exceeded this year with the completion of 80 units.

The Springs Village Burbank Housing Development Corporation project was completed, providing 80 rental units, one of which is the managers unit. Of the 68 initial households assisted with CDBG (see HOME/ADDI for discussion of the remaining 11 units), 22 are 30% or less of the median income as set by HUD, 15 are 50% or less of the median income and 31 are less than 80% of the median income level. Twenty-five of the 80 units are reserved for agricultural employees and their families. CDBG funding contributed \$350,000 in FY 02-03 and \$325,420 in FY 04-05 to this project. HOME funding contributed \$135,400 in FY 02-03 and \$49,668 in FY 04-05.

Larkfield Oaks Apartments is under construction and when completed will provide 56 family rental units, fourteen of which will be reserved for agricultural employees and seven will have supportive services for special needs households. This project has been allocated HOME (CHDO) funds of \$167,700 in FY 02-03, \$19,351 in FY 03-04 and \$167,700 in FY 04-05; HOME funds of \$335,400 in FY 04-05 and \$371,102 in FY 05-06 and CDBG funding of \$117,159.

The Arbors is also under construction and when complete will provide 54 family rental units. This project was allocated \$375,000 HOME funding in 03-04 and \$300,000 CDBG funding in FY 04-05.

Sequoia Village (formerly Covert Lane) is a twenty-unit co-housing homeownership development in the environmental review phase. This project was allocated FY 05-06 CDBG funding of \$70,899.03.

Housing Corporation of America received \$300,000 in CDBG FY 05-06 funding for rehabilitation of Divine Senior Apartments, a 31-unit complex for low-income seniors. This project is complete and provides long-term affordability of 12 units at 30% of AMI, 12 tenants have incomes of less than 50% AMI and 7 tenants have incomes at 60% AMI or less.

2. Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.

One hundred forty-nine affordable rental and ownership housing units qualify as Section 215 units. These include first time homebuyer resales, tenant based rental assistance and two developments completed and reported in Specific Housing Objectives Question #1 and HOME/ADDI Question #1.

3. Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.

As detailed throughout this report, assistance was given to low-income households requiring flood and earthquake hazard mitigation measures, hookups to sewer systems and access modifications to allow disabled persons to live independently. In addition, 25 of the units of the completed Springs Village complex are reserved for agricultural employees and their families, serving a very real need in this agricultural community. The Divine Senior Apartment complex completed in this fiscal year provides 32 units for low-income seniors that were at risk of becoming market rate units. Funding was also allocated to make ADA improvements to the Village Green Apartments, another complex in jeopardy of becoming market rate. The TBA program assists the needs of individuals with HIV/AIDS and victims of domestic violence. Several public service agencies were allocated funding for operation of day centers for homeless people, and seven public service agencies were allocated funding for eight homeless shelters, one of which serves youth, one serves women overcoming substance abuse, and one serves women and children who are victims of domestic violence.

In general, as detailed throughout this report, much of the assistance provided by the use of FESG, HOME and CDBG targets individuals and households at or below 30% AMI, including special needs households.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiatives.

The Sonoma County Housing Authority does not own public housing.

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

Please see the answer to General Question, #4 and HOME/ADDI answer to Question #1.

The County has undertaken a number of actions during FY 2005-2006 to reduce or eliminate four recognized barriers to affordable housing:

- 1) The high cost of moving into a rental unit or financing a home purchase serves as a formidable barrier for low-income persons seeking to obtain affordable housing.
- 2) Financial difficulties in securing affordable rental housing, although an increase in vacancy rates has resulted in a modest reduction of monthly rent in some cases;
- 3) Controlled growth policies, environmental constraints and a diminishing supply of land suitable for housing in the unincorporated areas of the County and the seven cities participating in the Urban County increase the cost of available sites;
- 4) Low density zoning increases development costs and subsequent sales prices to levels that frequently exceed the purchase power of lower-income first-time homebuyers.

A new provision of the Sonoma County Code, Article 89, was implemented effective July 1, 2005. The provisions of this Article are intended to:

- 1) Implement the General Plan Housing Element.
- 2) Achieve a balance of housing for households at all income levels.

- 3) Increase the supply of housing for moderate-, low-, very low- and extremely-low income and senior households.
- 4) Increase the supply of housing for disabled, large families, and other special needs households.
- 5) Ensure new affordable housing is constructed in proportion to the overall increase in new housing.
- 6) Address affordable housing needs related to employment growth.
- 7) Ensure land able to be developed is utilized with affordable housing goals and objectives in mind.
- 8) Provide affordable housing units that are compatible with their surrounding neighborhoods.
- 9) Maintain the physical condition and affordability of units.

As reported in the FY 04-05 CAPER, the 14-unit Harbor View Village affordable rental housing development in the Harbor View subdivision located in unincorporated Bodega Bay was on hold, pending a State Supreme Court decision as to the timeliness of the subdivision's tentative map, and that the court had ruled the subdivision's map to be valid. The end of this protracted litigation allowed the new owner to record the final map and the Affordable Housing Agreement in December of 2005. To fulfill the affordability requirements, the owner will build 14 affordable rental units. The Commission was repaid the \$327,500 of FY 1997-1998 and 1998-1999 CDBG funds disbursed for Harbor View Village. These funds were reprogrammed to the Rehabilitation program. Please see the Community Development section of this report, Question #12.

