



Second Program Year CAPER

The CPMP Second 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

This module is optional but encouraged. If you choose to complete it, provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout the first year.

Program Year 2 CAPER Executive Summary response:

The Consolidated Annual Performance and Evaluation Report (CAPER) outlines how the City of Santa Rosa (City) met the needs and objectives outlined in the 2009-2014 Consolidated Plan's Five-Year Strategic Plan (Strategic Plan).

Overall, the City has made progress in achieving its goals. During FY 2010/2011, the City assisted in the acquisition of a site that will be developed with a 42-unit, multifamily rental complex. Unfortunately, a change in the tax credit tie breaker scoring prevented projects in Santa Rosa from being funded in 2010. The changes to tax credit scoring and the limited amount of State housing funds has impacted the City's ability to implement its goals. Resources and services will continue to be stretched thin with the City Council's desire to achieve the updated Affordable Housing production goals established by the Association of Bay Area Governments (ABAG) for the period from 2007 to 2014. Pursuant to the ABAG goals, the City has created 200 low income housing units and has 293 units currently under development, leaving 503 units to be created by 2014. The City has also created 304 very low income housing units and has 313 very low income units currently under development, leaving 903 units to be created by 2014.

The City of Santa Rosa's housing programs are administered by the Santa Rosa Housing Trust (Trust) and are broken into four broad funding categories:

1) Affordable Housing Production; 2) Conversion and Preservation of Affordable Housing; 3) Special Needs Facilities; and 4) Homebuyer Finance.

General Questions

1. Assessment of the one-year goals and objectives:
 - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.
 - b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.
 - c. If applicable, explain why progress was not made towards meeting the goals and objectives.
2. Describe the manner in which the recipient would change its program as a result of its experiences.
3. Affirmatively Furthering Fair Housing:
 - a. Provide a summary of impediments to fair housing choice.
 - b. Identify actions taken to overcome effects of impediments identified.
4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.
5. Leveraging Resources
 - a. Identify progress in obtaining "other" public and private resources to address needs.
 - b. How Federal resources from HUD leveraged other public and private resources.
 - c. How matching requirements were satisfied.

Program Year 2 CAPER General Questions response:

During Fiscal Year 2010/2011, the City achieved the following accomplishments:

Housing Production

- Sponsored the development of 42 new rental units;
- Provided additional funds to 140 units in various stages of development;
- Previously funded 53 units that completed construction; and
- 182 units were under development through the City's HAP ordinance, Density Bonus Program, and Low Density Infill Housing Policy, without local subsidy.

Housing Conversion/Preservation

- Generated the rehabilitation of 346 units through Section 8 Housing Quality Standard (HQS) inspections and 288 units through Neighborhood Revitalization Program inspections;
- Preserved the affordability of 50 existing multi-family and senior rental units; and Windham
- Monitored expiring affordability agreements.

Special Needs Facilities

- Provided 7 housing accessibility modification grants
- Provided funds for the acquisition and/or development of 54 units of special needs housing; and

Homebuyer Finance

- Administered the “roll-over” of 1 silent second loan;
- Administered 12 rehabilitation loan payoffs;
- Facilitated the purchase of 1 affordable home through the HAP ordinance;
- Provided 3 American Dream Downpayment Initiative (ADDI) loans; and
- Issued 6 Mortgage Credit Certificates.

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

In FY 2010/2011, the City spent \$203,858 of CDBG funds on Public Services which was able to assist over 3,871 homeless individuals. The Fair Housing program, also funded through the Public Services program and an augment from the City’s general fund, was able to assist 4,609 individuals.

The 2010/2011 Action Plan provided a goal of financing 30 new, affordable housing units through the use of CDBG and HOME funds. In Fiscal Year 2010/2011, the City used \$1,575,000 of its CDBG funds for the acquisition of a site that will provide 42 units of multifamily affordable housing and committed \$231,808 of its HOME Investment Partnerships (HOME) Community Housing Development Organization (CHDO) funds for the acquisition and development of an existing four-plex apartment building for special needs housing.

In FY 2010/2011, the City did not receive an allocation of American Dream Downpayment Initiative (ADDI) funds, but used prior year funds, in the amount of \$25,950, to provide downpayment assistance loans to three (3) households. The decline of the real estate market has resulted in a great deal of interest in the ADDI program, but homebuyers are finding it difficult to find housing units because they are competing with investors that are purchasing the units with cash. It is also difficult to obtain financing as a result of the tightening credit market and stricter underwriting criteria.

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

Overall, the City has made progress in achieving its goals.

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

The programs administered by the City operate smoothly and achieve the goals that have been identified; as a result of this. No program administrative changes are being considered at this time.

3. Affirmatively Furthering Fair Housing:

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

The City collaborated with the County of Sonoma and the City of Petaluma, the other entitlement jurisdictions in Sonoma County, to collectively update the Analysis of Impediments to Fair Housing Choice (AI). Information available at the time showed that there is not a great outward discrimination problem in Sonoma County, but a more pervasive problem of differential treatment towards some renters in protected classes throughout the County.

The Analysis of Impediments included the following recommendations:

- Continue maintenance and production of affordable housing as a key element of the plan;
- Encourage more work force housing opportunities;
- Continue to provide for access modifications to rental properties, as well as owner-occupied properties;
- Ensure adequate support for the HUD-mandated level of fair housing activity; and
- Continually assess policies, procedures, and guidelines to identify any overly restrictive elements.

Other factors impeding fair housing choice are:

- Screening tactics used by landlords;
- Income and security deposit requirements for approval of rental applications;
- Inadequate credit ratings or sufficiently available cash, as the high number of foreclosures continues due to the instability of the local economy, a large number of these renters are receiving eviction notices;
- Substandard housing units to go un-repaired; causing tenants to live in unsafe conditions;
- Limited English proficiency which may cause difficulty in house-seeking; and

- 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.

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

The agency providing Fair Housing services, Community Action Partnership Sonoma County (CAPSC), for the greater part of Sonoma County reported assistance to over 4,600 people during FY 2010/2011. Three mediations for tenant-landlord issues took place, eleven complaints were heard and forwarded to the California Department of Fair Employment and Housing, four complaints were referred to Marin Fair Housing for testing, and thirty-six educational community presentations were provided offering materials on Fair Housing laws and landlord/tenant rights and responsibilities.

In FY 2009/2010, the City received \$516,527 in funding from the American Recovery and Reinvestment Act's (ARRA) funding of the Emergency Shelter Grant (ESG) Homelessness Prevention and Rapid Re-Housing Program (HPRP). The City, through a joint Request for Proposals (RFP) with the County of Sonoma, selected Catholic Charities of the Diocese of Santa Rosa (Catholic Charities) to administer HPRP. In FY 2010/2011, all HPRP funds were expended and the program was concluded. Catholic Charities was able to provide assistance to over 170 low-income individuals for security deposits, delinquent rent, delinquent utility payments, utility expenses, and assistance in stabilizing their living situations.

