

Draft Plan for Public Comment March 08, 2024

**CITY OF PETALUMA  
COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)  
ACTION PLAN FY 2024-2025**



## Executive Summary

### **AP-05 Executive Summary -**

#### **1. Introduction**

Operating as an entitlement jurisdiction under the Community Development Block Grant

Program, the City of Petaluma has an adopted 2020-2024 Consolidated Plan, as required by the Department of Housing and Urban Development (HUD). **The FY 2024-2025 Annual Action Plan will go before the City Council for approval on April 8th, 2024.**

All strategies and activities proposed to be undertaken in FY 2024-2025 promote one or more of the goals of the Consolidated Plan and the Community Development Block Grant Program: provide decent housing, establish, and maintain a suitable living environment, and expand economic opportunities, particularly for low-and moderate-income persons.

The City's FY 2024-25 menu of programs and services continues to be limited since annual allocations have not increased and do not provide adequate funding to address the growing needs of low and very low-income households in our community. Consequently, the allocation can only support funding for: (1) administration of the Community Development Block Grant Program; (2) rehabilitation of housing for low-income households; (3) rehabilitation of emergency shelter for individuals experiencing homelessness; and (4) the delivery of meals to low-income seniors. As in previous years, HUD's mandated Fair Housing Program will receive funding from other City Housing funds.

Funding allocations for FY 2024-2025 will be awarded by HUD no later than May of 2024. The City of Petaluma anticipates funding will be allocated in the range of previous years in the amount of \$330,000 of CDBG funding. The City does not anticipate a change in the FY 2024-2025 allocation. If the allocation does change, proposed City partner budgets will be adjusted proportionately from the estimated funding levels to match the actual percentage of the allocation.

Community nonprofit agencies, in partnership with the City of Petaluma, will provide services to address the community's priorities as outlined in the Consolidated Plan. Those priorities include:

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.

For FY 2024-2025, City of Petaluma CDBG services and programs include:

1. **CDBG Program Administration.** The City of Petaluma is allowed a maximum of 20% of its total entitlement to provide general administration of the CDBG program, including all planning and reporting activities. The funds are utilized for salaries, intergovernmental transfers, and various consulting agreements. Program Administration funding has been reduced for FY 2024-2025 to provide more funding for programs and projects.

2. **Housing Rehabilitation for Low-income Households.** Rebuilding Together Petaluma (RTP) has served as the City's rehabilitation arm and is in its 28th year of providing much needed home repair, ADA modifications, and water and energy efficient improvement services to low and very low-income households. RTP will be coordinating with other services providers to provide facility improvements at locations that provide services for the city's low-income community.

*i. Responds to Consolidated Plan Priority # 1 – Improve housing opportunities by preserving existing affordable housing.*

3. **Meal Delivery for Low-income Seniors.** Petaluma People Services Center (PPSC) will continue to deliver meals and much needed senior-related services to low-income senior.

*i. Responds to Consolidated Plan Priority # 2 – Provide housing and services to low-income populations, including but not limited to children, seniors, and special needs population (homeless, disabled, etc.)*

## 2. Summary of the objectives and outcomes identified in the Plan

**This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.**

The City is tasked with determining both the areas of greatest need, and the areas in which community investment can have the greatest impact given the limited resources available.

### Housing Needs (NA-10)

- 28% of Petaluma's households (6,400 households) are extremely low-income, very low-income, or low-income, with incomes ranging from 0-80% of Area Median Income (AMI)
- 9.4% are extremely low-income (2,120 households at 0-30% AMI.) Of these households, 63% pay more than 50% of their income on housing.
- 8.5% are very-low income (1,915 households at 31-50% AMI.) Of these households, 60% pay more than 50% of their income on housing.
- The average rent for a two-bedroom apartment in Petaluma is \$2750

### **Homeless Needs (NA-40)**

The last published Point-In-Time count (2023) for Sonoma County found that just under 2,266 homeless individuals were in Sonoma County, and over 57% were unsheltered. 10% of people experiencing homelessness were located in Petaluma. The county has not published the final result of the 2024 Point-In-Time count .

### **Non-Homeless Special Needs (NA-45) – Data is from the American Community Survey (ACS) which a 5-year update to the Census.**

- 7,849 households in Petaluma include one or more seniors age 65 and over (34.6% of total households.)
- Elderly households are more likely to be low-income with 30% of senior households being extremely low-income, very low-income and low income with incomes ranging from 0-80% AMI, compared to 28% for the City as a whole.
- 84% of large family households who rent having a housing cost burden over 30% of income; 24% have housing cost burden over 50% of income.
- Elderly individuals are also more likely to be disabled, with 23.7% of elderly ages 65 or older considered disabled, compared to 9% of the total overall City population.

## **3. Evaluation of past performance**

**This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.**

The City prepares the detailed Consolidated Annual Performance and Evaluation Report (CAPER) which outlines how the City met the needs and objectives outlined in the 2020-2024 Consolidated Plan and subsequent Annual Action Plans. The City will next report on its annual accomplishments under the 2020-2024 Consolidated Plan in its 2024-2025 CAPER, which is due to HUD in September 2024. The City's most recent CAPER is published on its website at <https://cityofpetaluma.org/departments/housing/>.

100% of activities funded with CDBG funds supported low-income households. Although only through half the fiscal year, our partners are making great progress toward their year-end outcomes. The City's general CDBG program accomplishments over the prior year (FY 2023-2024) included the following:

- **Meal delivery for low-income seniors and persons with disabilities.** Low-income persons received services through a Meals on Wheels program using CDBG funds.
  - *Goal: Providing services to the low-income community*
  - *Outcome: 461 persons were provided access to quality public services in the form of 120,000 nutritious home-delivered meals.*
- **Housing rehabilitation for low-income households.** Single-family dwellings occupied by low-income households and an emergency shelter for individuals experiencing homelessness were rehabilitated using CDBG funds. All but one project served households of elderly and disabled individuals; the remaining project installed a homeless shelter handwashing station.
  - *Goal 1: Improving housing opportunities by preserving existing affordable housing*
  - *Goal 2: Provide housing and services to the low-income populations, including but not limited to children, seniors and special needs populations such as homeless, disabled, etc.)*
  - *Outcome: 37 critical repairs to low-income homeowners at 36 unique addresses to retain safe and decent housing.*

