



Third Program Year CAPER

The CPMP Third 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

Program Year 3 CAPER Executive Summary response:

The Sonoma County Consolidated Annual Performance and Evaluation Report (CAPER), prepared by the Sonoma County Community Development Commission describes FY 2007-08 accomplishments resulting from the use of Community Development Block Grant (CDBG), Home Investment Partnerships (HOME) and Emergency Shelter Grants (ESG) 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, 2007 and June 30, 2008. In FY 2007-08, the Community Development Commission received \$2,048,284 in CDBG Entitlement funds, \$1,153,914 in HOME funds, \$21,469 in HOME ADDI funds and \$88,894 in ESG 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 9,043 low-income households and individuals.
- 100% of the activities funded with CDBG funds were utilized to support either low-income households, ADA projects benefiting the elderly or disabled or area-wide benefit projects. 99.2% of individuals assisted had incomes less than 80% of the annual median income for Sonoma County as determined by HUD.
- Fifty-eight single-family dwellings, occupied by low-income households, were rehabilitated using CDBG and Redevelopment funding. Some of these units house elderly and disabled individuals.
- The County continued support for the development of rental and ownership units.
- An existing low-income rental housing project received assistance to rehabilitate 4 units.

The FY 2007-2008 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 2007-2008 using CDBG, HOME and ESG 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 ESG 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 ESG 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 2007 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)
- **Emergency Shelter Grants (ESG) 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

Program Year 3 CAPER General Questions response:

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 ESG 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 2007-2008 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 2007-2008 as well as projects awarded funding in prior years but not completed until FY 07-08. 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:

AHA – Petaluma Ave. Homes – Site Acquisition	\$ 300,000
BHDC – Sequoia Village – Site Acquisition	\$ 366,675
BHDC – Sea Ranch – Affordable Housing Rehabilitation	\$ 200,000
City of Cotati – Housing Rehabilitation Program	\$ 23,410
City of Sebastopol – Housing Rehabilitation Program	\$ 23,671
City of Sonoma – Housing Rehabilitation Program	\$ 45,353
Community Action Partnership of Sonoma County – Fair Housing	\$ 52,500
Community Action Partnership - Homeless Prevention Program	\$ 36,000
Community Resources for Independence - Housing Access Modifications	\$ 128,434
SCAYD – Homeless Prevention Program	\$ 10,000
Sonoma County CDC – Housing Rehabilitation Program	\$ 161,434
Town of Windsor – Housing Rehabilitation Program	\$ 7,668
TOTAL CDBG Funding for this goal and objective	\$1,355,145

HOME funding:

CHDC – CHDO Operating Expenses	\$ 50,000
Sonoma County Housing Authority – Tenant-based Rental Assistance	\$ 396,042
TOTAL HOME Funding for this goal and objective	\$ 446,042

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	\$ 25,000
Catholic Charities – Family Support Center	\$ 86,692
Committee on the Shelterless – Services for Homeless Children and Parents	\$ 24,550
Community Action Partnership – Sloan House Shelter	\$ 10,000
Cloverdale Community Outreach Committee – The Wallace House	\$ 10,000
Social Advocates for Youth – The Coffee House	\$ 10,000
Sonoma County Housing Authority – Project HERO:FSS	\$ 10,000
The Living Room, Inc. – The Living Room	\$ 10,000
YWCA – Adobe Project	\$ 10,000
YWCA – Safe House	\$ 12,500
TOTAL CDBG Funding for this goal and objective	\$ 208,742

ESG funding:

COTS – Services for Homeless Children and Parents	\$ 29,950
COTS – Mary Isaak Center	<u>\$ 54,500</u>
TOTAL ESG Funding for this goal and objective	\$ 84,450

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 – Grove Street Sidewalks ADA Improvements	\$ 57,042
City of Rohnert Park – Community Center ADA Improvements	\$ 76,196
River Child Care – ADA Improvements	\$ 65,521
Sonoma County General Services – Guerneville Library ADA Improvements	\$ 150,000
Sonoma County Parks & Recreation – Steelhead Beach ADA Improvements	\$ 50,000
Sonoma County Parks & Recreation – Maxwell Farms ADA Improvements	\$ 60,000
South Park Sanitation Dist. – Moorland Ave. Sewer Pre-Construction Costs	\$ 149,151
Town of Windsor – Civic Center ADA Improvements	<u>\$ 50,000</u>
TOTAL CDBG Funding for this goal and objective	\$ 657,910

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

The multi-year goals have been met in all but two annual goals set in the 2005 Consolidated Plan. While significant progress has been made toward the availability and accessibility of decent housing, the Commission’s quantified objectives in providing comprehensive rehabilitation loans, hazard mitigation and access modifications have not been met due to the declining amount of federal funding coupled with escalating costs of rehabilitation construction. The Housing Rehabilitation Program Design was revised to work equally well with funding from redevelopment project areas. During FY 07-08, the Commission completed twenty-four housing rehabilitation projects funded by four different redevelopment areas, totaling \$258,947, bringing the total number of low-income households served to thirty-seven. Three homes were elevated by the CDC for flood mitigation using FEMA funding and four residences of a low-income multi-family project were rehabilitated using CDBG funding. Including housing access modifications completed by Community Resources for Independence (CRI) using CDBG funding, the total is 62 households assisted. Please see answer to Question 2 below and the Lead Based Paint section

The Commission’s numerical objectives in providing adequate water systems and accessible sidewalks have also not met the 2005 Consolidated Plan targets for suitable living environments. 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. The Sonoma County Transportation and Public Works Department was allocated CDBG funding in FY 04-05 of \$8,425, \$94,275 in FY 05-06, \$50,000 in FY 07-08 and \$100,000 in FY 08-09 for the Penngrove Sidewalks ADA Improvements project. Expenses have been reimbursed for all but the most recent two years. The project area was surveyed and mapping was produced. The existing right-of-way was investigated, calculated, and drafted on plans. New right-of-way needs were determined, legal descriptions and plot plans were prepared, properties were appraised and an appraisal report was prepared.

