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CITY OF PETALUMA

Consolidated Annual Performance and Evaluation Report (CAPER)

Fiscal Year 2022-2023

DRAFT as of 9/6/23

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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 third year (Fiscal Year 2022-2023) 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 FY2022-23 Community Development Block Grant (CDBG) Annual Action Plan (AAP). Both reports can be found on the City's website at www.cityofpetaluma.net.

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

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.

To support achieving goals outlined in the Consolidated Plan and FY2022-23 CDBG Action Plan (and CDBG-CV AP), 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 FY 2022-23, to achieve Consolidated Plan goals, the City administered \$ 3,760,176 – including its regular annual CDBG grant allocation of \$346,156, carryover CDBG-CV funding from FY2020-21 totaling \$195,540, with \$2.7 million of other Housing Funds (e.g., Housing In Lieu funds) for low-income community services, homeless programs, and preservation of existing affordable homeownership housing, and \$500,000 in Other Housing Funds (e.g., Housing In Lieu Funds and Commercial Linkage Funds) for affordable rental housing development.

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

Funding Source	Project	Allocation
CDBG	Rebuilding Together (preserve existing affordable housing)	\$ 213,338
CDBG	Petaluma People Services Center(PPSC) (senior/special needs meal delivery)	\$ 49,436
CDBG	Committee on the Shelterless (special population housing needs/shelter rehab)	\$ 26,662
CDBG	City of Petaluma (grant program administration)	\$ 56,720
	SUBTOTAL CDBG ANNUAL	\$ 346,156
CDBG-CV	PPSC (rental assistance and related support services)	\$ 123,757
CDBG-CV	Committee on the Shelterless (COTS) (rental assistance and related support services)	\$ 32,283
CDBG-CV	City of Petaluma (grant program administration)	\$ 24,575
	SUBTOTAL CDBG-CV (FY2021 carryover)	\$ 195,540
Other Housing Funds	PPSC (rental assistance and fair housing)	\$ 95,000
Other Housing Funds	HLT (preservation of affordable homeownership housing)	\$ 75,000
Other Housing Funds	COTS, DST, PPSC -SAFE (homeless shelter and services including outreach - includes \$875,000 SAFE funding AND \$650,000 2-Yr Guaranteed Basic Income Pilot)	\$ 2,548,480
	SUBTOTAL OTHER HOUSING FUNDS (HOUSING IN-LIEU, COMMERCIAL LINKAGE, ENCAMPMENT RESOLUTION) - <u>NOT</u> FOR AFFORDABLE RENTAL HOUSING DEVELOPMENT	\$ 2,718,480
Reduced Impact Fees	Studios at Montero (conversion to 60 units permanent supportive housing - project benefited from reduced impact fees; approx. \$1.2M savings in project cost)	\$ See note
Housing In-Lieu	Washington Commons w MidPen Development (proposed 50 affordable units)	\$ 500,000
	SUBTOTAL OTHER HOUSING FUNDS (HOUSING IN-LIEU AND COMMERCIAL LINKAGE) – FOR AFFORDABLE RENTAL HOUSING DEVELOPMENT	\$ 500,000
	TOTAL CITY INVESTMENTS IN CONSOLIDATED PLAN GOALS FY2022-23	\$ 3,760,176

The City met the majority of its FY2022-23 CDBG and CDBG-CV Action Plan goals by preserving affordable housing and providing rental assistance and services to low-income community members – including those significantly impacted by COVID-19. Other local housing funds augmented CDBG funds supporting Consolidated Plan goals in FY2022-23 to support production of affordable housing. No FY2022-23 CDBG funds were allocated for Homeless Services; the City funded Homeless Services program with other sources. The following summary highlights impacts of these investments in FY2022-23:

