

READ AND CONSIDERED
DATE 9/7/22 BY [Signature]

Response to Grand Jury Report Form

Report Title: Affordable Housing: Monitoring and Compliance
Report Date: June 14, 2022
Response by: Todd Lands Title: Mayor
Agency/Department Name: City of Cloverdale

FINDINGS: F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11

I (we) agree with the findings numbered: 1, 3, 4, 5, 6, 7, 8

I (we) disagree wholly or partially with the findings numbered: 2, 9, 10, 11

(Attach a statement specifying any portions of the findings that are disputed with an explanation of the reasons.)

RECOMMENDATIONS: R1, R2, R3, R5, R6, R7, R8

- Recommendations numbered: 3, 6 have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered: 1, 2, 5, 7, 8 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered: _____ require(s) further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. ***This timeframe shall not exceed six months from the date of publication of the Grand Jury report.***)
- Recommendations numbered: _____ will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: 9/1/2022

Signed: R. Miranda for Todd Lands

Number of pages attached: 4

(See attached Civil Grand Jury Response Requirements)



SONOMA COUNTY CIVIL GRAND JURY REPORT 2021-2022
Affordable Housing: Monitoring and Compliance

City of Cloverdale Responses to Findings

F1. Monitoring of compliance with Affordable Housing regulations has been inconsistent and often inadequate.

The City of Cloverdale agrees with this finding. Historically the City has not had adequate staffing and adequate staff with historical knowledge of affordable housing monitoring and compliance procedures. For ownership units, the City has historically relied upon deed restrictions in place to alert lending agencies of the for-sale restrictions, who then in turn contact the City regarding refinances, sales, etc. For rental units, the City has historically relied upon the monitoring and compliance that is routinely required by lending agencies for compliance with tax credit eligibility.

F2. The use of self-reported data in monitoring is the accepted norm.

The City of Cloverdale somewhat disagrees with this finding. For ownership units, the City has historically relied upon deed restrictions in place to alert lenders and lien holders of the for-sale restrictions, who then in turn, contact the City regarding refinances, sales, etc. For rental units, the City has historically relied upon the monitoring and compliance that is routinely required by lending agencies for compliance with tax credit eligibility.

F3. On-site (in-person) monitoring beyond that required by law is rare due to insufficient personnel, budgetary limitations, and relatively low incentives.

The City of Cloverdale agrees with this finding. At this time, the City does not have the resources to conduct annual onsite inspections. However, the City does conduct on-site inspections when requested by residents.

F4. COVID-19 further reduced in-person, on-site monitoring due to public health restrictions.

The City of Cloverdale agrees with this finding. On-site monitoring did not occur and was reduced and/or waived by federal funders to ensure the safety of the community and staff.

F5. Surprise or unscheduled monitoring of individual units is not done, for reasons of privacy, availability, efficiency, and practicality.

The City of Cloverdale agrees with this finding. The City does not have sufficient staffing to perform on-site monitoring. However, for privacy and due process concerns, prior notice for site visits would be scheduled to accommodate on-site staff and residents.

F6. Unscheduled monitoring of properties and management, in order to review tenant files, grounds, and the amenities is not done.

The City of Cloverdale agrees with this finding. The City does not have sufficient staff to perform on-site monitoring.



F7. The Community Development Commission has informational documents and policies to provide upfront training in the monitoring process.

The City of Cloverdale agrees with this finding.

F8. There is limited or no standardized training in Affordable Housing compliance regulations for developers and managers of inclusionary housing within the nine Cities.

The City of Cloverdale agrees with this finding as there is no ongoing standardized training for the City or countywide. However, the City would participate in any training related to affordable housing compliance.

F9. The cities of Petaluma and Rohnert Park use computerized compliance monitoring programs to facilitate and improve the quality of their work.

The City of Cloverdale supports the finding made by the Civil Grand Jury. The City would be interested in the use of affordable computerized compliance monitoring programs if available.