HOME/ American Dream Down Payment Initiative (ADDI)

- 1. Assessment of Relationship of HOME Funds to Goals and Objectives**
 - a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.**

Please also see Specific Housing Objectives, Question 1.

The HOME Tenant Based Assistance Program (TBA) assisted 34 households, 24 of which had incomes of 30% or less and 10 of which had 50% or less of Medium Family Income.

The Arbors is a 55-unit affordable housing complex with 11 HOME units. During fiscal year 05-06, \$130,036 of the \$375,000 FY 03-04 HOME funds was disbursed. It is expected that the balance of the HOME funds will be disbursed during FY 06-07 after the construction phase has been completed.

The Springs Village Apartments is an affordable housing project that was completed and rented up in FY 05-06. It consists of 80 units, 11 of which are HOME units. All HOME funding has been disbursed for a total of \$185,068. The final loan closings for this project will occur in late August of 2006. Of the 11 households funded with HOME, 6 are 30% or less of the median income as set by HUD and 5 are 50% or less than median income.

Vida Nueva (formerly COTS Commons) is a 24-unit permanent supportive housing complex for homeless individuals and families with disabilities. This project was allocated \$210,386 of HOME funding in FY 05-06. This project is in the design stage and has evidently surmounted significant environmental hurdles.

Larkfield Oaks Apartments is under construction and when completed will provide 49 family rental units, fourteen of which will be reserved for agricultural employees and seven will have supportive services. This project has been allocated HOME (CHDO) funds of \$167,700 in FY 02-03, \$19,351 in FY 03-04 and \$167,700 in FY 04-05; HOME funds of \$335,400 in FY 04-05 and \$371,102 in FY 05-06.

Commission staff created an American Dream Downpayment Initiative (ADDI) Program Design to assist low-income first time homebuyers achieve homeownership by providing deferred-payment loans to pay non-recurring closing costs for homes sold through the Commission's Initial Sales and Resales Program. The ADDI loans carry a 0% interest rate and become due and payable at the end of its thirty year term or when the homes are sold or are otherwise no longer owner-occupied, whichever comes first.

2. HOME Match Report

- a. **Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.** Please see Appendix B.

3. HOME MBE and WBE Report

- a. **Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).** Please see Appendix B.

4. Assessments

- a. **Detail results of on-site inspections of rental housing.** See Institutional Structure, Monitoring, Question 2.

- b. **Describe the HOME jurisdiction's affirmative marketing actions.**

The CDC requires all recipients of HOME and CDBG funds to submit MBE/WBE outreach, affirmative marketing and Section 3 Plans as applicable to their projects, and CDC staff monitors subrecipients on an on-going basis to ensure that they implement such plans and are in compliance with all related laws and regulations.

- c. **Describe outreach to minority and women owned businesses.**

The CDC advertised in the 2005 Minority Business & Professional Directory soliciting minority involvement in the CDC's housing programs. The CDC provides a list of Minority Business Enterprises and Women Owned Business (MBE/WBE) Enterprises to the developers of affordable housing and public facilities approved for CDBG or HOME funding, and to all contractors on the CDC's housing rehabilitation pre-screened contractor list, encouraging them to use the MBE/WBE enterprises and requesting that they document their outreach and contract awards to such firms.

The CDC requires all recipients of HOME and CDBG funds to submit MBE/WBE outreach, affirmative marketing and Section 3 (economic opportunities for low- and very

low-income persons) Plans as applicable to their projects, and CDC staff monitors subrecipients on an on-going basis to ensure that they implement such plans and are in compliance with all related laws and regulations.

HOMELESS

Homeless Needs

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Identify actions taken to address needs of homeless persons.

In 1997, Sonoma County joined with the entitlement jurisdictions of Petaluma and Santa Rosa to work with representatives of the nonprofit, governmental, service provider, housing provider, law enforcement, business, homeless and general communities to develop an ongoing Continuum of Care planning process for the Sonoma County region. With the Sonoma County Community Development Commission acting as Lead Agency, the three jurisdictions and this coalition of groups have come together as the Continuum of Care Planning Group since 1998 to review and revise homeless services plans and strategies. The County recognizes that homelessness is an issue that crosses geographic boundaries, and that complex problems result in loss of housing, requiring specific programs and coordinated services directed to specific target populations. The planning group analyzes gaps in the County's continuum of care system and includes the specific goals and action steps to be undertaken during each 12-month period.

During FY 2005-2006, the Continuum of Care Planning Group and others continued working to achieve the Continuum goals. The Planning Group also worked during FY 2005-2006 to complete comprehensive revisions to the annual funding submission to address the issues identified by HUD in the 2006 SuperNOFA for McKinney-Vento funding. The Continuum of Care submission for 2006 was endorsed by all three entitlement jurisdictions.

A description of the activities for which Supportive Housing Program (SHP) and Shelter Plus Care (S+C) Program funding was used during FY 2005-2006 by the County and eight nonprofits under the Sonoma County Continuum of Care Plan is included in General Questions #4 and 5.