***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):*

- **CDBG Funds:**
 - Modification of emergency shelter to align with trauma-informed practices using regular CDBG funds. *Outcome – 80-bed congregate shelter facility modified to increase privacy in sleeping areas and improve sense of safety for individuals with trauma histories.*
 - Low-income seniors and people with special needs received food delivery services through a Meals program using regular CDBG funds. *Outcome – 298 persons were provided access to quality public services.*
- **CDBG-CV Funds:**
 - Families and individuals unable to pay their rent due to impacts of COVID-19 received temporary rental assistance and related supportive services using CDBG-CV funds. *Outcome – 94 at-risk individuals remained stably housed.*

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):

- **CDBG Funds:**
 - Rehabilitation of single-family dwellings occupied primarily by low-income seniors and disabled individuals using CDBG funds. *Outcome – 32 homeowners preserved their affordable housing via needed repairs.*
- **Non-CDBG Funds:**
 - Landlord trainings to preserve housing stability and available rental housing supply (non-CDBG funds) – *Outcome – 65 landlord trainings.*
 - Tenant counseling to ensure compliance with fair housing in landlord disputes and other tenant issues that put housing stability at risk (supported by non-CDBG funds) – *Outcome – 2,244 consultations. There was an increased demand for fair housing questions from tenant and landlords due to the recent Tenant Protections Ordinance that was adopted by council in June of 2023.*

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

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 the development located at 414 Petaluma Blvd North, This is a 44 unit very-low- income family housing development,, and . There have been unexpected construction delays related to PG&E services, but construction is back on track and the project completion is anticipated in Spring/Summer of 2024.
- In FY 2020-21, the City awarded \$2,000,000 to Danco for the development of a 131- unit affordable housing development which includes 33 permanent supportive housing units. \$1,100,000 was drawn down for site acquisition. The developer continues to work on securing additional subsidy funding for the project. The project applied in March of 2023 to

the State of California Housing and Community Development Affordable Housing Sustainable Communities Program for \$31,000,000 in grant funding and was awarded the full amount. The grant funds will be used for the development of affordable housing, infrastructure for the city's second SMART station, and for service expansion of the city bus route.

In FY 2019-20, the City provided \$1,500,000 of City In-Lieu funds for development of the 54 units multi-family senior and Veterans at 951 Petaluma Boulevard. The project was completed in 2022 and was fully occupied at end of FY2022-23.

- 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. MidPen is currently working on securing additional financial subsidies for the project. The project will benefit in project cost savings as a result of the City of Petaluma resolution that provides Reduced Impact Fees for projects that are deed restricted and 100% affordable.
- In FY 2022-23, Burbank Housing began working on a 50-unit affordable housing development located at 1601 Petaluma Boulevard South. They secured funding from the HCD Accelerator Program in the amount of \$23,766,000 and will be starting construction in FY2023-24. The project will similarly benefit in project cost savings as a result of City of Petaluma resolution that provides Reduced Impact Fees for projects that are 100% affordable.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

The following table summarizes planned versus actual outcomes for the regular annual CDBG program Action Plan Year 3 (2022-2023) in addition to activities funded by CDBG-CV.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected 5-Year Goal	Actual To Date	Percent Complete of 5 Year Goal	Planned for Current Program Year	Actual Result Current Program Yr	Percent Complete
PRODUCTION										
PRESERVATION										
Preservation of existing affordable housing	Affordable Housing, Homeless, NonHomeless Special Needs	CDBG: \$213,338 (RBT)	Homeowner Housing Rehabilitated	Household Housing Unit	180	128	71%	50	32	64%
Preservation of existing affordable housing	Affordable Housing	City Funds \$75,000 (HLT)	Homeowner stewardship and education	Persons Assisted	1600	802	50%	200	361	180%
PROTECTION										
Provide housing and services to special needs populations	Community Services/Meals	CDBG: \$49,436	Activities other than Low/ Moderate Income Housing Benefit	Persons Assisted	1,250	734	59%	320	296	93%
Housing and services for special needs populations	Homeless, Special Needs	CDBG \$26,662 (COTS-MIC Shelter Rehab)	Activities other than Lo-Mod Inc Hsng Benefit	Persons Assisted	N/A	N/A	N/A	350	346	N/A
Provide rental assistance + housing services	COVID-19 Relief	CDBG-CV: \$155,995	COVID-19 community rental assistance	Persons Assisted	N/A	N/A	N/A	100	224	224%
Services for low-income	Community Services/After	Other Funds \$150,000	Activities other than Lo-	Persons Assisted	N/A	N/A	N/A	150	150	100%