#### **Accomplishments of the City with other housing funds**

- **Fair Housing:** Over the 2023 program year, PPSC assisted 678 Petaluma residents with Fair Housing support, including landlord training and educational sessions.
  - *Goal – Provide housing and services to low-income populations, including but not limited to children, seniors, and special needs population (homeless, disabled, etc.)*
- **Homelessness Prevention – Non-COVID Rental Assistance:** PPSC provided homeless prevention assistance in the form of needs assessments, facilitated referrals to community resources, and direct financial aid. Over the 2023 program year, the program served 26 households, with facilitated resource referrals and direct financial assistance with move-in deposits and one-time rental assistance.
  - *Goal – Provide housing and services to low-income populations, including but not limited to children, seniors, and special needs population (homeless, disabled, etc.)*
- **Homeless shelter, housing and services.** A total of 958 adults experiencing homelessness were supported through street outreach, emergency shelter and programs through services provided by the Committee on the Shelterless and Downtown Streets Team. This included 390 individuals who participated in emergency shelter programs, 369 people engaged through street outreach, 64 individuals living in supportive housing,

and 25 individuals in a new non-congregate shelter program. The 110 individuals who participated in a supported employment program gained 9,096 work experience hours.

- *Goal – Providing services to the low-income community – special needs population; homeless, disabled, etc.*

- **Services for homeless Veterans.** Eight veterans were served through programs and housing with the Committee on the Shelterless. The City partners with Nations Finest and leases 3 Rocca Drive which provides a home for five veterans.
  - *Goal – Providing services to the low-income community – special needs population, homeless, disabled, etc.*
- **Home ownership for income qualified households.** Three First Time Homebuyer properties were preserved, two were resold and 13 new Inclusionary Housing homes were sold to income qualified households due to the Cities partnership and implementation of the Housing Land Trust of Sonoma County to restrict sales affordability in perpetuity.
  - *Goal – Promote housing opportunities for homeownership.*
- **Preservation of affordable housing.** The City's partnership with Rebuilding Together Petaluma support the low-income community in two key ways: first, by helping seniors age comfortably in their homes, and second, by assisting low-income families and residents in maintaining and preserving affordable housing. This is achieved through completing routine maintenance and property repairs for both seniors and residents facing financial challenges.
  - *Goal – Improve housing opportunities by preserving existing affordable housing.*

#### 4. **Summary of Citizen Participation Process and Consultation Process**

Petaluma's FY 2024-25 Action Plan was prepared with public outreach and participation. Partnering with a wide variety of community-based agencies and committees representing multiple sectors of the community provides City housing staff with a broad-based and up-to-date review of existing and developing needs. City staff are actively reaching out to organizations who serve minorities and families with children to share information about the CDBG program and application process. A virtual public workshop was held on February 8<sup>th</sup>, 2024 and noticed in the Argus Courier. Community members provided input for CDBG FY2024-2025 funding suggestions. The community meeting included a discussion of the application process, due date for applications and CDBG eligible activities, and the application review process. The public notice was published in the local newspaper on March 8<sup>th</sup>, 2024, and the draft of the proposed CDBG 2024-2025 Annual Action Plan was posted to the City housing website to ensure a 30 day public comment period. The City Council will conduct the Public Hearing on April 8<sup>th</sup>, 2024 at 6:30 pm. Virtual access will be provided to allow residents the opportunity to provide input on how the City plans to distribute the CDBG funds for Fiscal Year 2024-2025. All meetings were publicly noticed and posted on the City's Housing webpage.

**5. Summary of public comments**

This section will be updated after the 30-day comment period and public hearing.

**6. Summary of comments/views not accepted and reasons for not accepting them**

This section will be updated after the 30-day comment period and public hearing.

**7. Summary**

The funding Petaluma receives from its CDBG grant for FY2024-2025 is allocated to  
(1) provide low-income homeowners with housing rehabilitation to keep residents stably housed;  
(2) provide services to seniors through home-delivered Meals;.

**PR-05 Lead & Responsible Agencies – 91.200(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	PETALUMA	Housing Division

**Table 1 – Responsible Agency Narrative (optional)**

Consolidated Plan Public Contact Information:

Contact: Brain Oh, Director of Community Development

Email: boh@cityofpetaluma.org

Phone: 707-778-4563

**AP-10 Consultation – 91.100, 91.200(b), 91.215(l)**

**1. Introduction**

**Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))**



The consolidated planning process requires jurisdictions to contact and consult with other public and private agencies when developing the plan. The plan itself must include a summary of the consultation process, including identification of the agencies that participated in the process. Jurisdictions are also required to summarize their efforts to enhance coordination between public and private agencies.

The City of Petaluma will be the principal provider of Community Development and Economic Development Programs, housing projects, and financial support. Being a small jurisdiction, the City consults with multiple organizations located in Petaluma and parts of Sonoma County that provide services to the residents of Petaluma. In many instances, these consultations are part of on-going interactions between Housing staff and the agency or group described.

The City has consulted with public departments and agencies, private social service providers, and non-profit organizations to understand the community's needs and available resources. Department staff provided input on how CDBG resources could be used and leveraged to provide services to agencies that attended the public workshop.

Notices are published in Petaluma's newspaper, the Argus Courier in both English and Spanish announcing the public meetings.

The Petaluma City Council authorizes (at a public hearing) the submission of the Annual Action Plan to HUD.

The City of Petaluma participates with the City of Santa Rosa and the Sonoma County Health Department to develop and implement the annual Sonoma County Continuum of Care Plan. These three jurisdictions recently collaborated on completing the Analysis of Impediments to Fair Housing plan, referred to as the Fair Housing Plan. It is posted on the city website.. @ <https://cityofpetaluma.org/housing-reports-documents/>

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The Sonoma County Department of Health Services is the lead agency for the Sonoma County Continuum of Care (CoC) and hosts its planning process. The City of Petaluma, the County Health Services and the City of Santa Rosa are the three HUD entitlement jurisdictions in Sonoma County, and jointly participate and have designated seats on the CoC governing body. Petaluma staff participates in quarterly membership meetings of the CoC. CoC membership includes representation from the non-profit, governmental, service provider, housing development, law enforcement, faith-based, business, homeless and general communities. City of Petaluma homeless services programs align with priorities of the Sonoma County 2023-2027 Strategic Plan to Prevent and End Homelessness, which include increased intensity of support services for highest needs individuals, increasing permanent supportive housing inventory, and strengthening street outreach and housing placement coordination.



