

**State of California 2020-2024
Federal Consolidated Plan
Annual Action Plan
One Year Use of Funds Fiscal Year 2023-2024**



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Executive Summary

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

Introduction

The 2023-2024 Annual Action Plan (AAP) is the third of four annual updates to the 2020-2024 State of California Consolidated Plan (Con Plan). The AAP outlines the State of California's current priorities, strategies, and actions in support of its affordable housing and community development goals. The AAP explains in detail how the State of California's Department of Housing and Community Development (HCD) will program affordable housing and community development funding from the U.S. Department of Housing and Urban Development (HUD) for Fiscal Year 2023-2024 (FY23). The AAP also includes summary information on programs and activities funded with state and local revenues. The Program Year (PY) and FY for the State of California runs from July 1 through June 30.

This AAP includes the state's anticipated funding allocations from HUD for FY23, estimates of other resources expected for the year, program objectives, goals, and planned operations for the following five programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Trust Fund (HTF) or National Housing Trust Fund (NHTF)
- Emergency Solutions Grants (ESG)
- Housing Opportunities for Persons With AIDS (HOPWA)

Funding from these state-administered programs is available, with certain exceptions (in the ESG and NHTF programs), only to cities and counties that do not receive funds for these programs directly from HUD. These cities and counties are "non-entitlement" jurisdictions. Jurisdictions are eligible for federal disaster funding (via the CDBG-Disaster Recovery (DR) and CDBG-National Disaster Resilience (NDR) programs) if they were directly impacted by a federally declared disaster.

A critical priority for HCD is to ensure all eligible persons receive equitable access to services, and are served with dignity, respect, and compassion regardless of circumstance, ability, or identity. This includes historically underserved populations, including but not limited to, Black, Native and Indigenous, Latino/Latina/Latinx, Asian, Pacific Islanders, and other People of Color, immigrants, people with criminal records, people with disabilities, people with mental health and substance use vulnerabilities, people with limited English proficiency, people who identify as transgender, people who identify as LGBTQ+, transition aged youth, and other individuals that may not traditionally access mainstream support.

HCD is committed to supporting Native American Tribes (Tribes) in addressing housing and community development needs by making funds available, as eligibility allows, to both federally recognized and non-federally recognized Tribes and providing dedicated outreach and technical assistance. HCD recognizes that while Tribes may face many of the same barriers as other under-resourced applicants, the unique status of Tribes requires additional, specific considerations in the design and implementation of programs and technical assistance. HCD also recognizes the legacy of violence, exploitation, dispossession, and attempted destruction of Tribes and related communities, and that this has important ramifications for present-day relationships. HCD is committed to learning about, considering, and honoring this history when building relationships with Tribes over time through respectful and accountable interactions. HCD's ongoing activities to support this relationship building are described in detail in this plan.

With the passing of Assembly Bill (AB) 1978 in 2022, HCD received guideline authority for ESG and HOME. Both programs are carrying out stakeholder engagement in the first half of 2023 that will inform updated guidelines. These updated guidelines will pertain to 2024 funding and related Notices of Funding Availability (NOFAs).

Applications for HUD funding for the development of rental housing projects must demonstrate compliance with the requirements of Article XXXIV of the California Constitution. Article XXXIV was put into place in 1976 for the purpose of providing a mechanism for expressing community concern regarding the development, acquisition, or construction of federally subsidized conventional public housing projects. Article XXXIV of the California Constitution requires local voter approval before any state public body can develop, construct, or acquire a rental housing project in any manner. The state statute implementing Article XXXIV can be found at California Health and Safety Code §37000 et seq. Since Article XXXIV became law, the regulations have been amended and exemptions have been added. However, projects must still demonstrate compliance.

The Buy America Preference for CDBG FY23 Awards is in compliance with section 70914 of the Build America, Buy America Act (BABA), which requires the following Buy America preference: (1) All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States. Additional direction on the Buy America Preference will be provided when available from HUD.

The format of this document, including but not limited to paragraph and table numbering, is consistent with HUD's AAP template in the Integrated Disbursement and Information System (IDIS).

Summary of the objectives and outcomes identified in the AAP

The state's Con Plan identified increasing the availability of housing affordable to low- and moderate-income households as one of the highest priority needs across the state. During the past two decades, California's supply of housing has not kept pace with demand to live in the state and housing costs have grown faster than household incomes, leading to many households spending an unaffordable share of their incomes on housing. In outreach for this AAP, HCD's stakeholders identified many of the same barriers to achieving and maintaining affordable housing as they did during outreach for the Con Plan (despite the Con Plan outreach occurring before the onset of the COVID-19 pandemic). The most frequently mentioned problems include a shortage of affordable housing units, high housing development costs, broadband access challenges in disadvantaged areas, and community resistance to new housing. Based on the Con Plan's needs assessment and the feedback from this AAP's stakeholder outreach, this AAP maintains the same priority goals:

- Increase housing affordability
- Addressing and preventing homelessness
- Economic Development
- Maintain or improve public facilities and infrastructure
- Maintain or improve access to public services
- Recovery assistance for natural disaster survivors

Specific programs, funding, Goal Outcome Indicators (GOI), and annual targets related to each goal are discussed in Section AP-20: Annual Goals and Objectives. Outcomes for HUD-funded programs are measured and reported by households and housing units, individual beneficiaries, and neighborhood or target area population and, depending on the program, the type of activity and the applicable National Objective (i.e., the way in which the activity furthers the federally legislated goals of the program).