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected 5-Year Goal	Actual To Date	Percent Complete of 5 Year Goal	Planned for Current Program Year	Actual Result Current Program Yr	Percent Complete
families	School Services		Mod Inc Hsng Benefit							
PROTECTION (continued)										
Services for low-income families	Community Services/Fair Housing Program	Other Housing Funds \$100,000	Activities other than Lo-Mod Inc Hsng Benefit	Persons Assisted	N/A	N/A	N/A	600	2,165	360%
Provide shelter and services	Homeless, Special Needs (incl outreach, shelter, meals)	General Fund + Encampment Resolution \$1,348,480	Activities other than Lo-Mod Inc Hsng Benefit	Persons Assisted	N/A	N/A	N/A	946	1,037	109%
Provide services to special needs populations	Community Services	General Fund \$875,000 (SAFE Program)	Activities other than Lo-Mod Inc Hsng Benefit	Persons Assisted (duplicated)	N/A	N/A	N/A	N/A	3600	N/A
Provide services to special needs populations	Community Services	ARPA \$650,000 (2-year Guaranteed Basic Income Pilot)	Activities other than Lo-Mod Inc Hsng Benefit	Persons Assisted	N/A	N/A	N/A	N/A	54	N/A

Table 1 - 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 Programs were used to address the goals and objectives identified in the City's 2020-2024 Consolidated Plan and the FY 2022-23 Action Plan and CDBG-CV AAP approved in October 2020. 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 single-family homeownership units –primarily for low-income seniors, persons with disabilities and veterans – preserving affordable units through our Rebuilding Together Petaluma program. Another priority is providing service to seniors. This was accomplished utilizing CDBG funds for Petaluma People Services Center's Meals on Wheels program.

The City's ability to respond to increasingly difficult housing issues is constrained by reductions to local funding sources but encouraged by the increase in State HCD funding for extremely low and very low-income households in addition to funding for housing for the unsheltered community. 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 – such as the City's 2021 Homekey award which supported development of a new 60-unit permanent supportive housing project that opened in FY 2022-23. With the addition of new, one-time CDBG-CV funds, the city has been able to help address the pandemic's impacts on low-income families with rental assistance and related household expenses to retain housing and avoid eviction and potential homelessness.

The City has continued to encourage and support developers of new projects to provide on-site units, such as the Housing In-Lieu and Commercial Linkage Fund investments in a 131-unit Meridian at Corona Crossing development by Danco, and a 42-unit MidPen affordable family senior/veterans development, and site acquisition for a 50-unit multifamily development. In December of 2022, the City Council adopted Resolution # 2022-182 N.C.S that reduces impact fees for deed restricted 100% affordable housing developments.

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

	CDBG	CDBG-CV	TOTAL
White	508	237	745
Black or African American	26	9	17
Asian	8	27	36
American Indian or American Native	54	26	80
Native Hawaiian or Other Pacific Islander	7	1	8
Declined to State	36	10	46
Total	639	311	950
Hispanic	76	80	156
Not Hispanic	604	138	742

Table 2 – Table of CDBG assistance to racial and ethnic populations by source of funds
Narrative

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 2021 U.S. Census QuickFacts. White households make up 55% of the population living below poverty level according to the census data but were 83% 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 for their categories.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	\$346,156	\$346,156
CDBG-CV (carryover)	CDBG-CV	\$155,995	\$116,546
HOME	HOME	\$0	\$0
HEAP	HEAP	\$0	\$0
ESG	ESG	\$0	\$0

Other Program Income	Commercial Linkage, In-Lieu Housing, General, Encampment Resolution, ARPA	\$3,218,480	\$3,218,480
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Table 3 - Resources Made Available

Narrative

In FY 2022-23, the City received \$346,156 in CDBG funds. The amount expended during the Program Year 2022-23 was \$346,156 including City grant administration. In FY 2022-23, the City had \$155,995 remaining of CDBG-CV funding carryover from prior year, of which it expended \$116,546. The City neither received nor expended any new HOME, HEAP or ESG funds in FY2022-2023.