In late 2005/2006, the Continuum of Care Planning Group launched a 10-year Action Plan to End Chronic Homelessness in Sonoma County, a process that will be completed in 2006-2007.

On November 22, 2005, the newly acquired and renovated Samuel Jones Hall opened its doors to provide shelter to a mixed homeless population, adding 80 beds to the County shelter system. The facility is open from 5:00 p.m. to 8:00 a.m. everyday, with future plans to be open all day on Sunday. Showers and a laundry facility are available on site. Residents learn culinary skills while preparing the evening meal in the fully equipped kitchen. Operational funding is provided by the Commission, the Community Foundation Sonoma County and the City of Santa Rosa.

During FY 2005-2006, SHP, S+ C, CDBG, HOME, FESG, County General Fund and funds from other sources were used to administer programs providing emergency shelter, transitional housing, permanent housing, and supportive/transitional services for the homeless and for special needs populations who are not homeless but who require supportive housing. The funded activities are further detailed in General Question 4, Monitoring Question 3c, Housing Question 1, Specific Housing Objectives, Question 1, HOME/ADDI Question 1a, Specific Homeless Prevention Elements Question 1 and Emergency Shelter Grants Question 1.

2. Identify actions to help homeless persons make the transition to permanent housing and independent living.

By funding nonprofits and administering programs to assist homeless and special needs populations, the County is helping to expand affordable housing opportunities. The Housing Authority's HOME-funded TBA and S+C programs have expanded affordable housing opportunities by providing rental subsidies that enable homeless individuals and families to move off the streets or out of emergency shelters and into transitional or permanent housing. These programs also provide rental subsidies for persons with HIV/AIDS, mental illness, or physical disabilities to enable them to live independently while receiving supportive services from Face-to-Face, Community Support Network, or Community Resources for Independence, three local nonprofits that work with these special needs households. Without the TBA and S+C programs, these homeless and special needs households would likely remain on the streets or have no place to go when their stay at shelters and health care facilities end.

The funding provided by the County to several nonprofits enables them to operate programs that provide supportive services and supportive housing for homeless people and/or special needs households. The Catholic Charities Family Support Center provides both emergency and transitional housing for homeless families. The Russell Avenue Shelter operated by Catholic Charities provides emergency shelter for homeless individuals and families. The Catholic Charities Homeless Service Center provides both transitional housing for single men and day center services for homeless individuals and families. The COTS transitional housing facilities provide shared housing with supportive services for homeless individuals and families. The Living Room provides a daytime drop-in center for homeless women and children. COT's Family Connection program trains community volunteers and assists them to form mentor teams linked to families leaving homeless shelters to help them obtain and retain permanent housing by providing the types of support many non-homeless people receive from their families and close friends. Women's Recovery Services Residential Recovery Program provides transitional residential treatment for female substance abusers and their children. The YWCA Women's Emergency Shelter provides transitional housing and counseling services for battered women and their children. These activities expand affordable housing opportunities in two ways. First, virtually all of the people served have no other place to live. Without these housing opportunities, most of these individuals and families would be homeless. Second, the supportive services provided to these special needs groups are designed to assist them to acquire the knowledge and skills necessary to make the transition to independent living and to break the cycle of homelessness.

3. Identify new Federal resources obtained from Homeless SuperNOFA.

During FY 2005-2006, nine organizations used previous commitments and obtained new commitments of Supportive Housing Program and Shelter Plus Care funding from HUD to provide

110 beds of permanent supportive housing for persons with mental illness, 429 transitional housing beds and supportive services for homeless individuals and families, including persons with mental illness, victims of domestic violence, and the hard-to-serve homeless.

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

CDBG funds were used to support the following programs:

- Homeless prevention services are provided by Community Support Network that provides a representative payee case manager for adults with severe and persistent mental illness who are unable to effectively manage their money. In addition to paying bills and budgeting assistance, the case manager also assists clients in finding and maintaining permanent housing.
- The YWCA Adobe project assists victims of domestic violence living in the Safe House family advocacy, case management and peer support group facilitation.
- Community Action Partnership and SCAYD provide security deposit move-in and one-time emergency assistance with rental payments to prevent homelessness for low-income families, seniors and people living with disabilities.

Emergency Shelter Grants (ESG)

1. Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets).

Three agencies, administering four programs were funded with ESG funding. The Catholic Charities Family Support Center provides both emergency and transitional housing for homeless families. The COTS transitional housing facilities provide shared housing with supportive services for homeless individuals and families. The COTS Mary Isaak Center provides emergency and transitional housing to homeless adults without children in their care. The YWCA Women's Emergency Shelter provides transitional housing and counseling services for battered women and their children. In addition, the majority of the CDBG public services funding also addresses homeless intervention.

