

AP-05 Executive Summary

AP-05 Executive Summary - 24 CFR §91.200(c), 91.220(b)

A. INTRODUCTION

This Annual Action Plan (AP) is the fourth of five annual updates to the 2015-20 State of California Consolidated Plan (ConPlan). The AP outlines the State of California's (state) current priorities and strategies to address housing and community development goals using 2018 federal community development funds from the U.S. Department of Housing and Urban Development (HUD) and from other federal and state sources.

This AP describes projected HUD 2018 funding levels, state and other resources expected for the year, program operation schedules, goals, objectives, and planned operations for the following five programs:

1. Community Development Block Grant (CDBG);
2. Home Investment Partnerships Program (HOME);
3. National Housing Trust Fund (NHTF);
4. Emergency Solutions Grants (ESG); and
5. Housing Opportunities for Persons With AIDS (HOPWA).

(Note: The Lead Hazard Control Program Grant ended in 2017, and therefore, will not be reflected in this AP).

Below is an outline of the goals and objectives addressed in this AP. The NHTF and ESG programs are available statewide. CDBG and HOME are available only to nonurban and rural cities and counties ("non-entitlement" jurisdictions) that do not receive federal funds for these programs directly from HUD. HOPWA provides funds to HIV housing and homeless service providers that HUD does not directly fund. The jurisdictions that are eligible for these state-administered funds are identified in *Appendix A, Eligible Jurisdictions*.

B. SUMMARIZE THE OBJECTIVES AND OUTCOMES IDENTIFIED IN THE CONSOLIDATED PLAN

Statewide goals from the California 2015-20 Consolidated Plan:

- Increase the supply of affordable rental housing;
- Expand homeownership opportunities and improve existing housing;
- Provide homeless assistance and prevention services;
- Increase economic development opportunities;
- Maintain or increase public services; and
- Maintain or increase public facilities.

In addition to the statewide goals set in the 2015-20 ConPlan, the California Department of Housing and Community Development (hereafter referred to as HCD) has been focusing its efforts on addressing three key housing and community development priorities: 1) Homelessness; 2) Access to Opportunity; and 3) Climate Change. HCD will be providing state objective points towards furthering these priorities in our CDBG, HOME and NHTF programs. For more information, refer to AP-30 Method of Distribution.

C. EVALUATION OF PAST PERFORMANCE

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

See HCD's most recent Consolidated Annual Performance Evaluation Report (CAPER) that discusses FY 2016-17 outcomes for CDBG, HOME, ESG, HOPWA, and LHCP. This document is located at <http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>.

D. Summary of Citizen Participation Process and consultation process

Summary from Citizen Participation section of plan:

This AP is subject to federal Citizen Participation requirements at: <http://www.hcd.ca.gov/policy-research/plans-reports/docs/Citizen-Participation-Requirements-amended-032012.pdf>. To meet these requirements, HCD solicits input from public, private, and nonprofit organizations and other state agencies in the preparation of the ConPlan and AP updates.

Public notices describing the draft documents, inviting comments, and announcing public hearings are routinely emailed to local governments, other interested parties and depository libraries, published in legal newspapers of record, and placed on HCD's

website at <http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>. Paper copies of notices and draft documents are available by written request.

The AP will be available for a public comment period of 30 days per federal regulations. The draft AP is available for comment from all interested parties from **Friday, July 13, through Sunday, August 12, 2018**. Two public hearings will be held: Friday, July 27, in Riverside from 12:00 – 3:00 pm and Friday, July 27, in Sacramento at HCD Headquarters from 11:00 – 2:00. Public and legal notices will be provided on HCD’s website and disseminated in a listserv message. For details, see the public notices posted alongside this AP at <http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>.

If you wish to submit comments or questions regarding the changes listed above, please send them to caper@hcd.ca.gov or to the Department of Housing and Community Development, Division of Financial Assistance, 2020 West El Camino Avenue, Sacramento, CA 95833, Attention Janis Stonier. For questions regarding this document, please contact Janis Stonier at 916-263-4217.

E. SUMMARY OF PUBLIC COMMENTS

To be completed after the public comment period.

F. SUMMARY OF COMMENTS OR VIEWS NOT ACCEPTED AND THE REASONS FOR NOT ACCEPTING THEM

To be completed after the public comment period.

Lead & Responsible Agencies

AP-05 Lead & Responsible Agencies - 91.300(b)

A. AGENCY/ENTITY RESPONSIBLE FOR PREPARING/ADMINISTERING THE CONSOLIDATED PLAN

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

| Table 1 – Responsible Agencies | | |
|---------------------------------------|--|--|
| Agency Role | Name | Department/Agency |
| Lead Agency | Division of Financial Assistance | Department of Housing and Community Development |
| CDBG Administrator | Division of Financial Assistance | Department of Housing and Community Development |
| HOME Administrator | Division of Financial Assistance | Department of Housing and Community Development |
| NHTF Administrator | Division of Financial Assistance | Department of Housing and Community Development |
| ESG Administrator | Division of Financial Assistance | Department of Housing and Community Development |
| HOPWA Administrator | Office of AIDS | Department of Public Health |
| LHCP Administrator | Department of Community Services and Development | Department of Community Services and Development |

HCD prepares the state’s ConPlan, AP, and CAPER in collaboration with the California Department of Public Health, Office of AIDS (CDPH/OA), and the California Department of Community Services and Development (CSD). The programs administered by HCD are Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), NHTF, and ESG. CDPH/OA administers HOPWA and CSD administers LHCP. All these programs are implemented at the local level by agencies of eligible city and county governments, federally and/or non-federally recognized American Indian tribes, and/or private organizations, including nonprofit corporations.

B. CONSOLIDATED PLAN PUBLIC CONTACT INFORMATION

For questions regarding this document, please contact Janis Stonier at 916-263-4217. To provide comments on this document, please send them to caper@hcd.ca.gov or mail to:

Department of Housing and Community Development
Division of Financial Assistance
Attention: Janis Stonier
2020 West El Camino Ave, Suite 500
Sacramento, CA 95833

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AP-10 Consultation

AP-10 Consultation - [91.110](#), [91.300\(b\)](#); [91.315\(l\)](#)

A. INTRODUCTION

1. **Provide a concise summary of the state'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 California Department of Housing and Community Development (HCD) engages in ongoing efforts to enhance coordination between housing providers and private and governmental health, mental health and service agencies. For state fiscal year 2018-19 (FY 2018-19), HCD will continue ongoing meetings and engagement with stakeholders regarding program planning, design and implementation. Specific efforts include, but are not limited to, redesigning the Community Development Block Grant (CDBG) program and providing Disaster Recovery assistance through HCD's CalHome program, the 2018 CDBG Disaster Recovery (CDBG-DR) award for the 2017 October and December wildfires and mudslides, and implementation of the National Disaster Resilience Competition (NDRC).

The 2018-19 state budget includes \$500 million in emergency funding to help local governments across the state address homelessness. In addition, the state's Homeless Coordinating and Financing Council (Council), which will distribute the emergency funding, will be expanded and elevated to the California Business, Consumer Services and Housing Agency (BCSH) from the HCD, effective July 1. Dedicated staff will also be hired to support the Council and the following Council members will be added: a homeless youth representative, a Caltrans representative, and the Secretary of the Business, Consumer Services and Housing Agency, who will serve as chair to the Council.

The grants will provide funding to local governments to respond to homelessness through prevention efforts, emergency aid and providing wrap-around services. Local Continuums of Care (CoC), the regional or local planning bodies that coordinate housing and services funding for homeless families and individuals, will administer the grants. Jurisdictions must declare an emergency shelter crisis, and CoC must demonstrate coordination between cities and counties.

Allocations will be as follows:

- \$350 million available to CoC. These funds will be administered by the [Homeless Coordinating and Financing Council](#).
- \$150 million available to California's 11 largest cities, if they have declared an emergency shelter crisis.

The 2018-19 state budget places HCD's No Place Like Home (NPLH) program, which offers up to \$2 billion for permanent supportive housing, on the November ballot and authorizes issuing two Notices of Funding Availability (NOFAs) over the next several months. The first NOFA is expected later this summer and will make available \$200 million through a noncompetitive over-the-counter process. In addition, the budget provides direction on allocating homelessness resources from last year's [Senate Bill 2](#). Funding is anticipated to be \$125 million; half would be allocated to CoC through the California Emergency Solutions and Housing program, and half would be allocated through the Housing for a Healthy California program (created last year through [Assembly Bill 74](#)). Both of these programs will be administered by HCD.

Due to the following bills that were passed in 2017, HCD is coordinating or planning to coordinate with other housing providers and private and governmental health, mental health, and service agencies.

- 2017 Senate Bill (SB) 1380 tasks the state with identification of all programs that provide housing or housing-related services to people experiencing homelessness, or at-risk of homelessness, and to implement them using a "Housing First" policy. To accomplish this task, SB 1380 also establishes the creation of a Homeless Coordinating and Financing Council that includes up to 15 appointments by the Governor, including representatives from HCD, California Housing Finance Agency, Department of Social Services, California Department of Health Care Services (DHCS), California Department of Veterans Affairs (CalVet), Department of Corrections and Rehabilitation, and the California Tax Credit Allocation Committee. The Council will oversee the implementation of the Housing First guidelines and regulations and identify resources, benefits, and services to prevent, and end, homelessness in California.
- 2017 Assembly Bill (AB) 74 requires HCD to develop the Housing for Healthy California Program (HHC) on or before January 1, 2019 by utilizing the distribution of National Housing Trust Fund (NHTF) funds for permanent supportive housing and requires HCD to coordinate with the Department of Health Care Services (DHCS) to collect data, report outcomes, and prepare evaluations/annual adjustments for three years. HCD will report changes in health care costs and use associated with program services and housing to the Legislature on or before January 1, 2024. In the development of

HHC, HCD is currently collaborating with DHCS and will be engaging a broader group of stakeholders to determine how best to utilize one-time state funding allocated for this program.

- 2017 Senate Bill 2 provides one-time funding to address plans for accelerating housing development, streamlining housing approvals for homelessness, and to fund local governments on an on-going basis for affordable housing. To implement the first year planning money, HCD will coordinate with the Governor's Office of Planning and Research to provide technical assistance to local governments. In addition, HCD has coordinated with approximately 55 local governments and public housing providers, 70 private assisted housing providers and developers, and the state agency responsible for social services. To implement future years of SB 2 funding, HCD expects to coordinate with associations representing cities, counties, and public and rural housing providers.

Additionally, HCD collaborates with CalVet, making funding available for the Veterans Housing and Homeless Assistance Program (VHHP) while improving the supportive services, and with the Strategic Growth Council to implement the Affordable Housing and Sustainable Communities (AHSC) Program supporting infill and compact development that reduce greenhouse gas emissions. HCD coordinates with DHCS and the Department of Developmental Services (DDS) to discuss on going Section 811 Project Rental Assistance Program (PRA) issues in meetings conducted every two weeks. DHSC and DDS are primarily responsible for the placement of 811 tenants and supportive services.

In response to the California Executive Order B-10-11, to encourage communication and consultation with American Indian tribes, HCD began conducting quarterly Tribal Taskforce meetings beginning in 2015 to strengthen and promote relationships with tribal entities. Participants in these meetings include tribal members, tribally designated housing entities, non-profits for housing, and other state and local departments with a housing focus. The purpose of these meetings is to foster effective consultation and collaboration with American Indian tribes regarding the development and/or implementation of housing financing programs, policies, regulations, projects, plans, and activities that may affect tribal communities in California.

2. The information below is specific to the federal Con-Plan Programs:

CDBG - HCD is in the process of re-designing the CDBG Program. In 2017, HCD held listening sessions throughout California to gather feedback on HCD's CDBG Program from stakeholders and all interested public participants. In the summer of 2017, HCD established a Redesign Working Group to ensure the redesign process included the active and consistent participation of key stakeholders. The Redesign Working Group members represent a variety of California's non-entitlement jurisdictions; the members are geographically diverse, and each has their own unique knowledge of the CDBG program, community development,

tribal affairs, Colonias, state government, advocacy, legislative interests, HUD, and HCD. HCD convened the first Redesign Working Group meeting on August 28, 2017 and held regular sessions thereafter. The redesign goals include:

- Improve program administration and customer service within existing resources;
- Reduce administrative complexity for the state and grantees;
- Better encourage the use of CDBG in line with national best practices and state priorities (e.g. climate adaptation, poverty alleviation, access to opportunity and economic mobility) to achieve the highest impact; and
- Increase the state's expenditure rate of CDBG funds to two times the most recent grant, and improve training resources for grantees and state staff.

California State Senate Bill (SB) 106 requires HCD to “identify requirements previously adopted by the state that are in excess of the minimum requirements applicable to eligible activities under the federal” program that, if eliminated, facilitate greater subscription of program funds and reduce state administrative workload.” Further, the bill requires HCD, by June 30, 2018, to analyze and report on its award process, contract management processes and policies, and fiscal processes for the federal and state CDBG Program, identifying efficiencies that can be implemented to improve the processing of applications, contract management, fiscal processes, and communications with local agencies. This report was posted on HCD's website at <http://www.hcd.ca.gov/grants-funding/active-funding/cdbg/cdbg-program-redesign.shtml>.

HCD continues to work with its Redesign Working Group and stakeholders to determine program requirements and allocation priorities. HCD plans to release draft CDBG guidelines for public comment in January 2019 and release the final guidelines in March 2019. Changes to HCD's CDBG program will be reflected in the next AP and will be implemented beginning with FY 2019 funds. However, if needed, HCD will submit an amendment to this AP, due to changes as a result of resolution of findings listed in HUD's March 2018 monitoring report for CDBG.

The CDBG program also coordinates funding via the California Financing Coordinating Committee (CFCC). The CFCC consists of state and federal funding agencies that support water and wastewater infrastructure projects, as well as public facility projects. In addition, HCD staff coordinate disaster assistance funding with other state, federal, and local public funding agencies that are supporting communities recovering from the drought and wildfires.

HOME (Home Investment Partnerships Program) – HOME funds a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME's emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector

in the development of affordable housing. HOME meets annually with its program advisory committee to discuss needed regulatory and non-regulatory changes to its grant selection process, as well as other program implementation issues.

NHTF (National Housing Trust Fund) – As stated above, AB 74 requires HCD to develop the Housing for Healthy California Program (HHC) with NHTF funds. HCD is collaborating with DHCS on the development of this program and for data collection purposes to report outcomes and prepare evaluations/annual adjustments.

ESG (Emergency Solutions Grant) Program - ESG places more emphasis on the involvement of local CoC and ESG entitlement entities in the funding distribution process, thereby enhancing coordination between these entities and the state. In addition, HCD holds individual and group conference calls for ESG stakeholders for input on the AP and the ESG funding process and is continually working with localities and CoC to improve the program.

HCD supports and encourages coordination of efforts for programs serving the homeless and chronically homeless in the public and private sector. ESG continues to solicit input from internal and external stakeholders in the guidance and direction of the program development and distribution of funds. Outreach was conducted with public and private sector entities, CoCs, and other homeless service providers on the 2018 AP.

HOPWA (Housing Opportunities for Persons With AIDS Program) – The California Department of Public Health, Office of AIDS (CDPH/OA) is the state agency that administers statewide programs and activities that pertain to HIV/AIDS, and is statutorily responsible for coordinating all state programs, services, and activities relating to HIV/AIDS. State administered HOPWA (state HOPWA) is situated in CDPH/OA to ensure that all HIV/AIDS service programs, including housing assistance, are coordinated at state and local levels.

CDPH/OA emphasizes inclusion of representatives of various HIV/AIDS service agencies, other California state departments (such as Corrections and Rehabilitation, HCD, Rehabilitation, Health Care Services, and Developmental Services), local health departments, and others, in information gathering, research and decision-making processes.

CDPH/OA convenes the Community Planning Group (CPG) to assist in the development, implementation, and revision of California's Integrated HIV Surveillance, Prevention and Care Plan. The Prevention and Care Plan responds to the National HIV/AIDS Strategy that includes housing goals and objectives related to prevention efforts and improved access to HIV/AIDS care and treatment. CPG also informs CDPH/OA about local trends or newly emerging populations in the epidemic, and

successes and challenges in accessing HIV care and prevention services in the community. The CPG includes representatives from local HIV/AIDS planning groups as well as consumers, local health departments, and other statewide experts in the field.

Project sponsors are required, to the extent possible, to participate in local HIV/AIDS planning groups and the HIV/AIDS service delivery and needs assessment processes within their community. Local participation assists project sponsors in linking clients to necessary services and establishing collaborative relationships with other local government and private service agencies.

3. Provide a concise summary of the state's activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.

HCD's staff conducts trainings throughout the state when a CDBG NOFA is released to provide an overview of the NOFA and application preparation.

The County of Imperial contains all the Colonias eligible for CDBG funding. HCD's CDBG Advisory Committee includes a representative from Imperial County. County staff helps local jurisdictions coordinate Colonia funding with HCD. **See AP-48** for additional information about work done with Colonias.

4. Describe coordination with the CoC 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.

ESG – CoCs make recommendations to HCD through local procurement processes regarding which service providers in their area should receive ESG funds. In addition, in accordance with 25 California Code of Regulations (hereafter referred to as CCR) Section 8409 ([25 CCR §8409](#)), all ESG funded activities must use a Coordinated Entry System (CES), established by and consistent with the protocols of the CoC for that Service Area in which the program operates. Local CESs must seek to prioritize people who: (a) are unsheltered and living in places not designed for human habitation, such as cars, parks, bus stations, and abandoned buildings; (b) have experienced the longest amount of time homeless; (c) have multiple and severe service needs that inhibit their ability to quickly identify and secure housing on their own and (d) for Homelessness prevention activities, people who are at greatest risk of becoming literally homeless without an intervention, and are at greatest risk of experiencing a longer time in a shelter or on the street should they become homeless.

HCD enforces [25 CCR 8403](#), which defines the relationship and continued collaboration requirements between the CoC and the Administrative Entity (AE), which are local government administrators of ESG funds. The recommendation requirements of

the CoC for the AEs, and the selected activities to be funded by ESG, insures continued involvement of the CoC together with the AE at all phases of the ESG funding process. Further, [25 CCR 8404](#) requires CoC in the Balance of State (BoS) allocation to run their local procurement process, and submit recommended providers and selected activities to receive funding from ESG. These processes emphasize the need for CoC, public and private providers, and non-profits to build a supportive working relationship to meet the needs of individuals in the immediate service area.

HOPWA (Housing Opportunities for Persons With AIDS Program) – All project sponsors are encouraged to participate in local CoC Planning Groups to ensure coordination of the HIV/AIDS service needs in the housing continuum. By federal regulation, homeless service agencies that receive HOPWA funding must include HOPWA clients in the local Homeless Management Information System (HMIS). State HOPWA includes this requirement in the HOPWA program guidance and contract scope of work and assists project sponsors in accessing local HMIS.

5. **Describe consultation with the CoC that serves the state 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.**

ESG - In planning and preparation for the 2018 funding round, HCD has conducted outreach with stakeholders for their assessment and input in the ESG NOFA process. The 2017 funding round was evaluated and comments and suggestions were used in making modifications for 2018.

Stakeholder outreach, conducted through conference calls and surveys, are key to the development of each funding round. HCD actively sought feedback from the AEs and CoC on the planned 2018 funding round. Conference calls were held to allow AEs and CoC to assess the effectiveness of the previous funding cycle and its process, and to provide input on proposed changes to the 2018 funding round and the AP. HCD also provided surveys to each AE and CoC, as well as homeless service providers in order to gather more individualized input on the development of the 2018 funding round. This information was also used improve the design of the products released to request ESG funds.

Pursuant to [Section 8402](#) of the ESG regulations, the state requires that all AEs and CoC providers submit data measuring the impact and effectiveness of their ESG funded programs using HMIS or a HUD comparable database. This system-level, and project-level, performance data must detail information on people served and the activities assisted with ESG funds. The state does not have its own HMIS system, and relies on HUD standards and local CoC decision-making concerning policies and procedures for the operation and administration of HMIS.

6. **Describe agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities**

ESG – HCD released the proposed AP changes to the AEs and CoC via email and held a follow up conference calls in which the opportunity was given for feedback on the changes. The 2018 focus of feedback centered on minimum and maximum grant amounts, number of applications, and maximum percentages for certain eligible activities. New state objective points for 2018 were also discussed. However, due to timing of the release of the NOFA and because of separation of CA ESG from federal ESG, HCD did not make any changes to the 2018 federal ESG NOFA.

B. AGENCIES, GROUPS, ORGANIZATIONS AND OTHERS WHO PARTICIPATED IN THE PROCESS AND CONSULTATIONS

Prior to release of the AP for public comment, HCD consulted with local government and nonprofit representatives from the CoC containing ESG non-entitlement communities. Participants were asked about the issues outlined in AP 30. The CDBG Advisory Committee also met prior to the release of the AP to discuss proposed changes to the 2018 CDBG NOFA. The CDBG Advisory Committee consists of program operators from eligible jurisdictions and non-profits and for-profit consultants. In May 2018, the HOME Advisory Committee met prior to the release of the HOME NOFA, to discuss policy updates in the NOFA and proposed modifications to state HOME regulations. HCD also conducts quarterly Tribal Taskforce meetings with the goal of removing barriers and furthering the development of affordable housing on Native American Lands in California.