**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS.**

The City of Petaluma does not coordinate ESG funds or directly oversee CoC administration of HMIS. As an entitlement jurisdiction, the City of Petaluma has a seat on the Continuum of Care governing body and therefore participates in Continuum of Care consultations on allocations of County and Balance of State ESG funds, evaluation of ESG applications, and funding, policies, and procedures to ensure the HMIS operations and administration compliance.

**2. Describe agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service and other entities.**

1	<b>Agency/Group/Organization Consulted</b>	<b>PEP Housing</b>
	<b>Agency/Group/Organization Type</b>	Housing Affordable Housing Developer Non-profit agency
	<b>What section of the Plan was addressed?</b>	Overall Plan
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was invited to participate in the community meeting/public hearing. The anticipated outcome of the consultation was to improve coordination with a local organization dedicated to increasing the supply of quality, affordable senior housing in Petaluma
2	<b>Agency/Group/Organization</b>	<b>Rebuilding Together Petaluma</b>
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Non-profit agency
	<b>What section of the Plan was addressed?</b>	Housing Need Assessment Overall plan

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was invited to participate in the community meeting/public hearing and directly consulted in the development of various aspects of the Plan. The anticipated outcome of the consultation was to improve coordination with a local service provider dedicated to improving the quality of life of low-income households.
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3	<b>Agency/Group/Organization Consulted</b>	<b>Petaluma People Services Center</b>
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Health Services-Education Services-Employment Service-Fair Housing Non-profit agency
	<b>What section of the Plan was addressed?</b>	Housing Need Assessment Overall Plan
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was invited to participate in the community meeting/public hearing and directly consulted in the development of various aspects of the Plan. The anticipated outcome of the consultation was to improve coordination with a local human services organization dedicated to improving the quality of life of Petaluma residents.
4	<b>Agency/Group/Organization Consulted</b>	<b>HomeFirst</b>
	<b>Agency/Group/Organization Type</b>	Services-Homeless Services-Education Regional organization
	<b>What section of the Plan was addressed?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homeless Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the</b>	This organization was invited to participate in the community meeting/public hearing and directly consulted in the development of various aspects of

	<b>consultation or areas for improved coordination</b>	the Plan. The anticipated outcome of the consultation was to improve coordination with a local homeless service and shelter provider dedicated to improving the quality of life of Petaluma's homeless.
5	<b>Agency/Group/Organization Consulted</b>	<b>Committee on the Shelterless (COTS)</b>
	<b>Agency/Group/Organization Type</b>	Services-Homeless Services-Education Regional organization
	<b>What section of the Plan was addressed?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homeless Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
6	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination</b>	This organization was invited to participate in the community meeting/public hearing and directly consulted in the development of various aspects of the Plan. The anticipated outcome of the consultation was to improve sub-regional coordination with a local homeless service and shelter providers dedicated to improving the quality of life of homeless both in Petaluma and throughout the broader south Sonoma County region.
	<b>Agency/Group/Organization Consulted</b>	<b>Boys and Girls Club of Sonoma -Marin</b>
	<b>Agency/Group/Organization Type</b>	Services – Education and Family Services
	<b>What section of the Plan was addressed?</b>	Services – Children
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was invited to participate in the community meeting/public hearing and directly consulted in development of various aspects of the Plan. The anticipated outcome of the consultation was to improve coordination with local service organization dedicated to family services that improve the quality of life of Petaluma residents.

7	<b>Agency/Group/Organization Consulted</b>	<b>Downtown Streets Team</b>
	<b>Agency/Group/Organization Type</b>	Services—Homeless Non-profit agency
	<b>What section of the Plan was addressed?</b>	Homeless Services
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was invited to participate in the community meeting/public hearing. The anticipated outcome of the consultation was to improve coordination with a local agency providing outreach and job training services to unsheltered community members to improve the quality of life of Petaluma's low-income community.
8	<b>Agency/Group/Organization Consulted</b>	Housing Land Trust of the North Bay
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Non-profit agency
	<b>What section of the Plan was addressed?</b>	Housing Needs Assessment Affordable Housing Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was invited to participate in the community meeting/public hearing and directly consulted in the development of various aspects of the Plan. The anticipated outcome of the consultation was assessing housing needs, developing affordable housing, preserving existing affordable housing, strategizing community development, engaging stakeholders, and planning implementation of housing projects and programs.

**Table 2 – Agencies, groups, organizations who participated.**

**3. Identify any Agency Types not consulted and provide rationale for not consulting.**

There were no agency types not consulted or invited to the community meeting.

**4. Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Sonoma County Department of Health	Petaluma has a seat on the Continuum of Care governing body ensuring coordination with the Continuum of Care staff and consolidated planning process

**Table 3 – Other local / regional / federal planning efforts**

## **AP-12 Participation – 91.105, 91.200(c)**

### **1. Summary of citizen participation process/efforts made to broaden Citizen Participation and how it impacted goal setting.**

In order to ensure maximum participation in the Consolidated Plan process among all populations and special needs groups , and to ensure that their issues and concerns are adequately addressed, the City developed a Citizen Participation Plan (CPP). The CPP was adopted by the City Council in April 2011, before the City’s 2020-2024 Consolidated Plan was approved. Several changes were incorporated to the federal regulations governing the CPP since that time (81 Fed. Reg.91011, Dec. 16, 2016). Due to regulatory changes arising from the COVID-19 pandemic, the plan was updated in 2021 to reflect the addition of virtual hearing and since then several changes were incorporated to the federal regulations governing the CPP. Therefore a public hearing will be held to receive comments April 8th 2024, and City Council will vote to amend the CPP to reflect current requirements that were put into place since the City last adopted its CPP in 2011. City staff will submit the adopted CPP to HUD at the same time as the FY2024-2025 Annual Action Plan submission. A draft of the proposed amendments to the CPP can be found on the City’s website at: <https://cityofpetaluma.org/housing-reports-documents/>. The Citizen Participation Plan describes the actions to be taken to encourage public participation in the development of the Consolidated Plan, and any Substantial Amendments to the Consolidated Plan, The Annual Action Plan and the Consolidated Annual Performance Evaluation Report (CAPER). The following represents a summary of the current Citizen Participation Plan; a full copy is available upon request from the City or from its website (<https://cityofpetaluma.org/departments/housing/>).