2. Assessment of Relationship of ESG Funds to Goals and Objectives

a. Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the Consolidated Plan. Please see Homelessness Specific Objectives table on page 13. Emergency Shelter Grant Funding is provided to agencies providing day center services, emergency shelter and transitional housing and supportive services to homeless persons. Agencies assist parents to implement rigorous action plans to overcome core causes of their homelessness, improve their children's developmental, educational, physical and mental status. Also provided are tutoring, child assessment and referral center, parenting education and mentoring for families and volunteer support teams for families during their first year post-shelter or transitional housing. As noted on the Summary of Matching Funds table, the annual goal for these activities has been met.

b. Detail how ESG projects are related to implementation of comprehensive homeless planning strategy, including the number and types of individuals and persons in households served with ESG funds. Please see the Continuum of Care discussion in General Questions 2, 4 and Homeless Question 1. The agencies

providing services as outlined in question 1 above are expanding affordable housing opportunities to people who have no other place to live and assist them to acquire knowledge and skills necessary to make the transition to independent living and to break the cycle of homelessness. The tables below show the number of transitional housing and emergency shelter beds assisted, the number of persons assisted and their income levels.

Transitional Housing and Emergency Shelter Beds Assisted with FESG funding

Priority Need Category Identified in the Consolidated Plan	Actual Number of Beds Assisted
Transitional/Supportive Housing	
Transitional Housing Beds	34
Homeless Programs	
Emergency Shelter Beds	327
Total Transitional and Emergency Shelter Beds Assisted	361

Persons Assisted with Emergency Shelter & Transitional Housing using FESG funding

Priority Need Category Identified in Consolidated Plan	Number of Persons Served
Transitional Housing Programs	45
Emergency Shelter Programs	1,853
Total Number of Individuals Assisted	1,898

Income Levels of Persons Assisted with Emergency Shelter & Transitional Housing using FESG funding

Household Income as a Percentage of Median Area Income	Number of Persons Served	% of Persons Served
0-30%	1,898	100.0%
31-50%		
51-80		
81% and over		
Total	1,898	100.0%

3. Matching Resources

- a. Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff salaries, as well as in-kind contributions such as the value of a building or lease, donated materials, or volunteer time.

The following table shows the amount of other funding (excluding McKinney-Vento funding) received by the agencies receiving FESG funding in FY 05-06.

Agency	Federal Funds	State Funds	Local Public Funds	Private Funds
Catholic Charities	\$ 291,337.95	\$ 9,465.90	\$ 62,536.32	\$ 127,309.00
COTS	\$ 462,957.00	\$ 8,509.00	\$ 1,126,326.00	\$ 1,169,657.00
YWCA	\$ 409,950.00	\$ 300,598.00	\$ 65,000.00	\$ 34,655.00
TOTAL	\$1,164,244.95	\$318,572.90	\$1,253,862.32	\$1,331,621.00

4. State Method of Distribution

- a. States must describe their method of distribution and how it rated and selected its local government agencies and private nonprofit organizations acting as subrecipients.**

The Sonoma County Community Development Commission is not a state grantee.

5. Activity and Beneficiary Data

- a. Completion of attached Emergency Shelter Grant Program Performance Chart or other reports showing ESGP expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.**

There were no problems collecting this information from subrecipients and it is considered reliable.

Shelter Operation Costs

Operations for C.C., COTS and YWCA	\$ <u>53,353</u>
Staff Costs for C.C., and COTS	\$ <u>6,327</u>

Essential Services

C.C., COTS and YWCA	\$ <u>18,195</u>
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Homeless Prevention

COTS and YWCA	\$ <u>6,727</u>
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<u>TOTAL FESG BUDGET:</u>	\$ <u>84,602</u>
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b. Homeless Discharge Coordination

- 1. As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.**

Due to the minimal amount of FESG funding received, funds are used for the operation of homeless shelters and no federal funding received from the CDC is used for assistance to individuals after release from shelters.

- c. Explain how your government is instituting a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.**

NO ESG funding is used for the following efforts:

The Sonoma County Health and Human Services Functional (HHS) Committee continues meeting to discuss policies and protocols that can be successfully implemented to ensure that, to the extent practicable and where appropriate, the discharge of persons from publicly funded institutions or systems of care does not immediately result in homelessness. The HHS Committee is an inter-departmental group comprised of the County departments of Health Services (Divisions of Alcohol and Other Drug Services, Mental Health, Prevention and Planning, Public Health), Human Services (Divisions of Adult & Aging Services, Economic Assistance,

Employment & Training Services, and Family, Youth & Children's Services, and the Human Services Commission), Probation, County Administrator's Office, and the Community Development Commission (Housing Authority, Redevelopment Agency and Community Development Division).

Because these departments administer or contract for services with systems of care and publicly funded institutions, such as foster care, youth facilities, mental health treatment facilities, domestic violence programs, homeless shelters, and substance abuse treatment facilities, their coordinated involvement is important to assess current discharge policies and protocols and to recommend new or revised policies and protocols to prevent homelessness upon discharge where feasible. Numerous County agencies have developed and implemented protocols in the area of discharge planning, often in cross-department and public/private collaborations. Several of these efforts are described further below.

The Sonoma County Human Services Department offers youth aging out of foster care two programs designed to provide them with the skills needed to avoid homelessness. The Independent Living Skills Program (ILP) facilitates housing and life skills development for youth aging out of foster care. ILP provides housing search services as well as assistance with housing move-in costs for approximately 60% of the County's youth who are aging out of foster care. The Department's Transitional Housing Placement Program (THPP) places youth ages 16-17 into a quasi-independent living situation rather than traditional foster care through a contract with Redwood Children's Services. THPP provides services, classes and one-on-one mentoring as well as shelter, with the goal of transitioning foster youth from a THPP apartment to a nearby independent apartment.