A similar project for the Fulton Area Sidewalk ADA Improvements has now completed all right of way acquisitions. It is expected that the bid documents will be prepared in August 2008.

Additional accessible sidewalk projects requiring multi-year funding to proceed are expected to be complete well before the end of the Consolidated Plan five year period, meeting the goals set by the Commission.

While other goals have been met, additional incomplete projects, or programs not meeting the agency's stated annual goals are explained below:

BHDC has completed the NEPA for Vida Nueva after a delay that was due to concerns for the California Tiger Salamander. Construction is nearly complete and will add 24 units of housing with supportive services to the 7 units previously completed at Larkfield Oaks. Once completed, and including 12 additional units with supportive services in the planning phase at the West Hearn Avenue Transitional Housing for Homeless Veterans, the Commission will be on track for meeting its 5-year goal of 50 units.

The Valley of the Moon Teen Center (formerly El Nido) was allocated \$80,000 of FY 03-04 CDBG funding for land acquisition and \$50,000 of CDBG funding for predevelopment expenses. This funding has been expended. In FY 06-07 and FY 07-08, \$80,000 of CDBG funding was awarded in each year for construction costs. Additional Redevelopment funding was also allocated to this project. Construction is completed, CDBG funding has been expended but this project will remain open until all Redevelopment funds have been expended and a final Notice of Completion has been approved.

Some public service agencies have not met their annual goal, citing several reasons; some shelters are extending the stay in order to better assimilate clients into permanent housing, one support program for clients of a domestic violence shelter reported that clients are choosing to leave the area due to a lack of affordable housing and some agencies are using fewer personnel to work with clients due to a decrease in funding.

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

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 reorganization continued into 2006/2007 with the shifting of redevelopment affordable housing finance to the Community Development Division rather than the Redevelopment Division. This consolidates all affordable housing finance activity with one staff group and provides greater efficiency, uniformity and flexibility in responding to requests for financial assistance for proposed affordable housing projects. During 2007/2008, fine tuning of these previous organizational changes took place as well as an overall focus on streamlining processes, especially in the CDBG program, in response to the six year decrease in CDBG funding and the corresponding need to reduce CDBG program administrative expense.

Public services funding from the Community Development Block Grant program has increasingly focused on homeless services. At the same time, the local Continuum of Care Planning Group and constituent committees have consistently responded to federal mandates and initiatives related to federal McKinney-Vento funding for homeless services. During 2006/2007, the Continuum group completed: "A Roof Over Every Head: Sonoma County's 10-Year Homeless Action Plan". As this Board of Supervisors endorsed plan is implemented, it is expected that local public services funding decisions, such as CDBG public services allocations, will be influenced by this comprehensive and aggressive 10-year plan that enjoys wide spread community support.

3. Affirmatively Furthering Fair Housing:

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

The Sonoma County Community Development Commission (Commission), 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. Statistics showed that there is not a great outward discrimination problem in Sonoma County but rather a more pervasive problem of differential treatment towards some renters in protected classes throughout the county.

During the past decade Sonoma County became one of the most expensive areas to live in terms

of housing cost. The housing market has changed significantly during FY 07-08 with many homes sold short of the amount owed or foreclosed and currently on the market as bank-owned properties. Additionally, the lending industry has tightened underwriting criteria making it still difficult to purchase a home. This makes the rental market tighter with a lower vacancy rate and an increase of rents.

The 2005 review of statewide fair housing complaints showed that disability, race, familial status and national origin are the primary areas of fair housing complaints, and complaints submitted to local fair housing providers paralleled those categories.

Other factors impeding fair housing choice for low-income, elderly and disabled persons are:

1. Screening tactics used by landlords
2. Income and security deposit requirements for approval of rental applications that may be insurmountable burdens to the low-income population who may not have adequate credit ratings or sufficiently available cash
3. A lack of proactive code enforcement, allowing substandard housing units to go unrepaired, causing tenants to live in unsafe conditions
4. Limited proficiency in English language that may cause difficulty in house seeking and may afford an avenue allowing abusive terms and conditions to be enforced and
5. Education, job training and credit counseling options that may not be readily available to low-income persons to enable them to rise to the challenge of obtaining and maintaining permanent housing in this still high-cost area.
6. 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 to fair housing choice.

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

1. Affordable Housing: *As noted above, the declining housing market has, as yet, done little to alleviate the need for affordable housing.*
 - Homeownership opportunities, through first-time homebuyer and self-help programs, remain active. *Please see Sequoia Village under Specific Housing Objectives as well as specifics on other ownership and rental housing projects. In addition four first-time homebuyer second-mortgage loans were provided with non-federal funding. Twelve households were provided with assistance from ADDI funding.*
 - Jurisdictional policies require that all new rental housing units funded conform to the provisions of Section 504 to ensure an acceptable number of accessible and adaptable units upon completion.
 - As much of the available funding as possible is made available to affordable housing projects that leverage additional funding. All housing projects are required to have additional funding. *Please see Leveraging Resources.*
 - Notices of funding availability are adequately disseminated to potential developers and service providers, and the application procedure is attainable, practicable and not overly restrictive. Notices are emailed, published in the local newspaper, announced in radio service spots in both English and Spanish and can be located on the County website. Applications, with instructions, can be obtained in person, through the mail, downloaded from the website and emailed to an interested applicant. An annual Technical Assistance session is provided for all interested applicants.
 - 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. Burbank Housing Development Corporation and Community Housing Sonoma County consistently collaborates with other non-profit agencies to

house individuals with special needs such as with Veterans on the West Hearn project and providing accessible housing units for disabled individuals referred by CRI.