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 4 – Identify the geographic distribution and location of investments

Narrative

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.

Petaluma must use non-CDBG resources to address the City's priorities because the City's CDBG entitlement is modest. It is vital that those funds are leveraged with other resources to serve low and moderate-income residents. The City has two other Housing funds, the In-Lieu Housing Fund and the Commercial Linkage Housing Fund, which receive income from commercial and residential development projects. The estimated total balance in both of those Housing Funds is \$1,500,000 as of June 30, 2023. Future income with both Housing funds is not guaranteed as it depends on residential and commercial development impact fees.

Another means of support the City provides is leasing city owned properties to nonprofit providers for a \$1.00 a year to be used for housing and services for the low income and unsheltered community members ,which addresses the needs identified in the Consolidated Plan to provide housing and services to the low-income populations, including but not limited to, children, seniors and special needs population (homeless, disabled, etc.). The City leases four properties to the Committee on the Shelterless for their supportive housing program and one property to the Veterans Resource Center for their supportive program for veterans. The value for use (estimated market rent) of these properties has been estimated at a total of \$300,000 per year (approximately)\$5,000 per month per home.) The City also provides use of publicly owned facilities (211 Novak Drive for the Senior Center, and 1500 Petaluma Boulevard South) for program operations for our nonprofits to serve low- income members of our community; 211 Novak Drive is a 4500 square foot building and 1500 Petaluma Blvd South is a 10,500 square foot building. The total estimated rental value for both buildings is approximately \$25,000 per month or \$300,000 annually.

Regarding public services funding via subcontracts with the City's regular annual CDBG allocation, nonprofit agencies leverage several private and public funding sources in order to deliver program services. These agencies include Petaluma Peoples' Services Center (PPSC), Rebuilding Together Petaluma (RBT), and Committee on the Shelterless (COTS.)

In FY 2022-23, the City of Petaluma leveraged one-time funds received from a State of California Encampment Resolution Grant and Sonoma County ARPA funds to augment homeless services including operation of the new People's Village non-congregate shelter, and expansion of street outreach services.

To augment City funds for affordable housing development, in FY2022-23 the City of Petaluma Submitted a Permanent Local Housing Allocation (PHLA) application to the State of California Housing and Community Development (HCD) to access entitlement jurisdiction formula grant funding. The initial 5 Year Estimated Allocation for the City of Petaluma totals \$1,106,142. The eligible use category the City of Petaluma selected for the City's PHLA fund allocation is category 301(a)(1): "The predevelopment, development, acquisition, rehabilitation and preservation of multi-family, residential live-work, rental housing that is affordable to extremely low-; very low-; low-; or moderate-income households, including necessary operating subsidies."

In November 2021, the City established the City of Petaluma Local Housing Trust Fund (LHTF) to provide a dedicated source of revenues for a variety of 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 – and to prepare for opportunities to submit matching grant applications to the State HCD LHTF Program. In May 2022, the City submitted a matching grant application request for \$1,100,000 to the State HCD LHTF Program to support the Studios at Montero 60-unit permanent supportive housing project under development by Burbank Housing.

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	60	60
Number of Non-Homeless households to be provided affordable housing units	54	54
Number of Special-Needs households to be provided affordable housing units	0	0
Total	114	114

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance (includes CDBG-CV)	445	1021
Number of households supported through The Production of New Units (River City)	54	54
Number of households supported through Rehab of Existing Units (Montero)	60	60
Number of households supported through Acquisition of Existing Units	0	0
Total	559	1135

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The number of households supported through Rental Assistance reflects the fact that remaining one-time CDBG-CV funds for rental assistance carried forward into FY 2022-23 and enabled the City to provide additional aide as low-income families continued to recover from economic impacts of the COVID pandemic.

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 FY2022-23 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 people from losing housing in the first place, and
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.