At the County's psychiatric crisis facility, mental health service providers or social workers discuss discharge plans with mental health patients. A financial counselor is available to assist patients to apply for SSI and other resources, and a range of referrals are made available prior to discharge. Patients who would be homeless on discharge are referred to Project HOPE for comprehensive treatment services, housing assistance, independent living skills coaching, and employment development services.

The Probation Department now issues copies of the Sonoma County Homeless/At-Risk Resource Guide to all inmates being released from the County detention facilities. This pocket guide, which is updated periodically, lists information and contacts for all of the services, shelters, and subsidized housing resources that are available for people who are at-risk of becoming homeless or who are already homeless. While it is not reasonable to expect that the County can prevent homelessness for all released inmates, this guide can help to connect the inmates with local resources that can help to provide the housing and services they need.

The Sonoma County Housing Authority has established a number of preferences for admission to the federally funded Section 8 program, as well as to its Shelter Plus Care and HOME tenant-based rental assistance programs. Several of these preferences are targeted to groups of people who are involved in the County's systems of care. Examples of such preferences are for victims of domestic violence, persons with disabilities and/or seniors, veterans and veterans' families, families and individuals who are involuntarily displaced by natural disasters, families participating in the Family

Unification program, youth aging out of foster care, homeless families and individuals transitioning from shelters to self-sufficiency, and persons with HIV/AIDS. By implementing these admission preferences for these target groups, the Housing Authority facilitates provision of monthly rental subsidies that make decent, safe and sanitary housing affordable and available to people who may otherwise become homeless upon leaving their institution or system of care.

A range of effective diversion programs have been developed to effectively move homeless people with special needs out of local criminal justice facilities and into appropriate services and housing. For example, the County-funded Treatment Alternatives to Street Crime (TASC) project allows non-violent offenders with substance abuse issues to have their sentence in the county jail modified or diverted by referring them into dedicated beds in local substance abuse treatment programs. Similarly, several local police jurisdictions have agreements with County Alcohol and Other Drug Services to bring individuals suspected of public drunkenness or similar infractions to the Orenda Center for detoxification services, in lieu of taking them to jail and booking them.

During this past year, the Sonoma County Superior Courts and the Sonoma County Task Force on the Homeless (a member of the Continuum of Care Planning Group Steering Committee) have continued to engage a broad spectrum of public and non-profit sector representatives in designing a Court Homeless Protocol Project, which will bring homeless defendants the assistance they need to stabilize their situations and stop recycling through the court system. The community-wide process to design and implement the program has included several judges and Court personnel, the District Attorney, Public Defender, Santa Rosa City Attorney, Police, and Housing and Redevelopment Agency, County Sheriff's office, Human Services, Mental Health, Public Health, Alcohol and Other Drug Services, Human Services Commission, and Courts, as well as many nonprofit homeless and alcohol and drug services providers, religious congregations, and United Way.

Two service areas are planned for the Court Homeless Protocol Project:

Many defendants could be appropriately diverted from the court system through direct law enforcement referrals to drug and alcohol treatment, and/or shelter. Detoxification and shelter will be made available and linkages strengthened between social services and law enforcement agencies.

An extra-judicial social services advocate (Court Homeless Protocol Project Advocate) will serve within the court system to assure early planning for release to treatment, shelter, or appropriate services. Discharge planning will start at entry to the system, be available at sentencing, and follow up to assure that defendants received appropriate services, including benefits assistance, treatment and/or housing, upon release. Agreements are in process with various agencies to provide beds or services to these defendants upon their release.

The HHS Committee and the other collaborative groups described above will continue to meet to develop and implement plans, and to discuss other ways in which policies and protocols can be developed to prevent future homelessness for those leaving publicly funded institutions or systems of care.

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. **Assessment of Relationship of CDBG Funds to Goals and Objectives**
 - a. **Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.**

Please see General Question 1b.

- b. **Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.**

Please see Monitoring Question 3c, Housing Question 1 and Specific Housing Objectives Question 1.

- c. **Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.**

All agencies awarded CDBG funding for the Homelessness Objectives of providing day center services, emergency shelter beds and transitional housing, supportive services and homeless prevention services used nearly 100% of funds to assist extremely low- and low-income persons. Six individuals (or .08% of total individuals served) had incomes exceeding 80% AMI.

Projects meeting Housing Objectives completed in this fiscal year provided either affordable housing units or comprehensive rehabilitation, hazard mitigation and access modification to extremely low- and low-income persons. Thirty-one individuals assisted with fair housing mediation or education (or 9% of those assisted with fair housing) had incomes exceeding 80% AMI.

Projects completed in this fiscal year meeting the Non-Housing Objectives to preserve neighborhoods, perform access modifications to public facilities or to facilitate economic integration and self-sufficiency were all either certified as extremely-low or low-income, or the project was determined to be an area-wide benefit to 51% or more households with low-income, or the project benefited a limited clientele such as meeting the special needs of persons with disabilities and the elderly in accordance with the American Disabilities Act (ADA).