2. Fair Housing Activities:

- Continued to provide funding for the provision of fair housing services, including outreach and education activities for both landlords and tenants. *During FY 07-08, 32 community presentations for a total of 174 attendees were given to tenants or prospective tenants and two groups of property managers (9 participants) attended Fair Housing training.*
- Fair Housing provisions are required 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. Please see Monitoring Section.
- Legal actions taken: *during FY 07-08 Seven individuals were referred to HUD and one individual was referred the State Department of Fair Employment and Housing.*
- Housing complaints addressed through Community Action Partnership of Sonoma County (CAPSC) and Petaluma People Services (PPS): *During FY 07-08, CAPSC referred 8 individuals to Fair Housing of Marin for testing and performed three mediations and PPS referred 19 to legal services, 17 to small claims, mediated one and gave 34 individuals eviction information.*
- Other Fair housing actions taken to overcome the impediments enumerated in a. above:
 1. *In FY 07-08, education, job training and counseling for low-income individuals was provided by SCHA with the Family Self Sufficiency program HERO, serving 100 clients, COTS Work Right program, and other non-profit agencies throughout the County.*
 2. *CAPSC and SCAYD's homeless prevention programs that served 2,743 individuals and several other non-profit agencies provided direct assistance to households.*
 3. *At least seven individuals were referred to city or county building inspectors and health departments. The Community Development Commission's Rehabilitation division works closely with the Permit and Resource Management Department to ensure smooth progress toward home rehabilitation for low-income individuals.*
 4. *The Community Development Commission and all subrecipients have a Limited English Proficiency policy to which all must adhere.*
 5. *Please see #1 above.*
 6. *The Commission sets aside CDBG public services funding to ensure adequate support for the provision of the HUD-mandated level of fair housing activity.*

3. Housing Rehabilitation - *During FY 07-08 the Commission, BHDC and CRI rehabilitated 62 units to:*

- Provide access modifications to rental and owner-occupied properties and to preserve the existing housing stock.
- Assist low-income, elderly and disabled households in maintaining housing in lieu of becoming homeless or being driven into institutional facilities prematurely.
- Create an on-going and additional supply of accessible and affordable housing.

4. Economic Development:

- Several countywide non-profit agencies support 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 the housing market. *As stated above, the Commission-funded activities by the F.S.S.HERO program assisted 100 individuals.*

5. 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. *In addition to accessibility improvements to single family homes stated in Rehabilitation above, three public facility and three public improvement projects were completed.*

- 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.

6. Public Policy:

- Encouraged participation by a varied group of citizenry in the planning process, including the C.D. Committee, the executive directors and other staff of funded non-profit agencies and public forum provided at least monthly.

- 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 low-income homebuyer residents of the entire county, was nearly dormant in the early- and mid- 2000's due to market conditions. Accordingly, the County and all the incorporated jurisdictions within the county, decided in 2006/2007 to use the underlying tax-exempt private activity bond allocation from the federal government differently to assist low-income homebuyers. The allocation was assigned to the California Rural Home Mortgage Finance Authority (CRHMFA) homebuyer fund. This fund is a tax-exempt mortgage revenue bond program that produces a bundled packet of loan products for low-income buyers including below-market interest rates and down-payment assistance. However, in May 2008, the MCC program was re-constituted in response to the changing market conditions and the fact that the CRHMFA homebuyer fund did not prove productive for local homebuyers.

Housing Assistance Committee Employee Programs: The Commission also administered the First-Time Homebuyer Program (FTHB), the Rental/Mortgage Assistance Program (RMAP) and the Housing Rehabilitation Program (Rehab) 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 1021. During 2007-2008 four FTHB loans for secondary mortgage financing were provided, forty-seven interest free loans were made for rental move-in costs, delinquent rent, mortgages, insurance or tax payments and three loans were made 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 \$6,176,808 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, a State \$750,000 Housing Enabled by Local Partnerships (HELP) loan, and an on-going source of income from County Inclusionary Housing In-lieu and Commercial Impact fees, currently totaling \$3,056,030. During FY 07-08, the County loaned \$1,110,000 to BHDC's Guerneville 5th & Mill project and \$1,400,000 to Community Housing Sonoma County's West Hearn Avenue Transitional Housing for Homeless Veterans project. The current CFH balance available for eligible projects is \$1,580,000.

Sonoma County Redevelopment Agency – housing assistance: During 07/08, the County Redevelopment Agency made an \$890,000 loan to BHDC's Guerneville 5th & Mill affordable housing project.

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, Mobile Home Space Rent Assistance Program and Tenant-Based Rental Assistance Program (TBA) all serve this purpose. During FY 07-08:

- The Section 8 Housing Choice Voucher Program assisted 2,722 households.
- Previous McKinney "Continuum of Care" funds commitments and a renewal commitment of Shelter Plus Care funding from HUD provided rental subsidies for 72 units for persons with HIV/AIDS, 25 units for persons with mental illness, 12 units for persons with physical disabilities and 21 units for former foster care youth.
- The Mobile Home Space Rental Assistance Program (MSRAP) subsidized the space rent of 33 very low-income seniors and persons with disabilities and families who own their own mobile home and pay for space rent.
- HOME Tenant Based Assistance Program (TBA) provided rental assistance to 68 households. Refer to section titled "Specific Housing Objectives" and "HOME/ADDI."