Public participation in the Action Plan process is encouraged. All public notices are placed in the Argus Courier in both English and Spanish and posted to the city website at: <https://cityofpetaluma.org/housing-cdbg-program/>. All City council meetings are translated in real-time in Spanish and the City’s website is available in 120 languages. Upon request, the City will provide bilingual translators and appropriate auxiliary aids or services for those individuals who have hearing, sight, or speech impairments, in order to fully participate in City programs or activities. There are new requirements that agencies receiving federal funds from the City report on affirmative marketing, outreach and efforts to increase representation in their programs to expand community participation as broadly as possible. The sites utilized for all public meetings/hearings are ADA compliant and within proximity to public

transportation. The City's full accessibility policy can be viewed at:  
<https://cityofpetaluma.org/documents/ada-reasonable-accommodation-policy/>.

### Citizen Participation Outreach

	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary comments not accepted and reasons	URL
1	Virtual Public Meeting/ Technical Assistance	Minorities  Persons with disabilities  Non-targeted/broad community  Residents of Public and Assisted Housing	The City hosted a community meeting on February 8th, 2024 to allow the public to provide input on the Action Plan and Citizen Participation Plan. The City also solicited public services funding applications and provided technical assistance to potential applicants.	No comments received	No comments were rejected.	<a href="https://cityofpetaluma.org/housing-cdbg-program/">https://cityofpetaluma.org/housing-cdbg-program/</a>
2	Newspaper Ad	Minorities  Persons with disabilities  Non-targeted/broad community  Residents of Public and Assisted Housing	Public notice published in Argus Courier newspaper on 3/8/24 re City Council Public Hearing on 4/8/24 for consideration of CDBG AAP 2024-2025 and Amended Citizen Participation Plan.	No comments received	No comments were rejected.	N/A
3	Public Hearing	Minorities  Persons with disabilities  Non-targeted/broad community  Residents of Public and Assisted Housing	A public notice was published in the Argus Courier for the 30-day comments period beginning 3/8/2024 re: funding allocations and to announce the 4/8/2024 date of the public hearing.	No comments received	No comments were rejected.	<a href="https://cityofpetaluma.org/housing-cdbg-program/">https://cityofpetaluma.org/housing-cdbg-program/</a>

4	Internet Outreach	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	Public notices were published on the City Housing webpage in English and Spanish. The DRAFT 2024-2025 Action Plan and Amended Citizen Participation Plan was posted on the City's Housing webpage which can be translated into Spanish on the website.	No comments received	No comments were rejected.	<a href="https://cityofpetaluma.org/housing-cdbg-program/">https://cityofpetaluma.org/housing-cdbg-program/</a>
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**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

The City anticipates receiving \$330,000 in FY 2024-2025 in CDBG funding. Should additional allocations be made by HUD, the City will undertake amendments to its Action Plan to incorporate the funds.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 5/FY2024-25				Expected \$ Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation \$	Program Income \$	Prior Year Resources \$	Total \$		
CDBG	Public-federal	Acquisition, Admin/Planning, Economic Dev, Housing, Public Improvements, Public Svcs	\$330,000	0	\$0	\$330,000	\$745,000	City FY 24-25 allocation of \$330,000; final HUD award notice is expected May 2024.

**Table 5 - Expected Resources – Priority Table**



**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.**

The City of Petaluma does not have other Housing funds to be used as additional resources for their CDBG program. The City relies on non-profit agencies to leverage CDBG funds received with other state, federal or private funds to best utilize the modest amount of funds received through our entitlement grant. Funds are considered leveraged if financial commitments toward the cost of a project from a source, other than the originating HUD CDBG Program, are documented. The City will be as creative as possible to find other sources of funding from local, state, federal and private sources in order to develop and deliver cost effective projects.

**If appropriate, describe public-owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.**

The City continues to consider the use of other public-owned land for the construction of affordable housing for low- and very-low-income households.

#### **Discussion**

### **Annual Goals and Objectives**

#### **AP-20 Annual Goals and Objectives**

##### **Goals Summary Information**

	<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>CDBG Funding</b>	<b>Goal Outcome Indicator</b>
<b>1</b>	Preservation of existing affordable housing	2024	2025	Affordable Housing Homeless Non-Homeless Special Needs	Petaluma	Affordable Housing (Rehab)	\$238,000	Homeowner Housing Rehabilitated: 50 Households/ Units (RBT)

2	Provide housing and services to special needs population	2024	2025	Affordable Housing Homeless Non-Homeless Special Needs	Petaluma	Non-Housing Services (Meals)	\$49,500	Public service other than Low/Moderate Inc Housing Benefit: 300 Persons Assisted (PPSC)
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**Table 6 – Goals Summary**

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## Goal Descriptions

1	<b>Goal Name</b>	Preservation of existing affordable housing
	<b>Goal Description</b>	Rebuilding Together Petaluma (RBT) partners with the City of Petaluma to preserve and revitalize low-income homeowner properties. Their mission is to assure that low-income homeowners live in safe and healthy homes, particularly those who are elderly or disabled. Using CDBG funds, Rebuilding Together partners with other nonprofit agencies to help keep Petaluma's low-income community in their homes.
2	<b>Goal Name</b>	Provide housing and services to special needs population
	<b>Goal Description</b>	Using CDBG public service funds, the City of Petaluma provides services for low income seniors partnering with Petaluma People Services Center for the Meals Program.

Table 7 – Goals summary

## Projects

### AP-35 Projects – 91.220(d)

#### Introduction

As discussed in section AP-20, the City has identified five goals to address housing and community development needs between Fiscal Year 2024 and 2025. On an annual basis, the City will try to achieve as many of these goals as feasible with the small grant amount received and within the Public Services funding cap equaling a maximum of 15% of the total allocation.