F10. The property titles of Affordable single-family houses have not always been flagged as deed restricted.

The City of Cloverdale supports the finding made by the Civil Grand Jury, however current City staff's experience with the resale or refinancing of affordable single-family houses has revealed that deed restrictions are in place as the City is contacted by the lending institutions regarding flagged properties. Our understating is all affordable single-family houses have deed restrictions. Prior to the release of any resale restrictions city staff works to review any relevant regulatory agreements, title reports, deal documents, and escrow instructions to ensure all transactions including recorded documents and deed restriction are in place, and recorded in the proper order.

F11. The majority of the housing representatives the Grand Jury interviewed felt that there is not enough staff within their departments to make anyone a full-time compliance monitor.

The City supports the finding made by the Civil Grand Jury (CGJ). However, the City does not have specific knowledge of which jurisdictions were interviewed, nor does the City know what other jurisdictions may have told the CGJ. The City would welcome a county-wide centralized monitoring system.

City of Cloverdale Responses to Recommendations

R1. By December 31, 2022, the Sonoma County Community Development Commission and the nine Cities meet and develop agreed-upon standards and procedures for the monitoring of Affordable Housing. (F7, F8)

The City of Cloverdale intends to implement this recommendation by December 31, 2022, and the City understands that scheduling of such a meeting is currently underway. The City is supportive of working with the Sonoma County Community Development Commission (SCCDC) and the nine cities to come to an agreement on hiring a third party to perform the monitoring and compliance of Affordable Housing



for all jurisdictions within the County who agree to help fund the third-party compliance and monitoring.

R2. The Sonoma County Community Development Commission and the nine Cities resume on-site monitoring by October 1, 2022. (F3, F4)

The City of Cloverdale does not have sufficient staff at this time to implement this recommendation. However, the City will consider hiring a third-party consultant or partner with the County to perform monitoring and compliance of affordable housing units in the City and on-site inspections of all properties will be scheduled when a housing specialist is hired.

R3. By January 1, 2023, the Sonoma County Community Development Commission and the nine Cities review and ensure that they have sufficient personnel to conduct onsite monitoring and process self-reported monitoring data to meet future Regional Housing Needs Allocations. (F1, F2, F3, F5, F6, F11)

The recommendation has been implemented and the City does not presently have sufficient personnel to conduct onsite monitoring and process self-reported data. However, the City will consider hiring a third-party consultant to perform monitoring and compliance of affordable housing units in the City.

R5. By January 1, 2023, the nine Cities develop informational documents and policies to provide both upfront and ongoing training in the monitoring and compliance procedures for developers and managers of Affordable Housing projects. (F8)

This recommendation will be implemented if the City hires a third-party consultant to perform affordable housing monitoring and compliance for the City. The City already has a training program for HOME and CDBG program operations and monitoring. That program can be expanded to meet the requirements for all funding sources.

R6. By November 1, 2022, the nine Cities meet and discuss to jointly or individually utilize Affordable Housing monitoring software. (F9)

This recommendation has been implemented. The County has already scheduled these meetings.

R7. By November 1, 2022, the nine Cities meet and discuss pooling resources to fulfill their monitoring responsibilities, through either a consultant or designated employees. (F11)

This recommendation will be implemented by November 1, 2022. The City of Cloverdale understands that scheduling of such a meeting is currently underway. The City is supportive of working with the Sonoma County Community Development Commission (SCCDC) and the nine cities to come to an agreement on hiring a third party to perform the monitoring and compliance of Affordable Housing for all jurisdictions within the County who agree to help fund the third-party compliance and monitoring.

R8. By December 31, 2022, the Sonoma County Community Development Commission and the nine Cities should update and maintain their inventory of Affordable houses within their jurisdictions and verify that all their property titles are flagged for restricted sale. (F10)



This recommendation will be implemented by December 31, 2022, as the City intends to hire a third-party consultant to perform the monitoring and compliance of Affordable Housing.