Flood Elevation Program: During the report year, the Commission received an additional \$808,000 of FEMA Hazard Mitigation Grant Program (HMGP) funding to elevate up to eleven additional flood-prone properties. A \$1.4 million grant application for FEMA Flood Mitigation Assistance (FMA07) has been allocated. The required environmental review has been completed and it is anticipated that the funds will be released in early FY 08-09 to elevate approximately sixteen additional properties. Grant applications for \$1.5 million of FEMA FMA 08 to continue to operate the Flood Elevation Program are pending. The Commission has also completed the pre-award consultation process with the owners of sixty-three properties FEMA has identified as Severe Repetitive Loss (SRL) properties and a grant application for approximately \$9 million to mitigate the flood hazards under the SRL Pilot Program is pending.

Supportive Services: The Commission 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, financial management classes, housing search, a mentoring program for recently homeless families once they achieve permanent housing, 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.

- Catholic Charities
- Committee On The Shelterless
- Community Action Partnership of Sonoma County
- Cloverdale Community Outreach Committee
- Social Advocates for Youth
- Sonoma County Housing Authority
- The Living Room
- YWCA

Limited English Proficiency (LEP) The Sonoma County Community Development Commission (Commission), including the Housing Authority and Redevelopment Agency, has developed a policy to protect the individual recipients of its services from the effects of discrimination because of their race, color, or national origin. The goal of this policy is to provide meaningful access to translation or interpreter services, for persons with Limited English Proficiency.

A person with Limited English Proficiency (LEP) is a person who does not speak English as their primary language and who has a limited ability to read, write, speak or understand English. The Commission will take affirmative steps to communicate with people who need services or information in a language other than English. This policy was developed to serve applicants, participants, and/or persons eligible for housing assistance and support services.

Various kinds of contacts with the public will be analyzed to assess language needs and decide what reasonable steps should be taken. In order to determine the level of access needed by LEP persons, the following four factors will be balanced:

- (1) the number or proportion of LEP persons eligible to be served or likely to be applying for program services;
- (2) the frequency with which LEP persons utilize these programs and services;
- (3) the nature and importance of the program, activity, or service provided; and
- (4) the benefits from providing LEP services, the resources available and the costs for those services.

Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the Commission.

In addition, this policy extends to all partners in the Commission's programs, including but not limited to local government entities, assisted housing providers, public service providers, and affordable housing developers. These groups shall provide the Commission with copies of their own LEP Policies.

In consideration of these policies, the Commission has developed the Language Access Plan to implement solutions to the identified needs of the LEP populations it serves. A copy of this plan is located in Year 2 Additional Files, CAPER.

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, ESG, 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 Commission 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. Additional beds are made available during inclement weather.

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 ESG 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 \$1,450,425 of additional federal funding, \$724,464 state funding, \$1,551,506 local public funding and \$1,370,873 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 ESG projects in the FY 2007-2008 Action Plan. Form 40107-A delineating matching funds for HOME projects can be found in Appendix B.

Managing the Process

Program Year 3 CAPER Managing the Process response:

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 ESG 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 Commission 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 Commission’s office, which is fully accessible to all.

Citizen Participation

Program Year 3 CAPER Citizen Participation response:

*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

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 (9/8/08 through 9/23/08) prior to its submission to the U.S. Department of Housing and Urban Development (HUD) on or before 9/30/08. Additionally, public comment on the CAPER was solicited during a public meeting of the Community Development Committee held at 3:30 p.m. on 9/9/08 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 2007-2008 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 2007-2008, 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 07-08 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)
\$4,486,697.95	\$247,000.51	\$1,455,454.31	\$3,264,515.57	

As of 6/30/08, \$13,728.58 remains to be obligated during FY 2008-2009.

Emergency Shelter Grants Program (ESG)

In FY 2007-2008, the County received a small ESG 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)
\$88,894.00	\$0.00	\$0.00	\$88,894.00	

Home Investment Partnerships Program (HOME)

In FY 2007-2008, 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)
\$3,344,955.99	\$0.00	\$1,955,729.20	\$1,389,226.79	

During FY 2007-2008, no HOME program income was received.

Institutional Structure

Program Year 3 CAPER Institutional Structure response:

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

During FY 2007-2008, the Commission 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 annual CDBG, HOME and ESG application and funding approval process, and through coordination with 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. Activities are also coordinated 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

Program Year 3 CAPER Monitoring response:

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

The Commission closely monitors the performance of subrecipients receiving CDBG, HOME and ESG funds. On-site monitoring visits and desktop monitoring are conducted at least annually by 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. 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. These minutes are a valuable source of information for the financial and programmatic health of each agency. Members of the Evaluation Committee of the Continuum of Care 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 ESG 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 Commission, 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 Coordinating Committee meets semi-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 Commission staff member, reviews applications and deliberates funding allocations for the Emergency Food and Shelter Program, a FEMA-funded program primarily 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 ESG funding from the Commission.

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

Six public service agencies were visited during FY 07-08, covering 10 CDBG funded programs. These activities found non-profit agencies funded with CDBG and ESG funding complied with most federal and local requirements. Results of monitoring help to inform the Commission of future technical assistance topics of discussion. The exceptions are as follows:

- One agency was inadequately collecting income, race and ethnicity data. A Concern and a Finding was issued, and one-on-one technical assistance was provided two times. All

issues were satisfied but this agency will be monitored again to confirm continued understanding and compliance.

- One agency was not providing adequate environmental assessment forms, inadequately tracking equipment purchased with federal funding and did not use funds in a timely manner. This agency was issued three Concerns, two Recommendations and one Finding. On-going financial and programmatic technical assistance is being provided and monitoring practices will be continued until agency complies. FY 08-09 funding was decreased due in part to lack of response on these items.
- One agency was using incomplete race/ethnicity and income limit documentation forms, providing inadequate documentation of services offered and was applying a policy requirement in an unfair manner. Four Concerns, two Recommendations were issued and a Finding was issued regarding possible noncompliance of federal regulations. Several meetings with this agency have taken place, satisfactory responses were received and follow up monitoring will be performed to assure continued compliance.
- One agency was given a Concern due to consistent overstatement of goals and a Recommendation to provide current policies and procedures. Both issues were satisfactorily addressed.
- One agency was provided HMIS data collection signs as none were observed during the visit. Required signage is now in place.