#### Projects

#	Project Name
1	Program Administration
2	Preservation of Affordable Housing – Rebuilding Together/Safe and Healthy Homes Program
3	Public Services – Petaluma People Services Center/Home Delivered Meals

Table 8 - Project Information

**Describe reasons for allocation priorities and obstacles to addressing underserved needs.**

The primary objective of the CDBG Program is the development of viable communities through the provision of safe and affordable housing, a suitable living environment, and expanded economic opportunities. CDBG funds were allocated using a competitive RFP process and determination of what projects best meet the City's needs. Based on the City's Priority

Needs, affordable housing, non-homeless services and homelessness are high needs. Each application was prioritized on those needs and the projects' potential to serve more households.

One of the primary obstacles to meeting the underserved needs of residents is the amount of funding that the City receives from their CDBG grant and the availability of other state and federal housing funds. To address funding challenges, in 2021, the City sought and was awarded State of California Housing and Community Development (HCD) a Permanent Local Housing Fund (PLHA) allocation of approximately \$1.1 million over five years. The purpose of the PLHA program is to create a permanent source of funding available to eligible local governments in California for housing-related projects and programs to address unmet housing needs in their local communities. The PLHA program provides formula grants to entitlement jurisdictions based upon the formula prescribed under federal law for the Community Development Block Grant (CDBG) program. In February 2024, the City submitted a PLHA Plan Amendment to HCD to expand eligible uses of PLHA funds in Petaluma to include homeless services.

The City also established a Local Housing Trust Fund (LHTF) to support housing development. The California Department of HCD created the LHTF Program. Jurisdictions that have an active LHTF can apply to the state for matching funds to support the acquisition, predevelopment and construction costs of affordable housing for moderate, low, and extremely low-income households. HCD awards LHTF funds to eligible applicants to enhance local housing trust funds by providing a dollar-for-dollar match. The maximum LHTF funding award over a five-year period is \$5 million.

This November 2024 Bay Area residents will vote on a regional bond measure through the Bay Area Housing Finance Authority (BAHFA) to generate up to \$20 billion dollars to construct affordable housing and keep existing homes affordable. Funding allocations may be based on the allocation of each jurisdiction's size and total county RHNA allocation. If approved, the City of Petaluma, with a population exceeding 50,000 people, the city plans to advocate for a direct allocation of funds to support achieving its RHNA allocation, which accounts for 13% of the county's total allocation.

The City of Petaluma recognizes the underrepresentation of Hispanics and minorities in its CDBG-funded programs compared to their proportion in the general population (23%). To comply with Title VI of the Civil Rights Act of 1964, prohibiting discrimination based on race, color, and national origin, the city is collaborating with existing community partners to expand program participation through enhanced outreach, marketing, and outcome reporting. Due to limited annual CDBG funding, Petaluma is exploring alternative funding sources to support programs benefiting families with children and underserved, underrepresented, and minority populations identified in the Regional Assessment of Fair Housing (AFH) and in feedback provided in PY 2023 by HUD's Office of Fair Housing and Equal Opportunity. Additionally, the Housing Department's involvement in the City's Diversity, Equity, Inclusion, and Belonging (DEIB) Core Team facilitates the development and implementation

of a city-wide DEIB strategic plan, fostering increased partnership and collaboration with underrepresented and underserved communities.

### AP-38 Project Summary

1	<b>Project Name</b>	<b>City Program Administration</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Preservation of existing affordable housing Provide housing and services to special needs pop
	<b>Needs Addressed</b>	Affordable Housing Homelessness Non-Housing Services Non-Housing Community Development
	<b>Funding</b>	CDBG: \$42,500
	<b>Description</b>	Administration of FY2024-2025 CDBG program
	<b>Target Date</b>	7/1/2024 to 6/30/2025
	<b>Estimate number &amp; type of families to benefit from activities</b>	n/a
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	The funds for program administration will be used to oversee the annual projects in the Action Plan approved by the City Council.
	<b>Project Name</b>	<b>Rebuilding Together Petaluma - Preservation of Affordable Housing</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Preservation of existing affordable housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	CDBG: \$238,000
	<b>Description</b>	Rehabilitation of existing units.

	<b>Target Date</b>	7/1/2024 to 6/30/2025
	<b>Estimate number &amp; type of families to benefit from activities</b>	50 households will benefit from the proposed activities.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	Rebuilding Together will provide low-income homeowners with repairs/emergency modifications/upgrade appliances to electric as aligned with the City's Climate Action Plan
<b>3</b>	<b>Project Name</b>	<b>Petaluma People Services Center (PPSC) Home Delivered Meals Program - Public Services</b>
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Public Services for low-income households
	<b>Needs Addressed</b>	Non-Housing Public Services
	<b>Funding</b>	CDBG: \$49,500
	<b>Description</b>	15% of CDBG funds can be used for public service purposes for low-income persons.
	<b>Target Date</b>	7/1/2024 to 6/30/2025
	<b>Estimate number &amp; type of families to benefit from activities</b>	Approximately 325 low-income seniors will benefit from the proposed activities.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	PPSC will provide home delivered meals program for seniors, veterans and persons with disabilities.

Table 9 – Summary of FY2024-25 Projects

### AP-50 Geographic Distribution – 91.220(f)

**Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed.**

The City does not have low-income target areas. The funds that are allocated to the City are available citywide with no priority assigned to geographic regions.

#### Geographic Distribution

Target Area	Percentage of Funds
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Citywide	100%
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**Table 10 - Geographic Distribution**

## **Affordable Housing**

### **AP-55 Affordable Housing – 91.220(g)**

#### **Introduction**

One of the goals identified in the Consolidated Plan and this 2024-2025 Action Plan is to increase the supply of affordable housing for the City's lowest income households. The City is actively pursuing its goal of creating affordable housing units by working with developers to include affordable housing units in their development.

In December 2021, the City submitted a joint Homekey 2 grant application to the State of California HCD with affordable housing developer Burbank Housing requesting \$15,680,381 to purchase, renovate and operate as permanent supportive housing The Studios at Montero. The application was approved for funding by the State in February 2022. In early 2023 the renovation was completed to convert an existing motel in Petaluma into 60 permanent supportive housing units dedicated to people who meet the definition of Chronically Homeless. Move-in at The Studios at Montero began in May 2023 with full occupancy soon after. The Sonoma County Community Development Commission provided a \$600,000 match from the Sonoma County Homeless Housing, Assistance and Prevention Program (HHAP) to support the project. The City committed up to \$1,100,000 for site acquisition using Local Housing Trust Funds. Case management and other supportive services for residents are provided by Committee on the Shelterless (COTS) and funded in part through operating funds included in the Homekey 2 award.