Catholic Charities, operator of HPRP, is one of the few HUD-approved housing counseling agencies in the area assisting many households with credit and housing issues. Other agencies, such as Committee on the Shelterless (COTS) provides Work Right and Rent Right education and CAPSC also provides the Rent Up program. COTS also operates the Family Connection, a mentoring program supporting families in their transition from homelessness to permanent housing.

The City also participated in the Sonoma County Continuum of Care (CoC), which works to create and sustain housing for vulnerable populations.

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

The greatest obstacle to meeting the needs of the underserved is the lack of funding available to the City and to the non-profit service providers. The

downturn in the economy has impacted the City's ability to provide funding to nonprofit programs and to provide additional funding for the development of affordable housing.

5. Leveraging Resources

- a. Identify progress in obtaining "other" public and private resources to address needs.

In addition to federal funds, the City Council committed approximately \$253,000 from the Fiscal Year 2010/2011 General Fund to the Trust to operate the City-owned Samuel L. Jones Hall Homeless Shelter (120 year-round beds) and an additional \$51,400 to augment the Public Services program. The funds are generated by the City's real property transfer tax revenue and a donation from the City's refuse collector. In previous years, the City has used its Housing In-Lieu Fees for the creation of affordable housing; unfortunately these funds have been drastically impacted by the decrease in housing starts. Twenty percent (20%) of the tax increment funds that are generated by the City's Redevelopment project areas are allocated to the Trust for the creation of affordable housing units.

The City also receives funds from the County of Sonoma and Community Foundation Sonoma County for the operation of the Samuel L. Jones Hall Homeless Shelter.

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

The City invested 85 percent (85%) of its CDBG funds and 100 percent (100%) of its HOME funds in development projects. The CDBG and HOME funds are often coupled with local funds, allowing projects to compete for additional funding provided by tax credits, bonds, and State financing programs. An investment by the City makes the projects more competitive in various funding competitions.

- c. How matching requirements were satisfied.

The City obtains its HOME Match funds from the welfare contribution of properties that have received HOME funding from the City. There are currently 19 properties that contribute to the City's HOME Match requirement, which generated \$828,614 in Fiscal Year 2010/2011.

Managing the Process

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

Program Year 2 CAPER Managing the Process response:

During Fiscal Year 2010/2011, the administrative duties associated with CDBG and HOME funding received by the City was coordinated by several members of City staff. Currently three (3) staff members in the Department of Economic Development and Housing and one (1) staff member in the Finance Department participate in the administration of CDBG and HOME. By doing so, the planning, implementation, and reporting requirements were easily achieved.

Citizen Participation

1. Provide a summary of citizen comments.
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.

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

Program Year 2 CAPER Citizen Participation response:

1. The City of Santa Rosa's public comment period ran from September 2, 2010 to September 22, 2011. No comments were received.
2. Below is a summary of CDBG, HOME, CDBG-R and HPRP commitments and expenditures for FY 2010/2011.

Community Development Block Grant Program (CDBG)

In FY 2010/2011, the City received \$1,359,055 and generated \$1,611,564 in program income for a total of \$2,970,619. The City used the majority of the available CDBG funds for housing or housing related activities, specifically the acquisition of a site that will be developed with an affordable rental complex.

Below is a summary of the activities:

Activity Name	Type	FY 10/11 Amount Committed	Amount Expended	Census Tract
Kawana Springs	Site Acquisition	\$1,575,000	\$1,575,000	1514.02
Windham Village Apartments	Acquisition	\$1,063,378	\$1,063,378	1522.02
Appletree House	Acquisition	\$253,500	\$253,500	1529.04
Fair Housing Sonoma County	Public Services	\$3,600	\$3,600	Citywide
Family Support Center	Public Services	\$96,460	\$96,460	Citywide
Homeless Services Center	Public Services	\$75,000	\$75,000	Citywide
Samuel Jones Hall Homeless Shelter	Public Services	\$28,798	\$28,798	Citywide
CDBG Administration	Administration	\$271,622	\$219,255	N/A
TOTAL		\$1,792,358	\$1,739,991	

Home Investment Partnerships Program (HOME)

In FY 2010/2011, the City received \$877,977 and generated \$283,199 in program income for a total of \$1,161,176. The funds were used to assist with the creation of affordable housing. Below is a summary of the activities:

Activity Name	Type	FY 10/11 Amount Committed	Amount Expended	Census Tract
HOME Administration	Administration	94,471	77,737	N/A
CHDO -- McMinn Avenue Shared Housing	CHDO	231,808	94,496	N/A
ADDI Loan	ADDI	10,000	10,000	1530.02
ADDI Loan	ADDI	10,000	10,000	1530.01
ADDI Loan	ADDI	5,950	5,950	1531.01
TOTAL		352,229	198,183	

Community Development Block Grant Program – Recovery (CDBG-R)

In FY 2009/2010, the City received \$337,814 in CDBG-R funds through the American Recovery and Reinvestment Act. Below is a summary of the activities to-date:

Activity Name	Type	FY 09/10 Amount Committed	Amount Expended	Census Tract
CIP Project	Infrastructure	60,000	21,968	1530.02
CDBG-R Administration	Administration	33,781	4,316	N/A
TOTAL		93,781	26,283	

Homelessness Prevention and Rapid Re-Housing Program (HPRP)

In FY 2009/2010, the City received \$516,527 in HPRP funds through the American Recovery and Reinvestment Act. The City’s funds, along with the County of Sonoma HPRP funds, were provided to Catholic Charities of the Diocese of Santa Rosa for a HPRP program serving the residents of Sonoma County. In FY 2010/2011, all HPRP funds were expended and the program was concluded.

Activity Name	Type	FY 09/10 Amount Committed	Amount Expended	Census Tract
HPRP	Program	490,701	490,701	N/A
HPRP Administration	Administration	25,826	25,826	N/A
TOTAL		516,527	516,527	

Institutional Structure

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

Program Year 2 CAPER Institutional Structure response:

1. During FY 2010/2011, there weren’t any changes to the institutional structure of the CDBG and HOME programs; both of which continue to be administered by the Housing Authority, which provides policy guidance and administers the City’s various housing programs. The Housing Authority is staffed by the Department of Economic Development and Housing.

The City relies on private non-profit organizations as well as for-profit developers to build new, affordable units and rehabilitate existing housing units. The Authority will continue to work closely with these entities to ensure that each year as many new, affordable units are produced as possible. The City also relies on the non-profit service sector to provide emergency shelter and transitional and special needs housing, as well as operate the City-owned homeless shelter. The City will continue to support these organizations and their activities.