2. **Changes in Program Objectives**
 - a. **Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.**

The CDC continues to believe the program objectives are consistent with the concerns of the citizens of Sonoma County. The overall goals did not change in FY 05-06. See also General Question #2.

3. **Assessment of Efforts in Carrying Out Planned Actions**
 - a. **Indicate how grantee pursued all resources indicated in the Consolidated Plan.**

See General Question 4, Managing The Process Question 1 and Homeless Needs

Question 1.

b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.

All requests by non-profit agencies for a certification of consistency with the Consolidated Plan are routed to the Commission's Community Development Manager. The certification is provided only if the subject proposal unambiguously addresses goals and objectives articulated in the Consolidated Plan.

c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.

The Commission views the Consolidated Plan as a central planning document and a substantive articulation of community goals and objectives. The Commission does not view the Consolidated Plan as a mere administrative submittal to HUD. The Board-approved CDBG, HOME and FESG policies are based upon the Consolidated Plan and the entire funding allocation and contracting process is based upon the Consolidated Plan. Commission actions are dictated by and governed by the Consolidated Plan.

4. For Funds Not Used for National Objectives

a. Indicate how use of CDBG funds did not meet national objectives.

b. Indicate how did not comply with overall benefit certification.

Grantee funds were used exclusively for the three national objectives and the grantee complied with the overall benefit certification.

5. Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property

a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.

b. Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.

c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

During FY 2005-2006, no activities utilizing any HOME, FESG or CDBG funds were undertaken that resulted in the demolition of existing housing units or business structures, nor the displacement of any individuals or businesses.

6. Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons

a. Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.

d. List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.

e. If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.

No economic development/job creation activities were assisted this year.

7. Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit

a. Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.

The County's CDBG funds were used to assist a variety of housing, public service and public improvement/facility activities addressing the Consolidated Plan's specific objectives during FY 2005-2006. One hundred percent of the County's CDBG funding was used for activities that demonstrated compliance with income eligibility requirements in a number of ways.

All housing development and housing rehabilitation activities require documentation that 100% of project beneficiaries are low- or moderate-income persons.

Some public service activities served a clientele falling within one of the categories of presumed 51% low- and moderate-income benefit, such as the homeless, battered spouses, disabled and elderly persons.

Some of the public service activities demonstrated at least 51% low- and moderate-income benefit by requiring written certification of family size and income. Other activities carried income eligibility requirements limiting the activity exclusively to low- and moderate-income persons.

Some public improvement/facility activities are considered to be a presumed low- and moderate-income benefit because they are limited to the removal of material or architectural barriers to the mobility or accessibility of elderly or disabled persons.

Melody Avenue Drainage Improvement and Corby Avenue Sewer Line Replacement both qualify as area-wide benefit activities because they are located in and benefit the residents of a particular area where the proportion of low- and moderate-income persons in the area is at least 51% or is within the highest quartile of all areas in the County's jurisdiction in terms of the degree of concentration of such persons.

8. Program income received

a. Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.

All program income received by Sonoma County is expended on active projects requiring reimbursement for expenditures prior to drawing down additional funds from the U.S. Treasury. During FY 2005-2006, no program income was deposited into revolving loan funds or retained by subrecipients for use on active projects. Because the CDC performs weekly draws of funding, program income is generally used within one week of receipt and, therefore, no interest is accrued on program income funds. As of 6/30/06, the CDC had \$301.45 program income on hand.

b. Detail the amount repaid on each float-funded activity.

The CDC does not have float-funded activity.

c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.

Housing rehabilitation loan repayment total is \$674,297.16

d. Detail the amount of income received from the sale of property by parcel.

No federal funding has been used by the CDC to purchase property.

9. Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:

- a. The activity name and number as shown in IDIS;**
- b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;**
- c. The amount returned to line-of-credit or program account; and**
- d. Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.**

No expenditures have been disallowed.

10. Loans and other receivables

- a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.**

No float-funded activity.

- b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.**

The total number of other loans outstanding is 236 and the principal balance outstanding is \$9,888,842.75 as of June 30, 2006.

- c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.**

The CDC has no forgivable loans. There are 225 deferred loans for a total of \$9,747,317.50. Thirty-two of those are housing development loans to non-profit agencies with a 20-year deferral. Eleven have a 30-year deferral and 1 has a 40-year deferral. Twenty-three deferred silent second loans to first-time homebuyers have 30-year deferrals and 158 rehabilitation loans are deferred for 20 years.

- d. Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.**

Three defaulted loans have been written off for a total of \$41,219.17.

- e. Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period. The CDC owns**

no property and no property acquired by subrecipients using CDBG funds is available for sale.

11. Lump sum agreements

- a. Provide the name of the financial institution.
- b. Provide the date the funds were deposited.
- c. Provide the date the use of funds commenced.
- d. Provide the percentage of funds disbursed within 180 days of deposit in the institution.

The CDC administers no lump sum agreements.

12. Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year

- a. Identify the type of program and number of projects/units completed for each program.

The Countywide (including incorporated cities/town and Community Resources for Independence program) Rehabilitation Program completed thirty-three rehabilitation projects, 26 of which were mobile homes.

The HCA Divine Senior Apartment project rehabilitated 31 apartments for seniors.

