



CITY OF PETALUMA

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Consolidated Annual Performance and Evaluation Report (CAPER)

Fiscal Year 2023-2024

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CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This fourth year (Fiscal Year 2023-2024) Consolidated Annual Performance and Evaluation Report (CAPER) outlines how the City of Petaluma (City) met the needs and objectives outlined in the 2020-2024 Consolidated Plan (Consolidated Plan) and the FY2023-24 Community Development Block Grant (CDBG) Annual Action Plan (AAP). The reports are posted on the City's website at [City of Petaluma Housing Current Reports and Documents](#).

The Consolidated Plan identifies five (5) goals to address the City's housing and community development needs between the Fiscal Years 2020-2024:

1. Improve housing opportunities by preserving existing affordable housing.
2. Provide housing and services to low-income populations, including but not limited to, children, seniors, and special needs population (homeless, disabled, etc.)
3. Increase the supply of affordable housing.
4. Promote housing opportunities for homeownership.
5. Improve accessibility in public facilities and infrastructure.

To support achieving the goals outlined in the Consolidated Plan and FY2023-24 CDBG Action Plan, the City prioritized use of its CDBG funds and other local funding sources for affordable housing and related services for low-income Petaluma residents. City CDBG projects support the production, preservation and protection of stable, affordable housing.

In FY2023-24, to achieve the Consolidated Plan goals, the City administered \$3,571,483 – which included its regular annual CDBG grant allocation of \$330,388; The City had a total of \$54,848.12 in leftover Community Development Block Grant (CDBG) funds from previous years. This amount includes \$40,000 carried over from the fiscal year 2021-22, \$6,239.41 from an administrative draw overage in 2018, and \$8,608.71 in residual balances from unspent funds accumulated over earlier years. Non-CDBG funding in the amount of \$3.2 million consisting of other Housing Funds (e.g., Housing In Lieu, general funds, other local funds) were used for low-income community services, homeless programs, and preservation of existing affordable housing.

The following table summarizes allocation of City funds to projects which furthered City progress toward meeting the Consolidated Plan goals.

FY 2023-24 City Investments in Consolidated Plan Goals		
Source	Project	Allocation
CDBG	Rebuilding Together (preserve existing affordable housing)	\$ 218,344
CDBG	Petaluma Ecumenical Properties (PEP)	\$ 75,000
CDBG	Petaluma People Services Center (PPSC) (senior/special needs meal delivery)	\$ 49,436
CDBG	City of Petaluma (grant program administration)	\$ 27,608
	SUBTOTAL CDBG ANNUAL	\$ 370,388
Other Housing Funds	PPSC (rental assistance and fair housing)	\$ 142,045
Other Housing Funds	Housing Land Trust (preservation of affordable homeownership housing)	\$ 75,000
Other Housing Funds	COTS, DST, HomeFirst, PPSC, SAFE (homeless shelter and services including outreach, By Names List Management and Landlord Recruitment, behavioral health)	\$ 2,984,050
	SUBTOTAL OTHER FUNDS (EG HOUSING IN-LIEU, TOT, COMMERCIAL LINKAGE, MEASURE O) - NOT FOR AFFORDABLE RENTAL HOUSING DEVELOPMENT	\$ 3,201,095
	TOTAL CITY INVESTMENTS IN CONSOLIDATED PLAN GOALS FY 2023-24	\$ 3,571,483

Table 1: City Investments in Consolidated Plan Goals FY2023-24

The City met the majority of its FY2023-24 CDBG Action Plan goals by protecting low-income community members from homelessness or its impacts and preserving affordable housing. The CDBG-funded meals delivery program exceeded its year-end goal by serving 297 more unduplicated clients than expected. The minor home repair program, initially falling short by serving 40 out of 50 targeted households due to rising construction costs, was able to surpass its goal by serving over 50 households in FY 2023-24 through leveraging non-CDBG funding. Housing Commercial Linkage and Housing In-Lieu funds were allocated to augment the CDBG program supporting the Consolidated Plan goals in FY2023-24. No FY2023-24 CDBG funds were allocated for Homeless Services; the City funded its Homeless Services programs with other sources. The following summary highlights impacts of City investments in FY2023-24:

Protection (immediate services to protect vulnerable households, meeting Consolidated Plan goal to provide housing and services to low-income populations, including but not limited to, children, seniors, and special needs populations such as homeless or disabled):

With CDBG Funds:

- Low-income seniors and people with special needs received food delivery services through a public service Meals program.
Outcome – 697 people were provided access to quality public services, a more than 100% increase over the prior year.