Monitoring

1. Describe how and the frequency with which you monitored your activities.
2. Describe the results of your monitoring including any improvements.
3. Self Evaluation

- a. Describe the effect programs have in solving neighborhood and community problems.
- b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.
- c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.
- d. Indicate any activities falling behind schedule.
- e. Describe how activities and strategies made an impact on identified needs.
- f. Identify indicators that would best describe the results.
- g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.
- h. Identify whether major goals are on target and discuss reasons for those that are not on target.
- i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

Program Year 2 CAPER Monitoring response:

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

On an annual basis, the City conducts monitoring visits on its CDBG Public Services Program funded agencies. Community Action Partnership Sonoma County and Catholic Charities of the Diocese of Santa Rosa received CDBG Public Services funding in Fiscal Year 2010/2011 and will be receiving monitoring visits in fall 2011.

HOME funded housing developments receive monitoring visits as well, but the frequency of the visits is based on the number of HOME funded units in the development.

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

The Fiscal Year 2010/2011 Monitoring Visits will be under way in fall 2011. In prior Monitoring Visits, the agencies have been found to be meeting their identified goals and complying with the requirements of the program. The CDBG monitoring visits are beneficial to both the City and the subrecipients. City personnel tour the facilities and review the accounting files, client records, and employee time cards in order to track expenditure of CDBG funds. Through these visits, agencies are able to demonstrate the strength of their programs and the need for funding. The agencies are found to be meeting or exceeding their annual goals with regard to the number of clients served.

3. Self-Evaluation

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

The programs funded through the CDBG Public Services Program assist in addressing neighborhood and community problems by providing shelter, meals, counseling, and referral services to homeless individuals and families. The Fair Housing program, funded with CDBG and local funds, provides assistance to landlords and tenants, which in many instances addressed neighborhood issues. These services allow residents of Santa Rosa to address the issues that they may be struggling with and obtain self-sufficiency, allowing them to become assets to the community.

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

The City Council prioritized the CDBG funds for affordable housing and identified the Public Services funding for homeless services. By identifying the Public Services funding for homeless services, agencies were able to provide food and shelter to members of the community; counseling and referral services for individuals and families struggling with substance abuse; and services for individuals with physical and mental health issues.

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

Through the funds provided by the CDBG Public Services Program, Catholic Charities of the Diocese of Santa Rosa was able to provide homeless individuals and families with safe and sanitary housing, meals, and counseling. The homeless shelters and facilities that are operated by Catholic Charities also provided workshops to enforce self-esteem, maintain sobriety, obtain employment or benefits, and obtain housing. All of these services are intended to promote self-sufficiency.

- d. Indicate any activities falling behind schedule.

None of the activities funded in Fiscal Year 2010/2011 fell behind schedule.

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

The City's goal of supplying Public Services funding to homeless service providers allows services to be available to individuals that are most in need. Through the programs that are funded by the Public Services program, homeless adults are provided with meals and shower facilities. Agencies that are funded through the Public Services Program participate in the Sonoma County Continuum of Care in order to pool their resources and refer clients to various community resources.

- f. Identify indicators that would best describe the results.

All applicants for CDBG Public Services Program funding are required to estimate the number of individuals that they will serve during the program year. The agencies are generally within close range of their identified goal.

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

There were no negative impacts associated with fulfilling the overall vision.

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

The major goals for the CDBG Public Services Program funded agencies were on target.

Projects that received CDBG funds for acquisition have experienced delays as a result of the current economic climate. Changes to the construction timeline must be reviewed and approved by the Authority.

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

There currently are no adjustments that need to be made.

Lead-based Paint

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

Program Year 2 CAPER Lead-based Paint response:

The City addressed the issue of Lead Based Paint (LBP) by providing notices to Landlords and Tenants that participate in the Section 8 Housing Choice Voucher program, Borrowers/Tenants of the City's Rehabilitation Loan Program, and homebuyers who use ADDI funds, warning them of the hazards of LBP. Through

the creation of new affordable housing units, low income households are able to reside in new housing units that are free of lead-based paint hazards.

HOUSING

Housing Needs

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

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

Program Year 2 CAPER Housing Needs response:

During FY 2010/2011, the Trust worked with developers to create affordable housing units. Below is a table summarizing the City of Santa Rosa's financial commitment to affordable housing:

PROJECT NAME	DEVELOPER/OWNER	CDBG HOME 2010/2011	CDBG HOME TOTAL TO DATE	OTHER CITY FUNDS 2010/2011	OTHER CITY FUNDS TOTAL TO DATE	EST. TAX CREDITS/BONDS	EST. OTHER FUNDING	TOTAL EST. PROJECT COST	# OF UNITS	TYPE
Acacia Lane	PEP	0	2,064,254	250,000	427,468	7,765,000	2,443,861	12,700,583	44	Senior rentals
W. Hearn Avenue	CHSC/VVC	0	245,407	0	0	0	2,615,275	2,860,682	15	Special Needs
Lantana Place	BHDC	0	1,478,703	500,000	900,000	12,402,717	19,296,686	34,078,106	96	Multi-family rentals
Amorosa Village I	BHDC	0	0	0	9,735,600	19,327,781	5,552,481	34,615,862	97	Multi-family rentals
Amorosa Village II	BHDC	0	0	0	6,560,589	10,563,271	1,940,046	19,063,906	53	Multi-family rentals
Catalina Townhomes	BHDC	0	0	0	0	0	5,000,000	20,004,000	60	Self-help ownership
Humboldt Apartments	BHDC	0	1,122,000	0	0	8,408,348	2,538,179	12,068,527	52	Multi-family rentals
Crossroads	BHDC	0	0	0	1,950,000	13,645,298	8,117,736	23,713,034	79	Multi-family rentals
New Railroad Square	JSCO/BHDC	0	0	0	0	13,471,211	13,337,087	26,808,298	65	Multi-family rentals
Tierra Springs	Riverside/USA	1,575,000	1,575,000	75,000	75,000	7,411,092	4,792,576	13,853,668	42	Multi-family rentals
Athena House	CHC			200,000	200,000	0	1,081,000	1,281,000	40	Special Needs
Hurley House	CPA	0	0	20,000	125,700	0	265,894	391,594	6	Special Needs
McMinn Avenue Shared Housing	CHSC	231,808	231,808	198,383	198,383	0	685,500	1,115,691	4	Special Needs
Appletree House	NBH	253,500	253,500	29,500	29,500	0	58,750	341,750	4	Special Needs

Windham Village	Bentall Residential	1,063,378	1,063,378	0	0	6,252,488	398,374	7,714,240	50	Multi-family & senior rentals
TOTAL		3,123,686	8,034,050	1,272,883	20,202,240	99,247,206	68,123,445	210,610,941	707	

Specific Housing Objectives

1. Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.
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.
3. Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.

Program Year 2 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.

Refer to response #2, below.

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.