Evaluation of past performance

The goals and projects in this AAP remain the same as our 2020-2024 Con Plan goals and projects. Below is a summary of expenditures and accomplishments which further those goals, by program. The most recently completed Consolidated Annual Performance Evaluation Report (CAPER), for Fiscal Year 2021-2022 (FY21), is available at [Plans & Reports | California Department of Housing and Community Development](#). Highlights from the FY21 CAPER include:

CDBG: CDBG-funded activities rehabilitated 143 homes occupied by low-income households, provided homebuyer assistance to 15 low-income households, supported 87 businesses in the creation or retention of 38 jobs, and supported public facilities and public services in low-income neighborhoods home to over 143,670 residents. As of November 2022, the State of California ranks second in the nation, and first in its program year group for average expenditure ratio in the last 12 months and has held

this position since July 2021.

HOME: Approximately \$22.5 million was expended in the FY21 period. HOME-funded activities resulted in the construction of 27 owner-occupied housing units, 85 rental housing units, 24 owner-occupied housing units rehabilitated, 37 homebuyer down payment assistance units, and provided tenant based rental assistance to 75 low-income households.

NHTF: The Housing for a Healthy California (HHC) program funded by NHTF continued through its final year during FY21 (Chapter 777, Statute of 2017). The HHC Program provides capital loans and capitalized operating reserve grants to developers for permanent supportive housing for those who are experiencing chronic homelessness or homeless and are high-cost health users. In September 2022, HCD committed over \$45 million in NHTF for the construction and permanent financing of six affordable housing developments comprised of 617 units, inclusive of 219 HHC units restricted to extremely low-income households at or below 30 percent of Area Median Income (AMI). In October 2022, HCD expended over \$16 million in NHTF on four affordable housing developments comprised of 263 units, inclusive of 84 HHC units restricted to extremely low-income households at or below 30 percent of AMI.

ESG: The ESG program assisted 22,914 persons experiencing homelessness with emergency shelter and street outreach programs that provided short-term shelter and supportive services as well as outreach services. ESG Rapid Re-Housing funds assisted 2,833 households, and Homelessness Prevention activities assisted 207 persons.

HOPWA: Housing Opportunities for Persons With Aids (HOPWA)-funded activities provided 548 persons with Short-Term Rent, Mortgage, and Utility Assistance (STRMU), provided 38 households with Tenant-Based Rental Assistance (TBRA), and provided 654 households with units in transitional short-term housing facilities developed, leased, or operated with HOPWA funds. All sponsors provided case management and other supportive services funded through HOPWA or other resources (such as the federal Ryan White Part B program).

The state also awarded funding via the CDBG CARES Act (CV), ESG-CV, and HOPWA-CV programs during the 2020 calendar year, and expended funds in these programs during FY21. CV programs funded via HUD by the federal Coronavirus Aid, Relief, and Economic Security, or CARES Act, prioritized activities within the existing Con Plan goals that addressed needs created by the COVID-19 pandemic. These included:

- Addressing and preventing homelessness: focusing on providing suitable shelter for unhoused persons at risk of infection and spread of COVID-19.
- Economic Development: focusing on job retention and business support.

- Maintain or improve public facilities and infrastructure: focusing on healthcare facilities and capacity as well as appropriate shelter facilities for persons experiencing homelessness.
- Maintain or improve access to public services: focusing on services to help address the impacts of COVID-19.

The state made available \$150 million in CDBG-CV funding, \$316 million in ESG-CV funding and \$575,000 in HOPWA-CV funding during the 2020 calendar year.

As of the end of 2021, the ESG-CV program has assisted 43,762 individuals with Emergency Shelter, 18,626 with Street Outreach, 21,562 with Rapid Re-Housing, and 883 with Homelessness Prevention, and sub-recipients have expended over \$268 million. As of January 2023, the CDBG-CV program has expended \$26.8 million in IDIS, and as of June 2022 had assisted more than 24,000 individuals through 88 public services programs and launched 43 economic development programs, assisting 29 businesses, and creating or retaining 70 jobs. Thirty-two properties are being rehabilitated providing interim and/or permanent housing for individuals experiencing homelessness. These projects will result in the rehabilitation of 288 interim housing “doors” and 349 permanent housing units and the creation of 474 new permanent housing units. In addition to the housing rehabilitation projects, CDBG-CV grantees began work on thirteen (13) public facility and infrastructure projects in response to COVID-19. Accomplishments are still in progress as many jurisdictions have not completed their programs and projects.