Health and Safety rehabilitation was completed on a transitional home operated by the Committee On The Shelterless.

- b. Provide the total CDBG funds involved in the program.

Countywide Rehabilitation - \$681,397; HCA Divine Senior Apartments - \$300,000; Committee On The Shelterless - \$12,384.

- c. Detail other public and private funds involved in the project.

Countywide Rehabilitation - \$10,319; HCA Divine Senior Apartments - \$3,801,809

13. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies

- a. Describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.

No Neighborhood Revitalization activities were assisted this year.

Antipoverty Strategy

- 1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.

Please see the response to General Question #4.

NON-HOMELESS SPECIAL NEEDS

Non-homeless Special Needs

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

- 1. Identify actions taken to address special needs of persons that are not

homeless but require supportive housing, (including persons with HIV/AIDS and their families).

The Sonoma County Housing Authority operates the HERO Family Self-Sufficiency Program (FSS) as a component of the ongoing Section 8 Housing Choice Voucher Program using CDBG funding. The HERO Program assists extremely low and low-income families to develop skills that will permit them to become financially independent. During FY 2005-2006, the HERO program assisted 75 families, totaling 223 individuals receiving Section 8 rental assistance. By June 30, 2006, four of those families completed the requirements of the FSS program and ten families graduated from the program and became independent of governmental assistance. Since the inception of the Family Self-Sufficiency Program, 46 families have completed the requirements of the program and 82 families have graduated. The CDC works with the Sonoma County Human Services Department and numerous nonprofit and community based agencies to assist FSS clients in achieving their goals. The services that are available through these organizations include, but are not limited to, adult basic education services, English as a Second Language, GED classes, job club, job search, pre-employment preparation, on-the-job training, transitional employment, vocational training, supported work, education and job services, transportation, work related costs, child care, substance abuse treatment, food programs and pre-and post-natal care.

FESG funding was provided to the YWCA for its domestic violence program. During FY 05-06, 162 women and children were sheltered and supported.

CDBG funding was provided for rehabilitation assistance to enable eleven elderly and fifteen disabled individuals to continue living independently. Seven elderly individuals were provided tenant-based rental assistance.

CDBG funding was used to complete ADA improvements on sidewalks in neighborhoods in the Town of Windsor and the City of Healdsburg, providing continuous and accessible walking areas that formerly created barriers to pedestrians, particularly school age children, the handicapped and the elderly.

The Sonoma County Department of General Services utilized CDBG funds to make ADA improvements to the Occidental Community Center, thereby increasing the accessibility for the elderly and disabled in this area.

Specific HOPWA Objectives

- 1. Overall Assessment of Relationship of HOPWA Funds to Goals and Objectives**
Grantees should demonstrate through the CAPER and related IDIS reports the progress they are making at accomplishing identified goals and objectives with HOPWA funding. Grantees should demonstrate:
 - a. That progress is being made toward meeting the HOPWA goal for providing affordable housing using HOPWA funds and other resources for persons with HIV/AIDS and their families through a comprehensive community plan;**
 - b. That community-wide HIV/AIDS housing strategies are meeting HUD's national goal of increasing the availability of decent, safe, and affordable housing for low-income persons living with HIV/AIDS;**
 - c. That community partnerships between State and local governments and community-based non-profits are creating models and innovative strategies to serve the housing and related supportive service needs of persons living with HIV/AIDS and their families;**

- d. That through community-wide strategies Federal, State, local, and other resources are matched with HOPWA funding to create comprehensive housing strategies;
 - e. That community strategies produce and support actual units of housing for persons living with HIV/AIDS; and finally,
 - f. That community strategies identify and supply related supportive services in conjunction with housing to ensure the needs of persons living with HIV/AIDS and their families are met.
2. This should be accomplished by providing an executive summary (1-5 pages) that includes:
- a. **Grantee Narrative**
 - i. **Grantee and Community Overview**
 - (1) A brief description of your organization, the area of service, the name of each project sponsor and a broad overview of the range/type of housing activities and related services
 - (2) How grant management oversight of project sponsor activities is conducted and how project sponsors are selected
 - (3) A description of the local jurisdiction, its need, and the estimated number of persons living with HIV/AIDS
 - (4) A brief description of the planning and public consultations involved in the use of HOPWA funds including reference to any appropriate planning document or advisory body
 - (5) What other resources were used in conjunction with HOPWA funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other individuals or organizations
 - (6) Collaborative efforts with related programs including coordination and planning with clients, advocates, Ryan White CARE Act planning bodies, AIDS Drug Assistance Programs, homeless assistance programs, or other efforts that assist persons living with HIV/AIDS and their families.
 - ii. **Project Accomplishment Overview**
 - (1) A brief summary of all housing activities broken down by three types: emergency or short-term rent, mortgage or utility payments to prevent homelessness; rental assistance; facility based housing, including development cost, operating cost for those facilities and community residences
 - (2) The number of units of housing which have been created through acquisition, rehabilitation, or new construction since 1993 with any HOPWA funds
 - (3) A brief description of any unique supportive service or other service delivery models or efforts
 - (4) Any other accomplishments recognized in your community due to the use of HOPWA funds, including any projects in developmental stages that are not operational.
 - iii. **Barriers or Trends Overview**

- (1) Describe any barriers encountered, actions in response to barriers, and recommendations for program improvement
 - (2) Trends you expect your community to face in meeting the needs of persons with HIV/AIDS, and
 - (3) Any other information you feel may be important as you look at providing services to persons with HIV/AIDS in the next 5-10 years
- b. Accomplishment Data
- i. Completion of CAPER Performance Chart 1 of Actual Performance in the provision of housing (Table II-1 to be submitted with CAPER).
 - ii. Completion of CAPER Performance Chart 2 of Comparison to Planned Housing Actions (Table II-2 to be submitted with CAPER).