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Table 2 – Agencies, groups, organizations who participated in the process and consultations

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| 1 | Agency/Group/Organization | Adams-Ashby Group |
| | Agency/Group/Organization Type | Other - CDBG and HOME local administrative subcontractor |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Advisory Committee participant; CDBG program improvements; CDBG Redesign Work Group participant |
| 2 | Agency/Group/Organization | Self Help Enterprises |
| | Agency/Group/Organization Type | Housing |
| | What section of the plan was addressed by consultation? | CDBG and HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG and HOME Advisory Committee participant; CDBG and HOME program improvements; and CDBG Redesign Work Group participant |
| 3 | Agency/Group/Organization | Cox Consulting |
| | Agency/Group/Organization Type | Other CDBG local administrative subcontractor |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Advisory Committee participant; CDBG program improvements CDBG Redesign Work Group participant; |

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| 4 | Agency/Group/Organization | Lassen County |
| | Agency/Group/Organization Type | Other government -Local |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Advisory Committee participant; CDBG program improvements |
| 5 | Agency/Group/Organization | Imperial County |
| | Agency/Group/Organization Type | Other government - Local |
| | What section of the plan was addressed by consultation? | CDBG MOD and Colonias issues; HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG and HOME Advisory Committee participant; CDBG and HOME program improvements; and CDBG Redesign Work Group participant |
| 6 | Agency/Group/Organization | City of Oroville |
| | Agency/Group/Organization Type | Other government - local |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |

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| 7 | Agency/Group/Organization | Kings County |
| | Agency/Group/Organization Type | Other government - local |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Advisory Committee participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |
| 8 | Agency/Group/Organization | Nevada County – Health and Human Services Agency |
| | Agency/Group/Organization Type | Other government - local |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |
| 9 | Agency/Group/Organization | City of Arcata - Community Development Department |
| | Agency/Group/Organization Type | Other government - local |
| | What section of the plan was addressed by consultation? | CDBG MOD |

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| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Advisory Committee and Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |
| 10 | Agency/Group/Organization | El Dorado County – Community Development Services |
| | Agency/Group/Organization Type | Other government - local |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |
| 11 | Agency/Group/Organization | City of Sonora – Community Development Department |
| | Agency/Group/Organization Type | Other government - local |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Advisory Committee and Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income |

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| | | balances, and streamline administrative processes |
| 12 | Agency/Group/Organization | Butte County, Community and Economic Development |
| | Agency/Group/Organization Type | Other government - local |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |
| 13 | Agency/Group/Organization | Rural County Representatives of California |
| | Agency/Group/Organization Type | Non-profit - Regulatory Affairs Advocate |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |

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| 14 | Agency/Group/Organization | Madera County – Community and Economic Development Department |
| | Agency/Group/Organization Type | Other government - local |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |
| 15 | Agency/Group/Organization | California Association of Local Economic Development (CALED) |
| | Agency/Group/Organization Type | Non-profit-Economic Development Advocate |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |

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| 16 | Agency/Group/Organization | Leadership Council for Justice and Accountability |
| | Agency/Group/Organization Type | Non-profit- Housing Advocate |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |
| 17 | Agency/Group/Organization | Westlake Consulting |
| | Agency/Group/Organization Type | Other CDBG local administrative subcontractor |
| | What section of the plan was addressed by consultation? | CDBG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | CDBG Advisory Committee and Redesign Working Group participant; Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |
| 18 | Agency/Group/Organization | KW Consultants |
| | Agency/Group/Organization Type | CDBG Consultant |
| | What section of the plan was addressed by consultation? | CDBG MOD |

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| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Guideline development, MOD, policy recommendations to increase expenditure rate, reduce high program income balances, and streamline administrative processes |
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| 19 | Agency/Group/Organization | All Mission Indian Housing Authority |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 20 | Agency/Group/Organization | Northern Circle Indian Housing Authority |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 21 | Agency/Group/Organization | Modoc-Lassen Indian Housing Authority |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 22 | Agency/Group/Organization | Enterprise Rancheria |

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| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 23 | Agency/Group/Organization | Tule River Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 24 | Agency/Group/Organization | Redwood Valley Rancheria |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 25 | Agency/Group/Organization | Bishop Paiute Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 26 | Agency/Group/Organization | Hopland Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 27 | Agency/Group/Organization | Big Pine Paiute Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 28 | Agency/Group/Organization | Timbisha Shoshone Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 29 | Agency/Group/Organization | Trinidad Rancheria |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 30 | Agency/Group/Organization | San Pasqual Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 31 | Agency/Group/Organization | Pechanga Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 32 | Agency/Group/Organization | Hoopa Valley Housing Authority |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 33 | Agency/Group/Organization | Me-wuk Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 34 | Agency/Group/Organization | Coyote Valley Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 35 | Agency/Group/Organization | La Jolla Tribe |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 36 | Agency/Group/Organization | <i>Torres Martínez Desert Cahuilla Indians</i> |
| | Agency/Group/Organization Type | Tribally Designated Housing Entity |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 37 | Agency/Group/Organization | TMDCI |
| | Agency/Group/Organization Type | Consultant - Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 38 | Agency/Group/Organization | Rural Homes |
| | Agency/Group/Organization Type | Consultant - Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 39 | Agency/Group/Organization | Morning Star |
| | Agency/Group/Organization Type | Consultant - Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 40 | Agency/Group/Organization | City of Shasta Lake |
| | Agency/Group/Organization Type | Other Government - local |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 41 | Agency/Group/Organization | Rural Community Assistance Corp |
| | Agency/Group/Organization Type | Non-Profit Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 42 | Agency/Group/Organization | California Coalition for Rural Housing |
| | Agency/Group/Organization Type | Non-Profit Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 43 | Agency/Group/Organization | CalVet |
| | Agency/Group/Organization Type | Other Government - local |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 44 | Agency/Group/Organization | Tax Credit allocation Committee |
| | Agency/Group/Organization Type | Other Government - local |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | MOD, policy recommendations to increase participation. |
| 45 | Agency/Group/Organization | California Debt Limit allocation Committee |
| | Agency/Group/Organization Type | Other Government - local |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | MOD, policy recommendations to increase participation. |

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| 46 | Agency/Group/Organization | Self-Help Housing |
| | Agency/Group/Organization Type | Non-Profit Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 47 | Agency/Group/Organization | Pep Housing |
| | Agency/Group/Organization Type | Non-Profit Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 48 | Agency/Group/Organization | Mutual Housing |
| | Agency/Group/Organization Type | Non-Profit Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 49 | Agency/Group/Organization | Danco |
| | Agency/Group/Organization Type | Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 50 | Agency/Group/Organization | CHISPA |
| | Agency/Group/Organization Type | Housing |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 51 | Agency/Group/Organization | Tuolumne |
| | Agency/Group/Organization Type | Other Government - local |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 52 | Agency/Group/Organization | EI Dorado |
| | Agency/Group/Organization Type | Other Government - local |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 53 | Agency/Group/Organization | Orland |
| | Agency/Group/Organization Type | Other Government - local |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 54 | Agency/Group/Organization | Arcata |
| | Agency/Group/Organization Type | Other Government - local |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| 55 | Agency/Group/Organization | Paradise |
| | Agency/Group/Organization Type | Other Government - local |

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| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |

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| 57 | Agency/Group/Organization | Alameda County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | | ESG MOD |
| | What section of the plan was addressed by consultation? | HOME MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Regulation development, MOD, policy recommendations to increase participation, implement technical assistance, and streamline administrative processes. |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 58 | Agency/Group/Organization | Contra Costa CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 59 | Agency/Group/Organization | Fresno County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 60 | Agency/Group/Organization | Kern County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |

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| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 61 | Agency/Group/Organization | LA County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 62 | Agency/Group/Organization | Orange County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 63 | Agency/Group/Organization | Riverside County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

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| 64 | Agency/Group/Organization | Sacramento CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 65 | Agency/Group/Organization | Vallejo/Solano County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 66 | Agency/Group/Organization | San Bernardino County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 67 | Agency/Group/Organization | San Diego County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

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| 68 | Agency/Group/Organization | San Luis Obispo CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 69 | Agency/Group/Organization | San Bernardino County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 70 | Agency/Group/Organization | San Joaquin County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

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| 71 | Agency/Group/Organization | San Mateo County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 72 | Agency/Group/Organization | Santa Barbara County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 73 | Agency/Group/Organization | Santa Clara County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 74 | Agency/Group/Organization | Sonoma County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

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| 75 | Agency/Group/Organization | Stanislaus County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 76 | Agency/Group/Organization | Ventura County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 77 | Agency/Group/Organization | Central Sierra CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

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| 78 | Agency/Group/Organization | Butte County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 79 | Agency/Group/Organization | Davis/Woodland/Yolo County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 80 | Agency/Group/Organization | Dos Rios CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 81 | Agency/Group/Organization | Eastern Sierra CoC |
| | Agency/Group/Organization Type | Other - CoCs |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

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| 82 | Agency/Group/Organization | El Dorado County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 83 | Agency/Group/Organization | Humboldt County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 84 | Agency/Group/Organization | Imperial Valley CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

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| 85 | Agency/Group/Organization | Kings/Tulare CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 86 | Agency/Group/Organization | Lake County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 87 | Agency/Group/Organization | Marin County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

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| 88 | Agency/Group/Organization | Mendocino County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 89 | Agency/Group/Organization | Merced County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 90 | Agency/Group/Organization | Napa County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

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| 91 | Agency/Group/Organization | Redding/Shasta County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 92 | Agency/Group/Organization | Roseville/Rocklin/Placer/Nevada CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 93 | Agency/Group/Organization | Sutter/Yuba CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

| | | |
|-----------|---|--|
| 94 | Agency/Group/Organization | Tehama County CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |
| 95 | Agency/Group/Organization | Watsonville/Santa Cruz CoC |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG MOD |
| 96 | Agency/Group/Organization | City of San Francisco |
| | Agency/Group/Organization Type | Other- CoC |
| | What section of the plan was addressed by consultation? | ESG |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG improvements |
| 97 | Agency/Group/Organization | City of Long Beach |
| | Agency/Group/Organization Type | Other - CoC |
| | What section of the plan was addressed by consultation? | ESG |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG MOD improvements |

| | | |
|-----------|---|--|
| 98 | Agency/Group/Organization | City of Pasadena |
| | Agency/Group/Organization Type | Other -CoC |
| | What section of the plan was addressed by consultation? | ESG |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG improvements |
| 99 | Agency/Group/Organization | City of Glendale |
| | Agency/Group/Organization Type | Other -CoC |
| | What section of the plan was addressed by consultation? | ESG |
| | Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Conference calls with CoC; state ESG AEs; ESG improvements |

1. IDENTIFY ANY AGENCY TYPES NOT CONSULTED AND PROVIDE RATIONALE FOR NOT CONSULTING

There has been no intentional or known exclusion of any type of public agency, private entity, stakeholder or interested party from consultation and comment on these programs. State agency actions described in this AP are publicized, primarily by email, to all interested parties who have requested this information, or whose participation is needed. HCD sends a notice via listserv requesting public comment involvement along with an additional listserv email for the final report distribution. HCD also promotes the AP through HCD's Facebook and Twitter sites.

Through the public review process, the state's ConPlan, AP, and CAPER are open for public comment. Each year, opportunities for feedback such as public hearings and posted announcements are offered to enlist, encourage, and improve participation. In these events, feedback from participants is encouraged, noted, and analyzed for what the state programs can learn. For a list of HOPWA organizations and the number of entities on HCD's listservs that were emailed the public notice and AP, see **Appendix B – Interested Parties.**

AP – 12 Participation

AP-12 Participation - 91.115, 91.300(c)

Summary of citizen participation process/Efforts made to broaden citizen participation/ Summarize citizen participation process and how it impacted goal setting

CDBG (Community Development Block Grant) – Starting in 2017, California Department of Housing and Community Development (HCD), in collaboration with stakeholders, began redesigning the program to improve expenditure rates, utilize program income, improve monitoring, and achieve other operating efficiencies. HCD developed an outreach plan that includes participation through surveys, public comment periods, and in-person meetings throughout the state. HCD's goal is for stakeholder collaboration in the program redesign, as well as keeping stakeholders informed of proposed program changes. For changes to the annual NOFA, the CDBG Advisory Committee is consulted on proposed changes.

ESG (Emergency Solutions Grant) - First, HCD held stakeholder conference calls with the Administrative Entities (AE) and Continuums of Care (CoC) to get feedback on the 2017 processes and review the planned changes to the L\local CoC allocation for the 2018 funding round. Second, HCD designed an ESG program Stakeholder Survey, in which the AEs and CoC could individually provide their feedback and experiences with the 2017 process, as well as recommendations to improve the 2018 funding round. No changes were made that impacted goal setting, as HCD goals for the ESG program are broad and enable local communities to provide a variety of ESG-eligible activities.

HOME (Home Investment Partnerships Program) - Prior to the release of the HOME NOFA, HCD held a conference call in May 2018 with the Program Advisory Committee (comprised of HOME-eligible cities and counties, Community Housing Development Organizations (CHDO), Native American Entities, consultants, and other developers doing HOME projects), which included discussions about: (1) changes to the HOME state objective points for project and programs; (2) recapture requirements established in 24 CFR 92.254(a)(5)(ii); (3) commitment and expenditure deadlines; (4) program income requirements pursuant to 24 CFR 92.503; (5) NOFA timing; and (6) potential changes to state HOME regulations including, but not limited to, allowing Native American Entities to apply for HOME program activities.

NHTF (National Housing Trust Fund) - 2017 Assembly Bill (AB) 74 requires HCD to establish a Housing for Healthy California Program (HHC) with NHTF federal funds that provides supportive housing opportunities to persons experiencing homelessness. In addition, HCD received authority to use a portion of SB 2 year one funding for this program. HCD is in the process of gathering

feedback on how to best utilize these state funds for HHC. HCD will draft guidelines for this new program that aligns with federal NHTF requirements, but also includes activities supported with state funds. HCD will seek stakeholder feedback via a public comment period and workshops in the fall of 2018. If needed, HCD may make a substantial amendment to AP for NHTF.

HOPWA (Housing Opportunities for Persons With AIDS Program) - California Department of Public Health, Office of AIDS (CDPH/OA), HOPWA conducts the statewide Comprehensive Statement of Need and Prevention, and Care Plan (the Plan) in collaboration with multiple state and local agencies, and consumer/citizen participation. CDPH/OA convenes the Community Planning Group (CPG) that serves as advisory to CDPH/OA in this process, and CPG monitors the implementation of the Plan. CPG is comprised of HIV care and prevention stakeholders, including county health department staff, local HIV service organizations, and consumers with various expertise in HIV/AIDS care and prevention treatment. CPG members identify best approaches to addressing unmet housing needs for People Living With HIV (PLWH). The Plan has several housing-related activities, including the creation of a CPG subcommittee to address housing services. The subcommittee would identify the most effective housing services and best practices for integrating HIV health and housing providers, encourage local collaboration, and develop methods for collaborative funding and service delivery. It will develop a written plan in year three, which could be implemented at the state and local levels.

CPG is integral to gaining access and engaging local consumer/citizens to participate in the planning process, and provides an opportunity for citizen participation around HIV/AIDS issues, including housing.

Summary of citizen participation process and efforts made to broaden citizen participation in Colonias

Currently, within the CDBG program, citizen participation conducted with Colonia's is accomplished through the staff of the County of Imperial. HCD's CDBG Advisory Committee includes a representative from Imperial County who is in regular contact with leaders in the Colonias communities. The other AP Programs do not directly fund activities in Colonias. **See AP 48 and AP 80** for further discussion of Colonias.

Citizen Participation Outreach

This draft AP will be available for public comment from all interested parties for a 30-day period from **Friday, July 13, 2018 through Sunday, August 12, 2018**. A notice will be sent via email to interested parties on HCD's HOME, NHTF, CDBG, Neighborhood Stabilization Program, Disaster Recovery, Homeless, and Housing Element listservs, as well as HOPWA stakeholders listed in Appendix B. Two public hearings will be held: Friday, July 27, in Riverside from 12:00 – 3:00 pm and Friday, July 27, in Sacramento at HCD Headquarters from 11:00 – 2:00. Public and legal notices will be posted on HCD's website, as well as disseminated in a listserv message. A summary of comments received on the draft AP and responses will be provided at the end of the public comment period.

Those wishing to submit comments regarding the changes listed above, can send them to caper@hcd.ca.gov or to the Department of Housing and Community Development, Division of Financial Assistance, 2020 West El Camino Avenue, Sacramento, CA 95833, Attention Janis Stonier. Questions regarding this document can be directed to, Janis Stonier at 916-263-4217.

DRAFT

AP-15 Expected Resources

AP-15 Expected Resources – 91.320(c) (1,2)

A. INTRODUCTION

This is the fourth year of the 2015-20 Consolidated Plan (ConPlan) cycle. The annual allocation estimates below are based on the U.S. Department of Housing and Urban Development (HUD) formula allocation for federal fiscal year 2018 (October 2017-September 2018). The annual allocation amounts for Home Investment Partnerships Program (HOME) include the allocation for the entitlement jurisdictions of Gardena, Lancaster, and Torrance that have returned these funds to HUD for allocation to the state in order for those jurisdictions to participate in the state HOME Program.

B. ANTICIPATED RESOURCES

The spreadsheet below shows the anticipated resources. These figures are estimates and may be subject to change based on the allocation the state receives from HUD.

Table 3 – Expected Resources – Priority Table

| Program | Source of Funds | Uses of Funds | Expected Amount Available Year 4 | | | | Expected Amount Available Remainder of ConPlan \$ | Narrative Description |
|-------------|------------------|--|----------------------------------|--------------------|--------------------------|--------------|---|--|
| | | | Annual allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| CDBG | public - federal | Grants to non-entitlement cities and counties for acquisition, admin and planning, economic development, housing, public facilities, and improvements, and public services | \$30,610,333 | \$0 | \$6,190,000 | \$36,800,333 | \$31,000,000 | 2018 HUD allocation plus an estimate on prior year CDBG resources. \$5 million may be set aside for Disaster Assistance. |

| | | | | | | | | |
|-------------|------------------|---|--------------|-----------|-------------|--------------|--------------|--|
| ESG | public - federal | Conversion and rehab for transitional housing, financial assistance, overnight shelter, rapid re-housing (rental assistance), rental assistance, services, transitional housing | \$11,776,926 | \$0 | \$0 | \$11,776,926 | \$12,000,000 | Additional prior year resources may become available from 2016 contracts expiring later in 2018. |
| HOME | public - federal | Acquisition, homebuyer assistance homeowner rehab, multifamily rental new construction, multifamily rental rehab, new construction for ownership, TBRA | \$45,447,167 | \$822,000 | \$4,430,817 | \$50,699,984 | \$45,000,000 | 2018 HUD allocation plus an estimate on prior year HOME resources. |

| | | | | | | | | |
|---------------------|------------------|---|--------------|-----|-----------|--------------|--------------|--|
| HOPWA | public-federal | Permanent housing placement, short-term or transitional housing facilities, STRMU supportive services, TBRA | \$3,355,813 | \$0 | \$917,670 | \$4,273,483 | \$1,651,419 | The state HOPWA allocation is \$3,355,813. Prior year resources include \$567,399 from Fresno for FY 2014. Any unspent funds as of June 30, 2017 from all other project sponsors will be carried forward and re-allocated in FY 2018-19. |
| Other - NHTF | public - federal | Multifamily, rental new construction | \$36,616,277 | \$0 | \$0 | \$36,616,277 | \$37,000,000 | 2018 HUD allocation |

C. LEVERAGE

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

CDBG (Community Development Block Grant) – Leverage varies depending upon activities being implemented. For example, for single-family homebuyer assistance program activities, CDBG funding provides “gap” funding subordinate to the first mortgage. CDBG funding is used to augment or expand existing public service activities. The CDBG program offers direct funding for single

and multifamily rehabilitation, first-time homebuyer down payment assistance, microenterprise, and business assistance programs. It also provides full or partial funding for public infrastructure, public infrastructure in support of housing projects, economic development and public facility projects. CDBG can be used as leverage or gap funding with other resources to offset the high cost of larger projects. Lastly, planning and technical assistance activities require matching funds due to the state CDBG statute. CDBG matching requirements for FY 2018 funds will be met by the state General Fund for approximately \$612,000.

HCD recognizes the need to improve the expenditure rate for CDBG and has executed the following:

- Conducted a thorough analysis of current expenditure patterns.
- Conducted extensive public outreach, compiled a central log of issues, and proposed solutions.
- Reviewed a side-by-side comparison of federal and state regulations.
- Coordinated two trainings for program staff – general CDBG training conducted by HUD and economic development training conducted by Cloudburst Consulting.
- Revised and expanded the economic development resources links on its website.

In March 2018, HCD restructured two operations sections that work on the CDBG program into a single Grant Management Section. The purpose of this consolidation was to eliminate duplication of effort, streamline approval processes, build internal staff capacity, and provide grantees greater continuity with fewer changes in staff overseeing a single grantee award.

Additionally, HCD continues to hold Redesign Working Group and Advisory Committee meetings to obtain feedback from stakeholders to actively evaluate possible improvements and ways to increase the expenditure rate while identifying ways to reduce administrative complexity for HCD and its grantees. HCD is also in the process of drafting the following:

- State Program Guidelines to replace the current state regulations
- Revisions to Chapter 21 of the Economic Development of the Grant Management Manual
- Template documents, such as standardized standard agreements

If needed, HCD will submit a substantial amendment to this AP, due to changes as a result of the program redesign efforts and the resolution of findings listed in HUD's March 2018 monitoring report for CDBG.

ESG – ESG match is provided by its subrecipients on a dollar-for-dollar basis. Specific sources of match or leverage are identified at the time of application and must comply with [24 CFR §576.201](#). Sources of match may include (1) local funds from cities and counties, (2) private funds including agency fundraising, cash, and (3) donated goods, volunteers, building value or lease.

Administrative Entities (AEs) and Local Continuums of Care (CoC) have the ability to combine their own local resources with those of the federal allocation to provide more services to their communities to work towards ending homelessness. These entities are encouraged to devote all in-kind donations, tangible resources, buildings and space provided, monetary donations, and volunteer services, as well as their own local funds, to meet the match requirement of [24 CFR §576.201](#). Additionally, other state funds may become available in 2018 that can be used to match ESG funds.

HOME –The largest source of leverage is Low Income Housing Tax Credits (LIHTC) used with rental new construction projects. Other sources of leverage include private bank loans, state funds, other federal funds, and local funds for both rental and homebuyer activities. For FY 2018, HOME estimates leveraging over \$125 million from other sources. HOME's leverage typically exceeds its match requirement.

NHTF – There is no federal match requirement for NHTF. HCD anticipates that, similar to the state HOME Program, LIHTC will be leveraged for rental new construction projects. Other sources of leverage include private bank loans, state funds, other federal funds, and local funds.

HOPWA – There is no federal match requirement for HOPWA; however, project sponsors report leveraged funds. On an annual basis, CDPH/OA allocates funding through the HIV Care Program (Ryan White Part B) for HIV/AIDS care and treatment services to California counties. Based on prior year data, state HOPWA anticipates approximately \$4.6 million in leveraged funds by HOPWA project sponsors, including Ryan White Part B and other federal, state, local, and private resources for the provision of HIV/AIDS housing and services to HOPWA clients based on the FY 2016-17 Consolidated Annual Performance and Evaluation Report (CAPER) reported number.

Resources also include prior year HOPWA funds for Fresno County that will be committed to projects in fiscal years 2017-18 and 2018-19. These funds were resources from the fiscal year 2013-14 grant period. CDPH/OA has received an extension from HUD to spend those funds until August 31, 2020. A contract with Clinical Sierra Vista in Fresno has been executed to expend these funds.

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

Although some localities utilize property they own to build affordable housing, the state's AP does not identify specific projects to be developed or supported since local entities must first apply for, and be awarded, funding for these projects.

For locally controlled surplus property, Assembly Bill 2135 (GC Section 54220), effective January 1, 2015, revised provisions of existing law by strengthening first right of refusal requirements to affordable housing developers for the disposal of surplus land and required affordability when the land is not proposed with an affordability requirement. Current state law, Government Code (GC) Section 11011, allows the state to dispose of surplus state real property through the Department of General Services (DGS) for affordable housing. Given these requirements and programs, HCD will continue to partner with DGS and outside stakeholders to promote affordable housing on publically owned land.

AP-20 Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3) & (e)

Goals: Summary Information

The figures below represent estimates of allocation goals and objectives. These figures could change based on HUD allocation of funds and changes in funding priorities.