During FY 2007-2008, the Commission's Affordable Housing Staff visited nine 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 unincorporated area of Santa Rosa, Lavell Village Apartments in the unincorporated area of Larkfield, the Arbors Apartments in Rohnert Park, Larkfield Oaks Apartments in the unincorporated area of Larkfield, Giffen Transitional Housing in the unincorporated area of Santa Rosa and Springs Village in the unincorporated area of Sonoma Valley. 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 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 ESG 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 and HOME 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 ESG 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 one of the least affordable housing markets 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.

Please see General Question 1c. 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 Commission process contains several benchmarks to determine timely completions. As a result, nearly all projects are progressing according to the approved schedule.

In FY 07-08 two projects were unable to meet the timelines described above and funding for all three were reprogrammed. The funding for the City of Healdsburg's East Street Transitional Housing project was allocated CDBG FY 07-08 of \$74,728 but was reprogrammed due to extremely high construction costs causing the project to be financially infeasible. The County of Sonoma Department of Transportation and Public Works Graton Sidewalk ADA Improvement project was reprogrammed for not completing the environmental report on time.

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 housing needs identified in the 2005 Consolidated Plan are the number of

- Rental Units constructed
- Rental units rehabilitated
- Owner occupied units rehabilitated
- Homeownership units constructed or acquired with rehabilitation
- Households provided with direct financial assistance

The impact made on homelessness is indicated by the number of individuals assisted with:

- Public services
- Homeless shelters
- Emergency housing

The impact made on non-housing community development goals are the number of:

- Public facilities or infrastructure improvements to improve accessibility
- Individuals with special needs provided with Tenant Based Rental Assistance
- Individuals provided with homeless prevention educations and financial assistance
- Individuals utilizing public services for education, referrals, food, shelter, job search assistance and other services.

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

Diminishing funding has resulted in several agencies' inability to maintain staff and provide services. Additional mandated activities such as HMIS cause more strain on both financial and staff resources. The local economy has further strained the already tight affordable housing market as the foreclosure rate is significant. Not only are families disrupted but taxes used to support county-wide activities are diminished causing further decline to non-profit agencies for public services, affordable housing projects and accessibility improvements.

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 2007-2008 One Year Action Plan, have been addressed by the activities, programs and projects itemized in General Question 1.c. The County's FY 2008-2009 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 Emergency Shelter Grants (ESG) 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 and 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 2000.

As discussed in question #2 in General Questions, during 2006/2007, the Continuum of Care Planning Group (CCPG) developed a 10-year action plan to address regional homelessness. This plan, endorsed by the Sonoma County Board of Supervisors in February 2007, will guide planning in the area of homeless prevention, homeless intervention and homeless housing initiatives for many years. The plan has, and continues, to shape the structure and nature of the CCPG itself.

Lead-based Paint

Program Year 3 CAPER Lead-based Paint response:

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

The Commission'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 on-site inspection staff, and third-party risk assessments conducted on all non-exempt structures in the housing rehabilitation program. The Commission'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. Most of 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. The Commission also ensures compliance with lead hazard reduction requirements by subrecipients of CDBG, HOME and ESG funding used to acquire and/or renovate existing buildings for housing or to undertake residential activities.

HOUSING

Housing Needs

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

Program Year 3 CAPER Housing Needs response:

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, persons with HIV/AIDS and other disabilities and people displaced by a locally declared disaster 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.

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

Also during FY 07-08, \$52,500 of CDBG funding was allocated to Community Action Partnership Fair Housing Program. This program assisted 743 individuals, 44% of whom had income of less than 30% of the MAI, 31% had 31-50% of MAI, 18% were between 51-80% of MAI and 7% were over 80% of MAI. Please see General Question 1c. The agency 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. Services for individuals not providing income eligibility certification are funded with non-County funds.

See Monitoring, Question 3b. As stated throughout this report, developing and maintaining affordable housing is a high priority. 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.

Two CDBG-supported programs, CAPSC HCA and SCAYD provide direct assistance to low-income families with security deposits and delinquent rent. In this fiscal year 2,743 individuals benefited from these programs.

Specific Housing Objectives

Program Year 3 CAPER Specific Housing Objectives response:

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 in FY 06-07 and an additional 35 units, were completed in FY 07-08, all of which were senior at-risk rental housing.

The Sea Ranch Roof Repair project is currently underway with the majority of the project completed. Roof failure not only required replacement of the roofs but also repair of water damage. There are 31 units in this project. Fiscal Year 07-08 CDBG funding in the amount of \$100,000, with additional FY 08-09 CDBG funding in the amount of \$100,000, was allocated to continue the roof damage repairs in this project.

Vida Nueva is a 24-unit permanent supportive housing complex for homeless individuals and families with disabilities. This project was allocated HOME-CHDO funding in FY 05-06 in the amount of \$210,386 (a portion of which was uncommitted funding from FY 04-05), \$174,518 in FY 06-07 and \$173,088 in unallocated FY 07-08 HOME-CHDO funding awarded in FY 08-09. This project has overcome all environmental hurdles and is currently in the construction phase.

Sequoia Village is a twenty-unit co-housing homeownership development located in the City of Sebastopol. This project was allocated CDBG funding of \$70,899.03 in FY 05-06 and \$300,000 in FY 06-07, all of which has been paid out for acquisition costs of the site. The project is in the construction phase.