City staff continues to work on the following affordable housing developments in process:

- MidPen Housing Corp –414 Petaluma Blvd North - a 44-unit low-income rental development. Forty-three of the units will be for households with income between 30% to 60%AMI, with an average income of 49% AMI. There will be one unrestricted unit for the resident manager. The City approved \$900,000 in HOME funding and \$1.1 million in funding from housing in-lieu fees to support the project. MidPen secured additional state and local funding sources for the project including funding from HCD and housing vouchers from the County of Sonoma for 13 permanent supportive units. The project construction is nearly complete, move-in is scheduled for summer of 2024.
- Burbank Housing – River Place a 50-unit affordable housing development. All 50 units are designated to be affordable at the very low- and low-income levels. Burbank has entered into a purchase agreement for the property and has secured funding from the HCD Accelerator Funding Program in addition to housing vouchers from the County of



Sonoma for households who have experienced chronic homelessness. The project has recently completed all entitlements and broke ground this winter 2024.

- Danco - Meridian at Corona– a 131-unit affordable housing project, including 33 supportive housing units. The developer purchased the land in Fall of 2022 and applied to the HCD Affordable Housing and Sustainable Communities (AHSC) Program and the project was awarded \$30,000,000 in Fall 2023 for development and infrastructure. The developer will apply for tax credits in April 2024 with awards announced in October 2024. If Danco is successful in securing an award, construction will start in winter 2024.
- MidPen Housing - Washington Commons – a proposed 52 units affordable housing project that will include studios, one-, two- and three-bedroom units. The units will be affordable to households from 30% to 60% AMI. MidPen purchased the land in January of 2023, with funding support from the City of Petaluma in the amount of \$500,000 of Housing In-Lieu Funds. MidPen successfully submitted an application for the project and will continue to pursue additional funding sources for the project.

In addition to supporting new affordable housing development, the City funds preservation of existing housing through rental assistance programs using Housing In-lieu funds and allocated CDBG-CV funding. City nonprofit partners PPSC and COTS administer the program that serves households at or below 80% AMI . In FY 2023-2024, 26 households received rental assistance, a reduction of the previous fiscal year due to CDBG-CV funding being fully expended.

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	60
Non-Homeless	100
Special-Needs	0
Total	160

**Table 11 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households to be Supported Through</b>	
Rental Assistance	27
The Production of New Units	0
Rehab of Existing Units	110
Acquisition of Existing Units	60
Total	110

**Table 12 - One Year Goals for Affordable Housing by Support Type**

## **AP-60 Public Housing – 91.220(h)**

## **Introduction**

The City of Petaluma does not own or operate public housing units. The City does not have a Housing Authority. The Sonoma County Housing Authority covers Petaluma in their jurisdiction for the Section 8 voucher program. As of 2018, there were approximately 416 housing vouchers in Petaluma.

**Actions planned during the next year to address the needs to public housing.** Not Applicable - No public housing

**Actions to encourage public housing residents to become more involved in management and participate in homeownership.** Not Applicable

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance.** Not Applicable

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

As discussed in the Consolidated Plan, the City participates in the Sonoma County Continuum of Care (CoC) - the Sonoma County Homeless Coalition - which was formed by the cities of Santa Rosa and Petaluma, and the Sonoma County Community Development Commission (CDC) to apply for CoC funding and jointly develop and implement the County Homeless Action Plan. The Sonoma County Department of Health Service now serves as the Lead Agency of the Homeless Coalition. The [Sonoma County 5 Year Strategic Plan to Prevent and End Homelessness](#) was prepared at the direction of the Coalition and approved by the Coalition Board in December 2022. The County Plan is available at [This Plan will guide the direction of the homeless system of care in Sonoma County through 2027 and emphasizes the following countywide priorities:](#)

1. **Invest in more housing and prevention.** It is imperative to reduce the inflow of people into homelessness and create more pathways to long-term housing stability. Doing so will require investments in both homelessness prevention and housing solutions.
2. **Strengthen supportive services.** The current system of care strains to meet the complex and diverse supportive services needs of people in the community who are experiencing the crisis of homelessness. That strain is felt not only by people experiencing homelessness, but also by homeless service providers, who are overtaxed and under-resourced. Building supportive services capacity is critical to ease this strain and better meet the needs of those in a housing crisis.
3. **Operate as one coordinated system.** Sonoma is a large county with many local governments and a broad array of service providers and other stakeholders whose work directly or indirectly impacts homelessness. To achieve functional zero, partners across the county must work to develop shared priorities, aligned investments, seamless coordination, and equitable solutions to the crisis of homelessness.

The [City of Petaluma Homeless Action Plan for 2022-2025](#) aligns with the Sonoma County 5 Year Strategic Plan to Prevent and End Homeless. The City of Petaluma Homeless Action Plan for 2022-2025 identifies the following strategic priorities for the City:

1. **Create 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. **Improve the Petaluma Coordinated Entry access point** through which people access housing and shelter options,
3. **Tackle root causes of homelessness** to prevent people from losing housing in the first place, and
4. **Increase the City’s internal capacity to respond to homelessness**, leverage the community to accelerate progress, and build alignment with other cities and subregions.

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.**

The City’s overall goal is to reduce the number of people experiencing homelessness through alignment with Sonoma County Continuum of Care ending homelessness strategies and launching multiple new programs and projects including an Encampment Resolution initiative, non-congregate shelter options, and creation of new permanent supportive housing units.

During 2023-24, the second year of implementing its Homeless Action Plan for 2022-2025, the City launched the following new initiatives:

- Expansion of non-congregate shelter options with opening of 25-unit Peoples Village tiny home shelter program located on the COTS Mary Isaak Center campus.
- Launch of new encampment resolution program with experienced street outreach provider Home First. The program is rooted in housing-focused case management with intensive resource navigation. It engaged 100% of clients (42) in Coordinated Entry during just the first quarter of the new program’s operation.
- Creation of 60 new permanent supportive housing units through Studios at Montero with an additional 26 PSH units opening over the next three years via set-asides in affordable multi-family rental housing currently in development.
- Implementation of By Names List shelter and housing program placement process that is expediting movement into permanent housing for 200 individuals.
- Integration of new dedicated mental health services resource for unsheltered individuals and people engaged through street outreach through partnership with Petaluma People Services Center.