Below is a summary of the City’s progress in providing affordable housing, the information is broken down by rental and ownership units.

a. Rental

i. New Projects

Humboldt – a 52-unit, multifamily rental complex being developed by Burbank Housing Development Corporation (BHDC) and the Hugh Futrell Corporation. Of the 52 units, 50 will be affordable as follows: 8 units to households at or below 50 percent of AMI and 43 units to households at or below 60 percent of AMI. One unit will be unrestricted for the resident manager. The City has provided a loan in the amount of \$1,122,000 and a FY 2011/2012 commitment for a

further advance in the amount of \$1,999,400, and construction is expected to start in December 2011.

Tierra Springs (formerly known as Kawana Springs) – a 42-unit, multifamily rental complex being developed by Riverside Charitable Corporation and USA Properties Fund, Inc. Of the 42 units, 41 will be affordable as follows: 9 units to households at or below 50 percent of AMI and 32 units to households at or below 60 percent of AMI. One unit will be unrestricted for the resident manager. The City has provided a loan in the amount of \$1,650,000. The project is delayed due to the highly competitive 9% tax credit financing market which has required the developer to pursue alternate financing.

ii. Projects In Predevelopment

Catalina Townhomes - a 60-unit, self-help ownership development by BHDC that will be targeted to households that do not exceed 80 percent of area median income. The City obtained a \$5,000,000 loan from the California Housing Finance Agency for the project, which is expected to begin construction in April 2012.

Clover Drive Townhomes - 5-unit development by a private developer, 1 unit of which will be restricted to a household at or below 50 percent of AMI for 15 years, pursuant to the City's Low Density Infill Policy. The project is delayed due to the depressed housing market.

Courtney Estates - 54-unit subdivision being developed by DeAngelis Construction. Of the 54 units, 8 will be rental units targeted to households at or below 80 percent of AMI for 30 years, as required by the City's Housing Allocation Plan (HAP). The project is delayed due to the depressed housing market.

Crossroads (formerly known as Burbank Avenue) – 79-unit, multifamily rental project sponsored by BHDC. Of the 79 units, 77 will be affordable to households as follows: 24 units to households at or below 30 percent of AMI, 32 units to households at or below 50 percent of AMI, and 21 units to households at or below 60 percent of AMI. Two units will be unrestricted for the resident managers. The site is located within the City's Southwest Redevelopment Area, but is currently outside of the city limits and is in the process of being annexed into Santa Rosa. The City has provided loan funds in the amount of \$1,950,000 for the development of this project; construction has been delayed due to uncertainty with the annexation of the site into the city limits, therefore, the project will move forward as a joint project between the City and the County of Sonoma with an estimated commencement date of June 2013.

Kawana Meadows - 30-unit multifamily rental complex being developed by a private developer. Of the 30 units, 19 will be restricted to households at or below 80 percent of AMI for 30 years, as required by the City's HAP. The project is delayed due to the depressed housing market.

Lantana Place – 96-unit multifamily, rental complex being developed by BHDC. Of the 96 units, 94 will be affordable to households as follows: 36 units to households at or below 30 percent of AMI and 58 units to households at or below 50 percent of AMI. Two units will be unrestricted for the resident managers. The number of units in the project was reduced from 100 to 96 once the project was designed. The unit mix was also changed from 30%, 50% and 60% to 30% and 50% to allow the project to be more competitive for funding. The City has provided a loan in the amount of \$2,378,703, and construction is expected to start in September 2011.

Railroad Square Affordable Housing – Cannery Apartments – 82-unit all-age, rental complex being developed by John Stewart Company (JSCO) in partnership with Burbank Housing Development Corporation (BHDC). Of the 82 units, 65 will be affordable to households at or below 60 percent of AMI and 17 units will be market rate, including the resident manager unit. The project is a component of the New Railroad Square mixed-use, transit-oriented development at the Downtown Santa Rosa station of the Sonoma-Marín Area Rail Transit system. The City's commitment of \$1,436,335 has technically expired due to the delayed construction start, and a new funding application is expected in July 2012. The anticipated construction start is January 2013.

iii. Projects Under Construction

Acacia Lane (Senior Housing) - 44-unit senior, rental complex being developed by Petaluma Ecumenical Properties (PEP). Of the 44 units, 43 will be affordable to households as follows: 18 units to households at or below 30 percent of AMI and 25 units to households at or below 50 percent of AMI. One unit will be unrestricted for the resident manager. The City has provided a loan in the amount of \$2,491,722, and construction began in April 2011.

Amorosa Village I – a 97-unit, multifamily rental complex being developed by BHDC. Of the 97 rental units, 96 are affordable to households as follows: 10 units to households at or below 30 percent of AMI, 58 units to households at or below 50 percent of AMI, and 28 units to households at or below 60 percent of AMI. The City has

provided funding in the amount of \$9,510,600; construction and occupancy is expected to occur in FY 2011/2012.

Alderbrook Heights - 56-unit, multifamily, rental complex being developed by Christopherson Homes. Initially, all 56 units were restricted to households at or below 80 percent of AMI for a term of 30 years. Due to subsequent tax credit financing and tax exempt multifamily housing revenue bonds issued by the City, 40 of the 56 units will be restricted for a term of 55 years, including 4 units affordable to households at or below 50 percent of AMI and 36 units affordable to households at or below 60 percent of AMI. Of the 56 units, 16 were completed in March 2006, 16 were completed in October 2006; construction of the remaining 24 units is delayed due to the depressed housing market and the bankruptcy of the developer.

iv. Projects Completed

Amorosa Village II – a 53-unit, multifamily rental complex developed by BHDC. Of the 53 rental units, 52 are affordable to households as follows: 7 units to households at or below 30 percent of AMI, 32 units to households at or below 50 percent of AMI, and 13 units to households at or below 60 percent of AMI. The City has provided funding in the amount of \$6,560,589; construction was completed in April 2011 and occupancy of the project is expected to occur in FY 2011/2012.

b. Ownership

The Orchard at Oakmont, a 165-unit subdivision, restricted to senior citizen households, completed the first phase of construction and began selling homes in summer 2006; 25 of the units are affordable to households at or below 80 percent of AMI. By the end of FY 2010/2011, eight (8) low-income households had purchased units. The City's Housing Allocation Plan (HAP) ordinance requires a 30-year resale restriction agreement, recorded with the sale of each of the affordable homes, which secures the resale price of the home.

Woodbridge, a 149-unit subdivision, completed the first phase of construction and began selling homes in winter 2007. Twenty-two (22) units were initially required by the City's HAP to be affordable to first-time homebuyers at or below 80 percent of AMI, nineteen (19) low income households have purchased homes at Woodbridge. In FY 2008/09, the City allowed the developer to sell three (3) of the original 22 HAP units to market-rate buyers, due to the economic downturn in the housing market, for which the developer paid a fee to the Authority of \$65,000 per unit, completing the developer's HAP requirement for

the subdivision to be used for affordable housing purposes. The resale price of the homes is restricted for seven (7) years, and the Authority has an option to purchase the home for 30 years. The Authority is providing an average of \$91,157 per unit in “in-kind” financing for each of the affordable homes. At the end of FY 2010/2011, a total of three (3) of the affordable units were lost to foreclosure and two (2) had undergone a short sale.