Table 4 – Goals and Outcome Indicators

| Sort Order | Goal Name | Start Year | End Year | Category | Needs Addressed | Funding | Goal Outcome Indicator | Total |
|------------|---|------------|----------|--------------------|--|---|--|--------------|
| 1 | Increase the supply of affordable rental housing | 2015 | 2019 | Affordable Housing | Affordable rental housing | CDBG: \$4,293,372 HOME: \$27,884,991 NHTF: \$36,616,277 | Household Housing Unit Rental units constructed | 565 |
| | | | | | | | Household Housing Unit Rental units rehabilitated | 249 |
| 2 | Expand homeownership and improve existing housing | 2015 | 2019 | Affordable Housing | Affordable homeownership and home rehabilitation | CDBG: \$6,133,389 HOME: \$17,744,994 | Household Housing Unit added | 42 |
| | | | | | | | Household Housing Unit Homeowner Housing Rehabilitated | 147 |
| | | | | | | | Household Housing Unit Direct Financial Assistance to Homebuyers | 91 |
| 3 | Provide homeless assistance & | 2015 | 2019 | Homeless | Homeless assistance and prevention services | ESG: \$11,776,926 HOME: \$5,069,998 HOPWA: \$3,932,848 | Tenant-based rental assistance / Rapid Rehousing | 1,772 |

| | | | | | | | | |
|----------|---|------|------|-----------------------------------|------------------------------------|--------------------|--|--------------|
| | prevention services | | | | | | Households Assisted Homeless Person Overnight Shelter | 5,271 |
| | | | | | | | Persons Assisted HIV/AIDS Housing Operations | 20 |
| | | | | | | | Persons Assisted Homelessness Prevention | 1,015 |
| | | | | | | | Household Housing Unit Other | 2,050 |
| 4 | Increase economic development opportunities | 2015 | 2019 | Non-housing Community Development | Economic Development Opportunities | CDBG: \$11,040,100 | Jobs created/retained: | 220 |
| | | | | | | | Jobs / Businesses Assisted | 10 |
| 5 | Maintain or increase public services | 2015 | 2019 | Non-Housing Community Development | Public Services | CDBG: \$4,293,372 | Public service activities <u>other than</u> low/moderate-income housing benefit | 1,020 |
| | | | | | | | Persons Assisted Public service activities for low/moderate-income housing benefit | 9,180 |
| 6 | Maintain or increase public facilities | 2015 | 2019 | Non-Housing Community Development | Public Facilities | CDBG: \$11,040,100 | Public Facility or Infrastructure Activities <u>other than</u> low/moderate-income housing benefit | 2,003 |

| | | | | | | | | |
|--|--|--|--|--|--|--|---|---------------|
| | | | | | | | Persons Assisted Public Facility or Infrastructure Activities for low/moderate- income housing benefit | 98,149 |
|--|--|--|--|--|--|--|---|---------------|

Table 5 Goal Descriptions

| | | |
|----------|-------------------------|--|
| 1 | Goal Name | Increase the supply of affordable rental housing |
| | Goal Description | Activities to address this goal may include CDBG rental rehabilitation, CDBG infrastructure projects in support of rental housing, HOME rental new construction and rental rehabilitation projects and NHTF rental multifamily new construction. CDBG Planning and Technical Assistance Grants associated with rental activities may also be eligible. For CDBG, "Moderate Income" does not exceed 80% AMI. NHTF assisted units will be for those at or below 30% AMI or below the poverty line; whichever is greater. |
| 2 | Goal Name | Expand homeownership and improve existing housing |
| | Goal Description | Activities to address this goal may include the following: CDBG homeowner acquisition and homeowner rehabilitation; CDBG infrastructure projects in support of homeowner housing; HOME low-income first-time homebuyer new construction, acquisition with or without rehabilitation, and owner-occupied rehabilitation. CDBG Planning and Technical Assistance grants associated with this activity may also be eligible. For CDBG, "Moderate Income" does not exceed 80% AMI. |
| 3 | Goal Name | Provide homeless assistance & prevention services |
| | Goal Description | Activities to address this goal may include all homeless assistance and prevention activities eligible under the ESG and HOPWA programs, as well as HOME tenant-based rental assistance activities. |

| | | |
|---|-------------------------|--|
| 4 | Goal Name | Increase economic development opportunities |
| | Goal Description | Activities to address this goal may include CDBG funded economic development through assistance to local businesses and low-income microenterprise owners to create or preserve jobs for low-income workers in rural communities, as well as planning and evaluation studies related to any activity eligible for these allocations. Planning and Technical Assistance grants associated with this activity may also be eligible. For CDBG, "Moderate Income" does not exceed 80% AMI. |
| 5 | Goal Name | Maintain or increase public services |
| | Goal Description | Activities to address this goal will include public service activities supported with CDBG funds. For CDBG, "Moderate Income" does not exceed 80% AMI. |
| 6 | Goal Name | Maintain or increase public facilities |
| | Goal Description | Activities to address this goal will include public facilities' acquisition, construction, or rehabilitation supported with CDBG funds and general community infrastructure projects. Planning and Technical Assistance Grants associated with this activity may also be eligible. |

National Disaster Resilience (CDBG-NDR)

The Forest and Watershed Health Program goals for 2018 include:

- Reforestation – Begin site prep on 1,000 acres to be planted in 2019
- Biomass removal and fuel reduction - Get 5,000 acres of fuel reduction under contract
- Fuel Breaks – Complete National Environmental Policy Act (NEPA) / California Environmental Quality Act (CEQA), Good Neighbor Agreement (GNA) (Sen Wyden), and landowner approvals
- Range and Improvements – Begin implementation of Range Project 1 (approximately 18 miles of fencing). Complete NEPA for Range Project 2.
- Noxious Weeds Treatments – 740-acre prescribed burn on Jawbone, plus overlap and add-on with site prep.

Biomass utilization facility goals for 2018 include completing the Feedstock and Feasibility reports and finalizing methods for distribution of funds. The 2018 Community Resilience Center goals include finishing the initial environmental review, determining whether one Community Resilience Center or two will be built, and on which sites, and all site amenities.

AP-25 Allocation of Priorities

AP-25 Allocation Priorities – 91.320(d)

A. INTRODUCTION

The percentages below are based on the expected amount of funds that will be awarded by each program for federal fiscal year 2018 (FY 2018) for eligible activities that fall within that goal. The expected amounts to be awarded are in the column "Total Available in Year 4" (FY 2018) found in Table 3 in Annual Action Plan Section 15 (AP-15). This total includes any program income (PI) and prior year resources expected to be awarded in FY 2018. The expected amounts to be awarded to each goal are typically based on actual applicant demand for activities within that goal from the prior NOFA year. For this reason, in some instances, the percentages below may be under the minimums allowed for a particular activity pursuant to statute or regulation.

Note: CDBG Colonias percentage is listed below at 5 percent, but this amount would otherwise be reflected in the amounts available under the housing or infrastructure goals. The 30 percent projected for public facilities includes general infrastructure projects. Amounts for infrastructure projects connected to a particular housing project ("in support of housing") are reflected in the renter and homeowner goals

The amount for the Home Investment Partnerships Program (HOME) under "homelessness assistance and prevention" reflects the total amount of HOME Tenant-based Rental Assistance (TBRA) funds projected to be awarded for the 2018 HOME NOFA. For purposes of the goals reflected below, HOME TBRA is considered a homelessness assistance or prevention activity.

B. FUNDING ALLOCATION PRIORITIES

Table 6 – Funding allocation Priorities

| Program | Increase the supply of affordable rental housing (%) | Expand homeownership and improve existing housing (%) | Provide homeless assistance & prevention services (%) | Increase economic development opportunities (%) | Maintain or increase public services (%) | Maintain or increase public facilities (%) | Colonias Set-Aside (%) | Total (%) |
|--------------|--|---|---|---|--|--|------------------------|-----------|
| CDBG | 10% | 15% | 0 | 30% | 10% | 30% | 5% | 100% |
| ESG | 0 | 0 | 100% | 0 | 0 | 0 | 0 | 100% |
| HOME | 55% | 35% | 10% | 0 | 0 | 0 | 0 | 100% |
| NHTF | 100% | | | | | | | 100% |
| HOPWA | 0 | 0 | 100% | 0 | 0 | 0 | 0 | 100% |

C. REASON FOR ALLOCATION PRIORITIES

CDBG – Actual allocation percentages may vary from table number six above. After administration costs are subtracted and mandatory federal and state set-asides are calculated, activity funding is based on the demand for each activity as reflected in each year’s application submittals. Federal law requires a set-aside of 5 percent for eligible Colonia communities. Federal law also requires that not more than 15 percent of CDBG funding be provided for public service activities each year. State set-asides include a 1.25 percent set-aside for non-federally recognized Native American communities and a separate 30 percent set-aside for economic development activities. If the demand for these set asides is not sufficient, then the balance of funds will revert to the general pool of funds.

State statute requires that at least 51 percent of all awarded funds be used for housing and housing-related activities (housing-related includes public improvements and public improvements in support of construction of new housing activities). In addition to the set asides and funding level criteria described above, California Department of Housing and Community Development (HCD) will monitor general administration expenditures to ensure compliance with the federal expenditure cap rate and ensure a minimum expenditure rate on activities meeting the national objective of benefitting at least 70 percent of low/moderate-income individuals in compliance with the federal requirement.

National Disaster Resilience (CDBG-NDR) - HUD has awarded the state \$70,359,459 for three activities tied to the 2012 Rim Fire disaster in Tuolumne County. All activities will be carried out in Tuolumne County. The state was awarded (1) \$28,604,459 for the Forest and Watershed Health Program (FWHP), (2) \$22,000,000 for a biomass utilization facility (BUF) to produce energy facility and saleable and wood products (public facility or economic development loan), and (3) \$19,755,000 for at least one Community Resilience Center. The Sierra Nevada Conservancy (SNC) will project manage and administer all funding for the FWHP and the BUF project(s) development and implementation. The funding for the Community Resilience Center will be administered by the Tuolumne County local government via the HCD's usual grant contract/standard agreement process.

For more information, please see HCD's CDBG-NDR Action Plan on HCD's website at <http://www.hcd.ca.gov/community-development/disaster-recovery-programs/ndrc.shtml>.

ESG - With the redesign of the ESG Program, HCD has moved its focus from provider competition to a more formula-based method of distribution for Local Continuums of Care (CoC) Service Areas (SA), using a formula that utilizes Point-in-Time Count (PIT), poverty rate, and renter cost burden data for extremely low-income households. (See AP 30 for more information on methodology).

HOME - HOME-funding allocation priorities are based on demand by program applicants for categories of activities. In addition, state HOME regulations establish a minimum allocation of 40 percent for First Time Homebuyer (FTHB) mortgage assistance, Owner Occupied Rehabilitation (OOR), and TBRA (i.e., program activities), and a 5 percent minimum allocation for FTHB new construction or rehabilitation/conversion activities (i.e., FTHB projects). For FY 2018, in the table above, the 55 percent allocation for renters reflects anticipated demand for rental new construction or rehabilitation projects.

The 10 percent for homeless assistance and prevention activities reflects anticipated demand for HOME TBRA activities for fiscal year 2018 due to HUD allowing unit inspections and income determinations as eligible project-related soft costs for TBRA, as well as an anticipated increase in the need for TBRA due to lack of other rental assistance, continued focus on Rapid Rehousing (RR) for homeless households, or assistance provided as a result of local, state, or federally declared disasters.

NHTF – Per 2017 AB 74, NHTF funding allocation priorities are based on the state's current homeless crisis. California currently has 22 percent of the nation's total homeless population. Per [24 CFR §93.250](#), all NHTF will target homeless or households that are extremely low-income. HCD will maximize NHTF's deep targeting requirements by devoting 100 percent of its NHTF allocation to the production of new rental housing units. Increasing the supply of rental housing is a priority need in the state's Consolidated Plan.

HOPWA - A statutory goal of HOPWA is to prevent or alleviate homelessness among persons living with HIV/AIDS. CDPH/OA allocates HOPWA funds through a formula process based on the most recent reported HIV and AIDS cases by county. This allocation formula was developed to ensure equity of funding to all non-Eligible Metropolitan Statistical Areas (EMSA) of California while allocating proportionately larger amounts to the communities most impacted by HIV/AIDS. To promote the use of HOPWA funds for housing assistance activities, CDPH/OA has limited supportive services activities to 20 percent of a project sponsor's allocation.

Provide a brief narrative on how the use of funds will contribute to achieving the goals set forth in the ConPlan

The proposed distribution of funds address all of our priority need housing areas to the extent that this is driven by applicant demand for these activities and federal and state statutory or regulatory requirements for the use of the funds.

DRAFT

AP-30 Methods of Distribution

AP-30 Methods of Distribution – 91.320(d) & (k)

A. INTRODUCTION

1. State Program Name – CDBG (Community Development Block Grant)

HCD is currently in the process of redesigning its CDBG program. Thus, the information contained in this section may change after the release of the AP. If a substantial amendment is required, HCD will amend its AP and hold another public comment period prior to implementing changes to the CDBG program.

Describe the state program addressed by the Method of Distribution:

In 1981, Congress amended the Housing and Community Development Act of 1974 to give each state the opportunity to administer CDBG funds for non-entitlement areas. Non-entitlement areas include those units of general local government that do not receive CDBG funds directly from HUD as part of the entitlement program (Entitlement Cities and Urban Counties). Non-entitlement areas are cities that have populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000. The primary objectives of the CDBG program are the development of viable communities through the provision of decent housing and suitable living environments, and the expansion of economic opportunities. Pursuant to federal law, at least 70 percent of state CDBG funds must benefit persons/households with incomes of less than 80 percent of Area Median Income (AMI), adjusted for family size. This is known as the Low/Mod Income Group as defined in [24 CFR §570.483](#), within the discussion of required National Objectives. The state CDBG program uses a NOFA application process where eligible cities and counties competitively apply for funding awards. Federal requirements mandate a set aside for Colonias, of which the state sets aside 5 percent each year.

Additionally, state statute requires that at least 51 percent of HCD's CDBG allocation from HUD be made available to housing and housing related activities; 30 percent set aside for Economic Development (ED) projects and programs; and at least 1.25 percent of the total amount of funds shall be set aside for eligible Native American activities benefiting non-federally recognized Native American communities or tribes. For fiscal year 2018, the ED allocation will be made available for Enterprise Fund (EF) activities, Economic Development Over-The-Counter (ED OTC) and planning activities.

In FY 2016, HCD completed a regulation change to allow for the release of one or more special NOFAs on an as-needed basis. Specifically, in addition to the annual NOFA, HCD may allocate available CDBG funding to address disasters and/or

emergencies under the federal Urgent Need and Low/Mod Income national objectives. For federal and/or state declared emergencies, HCD may choose to administer special NOFAs for an over-the-counter, *first-come, first-served basis*, rather than the normal competitive scoring process used in the annual NOFA funding cycle. HCD may also choose to waive any California regulatory application threshold requirements for applicants.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria

For the 2018 NOFA, it is expected that grantees may apply for two eligible activities plus one supplemental activity. Housing combination, Enterprise Fund combination, or two Public Services will count as **one** activity. Current scoring criteria for all CDBG activities, including Colonia and Native American, but excluding the Economic Development Over-the-Counter Program, are based upon the following:

Need and Benefit – up to 400 points - HCD will assign points based on the seriousness of the locality's community development needs, and the impact the program will have on those needs.

Readiness – up to 300 points - Readiness points will be assigned to the proposed activity as demonstrated by an activity, implementation plan, local government approvals, design progress, and sufficient funding to complete the project as applicable.

Jurisdictional Capacity and Past Performance – up to 200 points - This category is identical for all activities. Up to 200 points will be awarded for capacity to implement the proposed activity, as demonstrated by performance, including timeliness of clearance of General and Special Conditions, reporting, and cooperation in clearing audit and monitoring findings.

For the 2018 NOFA, Reporting Requirement up to 70 points of the 200 capacity points will be awarded points for compliance with fiscal year 2017-18 program income-reporting requirements that includes these three reports: Semi-annual 1, Semi-annual 2, and annual report. Prior to the 2017 NOFA, applicants received all 70 points. This NOFA will award points for reports completed.

State objectives – up to 100 points – HCD may award an application points for addressing state objectives as identified in the annual CDBG NOFA. HCD will include state objective points for one or more of the following HCD priority objectives: 1) Access to Opportunity (e.g. public outreach, diversity of investment in areas of low opportunity, and investment in areas of high opportunity), 2) Homelessness, and 3) Disaster Resiliency Long-Term Planning to incentivize local jurisdictions to incorporate hazard mitigation and disaster resiliency planning. More clarification on these HCD priorities will be provided in the NOFA. For the 2019 NOFA, it is HCD's goal to increase state objective points for CDBG.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

CDBG -The specific scoring breakdowns within each of the four scoring categories vary based on the activity being applied for. A description of the specific criteria and associated points will be published in the 2018 NOFA. The NOFA will be made available on HCD's CDBG webpage at <http://www.hcd.ca.gov/grants-funding/active-funding/index.shtml>. The evaluation criteria within the state's CDBG Program regulations [25 CCR §7078](#) are also found on the website at <http://www.hcd.ca.gov/grants-funding/active-funding/cdbg/docs/Adopted-state-CDBG-regulations-Aug2016.pdf>.

HCD publishes all CDBG application materials, NOFA, applications, appendices and instructions, on HCD's website shown above. In addition, HCD releases NOFAs by sending out an electronic notification to eligible jurisdictions, non-profits and consultants on the interested parties list. The notice has links to the NOFA and application documents on the webpage. Additional notices are provided to inform interested parties about NOFA/application workshops, held throughout the state.

CDBG-NDR – All application documents can be found at: <http://www.hcd.ca.gov/community-development/disaster-recovery-programs/ndrc.shtml>. The NDR page has been redesigned to accommodate all DRGR Quarterly Progress Reports and other reporting requirements. The navigation function has been designed so the reports and information are easily found and accessible.

Describe how resources will be allocated among funding categories

Pursuant to state CDBG regulations [25 CCR § 7076](#), CDBG funding allocations are based on demand once state administration funding amounts per 24 CFR § 570.489 and state and federal set-aside amounts have been accounted for. A federal set-aside of five percent of the federal award to HCD is required for Colonias. State statute requires that 30 percent of annual funding be set aside for economic development activities, and 1.25 percent be set aside for non-federally recognized Native American communities. For fiscal year 2018, the 30 percent economic development allocation will be made available for EF and Economic Development Over-the-Counter, and ED PTA grant activities. These set asides are specified in the NOFA; however, if there is not sufficient demand for these activities under the set asides, then the balance of funds will be made available to community development activities. Since applicants may apply for any CDBG eligible activities in the NOFA, distribution of funds is based on demand in accordance with state and federal regulations.

As part of the award process, HCD staff verifies that funding levels for the various activities comply with state and federal regulations. Aside from the 30 percent set aside for ED activities, state CDBG statute requires that at least 51 percent of awarded funds of the Community Development allocation be made available in support of housing and housing related activities,

including housing related public improvement projects. Of the Community Development set aside, federal regulation requires that public service activities be capped at 15 percent. Once these funding requirements have been met, the remaining funds will be awarded down the list of scored applicants. In addition to the set asides and funding level requirements described above, HCD will monitor general administration expenditures to ensure compliance with the federal expenditure cap rate, and that activities meet the national objective of benefitting at least 70 percent of low/moderate-income individuals.

Describe threshold factors and grant size limits

Applications must meet the state and federal CDBG regulation threshold requirements at time of submittal. Jurisdictions must be in compliance with submission requirements for their Housing Element¹ and Single Audit report pursuant to Federal Uniform Administrative Requirements, Cost Principles, audit requirements for federal awards (Uniform Guidance) [2 CFR Part 200](#), and cannot be listed on the federal debarred contractor's list. Although state monitoring and audit findings no longer make a jurisdiction ineligible, they will be considered as part of the jurisdiction's Capacity/Past Performance score. Furthermore, state regulation specifies that an application shall be considered **ineligible** for CDBG funds if the applicant has not expended at least 50 percent of the aggregate sum of standard agreements executed for NOFAs released in 2012 or after. This Rule, commonly known as the 50 percent Expenditure Rule, applies to standard agreements for Community Development, Economic Development, and Enterprise Fund activities; excluding ED OTC, and NOFAs for Disaster Recovery Initiative funds. However, for the 2017 NOFA, HCD implemented a waiver process for the Expenditure Rule, which allows jurisdictions, as a part of their application, to request a waiver. For the 2018 NOFA, the waiver will only be eligible to those who received a 2016 Special Drought and/or Disaster NOFA award, a 2017 CDBG award, **or** submitted an application for a shovel ready project. Non-shovel ready projects and all programs are ineligible for the waiver.

Grant size limits: The 2017 CDBG NOFA increased the maximum application limit to \$5 million, with the exception for applications that include *Economic Development Over-the Counter* (ED OTC), Colonia and Native American set-asides. For the 2018 NOFA, the maximum application limit will be decreased to \$3 million. The *Economic Development Enterprise Fund* (Business assistance and/ or Micro-enterprise activities) application limit is \$500,000 for a single activity or a combination of either activity; ED OTC is a separate application process and limited to \$3 million per jurisdiction. *Housing Program Activities* (Homeownership Assistance and/or Housing Rehabilitation activities) have a \$1 million maximum for either activity or a combination of both activities.

¹Housing elements are a mandated element of the general plan and updated on a regular schedule every 5 or 8 years. The housing elements are subject to HCD review, detailed statutory requirement that plan for existing, and projected housing needs at all income levels.

Multi-Family Housing activity has a maximum limit of \$3 million. *Public Improvement*, including projects in support of Housing-New-Construction are eligible for up to \$3 million. *Public Facility* projects have a maximum of \$3 million (one project only). PTA has a maximum award of \$100,000 for one study, either *Community Development* or *Economic Development*. The maximum grant application, excluding ED OTC, is \$3 million, limited to two activities and one planning activity. For applications that include the Colonia and Native American set-asides, the total grant award may exceed \$3 million because those awards are in addition to any CD or ED awards.

What are the outcome measures expected as a result of the method of distribution?

With fiscal year 2018 funds, CDBG expects to produce 230 rehabilitated rental units, 33 units assisted with direct financial assistance to homebuyers, 73 homeowner units rehabilitated, 220 jobs created or retained, 10 businesses assisted, 10,200 households assisted with public service activities, and 100,152 households assisted with public facilities or public improvement activities.

2. ESG Program:

Describe the state program addressed by the Method of Distribution

As authorized by [Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act](#) (42 U.S.C. 11371-11378) and the federal [Homeless Emergency and Rapid Transition to Housing Act \(HEARTH\) Act](#), 100 percent of ESG funds activities must address homelessness. HCD's ESG program is distributed by formula to two separate allocations, Continuum of Care (CoC) and Balance of State (BoS). CoC allocations contain a city or county that receives ESG funds directly from HUD. BoS funds are allocated to Service Areas (SA) that do not contain a city or county that receives ESG funds directly from HUD.

The ESG program aims to do the following: align with local systems' federal ESG and HEARTH goals; invest in impactful activities based on key performance goals and outcomes; improve geographic distribution of funded activities and continuity of funded activities and create a streamlined delivery mechanism. Pursuant to current state regulations, eligible applicants are local governments and nonprofit corporations. Federal ESG funding will continue to be directed towards non-entitlement areas throughout the state; however, under the redesigned program, funding can be used in Entitlement areas.

As discussed earlier, the program utilizes a formula based method of distribution for CoC and BoS SA, using a formula that considers homeless PIT count, poverty rates, and extremely low-income household renter cost burden data. All of ESG's federal funds go to address homelessness and may be used for Emergency Shelter (ES), Homeless Prevention (HP), Street Outreach (SO), Rapid Rehousing (RR), and the Homeless Management Information System (HMIS) ([24 CFR §576.100](#)).