**Addressing the emergency shelter and transitional housing needs of homeless persons**

The City provides operating funding to sustain Petaluma's primary emergency shelter program - the Mary Isaak Center 60-bed congregate shelter operated by COTS. In 2023, the City-funded People's Village at the Mary Isaak Center - a partnership with the County of Sonoma and COTS - completed its first full year in operation. Peoples Village provided 25 tiny homes on the COTS campus to offer non-congregate shelter and services for people who had previously been living in encampments. The project provides an alternative to traditional dorm-style shelters by offering individual tiny home shelter units combined with intensive case management and other support services to facilitate residents' moves to permanent housing.

**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**

The primary mechanism for expediting homeless persons' transition to permanent housing and independent living is the Petaluma *By Names List* working group. The By Names List team meets weekly to discuss the needs of the nearly 200 people in Petaluma identified by health systems, law enforcement, and homeless outreach as having complex needs requiring intensive collaboration on strategies to support their obtaining and remaining in stable housing. Individuals served through By Name List service coordination often live completely unsheltered or in encampments and require intensive outreach and engagement to make and support referrals into housing and related services. Individuals living in Petaluma emergency shelters are also supported through the By Name List team. The By Names List team emphasizes access to the Sonoma County Coordinated Entry for all individuals experiencing homelessness in the City, through which referrals are made directly to prospective housing providers.

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

The City's investment with non-CDBG funds in direct assistance including homelessness prevention, rapid rehousing and other emergency financial aid to help households obtain or remain in housing will continue in FY 2024-2025. The City continues to seek additional sources of funding to expand these services in the community. Toward that goal, the City applied to the State of California Housing and Community Development for Prohousing Designation status. The City of Petaluma was awarded the Prohousing Designation by HCD in 2023, making the City eligible to seek Prohousing Incentive Program (PIP) grant funding which can be used to support affordable housing development and/or homeless services including prevention. The City submitted its first PIP application in February 2024 requesting \$840,000

(the maximum award available based on its Prohousing Designation score) for homeless services.

The city is currently working on identifying resources for the implementation of a homelessness prevention program. The city is working with the County of Sonoma and the City of Santa Rosa on creating a regional program. The program would include coordinated innovative service delivery and build coalition-supported momentum to challenge long-standing systems that perpetuate homelessness. Similar prevention projects are underway across the state with All Home support. The Sonoma County pilot will be funded through a matching grant from All Home that doubles investments from the Cities and County, and will leverage [Stay Housed Bay Area](#), a digital platform developed through another All Home partnership and launched successfully in other San Francisco Bay Area cities that helps residents find resources and services they need to stay in their homes. By answering simple screening questions, people can find practical resources, including rental assistance and legal services near them, with no registration required.

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

A detailed analysis of potential affordable housing barriers is provided in the *2023-2031 Housing Element* adopted in May 2023. The City worked closely with the County of Sonoma and the City of Santa Rosa to update the Assessment of Fair Housing (AFH), referred to as the Fair Housing Plan which initially was delayed due to COVID impacts. The final draft will be presented to the Petaluma City Council for consideration with the CAPER report in September 2024. Shared priorities of this countywide collaboration include improving accessibility to fair housing information and resources on each jurisdictions' respective website and strengthening the capacity of the local fair housing agencies.

A draft of the Fair Housing Plan, for the jurisdiction of Sonoma County was posted for a public review and comment period of February 8 through March 11, 2024. The AFH identifies a comprehensive listing of potential constraints to housing access in Petaluma which include but is not limited to:

- Availability of affordable, accessible housing units in a range of sizes
- Patterns of segregation and disparities in access to opportunity in housing
- Availability, type, frequency, and reliability of public transportation
- Increase access to neighborhoods of opportunity and reverse patterns of segregation
- Displacement of residents due to economic factors
- Impediments to housing mobility
- Lack of affordable in-home or community-based supportive services
- Lack of affordable, integrated housing for people who need supportive services
- Lack of resources for fair housing agencies and organizations
- Location and type of affordable housing

To address these and other contributing factors, the fair housing plan proposes the following goals and strategies.

1. Increase the supply of affordable housing in higher opportunity areas and areas with ongoing or threatened displacement.
2. Meet the housing and services needs of migrant and year-round farmworkers.
3. Reduce zoning and land use barriers to the development of housing that is affordable to low-income households, including low-income people of color and low-income persons with disabilities.
4. Increase access to opportunities for Housing Choice Voucher Families.
5. Prevent displacement by preserving affordable housing and protecting tenant's rights.
6. Reduce homelessness by expanding the supply of permanent supportive housing.
7. Increase support for fair housing enforcement, education, and outreach.

***Infrastructure, residential development impact fees, land use, growth management, zoning ordinance provisions, etc.***

The City of Petaluma 2023-2031 Housing Element addresses the following potential affordable housing barriers:

- The City approved a waiver of development impact fees beginning in 2023 for affordable housing projects to incentivize development of new units.
- The City is working to improve transit options that can be a barrier to affordable housing, including offering free and deeply discounted city bus fares for youth, seniors and people with disabilities.
- To address fair housing discrimination that can be a barrier to affordable housing, the City continues to prioritize use of local funding to sustain or augment fair housing services to prevent discriminatory activities in the City.

***Non-governmental barriers to affordable housing.***

The City of Petaluma 2023-2031 Housing Element also addresses potential non-government affordable housing barriers including:

- Land, construction, and financing costs can hinder affordable housing construction.
- Income and wages not keeping pace with rising housing costs and overall cost of living.
- Low vacancy housing rates contribute to higher rents which are barriers to finding affordable housing.