The Community Development Commission did not receive HOPWA funds in FY 2005-2006.

OTHER NARRATIVE

Several projects were funded in years prior to the 2005 Consolidated Plan. These projects have either been completed or will soon be completed within the current five years covered by the Consolidated Plan 2005. Separate project worksheets have been completed and are located in Year One-Additional Files, in the CAPER folder and titled *Projects funded but not completed during FY 2000-2004*. These Projects are:

- Melody Avenue Drainage Improvements
- City of Sonoma Parks ADA Improvements
- Sebastopol Community Center ADA Improvements
- COTS Transitional Housing rehabilitation
- BHDC Wildflower Site Improvements
- BHDC Arbors new rental unit construction
- Cotati Civic Center ADA Improvements
- BHDC Springs Village new rental unit construction
- City of Healdsburg Matheson Street Sidewalk Improvements
- Fulton Area Sidewalk Improvements
- Occidental Community Center

Two CDBG-funded projects, the Melody Avenue Drainage Improvement project and the Corby Avenue Sewer Line Replacement project were both completed, ensuring residents of those areas will continue to live in a safe and healthy environment.

Street and other public improvements were completed on the Wildflower project. These improvements will support the development of a “sweat-equity” homeownership project where at least 53% of the homes will be sold to low-income households.

The City of Cotati was awarded CDBG funding in the amount of \$70,000 for the Civic Center ADA project, currently in the construction phase.

The City of Healdsburg’s East Street Transitional Housing project was allocated CDBG FY 05-06 of \$66,670 to build seven efficiency apartments available to very low-income households, four of which will be fully handicapped adapted. This project is in the environmental phase.

The City of Sebastopol is in the construction phase of the Community Center project that was awarded CDBG funding of \$90,000.

The City of Sonoma was allocated \$142,675 for ADA improvements to city parks. The project is currently in the bid phase.

The City of Sonoma was allocated \$66,670 in FY 05-06 CDBG funds to make ADA upgrades to Village Green Apartments, a 34-unit low-income rental complex.

The Town of Windsor was allocated CDBG funding of \$200,000 for a transitional housing project, currently in the design phase.

The Valley of the Moon Teen Center (formerly El Nido) was allocated \$50,000 CDBG funding for predevelopment expenses. This project will remain open until construction is completed.

Sonoma County Regional Parks was allocated CDBG funding of \$50,000 for Steelhead Beach restroom ADA improvements project, currently in the environmental phase.

The Sonoma County Department of General Services was allocated \$50,000 of CDBG funding for ADA improvements to the Guerneville Library. This project is in the design phase.

The Sonoma County Transportation and Public Works Department was allocated CDBG 03-04 funding of \$45,000 and 04-05 funding of \$200,000 for the Fulton Area Sidewalks project and \$8,425 of 04-05 and \$94,275 of 05-06 for the Penngrove Sidewalks project, both of which are currently in right-of-way acquisition phase.

Appendix A
Financial Reports

Reconciliation of Funds

(Submit with CAPER as an attachment to CDBG Financial Summary, IDIS report C04PR26.
Please also see Community Development Question #8 through 11.)

**RECONCILIATION OF LINE OF CREDIT (LOCCS) AND
CASH BALANCES TO UNEXPENDED BALANCE OF CDBG FUNDS**

UNEXPENDED CDBG BALANCE\$1,918,386.09
(Line 16 of CDBG Financial Summary, C04PR26)

RECONCILIATION:
(Use amounts recorded as of close-of-business on the last day of this reporting period.)

ADD:

LOC balance:\$1,928,894.75

Cash on Hand:

Grantee Program Account:\$0

Subrecipients Program Accounts:\$0

Revolving Cash Balances:\$0

Section 108 cash balances:\$0

SUBTRACT:

Grantee CDBG Program Retention Liabilities\$10,508.66*
(include any reimbursements due to the Grantee from program funds)

Subrecipient CDBG Program Liabilities:\$0*
(include any reimbursements due to the Grantee from program funds)

TOTAL RECONCILING BALANCE:\$0

UNRECONCILED DIFFERENCE:\$0
(between Total Reconciling Balance and Unexpended Balance, explain below)

* When grantees or subrecipients operate their programs on a reimbursement basis, any amounts due to the grantees or subrecipients should be included in the Program Liabilities.

Contractor Retention as of 6-30-06+\$8,051.10
General Administration (Activity 622) overdrawn+\$2,759.01
Program Income not yet associated with a project-\$301.45
TOTAL:\$10,508.66