Preservation (medium-term services to meet Consolidated Plan goals to preserve existing affordable housing, promote home ownership, and to provide housing and services to low-income households including children, seniors, and special needs):

With CDBG Funds:

- Modernized elevator in senior affordable housing building.
Outcome – Improved ease of access and repaired the elevator in a two-story building located at 579 Vallejo Street, that is occupied by 40 low-income seniors.
- Urgent home repairs (e.g., plumbing, roofing, electrical), home modifications for accessibility, and water and energy efficiency services.
Outcome – Allowed 40 low and very low-income homeowners, or renters, and who are seniors, disabled, female heads of household or families with children to remain safely in their homes.

With Non-CDBG Funds

- Landlord trainings to preserve housing stability and available rental housing supply.
Outcome – 179 landlord trainings.
- Tenant counseling to ensure compliance with fair housing in landlord disputes and other tenant issues that put housing stability at risk.
Outcome – 1,633 consultations.

Production (long-term impacts of projects implemented to meet Consolidated Plan Goal 3 – increase supply of affordable housing):

With Non-CDBG funds

- In FY 2020-21, the City awarded \$900,000 of HCD HOME and \$1,100,000 of In- Lieu Funds to MidPen for 414 Petaluma Blvd North, a 44 unit very-low-income family housing development with 13 units of permanent supportive housing and 18 units designated for agricultural and farm workers.
Outcome – The project has completed construction and began accepting tenant applications in July 2024.
- In FY 2020-21, the City awarded \$2,000,000 to Danco for a 131-unit affordable housing development with 33 permanent supportive housing units, which provided leveraged funds the project used to receive an additional \$31,000,000 in 2023 from the State of California Affordable Housing Sustainable Communities Program.
Outcome - The developer continues to work on securing additional subsidy funding for the project with this significant leveraging secured.
- In FY 2022-23, the City provided \$500,000 of Housing In-lieu Funds to MidPen Development for Washington Commons site acquisition. The project will create 50 units of affordable family housing.
Outcome – MidPen continues to work on securing additional financial subsidies for the project using the City funding as leverage.
- In FY 2022-23, Burbank Housing began working on a 50-unit affordable housing development located at 1601 Petaluma Boulevard South. Of the total 50 units, 13 will be designated for Permanent Supportive Housing.
Outcome – The anticipated project opening is Fall 2025.

Comparison of proposed versus actual for each outcome measure submitted with

consolidated plan and explanation if progress not made. 91.520(g)

The following table summarizes planned versus actual outcomes for the annual CDBG program Action Plan Year 4 (2023-2024).

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Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected 5-Year Goal	Actual To Date	Percent Complete of 5 Year Goal	Planned Current Program Year	Actual Result Current Prog Yr	Percent Complete
PRESERVATION										
Preservation of existing affordable housing	Affordable Housing, Homeless, NonHomeless Special Needs	CDBG: \$218,344 (RBT)	Homeowner Housing Rehabilitated	Household Housing Unit	180	168	93%	50	40	80%
Preservation of existing affordable housing	Affordable Housing, Non Homeless	CDBG \$75,000 (PEP)	Rental Housing Rehabilitated	Household	N/A	N/A	N/A	40	40	100%
Preservation of existing affordable housing	Affordable Housing	City Funds \$75,000 (HLT)	Homeowner stewardship and education	Persons Assisted	1600	1,238	77%	200	436	218%
PROTECTION										
Provide hsng/ svcs to special needs pops	Community Services/Meals	CDBG: \$49,436 (PPSC)	Activities other than Lo- Mod Inc Hsng	Persons Assisted	1,250	1,431	119%	300	697	232%
Services for low-income families	Community Services/Fair Housing Program	Other Housing Funds \$142,045 (PPSC)	Activities other than Lo- Mod Inc Hsng	Persons Assisted	N/A	N/A	N/A	900	1,812	201%
Shelter and related services	Homeless, Special Needs (incl outreach, shelter, meals)	General Fund + Encampment Grant +County Measure O	Activities other than Lo- Mod Inc Hsng Benefit	Persons Assisted	N/A	N/A	N/A	690	1,149	167%
Services to special needs populations	Community Services (SAFE Program)	General Fund \$875,000	Activities other than Lo-Mod Hsng Benefit	Persons Assisted - duplicated	N/A	N/A	N/A	N/A	440	N/A

Table 2: Accomplishments – Program Year & Strategic Plan to Date

Assess how jurisdiction’s use of funds, particularly CDBG, addresses priorities and objectives identified in the plan, giving special focus to highest priority activities.