Summary of Citizen Participation Process and Consultation Process

HCD conducted a survey with Continuum of Care (CoC) organizations, service providers, non-entitlement jurisdictions, other state agencies and the public asking questions to understand changes in priorities, capacity, and opportunities for collaboration in future years. HCD also asked about which programs they work with, barriers to affordable housing and economic development in their communities, local broadband access needs, and what HCD could do to improve its operations, customer service, and programs’ effectiveness. HCD engages in continuous contact with stakeholders within each program through either weekly office hours, funding opportunities, or grant management activities. The full list of agencies consulted is included in Section AP-10.

The public comment period for the AAP runs from March 6, 2023, to April 6, 2023. In accordance with the state’s Citizen Participation Plan (CPP), and in advance of the public comment period, the state published a summary of the proposed (draft) AAP in a newspaper of general circulation, in both English and Spanish, and distributed this summary to interested parties via electronic mailing. The summary describes the contents and purposes of the AAP and describes how copies of the entire document can be viewed. Copies of the draft AAP are available on HCD’s website and available

from HCD headquarters in print upon request. HCD hosted one public hearing on March 16, 2023, to solicit comments on the draft. The state will consider written comments, and comments received orally at the public hearings, in preparing the final versions of the plan. A summary of these comments and the responses to them is attached to the final plan.

Summary of public comments

HCD received one public comment. The comment and the HCD response can be found in Appendix C.

Summary of comments or views not accepted and the reasons for not accepting them

Appendix C has the full details of the public comment and HCD's response.

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

Agency/entity responsible for preparing/administering the Consolidated Plan

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

Agency Role	Name	Department/Agency
Lead Agency	CALIFORNIA	California Department Housing and Community Development (HCD)
CDBG & CDBG-CV Administrator	CALIFORNIA (HCD)	Division of Federal Financial Assistance
HOPWA and HOPWA-CV Administrator	CALIFORNIA (HCD)	Department of Public Health, Office of AIDS
HOME Administrator	CALIFORNIA (HCD)	Division of Federal Financial Assistance
ESG & ESG-CV Administrator	CALIFORNIA (HCD)	Division of Federal Financial Assistance
NHTF Administrator	CALIFORNIA (HCD)	Division of Federal Financial Assistance
CDBG-DR Administrator	CALIFORNIA (HCD)	Division of Federal Financial Assistance
CDBG-NDR Administrator	CALIFORNIA (HCD)	Division of Federal Financial Assistance

Table 1 – Responsible Agencies

Narrative

The California Department of Housing and Community Development (HCD) prepares and submits the state’s Con Plan, Annual Action Plan (AAP), and Consolidated Annual Performance Evaluation Report (CAPER) to the U.S. Department of Housing and Urban Development (HUD). The plans are prepared and administered in the Division of Federal Financial Assistance (DFFA) within HCD. The programs administered by HCD are the Community Development Block Grant (CDBG), CDBG-Coronavirus Aid, Relief, and Economic Security (CARES) Act (CV), HOME Investment Partnerships Program (HOME), HOME-American Rescue Plan (ARP), National Housing Trust Fund (NHTF), Emergency Solutions Grants (ESG) and ESG-CV, as well as the CDBG-Disaster Recovery (DR) and National Disaster Resilience (NDR) programs. The California Department of Public Health/Office of AIDS (CDPH/OA) administers Housing Opportunities for Persons With AIDS (HOPWA) and HOPWA-CV. Please see Appendix A for the HOPWA plan. All of these programs are implemented at the local level by agencies of eligible city and county governments, non-federally recognized Indian

Tribes, and/or private organizations, including nonprofit corporations.

Consolidated Plan Public Contact Information

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

Introduction

Since the California Department of Housing and Community Development's (HCD) Division of Federal Financial Assistance (DFFA) recently completed a robust outreach and consultation for its 2020-2024 Consolidated Plan (Con Plan), and in the recent past implemented changes to its Community Development Block Grant (CDBG) and Emergency Solutions Grants (ESG) programs due to the feedback from outreach, the survey feedback for this Annual Action Plan (AAP) was more condensed. The survey asked respondents to explain past and anticipated changes in capacity, funding, and priorities in their organization. DFFA is currently undergoing division-wide efforts to develop a more comprehensive and consistent consultation strategy. This includes but is not limited to: procuring consultants to lead focus groups and broad engagement; dedicating staff to lead and support engagement activities; establishing standard operating procedures and policies for community engagement best practices; working in partnership with the HCD California Indian Assistance Program (CIAP) team to create specific Tribal community engagement procedures; and building community engagement into the division's equity framework and action plans. As of FY 2023-24 (FY23) and forward, DFFA has incorporated a Stakeholder Engagement Consultation calendar to coordinate and organize stakeholder meetings for the CDBG, ESG, HOME Investment Partnerships (HOME), HOME-American Rescue Plan (ARP), and National Housing Trust Fund (NHTF) federal programs. In addition to program staff and stakeholder attendees, the Federal Reporting and Planning Team are included in these calendared meetings to connect with program staff and collaborate on feedback received.