Petaluma Avenue Homes, a rental housing complex based on co-housing principals will have 45 units and will be located in the City of Sebastopol. This project was allocated HOME funding in FY 06-07 in the amount of \$145,000 and FY 07-08 in the amount of \$50,000. CDBG funding in the amount of \$300,000 was also allocated in FY 07-08 and paid out for acquisition costs of the property. This project is in the construction phase.

Windsor Redwoods is a 65-unit rental housing complex that will be build in Windsor. This project was allocated HOME funding of \$109,034 in FY 06-07 and \$146,174 in FY 07-08 and \$286,630 in FY 08-09. The project is in the predevelopment phase.

Oak Ridge Senior housing is a 35-unit senior rental housing complex that was at risk due to expiring affordability requirements. The project was allocated local Redevelopment funding in the amount of \$1,125,000 in FY 07-08 to maintain the affordability and rehabilitate the units. The project is now complete.

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.

All of the affordable rental and ownership housing units reported in response to question #1 above, and noted elsewhere throughout this report, qualify as Section 215 units. These include first time homebuyer resales, tenant based rental assistance, rehabilitation of single family and multi-family units and affordable housing 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 earthquake hazard mitigation measures, hookups to sewer systems and access modifications to allow disabled persons to live independently. In addition, West Hearn Avenue Transitional Housing for Homeless Veterans received a CFH loan of \$1,400,000 to purchase and rehabilitate a former residential care facility. The TBA program provides rental assistance to households currently living in emergency or transitional shelters, seniors, persons with disabilities and people displaced by a locally declared disaster. Several public service agencies were allocated funding for operation of day centers for homeless people, and six public service agencies were allocated funding for eight homeless shelters, one of which serves youth, 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 ESG, HOME and CDBG targets individuals and households at or below 30% AMI, including special needs households.

Public Housing Strategy

Program Year 3 CAPER Public Housing Strategy response:

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

Program Year 3 CAPER Barriers to Affordable Housing response:

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 2007-2008 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.

HOME/ American Dream Down Payment Initiative (ADDI)

Program Year 3 CAPER HOME/ADDI response:

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 68 households, 50 of which had incomes of 30% or less of Medium Family Income, 13 of which had 50% or less, 3 had incomes of 60% or less and 2 had incomes of 80% or less.

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. Twelve households were assisted using \$84,590 of ADDI funding in FY 07-08 at the Wildflower Self Help Homeownership project. In addition, \$120,000 in ADDI funds was reserved for use by 12 low-income first-time homebuyers at BHDC’s Sequoia Village.

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).** 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.**

All recipients of HOME and CDBG funds are required to submit MBE/WBE outreach, affirmative marketing and Section 3 Plans as applicable to their projects, and Commission 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 Commission advertised in the most current Minority Business & Professional Directory soliciting minority involvement in the housing programs. A list of Minority Business Enterprises and Women Owned Business (MBE/WBE) Enterprises is provided to the developers of affordable housing and public facilities approved for CDBG or HOME funding, and to all contractors on the Commission’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.

All recipients of HOME and CDBG funds are required 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 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.

Program Year 3 CAPER Homeless Needs response:

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 2007-2008, the Continuum of Care Planning Group and others continued working to achieve the Continuum goals. The Planning Group also worked in preparation of responding competitively to revisions to the annual funding submission for McKinney-Vento funding. As discussed in previous sections, a 10-year action plan on area homelessness was developed and approved during 2006/2007, entitled: "A Roof Over Every Head: Sonoma County's 10-Year Homeless Action Plan" and this plan increasingly shapes the planning for service delivery and coordination.

A description of the activities for which Supportive Housing Program (SHP) and Shelter Plus Care (S+C) Program funding was used during FY 2007-2008 by the County and eight nonprofits under the Sonoma County Continuum of Care Plan is included in General Questions #4 and 5.

During FY 2006-2007, SHP, S+ C, CDBG, HOME, ESG, 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, physical disabilities and former foster youth to enable them to live independently while receiving supportive services from Face-to-Face, Community Support Network, Community Resources for Independence, Social Advocates for Youth, Community Action Partnership of Sonoma County, Catholic Charities and the YWCA, all 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. 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 2006-2007, all McKinney-Vento funded local non-profit agencies and the Commission obtained renewal commitments of Supportive Housing Program and Shelter Plus Care funding from HUD. In addition, the local Continuum of Care was successful in obtaining the Samaritan incentive funding to augment and expand the Shelter Plus Care program. Because the federal NOFA submittal deadline for the 2008 round was moved beyond the end of FY2007/2008, no funding applications were submitted during 2007/2008.

Specific Homeless Prevention Elements

Program Year 3 CAPER Specific Housing Prevention Elements response:

1. Identify actions taken to prevent homelessness.

CDBG funds were used to support the following programs:

- 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)

Program Year 3 CAPER ESG response:

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). One agency, administering two programs, was funded with ESG funding. The COTS Services for Homeless Children and Parents provides emergency shelter, with supportive services for homeless families. The COTS Mary Isaak Center provides emergency shelter to homeless adults without children in their care. 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. Emergency Shelter Grant Funding is provided to an agency providing day center services, emergency shelter and transitional housing and supportive services to homeless persons. This agency assists parents to implement rigorous action plans to overcome core causes of their homelessness and 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 agency providing services as outlined in question 1 above is expanding affordable housing opportunities to people who have no other place to live and assists them to acquire knowledge and skills necessary to make the transition to independent living and to break the cycle of homelessness. ESG funding is used only to support the homeless population through the agency's emergency shelters. During FY 07-08, 765 individuals were assisted, utilizing 130 emergency shelter beds. All but one of these individuals had incomes below 30% Median Family Income.