Dauenhauer Ranch, a 162-unit subdivision planned for 138 market-rate single-family homes and a 24-unit affordable rental apartment complex in compliance with the City’s HAP. The original owner/developer, Christopherson Homes, underwent a bankruptcy and the market rate portion of the subdivision was sold in a negotiated foreclosure sale to Meritage Homes of California in June 2010, including 65 lots in Phase I of the subdivision. Christopherson Homes retained title to the 24-unit affordable rental apartment site, which is a part of the Alderbrook Heights affordable rental complex (see above). Due to a number of factors, including the downturn in the economy and decline of the housing market, the 24 affordable rental apartment units have not yet been constructed. Pursuant to the HAP, market rate units in a development must be constructed generally concurrent (5 to 1 ratio) with the required affordable units. In order to proceed with construction of the Phase I market rate units consistent with the HAP, Meritage Homes will make available up to nine (9) for-sale affordable housing units to households at or below 120% AMI, as an interim solution until such time as the 24-unit affordable rental complex has been completed. By the end of FY 2010/2011, two (2) of the nine (9) affordable for-sale units were completed construction in preparation for sales activity to begin in Summer 2011.

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

The Trust continually works with Community Housing Development Organizations (CHDO) and non-profit organizations to address “worst-case” housing needs in the community. At the end of FY 2010/2011, the Trust provided a loan in the amount of \$430,191, of which \$231,808 was derived from CHDO funds, to Community Housing Sonoma County (CHSC) for the acquisition and development of an existing four-plex apartment building for use as permanent supportive housing for adults who have a psychiatric disability. CHSC acquired the property in January 2011. The project, McMinn Avenue Shared Housing, is currently under development and is expected to be occupied by January 2012.

The Trust provided a loan in the amount of \$283,000 to North Bay Housing Coalition (NBHC), of which \$253,500 was derived from CDBG funds, for the acquisition of an existing four-bedroom home for permanent supportive housing for developmentally disabled adults.

The Trust provided a loan in the amount of \$200,000 to California Human Development (CHD) for the acquisition of a property known as the as the Stonehouse Inn for use as a residential drug and/or alcohol treatment program for women, providing up to 40 beds. The project, Athena House, is currently under development and is expected to be occupied by January 2012.

Additionally, the Trust provided a further advance in the amount of \$20,000 to California Programs for the Autistic (CPA) for rehabilitation of its Hurley House property. The Trust has provided a total of \$125,700 in loan funds to CPA for the acquisition and rehabilitation of Hurley House.

Public Housing Strategy

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

Program Year 2 CAPER Public Housing Strategy response:

The City of Santa Rosa does not have any public housing units.

Barriers to Affordable Housing

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

Program Year 2 CAPER Barriers to Affordable Housing response:

In addition to the Analysis of Impediments, the City annually provides funds to affirmatively further fair housing. In 2010/2011, Fair Housing of Sonoma County (FHSC) operated by Community Action Partnership Sonoma County (CAPSC) was awarded a total of \$36,000: \$3,600 from CDBG funding and \$32,400 from local sources. FHSC provides free information and assistance to all residents of Sonoma County answering questions on housing related issues to landlords, tenants, and homeowners. The Fair Housing Advisory Task Force meets several times per year to advise and consult with FHSC on the quality of their work and the effectiveness of their outreach. FHSC makes presentations to housing providers, tenant groups, social service agencies, and the media. Information is readily available to the public through FHSC's website, hand books, the Fair Housing Hotline, and community presentations made by Fair Housing staff. FHSC publishes outreach materials bilingually (Spanish/English) and has bilingual staff. The AT&T interpreter line is available for translation in other

languages. FHSC provides service to all housing consumers and housing providers regardless of race, economic status, gender, ethnicity, sexual orientation, or disability. FHSC investigates discrimination complaints and coordinates referral services to assist individuals when their rights under the State and Federal housing laws have been violated.

The City's Housing Accessibility Modification (HAM) grant program is administered by Disability Services and Legal Center (DSLCL). This program enables tenants to have accessibility modifications made to their rental unit at no cost to themselves or the landlord. During Fiscal Year 2010/2011, DSLCL provided assistance to seven (7) households.

CDBG and HOME funds were used to assist with the acquisition and development of affordable housing targeted to households at or below 60 percent of area median income. Housing developers who use City funds for the development of affordable housing comply with fair housing laws and Section 504 requirements. In FY 2010/2011, 42 new units were assisted through an acquisition loan and 4 existing units were assisted through HOME-CHDO funds that will be used for acquisition and development expenses.

HOME/ American Dream Down Payment Initiative (ADDI)

1. Assessment of Relationship of HOME Funds to Goals and Objectives
 - a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.
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.
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).
4. Assessments
 - a. Detail results of on-site inspections of rental housing.
 - b. Describe the HOME jurisdiction's affirmative marketing actions.
 - c. Describe outreach to minority and women owned businesses.

Program Year 2 CAPER HOME/ADDI response:

1. Assessment of Relationship of HOME Funds to Goals and Objectives

In Fiscal Year 2010/2011, \$231,808 in CHDO funds was committed to McMinn Avenue Shared Housing for the acquisition and development of an existing four-plex apartment building for use as permanent supportive housing for adults who have a psychiatric disability. All 4 units will be affordable to households at or below 50 percent of AMI.

ADDI loans in the amount of \$25,950 were provided to three (3) first time homebuyers in FY 2010/2011. The City's ability to use the funds is due to the decline in real estate costs, which brought the sales price below 221 (d) (3) limits.

2. HOME Match Report

The City of Santa Rosa obtains its HOME Match funds primarily from the welfare contribution of properties that have received HOME funding from the City. There are currently 19 properties that contribute to the City's HOME Match requirement, which generated \$828,614 in Fiscal Year 2010/2011. The HOME Match report is attached.

3. HOME MBE and WBE Report

On an annual basis, the City submits the HOME MBE/WBE Report to HUD. The City encourages participation from minority and women business enterprises. This effort includes notices in bid solicitation, newspaper advertisements and contract clauses requiring contractors, to the greatest extent feasible, to provide opportunities for training and employment for minority and women business enterprises.

4. Assessments

a. Detail results of on-site inspections of rental housing.

The City conducts monitoring visits on HOME funded properties. The City monitors the following housing complexes in conformance with HUD guidelines which results in visits either annually, every two, or three years based on the size of the project: Sonoma Creekside, Apple Valley Lane/Papago Court, Giffen Avenue, Earle Street, Panas Place, Timothy Commons, South "E" Street, Brown Street House, Aston Avenue Apartments, Stony Point, Tamayo House, Olive Grove, Monte Vista, Arroyo Point, Jennings Court, and Rowan Court.