DFFA solicits input from the stakeholders that program staff are most often in contact with; local jurisdictions, Continuum of Care (CoC) organizations, homeless service providers, and the affordable housing development community. HCD further seeks input from other state agencies and organizations that serve the needs of low-income individuals and families, and homeless individuals and families throughout both divisions of state and federal financial assistance.

More broadly, HCD is continuously looking for ways to enhance coordination and communication with stakeholders and partners. Throughout HCD's different divisions, there are avenues for which stakeholder feedback and communication are constantly taking place. Some examples of this are:

- CDBG program staff holds bi-weekly office hours and ESG program staff hold weekly office hours to provide technical assistance to grantees for both regular and Coronavirus Aid, Relief, and Economic Security (CARES) Act (CV) funding. In response to Assembly Bill (AB) 1010, HCD's Fair Housing Team, in

collaboration with HOME program staff, have held office hours to provide technical assistance to federally recognized and non-federally recognized Tribes (Tribes) and their partners. HCD provides ongoing as-needed individualized technical assistance conferences to assist tribal partners with CDBG-CV applications for funding and to encourage participation of non-federally recognized Tribes and local government partners in the annual CDBG program.

- CDBG held listening sessions on January 19, 2023, and February 1, 2023, to gather input and feedback on the 2023 Notice of Funding Availability, scheduled to be released in June 2023.
- CDBG program staff, in partnership with consultants, provide ongoing technical assistance to grantees with topics such as Economic Development (ED), marketing and outreach, affirmatively furthering fair housing, fair and equitable procurement practices, racial equity, and National Environmental Policy Act (NEPA).
- The HOME-ARP program held education series on March 8, 2022, and March 10, 2022, to educate our Tribal Partners about the program and to gather input and feedback on the implementation of the HOME-ARP program.
- On January 19, 2022, the NHTF program held a Notice of Funding Availability (NOFA) and Application Workshop Webinar regarding the Housing for a Healthy California Program that is funded with NHTF program funds. Stakeholders and partners throughout the state attended the webinar.
- The HOME and NHTF Programs held a Tribal Webinar on July 15, 2022, to educate our Tribal Partners about the programs, gather input and feedback, exchange an open dialogue associated with potential projects and challenges, and held a questions and answers session.
- An HCD Tribal Affairs Roadshow was cohosted with the Pala Tribe in Pala, California on July 20, 2022, through July 21, 2022, to educate our Tribal Partners on HCD's available federal and state affordable housing financing (loans and grants), various funding program guidelines, Notice of Funding Availability (NOFA) schedule, and held a Questions and Answers session.
- HCD participates in conferences such as Housing California, Non-Profit Housing (NPH), Southern California Association of Non-Profit Housing (SCANPH), and the California Coalition for Rural Housing, Rural Housing Summit to engage with program stakeholders about their community issues and any challenges they face in accessing and using federal funding. HCD's Asset Management and Compliance (AMC) section works with the Affordable Housing Management Association (AHMA) and meets with the AHMA Steering Committee quarterly to

discuss HCD issues as they relate to asset management and property management.

Ongoing Engagement with California Tribes and Tribally Designated Housing Entities

Since the passage of AB 1010 in 2019, a law that aimed to remove barriers and clarify tribal nation eligibility to participation in HCD's funding programs, HCD has been working diligently to learn, consider, and honor the history of California tribal nations and tribal communities. Through HCD's initial engagement and relationship building with California Tribes and Tribally Designated Housing Entities (TDHEs), HCD has addressed the lessons learned thus far through implementation of the following best practices:

1. HCD will host informal listening sessions with tribal stakeholders prior to the planning process for regulations, program guidelines, and education and technical assistance sessions for Notices of Funding Availability (NOFA) releases.
2. HCD will meaningfully engage Tribes early in and throughout the planning process, for regulation, program guidelines, and NOFA updates.
3. HCD will provide multiple forums and ways for Tribes/TDHE's to engage, such as through office hours and TA sessions.
4. HCD will give Tribes and TDHEs information regarding program changes early and keep the information and communication consistent throughout the process.
5. Programs will provide Tribes with tribal-specific overviews of program requirements to help Tribes understand how to apply and use HCD funding.
6. HCD staff will learn about how funding for tribal housing works to better align HCD program requirements and application components with programs that Tribes are already familiar with.
7. HCD programs will provide Tribes additional comprehensive Technical Assistance (TA), capacity building, and capacity filling supports, and hold stakeholders accountable for building understanding of program requirements and to understand and remove barriers for tribal projects.
8. HCD programs will participate in Cultural Awareness and Equity trainings to grow their knowledge on how to successfully work with tribal nations and build relationships and the trust needed to successfully serve Tribes and successfully implement AB 1010.