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 amount of other funding (excluding McKinney-Vento funding) received by the agency receiving ESG funding in FY 07-08 is \$597,902 of local public funds and \$123,500 of private funds.

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 COTS	\$46,254
Staff Costs for COTS	\$ 8,445

Essential Services

COTS	\$24,436
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Homeless Prevention

COTS	\$ 5,315
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TOTAL ESG BUDGET: \$84,450

b. Homeless Discharge Coordination: 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 ESG funding received, funds are used for the operation of homeless shelters and no federal funding received from the Commission 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:

Two major and recent Sonoma County policy initiatives are directly related to discharge planning and coordination and a third initiative, indirectly related. The first is the endorsement of the Continuum of Care developed "A Roof Over Every Head: Sonoma County's 10-Year Homeless Action Plan", adopted by the Sonoma County Board of Supervisors in February 2007 and that speaks directly to the important preventative need for discharge planning. Specifically, the plan identifies six key steps to end homelessness, the first of which is homeless prevention. The relevant excerpt from the plan is as follows:

1) Homeless Prevention

- Reduce the number of people becoming homeless upon discharge from public institutions by 80%, by developing and implementing **protocols to assist people in finding housing when discharged from public institutions** (jails, prisons, mental health institutions, hospitals, and foster care) under the leadership of a **Homeless Prevention**.

The recommendation of creating a Homeless Prevention Council has been assigned to the existing Sonoma County Health and Human Services Coordinating Committee (HHSCC) for deliberation and possible action. This committee consists of County government department heads and other key senior staff from 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).

During 2007-2008, the HHSCC, and an informal sub-committee of the larger group, met on separate occasions and discussed the need and steps necessary to development and implement discharge policies throughout county government institutions, and to the extent possible, private institutions, to guard against discharges that have the affect of exacerbating the frequency or severity of homelessness. This planning and implementation process will continue into 2008-2009 and possibly, subsequent years.

The second major county initiative is the Board of Supervisors directed Sonoma County Strategic Plan, a comprehensive, multi-year planning effort to guide all County departments' efforts and prioritizations for the near future. The Board adopted the final version of Strategic Plan in December 2007, concluding a fact-finding, public input and drafting process kicked-off in December 2005. In July 2008, the Board adopted the Implementation Plan, a key component of the overall Strategic Plan.

One of the major projects listed in the Implementation Plan, identified as Project #27, is for "Upstream Investments to Reduce Long-Range Demand for County Criminal Justice". In this context, "upstream investments" are defined as opportunities to intervene with individuals before they become involved with the juvenile or adult justice system. It is expected that this project will result in a heightened focus on funding "upstream" or preventative services that will not only reduce future levels of criminal justice incarceration, but also, necessarily reduce future levels of homelessness as well due to the prioritization of prevention and early intervention services targeting at-risk individuals.

Specific implementation plans for this project are expected at the end of fiscal year 2008/2009. The County's Human Services Department is the project "owner" and the Commission is identified as a necessary key partner.

The third indirectly related policy initiative is the County's *Corrections Master Plan*. The first phase of this planning effort has been completed and the second phase is under way, to be completed in 2010. This planning effort is a systematic review of over-crowded conditions found in the current county incarceration facilities and new practices are being designed to alleviate this condition. Included in the planning process is the recognition that a full review and assessment of treatment options must be undertaken including, but not limited to, sentence and diversion options. A specific element of the *Corrections Master Plan* is to design a Community Corrections Center, a minimum security residential facility that offers a transitional experience from jail to the community.

Additional elements in the plan include a renewed emphasis on Drug Court and Mental Health Court as a result of a heightened focus on treatment. It is expected that these elements, once implemented, can and will mitigate the incidence of homelessness.

COMMUNITY DEVELOPMENT

Community Development

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

Program Year 3 CAPER Community Development response:

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 CDBG-funded activities benefited low-income persons. Nearly 100% (99.2) of individuals had incomes less than 80% of the annual median income for Sonoma County.

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. Fifty-five individuals assisted with fair housing mediation or education (or 7% 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 Commission 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 07-08. 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 ESG 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 2007-2008, no activities utilizing any HOME, ESG 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.**
- b. List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.**
- c. 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 2007-2008. 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.

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 2007-2008, no program income was deposited into revolving loan funds or retained by subrecipients for use on active projects. Because the Commission performs periodic draws of funding, program income is generally used within one week of receipt and, therefore, no interest is accrued on program income funds. No program income was on hand as of 6/30/08.

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

The Commission 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 \$189,756.12; repayment of CDBG funding for two loans used to acquire permanent homes for individuals with special needs is \$39,325.60; repayment of silent second first time homebuyer loans is \$12,766 and a water line rebate was received in the amount of \$4,336.65 for a total of \$246,184.37.

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

None.

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 271 and the principal balance outstanding is \$10,775,616.39 as of June 30, 2008.

- 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 Commission does not originate loans as forgivable loans. However, on October 2, 2007, the Sonoma County Board of Commissioners adopted Mature Loan Policies for Non-Profit Borrowers in order to create a standardized reference for responding to requests for loan term extensions, restructuring or forgiveness for existing Commission loans reaching maturity. If all criteria are met, the Commission shall forgive loans for public facilities such as, but not limited to, fire stations, transitional housing and emergency shelters for the homeless, teen centers, senior centers, and similar community facilities. The criteria include: 1) The borrower has demonstrated material compliance with conditions of the loan over the life of the loan and is in good status with the Commission and other Sonoma County departments and agencies with regards to the underlying financing and the use and operation of the property. 2) The subject property must be in good condition. If significant amounts of maintenance have been deferred, the loan extension, restructuring or forgiveness request will be denied. 3) The borrower must reasonably demonstrate that projected operating income and reserves are sufficient to finance ongoing operating expenses, including debt service, and capital replacement and maintenance for the period of any proposed loan term extension. 4) The borrower must demonstrate through an appraisal or other means acceptable to Commission staff that the value of the property is adequate to continue to fully secure any extended-term Commission debt. As required by Community Development Block Grant (CDBG) regulations, a deed restriction will be recorded against title to the property stipulating that, in the event the owner chooses to change the use or dispose of the property at any future date, the owner must reimburse the Commission in the amount of the then-current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of and improvements to the property. The property owner shall also continue to abide by all other applicable CDBG regulations. In FY 07-08 two loans met the criteria and were forgiven. Fees for processing expenses were received in the amount of \$816.14.