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

The City continually finds ways to distribute program and project information to groups that are underserved. Information is available in Spanish for many programs and activities. Both the AT&T Foreign Language Line and the TDD are utilized to ensure that information is available. The City's website is also available in 11 languages. There is also an ongoing requirement that the agencies receiving funds from the City utilize a variety of methods to reach the broadest population possible.

c. Describe outreach to minority and women owned businesses.

The City encourages the participation of minority and women business enterprises.

HOMELESS

Homeless Needs

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

1. Identify actions taken to address needs of homeless persons.
2. Identify actions to help homeless persons make the transition to permanent housing and independent living.
3. Identify new Federal resources obtained from Homeless SuperNOFA.

Program Year 2 CAPER Homeless Needs response:

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

The City of Santa Rosa works with the Sonoma County Continuum of Care to ensure that homeless services are accessible to residents.

The City of Santa Rosa had two City-owned, year-round homeless shelters: Brookwood, a 40-bed shelter, and Samuel L. Jones Hall, an 80-bed shelter. Additionally, a 15 percent increase in shelter occupancy, totaling 18 additional beds, was available between October and April to address winter weather conditions. As a result of the City's budgetary limitations, the Brookwood and Samuel L. Jones Hall shelters were consolidated on July 1, 2009 into one, 120 year-round bed facility at Samuel L. Jones Hall. The consolidation allows the City to provide the same level of services, but realize cost savings by operating one facility.

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

The Samuel L. Jones Hall Homeless Shelter, a 120-bed, year-round, City-owned shelter is partially funded by Community Foundation Sonoma County and the County of Sonoma. Through the funding provided by Community Foundation Sonoma County, services are available to shelter residents to assist them in obtaining employment, accessing benefits, moving into transitional and permanent housing, and ending the cycle of homelessness. The number of residents that move into transitional or permanent housing is reported monthly.

3. Identify new Federal resources obtained from Homeless SuperNOFA.

No new federal resources came directly to the City of Santa Rosa from the Homeless SuperNOFA. Non-profit agencies in Santa Rosa have received HOPWA, Federal Emergency Shelter Grant funds and other McKinney Act funds.

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

Program Year 2 CAPER Specific Housing Prevention Elements response:

The City works with the various homeless service providers in the community through the Public Services Program and through the City's participation in the Sonoma County Continuum of Care. During Fiscal Year 2010/2011, the Sonoma County Continuum of Care continued to work on the strategies identified in the ten-year Action Plan to end homelessness. The document, entitled "A Roof Over Every Head: Sonoma County's 10 Year Homeless Action Plan" is the result of nearly a year of collaboration between the Continuum of Care Steering Committee and the non-profit service providers to produce a document that reflects the needs of Sonoma County and assesses the resources that are available to end homelessness.

The City continues to have as a funding priority the stabilization and support of existing shelters and related services. The 2010/2011 allocation process for Public Services committed a total of \$32,400 in local funds and \$203,858 in CDBG funds for these programs. Approximately \$242,000 in local funds was set aside for operation of the Samuel L. Jones Hall Homeless Shelter.

Emergency Shelter Grants (ESG)

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

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

Program Year 2 CAPER ESG response:

The City of Santa Rosa does not receive ESG funding.

COMMUNITY DEVELOPMENT

Community Development

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

1. Assessment of Relationship of CDBG Funds to Goals and Objectives
 - a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.
 - b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.
 - c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.
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.
3. Assessment of Efforts in Carrying Out Planned Actions
 - a. Indicate how grantee pursued all resources indicated in the Consolidated Plan.
 - b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.

- c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.
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.
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.
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.
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.
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.
 - b. Detail the amount repaid on each float-funded activity.
 - c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.
 - d. Detail the amount of income received from the sale of property by parcel.
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.
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.
 - b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.
 - 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.
 - 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.
 - 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.
 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.
 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.
 - b. Provide the total CDBG funds involved in the program.
 - c. Detail other public and private funds involved in the project.
 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.

Program Year 2 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.

In FY 2010/2011, the City's CDBG funds were used to acquire a site for a new, affordable housing complex that will provide much needed housing units targeted to households at 50 percent and 60 percent of AMI. As

allowed by the CDBG regulations, 15 percent of the entitlement plus program income is prioritized for funding Public Services which the City allocated to homeless services providers.

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

In FY 2010/2011, the Housing Authority provided a loan to Riverside Charitable Corporation for the acquisition of a site for Tierra Springs Apartments (formerly known as Kawana Springs Apartments), when completed will be a 42-unit multifamily rental complex.

During FY 2010/2011, Acacia Lane Senior Housing, acquired with CDBG funds and developed with HOME funds, began construction. This development will provide 44 units, including 43 units affordable to senior households at or below 30% and 50% AMI. Construction is expected to complete by June 2012.

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

In Fiscal Year 2010/2011, CDBG funds were prioritized for the creation of affordable housing and homeless services through the Public Services Program. When reviewing applications for affordable housing projects, the City of Santa Rosa encourages projects to address the City's goal of creating units for extremely low and very low income households in order to assist in meeting the ABAG goals.

2. Changes in 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 City identified its priorities for the CDBG entitlement plus program income as follows: 80 percent for affordable housing and 15 percent to the Public Services Program.

3. Assessment of Efforts in Carrying Out Planned Actions

- a. How grantee pursued all resources indicated in the Consolidated Plan.

The City's 2009-2014 Consolidated Plan identifies the following goals:

- Increase the supply of affordable rental housing for the City's lowest income households;
- Provide housing and services to special needs populations;
- Increase homeownership for City residents;
- Provide funding for public facilities and improvements; and
- Preserve existing affordable housing stock.

In order to achieve these goals, the City identified programs and resources that could be accessed. Below is a summary of the achievements made with the resources that were accessed by the City and its non-profit partners:

Rehabilitation Loan Program. As result of the economic decline and decreasing revenue to the City, the rehabilitation loan program (funded with local housing funds) has been suspended temporarily. The City is focusing its limited resources on the development of new affordable rental units. Loans that were made to both low-income owner-occupant households and landlords who rent to low-income tenants continue to be monitored for compliance.

Redevelopment Housing Funds. The City receives 20 percent of tax increment funds from three redevelopment areas: Santa Rosa Center, Roseland, Southwest, and Gateways. The Low and Moderate Income Housing Fund plays an important role in funding city housing programs. It is one of many funding sources used for the production of new affordable housing units, housing rehabilitation and homeless and transitional housing. In Fiscal Year 2010/2011, Low/Mod funds accounted for approximately \$1.9 million of the Trust's production budget. The amount of Low/Mod funds available will continue to be fairly limited as a result of debt servicing on the Exchange Bank loan which was described in the leveraging section. These funds, along with Housing Allocation Plan In-lieu Fees, constitute a large portion of funds available for housing development in Santa Rosa in the coming years.