All funds expended from the CDBG Program were used to address the goals and objectives identified in the City’s 2020-2024 Consolidated Plan and FY 2023-24 Action Plan. The City has prioritized its CDBG funds and other local funding sources for affordable housing purposes, as noted in the summary of accomplishments provided in the introduction to this section. Due to the limited amount of regular annual CDBG funds received, the City focused those priorities on rehabilitation of multi-family affordable rental housing and single-family homes owned or rented by low-income residents. Historically this program served primarily seniors, persons with disabilities, and veterans. City staff is working in partnership with providers to expand access and participation of female heads of household, families with children, minorities and other underserved community members. We are working to preserve affordable units through initiatives like our Minor Home Repair and Modification Program in collaboration with Rebuilding Together Petaluma, as well as the Petaluma Ecumenical Properties' elevator modernization project. Another priority is providing services to seniors and disabled community members, which we have achieved by utilizing CDBG funds to support the Petaluma People Services Center’s Meals Program.

The City does not anticipate an increase in its annual source of CDBG funds, so it is critical the City continue to work with development partners in applying for and securing additional state and federal funding to increase affordable housing development. The City encourages and supports developers of new projects with Housing In-Lieu and Commercial Linkage Funding. In December of 2022, the approved City Council Resolution # 2022-182 N.C.S. which provides reduced impact fees for deed restricted 100% affordable housing developments in Petaluma.

CR-10 - Racial and Ethnic composition of families assisted – 91.520a

FY 2023-24	CDBG	Other Sources	Total
White	653	1,614	2,267
Black or African American	30	108	138
Asian	19	44	63
American Indian or American Native	2	36	38
Native Hawaiian or Other Pacific Islander	3	12	15
Declined to State	25	198	223
TOTAL	732	2,012	2,744
Hispanic	132	271	403
Not Hispanic	600	1,741	2,341

Table 3: Table of CDBG assistance to racial and ethnic populations by source of funds

The CDBG program is, for the most part, serving low-income households, including minority racial and ethnic households at rates similar to the proportion of the low-income household in these categories for the City of Petaluma. However, low-income white households are served at a higher proportion than their percentage that is indicated in the 2022 American Community

Survey five-year U.S. Census Data. White households make up 69% of the population living below poverty level according to the census data but were 82% of the households served by CDBG funds. This difference can be explained by the demographics of the senior population in Petaluma, which is mostly Caucasian. The other racial categories were within comparable range for Census data. The demographics of the population served by the program underscore the importance of the City and its community partners enhancing outreach efforts to ensure that underserved minority communities have equitable access to programs and services. Efforts are already underway to address this need and improve outreach effectiveness.

CR-15 - Resources and Investments 91.520(a)

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	\$385,232	\$370,388
HOME	HOME	\$0	\$0
HEAP	HEAP	\$0	\$0
ESG	ESG	\$0	\$0
Other Program Income	Commercial Linkage, In- Lieu Housing, General, State of CA Encampment Resolution, Sonoma County Measure O	\$3,571,483	\$3,571,483

Table 4: Resources Made Available

In FY 2023-24, the City received \$330,388 in CDBG funds. The amount expended during the Program Year 2023-24 was \$370,388 including City grant administration. The difference is explained by a total of \$54,848 the City had remaining of CDBG funding carryover from prior years, which was fully expended in FY 2023-24. The City has a remaining balance of FY 2023-24 funding of \$14,848 which will be carried forward into FY 2024-25 and used to support programs. The City neither received nor expended any new HOME, HEAP or ESG funds in FY2023-24.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
N/A	N/A	N/A	N/A

Table 5: Identify the geographic distribution and location of investments

The funds that are allocated to the City are available city-wide with no priority assigned to geographic regions. Instead, funds are allocated to organizations that provide low-income households with housing and supportive services. On an annual basis, the City prioritizes the use of its CDBG funding for the development of affordable housing (including preservation and conservation) that serve low-income households and to address services for the low-income community such as the PPSC Home Delivered Meals Program.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

To leverage the City's modest CDBG entitlement, Petaluma uses non-CDBG resources to address needs of its low- and moderate-income residents, including the following:

