

**State of California
2020-2024 Federal Consolidated Plan
2023-2024 Annual Action Plan
Minor Amendment**



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State of California

2023-2024 Annual Action Plan Amendment

The purpose of this amendment is to:

- 1. HOME Investment Partnerships Program (HOME) Value Limits:**
Update the language in the AP-90 section to reflect current U.S. Department of Housing and Urban Development (HUD)-issued HOME value limits effective July 1, 2023. The waiver limits were approved by HUD on July 30, 2023.
- 2. National Housing Trust Fund (NHTF) Subsidy Limit Methodology:**
Update the language in the AP-90 section to reflect maximum per-unit subsidy limits equal to California's Tax Credit Allocation Committee's 2023 Threshold Basis Limits, established by bedroom size, for each county.

The full text of the original 2023-2024 Annual Action Plan (AAP) and all amendments may be found at <https://www.hcd.ca.gov/policy-and-research/plans-and-reports>.

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

Introduction

The 2023-2024 Annual Action Plan (AAP) is being amended to update the language in the AP-90 section for the HOME and NHTF programs. The HOME Value Limits are being amended in the AP-90 section to reflect current HUD-issued HOME value limits, effective July 1, 2023. The waiver limits were approved by HUD on July 30, 2023. Additionally, the NHTF subsidy limit methodology is being amended in the AP-90 section to equal California's Tax Credit Allocation Committee's 2023 Threshold Basis Limits, established by bedroom size, for each county.

Citizen Participation

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

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

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

Agency Role	Name	Department/Agency
Lead Agency	CALIFORNIA	Dept. Housing and Community Development (HCD)
HOME Administrator	CALIFORNIA (HCD)	Division of Federal Financial Assistance
NHTF Administrator	CALIFORNIA (HCD)	Division of Federal Financial Assistance

Table 1 – Responsible Agencies

PR-10 Consultation - 91.110, 91.300(b); 91.315(I)

Based on the California Department of Housing and Community Development (HCD) Citizen Participation Plan: [Plans & Reports | California Department of Housing and Community Development](#) > **Federal Plans and Reports**, this amendment is considered a non-substantial, minor amendment, and will be posted to the HCD website following with an Email Blast (Eblast) released to the public and stakeholders with direction to access the amendment.

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

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

HCD will use the HOME Homeownership Value Limits for the area provided by HUD, except for areas where a HOME Value Limits waiver has been requested by HCD and approved by HUD. Current HUD-issued limits effective ~~June 1, 2022~~, July 1, 2023, can be reviewed on the HCD website at [State and Federal Income, Rent, and Loan/Value Limits | California Department of Housing and Community Development](#). [Waiver limits were approved by HUD on July 30, 2023.](#)

National Housing Trust Fund (NHTF) Reference 24 CFR 91.320(k)(5)

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

Metropolitan Areas	0 BR	1 BR	2 BR	3 BR	4+BR
30% AMI or Below	\$400,000	\$450,000	\$500,000	\$540,000	\$580,000
Rural Areas	0 BR	1 BR	2 BR	3 BR	4+BR
30% AMI or Below	\$320,000	\$360,000	\$400,000	\$432,000	\$464,000

In a policy memo dated December 24, 2021, and approved by the Director’s office on December 29, 2021, NHTF staff outlined the justification for increasing the NHTF per-unit subsidy limits to better align with actual costs of building affordable housing in California as follows:

- According to a 2019 analysis by the Turner Center for Housing Innovation, the average cost of building an affordable unit in California is between \$380,000 and \$570,000.
- The current per-unit subsidy limits for the 2020 HHC Program range from \$132,862 to \$286,983, well below the cost to build an affordable unit in California, and are lower than other HCD Housing Program’s limits.
- Per-unit subsidy limits for other Department programs are reflected in the comparison below:

Program	Per-Unit Subsidy Limit Ranges
Current HHC	\$132,862 – \$286,983
HOME	\$153,314 – \$303,490
NPLH	\$177,721 – \$432,701
MHP	\$175,000 – \$518,553

- ~~— The concept of increasing the per-unit subsidy limits obtained favorable stakeholder feedback at the HHC Listening session on June 15, 2021.~~
- ~~- HCD's intent to increase the maximum per-unit subsidy was included in the State of California 2020-2021 AAP Second Substantial Amendment that was submitted in the Integrated Disbursement and Information System (IDIS) and to the U.S. Department of Housing and Urban Development (HUD) on September 9, 2021. HCD did not receive oral or written comments on the issue during the amendment process.~~

Pursuant to 24 CFR 93.300(a), all HTF grantees must establish maximum limitations on the total amount of HTF funds that the grantee may invest per-unit for development of non-luxury housing. The limits must be "reasonable" and based on actual costs of developing non-luxury housing in any given geographical area. Each grantee must submit maximum per-unit development subsidy amounts and accompanying justification with its HTF Allocation Plan on an annual basis. In May 2016, HUD published FAQ ID 2766 which states grantees may choose to establish maximum per-unit development subsidy amounts for projects funded with HTF by using existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits.

Effective October 31, 2023, the NHTF maximum per-unit subsidy limits will be equal to California's Tax Credit Allocation Committee's 2023 Threshold Basis Limits, established by bedroom size, for each county.