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	CDBG-CV Actual	HOME Actual
Extremely Low-income	0	84	0
Low-income	0	8	0
Moderate-income	0	1	0
Total	0	93	0

Table 7 – Number of Households Served

Narrative Information

A total of 32 low and extremely low-income homeowner households benefited from Rebuilding Together Petaluma's rehabilitation program; we anticipated a greater number of households will be served by this program in FY 2023-24. The CDBG-CV-funded rental assistance program administered by COTS and PPSC served 224 households.

The City is also working with non-profit developers on four affordable rental housing developments:

- MidPen is currently in construction of a development with 43 units of multi-family housing (414 Petaluma Boulevard N.)
- MidPen acquired a new site to construct 50 units of affordable housing (Washington Commons.)
- Burbank Housing is starting construction in FY23-24 on a 50-unit development (River Place.)
- Danco acquired the site and is working on securing additional subsidy for a 131-unit affordable housing development (Meridian at Corona Crossing.)

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

Addressing the 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. According to the [2023 Sonoma County Point-in-Time Count](#), the number of individuals experiencing unsheltered homelessness in Petaluma (157) represented a 27% decrease over 2022 (with 214 unsheltered individuals.) This significant decrease reflects the results of increased county wide efforts that are focused on By Names List case management to inform street outreach efforts, shelter policy changes including removing length of stay restrictions, opening of a new non-congregate shelter in the City, and the opening of a new 60-unit permanent support housing program.

In the Spring of 2023, through ongoing subregional By-Name-List case conferencing efforts, the City of Petaluma and its partners identified the 157 unsheltered individuals currently experiencing long-term, chronic homelessness in the City. Just 42 of these individuals, or 26.8%, are sheltered. Based on total prioritization scores stemming from Coordinated Entry assessments that have been completed to-date, we know that approximately 89% of the people on the Petaluma By-Name-List would likely benefit from permanent supportive housing interventions. Case conferencing during Petaluma By-Name-List meetings to discuss the "top 20" most vulnerable individuals – those who

have some of the longest and most complex histories of homelessness in our community – highlight the intensity of need. Approximately 90% have substance abuse disorders (with 33% being primarily alcohol-dependent and 66% being primarily methamphetamine-dependent), 55% have serious mental illness (with 82% of those individuals having co-occurring mental illness and substance use disorders), 25% have disabling physical health conditions, and 20% have traumatic brain injuries.

To address these significant needs for increased mental health services integrated with street outreach, the City applied for Sonoma County Measure O grant funds through the Continuum of Care in early 2023. A recently awarded grant of \$350,000 from the Measure O grant process will fund newly expanded and integrated mental health and expanded street outreach services in FY2023-24.

The By Names List group has also identified growing numbers of transitional aged youth (TAY) and families awaiting shelter and services. In June 2023, 12 TAY had sought services through the City's emergency shelter programs, and 12 families were on the waiting list for emergency shelter. These critical needs will be discussed and problem-solved through the City's newly implemented quarterly homeless service provider meetings which provide an ongoing forum to identify and address emerging challenges in our community's system of services.

In FY 2022-23 the City used its local housing funds and state encampment grant funds for homeless services to support contracts with Committee on the Shelterless (COTS) in the amount of \$867,025 and the Downtown Streets Teams (DST) in the amount of \$481,455. The City CDBG annual funding allocation historically has not been used for homeless services, but in addition to the previously mentioned program funding, the City owns four properties that are leased to Committee on the Shelterless and used to provide housing opportunities for previously homeless clients. The City of Petaluma also provided property where the Committee on the Shelterless operates its Family Homeless Shelter which can serve up to 12 homeless families a night.

The City and County partnered to open a new non-congregate shelter program – Peoples Village – in May 2022. Located adjacent to COTS' 80-bed Mary Isaak Center congregate shelter, People's Village provides 25 private, individual interim housing units created in the "tiny home" model. People's Village residents access Mary Isaak Center showers, laundry, and community meals, and receive intensive case management to support their move to permanent housing. In FY2022-23, the City invested \$417,022 for operation of People's Village by COTS. Over the program year, People's Village provided non-congregate shelter for 54 individuals. Since the program opened in May 2022, 27% of exits have been permanent supportive housing placement.