Federal regulations cap the amount that can be used for ES/SO at 60 percent, and HCD generally limits the amount that can be

received for HMIS per application to no more than 10 percent of the available funds. RR will remain the priority for ESG funds with a minimum required 40 percent used towards RR.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

As stated above, ESG funds will be allocated to two separate funding pools; the CoC allocation and the BoS allocation.

Within the CoC allocation, local government Administrative Entities (AEs) will select applications for funding pursuant to the criteria set forth in ESG regulations, California Code of Regulations (CCR), title 25, division 1, chapter 7, subdivision 20, section 8403(g), and administer ESG contracts. Further discussion of the CoC allocation is provided in the narrative below.

Under the BoS allocation, for the 2018 funding round, up to 50 percent of the funds will be available noncompetitively to each BOS SA. The remaining balance will be available within the three-regional competitive set-asides set forth under ESG regulations section 8404(a)(3), HCD will select providers for funding according to the application eligibility criteria set forth under section 8406 and the application rating criteria set forth under section 8407. Further discussion of the BoS allocation is also provided in the narrative below.

CoC allocation

Within the CoC allocation, AEs will be selected by HCD to administer an allocation of funds provided pursuant to the formula factors set forth under section 8402 of the ESG Regulations. These AEs must be local governments of ESG Entitlement Areas and must commit to administering ESG funds, in collaboration with their CoC, throughout their CoC SA, including ensuring access to ESG funds by households living in non-entitlement areas. AE and CoC qualifications are set forth in state ESG Regulation section 8403(d) and (e). A minimum of 40 percent of each AE ESG allocation must be used for RR activities.

HCD will enter into a contract with the AE, and the AE will contract directly with its selected providers. The AE shall collaborate with the CoC in administering an application selection process which complies with section 8403 (g) of the ESG regulations. The process must: (1) be a fair and open competition which avoids conflicts of interest; (2) follow procurement requirements of 24 CFR Part 200; (3) evaluate provider capacity and experience, including the ability to deliver services in non-entitlement areas; (4) evaluate eligibility and quality of services, including adherence to Core Practices pursuant to ESG regulations section 8409; (5) utilize data and consider community input to identify unmet needs; (6) prioritize activities that address the highest unmet need, considering other available funding and system-wide performance measures; and (7) consider project-level performance measures when evaluating proposals.

An AE can also enter into an agreement with a geographically contiguous CoC in the BoS allocation to administer 100 percent of the funding attributable to both CoC SAs for RR activities in accordance with section 8403(a)(1) of the ESG regulations.

BOS allocation

Noncompetitive allocation

CoC in the BoS allocation are those that have no ESG entitlement jurisdictions within their CoC SA. Within this allocation pool, CoC may select providers to receive a portion of funds available under the formula allocation noncompetitively for RR. HCD will administer these contracts with providers. In recommending providers for these funds, the CoC shall follow a process that meets the requirements of ESG Regulation section 8404(a) (2). The current limits on the percentage of funds and number of contracts that can be accessed noncompetitively for RR are set forth on the following pages under the heading “Minimum and maximum percentage of an ESG allocation that can be accessed noncompetitively for Rapid Rehousing”.

Competitive allocation

Funds available through the competitive allocation are divided up into three geographic regional allocations (Northern Region, Bay Area Region, and the Central and Imperial Valley Region). Programs within each of these regions apply for the funds. Applications are evaluated based on the following competitive application rating criteria:

- a) Applicant Experience (20 points) - An evaluation of length of experience and prior ESG program performance.
- b) Need for Funds (10 points) - Whether the application activity and subpopulation targeting, if any, meets a high need for the community as identified by the CoC in a manner that is consistent with the requirements of ESG regulations section 8409 (required Core Practices).
- c) Program Design (20 points) – The quality of the proposed program in delivering eligible activities to participants consistent with the Written Standards of the CoC and Core Practices as set forth under ESG regulations section 8409.
- d) Impact and Effectiveness (30 points) – The Impact and Effectiveness measures for fiscal year 2017-18 are discussed on the following pages under the heading “**HMIS Project and System-Level Impact and Effectiveness Performance Metrics.**”
- e) Cost Efficiency (10 points) - Using HMIS data from the most recent ESG contract year, applications will be evaluated based on the average cost per exit to permanent housing based on the total ESG project budget and the number of exits to permanent housing.

Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of

general local government and non-profit organizations, including community and faith-based organizations (ESG ONLY)

ESG funds will be distributed to local governments and non-profit homeless service providers in two separate funding allocations pursuant to the formula set forth under section 8402 of the ESG regulations: 1) the CoC allocation and 2) the BoS allocation. See above for a discussion of these two allocations.

Describe how resources will be allocated among funding categories.

Federal ESG regulations cap the amount that can be allocated to eligible projects under the SO and ES components at 60 percent of HCD's annual federal ESG allocation. Individual homeless service providers may propose uses of funds in accordance with their needs subject to the above restriction as well as the following limitations:

CoC allocation

Within the COC allocation, ESG regulations section 8403(i) requires that not less than 40 percent of the CoC allocation awarded by an AE be for RR except if funds are administered by an AE for two contiguous SAs. In this scenario, 100 percent of the funds must be used for RR. HMIS is limited to 10 percent per application under state regulations section 8408.

BoS allocation

For 2018, BoS must use a minimum of 40 percent and a maximum of 50 percent of their Noncompetitive allocation for RR. BoS Homelessness Prevention funds are limited to 10 percent per application, and can only be used in combination with an RR or ES application. If applied for as part of a noncompetitive RR application, SO funds are limited to 10 percent per application. (State regulation section 8404(b)). HMIS is limited to 10 percent per application under state regulations section 8408.

As permitted by the ESG regulations, the following additional limits apply for fiscal year 2018: Caps on amounts available under the formula (section 8402 (d))

No one CoC SA may receive more than 10 percent of the total amount of ESG funds available under the allocation formula in a given funding round.

Amounts available for Administrative Activities and Indirect Cost allocation (section 8402(a) and 8404(b))

ESG Administration - AEs under the CoC allocation may receive approximately 2.6 percent of their formula allocation for Administration as defined in the federal regulations. For the BoS allocation, grant Administration of up to \$200 per application may be requested by local government service provider applicants per [24 CFR §576.108](#). No other Administration funds will be provided for the CoC or BoS allocations.

Homeless Service Provider Indirect Cost allocation

CoC allocation: As permitted by the applicable AE, homeless service providers receiving funds from an AE under the CoC allocation may charge an indirect cost allocation as calculated pursuant to [24 CFR 576.109](#).

BoS allocation - Homeless service providers funded by HCD through the BoS allocation that are eligible to receive an indirect cost allocation as calculated pursuant to 24 CFR 576.109.

Eligible Activities (8403 (h) 8408 (b))

Pursuant to ESG regulation Section 8408, all activities permitted under the federal ESG regulations shall be eligible except for renovation, conversion, or major rehabilitation activities pursuant to 24 CFR 576.102. Minor repairs to an ESG-funded Emergency Shelter (ES) that do not qualify as renovation, conversion, or major rehabilitation are an eligible use of HCD's ESG funds.

Pursuant to ESG regulation Section 8408 (b), the following additional limitations apply to ESG activities funded from the CoC allocation:

- a) Where the HCD has approved an AE to administer ESG funds, a minimum of 40 percent of the SA allocation shall be used for RR.
- b) AEs partnering with a neighboring CoC from the BoS allocation must award 100 percent of both SA formula allocations to RR (§ 8403(a) (1)).
- c) In the absence of an approved AE, 40 percent of a CoC SA formula allocation may be accessed noncompetitively for RR. Up to two applications may be recommended by the CoC for RR. These applications and contracts will be administered by HCD. The remainder of the funds will be distributed through the formula to the BoS allocation.
- d) Up to 10 percent of an AE SA allocation may be used for HMIS activities.

Pursuant to ESG regulation Section 8408 (b), the following additional limitations apply to ESG activities funded from the BoS allocation:

- a) Up to 50 percent of a BoS SA allocation may be accessed through the Noncompetitive allocation.
- b) A minimum of 40 percent and a maximum of 50 percent of a BoS SA allocation must be used for RR.
- c) SO can be submitted as a stand-alone activity, or in combination with an ES or RR application in the competitive allocation. If submitted in combination with an RR activity through the Noncompetitive allocation, the SO portion cannot exceed 10 percent.
- d) Up to 10 percent of a BoS SA allocation may be used for HP activities in combination with an ES or RR application.
- e) Up to 10 percent of a BoS SA allocation may be used for HMIS activities. HMIS funds may be requested as part of an application for another eligible activity.

HMIS Project and System-Level Impact and Effectiveness Performance Metrics (8407 (a) (4))

CoC allocation: AEs may establish their own project-level HMIS performance metrics by which to evaluate applications submitted to them for ESG funds.

BoS allocation: Scoring for the Performance Outcomes in the Impact and Effectiveness rating factor will be evaluated using data from HMIS from October 1, 2016- September 30, 2017, or, for those projects not in operation during this entire time period, the most recent 12-month period. For data coming from Victim Service Providers (VSP), data from a HUD-compliant comparable database may be used.

Project-Level Performance Metrics Data

BoS allocation: The project level measures are as follows: (1) Average length of project participation for individual leavers and (2) Leavers exiting to permanent housing. Scores assigned will be based on relative success rate. For project-level performance metrics, programs of the same activity type (i.e. SO, ES, RR) will only be compared against programs of that same activity-type.

System-Level Performance Metrics data

CoC allocation: System-level performance metrics within SAs under the CoC allocation will be monitored by HCD at a later date.

BoS allocation: Reports submitted by the CoC must be consistent with HUD's May 2015 System Performance Measures. Data for **Measures 1, 2, 3, 5, and 7** must be submitted to HCD and scoring will only be based on the CoC's ability to produce the information.

Minimum and maximum percentage of an ESG allocation that can be accessed noncompetitively for Rapid Rehousing (8403 (a) (2) 8404 (a) (2) (F)

CoC allocation:

- a) Where HCD has approved an AE to administer ESG funds, a minimum of 40 percent of the SA allocation shall be used for RR.
- b) AEs partnering with a neighboring CoC from the BoS allocation must award 100 percent of both SA formula allocations to RR
- c) (§ 8403(a) (1)).
- d) In the absence of an approved AE, 40 percent of a CoC SA formula allocation may be accessed noncompetitively for RR.
- e) Up to two applications may be recommended by the CoC for RR. These applications and contracts will be administered by HCD.

BoS allocation:

A minimum of 40 percent and a maximum of 50 percent of a BoS SA allocation shall be used for RR. See the heading “Maximum number of applications, contracts, and subcontracts” for a discussion of the number of applications that can be submitted within each BoS SA.

Minimum and Maximum Grant Limits

CoC allocation: Where there is an approved AE, AEs will be responsible for setting any minimum and maximum grant amounts since they will be evaluating provider applications and managing these contracts. HCD will be monitoring AEs to ensure that they can effectively manage the number of awards they make.

BoS allocation:

Noncompetitive allocation – no individual application minimum and maximum grant amounts will be established by HCD for this allocation. The amount of each individual application for available funds within this set-aside shall be determined by the CoC.

Competitive allocation - each application submitted must be for a minimum of \$75,000 and a maximum of \$200,000. These amounts include amounts requested for all eligible activities, including HMIS and Indirect Costs.

Maximum number of applications, contracts, and subcontracts

CoC allocation:

Within the CoC allocation where there is an approved AE, AEs will be responsible for setting any limits on the number of applications received and contracts or subcontracts funded, since they will be evaluating provider applications and managing all contracts and subcontracts. HCD will be monitoring AEs to ensure that they can effectively manage the number of awards, contracts, and subcontracts they have.

BoS allocation

Noncompetitive allocation – **For the 2018 NOFA round**, no more than **two** applications may be recommended by the CoC and submitted to HCD. No more than two contracts per CoC SA will be awarded by HCD.

For the 2019 NOFA round, in CoC SAs comprised of a single county, no more than two applications may be recommended by the CoC and submitted to HCD. No more than two contracts per CoC SA will be awarded by HCD.

For the 2019 NOFA round, in CoC Service Areas comprised of more than one county, no more than three applications may be recommended by the CoC and submitted to HCD. No more than three contracts per CoC Service Area will be awarded by HCD.

Competitive allocation - **For the 2018 NOFA round**, no more than **two** applications may be recommended by the CoC and submitted to HCD. No more than two contracts per CoC Service Area will be awarded by HCD.

For the 2019 NOFA round, in CoC Service Areas comprised of a single county, no more than two applications may be recommended by the CoC and submitted to HCD. No more than two contracts per CoC Service Area will be awarded by HCD.

For the 2019 NOFA round, in CoC Service Areas comprised of more than one county, no more than three applications may be recommended by the CoC and submitted to HCD. No more than three contracts per CoC Service Area will be awarded by HCD.

Subcontracts

There are two types of subcontracting which are permitted under ESG.

- a) Subcontracting for services provided to the funded program. Procuring services related to carrying out the funded program is permissible.
 - Examples: *security, supportive services, food services. Federal procurement rules may apply.*
- b) Applications that contain multiple ESG-eligible activities as permitted under the Annual Action Plan or NOFA may subcontract with separate providers for those activities. For example, RR programs that request funds for both RR and HMIS may subcontract to a different entity for their HMIS.

Note: Contracting with, or in any way assigning the ESG grant or grant funds in part or whole to another provider for any activity or activities that is/are not allowed or approved by HCD as part of the ESG funded program, is strictly prohibited.

Application packages that includes provider recommendations are due to HCD as set forth in ESG NOFAs. HCD released NOFAs for the CoC and BoS allocations on June 8, 2018 at <http://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml>.

Describe threshold factors and grant size limits

All funded activities must meet program eligibility criteria as set forth in ESG regulations section 8406 and this AP. Grant size limits are discussed above. Application threshold factors under the BoS regional competition are summarized below, pursuant to section 8406.

1. The applicant is an eligible organization and is recommended by the CoC;
2. The CoC meets the requirements of section 8404(a)(1);
3. The application proposes an eligible activity in the CoC SA consistent with section 8408;
4. A complete application is received by the deadline stated in the NOFA. HCD does have the authority to request missing information after the application deadline, but the application may be scored as initially submitted.

What are the outcome measures expected as a result of the method of distribution?

As stated previously, the method of distribution is designed to better align with local systems federal ESG and HEARTH goals. For fiscal year 2018-2019, ESG anticipates serving approximately 1,635 RR recipients, 5,175 persons with ES, and 95 persons with HP services.

3. State Program – HOME

Describe the state program addressed by the Method of Distribution

The Home Investment Partnerships Program (HOME) provides funds for Project Activities (PJ) and Program Activities (PA) on a competitive basis through an annual NOFA.

Project Activities are activities with an identified site at the time of application for HOME funds. These activities include Rental New Construction or Rehabilitation projects and First Time Home Buyer (FTHB) New Construction or Rehabilitation/Conversion projects. Based on applicant demand, HOME allocates roughly 60 percent of its funds to project activities on an annual basis, 55 percent to rental projects, and 5 percent to FTHB projects. Within the rental project allocation, HOME may offer additional Deep Targeting (DT) funds to rental projects to reduce private mandatory debt and facilitate more affordable rents.

Program Activities are activities without an identified site at the time of application for HOME funds, meaning that HOME applicants apply for a specified amount of funds, and once awarded, advertise their housing program(s) and provide these funds to individual low-income households that qualify for participation. Eligible program activities for FY 2018 funds include FTHB acquisition with or without rehabilitation, FTHB infill new construction, Owner Occupied Rehab (OOR), and Tenant-based Rental Assistance (TBRA). Based on applicant demand, HOME allocates roughly 40 percent of its funds to program activities on an annual basis.

Eligible applicants for HOME funds are local governments that do not receive a direct allocation of HOME funds from HUD (or participate in a HOME Consortium or a CDBG Urban County) and state certified HOME Community Housing Development Organization(s) (CHDOs) that provide housing in these localities. In 2016, state HOME regulations were amended to expand the availability and competitiveness of HOME funded project activities for developers including Native American Entities. The state considers American Indian reservations or Native American lands to be within the boundaries of the applicable state HOME eligible jurisdictions listed in Appendix A. HCD is modifying existing state HOME regulations to allow Native American Entities to apply directly for HOME funded program activities beginning with FY 2019 funds.

State HOME regulations require that a minimum of 50 percent of funds go to activities located in rural census tracts. Federal regulations require that a minimum of 15 percent of funds be allocated to CHDOs. TBRA funds can be used in all HOME-eligible jurisdictions in the county where the funds were awarded, not just in the particular jurisdiction to which the funds were awarded. TBRA tenant leases cannot exceed 24 months, but can be renewed if additional TBRA funds are secured. In California, there are many market conditions that justify the use of HOME funds for TBRA, including tenant income compared to fair market rent and housing cost burden. State recipients may establish preferences pursuant to federal and state HOME requirements for use of HOME TBRA funds to serve victims of local, state, or federally declared disasters. Preferences for TBRA funds may also be established for tenants displaced if HCD determines that existing rental assistance will not be continued or renewed.

Additional preferences for special needs populations, including the needs of persons with mobility, sensory, mental health and intellectual disabilities, may be approved by HCD consistent with federal and state regulations and fair housing laws. Prior to approving any preferences in the use of TBRA funds, HCD will determine whether an unmet need exists for which the preference is necessary to narrow the gap in benefits and services received by such persons. Any TBRA preferences must be established under the jurisdiction's HOME TBRA guidelines and these guidelines must be approved by HCD. Before using HOME TBRA funds, the applicable TBRA requirements at 24 CFR §58 must also be met.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

Below is a summary of the HOME rating criteria. For additional information, see [section 8212](http://www.hcd.ca.gov/grants-funding/active-funding/home.shtml) of the state HOME regulations at <http://www.hcd.ca.gov/grants-funding/active-funding/home.shtml>. (Note: in a federal, state, or locally Declared Emergency, the state may utilize an alternate method of distribution to enable funds to be allocated quickly to impacted areas.)

1) Housing Element Compliance (50 points) - Provides points to cities or counties with an adopted housing element that has been approved by HCD. Projects developed on American Indian reservations or Native American lands as defined by [section 8201\(y\)\(1\)](#) receive full points for this rating factor. CHDOs and newly formed cities receive full points in this rating category. 2) Direct Home allocation Declined (50 points) - HOME entitlement jurisdictions that have given up their HOME formula allocation to compete in the state HOME Program receive additional points. 3) Rural Points (50 points) - Activities proposed in rural census tracts receive additional points. 4) state objectives (up to 200 points) - For FY 2018 HOME funds, HCD may award state objective points to one or more of the following: (a) applications that provide deeper affordability; (b) activities that can be set up and funded quickly; (c) applications that demonstrate expeditious or efficient use of HOME funds; (d) applications that can be funded in a manner which promotes capacity building and continuity of housing activities; (e) applications that target special needs populations, including the needs of persons with mobility, sensory, mental health and intellectual disabilities, as permitted under federal and state antidiscrimination and fair housing laws, HOME requirements; (f) applications that serve victims of local, state, or federally declared disasters, (g) applications that promote community revitalization of mobile home parks; (h) applications that promote geographic diversity; (i) applications that address fair housing impediments; and (j) activities that complement other state or federal programs or policy objectives.

HCD will also be providing state objective points for two of its three housing and community development priorities: 1) Homelessness and 2) Access to Opportunity. Further information and guidance on these additional state objective factors is in the NOFA. For the 2019 NOFA, it is HCD's goal to increase state objective points for HOME.

Additional Rating Factors for Program Activity Applications: 1) Applicant Capability: (250 points) - Examines past performance on HOME contracts, as well as experience with other activities. Performance points may be deducted for failure to submit required reports in a timely manner and failure to cooperate with monitoring or contractual requirements identified by HCD in the last five years. 2) Community Need: (250 points) - Examines census data, such as poverty rates, age of housing stock, housing overcrowding, and home sales prices compared to median incomes in the locality. 3) Program Feasibility: (100 points) – For FTHB programs, this factor examines the financial feasibility of the activity at proposed sales prices, income targets, and assistance levels. For OOR programs, this factor examines feasibility as reflected through need by census data, such as overcrowding and age of housing stock. For TBRA programs, this factor examines feasibility as reflected through need by census data, such as renter overpayment for housing.

Additional Rating Factors for Project Applications: 1) Applicant Capability: (450 points) - Examines past performance on HOME contracts, as well as experience with other activities. Points may be deducted for any of the following: missing HOME performance deadlines in the last five years; failure to submit required reports in a timely manner; material misrepresentations of fact which jeopardize the HOME investment or put HCD at risk of a serious monitoring finding; and failure to cooperate with monitoring requirements identified by HCD in the last five years. 2) Community Need: (250 points) - Examines census data, such as poverty rates, vacancy rates, age of housing stock, housing overcrowding, and home sales prices compared to median incomes in the locality. 3) Project Feasibility: (200 points) - Both rental and FTHB projects earn points based on the percentage of HOME-assisted units. Rental projects must demonstrate compliance with HCD's Uniform Multifamily Regulations (UMRs) and HOME requirements. FTHB projects must demonstrate the ability of the proposed project to meet HOME requirements, including demonstrating the adequacy of the proposed development budget, the market for the project, and the affordability of the project. 4) Readiness: (300 points) - Examines the project development plan, as well as the status of local government approvals, design progress, and financing commitments.

Describe how resources will be allocated among funding categories

Pursuant to state HOME regulations, a minimum of 40 percent will be allocated to program-activity applications, (FTHB, OOR, and/or TBRA activities), and 5 percent will be allocated to FTHB projects. Fifty-five percent of funds are typically available for rental project new construction or rehabilitation projects, based upon applicant demand in a given NOFA cycle.

Describe threshold factors and grant size limits

Grant size limits are in the applicable NOFA and may change as the size of the HOME allocation changes. HOME threshold factors are discussed below. For more information, see sections 8211 and 8212 of the state HOME regulations.

To be eligible for funding, an application must be submitted by an eligible applicant by the deadline stated in the applicable NOFA. The total amount requested in an application cannot exceed the amounts specified in the NOFA for the particular eligible activity(ies). Applicants may be held out from competition due to performance problems with current HOME contracts, such as failure to submit required Single Audit documentation to the State Controller's Office or unresolved audit findings.

Applicants for program activity funds with one or more active state HOME contracts must have expended at least 50 percent of the aggregate total of program funds originally awarded under these contracts to be eligible to apply for additional program activity funds. Applicants for projects that miss three project deadlines are currently ineligible to apply for funds in the next NOFA. However, HCD may waive this holdout penalty if the missed project deadline was clearly outside the control of all of the following parties: the applicant, developer, owner, and managing general partner.

Project applications must show adequate evidence of site control and demonstrate financial feasibility. HOME requires certain documents to evaluate feasibility, including, but not limited to, a market study (or other market information for FTHB development

activities), appraisal, and Phase I/Phase II Environmental Site Assessments (ESA) for new construction projects or lead, asbestos, and mold assessments for rehabilitation projects. Project applications must also certify there are no pending lawsuits preventing implementation of the project as proposed. FTHB projects and all program activities must also submit guidelines governing the allocation of mortgage assistance funds to individual homebuyers. Rental projects must demonstrate compliance with Article XXXIV of the California Constitution and CHDO applicants must also demonstrate effective project control pursuant to federal and state HOME requirements.