Based on the initial lessons learned and best practices identified, HCD funding programs, with the support of HCD's Tribal Affairs team, have provided multiple ways for Tribes to engage in our programs. The following represents the formats and types of engagement HCD has provided to Tribes since January of 2021, and how HCD Tribal

Affairs plans to increase each type of engagement over the next year.

Listening Sessions – HCD Listening Sessions are set up to provide our Tribes/THDEs and partners with important information about program funding, legislation, or specific housing plans within HCD. Listening Sessions function as an opportunity for HCD to present on potential program changes to our tribal partners so that we can facilitate a discussion and garner feedback. Listening Sessions allow for our tribal partners to know and plan for what is coming and it allows for them to receive basic information, allows for questions to be answered, and provides familiarity with these programs prior to the NOFA being released. Thus far HCD has conducted **18** tribal Listening Sessions for the following federal and state-funded programs:

1. Community Development Block Grant-CARES Act (CDBG-CV)
2. Emergency Solutions Grants-CARES Act (ESG-CV)
3. CalHome Disaster Recovery (CalHome DR)
4. CalHome/ Homeownership Super NOFA
5. CA COVID-19 Rent Relief Program (ERAP)
6. HOME Investment Partnerships Program (HOME)
7. National Housing Trust Fund Program (NHTF)
8. HOME American Rescue Plan Program (HOME-ARP)
9. Senate Bill 35 (SB 35)
10. Homekey Tribal NOFA
11. Joe Serna, Jr. Farmworker Housing Grant Program (FWHG)
12. Statewide Housing Plan (SHP)
13. Veterans Housing and Homelessness Prevention Program (VHHP)

HCD Tribal Affairs will continue collaborating with program staff to host these Listening Session opportunities to Tribes/TDHEs over the next year. The goal is that Listening Sessions become a part of the culture of the HCD planning process.

Office Hours – HCD Office Hours provide an opportunity to build off of Listening Sessions. Office Hours are HCD's attempt at ensuring as much meaningful participation and feedback from tribal partners as possible, which comes in the form of smaller groups and is usually offered for a longer period than for the broader pool of stakeholders. Office Hours are provided on a schedule commensurate with the need for tribal applicant support through the application period to tribal applicants, with the goal of providing a group forum for sharing information and for answering application-related questions. Since January of 2021, HCD has held Tribal Office Hours for the following federal and state funded programs:

1. CDBG-CV
2. ESG-CV
3. Regional Early Action Planning (REAP)

4. SHP

Formal Tribal Consultations – HCD is committed to ensuring and providing regular, substantive, meaningful, and effective consultation with Tribes/THDEs. Through HCD's initial interaction with Tribes/TDHEs, the importance and necessity for tribal consultation and collaboration with Tribes/TDHEs became apparent, especially when a program or activity could impact tribal interests and communities. Additionally, through HCD's interaction with Tribes/THESs, some have exercised their right under HCD's Tribal Consultation Policy and requested consultation from HCD programs. The following reflect the Tribal Consultations HCD has conducted thus far:

1. Homekey – Northern Circle Indian Housing Authority (NCIHA) Consultation
2. Homekey – Pala Band of Mission Indians
3. REAP
4. REAP – General Consultation
5. HOME – Hopland Band of Pomo Indians, Sherwood Rancheria Band of Pomo Indians
6. HOME – General Tribal Consultation
7. NHTF – Future Rounds
8. MORE – General Tribal Consultation

Technical Assistance – (TA) is a core component of AB 1010 and HCD's tribal engagement strategy. The HCD Tribal Affairs team, in coordination with program teams, has provided considerable TA to Tribes/TDHEs. Since January of 2021, HCD has held over **75** individual tribal TA conferences to Tribes/TDHEs for various funding programs. The 75 plus TA conferences only represents the initial introduction between Tribes and HCD programs. Once Tribal Affairs makes the initial introduction between a Tribe/TDHE, HCD programs continue providing considerable amounts of individual TA to Tribes/TDHEs. HCD Tribal Affairs and programs have provided TA to Tribes for the following HCD programs:

1. CalHome – Disaster Recovery (DR)
2. CalHome – General
3. CDBG-CV
4. ESG-CV
5. General TA Conference (covers multiple HCD programs)
6. HOME
7. HOME-ARP
8. NHTF
9. Homekey (Round 1 and 2)
10. Multifamily Super NOFA
11. FWHG
12. REAP

13. SHP

TA continues to be at the forefront of HCD Tribal Affairs policy priorities and goals. Our hope is to increase tribal TA for every program by 5 percent every quarter over the next year.

NOFA Overview Webinars – HCD’s NOFA Overview Webinars allow for our tribal partners to become more familiar with the program and with the NOFA itself. These webinars are designed for Tribes/TDHEs to understand the important dates, background on the funding, necessary updates, application process, program requirements, reminders, how Tribes/TDHEs can utilize waivers through AB 1010 and, lastly, allow for Tribes/TDHEs to ask questions, express concerns, and help identify any potential barriers.