- **In-Lieu Housing Fund and Commercial Linkage Housing Fund** – these receive income from commercial and residential development projects. The estimated total balance in those Housing Funds combined is \$1,077,212 as of June 30, 2024. Future income with both funds is not guaranteed as it is generated from residential and commercial development impact fees.
- **Low-cost leasing of City-owned properties to nonprofit providers.** For \$1.00 a year per property, the City leases four properties to Committee on the Shelterless for supportive housing and one to Nations Finest for Veterans' supportive housing. The value for use of these properties is estimated at a total of \$300,000 per year (approximately \$5,000 per month per home.)
- **No-cost use of City-owned facilities** – includes 211 Novak Drive for a Senior Center, and 1500 Petaluma Boulevard South for a shelter and community services center. Total estimated rental value for both buildings is approximately \$300,000 annually.
- **State of California Encampment Resolution Grant and Sonoma County Measure O.** In FY2023-24, the City leveraged these one-time grant funds to augment homeless services including operating non-congregate shelter, expansion of street outreach and dedicated mental health services.
- **State of California Housing and Community Development (HCD) Permanent Local Housing Allocation (PHLA).** To augment City funds for affordable housing development, the City accesses this entitlement jurisdiction formula grant funding, which totals \$1,106,142 for a 5-year allocation period that began in 2019. Eligible uses include affordable housing development and preservation, and assisting persons who are experiencing or at risk of homelessness.
- **State of California Housing and Community Development (HCD) Local Housing Trust Fund (LHTF)** provides revenues for affordable housing activities including new construction, preservation or rehabilitation of existing housing, land acquisition for development of affordable housing, pre-development activities and gap financing loans. The City was awarded a State LHTF Matching Grant for \$1,100,000 for the Studios at Montero 60-unit permanent supportive housing project in May 2023.

- **Funding leveraged through contracted service providers.** Service providers funded by City CDBG subcontracts (Petaluma People Services Center, Rebuilding Together Petaluma, and Petaluma Ecumenical Properties) leverage additional private and public funding sources in order to deliver program services.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	50	40
Number of Special-Needs households to be provided affordable housing units	40	40
Total	90	80

Table 6 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rehab of Existing Single-Family Units owned by Low-Income Households (Rebuilding Together Petaluma)	50	40
Number of households supported through Rehab of Existing Low Income Rental Units for Seniors (Petaluma Ecumenical Properties)	40	40
Total	90	80

Table 7 – Number of Households Supported

Discuss difference between goals and outcomes and problems encountered meeting goals.

Due to higher than anticipated per-unit expenses for repairs and modifications through the Rebuilding Together Petaluma program, the allocation of FY2023-24 CDBG funds was able to assist with preservation of housing for 40 households versus the original target of 50 for the year.

Discuss how these outcomes will impact future annual action plans.

The City has prioritized its CDBG funds for the preservation of affordable housing during the upcoming FY 2023-24 program year. The City is hopeful that the additional mechanisms and resources through State sponsored programs will support the City in meeting future affordable housing goals. The FY2023-24 outcomes help inform the City's Three-Year Homeless Strategic Action [Plan](#) which spans 2022-2025 and incorporates goals implemented through its CDBG Consolidated Action Plan. On June 20, 2022, the City Council adopted Petaluma's first Strategic

Action Plan to End Homelessness (Plan), and this Plan provides guidance and priorities for City policies, programs and investments over a three-year period ending June 30, 2025.

At the highest-level, the Plan calls for building a homeless system of care that will be able to end long-term, chronic homelessness in Petaluma by the end of 2025 and in the process, create a crisis response system that ensures homelessness becomes a rare, brief, and one-time experience in our community. The Plan then describes how this vision can be achieved by implementing a variety of different strategic focus areas, including:

1. Creating a robust “housing-focused” outreach system that links people experiencing homelessness with new options through increased numbers of permanent supportive housing units and creative shelter options for vulnerable sub-populations,
2. Creating and/or securing access to new permanent supportive housing units to provide sufficient housing and services for people experiencing chronic homelessness,
3. Improving the Petaluma Coordinated Entry access point through which people access housing and shelter options,
4. Tackling root causes of homelessness to prevent loss of housing in the first place,
5. Increasing the City’s internal capacity to respond to homelessness, leverage the community to accelerate progress, and build alignment with other cities and subregions,
6. Tackling the root causes of homelessness, e.g., through growth of affordable housing, tenant protection initiatives, income growth and safety net protections,
7. Leveraging the community to accelerate progress through increased education and information regarding homelessness, fee waivers for affordable housing, and improved landlord engagement, and
8. Building alignment with other cities and subregions including shared funding agreements and advocacy for subregional resource commitments from the County.

Include the number of extremely low-income, low-income, and moderate- income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served by CDBG and HOME Funds	CDBG Actual	HOME Actual
Extremely Low-income	40	0
Low-income	40	0
Moderate-income	0	0
Total	80	0

Table 8 – Number of Households Served

A total of 40 low and extremely low-income homeowner households benefited from Rebuilding Together Petaluma’s rehabilitation program, representing a 25% increase in number of households served by the program over the prior year. A total of 40 low-income senior households benefited from the Petaluma Ecumenical Properties elevator modernization.