All proposed HOME activities must be evaluated according to underwriting standards addressing federal HOME requirements at 92.250 and 92.254, as applicable. For more information see sections 8211 and 8212 of state HOME regulations.

What are the outcome measures expected as a result of the method of distribution?

Based on trends in prior year completion data and additional demand for TBRA, in the upcoming fiscal year HOME estimates completing in the upcoming fiscal year construction on 250 rental units (includes RNC and Rental Rehab) and 42 homebuyer units (FTHB NC); rehabilitating 74 OOR units, assisting 91 FTHB program activity households, and providing TBRA to 92 households.

4. NHTF (National Housing Trust Fund)

Describe the state program addressed by the Method of Distribution.

The state NHTF provides funding for Rental New Construction projects on a competitive basis through an annual NOFA. A NHTF applicant must be the owner or developer of the NHTF-assisted project that meets the requirements identified in the recipient definition of 24 CFR 93.2.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

Below is a summary of the NHTF rating criteria. For additional information, see AP-90.

HCD will adhere to the following federal NHTF requirements when selecting applications and rating and ranking submittals:

- a) Geographic priorities for the distribution of funds;
- b) Applicant's ability to obligate NHTF funds;
- c) Applicant's ability to complete the proposed project in a timely manner;
- d) The availability of federal, state or local project-based rental assistance;
- e) How well the application meets the state's priority housing needs; and
- f) Use of non-federal funding sources as leverage.

In 2017, the California state Legislature passed AB 74, which subsequently was signed into law by Governor Brown. AB 74 directs the state to use NHTF resources for the newly established Housing for a Healthy California program. Therefore, the application selection criteria will also consist of requirements specifically mandated in the Housing for a Healthy California, AB74 statute. HCD will apply the AB74 requirements in a manner consistent with the rules of the NHTF funds. Eligible projects will demonstrate the following:

1. Need, which includes consideration of the number of individuals experiencing homelessness and the impact of housing costs in the county,
2. Documented partnerships with affordable and supportive housing providers in the county,
3. Commitment to address the needs of people experiencing homelessness through existing programs or programs planned to be implemented within 12 months,
4. Preferences or set asides for housing populations established by HCD pursuant to California Health and Safety Code § 53595, and
5. Coordination with all of the following:
 - Community-based housing and homeless service providers;
 - Behavioral health providers; and
 - Safety net providers, including community health centers.

HCD may award application points for addressing state objectives as identified in the NOFA. HCD may include state objective points for one or more of the following HCD priority objectives: 1) Access to Opportunity (e.g. diversity of investment in areas of low opportunity and investment in areas of high opportunity), 2) Homelessness and 3) Disaster Resiliency Long-Term Planning

to incentivize local jurisdictions to incorporate hazard mitigation and disaster resiliency planning. More clarification on these HCD priorities will be provided in the NOFA.

5. HOPWA

Describe the state program addressed by the Method of Distribution.

HOPWA serves counties (including cities within those counties) that do not receive a HOPWA allocation directly from HUD.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

Program Description Supportive Service Plan/Client Accessibility to Supportive Services

- | | |
|--|----------|
| Ability to assess organizational performance and client outcomes | 5 points |
| Ability to report in the AIDS Regional Information and Evaluation System or the local HMIS | 5 Points |

Program Staffing

Appropriate staff qualifications for HOPWA services to be performed:

| | |
|--|-----------|
| Fiscal (3 points) | |
| Administrative (3 points) | |
| Information Management (3 points) | |
| Client Services (e.g. case management) (3 points) | 12 points |
| Logical and achievable program implementation and timeline | 12 points |

Agency Capacity and Experience:

| | |
|--|-----------|
| Experience with and focus on serving clients with HIV/AIDS | 12 points |
| Success in managing similar program(s) | 12 points |
| Organization's cultural competency to work with target population(s) | 5 points |
| Experience managing inter-disciplinary programs (e.g. housing/health care or mental health service/substance abuse services) | 10 points |
| Fiscal capacity to provide housing assistance payments | 10 points |

Budget Detail:

| | |
|--|-----------|
| Satisfactory audited financial report | 12 points |
| Evidence of satisfactory accounting system | 5 points |

For project sponsors applying for a renewal to continue operating existing programs or requesting a contract amendment, the application process includes state HOPWA approval of a detailed budget and program work plan prior to the beginning of fiscal year 2018-19.

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA)

CDPH/OA has renewed contracts with 21 existing project sponsors through June 30, 2018 to provide housing assistance and supportive service programs to Persons Living with HIV (PLWH) throughout 40-non-Eligible Metropolitan Statistical Areas (EMSAs) counties. In addition, two new contracts were executed with the Kern County Department of Public Health and Clinic Sierra Vista to spend funds from previous grant years. Every project sponsor provides direct client services, and some subcontract with other local agencies to provide housing or supportive services.

In the case of loss of a project sponsor or a change in program delivery for a specific county or counties, CDPH/OA solicits project sponsors through a Request for Award (RFA) process that allows equal access to all grassroots, faith-based and community-based organizations, and governmental housing agencies in that jurisdiction. Project sponsors that subcontract with other agencies must also use a selection process that provides full access to all grassroots, faith-based and community-based organizations. The project sponsor selection methodology will be restructured to address the unmet housing need identified in the statewide HIV/AIDS needs assessment in 2018. The restructuring process will include stakeholder and consumer participation.

Describe how resources will be allocated among funding categories

Project sponsors participate in local HIV/AIDS needs and service planning efforts and prioritize the HOPWA allocation to fill local HIV/AIDS housing and supportive service gaps. To address the most urgent needs of PLWH, and to assist in meeting the goal of the National HIV/AIDS Strategy to reduce the percentage of persons in HIV medical care who are homeless to no more than five percent by 2020, project sponsors may select from the following eligible HOPWA activities:

- a) Tenant-based rental assistance
- b) Short term rent, mortgage and utility assistance
- c) Facility- based housing operations of existing permanent or transitional HIV/AIDS housing programs
- d) Facility-based housing – hotel/motel voucher assistance
- e) Housing Placement Assistance
- f) Housing Information Services
- g) Supportive Services

Project sponsors may also use funds for eligible resource identification activities (if justified in the program work plan), and no more than seven percent of the allocation for grant administration.

State HOPWA established the following caps to ensure prioritization of funds for direct client housing assistance:

- a) Twenty percent of a project sponsor's allocation may be used for supportive service activities.
- b) Fifteen percent of a project sponsor's budget for housing assistance activities may be used for activity delivery costs.
- c) Five percent of supportive service and housing information service budgets may be used for activity delivery costs.

State HOPWA may waive the 20 percent cap on supportive services if the proposed supportive services assist clients in overcoming barriers to housing stability (e.g., intense case management services, mental health or alcohol and substance abuse treatment, consumer credit counseling, employment services and education, etc.).

Pursuant to HOPWA regulation, grantees must identify how the rent standard will be set for a tenant-based rental assistance program within a jurisdiction. In most instances, state HOPWA adopts the published Fair Market Rent as the rent standard for the grant area.

Describe threshold factors and grant size limits

For fiscal year 2018-19, the HOPWA allocation will be distributed through a formula process based on the reported HIV and AIDS case data.

Effective fiscal year 2011-12, CDPH/OA eliminated prison numbers from the reported HIV and AIDS case data that resulted in the implementation of a funding stabilization method for counties with prisons. For FY 2018-19, state HOPWA will continue to include a funding stability method using prior year funds to hold those counties harmless at a percentage of their prior year allocation.

AP-35 Projects

AP-35 Projects (Optional)

1. Introduction

At this time, the state does not know which projects it will fund in the upcoming fiscal year. Local applicants must first apply for and secure the available funds.

2. Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The state has no project-specific allocation priorities. For a discussion of the state's general allocation priorities, see AP 25 and AP 30.

AP-38 Project Summary

1. Project Summary Information

Not applicable to states

2. Table 1 – Project Summary

Not applicable to states

DRAFT

AP-40 Section 108 Loan Guarantee

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

A. Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

California Code of Regulations (CCR) [§ 7062.3](#) authorizes the state to participate in the federal [Section 108](#) loan guarantee program. California Department of Housing and Community Development (HCD) has considered Community Development Block Grant (CDBG) economic development projects for this type of funding. However, large-scale projects that would support the federal Section 108 funding have not been identified at this time. For more information about CDBG economic development project qualifications, interested parties should contact the NOFA/Operations Over-The-Counter economic development staff at CDBGNOFA@hcd.ca.gov.

B. Available Grant Amounts

There are none at this time. HCD has not issued any [Section 108](#) loan guarantees and has no immediate plans to do so.

C. Acceptance process of applications

There are none at this time.

AP-45 Community Revitalization Strategies

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

A. Will the state allow units of general local government to carry out community revitalization strategies?

The state CDBG program does not currently have a Community Revitalization Strategies (CRS) program. CDBG program participants and stakeholders prefer individual activities in specific areas of greatest need. However, as previously stated throughout this document, the CDBG program is currently undergoing a redesign process. If needed, changes will be reflected in the 2019 Annual Action Plan or a substantial amendment to this AP.

B. State's process and criteria for approving local government revitalization strategies

Not applicable.

AP-48 Method of Distribution for Colonias Set-Aside

(States with Colonias Only)

Regulation Citation: 91.320(d) & (k), see also HUD Notice CPD 11-001

Please note: HCD's CDBG program is currently undergoing a redesign process. As a result, the distribution of funds, activities and program requirements may change. If needed, changes will be reflected in the 2019 AP.

Describe the state program addressed by the Method of Distribution

Pursuant to federal law, up to 10 percent of the total amount of CDBG funds shall be made available for Colonia activities. The state has determined that 5 percent of the federal award to HCD for fiscal year 2018 will be available to benefit Colonia eligible communities. Colonia eligible communities for state CDBG funds are located in the unincorporated area of Imperial County and in the cities of Brawley, Calexico, Imperial, and El Centro. There are currently 15 Colonia designated communities.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria

For the fiscal year 2018 NOFA, Colonia applicants may apply for more than two eligible activities, but all awarded activities will be contained in one contract. A Housing combination, Enterprise Fund combination, or two Public Services will count as **one** activity. Criteria for all CDBG activities, including Colonia and Native American, but excluding the Economic Development Over-the-Counter (ED – OTC) program, are based upon the following categories:

Need and Benefit – up to 400 points – HCD will assign points based on the seriousness of the locality's community development needs and the benefit the program will have on those needs.

Readiness – up to 300 points - Readiness of the proposed activity is measured by an activity implementation plan, local government approvals, site control, design progress, and sufficient funding to complete the project as applicable.

Jurisdictional Capacity and Past Performance – up to 200 points - Capacity to implement the proposed activity, as demonstrated by performance, including timeliness of clearance of General and Special Conditions and reporting and cooperation in clearing audit and monitoring findings.

For the 2018 NOFA, *Reporting Requirement up to 70 points* of the *200 capacity points* will be awarded points for compliance with fiscal year 2017-18 program income (PI) reporting requirements that includes these three reports: Semi-annual 1, Semi-annual 2, and Annual Report. Prior to the 2017 NOFA, applicants received all 70 points. This NOFA will award points for reports completed.

State objectives – *up to 100 points* - HCD may award application points for addressing one or more state objectives as identified in the annual CDBG NOFA. HCD will also be providing state objective points for two of its three housing and community development priorities: (1) Access to Opportunity (e.g. public outreach for various special needs populations) and (2) Climate Change, which includes Disaster Resiliency Long-Term Planning to incentivize local jurisdictions to incorporate hazard mitigation and disaster resiliency planning.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

See CDBG Method of Distribution in Section AP 30 above.

Describe how resources will be allocated among funding categories

A. Introduction

Describe the state program addressed by the Method of Distribution

Pursuant to federal law, up to 10 percent of the total amount of CDBG funds can be made available for Colonia activities. The state has determined that 5 percent of the federal award to HCD for fiscal year 2018 will be allocated for Colonia eligible communities. Colonia eligible communities for state CDBG funds are located in the unincorporated area of Imperial County and in the cities of Brawley, Calexico, Imperial, and El Centro. There are currently 15 Colonia designated communities.

Describe how resources will be allocated among funding categories

CDBG – The same process for awarding funds applies to activities within Colonias as is done for activities outside of Colonias. Allocations for various activities are done on a demand basis, and, after state administration funding amounts and state and federal set-asides amounts have been accounted for. The program allows for up to 20 percent of the annual allocation to be used for general administration costs, which includes planning grant activities and grantee contract administration. Of the activity funds remaining, federal requirements have a set-aside of five percent for Colonias. State statute requires 30 percent of the annual HUD award be set aside for economic development activities and 1.25 percent be set aside for non-federally recognized Native American communities. These set asides are specified in the NOFA. If there is not sufficient demand for activities under the set asides, then the balance of funds will be made available to community development activities. Since applicants may apply for any CDBG eligible

activities in the NOFA, distribution of funds is based on a demand in accordance with state and federal regulations. **Describe how resources will be allocated among funding categories**

As part of the award process, HCD staff verifies that funding levels for the different activities comply with state and federal regulations. State CDBG statute requires that at least 51 percent of awarded funds be in support of housing and housing-related activities that include housing-related public improvement projects. Federal criteria requires a cap of 15 percent for public service activities. Once these criteria have been met, the final awards of the remaining funds will be made. In addition to the set asides and funding level criteria described above, HCD will monitor general administration expenditures to ensure compliance within the 20 percent federal expenditure cap rate and ensure a minimum expenditure rate on activities meeting the national objective of benefitting at least 70 percent of low/moderate-income individuals. The scoring of activities contains a state objective point category that is used by HCD to help allocate resources to geographic locations where there is a higher need, e.g. to help mitigate disasters.

Describe threshold factors and grant size limits.

Applications must meet the state and federal CDBG regulation threshold requirements at time of submittal. Jurisdictions must be in compliance with submission requirements for their Housing Element and Single Audit report pursuant to the Federal Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance) [2 CFR Part 200](#), and cannot be listed on the federal debarred contractor's list. Although state monitoring and audit findings no longer make a jurisdiction ineligible, they will be considered as part of the jurisdiction's Capacity/Past Performance score. Furthermore, state regulation specifies that an application shall be considered **ineligible** for CDBG funds if the applicant has not expended at least 50 percent of the aggregate sum of standard agreements executed for NOFAs released in 2012 or after.

This Rule, commonly known as the 50 percent Expenditure Rule, applies to standard agreements for Community Development, Economic Development, and Enterprise Fund activities; excluding ED OTC, and NOFAs for Disaster Recovery Initiative funds. However, for the 2017 NOFA, HCD implemented a waiver process for the Expenditure Rule, which allows jurisdictions, as a part of their application, to request a waiver. For the 2018 NOFA, the waiver will only be eligible to those who received a 2016 Special Drought and/or Disaster NOFA award, 2017 CDBG award, or submitted an application for a shovel ready project. Non-shovel ready projects and all programs are ineligible for the waiver.

Grant size limits: The 2018 CDBG NOFA has a maximum application limit of \$3 million; however, Colonia applicants can also apply for the maximum Colonia set-aside of \$1,300,000. The Economic Development Enterprise Fund (Business assistance and/or Microenterprise activities) application limit is \$500,000 for a single activity or a combination of either activity; ED OTC is a separate application process and limited to \$3 million per jurisdiction. Housing Program Activities (Homeownership Assistance and/or Housing Rehabilitation activities) have a \$1 million maximum for either activity or a combination of both activities. Multifamily

Housing activity has a maximum limit of \$3 million. Public Improvement, including projects in-support-of-Housing-New-Construction are eligible for up to \$3 million. Public Facility projects have a maximum of \$3 million (one project only). Planning Activities (PTA) have a maximum award of \$100,000 for one study, either Community Development or Economic Development. Colonia applicants may apply for more than two eligible activities, but all awarded activities will be contained in one contract.

The state will require all applicants to adhere to [24 CFR §93.302\(d\)](#) to comply with the federal affordability period of 30 years. In addition, funded projects must comply with the state affordability period.

What are the outcome measures expected as a result of the method of distribution?

Expected outcomes for fiscal year 2018-19 funding are unknown, since it is uncertain whether any Colonias will be requesting funding in the coming year.

Identify the method of selecting a project sponsor (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA (Housing Opportunities for Persons With AIDS Program) only).

HOPWA does not operate in Colonias.

AP-50 Geographic Distribution

AP-50 Geographic Distribution – 91.320(f)

A. Introduction

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

For most programs, assistance is made available to all areas of the state. Lists of eligible jurisdictions for state CDBG, HOME, NHTF, ESG, and HOPWA are provided in **Appendix A**. Changes in CDBG- and HOME-eligible jurisdictions may occur annually if jurisdictions join or withdraw from a CDBG Urban County Agreement and, for HOME only, a HOME consortium.

On a NOFA basis, California Department of Housing and Community Development (HCD) will consider a variety of approaches to promote geographic distribution, such as rural set a-sides, minimum percentages by broad area (e.g., north, south) and disadvantaged communities, which can include areas with concentrations of lower-income households without decent infrastructure or in close proximity to environmental hazards.

HOPWA - Pursuant to new eligibility requirements for HOPWA formula awards, changes in eligible jurisdictions for HOPWA may occur if a Metropolitan Service Area (MSA) reaches more than 500,000 in population and has more than 2,000 persons living with HIV or AIDS annually. Entitlement MSAs annually receive approximately \$36 million in HOPWA funds directly from HUD. State HOPWA currently funds EMSAs only, unless there is a compelling reason to assume oversight of a particular EMSA's funding for a limited time period.

HTF - Pursuant to 24 CFR §91.320(k)(5), the program considers geographic distribution. HTF funding will be available to all jurisdictions in California. However, HCD will employ geographic distribution methods such as a set-aside at least 20 percent of the HTF for projects located in rural areas, as defined by § 50199.21 of the California Health and Safety Code.

Eligible applicants from the jurisdictions listed in **Appendix A** may apply for and be awarded program funding. See AP 30 for each programs' individual Method of Distribution that sets forth allocation methods or applicant rating criteria that may directly or indirectly impact the geographic distribution of program funds. Since the state does not know the projects at this time, it will award, with fiscal year 2018 funds, the extent to which these projects will be in areas of low income and minority concentration is unknown at this time.

B. Geographic Distribution

| Target Area | Percentage of Funds |
|-------------|---------------------|
| N/A | N/A |

Geographic Distribution

C. Rationale for the priorities for allocating investments geographically

The state has no geographic target areas for allocation.

AP-55 Affordable Housing

AP-55 Affordable Housing – 24 CFR §91.320(g)

D. Introduction

- Table 7 below reflects one-year goals for affordable housing by the type of households to be supported.

| Table 7 | |
|---|-------|
| One-Year Goals for the Number of Households to be Supported | Total |
| Homeless | 1,812 |
| Non-homeless | 1,378 |
| Special needs | 1,165 |
| Total | 4,355 |

- Table 8 below reflects one-year goals for affordable housing by type of support.

| Table 8 | |
|---|-------|
| One-Year Goals for the Number of Households Supported Through | Total |
| Rental assistance | 2,532 |
| Production of new units | 764 |
| Rehab of existing units | 314 |
| Acquisition of existing units | 157 |
| Total | 3,767 |

Discussion

In fiscal year 2018-19, California Department of Housing and Community Development (HCD), Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), National Housing Trust Fund (NHTF), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Program plan to assist approximately **4,355** households to access or maintain permanent housing that includes an estimated **3,767** households who will receive short-term rent and/or utility assistance. The estimated **1,165** Special Needs households, including persons with mobility and sensory disabilities, will be assisted through HOME and HOPWA.

AP-60 Public Housing

AP-60 Public Housing - 24 CFR §91.320(j)

A. Introduction

HCD does not own or operate public housing in the State of California. Public housing is administered directly through local Public Housing Authorities (PHAs). Pursuant HUD requirements, PHAs are also not eligible to apply directly for funds from the following programs: Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME,) National Housing Trust Fund (NHTF), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Program. However, PHAs in eligible jurisdictions can work with eligible applicants to plan for the use of program funds to assist low-income tenants in their communities.

Actions planned during the next year to address the needs to public housing

PHAs in jurisdictions eligible to apply for federally funded state programs may seek funds for eligible activities through their city or county application development process. For a list of California PHAs, see:
<http://www.hud.gov/offices/pih/pha/contacts/states/ca.cfm>.

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

Since HCD does not administer PHA funds, or have any oversight over PHA tenants, it has no actions directed specifically to public housing residents.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

There are currently no PHAs designated as “troubled” in the state’s CDBG non-entitlement areas.

AP- 65 Homeless and Other Special Needs Activities

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

A. INTRODUCTION

The state engages in a variety of activities to address homelessness. In addition to the information provided in earlier sections AP for Emergency Solutions Grant (ESG) and Housing Opportunities for Persons With AIDS (HOPWA) Program, further efforts are discussed below and in AP 85.

1. ESG

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

For fiscal year 2018, ESG funds allow for SO as a stand-alone project or as an add-on with ES or Rapid Rehousing (RR). These services are intended to reach unsheltered homeless individuals and engage them in eligible activities including case management, emergency health and mental health services, transportation, and services for special populations as defined in the federal regulations.

Addressing the Emergency Shelter and transitional housing needs of homeless persons

ESG funds may be used for the costs of providing ES as defined by federal regulations [24 CFR §576.102](#). Pursuant to federal regulations, ESG funds cannot be used for transitional housing. In addition to providing temporary shelter, many programs provide a range of essential services necessary to assist people to access and retain permanent housing. Essential services include, but are not limited to, case management, education, job training, childcare, and mental and medical health services. Shelter operations costs include maintenance, rent, security, equipment, utilities, and food. California Department of Housing and Community Development (HCD) estimates **5,175** persons will receive ES utilizing federal fiscal year 2018 ESG funds.

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 ESG Program funds RR activities that provide short- and medium-term rental assistance and supportive services to homeless individuals and families, and those at risk of homelessness so that they can access and maintain affordable, suitable permanent housing. In the coming year, ESG anticipates that a minimum of **40 percent** of its awards will go toward RR activities.

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.

In administering all of its housing programs, HCD continues to assist persons who are being discharged from publicly funded institutions and systems of care or are receiving assistance from other public or private agencies. Particular focus on assisting persons exiting institutional care is made through the Section 811 Project Rental Assistance (PRA) program. This program provides rental assistance for non-elderly disabled individuals who are exiting long-term care facilities, as well as developmentally disabled persons and others at-risk of institutionalization due to housing instability or homelessness.

In addition, HCD is preparing to implement the NPLH program to provide development financing, including capitalized operating subsidy reserves, for rental housing serving extremely low-income individuals, including children and youth, with a serious mental illness who are Chronically Homeless, Homeless, or At-Risk of Chronic Homelessness. In particular, persons At-Risk of Chronic Homelessness will include persons discharged from various institutional settings. Under the proposed program, counties are required to provide mental health services and to coordinate the provision or referral to other services that NPLH tenants may need, including but not limited to, health, social services, employment, and education.

2. National Housing Trust Fund

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including 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.

California is home to 22 percent of the nation's homeless population. Homelessness often creates an institutional circuit, where those experiencing it long enough cycle through living on the streets, emergency room visits, inpatient admission, incarceration, and often nursing home stays. Assembly Bill 74 (AB 74) helps to coordinate delivery services between the health and housing systems to further California's goal of eliminating homelessness.