1. CalHome – DR
2. CalHome/Homeownership Super NOFA
3. CDBG-CV
4. HOME
5. Homekey
6. FWHG
7. Multifamily Super NOFA
8. CA COVID-19 Emergency Rental Assistance Program (ERAP)
9. REAP 2.0
10. SB 35
11. SHP
12. VHHP

Tribal Roundtables – HCD also held two roundtable meetings in Northern California in August 2021. HCD held the first roundtable at NCIHA and the second at Robinson Rancheria. The goal of the roundtables was to provide Tribes/TDHEs an opportunity to hear from HCD, other state departments/agencies, and outside partners. The roundtable discussed services and goals, funding opportunities, and opportunities to collaborate. Presentations provided a broad overview of various programs to help further the event’s discussions on the housing needs and barriers that Indian Country experiences and how HCD and other programs can be part of the solution. A key finding from the roundtable was the need to better understand homelessness in Indian Country.

Homelessness Educational Series – Because of the feedback on homelessness from our roundtables, HCD partnered with the California Coalition for Rural Housing (CCRH) to host three webinars that dive deeper into California homelessness, what it looks like in Indian Country, and how Tribes can address the issue.

Tribal Funding – As the Tribal Affairs team continues to engage with tribal entities, we have learned from Tribes/TDHEs the importance of safeguarding funding and providing

set-asides specifically for Tribes/TDHEs. As a result, HCD has been setting aside some program funding specifically for Tribes/TDHEs. Below are some of the targeted funding opportunities for Tribes over the last year:

1. FWHG: 11.6 percent or approximately \$12 million.
2. Homekey Round 2: 5 percent or approximately \$72.5 million.
3. CalHome General: 10 percent or approximately \$5.7 million.
4. CDBG: 1.25 percent or approximately \$361,000 for non-federally recognized Tribes applying through a local government sponsor
5. CDBG-CV: \$3.8 million, however, HCD received \$8,768,225.50 in tribal requests and funded them all
6. ESG-CV: \$4.9 million in tribal requests
7. Future rounds of National Housing Trust Fund

Tribal Applications – Since fall of 2020, HCD has received the following tribal applications:

1. Homekey Round 1: 3 tribal applications
2. CDBG-CV: 19 tribal applications for 21 tribal projects
3. CDBG-CV Homekey Set-aside: 3 tribal applications
4. Multifamily Housing Program (MHP): 1 tribal application
5. ESG-CV: 7 tribal applications
6. Homekey Round 2: 6 tribal applications

Tribal Awards – Since the fall of 2020, HCD has made the following awards to Tribes:

1. CDBG-CV: 19 Tribes awarded for 21 tribal projects for a total of \$ 8,543,384.00
2. CDBG-CV Homekey Set-aside: 3 tribal applications for a total of \$2,400,000
3. Homekey Round 1: 3 Tribes awarded for 3 projects for a total of \$ 5,350,000.00
4. ESG-CV: 7 Tribes awarded contracts for a total of \$4,937,797.00
5. Homekey Round 2: 6 Tribes awarded for a total of \$31,362,548

Current Open Funding: The following programs have NOFAs that are currently open, and we anticipate significant tribal interest in either this round or upcoming rounds.

1. HOME
2. HOME-ARP
3. NHTF
4. CDBG (non-federally recognized Tribes only)

The HCD Tribal Affairs team, in coordination with HCD programs, continues to work hard towards providing equitable access to HCD funding opportunities for California Tribes/TDHEs. As we build off the momentum of the last two years of implementing AB 1010, HCD will continue to ensure we are providing equitable access to Tribes/TDHEs through a multitude of engagement opportunities.

In fact, in 2023 and 2024 HCD hopes to make tribal awards at unprecedented levels through state-funded tribal-specific NOFA opportunities. In the past, HCD has created tribal set-asides of funding under programs that are functionally designed for cities, counties, or developers. HCD is currently creating a guideline and application process for Notices of Funding Availability that are tailored specifically for Tribes. The first opportunity will be a Homekey Tribal NOFA of approximately \$75,000,000 in grant funding for housing acquisition, rehabilitation and development. This program has been co-designed with Tribes, with over a dozen meetings between HCD and Tribes to guide program development.

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(I)).

CDBG program staff coordinate with local jurisdictions, private industry and businesses through individual meetings or workshops held to provide technical assistance. Coordination takes place with affordable housing developers most often under our housing programs: HOME, HOME-ARP, and Housing Trust Fund (HTF), all throughout the process of program design, implementation, application, awards, and long-term monitoring.

Our permanent supportive housing projects include support services intended to address the needs of persons and households who face mental and/or physical health challenges that impact their ability to remain housed. HCD engages in continuous collaboration efforts with housing providers and private and governmental health, mental health, and service agencies. Mostly where these groups intersect are around programs like MHP, which has absorbed the Supportive Housing Multifamily Housing Program (SHMHP), and Housing for a Healthy California (HHC), No Place Like Home (NPLH), and VHHP programs.