**Actions planned to remove or ameliorate 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.**

The City participates in the State of California Regional Housing Needs Allocation (RHNA) process. To ensure there is enough housing for everyone to live affordably, the State determines projected population numbers then estimates how many housing units must be created to meet future housing demand. The State then calls upon cities to help, allocating each city a number of housing units they must create to support the growing population – this is the RHNA. The State finalized the 2023-2031 RHNA – the number of housing units that will be allotted to Petaluma for these years. The recommended number of very-low, low- and moderate-income new housing units allocated to Petaluma in the Final RHNA: San Francisco Bay Area, 2023-2031 was 1,100 units. An additional 800 units for households with incomes above 120% median is also included in the Petaluma RHNA. The City of Petaluma 2023-2031 Housing Element approved by the California Department of Housing and Community Development incorporates this RHNA allocation.

The City's 2023-2031 Housing Element prioritizes the following strategies through Housing Element Goal 3 Affordable Housing:

- Goal 3: Promote the development, preservation, and improvement of housing affordable to lower and moderate-income households, including extremely low-income households.
  - Policy 3.1 Expand revenue sources to provide housing affordable to extremely low to moderate income households, and those with special needs.
  - Policy 3.2 Partner with developers of market-rate housing and non-residential projects, as well as employers, to address the housing needs in the community.
  - Policy 3.3 Facilitate the entry of lower and moderate-income households into the housing market.
  - Policy 3.4 Streamline the review process for projects with 20 percent or more units affordable to lower income households.
  - Policy 3.5 Evaluate City-owned parcels for affordable housing development. Rezone, as necessary, identified parcels to allow housing development.

### **AP-85 Other Actions – 91.220(k) Introduction:**

**Actions planned to address obstacles to meeting underserved needs.**

One of the primary obstacles to meeting underserved needs of residents is the lack of funding. The dissolution of statewide redevelopment agencies in 2012 continues to impact the City's ability to implement its affordable housing goals. However there has been a positive change in potential funding availability made to California's tax credit set-asides and apportionments. The change to the apportionment methodology redefined the geographic



areas. Rather than a large “Capital and Northern Region” that included 11 northern California counties, there are now two separate regions. Petaluma is part of the new North Region, which reduces the competition for tax credits against larger metropolitan areas like the East Bay Area that includes Oakland and other municipalities in Alameda and Contra Costa Counties.

While the City actively seeks additional funding opportunities and will continue to do so, its ability to address underserved needs depends largely on the availability of additional resources. In 2017, the State of California signed new legislation that will help address housing in California. From that legislation, a regional plan was developed by a task force of elected and civic leaders, convened by the Association of Bay Area Governmental and the Metropolitan Transportation Commission, who together formed the CASA Compact. The CASA Compact is a 15-Year Emergency Policy package to confront the San Francisco Bay Area housing crisis.

To mitigate lead-based paint hazards, the Rebuilding Together housing rehabilitation program is dedicated to providing comprehensive support to all applicants seeking services. This includes furnishing an informational pamphlet containing essential facts about lead and guidance on lead safety measures during renovation, repair, or painting activities. In line with this commitment, the organization is actively engaged in expanding the program's reach to better cater to groups identified as experiencing disproportionately high levels of housing needs. These communities span diverse demographics, encompassing minorities, families with children, and households headed by women. To achieve these objectives, the organization is working toward closer collaboration with other community service providers to target outreach and volunteer initiatives specifically toward local schools, as well as augmenting the team with additional bilingual staff.

### **Actions planned to foster and maintain affordable housing.**

As stated throughout this Action Plan, housing is a high priority for the City of Petaluma. Accordingly, the City prioritizes the use of its CDBG funding for projects and services that serve low-income households. Over the course of FY 2024-2025, the City anticipates providing financial assistance to approximately (RBT) housing units through the use of CDBG funds and another 20 units with other Housing funds.

### **Actions planned to reduce lead-based paint hazards.**

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 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 LBP Hazards. All units rehabilitated with CDBG funds are subject to LBP compliance requirements.

### **Actions planned to reduce the number of poverty-level families.**

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. In 2023, the City began participation as a funder in the *Pathway to Income Equity* pilot with Sonoma County to provide a guaranteed income to 305 families. The pilot issues \$500 monthly payments today to applicants selected for the 24-month trial. The *Pathway to Income Equity* pilot is studying the impact of unconditional, guaranteed income on reducing poverty and promoting economic mobility for families with young children. The program was developed by First 5 Sonoma County and funded by the County of Sonoma in partnership with three cities – Santa Rosa, Petaluma and Healdsburg. First 5 is partnering with the Fund for Guaranteed Income and a coalition of local community organizations to implement the program. The pilot program aims to alleviate financial stress felt by families with young children under the age of 6 in Sonoma County. The target population was selected based on a 2021 United Ways of California study, [Struggling to Move Up: The Real Cost Measure in California](#), which revealed that 52 percent of Sonoma County households with children under 6 struggled to cover basic needs and that 67% of single mothers were below the study's self-sufficiency standard.

### **Actions planned to develop institutional structure.**

The City of Petaluma's Housing Division will administer all of the activities specifically identified in the Consolidated Plan. The city works closely with other housing-related organizations and service providers in the City 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. Due to the City's relatively small size, communication is typically direct and immediate. As a result, gaps in program or service delivery are typically not the result of poor institutional structure or lack of intergovernmental cooperation, but lack of funding resources.

### **Actions planned to enhance coordination between public and private housing and social service agencies.**

The City relies on private non-profit organizations as well as for-profit developers to build and acquire, develop, and rehabilitate affordable units. The City will continue to work closely with these entities to ensure that each year as many new, affordable units are produced or preserved as possible. The City Homeless Services Action Plan clearly defines the need for services in the cities Pathway To Housing Program, and encourages a collaborative approach

between the non-profit service sector to provide emergency shelter, transitional and special needs housing. The City will continue to support these organizations and their activities.

## **Program Specific Requirements**

### **AP-90 Program Specific Requirements – 91.220(l)(1,2,4)**

#### **Introduction:**

The City identified five key goals to address housing and community development needs between Fiscal year 2020 and 2024:

1. Improve housing opportunities by preserving existing affordable housing.
2. Provide housing and services to the 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.

#### **Community Development Block Grant Program (CDBG)**

##### **Reference 24 CFR 91.220(l)(1)**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address priority needs and specific objectives identified in grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income Available:</b>	<b>0</b>

#### **Other CDBG Requirements**

1. The amount of urgent need activities	0
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2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100%
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DRAFT