The Housing for a Healthy California (HHC) program fills a critical and necessary gap in overall state housing assistance programs by offering interim and long-term housing assistance to support innovative health care programs targeting California's most vulnerable persons experiencing homelessness. Research suggests that individuals experiencing homelessness, particularly those individuals with multiple chronic conditions, often struggle to receive appropriate health care services and are disproportionately likely to be high utilizers of the health care safety net. For this population, targeted case management services can play an instrumental role in obtaining and maintaining housing and reducing health care utilization while improving health outcomes. The homeless population often has complex medical and behavioral health conditions, high rates of disability, multiple untreated health conditions, and early mortality. Recent data demonstrates that helping to secure permanent housing with targeted case management services for this population not only results in improved health for those individuals, but also results in significant cost savings for programs such as Medi-Cal and Medicaid.

With the creation of the HHC Program, HCD initially plans to use appropriated revenues from National Housing Trust Fund (NHTF) allocations for years 2018 to 2021 to provide supportive housing opportunities through operating reserve grants and capital loans to developers to create affordable housing for those experiencing frequent homelessness. Furthermore, this assistance will complement existing supportive housing production resources at HCD such as VHHP, NPLH, and Multifamily Housing Program-Supportive Housing. The ability to pair this resource will accelerate the time it takes to secure all financing to build supportive housing faster to serve homeless and extremely low-income households.

3. HOPWA

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including 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.

HOPWA provides Tenant-based Rental Assistance (TBRA), Short Term Rent, Short-term Rent Mortgage and Utility (STRMU) Assistance, housing placement assistance, and supportive services to People Living with HIV (PLWH) who are homeless or at risk of homelessness. In addition to homelessness prevention, HOPWA funds may be used to provide temporary shelter (emergency shelter or hotel/motel vouchers) to homeless PLWH while helping them to locate stable housing.

Housing assistance and supportive services allow residents to achieve or maintain housing stability. The prevention of homelessness is an essential component of state HOPWA, as housing is increasingly identified as a strategic point of intervention to address HIV/AIDS and overlapping vulnerabilities (such as age, race, mental illness, drug use, or chronic homelessness). The National AIDS Housing Coalition reports that housing assistance has been shown to decrease health disparities while reducing overall public expense and/or making better use of limited public resources.

AP-70 Housing Opportunities for Persons With AIDS (HOPWA) Program Goals

AP-70 HOPWA Goals – 91.320(k)(4)

OVERVIEW: HOPWA grantees must specify annual goals according to types of assistance, including:

- Short-term rent, mortgage, and utility assistance payments (STRMU);
- Tenant-based rental assistance;
- Permanent housing facilities (developed, leased, or operated); and
- Transitional short-term housing facilities (developed, leased, or operated).

Table 9 – HOPWA Goals

| One year goals for the number of households to be provided housing through the use of HOPWA for: | Number of Households |
|--|----------------------|
| Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family | 920 |
| Tenant-based rental assistance | 45 |
| Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated | 0 |
| Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds | 96 |
| Total | 1,061 |

AP-75 Barriers to Affordable Housing

AP-75 Barriers to affordable housing – 91.320(i)

A. Introduction

Actions it planned 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

Barriers affecting housing in California communities range from non-governmental to governmental. Non-governmental barriers include issues such as land, financing availability and the cost of construction. Governmental barriers can be at various levels of government and include potential constraints such as land-use controls, fees and exactions; processing and permit procedures; and on/off-site improvement standards. The cumulative impact of these public policies negatively affects housing supply, choices, location and affordability. California will continue to prioritize and pursue a variety of strategies to address barriers to housing, including:

- Recent legislation
- Open data
- Housing elements
- Surveys and studies
- Technical assistance and local decision-making
- Accessory Dwelling Units
- Surplus sites
- Analysis of impediments

Recent legislation

The 2017 California Housing Package offers new regulatory and financial resources, and an opportunity to innovate the way housing is delivered throughout the state of California. The package, which includes 15 different bills, provides critical funding for new affordable homes, accelerates development to increase housing supply, holds cities and counties accountable for addressing housing needs in their communities and preserves existing affordable homes. California Department of Housing and Community Development (HCD) is currently conducting various outreach efforts and will be preparing a variety of products starting in the

summer of 2018, including technical assistance, implementation handbooks, guidelines and NOFAs. A few highlights geared toward addressing barriers to affordable housing are:

- **SB 35:** Creates a streamlined approval process for developments in localities that are not on track to meet their housing targets.
- **AB 73 and AB 540:** Provides state financial incentives to cities and counties that create a zoning overlay district with streamlined zoning.
- **AB 678 and AB 1515:** Strengthens the Housing Accountability Act, which establishes legal parameters to constrict the denial of affordable housing to more objective criteria and limits impacts of local opposition.
- **AB 72:** Requires HCD to review any action inconsistent with housing element law and other related laws and allows HCD to de-certify the housing element and refer violations of state housing law to the Attorney General.
- **AB 879:** Makes various updates to housing element and annual report requirements to provide data on project approvals, processing times, and processes. Requires HCD to produce a study on impact fees and recommended changes to impact fees that would reduce costs and barriers to housing development.
- **SB 2:** Imposes a fee on recording of real estate documents and splits the first year proceeds between local planning grants and HCD's programs that address homelessness. Planning grants to local governments will be targeted toward accelerating housing production and streamlining housing approvals.

Open data

To better share information across local governments and inform the policy making landscape, HCD has launched an open data project on its website and will continue to expand that function through 2018. Much of the data is very relevant to addressing regulatory barriers and includes information such as:

- a. *Housing Element Implementation Status Spreadsheet:* The spreadsheet provides a summary of multiple information points for all local governments in the state including housing element compliance status, whether zoning has been completed for emergency shelters, whether rezoning has been finished to permit multifamily development without discretionary action and whether housing element annual progress reports, including efforts to address regulatory constraints, have been submitted. HCD will continue to update this list and engage with local governments that are not completing key actions.
- b. *Fifth Cycle Annual Progress Report (APR) Permit Summary:* The spreadsheet provides a summary of the permitted units, by income, reported as permitted in the APRs submitted to HCD. In turn, this data provides statewide data on local governments' performance toward their fair share of the regional housing need that is utilized in the SB 35 determination.

- c. *SB 35 Statewide Determination Summary*: SB 35 is new legislation that provides a streamlined approval, under special circumstances, when a local government is not sufficiently performing and meeting its fair share of the regional housing need. The legislation was initiated by an HCD determination of cumulative local government progress with meeting housing needs assignments for the fifth cycle of the housing elements, which generally commenced from 2013 to 2015. HCD will continue to update this list on an ongoing and annual basis.
- d. *Sites Inventory*: In 2017, HCD converted housing element sites inventories, which are listed properties with a variety of zoning intended to accommodate future growth, to electronic format to allow for geographic information system analyses. HCD plans to make the data available in 2018 and hopes to catalyze important analyses around planned sites and actual production, and zoned sites layered with factors such as hazard mitigation and concentrations of socio-economic characteristics.

Housing element reviews

HCD will continue to conduct reviews of the housing element of local general plans. State law requires each city and county to adopt a general plan containing at least seven mandatory elements, including housing. Unlike the other general plan elements, the housing element must be updated every four, five, or eight years, and is subject to detailed statutory requirements and mandatory review by HCD. The housing element has many similar requirements to the federally mandated Consolidated Plan (ConPlan). The housing element requires a thorough assessment of housing needs and the adoption of a comprehensive implementation action plan to address those needs.

Among many other topics, including programs to promote fair housing opportunities, the housing element requires an analysis of governmental and non-governmental constraints to the production and preservation of housing. Local governments must analyze specific standards and processes and evaluate their cumulative impact on the cost, supply, approval certainty, and housing affordability, including constraints on housing for persons with disabilities. The required analyses also determine whether local regulatory standards (zoning, land use, permit processes, codes, fees, etc.) pose an actual constraint and triggers the necessary commitments to address and remove regulatory barriers. The analysis must additionally demonstrate local efforts to remove constraints, including constraints on housing for persons with disabilities that hinder a jurisdiction from meeting its housing needs. Other particularly relevant requirements for the housing element include identifying sufficient sites to accommodate the fair share of the regional housing need; these sites are described in the sites inventory mentioned above. This involves zoning for a variety of housing types, including multifamily and program requirements to rezone sites to permit multifamily development without discretionary action.

As of June 18, 2018, 480 of the state's 540 jurisdictions (89 percent) were in compliance with Housing Element law. Since 2013, 518 jurisdictions (96 percent) have submitted their housing elements for the fifth cycle planning period. Compliance status of individual jurisdictions is available on HCD's website <http://www.hcd.ca.gov/community-development/housing-element/docs/status.pdf>.

In addition, local governments on an eight-year planning cycle are subject to a four-year, mid-term update when not adhering to statutory due dates. HCD is currently reviewing approximately 43 (eight percent) housing elements that are subject to a four-year update.

California planning law requires a housing element annual progress report (APR) on the implementation of the housing element of the general plan. The reports include progress with implementation and permitting performance in meeting a local government's fair share of the regional housing need. Historically, submittal rates for the annual report have been low, hovering around a 40-50 percent of all 539 local governments. However, continued efforts by the administration, HCD, and the Legislature have led to improved submittal rates. For example, several funding programs include APR submittal as scoring or threshold criteria. Most recently, a transportation planning grant program incorporated the APR in scoring criteria, and it will be a threshold criterion for local governments in future rounds. Program efforts combined with recent legislative changes such as SB 35, which links insufficient permitting progress as reported in the APR to streamlining requirements, have led to a jump from 44 percent in 2017 to more than 70 percent in 2018. On top of better reporting, new legislation will provide more in depth information on the local permitting process. SB 35 and AB 879 amended the APR data requirements to provide detail on the number of units and projects, and their locations, in different stages of the entitlement process to gain a better understanding and address disapprovals and stoppage points in the local development pipeline. Other changes to the APR will require local governments to report on developments approved through SB 35 streamlining. HCD will be preparing guidelines and a new APR form in 2018 to implement these new data requirements. Through improved reporting, HCD will be able to enhance tracking progress, address barriers to development and provide stronger evidence for future policymaking.

Surveys and studies

HCD regularly conducts or partners with outside institutions to perform studies, surveys and other information gathering to improve future policy making, including policies related to addressing barriers to housing. For example, in 2018, HCD will work with The

Turner Center for Housing Intervention at the University of California, Berkeley (UC Berkeley) and continue conducting research on the following initiatives:

Annual progress reporting metrics: Technical Assistance to HCD staff for identification and production of metrics for affordable housing production, and suggested improvements to the APR database structure and export summary capabilities.

Land use case studies: A report that includes 10-15 case studies (case study jurisdictions to be determined jointly with HCD) that examine local challenges/opportunities in expanding the supply of affordable housing in a way that aligns equity and climate change goals.

Land use policy database: A land use and regulation survey of jurisdictions in California, including the publication of a report with high-level descriptive findings and a website that would provide easy access to the data for stakeholders with different needs (e.g., a STATA database for academics who wish to do econometric analysis, maps for affordable housing advocates).

In addition, AB 879 calls for HCD to complete a study by June 2019 to evaluate the reasonableness of local fees charged to new developments. The bill also requires the study to include findings and recommendations regarding potential amendments to the Mitigation Fee Act to substantially reduce fees for residential development. HCD began work on the fee study in early 2018.

Technical assistance and local decision-making

In 2018, HCD will continue to provide technical assistance to local governments, builders and other stakeholders related to the implementation of the housing element and other housing related laws such as state Density Bonus Law and fair housing laws (Government Code Section 65008). Examples of this technical assistance include:

- Responding to a local moratorium process applied to key sites intended to accommodate housing needs,
- Providing information and clarity on by right approval requirements and how to apply non-discretionary decision making, and
- Encouraging a local government to zone capacity beyond their fair share of the regional housing need.

These efforts will likely be expanded, more formalized and tracked through the passage of AB 72 (see above).

Accessory Dwelling Units

Accessory Dwelling Unit (ADU) law prior to 2017 had already required ministerial (i.e., by-right) approval, without discretionary action. However, local governments continued to create barriers to ADU construction such as location requirements and onerous development standards. In 2017, three bills took effect to ease the approval of ADUs, expand capacity and address local regulatory barriers. These bills addressed various constraints such as parking, fees, and bans on ADUs and expanded where existing space can be converted into ADUs regardless of local zoning, location and development standards. Throughout 2017, HCD took on various efforts to promote ADUs, including developing a handbook and sample ordinance. In 2018, and after passage of two more recent bills addressing local barriers, such as fee requirements, HCD will continue to provide additional guidance and technical assistance to local governments and homeowners, and will seek out partnerships and best practices to share and facilitate production of ADUs. HCD has also recently partnered with a regional government to promote a homeowner assistance tool, including a web based zoning check tool, as part of disaster response in the Sonoma County area.

Surplus Public Sites

Land costs in California continue to be a major barrier on the availability and affordability of housing. For locally controlled surplus property, Assembly Bill 2135 (GC Section 54220), effective January 1, 2015, revised provisions of existing law by strengthening first right of refusal requirements to affordable housing developers for the disposal of surplus land and requiring affordability when the land is not proposed with an affordability requirement. Current state law, Government Code (GC) Section 11011, allows the state to dispose of surplus state real property through the Department of General Services (DGS) for affordable housing. Given these requirements and programs, HCD will continue to partner with DGS and outside stakeholders to promote affordable housing on publically owned land.

Analysis of Impediments and Affirmatively Furthering Fair Housing:

HCD continues to take actions to overcome impediments to fair housing pursuant to the goals set in the [2012 Analysis of Impediments](#) to Fair Housing (AI). In June 2018, HCD created and hired a new position relevant to their Affirmatively Furthering Fair Housing efforts, the Assistant Deputy Director for Fair Housing. Under general direction of the Deputy Director, Division of Housing Policy Development (HPD), the Assistant Deputy Director (ADD) serves as HCD's subject-matter expert, senior policy adviser, and lead staff person responsible for working with federal, state and local government agencies, academic institutions, and non-governmental agencies to assist in accomplishing the state's mandated requirements to affirmatively further fair housing and significantly improve the state's programmatic outcomes and mandated land-use oversight to reduce racially segregated concentrations of poverty and displacement, and improve economic mobility and unequal access to community resources. Three direct reports will staff this position. The portfolio will include initiatives such as opportunity mapping, integration of fair housing

objectives into HCD program guidelines, the Regional Housing Needs Assessment, and integration of fair housing objectives into HCD's review of housing elements.

In state fiscal year 2017-18, HCD conducted Implicit Bias training for HCD staff as part of their effort to create an inclusive workplace culture that fosters and values diversity, equity and inclusion. HCD staff collectively provides leadership, policies, and program support to preserve and expand safe and affordable housing opportunities and promote strong communities for all Californians. This in-class training provided HCD staff with a tool-kit that included (1) identification of unconscious biases; (2) exploration of past housing procedures and practices; (3) exploration of affordable housing decisions that activate implicit bias NIMBY attitudes; (4) exploration of implicit bias implications for the new AFFH Rule, and (5) strategies to offset day-to-day impact of biases. Approximately 89 percent of the managers within the Division of Financial Assistance attended this training.

In addition, HCD has been working with the California Tax Credit allocation Committee (TCAC), California Housing Finance Agency (CalHFA), multiple academic institutions, and fair housing advocates to develop a methodology for evaluating Access to Opportunity locations with a mapping tool. The objective is to support housing policies and program guidelines and regulations among all three state housing agencies and promote availability of affordable housing within higher-resourced areas with indicators linked to long-term improved health, educational, and economic outcomes, as well as to attract and direct additional community and economic development resources to under-resourced areas in the interest of increasing access to opportunity statewide.

In February 2017, HCD and TCAC convened a group of independent organizations and research centers with the purpose of establishing mapping strategy that could identify higher and lower resourced areas in a way that could be used to guide affordable housing development programs, community development programs, and land use policy. The Fair Housing Taskforce was directed to only use indicators in their mapping strategy that were linked to peer-reviewed evidence relating to opportunity.

The first application of the proposed maps was to evaluate the TCAC portfolio to assess the need for regulatory change relevant to TCAC's nine percent Low-Income Housing Tax Credit (LIHTC) program, specifically with regard to large-family, new construction. Statewide, 62 percent of nine percent of large-family new construction units placed in service between 2003 and 2015 were located in lowest resourced areas (meaning the poorest and most segregated neighborhoods in the state), and only seven percent were located in highest resourced areas. In order to create more balance within the portfolio and more housing choices in higher resourced areas, TCAC proposed several policy changes to their Qualified Allocation Plan (QAP) that were adopted in November 2017.

- Additional site amenity points for a new construction large family project, except for an inclusionary project, located in a census tract designated as Highest or High Resource.
- Except in San Francisco, a ten percent increase to the project's threshold basis limit for any development located in a census tract designated as Highest or High Resource.
- Beginning in 2019, new construction large family projects, except inclusionary and Native American Apportionment projects, located in High or Highest Resource Areas receive an add-on (not relative) tiebreaker bonus:
 - 20 percentage points for non-rural Highest Resource
 - 10 percentage points for non-rural High Resource
 - 10 percentage points for rural Highest Resource
 - 5 percentage points for rural High Resource
- Beginning in 2019, TCAC will employ a 30 percent housing type goal for large family new construction projects located in High and Highest Resource Areas.

The taskforce continues to research and provide recommendations to TCAC and HCD on how the maps can continue to be improved over time. For example, there is an ongoing effort to overcome data issues in rural areas that make it more difficult to define higher and lower resourced areas precisely. A proposed revision to the current maps is expected in fall 2018 for consideration by TCAC and HCD.

HCD and TCAC, as well as the taskforce, intends for the application of this tool to be part of a balanced statewide policy approach that increases access for low-income households to high-resource neighborhoods where historically there have been limited affordable housing opportunities, and to provide investments to revitalize under-resourced neighborhoods.

This effort is complementary to two statewide programs that use different mapping strategies, but for similar policy objectives: The Transformative Climate Communities program, and the Affordable Housing Sustainable Communities program. These programs are part of California's Climate Investments funded through revenues from the state's cap-and-trade program. California's Climate Investments have a portfolio wide goal to prioritize investments to disadvantaged communities as designated by the California Environmental Protection Agency's CalEnviroScreen mapping tool. While affordable homes are part of both these programs, they are paired with a wide variety of community and economic development investments designed to improve opportunity within the state's disadvantaged communities.

AP-80 Colonias Actions

AP-80 Colonias Actions – 91.320(j)

Please note: California Department of Housing and Community Development’s (HCD) Community Development Block Grant (CDBG) program is currently undergoing a redesign process. As a result, the distribution of funds, activities and program guidelines may change for fiscal year 2019 CDBG funding.

A. Introduction

Actions planned to address obstacles to meeting underserved needs

To improve on the slow demand for housing rehabilitation loans, HCD has encouraged Imperial County and cities in Imperial County with Colonias to serve Colonias in its new housing rehabilitation grant program. HCD hopes to coordinate CDBG project funding efforts more closely with USDA Colonia funding to address the lack of resource obstacles faced by Colonias. Technical assistance from the U.S Department of Housing and Urban Development (HUD) may be requested by HCD to identify tools for addressing needs of Colonia communities in the state.

Actions the state plans to take to reduce the number of poverty-level families

HUD Community Planning Department (CPD) Notice 2012-008 “strongly encourages” states to use Colonias funding only to address the lack of potable drinking water, adequate sewage systems, and decent, safe and sanitary housing. States should only fund other activities if they are undertaken in conjunction with funding of basic infrastructure or housing activities. In light of this guidance, the state has encouraged Imperial County to address anti-poverty activities in its Colonias and other incorporated areas of the county.

Actions the state plans to take to develop the institutional structure

All of state CDBG-eligible Colonias have good working relationships with Colonia leaders and residents. The state CDBG program holds Colonia-specific roundtable discussions with Colonia leaders and county administrators to foster an open and ongoing dialogue. HCD supports the idea of a new needs assessment for Colonias to better direct the set-asides in an era of

reduced demand for basic water, sewer and housing activities. The state CDBG program intends to continue conducting roundtable meetings to develop various ideas and best practices in developing the institutional structure necessary for its success.

Specific actions the state plans to take to enhance coordination between public and private house and social service agencies

All state CDBG-eligible jurisdictions must follow CDBG citizen participation requirements, including outreach to housing and social service agencies serving the affected jurisdiction. Imperial County is responsible for ensuring that housing and social service agencies are aware of available state funds to serve Colonias and can assist agencies in working together to better serve Colonias communities.

DRAFT

AP-85 Other Actions

AP-85 Other Actions – 91.320(j)

A. INTRODUCTION

Actions planned to address obstacles to meeting underserved needs

In addition to implementation of eligible activities under the Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), National Housing Trust Fund (NHTF), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs discussed throughout this Annual Action Plan (AP); the Department of Housing and Community Development (HCD) current Analysis of Impediments to Fair Housing (AI) identifies several actions to address obstacles related to meeting underserved needs. Planned actions under the AI for fiscal year 2018-19 include, but are not limited to, the following: (1) Continue tracking the minority concentration of HOME projects and make this data available with Consolidated Annual Performance and Evaluation Report (CAPER) as required by the U.S. Department of Housing and Urban Development (HUD); (2) Continue offering HOME application rating points to projects located outside of areas of minority concentration; (3) Continue implementation of Housing Elements, including enforcement and incentives; (4) Begin providing CDBG Fair Housing Outreach points to incentivize access to opportunity, (5) Continue training efforts related to fair housing and housing element compliance; and (6) Continue to consider ways to incentivize Access to Opportunity Areas on a NOFA basis. Progress on implementation of recommended actions in the AI will be provided annually in the CAPER.

Actions planned to foster and maintain affordable housing

In addition to implementation of housing assistance activities under the federal CDBG, HOME, NHTF, ESG and HOPWA programs, HCD has a number of state-funded housing programs in place to foster and maintain affordable housing. For a listing of current NOFAs, see <http://www.hcd.ca.gov/grants-funding/active-funding/index.shtml>.

In October 2018, HCD will issue a Notice of Funding Availability (NOFA) under the Affordable Housing and Sustainable Communities (AHSC) Program. Administered by California's Strategic Growth Council (SGC) and implemented by HCD, the AHSC program funds land-use, housing, transportation, and land preservation projects to support infill and compact affordable housing developments that reduce greenhouse gas ("GHG") emissions. The AHSC Program is funded by the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds. The AHSC program also helps

further HCD's climate change priority by incentivizing developments that reduce GHG, Vehicle Miles Traveled (VMT), as well as many other climate goals. See <http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml> for more information.

HCD is also working towards releasing a NOFA in fiscal year 2018-19 for the Supportive Housing Multifamily Housing Program (SHMHP). This program provides low-interest loans to developers of permanent affordable rental housing that contain supportive housing units.

