



**Sonoma County Community Development Commission
Sonoma County Housing Authority**
1440 Guerneville Road, Santa Rosa, CA 95403-4107

Members of the Commission

James Gore
Chair

Chris Coursey
Vice Chair

Susan Gorin
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Dave Kiff
Interim Executive Director

Response to Grand Jury Report Form

Report Title:	Affordable Housing: Monitoring and Compliance		
Report Date:	June 14, 2022		
Response by:	Dave Kiff	Title:	Interim Executive Director
Agency/Department Name:	Sonoma County Community Development Commission		

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

I (we) agree with the findings numbered: F4, F5, F6, F7

I (we) disagree wholly or partially with the findings numbered: F1, F2, F3, F8, F9, F10, F11

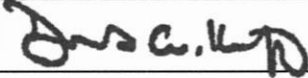
(Attach a statement specifying any portions of the findings that are disputed with an explanation of the reasons.)

RECOMMENDATIONS: R1, R2, R3, R4, R8

- Recommendations numbered: R2, R8 have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered: R1, R3 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered: R4 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:	8-18-2022	Signed:	
Number of pages attached:	Four		

**Sonoma County Community Development Commission
Attachment to the Sonoma County Civil Grand Jury Responses**

FINDINGS:

I (we) disagree wholly or partially with the findings numbered: F1, F2, F3, F8, F9, F10, F11

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

Explanation of reason for dispute of the finding: The Sonoma County Community Development Commission agrees that monitoring of compliance with Affordable Housing regulations has been inconsistent since the onset of the COVID restrictions, when federal and local mandates prohibited onsite monitoring to limit the spread of COVID. Prior to that period of time, the Sonoma County Community Development Commission conducted ongoing onsite monitoring according to local monitoring procedures and federal regulations. Annual desk monitoring, which includes review of annual reports (e.g., unit occupancy, tenant income, rents, etc.) and supporting documents submitted by property owners continued without interruption during the period that onsite monitoring was prohibited, as reports are submitted electronically or by postal mail.

The Sonoma County Community Development Commission disagrees that the monitoring of compliance with Affordable Housing regulations has been “often inadequate”. In addition to the ongoing monitoring conducted by the Sonoma County Community Development Commission, which includes onsite and desk monitoring, many of the affordable units are monitored more frequently by other regulatory agencies and organizations, which have their own sets of compliance oversight requirements similar to those of the Sonoma County Community Development Commission. These agencies can include the California Tax Credit Allocation Committee, US Department of Housing and Urban Development, US Department of Agriculture Rural Development Program, public and institutional lenders, and others. The affordable units are often monitored multiple times each year by these various organizations and agencies.

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

Explanation of reason for dispute of the finding: The Sonoma County Community Development Commission partially disagrees with this finding as the reporting is reviewed by staff and any issues of non-compliance are addressed, and if necessary, with more in-depth onsite monitoring. Also, similar to the prior response to finding F1, the affordable units are often monitored onsite by multiple agencies each year.

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

Explanation of reason for dispute of the finding: The Sonoma County Community Development Commission partially agrees with this finding. The Commission has experienced some substantial staff transition during the past few years as a result of the impact of local disasters and COVID, which temporarily limited monitoring activities. In December, 2021, the Board of Supervisors approved a revision to the Commissions' compliance monitoring policies to increase and expand onsite monitoring, including adding a new staff position to support this work as soon as sufficient funds can be identified. Monitoring will now be conducted onsite for all affordable rental housing at least once every three years, and more often if deemed necessary.

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

Explanation of reason for dispute of the finding: The Sonoma County Community Development Commission cannot agree or disagree with this finding as it does not have direct knowledge of the inclusionary housing ordinances or enforcement procedures of the nine Cities.

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

Explanation of reason for dispute of the finding: The Sonoma County Community Development Commission cannot agree or disagree with this finding as it has no direct knowledge about the compliance monitoring procedures of Petaluma and Rohnert Park.