Operating Reserves of the Housing Authority. The Authority may allocate funds from its reserves for affordable housing projects. Reserves are derived based on the efficiency of operation of Authority programs. The amount of reserve funds varies, and reserves are not always available, depending on market factors and operating costs of the Authority.

Density Bonus Program. The Density Bonus Program allows projects to develop at densities higher than that allowed by the General Plan in return for affordable or senior units. The City's Density Bonus Program coincides with State law.

Section 8 Rental Assistance. The City receives Section 8 Housing Choice Vouchers. With these funds, the City was able to assist approximately 1,526 households in Fiscal Year 2010/2011, as well as administer the vouchers for approximately 250 families using Sonoma County's Housing Choice Vouchers within the Santa Rosa city limits. The City also administers a Family Self Sufficiency (FSS) program that had 48 clients at the end of FY 2010/2011.

Neighborhood Revitalization Program. The City administers a Neighborhood Revitalization Program to improve living conditions in identified neighborhoods through an interdepartmental city task force. The Department of Economic Development and Housing is the lead department responsible for coordinating the program. Other staff include: a police officer for law enforcement activities; a building inspector for building and code compliance issues; a fire inspector for fire safety and code enforcement; an attorney for prosecution of enforcement actions; a recreation program specialist for coordination of youth activities; and a community outreach specialist. The Neighborhood Revitalization Program considers neighborhood characteristics in determining a course of action for neighborhood improvements. Neighborhoods of primary focus in 2010/2011 include Aston Avenue, Sunset/Delport, and South Park; the Apple Valley/Papago and Corby/Olive neighborhoods continued to receive services through this program.

Mobilehome Rent Control. The City implemented rent control for mobilehome spaces in 1993 to help ensure affordability for homeowners, most of whom are on fixed incomes. At the same time, rent stabilization is intended to allow mobilehome park owners to maintain a fair and reasonable return on their investment. Annual rent increases are limited to the percent change in the Consumer Price Index.

Housing Allocation Plan. The HAP was established in 1992 to promote the development of affordable housing in Santa Rosa. New housing development in Santa Rosa is subject to the HAP. While some large projects are required to provide low income units on site, the majority of housing projects in Santa Rosa pay the Housing Allocation Plan in lieu fee. The program's basic requirement is that most projects have the option to pay a fee for the development of housing for lower income households. Projects of less than 15 acres may elect to provide 15 percent of the project's units as units affordable to low incomes, though few developers select this option. Projects of more than 15 acres are required to provide affordable units on site. While the HAP fee does add additional costs to new market rate units, the city finds that the fee provides a portion of the needed funding for affordable housing and helps projects compete in State financing competitions.

Low Density Infill Housing Policy. The Housing Element of the City's General Plan includes a policy, H-C-6, that allows developers of low density sites of 3 acres or less to develop at densities up to 15 dwelling units per acre when at least one Very Low or two Low Income rental units are included for every 10 market rate units, and affordability is maintained for 10 years.

Rezoning Exemption for Affordable Housing Projects. The City provides a rezoning exemption for development projects located in the Medium and Medium High Density Residential General Plan designations that have at least 25 percent of its total project units affordable to very low and/or low income households for a period of at least 30 years.

DRAFT

California Housing Finance Agency – Homeownership Mortgage Loan Program. Buyers in the Woodbridge Subdivision accessed CalHFA’s loan program and benefited from low interest rates for first time homebuyers. As a result of the State of California’s budget crisis, CalHFA suspended the program.

STATE OF CALIFORNIA - HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS

The State of California’s Department of Housing and Community Development has experienced a sharp decline in its ability to fund programs as a result of the State’s budget. Below are programs that projects located in the City of Santa Rosa had been able to access in the prior years, but are no longer available or resources are extremely limited:

Emergency Housing and Assistance Program Capital Development (EHAPCD). The City of Santa Rosa has been awarded \$1,500,000 in EHAPCD funds which were used for the acquisition and rehabilitation of the Samuel L. Jones Hall Homeless Shelter.

Mortgage Credit Certificates (MCC). MCCs provide an annual tax credit for first-time homebuyers thus reducing the amount of Federal income tax they pay. The County of Sonoma and the participating municipalities of Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Sebastopol, Sonoma, and the Town of Windsor sponsors a local MCC program which is available to eligible first-time homebuyers interested in purchasing a home anywhere in Sonoma County. The Sonoma County Community Development Commission administers the program under contract with Fred Consulting Associates. MCC funds are provided by the CDLAC through an annual bond allocation process. Since 1993, a total of 1,325 first-time homebuyers have received assistance under Sonoma County’s MCC program.

Multifamily Housing Program (MHP). MHP assists with the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households. MHP funds are provided for post-construction permanent financing only. Eligible costs include: the cost of child care; after-school care and social service facilities integrally linked to the assisted housing units; real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements; reasonable fees and consulting costs; and capitalized reserves.

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

The City is requested to provide certifications of consistency for organizations that are applying for federal funding through various grant opportunities provided by HUD. Upon receiving these requests, staff verifies the requesting organization's standing with the Sonoma County Continuum of Care to determine if they are meeting the goals and objectives that they have set forth and are good stewards of federal funds.

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

The City did not undertake any actions that would hinder implementation of the Consolidated Plan.

4. Funds Not Used for National Objectives

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

Funds received by the City are used for a National Objective identified by HUD for the CDBG program.

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

CDBG funds that were expended 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 CDBG assisted activities.

Projects that are funded with CDBG money are required to comply with Anti-displacement and Relocation regulations, if applicable. In FY 2010/2011, the Housing Authority provided a loan for the acquisition of Tierra Springs Apartments (formerly known as Kawana Springs), a site that had tenants in the existing structure. The tenants were provided with relocation benefits.

- 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.

Tierra Springs Apartments (formerly known as Kawana Springs), a site that had tenants in the existing structure. The tenants were provided with relocation benefits.

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

Tierra Springs Apartments (formerly known as Kawana Springs), a site that had tenants in the existing structure. The tenants were provided with relocation benefits.

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

The City does not use its CDBG allocation to fund low/mod job activities.

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 City's CDBG Public Services Program is targeted to limited clientele. The City prioritizes homeless service providers for the Public Services Program funding. Service providers are required to provide income and ethnicity information for their clients which is used to determine the eligibility of Low/Mod Limited Clientele. This information is entered into IDIS.

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

The City does not use revolving funds. Program income is used to fund all CDBG programs.

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

Not applicable. The City does not have float-funded activities.

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

Repayments totaling \$1,530,134 were made for housing loans (acquisition and rehabilitation).

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

The City did not receive program income from the sale of property in Fiscal Year 2010/2011.

- 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;

Not applicable

- b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;

Not applicable

- c. The amount returned to line-of-credit or program account; and

Not applicable

- d. Total Amount to be reimbursed and time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.

Not applicable

- 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.