HCD's Mobile home Park Rehabilitation and Resident Ownership Program (MPRROP) provides financing to mobile home park resident organizations, qualified nonprofit housing sponsors or to local public entities to purchase a mobile home park in order to preserve it as a source of affordable housing. MPRROP also provides loans to park resident organizations and qualified nonprofit housing sponsors to assist residents with needed repairs or accessibility upgrades to the mobile homes if specified criteria are met. In October 2017, the Governor approved SB 136 allowing HCD to use MPRROP funds to provide technical assistance (TA) to mobile-home park residents and/or community based nonprofit corporations for acquiring, financing, operating and improving mobile-home parks occupied by low- and moderate-income households. HCD plans to draft guidelines and release a request for proposal by the end of the calendar year. It is HCD's goal to have a TA provider in place by spring 2019. Additionally, HCD plans to release a MPRROP NOFA in fiscal year 2018-19.

In June 2014, voters approved bonds for the Veterans Housing and Homeless Prevention (VHHP) Program that provided \$600 million for veterans housing. At least 50 percent of capital development funding must be used for housing for extremely low-income, and at least 60 percent of the units assisted must be permanent supportive housing. On May 9, 2018, HCD issued the round four VHHP NOFA for \$75 million. See <http://www.hcd.ca.gov/grants-funding/active-funding/vhhp.shtml> for more information.

The state was also awarded nearly \$24 million in HUD five-year renewable project-based Section 8 funds. Round one funding, which was made available to the state in June 2014, provides five-year renewable rental assistance to affordable housing projects serving Medicaid beneficiaries with disabilities, ages 18-61, who have resided in a long-term health care facility for at least 90 days and desire to return to community living, or are at risk of placement in an inpatient facility because of loss of housing. The Round one NOFA was issued in August 2014 and these funds have been fully awarded.

Round two Section 8 funds awarded are now at Fair Market Rent. For NOFA and application materials, see <http://www.calhfa.ca.gov/multifamily/section811/nofa/index.htm>.

State agency partners for round one and two include the California Housing Finance Agency (CalHFA), the California Department of Health Care Services (DHCS), California Department of Developmental Services (DDS), and the California Tax Credit Allocation Committee (TCAC).

Actions planned to reduce lead-based paint hazards

All HCD recipients that are awarded federal funds (CDBG, HOME or other HUD programs) are required to follow the regulations and statutes pertaining to lead-paint hazards. Specific requirements depend on the type and amount of federal financial assistance, the age of the structure, and whether the dwelling is rental or owner-occupied. HCD recipients are responsible for informing residents of the potentials of lead-based paint hazards in their home, evaluating the degree of lead-based paint hazards, mitigating these hazards, providing clearance on the rehabilitated areas affected by the lead-based paint work, and providing all appropriate notices.

Lead regulations include (but are not limited to) the HUD Lead Safe Housing Rule, as listed in 24 CFR Part 35, Public Law 102-550 (Residential Lead-Based Paint Hazard Reduction Act of 1992), Title X, Sections 1012 and 1023 (requirement for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance), and Title X, Section 1018 (requirements for Disclosure of Known Lead-Based Paint and/or Lead-Based Paint Hazards in Housing) when implementing these activities: Housing Rehabilitation activities (whether operated as a single family residential (one-four units) program, or a multifamily (five or more units) project, Homebuyer Assistance Programs and Tenant-based Rental Assistance. HCD includes these requirements in standard agreements with grantees and verifies compliance when the grantees are monitored.

Actions planned to reduce the number of poverty-level families

In addition to CDBG's economic development activities (discussed in CDBG's Method of Distribution in Section AP 30), the ESG and HOPWA program's funded case management services may help poverty-level households link to mainstream education and employment opportunities and assist them in increasing their income.

Other state housing programs seek to reduce the housing cost burden on families who are considered extremely low income, many of whom have incomes at or below the poverty level, by developing housing units at 30 percent AMI or below, and/or by providing rent or operating subsidies that will assist families at this income level to afford housing. The Multifamily Housing Program (MHP) Supportive Housing Program, VHHP, NPLH (currently under development), CalWORKs Housing Support

Program, and the Section 811 PRA program specifically target households at 30 percent AMI or below. Other state programs such as HOME, AHSC, and nine percent and four percent tax credit programs provide application rating points and/or additional dollars for providing rents to individuals and families at 30 percent AMI or below.

The No Place Like Home (NPLH) program's purpose is to acquire, design, construct, rehabilitate, or preserve permanent supportive housing for seriously mentally ill persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness. HCD completed the Program Guidelines in July 2017. Additionally, per statute, HCD developed the NPLH Technical Assistance (TA) grant program. The TA grants are designed to assist counties to develop capacity in their systems for handling the main NPLH program when it is released. Eligible uses include, but are not limited to, developing or enhancing the jurisdiction's homeless plan, coordinated entry system, and hiring consultants who can help with project and services development. The Notice of Funding Availability (NOFA) announcing the availability of approximately \$6.2 million in Technical Assistance funding was released in April 2017. The NOFA deadline was September 30, 2017. All 58 counties submitted applications, requesting a total of \$5,775,000. HCD is currently in the process of awarding all TA applications received.

Assembly Bill (AB) 1827, composed by the Budget Committee of the State Legislature, amends the Mental Health Service Act (MHSA) to include the No Place Like Home Program. AB 1827 will be a ballot measure for the November 6, 2018 statewide general election. If approved by voters, this measure would authorize the Legislature to appropriate funds to the Mental Health Services Fund for the NPLH program to begin making awards prior to the end of the state 2018-2019 fiscal year.

Actions planned to develop institutional structure

Through the VHHP, Section 811 PRA, and NPLH, HCD continues to work with other state departments to assist housing providers serving homeless and other low-income households to supportive services offered or funded through partner agencies for these programs. See <http://www.hcd.ca.gov/grants-funding/active-funding/vhhp.shtml> for more information on VHHP, <http://www.hcd.ca.gov/grants-funding/active-funding/section-811.shtml> for more information on Section 811 PRA, and <http://www.hcd.ca.gov/grants-funding/active-funding/nplh.shtml> for more information on NPLH.

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

In addition to the programs discussed above, California Department of Public Health, Office of AIDS (CDPH/OA) is the state agency that administers statewide programs and activities that pertain to HIV/AIDS and is statutorily responsible for coordinating all state programs, services, and activities relating to HIV/AIDS. State HOPWA is situated in CDPH/OA to ensure that all HIV/AIDS service programs, including housing assistance, are coordinated at state and local levels.

CDPH/OA emphasizes inclusion of representatives of various HIV/AIDS service agencies, other California state departments (such as Corrections and Rehabilitation, HCD, Rehabilitation, Health Care Services, and Developmental Services), local health departments, and others, in information gathering, research, and decision-making processes.

CDPH/OA convenes the Community Planning Group (CPG) to assist in the development, implementation, and revision of the Plan. The Plan responds to the National HIV/AIDS Strategy that includes housing goals and objectives related to prevention efforts and improved access to HIV/AIDS care and treatment. CPG also informs CDPH/OA about local trends or newly emerging populations in the epidemic, and successes and challenges in accessing HIV care and prevention services in the community. The CPG includes representatives from local HIV/AIDS planning groups as well as consumers, local health departments, and other statewide experts in the field.

Activities from the Plan to identify unstably housed persons include developing a system for routinely screening AIDS Drug Assistance Program (ADAP) clients for unstable housing situations homelessness during the annual ADAP re-enrollment, encouraging housing evaluation as a routine part of medical assessment, and establishing a CPG subcommittee to address housing services.

Project sponsors are required, to the extent possible, to participate in local HIV/AIDS planning groups and the HIV/AIDS service delivery and needs assessment processes within their community. Local participation assists project sponsors in linking clients to necessary services and establishing collaborative relationships with other local government and private service agencies.

AP-90 Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k) (1,2,3)

A. Introduction

Projects planned with all the California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) funds expected to be available during the year are identified in the Projects Table.

The US Department of Housing and Urban Development (HUD) changed its CDBG and Home Investment Partnerships (HOME) Program requirements for reporting program income (PI) ([24 CFR Parts 91 and 92](#)). CDBG information required by 24 CFR 91.320(k)(1)(iv) includes the following: a description of each of the local accounts including the name of the local entity administering the funds, contact information for the entity administering the funds, the amounts expected to be available during the program year, the eligible activity type(s) expected to be carried out with the program income, and the national objective(s) served with the funds. In addition, the HOME Interim Rule (12/2/16) requires that uncommitted program income, repaid funds, or recaptured funds received during the previous program year must be described in the AP. Pursuant to 24 CFR 91.320(k)(2)(i) for the HOME program, the state may choose to include program income funds that are expected to be received during the program year if the state plans to commit these funds during the program year. Due to these requirements, HCD modified annual PI report forms and sent the forms via listserv message in June 2018 to CDBG and HOME grantees. Grantees must complete and submit these forms to HCD by July 31, 2018. Once the data has been gathered, HCD will submit a substantial amendment to the AP.

Community Development Block Grant Program (CDBG)
Reference 24 CFR §91.320(k)(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 | * |
| The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan | 0 |
| The amount of surplus funds from urban renewal settlements | 0 |
| 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 |
| The amount of income from float-funded activities | 0 |
| Total program income | * |
| Other CDBG Requirements | |
| The amount of urgent need activities | 0 |
| 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 percent of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. (2017, 2018, and 2019). | 70.00% |

*Note: California Department of Housing and Community Development (HCD) is collecting this data to be in compliance with federal requirements and will submit an amendment to the AP when this information is available.

Home Investment Partnerships Program (HOME)
Reference 24 CFR §91.320(k)(2)

A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

None. HOME funds are allocated in the form of grants and deferred payment loans.

A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities, as required in Section 92.254, is as follows:

Pursuant to [24 CFR §92.254\(a\)\(5\)](#) and state HOME regulations [§8206.1](#), the state HOME Program will utilize the recapture option in its homeownership programs and projects, but may utilize the resale option for limited equity forms of ownership, such as cooperatives and community land trusts. Due to reductions in HOME funding and staffing levels, HOME will be unable to administer First Time Home Buyer (FTHB) activities proposing use of resale controls; therefore, no activities proposing use of resale controls will be approved in the coming fiscal year.

Recapture loans: Where the local jurisdiction or the Community Housing Development Organization (CHDO) is not imposing its own resale controls, the method used is to recapture the entire amount of the loan to the homebuyer. The assistance provided to the homebuyer may include down-payment assistance, closing costs, and/or the difference between the appraised home sales price and the amount of the first mortgage for which the low-income homebuyer can qualify, plus closing costs. The home sales price cannot exceed the appraised value of the home. If California Department of Housing and Community Development (HCD) provides funds for homeowner new construction or rehabilitation, and total project costs exceed appraised value, the development subsidy is not subject to recapture.

Pursuant to [24 CFR §92.254](#), when recapture is triggered by a sale (voluntary or involuntary) of the housing unit and there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, only the net proceeds can be recaptured, if any. Net proceeds are the sales price minus superior loan repayments (other than HOME funds) and any closing costs. HOME loans made under the recapture option may be assumed by subsequent HOME-eligible purchasers.

For loans held by state recipients, the local jurisdiction may impose equity sharing provisions on the appreciation in home value proportionate to the share of the HOME assistance provided, less the homeowner investment in the property. Equity sharing would only apply if the sales price is sufficient to repay the HOME loan and the loan is not assumed by another HOME-eligible purchaser. The captured appreciation may also be reduced proportionate to the number of years during which the homebuyer has owned the home.

The captured appreciation may also be subject to restrictions by other public lenders such as United States Department of Agriculture (USDA) or California Housing Finance Agency (CalHFA).

Applicants requesting funding for Owner Occupied Rehabilitation (OOR), First Time Home Buyer (FTHB) projects, and FTHB programs must submit documentation (i.e. – promissory note, deed of trust, regulatory agreement, etc.) showing specific recapture provisions per HUD’s recapture requirements established in 24 CFR 92.254(a)(5)(ii). These documents will be sent to HUD for approval prior to awarding funds for these activities.

Typically, the appreciation is calculated as follows:

Gross appreciation is calculated by subtracting the original sales price from the current sales price or the current appraised value if the loan-accelerating event is other than sale of the property.

Net appreciation is calculated by subtracting the seller’s applicable closing costs, seller’s cash contribution in the original purchase transaction, value of seller’s sweat equity, if applicable, and documented value of capital improvements from the gross appreciation amount.

The state recipient only claims repayment of the HOME principal and a portion of the net appreciation. That maximum portion of the net appreciation that is claimed by the state recipient is equal to the percentage of the value of the home financed by the HOME loan. That is, if the loan equals 20 percent of the initial value of the home, the state recipient claims a maximum of 20 percent of the net appreciation.

Resale loans: Pursuant to state HOME regulations [Section 8206.1](#), HOME loans may be made in the form of resale loans on projects involving limited equity forms of ownership. In other situations, although the HOME loan remains a recapture loan, a state recipient or CHDO may impose its own resale controls when there is a subsidy other than state HOME funds. The subsidy need not be an actual loan; it may be in the form of an inclusionary ordinance that requires homes to sell below fair market value.

A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:

See above.

Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR §92.206(b), are as follows:

None. The state HOME program does not use its funds for refinancing of existing HOME debt.

DRAFT

Emergency Solutions Grant (ESG)
Reference 24 CFR §91.320(k)(3)

Include written standards for providing ESG assistance (may include as attachment)

California Department of Housing and Community Development (HCD) requires applicants to submit Written Standards for each funded activity. All Written Standards must comply with **Appendix C**.

If the Continuum of Care has established a centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The state has approximately 40 Continuums of Care (CoC) potentially eligible to access federal Emergency Solutions Grants (ESG) funds. Individual CoC Coordinated Assessment descriptions are not available; however, all Coordinated Assessment systems of Service Areas (SA) funded by ESG in a given year must meet the requirements of [Section 8409\(a\)](#) of the ESG state regulations, as well as the HUD requirements.

Identify the process for making sub-awards and describe how the ESG allocation is available to private nonprofit organizations (including community and faith-based organizations).

See ESG's Method of Distribution in AP 30.

If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR §576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

This requirement does not apply to states.

Describe performance standards for evaluating ESG.

See ESG's Method of Distribution in AP 30.

Housing Trust Fund (HTF) Part 1
Reference 24 CFR §91.320(k)(5)

A. How will the grantee distribute its HTF funds?

California Department of Housing and Community Development (HCD) will distribute funds to eligible recipients, as defined in 24 CFR § 93.2, through a competitive application process. A Notice of Funding Availability (NOFA) will be issued and applications will be rated and ranked.

B. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter “N/A”.

N/A

C. If distributing HTF funds by selecting applications submitted by eligible recipients,

1. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

To be eligible, a recipient may be an organization, agency, or other entity (including a public housing agency, or a for-profit entity or a nonprofit entity) that receives HTF assistance from a grantee as an owner or developer to carry out an HTF-assisted project, which meets the requirements of 24 CFR §93.2 of recipient. A recipient must:

- Make acceptable assurance they will comply with all HTF requirements during the entire affordability period;
- Demonstrate ability and financial capacity to undertake, comply, and manage the eligible activity;
- Demonstrate familiarity with requirements of federal, state and any other housing programs used in conjunction with HTF funds to ensure compliance; and
- Demonstrate experience and capacity to conduct the eligible HTF activity in questions as evidenced by relevant history.

2. Describe the grantee’s application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

HCD will issue a Notice of Funding Availability (NOFA) and require eligible recipients to submit applications that contain a description of the eligible activities to be conducted with National Housing Trust Fund (NHTF) funds as required in CFR 24 §93.200. The NOFA shall specify the maximum amount of project funds available, any restrictions on uses of funds, general terms and conditions of funding allocations, threshold requirements, timeframe for submittal of applications, application requirements, and rating metrics. Application requirements include, but are not limited to, the following:

- Identification of applicants;
- Information of proposed project;
- Adequate information to determine applicant’s eligibility;
- Adequate information to determine project’s eligibility;
- Certification of compliance with federal and state requirements;
- Resolution by the governing board authorizing the application and execution of all documents;
- Adequate information to determine applicant’s experience
- Site control
- Compliance with the state’s policy on Housing First;
- Project readiness to proceed; and
- Adequate information to determine project’s feasibility.

Each eligible recipient will be required to certify that housing assisted with HTF funds will comply with federal and state HTF requirements.

3. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

In 2017, the California State Legislature passed AB 74, which subsequently was signed into law by Governor Brown. AB 74 directs the state to use National Housing Trust Fund resources for the newly established Housing for a Healthy California

program. The application selection criteria will consist of requirements specifically mandated in the Housing for a Healthy California, AB 74 statute. HCD will apply the AB 74 requirements in a manner consistent with the rules of the HTF funds. Eligible projects will demonstrate the following:

- a) Need, which includes consideration of the number of individuals experiencing homelessness and the impact of housing costs in the county;
 - b) Documented partnerships with affordable and supportive housing providers in the county;
 - c) Commitment to address the needs of people experiencing homelessness through existing programs or programs planned to be implemented within 12 months;
 - d) Preferences or set asides for housing populations established by HCD pursuant to California Health and Safety Code § 53595, and
 - e) Coordination with all of the following:
 - Community-based housing and homeless service providers;
 - Behavioral health providers; and
 - Safety net providers, including community health centers.
4. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

HTF funding will be available to all jurisdictions in California. However, HCD will set-aside at least 20 percent of the funding for projects located in rural areas as defined by § 50199.21 of the California Health and Safety Code. In the event no projects target the 20 percent set-aside for projects located in rural areas, funds will be distributed according to the Distribution Methods identified in AP-30 and of the Con Plan. (This is to address meeting the benchmark goal of increasing the supply of affordable rental housing for extremely low- and very low-income individuals.)

Additionally, HCD will consider different approaches for promoting geographic diversity, such as awarding points for rural projects.

5. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

HCD will determine the applicant's capacity to obligate HTF funds based on experience. Applicants must demonstrate the successful implementation of federal, state, or local affordable housing or community development projects within the last five years. The development team must also be experienced in developing the same type of projects within the last three years.

6. Describe the grantee's required priority for funding based on the extent to which the rental project has federal, state, or local project-based rental assistance so that rents are affordable to extremely low-income households. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The state's required priority to fund projects based on leveraged rental subsidies will be met by establishing a rating and ranking methodology that awards points for projects leveraging project based rental subsidies such as Housing Choice Vouchers (HCV), Veterans Affairs Supportive Housing (VASH) vouchers, and Sponsor-based Rental Assistance (SRA). To a lesser extent, rental assistance provided through Homeless Prevention and Rapid Re-housing (HPRP), Tenant-based Rental Assistance (TBRA) made available through the Shelter Plus Care (S+C), and local subsidy pools, or similar programs may receive incentive points. Other local commitments will also count towards this rating factor, such as state funds from SB2 for rental assistance.

7. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Pursuant to [CFR 24 §93.302\(d\)](#), the federal affordability period is 30 years commencing upon project completion; however, HCD imposes a 55-year state affordability period. In order for projects to be eligible for funding, developers must enter into regulatory agreements that requires them to serve the target population and maintain project affordability for 55 years. Projects located on Native American Lands will have a 50-year affordability period. These affordability periods are required and do not result in any additional points for eligible applications.

8. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

HCD will include the Location Efficiency and Access to Destination as part of the rating and ranking criteria. This pertains to reasonable access and proximity to amenities, services and public transportation.

HCD may also include state objective points for its three housing and community development priorities: (1) homelessness, (2) access to opportunity, and (3) climate change, including adaptation and hazard mitigation. Further information and guidance on these additional state objective factors is in the NOFA.

9. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

HCD will examine the project development plan, as well as the status of local government approvals, design progress, and financing commitments. Financing commitments will include the leveraging of non-federal development funding sources and the extent to which the project has federal, state, or local project based rental assistance.

- D. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes, HCD will require the applicant to thoroughly describe eligible activities that will be funded utilizing HTF funds.

- E. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes, HCD will require a certification by each eligible recipient that housing units assisted with the HTF will comply with HTF federal regulations for development of multifamily rental housing.

- F. **Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

HCD has met the performance goals and benchmarks requirement by including the goal of increasing the supply of rental housing as a priority in the state's Consolidated Plan. The goal is to increase the supply of affordable rental housing by providing HTF assistance to units for tenants at or below 30 percent AMI or below the poverty line; whichever is greater. HCD included HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

G. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

Note: The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, Home Investment Partnerships Program (HOME)'s maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

HCD will adopt maximum per-unit development subsidy limits similar to the limits established by the state's No Place Like Home (NPLH) program as follows.

1. Maximum per-unit loan amounts shall not exceed the total eligible costs required, when considered with other available financing and assistance, in order to:
 - a) Enable the funds to be used for eligible uses;
 - b) Ensure that rents for Assisted Units comply with Program requirements; and
 - c) Operate in compliance with all other program requirements.
2. The capital portion of the loan amount is further limited to the sum of a base amount per unit, plus the amount per unit required to reduce rents from 30 percent of the 30 percent of Area Median Income level to the actual maximum restricted rent for the unit, with loan limits increasing based on the level of affordability provided.
3. For loan limit calculations, HCD shall include the number of units within a Rental Housing Development and the number of bedrooms per unit.
4. For units receiving rental assistance, the loan amount will be based on the most restrictive level of income restriction that will apply following the closing of the program loan.
5. Initial base amounts for the portion of the loan that does not include rental assistance are set at:
 - a) \$125,000 per unit for projects using nine-percent low-income housing tax credits.
 - b) \$175,000 per unit for all other projects.
6. The amounts in subparagraph (e) above will be adjusted annually based upon increases in the Consumer Price Index.

Maximum per-unit loan amounts for loans underwritten by HCD shall be updated annually and published in the NOFA.

H. **Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

HCD will not use HTF funds for rehabilitation of housing, although rehabilitation is allowed by HUD.

I. **Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

J. **HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

K. **Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Note: Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with §93.303(d)(3) only if such limitation or preference is described in the action plan.

HCD will limit beneficiaries and/or give preference to segments of the extremely low-income population as identified in the HCD Annual Plan.

- L. **Refinancing of Existing Debt**. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

HCD will not permit HTF funds to be used to refinance existing long-term debt.

DRAFT

Housing Trust Fund (HTF) Part 2
Reference 24 CFR §91.320(k)(5)

A. Distribution of funds

1. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2).

To be eligible, a recipient may be an organization, agency, or other entity (including a public housing agency, or a for-profit entity or a nonprofit entity) that receives HTF assistance from a grantee as an owner or developer to carry out an HTF-assisted project which meets the requirements of 24 CFR §93.2 of Recipient. A recipient must:

- a) Make acceptable assurance they will comply with all HTF requirements during the entire affordability period;
- b) Demonstrate ability and financial capacity to undertake, comply, and manage the eligible activity;
- c) Demonstrate familiarity with requirements of federal, state and any other housing programs used in conjunction with HTF funds to ensure compliance; and
- d) Demonstrate experience and capacity to conduct the eligible HTF activity in questions as evidenced by relevant history.

2. Describe the state agency's application requirements for eligible recipients to apply for HTF funds.

California Department of Housing and Community Development (HCD) will issue a Notice of Funding Availability (NOFA) and require eligible recipients to submit applications that contain a description of the eligible activities to be conducted with National Housing Trust Fund (NHTF) funds as required in CFR 24 §93.200. The NOFA shall specify the maximum amount of project funds available, any restrictions on uses of funds, general terms and conditions of funding allocations, threshold requirements, timeframe for submittal of applications, application requirements, and rating metrics. Application requirements include, but are not limited to, the following:

- Identification of applicants;
- Information on proposed project;
- Adequate information to determine applicant's eligibility;
- Adequate information to determine project's eligibility;
- Certification of compliance with federal and state requirements;
- Resolution by the governing board authorizing the application and execution of all documents;
- Adequate information to determine applicant's experience
- Site control

- Compliance with the state's policy on Housing First;
- Project readiness to proceed; and
- Adequate information to determine project's feasibility.