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

The CoC's discharge planning efforts are outlined in greater detail in the Consolidated Plan and include ongoing coordination with various Sonoma County departments, such as Division of Family, Youth, and Children Services, Behavioral Health, and Sonoma County Probation, and the grassroots Health Care for the Homeless Collaborative staffed by the Sonoma County Task Force for the Homeless. The City's primary focus on helping prevent homelessness has come in the form of its continued emphasis on targeted significant portions of its available program funding to rental assistance, which primarily benefits low-income individuals and families.

In FY2021-22, the City began developing a pilot guaranteed income program which was funded by City ARPA funds in FY2022-23. One purpose of the pilot is to determine the degree to which guaranteed income will help low-income households avoid becoming homeless. Monthly payments of \$500 to 54 beneficiary households in the program began distribution in early 2023. A report of program outcomes will be incorporated into the City's FY2023-24 CAPER.

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 the affordable housing we do have and working with both non-profit and for-profit developers in the construction of affordable units when the opportunity arises. The most recent example of such a partnership is the City's collaborating with Burbank Housing in a Homekey project awarded in late 2021 to develop the Studios at Montero, a 60-unit permanent supportive housing project which opened in May 2022. In this context, in FY 2022-23, the City's response to homelessness included 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, employment-based training programs
 - ***COTS*** – meals, street outreach and encampment clean-ups.
 - ***Interim Solutions COTS*** – housing-focused shelter with individual case management support and housing placement program. Expansion of interim shelter to include non- congregate option.
 - ***DST*** – housing-focused outreach, employment program, collaboration with court referral, jail re-entry, and health care partners.
 - ***SAFE Program*** - mental health first response for crises involving mental illness, homelessness, and addiction.
 - ***Guaranteed Basic Income Pilot*** – two-year pilot program to determine impact of providing 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, COVID rapid rehousing.
 - ***Petaluma People Services Center*** – rapid rehousing.
 - ***Nations Finest*** – Veterans housing support services.

To further support achieving the goal of housing for all Petaluma residents, as Year 1 goal of its recently approved 2022-2025 Homeless Strategic Action Plan, the City published a Request for Proposals in late 2022 to solicit applications for an expanded, case-management approach to street outreach, and a formal landlord recruitment program. The successful RFP process resulted in selection of a new organization joining the City’s homeless services provider collaborative – Home First – to operate both the new Street Outreach and Landlord Recruitment Programs via contracts beginning in FY 2023-24.

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 420 Section 8 vouchers that have been issued through the Sonoma County Housing Authority for persons living in Petaluma.

60 project-based vouchers were made available for the new Studios at Montero affordable housing/permanent supportive housing development. New affordable housing developments in the current pipeline are also integrating project-based vouchers for permanent supportive housing that provide economic support to ensure 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 homeownership opportunities, notifications are placed in the local newspaper reaching out to all First Time Homebuyers and distributed via email to interested 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)

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 2023-2023 Housing Element*](#).

Some of Petaluma's recent 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 established a Local Housing Trust Fund in 2022 to expand financial resources available to affordable housing developers.
- 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 there are homeownership opportunities, notifications are placed in the local newspaper reaching out to all First Time Homebuyers and distributed via email to interested 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

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

One of the primary obstacles to meeting underserved needs of residents is the availability of funding. Changes to tax credit scoring and limited amount of state housing funds has proven to be an obstacle in the City's ability to implement its goals.

In FY2022-23, the City team sought additional funding by preparing and presenting to Council for consideration the following program applications to allow the City to leverage its limited funding and providing more housing opportunities for extremely, very low and special needs households. The following list of programs are all State of California Housing and Community Development Programs; Local Housing Trust Fund; Pro-Housing Designation Program; Affordable Housing and Sustainable Communities Program and the Permanent Local Housing Allocation Formula Programs.