The City also worked with non-profit developers on three affordable rental housing developments which will serve low to moderate income households:

- MidPen/Washington Commons – 50 units of affordable housing
- Burbank Housing/River Place – 50 units of affordable housing in construction
- Danco/Meridian at Corona Crossing – 131 units of affordable housing

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Addressing emergency shelter and transitional housing needs of homeless persons

The annual *Sonoma County Point in Time Census* provides a snapshot of how many people are experiencing homelessness on a given night. After registering a 22% decrease in 2023, the 2024 count recorded an 11% increase, identifying 2,522 people experiencing homelessness, up from 2,266 in 2023. The [2024 Preliminary Point in Time Report](#) by the Sonoma County Continuum of Care noted that the end of COVID-era funding for shelter sites led to many previously housed individuals returning to the streets. The full 2024 report, including Petaluma-specific data, is expected to be released in September 2024.

The most current census of people experiencing homelessness is found in the Petaluma By-Names List (BNL) report. As of June 30, 2024, the Petaluma BNL reported 316 people experiencing homelessness in the city. Of these, 146 (46%) were chronically homeless, 63 (20%) were non-chronic, and 107 (34%) had unknown status due to lack of assessment data. Approximately 109 people (35%) were sheltered.

In June 2022, the City Council adopted Petaluma's first Strategic Plan to End Homelessness, guiding City policies, programs, and investments through June 2025. The Plan aims to end long-term, chronic homelessness in Petaluma by 2025 and establish a crisis response system to make homelessness rare, brief, and non-recurring. The following Strategic Plan to End Homelessness Year 2 achievements were highlighted in a report presented to Council for FY2023-24:

- **Expanded Street Outreach and Proactive Encampment Resolution** – Within two quarters of their FY23-24 contract, street outreach provider HomeFirst enrolled 63 people into Coordinated Entry, including 18 first-time enrollees. By March 2024, 239 of the 276 individuals on the Petaluma BNL were enrolled in Coordinated Entry. To address the ongoing challenge of people living in encampments, a multi-agency collaborative including HomeFirst, COTS, the Petaluma Police Department and the City Housing and Homeless Services team worked throughout FY2023-24 to implement systems-level improvements, including:
 - Outreach integrated with meal service,
 - Neighborhood encampment response patrols in the Riverfront and Hopper/Caulfield areas – includes volunteer officer night patrols, and
 - Development of an Encampment Response Toolkit to standardize approach and prevent encampments from growing.

In April 2024, the City submitted an \$8M proposal to the State of CA Interagency Council on Homelessness for the Round 3 Encampment Resolution Fund (ERF-3R). The funds would be used to move 100 individuals from encampments into permanent and interim housing, expand emergency shelter capacity, and pilot service expansions. If funded, project activities will include:

- Expanding capacity and utilization in existing emergency shelter programs at Mary Isaak Center (adults/congregate) and Kids First (family shelter).
 - Subsidizing operating costs of Peoples Village non-congregate shelter.
 - Increasing the number of permanent supportive housing units in Petaluma.
 - Enhancing housing-focused outreach with a “housing problem solving fund.”
 - Providing dedicated clinical behavioral health support for encampment residents.
 - Offering medium-term rental assistance (up to 24 months) if local housing vouchers are unavailable.
 - Staffing two new Housing Retention case manager positions to ensure stability after moving into permanent housing.
 - Staffing a new Landlord Liaison position to serve as a point of contact for landlords, separate from the project case manager.
-
- **Landlord Recruitment Initiative (LRI)** – By the end of this new initiative’s third quarter in operation, HomeFirst recruited 6 landlords, housed 6 individuals, and issued 16 tenant assistance payments. The program contacted 122 landlords since inception, with 4 retained through ongoing support, despite challenges due to a lack of rental subsidies.
 - **Dedicated Mental Health Services** – Funded by Sonoma County Measure O, Petaluma People Services launched mental health services integrated with the By-Name-List and Street Outreach, offering individual and group counseling, and engaging a behavioral health specialist in weekly case conferencing.
 - **Emergency Shelter Partnership** – Over the past year, COTS and the City strengthened shelter programs, increasing housing exists from Mary Isaak Cetner and People’s Village, and improving response to extreme weather. Winder 2023-24 efforts served 570 individuals in need of safe shelter.
 - **Alignment with Broader Strategies** – Petaluma’s Street outreach efforts influenced a county-wide standardized model, with Sonoma County Continuum of Care adopting Program Standards for Street Outreach, based largely on Petaluma’s work since 2022.
 - **Lived Experience Input** – Feedback from surveys and focus groups conducted in October 2023 of homeless individuals in Petaluma highlighted the need for better system navigation, increased access for Hispanic / Latinx community members, and more non-congregate shelter options.
 - **By Names List Improvements** – Managed by HomeFirst, the Petaluma BNL team expanded case management to all known homeless individuals in the city. Weekly

meetings with local service providers and stakeholders help coordinate care and address trends in homelessness.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from public institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies for housing, health, social services, employment, education, or youth needs

In 2022, the City of Petaluma launched the Guaranteed Basic Income (GBI) Program in collaboration with the Sonoma County Pilot, which aimed to increase financial security for low-income families by providing monthly financial support to 500-750 families over 24 months, particularly those heavily impacted by COVID-19. Petaluma People Services Center (PPSC) played a key role in outreach, helping 1,198 applicants complete the process, with 52 families ultimately receiving GBI payments. The program also connected participants to additional services such as parenting programs, mentorship, and workforce development to further enhance their economic mobility and well-being.