Each eligible recipient will be required to certify that housing assisted with NHTF funds will comply with NHTF requirements.

3. Describe the selection criteria that the state agency will use to select applications submitted by eligible recipients.

The application selection criteria will consist of requirements specifically mandated in the Housing for a Healthy California, AB 74 statute. The state will apply the AB 74 requirements in a manner consistent with the rules of the HTF funds. Eligible projects will demonstrate the following:

- a) Need, which includes consideration of the number of individuals experiencing homelessness and the impact of housing costs in the county;
- b) Ability of the county to administer or partner to administer a program offering capital loans and operating assistance in supportive housing. Operating assistance may include operating reserves;
- c) Documented partnerships with affordable and supportive housing providers in the county;
- d) Commitment to address the needs of people experiencing homelessness through existing programs or programs planned to be implemented within 12 months;
- e) Preferences or set asides for housing populations established by the department pursuant to Section 53595, and
- f) Coordination with all of the following:
 - Community-based housing and homeless service providers;
 - Behavioral health providers; and
 - Safety net providers, including community health centers.

4. Describe the state agency's required priority for funding based on geographic diversity (as defined by the state in the consolidated plan).

HTF funding will be available to all jurisdictions in California. However, HCD will set-aside at least 20 percent of the HTF for projects located in rural areas as defined by § 50199.21 of the California Health and Safety Code. In the event no projects target the 20 percent set-aside for projects located in rural areas, funds will be distributed according to the Distribution Methods identified in AP-30 and the Con Plan. (This is to address meeting the benchmark goal of increasing the supply of affordable rental housing for extremely low and very low-income households.)

Additionally, HCD will consider different approaches for promoting geographic diversity such as awarding points for rural projects.

5. Describe the state agency's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner.

HCD will determine the applicant's capacity to obligate HTF funds based on experience. Applicants must demonstrate the successful implementation of federal, state, or local affordable housing or community development projects within the last five years. The development team must also be experienced in developing the same type of projects within the last three years.

6. Describe the state agency's required priority for funding based on the extent to which the rental project has federal, state, or local project-based rental assistance so that rents are affordable to extremely low-income households.

HCD's required priority to fund projects based on leveraged rental subsidies will be met by establishing a rating and ranking methodology that awards points for projects leveraging project based rental subsidies such as Housing Choice Vouchers (HCV), Veterans Affairs Supportive Housing (VASH) vouchers, and Sponsor-based Rental Assistance (SRA). To a lesser extent, rental assistance provided through Homeless Prevention and Rapid Re-housing (HPRP), Tenant-based Rental Assistance (TBRA) made available through the Shelter Plus Care (S+C), and local subsidy pools, or similar programs may receive incentive points. Other local commitments will also count towards this rating factor, such as state funds from SB 2 for rental assistance.

7. Describe the state agency's required priority for funding based on the financial feasibility of the project beyond the required 30-year period.

Pursuant to [CFR 24 §93.302\(d\)](#), the federal affordability period is 30 years commencing upon project completion; however, HCD imposes a 55-year state affordability period. In order for projects to be eligible for funding, developers must enter into regulatory agreements which requires them to serve the target population and maintain project affordability for 55 years. Projects located on Native American Lands will have a 50-year affordability period. These affordability periods are required and do not result in any additional points for eligible applications.

8. Describe the state agency's required priority for funding based on the merits of the application in meeting the priority housing needs of the state (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations).

HCD will include the Location Efficiency and Access to Destination as part of the rating and ranking criteria. This pertains to reasonable access and proximity to amenities, services and public transportation.

HCD may also include state objective points for its three housing and community development priorities: (1) Homelessness, (2) Access to Opportunity and (3) Climate Change, including adaptation and hazard mitigation. Further information and guidance on these additional state objective factors is in the NOFA.

9. Describe the state agency's required priority for funding based on the extent to which the application makes use of non-federal funding sources.

HCD will examine the project development plan, as well as the status of local government approvals, design progress, and financing commitments. Financing commitments will include the leveraging of non-federal development funding sources and the extent to which the project has federal, state, or local project based rental assistance.

- B. Does the state agency's application require the applicant to include a description of the eligible activities to be conducted with HTF funds?

Yes, HCD will require the applicant to thoroughly describe eligible activities being requested for HTF funds.

- C. Does the state agency's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements?

HCD will require a certification by each eligible recipient that housing units assisted with the HTF will comply with HTF federal regulations for development of multifamily rental housing.

Appendix A
Eligible Jurisdictions for CDBG, HOME, ESG, HOPWA

This table is subject to change.
 (Any changes will be reflected in program NOFAs and updated in the next AP)

| County | CDBG | HOME | ESG | HOPWA |
|---------------|--|---|---|------------------------|
| Alameda | None | None | Alameda, CoC Service Area | None |
| Alpine | Entire County | Alpine County | Inyo, Mono, Alpine Counties CoC Service Area* | Entire County Eligible |
| Amador | Amador County, Unincorporated Amador City Ione Jackson Plymouth Sutter Creek | Amador County Amador City Ione Jackson Plymouth Sutter Creek | Amador, Calaveras, Tuolumne and Mariposa Counties CoC Service Area* | Entire County Eligible |
| Butte | Butte County, Unincorporated Biggs Gridley Oroville | Butte County Biggs, Gridley, Oroville, Paradise | Chico/Paradise/Butte County CoC Service Area* | Entire County Eligible |
| Calaveras | Calaveras County, Unincorporated Angels Camp | Calaveras County Angels Camp | Amador, Calaveras, Tuolumne and Mariposa Counties CoC Service Area* | Entire County Eligible |
| Colusa | Colusa County Unincorporated Colusa Williams | Colusa County Colusa Williams | Colusa, Glenn, Trinity Counties CoC Service Area* | Entire County Eligible |
| Contra Costa | None | None | Richmond/Contra Costa, CoC Service Area | None |
| Del Norte | Del Norte County Unincorporated Crescent City | Del Norte County Crescent City | Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC Service Area* | Entire County Eligible |
| El Dorado | El Dorado County Unincorporated Placerville | El Dorado County Placerville | El Dorado CoC Service Area* | None |

| County | CDBG | HOME | ESG | HOPWA |
|----------|---|---|---|---------------------------|
| | South Lake Tahoe | South Lake Tahoe | | |
| Fresno | County Unincorporated ineligible Coalinga Firebaugh Fowler Huron Orange Cove Parlier San Joaquin | County not eligible, Coalinga, Clovis, Firebaugh, Fowler, Huron, Orange Cove, Parlier, San Joaquin | Fresno/Madera CoC Service Area | None |
| Glenn | Glenn County, Unincorporated Orland Willows | Glenn County Orland Willows | Colusa, Glenn, Trinity Counties CoC Service Area* | Entire County Eligible |
| Humboldt | Humboldt County, Unincorporated Arcata Blue Lake Eureka Ferndale Fortuna Rio Dell Trinidad | Humboldt County, Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell Trinidad | Humboldt County CoC Service Area* | Entire County Eligible |
| Imperial | Imperial County, Unincorporated Brawley, Calexico Calipatria El Centro (Colonias only) Holtville Imperial City Westmorland | Imperial County Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial City, Westmorland | Imperial County CoC Service Area* | Entire County Eligible |
| Inyo | Inyo County, Unincorporated Bishop | Inyo County Bishop | Inyo, Mono, Alpine Counties CoC Service Area* | Entire County Eligible |
| Kern | County Unincorporated -ineligible. Arvin Maricopa McFarland Taft Wasco | County not Eligible. Arvin, Delano, Maricopa, Taft, Wasco | Bakersfield/Kern CoC Service Area | None |
| Kings | Kings County, Unincorporated Avenal Corcoran | Kings County Avenal, Corcoran, Hanford, Lemoore | Visalia, Kings, Tulare Counties CoC Service Area* | Entire County Eligible |

| County | CDBG | HOME | ESG | HOPWA |
|-------------|--|--|---|---------------------------|
| | Lemoore | | | |
| Lake | Lake County, Unincorporated Clearlake Lakeport | Lake County Clearlake, Lakeport | Lake County CoC Service Area* | Entire County Eligible |
| Lassen | Lassen County, Unincorporated Susanville | Lassen County Susanville | Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC Service Area* | Entire County Eligible |
| Los Angeles | County, Unincorporated ineligible. Artesia Hidden Hills Industry Palos Verdes Estate Vernon | County not Eligible. Artesia, Carson, Cerritos, Gardena, Glendora, Hidden Hills, Industry, Lakewood, Lancaster, Pico Rivera, Redondo Beach, Santa Clarita, Torrance, Vernon, West Covina | Los Angeles City and County CoC Service Area | None |
| Madera | Madera County, Unincorporated Chowchilla | Madera County Chowchilla, Madera | Fresno/Madera Counties CoC Service Area | Entire County Eligible |
| Marin | None | None | Marin County CoC Service Area* | Entire County Eligible |
| Mariposa | Mariposa County | Mariposa County | Amador, Calaveras, Tuolumne and Mariposa Counties CoC Service Area* | Entire County Eligible |
| Mendocino | Mendocino County, Unincorporated Fort Bragg Point Arena Ukiah Willits | Mendocino County Fort Bragg Point Arena Ukiah Willits | Mendocino County CoC Service Area* | Entire County Eligible |
| Merced | Merced County, Unincorporated Atwater Dos Palos Gustine Livingston Los Banos | Merced County Atwater, Dos Palos, Gustine, Livingston, Los Banos | Merced City & County CoC Service Area* | Entire County Eligible |
| Modoc | Modoc County, Unincorporated Alturas | Modoc County Alturas | Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC Service Area* | Entire County Eligible |

| County | CDBG | HOME | ESG | HOPWA |
|-----------|--|--|---|---------------------------|
| Mono | Mono County, Unincorporated Mammoth Lakes | Mono County Mammoth Lakes | Inyo, Mono, Alpine Counties CoC Service Area* | Entire County Eligible |
| Monterey | County, Unincorporated, ineligible, Carmel-by-the-Sea Greenfield King City Marina Pacific Grove Sand City Soledad | Monterey County Carmel Del Rey Oaks Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Sand City, Seaside, Soledad | Salinas/Monterey, San Benito Counties CoC Service Area | Entire County Eligible |
| Napa | Napa County, Unincorporated American Canyon Calistoga St. Helena Yountville | Napa County American Canyon, Calistoga Napa, St. Helena, Yountville | Napa City & County CoC Service Area* | Entire County Eligible |
| Nevada | Nevada County, Unincorporated Grass Valley Nevada City Truckee | Nevada County Grass Valley, Nevada City, Truckee | Roseville/Rocklin/Placer, Nevada Counties CoC Service Area* | Entire County Eligible |
| Orange | County, Unincorporated, ineligible San Juan Capistrano | County not Eligible, Buena Park, Fountain Valley, La Habra, Laguna, Niguel Lake, Forest, Mission Viejo, Newport Beach, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Tustin | Santa Ana/Anaheim/Orange Counties Service Area | None |
| Placer | Placer County, Unincorporated, Auburn Colfax Lincoln Loomis | Placer County Auburn, Colfax, Lincoln, Loomis, Rocklin, Roseville | Roseville/Rocklin/Placer, Nevada Counties CoC Service Area* | None |
| Plumas | Plumas County Portola | Plumas County Portola | Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC Service Area* | Entire County Eligible |
| Riverside | County, Unincorporated ineligible | County not Eligible | Riverside City & County | None |

| County | CDBG | HOME | ESG | HOPWA |
|-----------------|---|---|---|---------------------------|
| | Calimesa Indian Wells Rancho Mirage | Calimesa, Cathedral City, Hemet, Indio, Lake Elsinore, Menifee, Palm Desert, Palm Springs, Perris, Rancho Mirage, Temecula | CoC Service Area | |
| Sacramento | None | County not eligible Elk Grove | Sacramento City & County CoC Service Area | None |
| San Benito | San Benito County, Unincorporated Hollister San Juan Bautista | San Benito County Hollister San Juan Bautista | Salinas/Monterey, San Benito Counties CoC Service Area* | None |
| San Bernardino | None | County not Eligible Chino, Hesperia, Redlands, Rialto, Upland | San Bernardino City & County CoC Service Area | None |
| San Diego | None | None | San Diego City and County CoC Service Area | None |
| San Francisco | None | None | None | None |
| San Joaquin | None | County not Eligible Lodi | Stockton/San Joaquin County CoC Service Area | Entire County Eligible |
| San Luis Obispo | County, Unincorporated ineligible Grover Beach Pismo Beach | County not Eligible Grover Beach Pismo Beach | San Luis Obispo County CoC Service Area | Entire County Eligible |
| San Mateo | None | None | Daly/San Mateo County CoC Service Area | None |
| Santa Barbara | County, Unincorporated ineligible Guadalupe | County not Eligible Guadalupe, Lompoc | Santa Maria/Santa Barbara County CoC Service Area | Entire County Eligible |
| Santa Clara | None | County not Eligible Milpitas | San Jose/Santa Clara City & County CoC Service Area | None |
| Santa Cruz | Santa Cruz County, Unincorporated Capitola Scotts Valley | Santa Cruz County Capitola, Scotts Valley, Watsonville | Watsonville/Santa Cruz City & County CoC Service Area* | Entire County Eligible |
| Shasta | Shasta County, Unincorporated Anderson Shasta Lake | Shasta County Anderson Shasta Lake | Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC Service Area* | Entire County Eligible |
| Sierra | Sierra County, Unincorporated Loyalton | Sierra County Loyalton | Redding/Shasta, Siskiyou, Lassen, Plumas, Del | Entire County Eligible |

| County | CDBG | HOME | ESG | HOPWA |
|------------|--|---|---|---------------------------|
| | | | Norte, Modoc, Sierra Counties CoC Service Area* | |
| Siskiyou | Siskiyou County, Unincorporated Dorris, Dunsmuir, Etna, Fort Jones, Montague, Mount Shasta, Tulelake, Weed, Yreka | Siskiyou County Dorris, Dunsmuir, Etna, Fort Jones, Montague, Mount Shasta, Tulelake, Weed, Yreka | Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC Service Area* | Entire County Eligible |
| Solano | Solano County, Unincorporated Benicia, Dixon, Rio Vista, Suisun City | Solano County Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville | Vallejo/Solano County CoC | Entire County Eligible |
| Sonoma | None | County not Eligible Petaluma | Santa Rosa/Petaluma/Sonoma County CoC Service Area | None |
| Stanislaus | County, Unincorporated ineligible Riverbank | County not Eligible Riverbank | Turlock/Modesto/Stanislaus County CoC Service Area | Entire County Eligible |
| Sutter | Sutter County, Unincorporated Live Oak | Sutter County Live Oak Yuba City | Yuba City & County/Sutter County CoC Service Area* | Entire County Eligible |
| Tehama | Tehama County, Unincorporated Corning Red Bluff Tehama | Tehama County Corning, Red Bluff, Tehama | Tehama County CoC* | Entire County Eligible |
| Trinity | Trinity County | Trinity County | Colusa, Glenn, Trinity Counties CoC Service Area* | Entire County Eligible |
| Tulare | Tulare County, Unincorporated Dinuba Exeter Farmersville Lindsay Woodlake | Tulare County Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Woodlake | Visalia, Kings, Tulare Counties CoC Service Area* | Entire County Eligible |
| Tuolumne | Tuolumne County, Unincorporated Sonora | Tuolumne County Sonora | Amador, Calaveras, Tuolumne and Mariposa Counties CoC Service Area* | Entire County Eligible |
| Ventura | None | County not Eligible Camarillo | Oxnard/San Buenaventura/Ventura | Entire County Eligible |

| County | CDBG | HOME | ESG | HOPWA |
|--------|--|--|---|---------------------------|
| | | Simi Valley Thousand Oaks | County CoC Service Area | |
| Yolo | Yolo County, Unincorporated Winters | Yolo County Winters Woodland | Davis/Woodland/ Yolo County CoC* | None |
| Yuba | Yuba County, Unincorporated Marysville Wheatland | Yuba County Marysville Wheatland | Yuba City & County/Sutter County CoC* | Entire County Eligible |

* For Emergency Solution Grant (ESG), Continuums of Care (CoC) with an asterisk are within the Balance of State (BOS) allocation. Homeless service providers within these CoC Service Areas are eligible to apply under the 2018 ESG Notice of Funding Availability (NOFA) for the BOS allocation. Homeless service providers within other CoC service areas may access these funds by applying directly to an ESG Administrative Entity (AE). A list of approved AEs is available on the California Department of Housing and Community Development (HCD) ESG website at: <http://www.hcd.ca.gov/grants-funding/active-funding/esg.shtml>. For the most current list of CoC within each ESG allocation, consult the most current program NOFAs at the above website.

Note: For National Housing Trust Fund (NHTF), an eligible applicant must be the owner or developer of the NHTF-assisted project that meets the requirements identified in the recipient definition of 24 CFR 93.2.

Appendix B
Interested Parties Contact List
Reference: 2018-19 Annual Action Plan

Note: Information contained in the tables below is subject to change following the 30-day comment period.

California Department of Housing and Community Development (HCD) promotes the Annual Report by sending a notice via listserv requesting public comment involvement along with an additional listserv email for the final report distribution. The types of individuals and entities on HCD's listserv lists include, but are not limited to, local jurisdictions, non-profit housing organizations, developers, and consultants.

The notices and report are sent to the following listservs:

| Listserv | # of ind/entities listed |
|---|---------------------------------|
| Community Development Block Grant Program | 4,040 |
| Neighborhood Stabilization Program | 3,972 |
| Disaster Recovery | 1,049 |
| Home Investment Partnerships Program | 4,779 |
| Homeless | 3,810 |
| Housing element | 4,961 |
| Housing Trust Fund | 381 |

The Department of Public Health Office of AIDS sends notices and the AP to the following agencies/counties:

| HOPWA |
|---|
| AGENCY/COUNTY |
| Access Support Network |
| AIDS Housing Santa Barbara |
| Amador |
| Butte County Public Health |
| Calaveras County |
| Caring Choices |
| Caring Choices |
| Casa Esperanza Homeless Center |
| City of Bakersfield Economic Development |
| City of Fresno Development and Resource Management Department |
| Clinica Sierra Vista/Kern Lifeline |
| Colusa County Dept. of Health & Humans Services |
| Community Action Board |
| Community Care Management Corporation |
| Community Impact Central Valley |
| Community Medical Center |
| Del Norte County Dept. of Health and Human Services |
| Face to Face/Sonoma County AIDS Network |
| Family Services of Tulare County |
| Fresno Housing Authority |
| Fresno County Public Health |

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|---|
| Fresno County Public Health |
| Humboldt County Public Health |
| Imperial County Public Health |
| Inyo County |
| Kern County |
| Kings County |
| Kings County |
| Lake County |
| Lassen County Public Health |
| Lassen County Public Health |
| Madera County Public Health |
| Marin County Public Health |
| Marin County Housing Authority |
| Mariposa |
| Mendocino County |
| Mendocino County AIDS Volunteer Network |
| Merced County Public Health |
| Merced County Community Action Agency |
| Merced County Public Health |
| Modoc Co. Public Health |
| Mono County Public Health |
| Mono County Public Health |
| Monterey County |
| Napa County |
| County of Nevada |
| Planned Parenthood Northern California |
| Plumas County Public Health Agency |
| Queen of the Valley Medical Center |
| San Joaquin Co. Public Health Services |

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|--|
| San Luis Obispo Co. Health Agency |
| Santa Barbara County |
| Santa Cruz County Public Health |
| Encompass Community Services |
| Santa Cruz County Public Health |
| Santa Rosa Community Health District |
| Shasta County |
| Sierra County |
| Sierra HOPE |
| Siskiyou County |
| Solano Co. Health & Social Services Dept. |
| Solano County |
| Stanislaus County |
| Stanislaus County |
| Stockton Shelter for the Homeless |
| Sutter County |
| Trinity County |
| Tulare Co. Health & Human Services |
| Tuolumne County |
| County of Ventura |
| West Care of California |
| Yuba County |

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Appendix C
Reference: 2018-19 Annual Action Plan
Emergency Solutions Grant (ESG) Written Standards Checklist

All Continuums of Care (CoC) participating in both the CoC allocation and Balance of State (BoS) allocation must establish ESG written standards as set forth in the Emergency Solutions Grant (ESG) federal regulations, [24 CFR §576.400](#). In addition, CoC Written Standards for ESG-funded activities must incorporate the requirements of ESG regulations [section 8409](#).

If the CoC Written Standards do not include policies for: (1) Termination and the Appeal Process; (2) Reasonable Accommodation and Disability-Related Grievance Procedures; and (3) Location where Written Standard(s) Program Participant Rules are posted; and/or When Written Standards/Program Participant Rules are posted; and/or When Written Standards/Program Participation Rules are given to Program Participants, the ESG Applicant may need to provide a copy of those policies.

| | |
|--------------------------|--|
| <input type="checkbox"/> | I. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG). The policies and procedures must be consistent with the recordkeeping requirements and definitions of "homeless" and "at-risk of homelessness" in the federal ESG regulations at: 24 CFR §576.2 and 24 CFR §576.500 (b-e) . |
| <input type="checkbox"/> | II. Standards for targeting and providing essential services related to street outreach. |
| <input type="checkbox"/> | III. Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, (e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest). |
| <input type="checkbox"/> | IV. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter. |
| <input type="checkbox"/> | V. Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers. The required coordination may be done over an area covered by the Continuum of Care or a larger area. |

Appendix C

ESG Written Standards Checklist (cont'd)

| | |
|--------------------------|---|
| <input type="checkbox"/> | I. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance. For homeless prevention, include the risk factors used to determine who would be most in need of this assistance to avoid becoming homeless. |
| <input type="checkbox"/> | II. Standards for determining what percentage or amount (if any) of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance. If the assistance will be based on a percentage of the participant's income, specify this percentage, and how income will be calculated. |
| <input type="checkbox"/> | III. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time. One- year lease required for project-based assistance. Annual participant evaluations required with rapid re-housing assistance; three-month evaluations required with homeless prevention assistance. Individual assistance cannot exceed 24 months in a three-year period. |
| <input type="checkbox"/> | IV. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant may receive assistance, or the maximum number of times the program participant may receive assistance. <u>Note:</u> ESG regulations limit this assistance to no more than 24 months in a three-year period. Housing stability case management is limited as specified under 24 CFR 576.105 |
| <input type="checkbox"/> | VI. <i>Participation in Homeless Management Information System (HMIS).</i> The recipient must ensure that data on all persons served and all activities assisted under ESG are entered into the applicable community-wide HMIS in the area in which those persons and activities are located, or a comparable database, in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. |

Appendix D
Program Income for CDBG and HOME

Reference 2018 Annual Action Plan

California Department of Housing and Community Development (HCD) modified annual program income (PI) report forms and sent the forms via listserv message in June 2018 to Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) grantees.

HCD will submit an amendment to the Annual Action Plan (AP) after the PI data has been collected from CDBG and HOME grantees. The grantee specific PI data will be linked on the website under the AP at <http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>.