In addition, the City has submitted its Prohousing Designation application to the State of California Housing and Community Development to enable Petaluma-based housing projects to receive additional points in state competitive funding processes for affordable housing development. City staff responded to initial review comments at the end of FY2022-23; designation is anticipated in FY2023-24.

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 hopes 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.

In 2022-23 the City used \$155,955 of CDBG-CV1 funds for rental assistance and provided \$25,00 of Housing In-Lieu funding to augment the CDBG-CV-funded rental assistance programs.

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

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. 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 currently includes COTS, PPSC, DST, the Petaluma Police Department, City Manager's office, and staff from City Park and Recreation and Housing. 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. During FY2022-23, the City developed an intensive case-management-based street outreach strategy that is being implemented through new service contracts in FY2023-24. The City anticipates this new approach will result in an increase in housing placements for unsheltered individuals.

The City also 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 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 has on-going interaction with many public and private entities to further the objectives set forth in 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. In November 2021, the City established the City of Petaluma Local Housing Trust Fund (LHTF) with proceeds of the fund to be used to address the need for decent, safe, and affordable housing within the city. In FY2022-23, the City was awarded State of California Department of Housing and Community Development (HCD) LHTF Matching Fund program funds totaling \$1,100,000. These matching funds can support the development of new permanent supportive housing for chronically homeless individuals.

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)

In 2022, the City completed its work with the staffs of the County of Sonoma and City of Santa Rosa (the three-entitlement jurisdictions in the county) to jointly draft a new The Sonoma County Analysis of Impediments to Fair Housing Choice (AI) report. The City uses its local Housing In-Lieu and Commercial In-Lieu funds to support programs that improve the supply and the conditions of affordable housing for lower income persons.

In addition, the City annually allocates Housing funds toward a county-wide Fair Housing program. Petaluma People Services Center was the Fair Housing service provider for Petaluma in FY2022-23. The PPSC Fair Housing program is designed to counter violations under state landlord-tenant law in addition to discriminatory practices under both state and federal fair housing statutes. PPSC reported contact with 2,165 people during FY2022-23 through the Fair Housing program. PPSC provided housing counseling and landlord-tenant mediation and provided 65 landlord trainings to the local housing industry in FY2022-23 – a 44% increase over the prior year.

CR-40 - Monitoring 91.220 and 91.230

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

The 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.

Subrecipients: Most of the funding will be allocated to nonprofit subrecipients. The subrecipient will enter into an agreement with the City detailing program requirements, applicable statutes and regulations, and references to the provision of OMB circulars containing federal cost principles, audit and uniform administrative requirements.

Technical Assistance: The City conducts a mandatory orientation session in which all subrecipients receive updated information pertaining to their funded activities and throughout the year, city staff provides additional technical assistance through one-on-one contacts with the subrecipient agencies throughout the program year. Staff conducts a desktop review of the financials and program records of each subrecipient annually. Housing staff communicates on a regular basis with the nonprofits utilizing CDBG funds.

Reporting: Subrecipients of CDBG funds are required to submit quarterly reports via the City Data Services web portal to the City. Each of the quarterly reports must provide information regarding the subrecipient's activities, beneficiaries, and accomplishments. This information is entered into HUD's Integrated Disbursement and Information System (IDIS). The staff will then review and monitor the reports for compliance with all applicable federal and local regulations, goals and objectives. On-site monitoring visits are done as needed.

Performance Measurement System: Utilizing HUD's system of measuring goals and objectives, the staff is measuring milestones of success for meeting the needs of the community's low and moderate income and minority residents.

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, notices are posted in the City e-newsletter, published on the City Housing Program webpage, and are available via request to the City Housing Program Manager, Karen Shimizu @cityofpetaluma.org and

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 18, 2023. 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. All public and interested parties are provided access to the Council meetings during the coronavirus pandemic and are provided opportunities to speak via the internet virtual meetings.

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 2022-23 CAPER ran from August 19, 2023 through September 18, 2023. 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 the 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 2022-23.

Does Jurisdiction have open Brownfields Economic Development Initiative (BEDI) grants?
No

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