To prevent more people from becoming homeless, the City of Petaluma, City of Santa Rosa and County of Sonoma have partnered to launch *Keep People Housed* – a county-wide homelessness prevention pilot built in partnership with All Home, a nonprofit agency advancing regional solutions to address homelessness in the Bay Area. All Home has developed and tested a regionally coordinated homelessness prevention program for households with income below 50% of Area Median income in multiple counties. The system 1) pairs rapid, flexible financial assistance with housing stabilization services and legal aid referrals for people facing eviction, and 2) prioritizes households using an on-line platform for program intake and assessment. To resource the pilot, All Home is providing \$1.3M in funds to match combined contributions from Petaluma (\$300,000), Santa Rosa (\$500,000), and the County of Sonoma (\$500,000.) With the total of \$2.6M in new prevention resources, the pilot will launch in October 2024.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

One of the greatest barriers to preventing and ending homelessness in Petaluma and across Sonoma County is the shortage of affordable housing. Petaluma, being a small jurisdiction, is committed to preserving and rehabilitating existing affordable housing stock and working with both non-profit and for-profit developers in the construction of affordable units when the opportunity arises. Four projects in Petaluma's affordable housing pipeline are benefiting from the City's impact fee waiver. By 2026, 224 new units, including 59 permanent supportive housing units, will be completed across three developments: 414 Petaluma, Meridian at North Station, and River Place. Leasing at 414 Petaluma Blvd began in July 2024. Expansion of access to additional privately held units for people exiting homelessness will continue through the City's Landlord Recruitment initiative with HomeFirst. COTS (the City's emergency shelter

provider) and HomeFirst are partnering through Landlord Recruitment to help people experiencing homelessness access affordable housing units (both PSH and non-PSH) via financial assistance, help navigating the application and move-in processes, and short-term support to ensure housing retention after move-in to permanent housing.

This emphasis on permanent affordable housing development and landlord recruitment is supported by the City's overall response to homelessness which includes the following short-term, interim and long-term solutions:

- **Short-Term:**
 - ***Downtown Streets Team (DST)*** – outreach focused on general resource connection, streets and encampment clean-ups.
 - ***Home First*** – By Names List case conferencing facilitation, housing-focused outreach, employment program, collaboration with court referral, jail re-entry, and health care partners.
- **Interim Solutions**
 - ***Home First*** – Landlord Recruitment and housing stabilization support.
 - ***COTS*** – housing-focused shelter with case management support and housing placement program. Includes both congregate and non-congregate options.
 - ***SAFE Program*** - mental health first response for crises involving mental illness, homelessness, and addiction.
 - ***Guaranteed Basic Income Pilot*** – two-year pilot program 2022-2024 to determine impact of guaranteed basic income to prevent homelessness and increase stability
 - ***Fair Housing*** – landlord training and tenant consultation to support retention of tenants in affordable housing units
- **Long-term Solutions**
 - ***COTS*** – permanent supportive housing with services
 - ***Petaluma People Services Center*** – rental assistance
 - ***Nations Finest*** – veterans housing support services.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing.

The City does not own or operate public housing units. There are approximately 517 Section 8 vouchers that have been issued through the Sonoma County Housing Authority for persons living in Petaluma. The 414 Petaluma Boulevard North affordable housing development scheduled to open in spring of 2024 will include 16 project based vouchers. New affordable housing developments in the current pipeline are also integrating project-based vouchers for permanent supportive housing to provide economic support that ensures long-term housing stability for residents.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

When there are new affordable homeownership opportunities, notifications are placed in the local newspaper reaching out to all First Time Homebuyers and distributed via City email newsletters to interested potential homeowners. The City is in the process of reviewing all program materials to ensure the highest levels of accessibility to increase alignment with City Diversity, Equity and Inclusion policies.

Actions taken to provide assistance to troubled PHAs.