The City does not provide loans for projects with an unspecified location. When a funding request is submitted, the location must be identified, and the borrower must have either an option to purchase or site control.

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

At the end of Fiscal Year 2010/2011, the City had 86 outstanding CDBG loans with a cumulative principal balance of \$18,855,539.05.

- 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.

At the end of Fiscal Year 2010/2011, the City had 21 outstanding, deferred loans, interest rates ranging from 3% to 5%, with a cumulative principal balance of \$1,418,997. The City had 14 outstanding Silent Second loans, interest rates ranging from 6% to 10%, with a cumulative principal balance of \$157,890.00. The loans are deferred from 15 to 75 years.

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

One loan was written off in FY 2010/2011, totaling \$9,342.

- 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.

Parcels that have been acquired or improved with CDBG funds were not available for sale at the end of the reporting period.

11. Lump sum agreements

The City of Santa Rosa does not administer 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 Trust operates several Housing Rehabilitation programs: an investor/owner rehabilitation program, an owner/occupant program, and a mobilehome repair program. As a result of the City's budgetary constraints in FY 2010/2011, the owner/occupant and mobilehome programs were suspended. The City continues to offer the investor/owner rehabilitation program. In FY 2010/2011, the City provided an investor-owner loan to California Programs for the Autistic (CPA), a non-profit, for rehabilitation of its Hurley House property.

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

As noted above, the owner/occupant and mobilehome rehabilitation programs, previously funded with Tax Increment funds from the City's Redevelopment Project Areas and Mortgage Revenue Bond funds, were suspended.

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

In FY 2010/2011, the City provided a loan in the amount of \$20,000, derived from Mortgage Revenue Bond proceeds, to California Programs for the Autistic (CPA) for rehabilitation of its Hurley House property.

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

The City does not use CDBG funds for its Neighborhood Revitalization Program, or does it have a HUD approved Neighborhood Revitalization Program.

Antipoverty Strategy

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

Program Year 2 CAPER Antipoverty Strategy response:

The programs funded with HOME and CDBG involve efforts to reduce the number of people living in poverty by promoting self sufficiency. The City provides development loans for affordable housing which lessen the financial burden of families struggling to make their housing payments.

Self sufficiency has also been accomplished by sponsoring non-profit homeless service providers to assist in the operation of programs/facilities that serve special needs such as homeless programs, tenant/landlord counseling services, services for abused and neglected women and children, and other groups identified in the Consolidated Plan. As well as the City's Section 8 Housing Choice Voucher Family Self Sufficiency Program.

Finally, the City's Neighborhood Revitalization Program sponsors a Community Organizer in five focus neighborhoods. Staff members from various departments, including a community organizer teach residents strategies to organize neighborhood associations and how to access services that can facilitate economical self sufficiency and integrate the residents into the broader Santa Rosa community.

NON-HOMELESS SPECIAL NEEDS

Non-homeless Special Needs

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

1. Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).

Program Year 2 CAPER Non-homeless Special Needs response:

The City of Santa Rosa continues to work with local CHDOs to assist in the acquisition, rehabilitation, and/or development of property that will provide housing to special needs populations. At the end of FY 2010/2011, the Trust provided a loan in the amount of \$430,191, of which \$231,808 was derived from CHDO funds, to Community Housing Sonoma County (CHSC) for the acquisition and development of an existing four-plex apartment building for use as permanent supportive housing for adults who have a psychiatric disability. CHSC acquired the property in January 2011. The project is currently under development and is expected to be occupied by January 2012.

Specific HOPWA Objectives

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

1. Overall Assessment of Relationship of HOPWA Funds to Goals and Objectives
Grantees should demonstrate through the CAPER and related IDIS reports the progress they are making at accomplishing identified goals and objectives with HOPWA funding. Grantees should demonstrate:
 - a. That progress is being made toward meeting the HOPWA goal for providing affordable housing using HOPWA funds and other resources for persons with HIV/AIDS and their families through a comprehensive community plan;
 - b. That community-wide HIV/AIDS housing strategies are meeting HUD's national goal of increasing the availability of decent, safe, and affordable housing for low-income persons living with HIV/AIDS;
 - c. That community partnerships between State and local governments and community-based non-profits are creating models and innovative strategies to serve the housing and related supportive service needs of persons living with HIV/AIDS and their families;
 - d. That through community-wide strategies Federal, State, local, and other resources are matched with HOPWA funding to create comprehensive housing strategies;
 - e. That community strategies produce and support actual units of housing for persons living with HIV/AIDS; and finally,
 - f. That community strategies identify and supply related supportive services in conjunction with housing to ensure the needs of persons living with HIV/AIDS and their families are met.
2. This should be accomplished by providing an executive summary (1-5 pages) that includes:

- a. Grantee Narrative
 - i. Grantee and Community Overview
 - (1) A brief description of your organization, the area of service, the name of each project sponsor and a broad overview of the range/type of housing activities and related services
 - (2) How grant management oversight of project sponsor activities is conducted and how project sponsors are selected
 - (3) A description of the local jurisdiction, its need, and the estimated number of persons living with HIV/AIDS
 - (4) A brief description of the planning and public consultations involved in the use of HOPWA funds including reference to any appropriate planning document or advisory body
 - (5) What other resources were used in conjunction with HOPWA funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other individuals or organizations
 - (6) Collaborative efforts with related programs including coordination and planning with clients, advocates, Ryan White CARE Act planning bodies, AIDS Drug Assistance Programs, homeless assistance programs, or other efforts that assist persons living with HIV/AIDS and their families.
 - ii. Project Accomplishment Overview
 - (1) A brief summary of all housing activities broken down by three types: emergency or short-term rent, mortgage or utility payments to prevent homelessness; rental assistance; facility based housing, including development cost, operating cost for those facilities and community residences
 - (2) The number of units of housing which have been created through acquisition, rehabilitation, or new construction since 1993 with any HOPWA funds
 - (3) A brief description of any unique supportive service or other service delivery models or efforts
 - (4) Any other accomplishments recognized in your community due to the use of HOPWA funds, including any projects in developmental stages that are not operational.
 - iii. Barriers or Trends Overview
 - (1) Describe any barriers encountered, actions in response to barriers, and recommendations for program improvement
 - (2) Trends you expect your community to face in meeting the needs of persons with HIV/AIDS, and
 - (3) Any other information you feel may be important as you look at providing services to persons with HIV/AIDS in the next 5-10 years
- b. Accomplishment Data
 - i. Completion of CAPER Performance Chart 1 of Actual Performance in the provision of housing (Table II-1 to be submitted with CAPER).
 - ii. Completion of CAPER Performance Chart 2 of Comparison to Planned Housing Actions (Table II-2 to be submitted with CAPER).

Program Year 2 CAPER Specific HOPWA Objectives response:

The City does not receive HOPWA funding.

OTHER NARRATIVE

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

Program Year 2 CAPER Other Narrative response:

DRAFT