Throughout the process of program design, implementation, application, awards, and long-term monitoring, HCD has ongoing contact with housing providers and health and services agencies, through NOFA and application workshops, stakeholder feedback listening sessions, guideline development, and as a part of long-term monitoring, and regular meetings with housing and service providers. Each program conducts workshops and collaborates with agencies like California Housing Finance Agency, (CalHFA), California Department of Veterans Affairs (CalVet), California Department of Social Services (CDSS), and local jurisdictions and developers.

With the passage of AB 2483 on September 28, 2022, HCD has been directed to award incentives to state funded MHP project applicants that agree to set aside units for individuals experiencing homelessness or individuals eligible to receive services. HCD is partnering with the Department of Health Care Services (DHCS), which administers

Medi-Cal funding, to determine that best way to align qualifying services in the units. The effective date to award incentives as specified is December 31, 2023.

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

All the Colonias supported by the state’s U.S. Department of Housing and Urban Development (HUD) funding are in Imperial County. HCD works closely with Imperial County and the various communities that meet the Colonias definition to ensure they have access to Colonias funding. The CDBG program allocates 5 percent of each annual entitlement award for the Colonias, and the method of distribution allows for that funding to be in addition to any jurisdiction limits identified in the NOFA. Due to COVID-19 restrictions, the CDBG team has conducted weekly office hours and offered individual video conference calls in lieu of making in-person technical assistance visits. Imperial County also administers CDBG and other federal program awards on the behalf of Colonias communities without sufficient administrative capacity, and coordinates with HCD to ensure programs and projects are completed according to regulation.

Describe coordination with the Continuum of Care 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.

HCD coordinates with the various CoCs in the state through multiple venues. The Northern California and Central California CoC Roundtables (organized by Homebase) and the Southern California CoC Alliance (organized by Urban Ventures) meet regularly to discuss best practices and evaluate opportunities for leveraging. HCD participates with those groups whenever practicable to encourage communication. HCD also hosts webinars and workshops with CoCs regarding funding opportunities, regulation changes, and general program management to help improve CoC performance and program utilization around the ESG program.

Specifically in DFFA, where ESG and ESG-CV are administered, since the eligible applicants for the CoC allocation for ESG and for ESG-CV funding are CoCs or the Administrative Entity (AE) that represent the CoC, there is ongoing coordination and collaboration through NOFA workshops, and most recently webinars on procurement, and CV reporting requirements. These same collaborative meetings will continue to occur in the future.

Due to the deployment of ESG-CV funding and the urgency to expend that funding as timely as possible, DFFA staff working with consultants have been in constant contact

with CoC staff and homeless service providers to maximize the use of that funding. Training and technical assistance webinars have been held on topics such as Grant Management principles, Homelessness 101, and deep dives on the funding components of ESG. Staff and consultants meet weekly with CoCs to process expenditures and assist in ways to make best use of this time limited resource.

Building on the close collaboration with CoCs in the past year, the HOME-ARP section organized a community survey, three focus groups and conducted one-on-one consultations with CoCs and its representative organizations to discuss unmet housing needs and gaps in service delivery for homeless persons and persons at risk of homelessness, and qualified populations of that program. The feedback received was critical in programming and deploying this funding over the next year.

Describe consultation with the Continuum(s) of Care 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.

Ongoing consultation with the CoCs has been one of the factors in determining ESG fund allocation for ESG and ESG-CV. A summary of those allocation methods are as follows:

- Currently ESG funds are allocated per the California state ESG Regulations. These regulations establish how the ESG funds must be distributed, what percentage is required to be awarded competitively, what must be assigned to rapid rehousing activities, and what can be awarded as a standing allocation. HCD's ESG program is distributed by formula to two separate allocations, CoC and Balance of State (BoS).
- For ESG-CV funding, HCD eliminated the separate AE and BOS allocations and moved to a single direct-allocation method. This method of ESG-CV distribution was approved in the Executive Order issued on May 29, 2020, which provides for partial waiver of the California state ESG Regulations.

A description of the performance standards developed that measure based on outcomes of projects and activities are contained in detail in section AP-30 Method of Distribution under the ESG program section. To support efforts around consolidating homelessness data, the California Interagency Council on Homelessness, an interagency where the HCD Director holds a seat, released the [Homeless Data Integration System \(HDIS\)](#). HDIS compiles data from all 44 Continuums of Care (CoC), which will allow the state to better develop performance measures that will help state and local jurisdictions measure progress towards reducing homelessness.

Agencies, groups, organizations, and others who participated in the process and consultations

1	Agency/Group/Organization	4LEAF, Inc.
	Agency/Group/Organization Type	Consultant
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of rental housing units; economic displacement. High land costs, high construction costs, lack of labor/availability of trades.
2	Agency/Group/Organization	Abundant Housing LA
	Agency/Group/Organization Type	Civil rights, fair housing, or disability rights organization
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Restrictive zoning, discretionary review procedures, and inadequate funding for affordable housing. High cost of housing.