Not Applicable

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

In 2024, the City of Petaluma was awarded Prohousing Incentive Pilot program funding which will further augment CDBG funds for development of affordable housing and provision of homeless services. The California Department of Housing and Community Development (HCD) worked with multisector collaborators to create Prohousing regulations and began administering the Prohousing Designation program in June 2021. As of February 1, 2024, 37 cities across the state had received the Prohousing Designation – including the City of Petaluma. The Prohousing Designation Program aims to incentivize these key principles: 1) increase development capacity, variety, streamlining; 2) planning consistent with state priorities; 3) promote equitable communities; 4) collaborate to align policies and programs; and, 5) implementation of relevant housing statutes. The City applied for HCD Prohousing Incentive Pilot program grant funding and was awarded a commitment of \$840,000 in July 2024 to help address growing homelessness in the region in light of the continued need to increase access to affordable housing.

Petaluma ensures compliance with the Federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 for all new housing construction projects. This includes that, at a minimum, five percent of the total dwelling units shall be made accessible for persons with mobility impairments. Potential constraints to housing development in Petaluma may include infrastructure, residential development impact fees, land use, growth management, and zoning ordinance provisions. A detailed analysis of these potential barriers is provided in the [*City of Petaluma 2023-2031 Housing Element*](#). Some of Petaluma's significant strategies for removing the barriers to affordable housing have included:

- The City of Petaluma reviews their development impact fees on an annual basis and reduced or combined several fees as possible – including impact fee waiver for 100% affordable developments (approved by [Resolution in November 2022](#).)
- The City of Petaluma adopted an inclusionary housing ordinance in September of 2018 to require all residential developments with 5 or more units to build on-site affordable units

in the development.

Actions taken to encourage public residents to become more involved in management and participate in homeownership.

When homeownership opportunities arise, notifications are placed in the local newspaper, posted on the Housing Land Trust and social media pages, and sent via email to all First Time Homebuyers and interested homeowners. The City is currently reviewing all program materials to ensure they are as accessible as possible, in line with City Diversity, Equity, and Inclusion policies.

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Actions taken to provide assistance to troubled PHAs.

Not Applicable

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City and HUD's Office of Fair Housing and Equal Opportunity met in May 2023 to discuss obstacles serving under-represented groups with existing CDBG programs. As a result of the meeting with FHEO, City staff actively working with service providers to increase marketing and community outreach and engagement in areas identified in the Certified 2023-2031 Housing Element Appendix E - Affirmatively Further Fair Housing (AFFH).

While the city has no Racially or Ethnically Concentrated Areas of Poverty (RECAPs), the city and its community partners will use block groups identified in the AFFH as a guide to target outreach to areas that have higher populations of protected classes of people, including areas with lower income, families with children, minorities, people with disabilities, and single parent households. The City now incorporates affirmative marketing into funding applications and analyzes how programs can incorporate strategies for addressing impediments in under-resourced areas and increase community engagement in the city's underserved communities.

An additional obstacle to meeting the needs of residents is the availability of funding. Changes to tax credit scoring and the limited amount of state housing funds have proven to be an obstacle in the City's ability to implement its goals. In FY2023-24, the City team sought additional funding to allow the City to leverage its limited funding and provide more housing opportunities for extremely, very low and special needs households. This State of California Housing and Community Development Programs are the primary source of these additional funds – Local Housing Trust Fund; Pro-Housing Designation Program; Affordable Housing and Sustainable Communities Program; and the Permanent Local Housing Formula Allocation.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The County of Sonoma has implemented the Childhood Lead Poisoning Prevention program (CLPP), funded through the State Department of Health Services, which employs a team of health professionals, who provide services to parents, healthcare providers, and the general

public. The team is comprised of Registered Environmental Specialists, Public Health Nurses, and Health Educators. The CLPP program provides services in two major ways – 1) case management and source identification for lead poisoned children and 2) outreach and education to the community and targeted groups.

The City works closely with our non-profit agency, Rebuilding Together Petaluma, who is instrumental in the rehabilitation of the majority of the City's housing units with CDBG funds. LBP hazard notices are distributed to the owners of the rehabilitated properties warning them of the hazards of LBP. All units rehabilitated with CDBG funds are owned by disabled and or low-income households.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City aims to reduce the number of poverty-level individuals by targeting CDBG and local funds to projects that will provide affordable housing units and related services to foster self-sufficiency. The city does not have the resources or the capacity to increase income of poverty level persons, although the City does act to reduce housing costs for these individuals with other city funds through a rental assistance program and through services that reduce household costs such as home-delivered meals for seniors.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City of Petaluma's Housing Division administers all of the activities specifically identified in the Consolidated Plan. The City works closely with other housing-related organizations and service providers to ensure that the housing needs of City residents are addressed to the best ability of the network of such providers given available resources. The working relationships between the Housing Division and other City departments are strong and facilitative. City Planning and Housing staff meet regularly to discuss improving communications, sharing of housing development information and providing feedback for development plans and opportunities for affordable housing development funding.