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

Explanation of reason for dispute of the finding: The Sonoma County Community Development Commission disputes this finding. The Sonoma County Community Development Commission records option agreements on title for all Affordable ownership units that are restricted due to 1) Sonoma County Community Development Commission financing provided either to the developer or directly to the homebuyer, 2) a density provided to the developer as a regulatory incentive, or 3) an inclusionary housing requirement included in the developer's conditions of approval. The option agreement sets forth the terms under which the restricted home may be resold to a new, income-eligible household at a specified price, and provides the Sonoma County Community Development Commission with a first-right-of-refusal to buy the home if necessary to facilitate resale to an eligible household.

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.

Explanation of reason for dispute of the finding: The Sonoma County Community Development Commission neither agrees nor disagrees with this finding, as we do not have knowledge as to what respondents stated in interviews with the Grand Jury. The CDC continually monitors staffing levels and is in the process of adding an additional position to support this work.

RECOMMENDATIONS: R1, R2, R3, R4, R8

Recommendations numbered: R2, R8 have been implemented.

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

Summary describing the implemented actions: The Sonoma County Community Development Commission cannot confirm whether the nine Cities resumed on-site monitoring, but the Commission resumed on-site monitoring of restricted affordable housing developments in its multi-family inventory in October of 2021 and brought current all monitoring required by federal regulations by March, 2022. This monitoring included projects that were due for on-site monitoring during the period when it was prohibited to limit the transmission of COVID. This monitoring continues on an ongoing basis and will include periodic visits to all restricted developments on a rotating basis.

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)

Summary describing the implemented actions: The Sonoma County Community Development Commission has initiated the process of updating its inventory of Affordable units and continues to verify if units that were destroyed or damaged by a disaster (e.g., fire, flood) have been rebuilt or restored to habitability.

The Sonoma County Community Development Commission also plans to reinstate its former practice of updating its list of countywide multi-family Affordable units and posting this list on its website. This list will be updated quarterly through coordination with the Cities. The Sonoma County Community Development Commission does not plan to publish a list of restricted single-family homes because identification of the addresses identifies the homeowners as having incomes at certain levels, which is an unlawful disclosure of protected confidential information.

The Sonoma County Community Development Commission respectfully disputes the F10 finding. The Sonoma County Community Development Commission records option agreements on title for all Affordable ownership units that are restricted due to 1) Sonoma County Community Development Commission financing provided either to the developer or directly to the homebuyer, 2) a density provided to the developer as a regulatory incentive, or 3) an inclusionary housing requirement included in the developer's conditions of approval. The option agreement sets forth the terms under which the restricted home may be resold to a new, income-eligible household at a specified price, and provides the Sonoma County Community Development Commission with a first-right-of-refusal to buy the home if necessary to facilitate resale to an eligible household.

Recommendations numbered: R1, R3, R4 have not yet been implemented, but will be implemented in the future.

- 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)**

Timeframe for the implementation: The Sonoma County Community Development Commission will work with the nine Cities to meet and develop agreed upon standards and procedures for the monitoring of Affordable Housing, no later than December 31, 2022.

- 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 on-site monitoring and process self-reported monitoring data to meet future Regional Housing Needs Allocations. (F1, F2, F3, F5, F6, F11)**

Timeframe for the implementation: The Sonoma County Community Development Commission will review and ensure it has sufficient personnel to conduct on-site monitoring and process self-reported monitoring data to meet future Regional Housing Needs Allocations. The Sonoma County Community Development Commission plans to request the Board of Commissioners' possible approval of a monitoring fee increase to help pay for an additional staff position for this position. These requests should be presented to the Board of Supervisors prior to January 1, 2023.

Recommendations numbered: R4 require(s) further analysis.

- R4. The Sonoma County Community Development Commission use informational documents and policies to provide ongoing training in the monitoring process for developers and managers of Affordable Housing projects by January 1, 2023. (F7)**

Timeframe for the implementation: This item will require additional analysis which will be conducted and presented for review and disposition no later than December 14, 2022.