There are 262 deferred loans for a total of \$10,611,695.27, forty-seven of which are due from non-profit agencies. The outstanding principal for this group is \$7,871,230.78. Most have a 20 or 30-year deferral. Three have a 40-year deferral, 3 have a 55-year deferral and one loan is due on sale or transfer. The CDC has 23 outstanding first-time homebuyer loans with 30-year deferrals for a total principal due of \$698,098.96. There are 192 outstanding rehabilitation loans, most deferred for 20 years, with an outstanding balance of \$2,042,365.53.

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.

No defaulted loans have been written off.

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 Commission has not purchased property with CDBG funds. 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 Commission 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 rehabilitated thirty-one single family units and Burbank Housing Development Corporation rehabilitated four units in Sea Ranch all using CDBG-funds. Redevelopment funding was used to rehabilitate an additional 24 single family units and units in the 35-unit Oak Ridge Sr. Apartment complex. FEMA funding was used to elevate 3 homes out of the flood designated hazard area.

During FY 07-08, the Commission completed twenty-four housing rehabilitation projects with funding generated from one of four various redevelopment project areas. The City of Rohnert Park provided \$52,461 and the three County-sponsored redevelopment project areas contributed \$206,487 to complete those projects.

Please see Specific Housing Objectives, Question 1.

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

\$589,970.00

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

Countywide Rehabilitation - \$2,103 of owner contributions in all CDBG-funded projects.

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

Program Year 3 CAPER Antipoverty Strategy response:

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.

Program Year 3 CAPER Non-homeless Special Needs response:

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 2007-2008, the HERO program assisted 36 families, totaling 100 individuals receiving Section 8 rental assistance. By June 30, 2008, six of those families completed the requirements of the FSS program and two families graduated from the program and became independent of governmental assistance. Since the inception of the Family Self-Sufficiency Program, 55 families have completed the

requirements of the program and 89 families have graduated. The Commission 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.

CDBG funding was provided to the YWCA for its domestic violence program. During FY 07-08, 186 women and children were sheltered and supported.

CDBG funding was provided for rehabilitation assistance to enable nineteen elderly and sixteen disabled individuals to continue living independently. Some elderly persons were also disabled, accounting for the discrepancy in the number of rehabilitated homes. Seven elderly individuals were provided tenant-based rental assistance.

CDBG funding was used to perform ADA improvements to the County-owned parks of Steelhead Beach and Maxwell Farms, the Guerneville Library and the River Child Care Service public facility, all in the unincorporated area of Sonoma County. The City of Healdsburg improved access to sidewalks in the Grove Street area, the City of Rohnert Park improved access to the Community Center and the Town of Windsor improved access to the Civic Center, all thereby increasing accessibility for the elderly and disabled.

Specific HOPWA Objectives

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

Program Year 3 CAPER Specific HOPWA Objectives response:

The Community Development Commission does not receive HOPWA funds.

OTHER NARRATIVE

Include any CAPER information that was not covered by narratives in any other section.

Program Year 3 CAPER Other Narrative response:

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*. All projects have been reported as complete in prior CAPER's except the following:

The Sonoma County Transportation and Public Works Department was allocated CDBG FY 03-04 funding of \$45,000 and 04-05 funding of \$200,000 for the Fulton Area Sidewalks project. In addition, this project was awarded an additional \$50,000 of FY 07-08 CDBG funding. FY 03-04 and 04-05 funding has been paid out for Fulton Area expenses. The project is currently in the bid phase.

A letter dated April 30, 2008, from Steven Sachs of HUD's San Francisco Regional Office – Region IX was received, advising the Commission that it was in danger of missing its CHDO Reservation deadline, and that funds would be de-obligated on July 21, 2008. In a letter dated May 19, 2008, Kathleen Kane, Executive Director, responded that in 1995, the County of Sonoma submitted a request to suspend certain HOME program requirements, including the provision at Section 31 of the HOME Investment Partnership Act and Section 92.300 of the Program regulations that require at least 15% of the County's HOME allocation be set-aside for CHDO's.

That request was approved in writing by HUD in a letter dated March 24, 1995 from Steven Sachs, a copy of which was attached to Ms. Kane's May 19, 2008 letter. The suspension of the CHDO set-aside requirements allowed the County to more effectively address storm and flood damages it had recently endured.

On June 26, 2008, we received a follow-up call from HUD's San Francisco Regional office, again advising the Commission that funds would be de-obligated on July 21, 2008. The Commission again responded, providing evidence that HUD had approved the suspension of the HOME program's 15% CHDO set-aside requirement.

We have been in contact with the Regional office but no final response has been received. However, it is expected that HUD will recognize that sufficient evidence and explanation was supplied by the CDC to remove any de-obligation requirements.

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 \$1,469,182.89
(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: \$1,464,010.05

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 \$5,172.84*
(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 6-30-08 -\$8,555.74
Program Income not yet associated with a project +\$13,728.58
TOTAL: \$5,172.84