In addition to its active participation in the Sonoma County Continuum of care, the City has invested in local and regional collaboration to coordinate service delivery, leverage limited resources and pursue new funding. The primary mechanism for this collaboration has been the establishment of a City-based By Names List review process, which is aligned with the County of Sonoma subregional outreach collaboration. Recognizing that homelessness is a community-wide challenge beyond the capacity of the City alone to solve, the City convenes a group of contracted homeless service providers to coordinate services and planning. The By Names List group meets weekly and includes COTS, PPSC, DST, Petaluma Health Center, the Petaluma Police Department, Public Works, and staff from City Parks and Recreation. The By Names List group brings providers together to address the individual needs of those served with a targeted approach that involves review of each individual's experience and working collaboratively on strategies needed to support their exit from homelessness.

The City actively sought new funding to expand staffing capacity for the Housing and Homeless Services programs within the City. New funds were awarded through Sonoma County Continuum of Care to the City in FY2023-24 in part to fund a new full-time position dedicated to homeless services program administration city-wide.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City engages multiple public and private partners to further objectives of the Consolidated Plan and Annual Action Plan. The City relies on private non-profit organizations as well as for-profit developers to build and acquire, develop, and rehabilitate affordable units, and to provide social services to residents of those units.

Identify actions taken to overcome the effects of any impediments identified in the jurisdiction's analysis of impediments to fair housing choice. 91.520(a)

The City contributed to development of the 2022 Sonoma County Analysis of Impediments to Fair Housing Choice report, and uses City Housing In-Lieu and Commercial In Lieu funds to improve the supply of affordable housing for lower income persons and to fund a portion of the county-wide Fair Housing program operated by Petaluma People Services Center. The PPSC Fair Housing program counters violations under state landlord-tenant law and state and federal fair housing statutes. PPSC Fair Housing reported contact with 1,633 people during FY2023-24, offered housing counseling and landlord-tenant mediation, and provided 179 landlord trainings – a 200% increase over the prior year.

CR-40 - Monitoring 91.220 and 91.230

Describe standards and procedures used to monitor activities carried out in furtherance of the plan and to ensure long-term compliance with requirements of the programs involved, including minority business outreach and comprehensive planning requirements.

The City Housing and Block Grant Division regularly monitors CDBG funded activities to ensure that all projects and programs are administered in compliance with applicable regulations and to ensure that those accomplishments are addressing the priorities established in the Consolidated Plan. Staff works closely with service partners year-round and achieves formal monitoring through review of quarterly and annual reporting submitted by contracted providers. Most of the funding is allocated to nonprofit subrecipients who enter into an agreement with the City detailing program requirements, applicable regulations, and references to the provision of OMB circulars containing federal cost principles, audit and uniform administrative requirements.

The City conducts a mandatory orientation session to provide subrecipients information pertaining to their funded activities and continues individualized technical assistance throughout the year. Subrecipients are required to submit quarterly reports via the City Data Services web portal, to include updates on activities, beneficiaries, and outcomes. City staff enters report information into HUD's Integrated Disbursement and Information System (IDIS), and monitors for compliance with applicable federal and local regulations, goals and objectives. Staff conduct a desktop review of subrecipient financials and program records annually, with on-site monitoring as needed.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

To ensure that all citizens, public agencies, and other interested parties can review and comment on performance reports on housing and community development activities and the use of CDBG funds, public notices are placed in the local newspaper, posted in the City e-mail newsletter, published on the City Housing Program webpage, and available via email request to the City Housing Specialist, Sarah Wolf swolf@cityofpetaluma.org.

A draft of the Consolidated Annual Performance and Evaluation Report (CAPER) was made available for public review for 30 days prior to the City Council meeting scheduled for September 16, 2024. At the public hearing the CAPER will be presented, and public comments will be incorporated as part of the public record. The meeting is offered in person or via zoom. Meeting details are posted on the City website. At this time, The City is temporarily suspending virtual participation (comments) by Zoom at City Council meeting and will re-evaluate the policy at a future date. Members of the public who are unable to attend in-person, but who still wish to comment on items may submit their comment cards to the City Clerk. The City has made provisions to provide bilingual translators and signing or captioning services for the hearing impaired upon request. Normally the sites utilized for all public meetings/ hearings are ADA compliant and within proximity to public transportation. The City's website is also available in Spanish.

The City's public comment period for the draft FY2023-2024 CAPER will run from August 15, 2023 through September 16, 2024. The Public Hearing Notices were printed in English and Spanish in the local newspaper serving the City of Petaluma.

CR-45 - CDBG 91.520(c)

Specify nature of and reasons for any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

There were no changes in Petaluma's program objectives during FY 2023-2024.

Does Jurisdiction have open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments outcomes during the last year.

N/A.