3	Agency/Group/Organization	Adams Ashby Group, Inc.
	Agency/Group/Organization Type	Consultant
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of land availability. Funding cost increases.
4	Agency/Group/Organization	Alex Rorabaugh Recreation Center (ARRC) – State Council on Developmental Disabilities
	Agency/Group/Organization Type	Fair Housing Organization
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Funding, housing development, sites for development.

5	Agency/Group/Organization	Alternative Housing Alliance, LLC
	Agency/Group/Organization Type	Public or private agency that provides housing services
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of affordable housing available. Lack of stability and income create barriers and lack of opportunities. Broadband access challenges in disadvantaged areas.
6	Agency/Group/Organization	Americanmadecertified.ORG
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Land that is pre-approved for fast-track development.

7	Agency/Group/Organization	Anderson Valley Housing Association
	Agency/Group/Organization Type	Public or private agency that provides housing services
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of affordable, safe housing in communities. Lack of funding in an unincorporated area.
8	Agency/Group/Organization	Big Valley Band of Pomo Indians
	Agency/Group/Organization Type	Tribally Designated Housing Entity (TDHE)
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of capacity, staffing, and funding.

9	Agency/Group/Organization	Building Industry Association
	Agency/Group/Organization Type	Building Association
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Regulatory process is an overreach and hindrance to opening a business.
10	Agency/Group/Organization	Capital Housing & Community Development Corporation
	Agency/Group/Organization Type	Public or private agency that provides fair housing services
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Cost of real estate and lack of ability to fund or finance further units.

11	Agency/Group/Organization	Central California Family Crisis Center, Inc.
	Agency/Group/Organization Type	Victim Services Provider
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of availability of rental units and developers in the area.
12	Agency/Group/Organization	Center for Domestic Peace
	Agency/Group/Organization Type	Victim Services Provider
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey High rental rates and low paying jobs.

13	Agency/Group/Organization	City of Arvin
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of funding for Affordable Housing and Infrastructure. Needs include higher amount of developer interest in Affordable Housing in rural areas.
14	Agency/Group/Organization	City of Cloverdale
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Community opposition from elected leadership and school districts.

15	Agency/Group/Organization	City of Clovis
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of developed affordable units because Central Valley has a lack of funding for new units. Low skilled workforce.
16	Agency/Group/Organization	City of Healdsburg
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of affordable housing

17	Agency/Group/Organization	City of Hollister
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing Community Development Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of affordable and market rate rentals. Lack of large infrastructure to sustain increased economic development.
18	Agency/Group/Organization	City of Laguna Beach
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Economics of housing costs. Property owners want to raise rents, a natural economic event. High demand for housing coupled with low supply means higher housing costs.

19	Agency/Group/Organization	City of Long Beach
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Availability of project-based vouchers.
20	Agency/Group/Organization	City of Porterville
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey The right development partners and properties. Economic diversity.

21	Agency/Group/Organization	City of Roseville
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Low vacancy rates
22	Agency/Group/Organization	City of Salinas
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Housing stock decline. Cost of living increases. Limited availability of affordable housing.

23	Agency/Group/Organization	City of Santa Rosa
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey High costs of development and land. Lack of funding to assist developers.
24	Agency/Group/Organization	City of Ventura
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of affordable housing available.

25	Agency/Group/Organization	County of Ventura
	Agency/Group/Organization Type	Local government.
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of infrastructure and lack of funding for individuals or entities looking to create affordable housing at a small scale.
26	Agency/Group/Organization	County of Yuba
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Affordable housing needs, specifically for extremely low-very low-income residents. Broadband access challenges in foothill areas.

27	Agency/Group/Organization	Davis Community Meals and Housing
	Agency/Group/Organization Type	Homelessness Services Provider
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of affordable housing
28	Agency/Group/Organization	Davis Opportunity Village
	Agency/Group/Organization Type	Nonprofit Board Chair Advocating for Affordable Housing
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of funding/development costs for affordable housing. Broadband access challenges in rural areas.

29	Agency/Group/Organization	Designing Accessible Communities
	Agency/Group/Organization Type	Civil rights, fair housing, or disability rights organization,
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development,
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Accessible units for people with disabilities. Funding, staffing, and political support.
30	Agency/Group/Organization	EAH Housing
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey HCD and Tax Credit Allocation Committee (TCAC) process and regulations. Local investment.

31	Agency/Group/Organization	Finally Family Homes
	Agency/Group/Organization Type	Public or private agency that provides housing services.
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Nimbyism – Lack of funding for communities and our organization. Assumption that we have no need for supporting the housing.
32	Agency/Group/Organization	Forward Planning Consultant
	Agency/Group/Organization Type	Consultant
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Real estate speculation that seeks higher values of existing real estate homes, discouraging community living units.

33	Agency/Group/Organization	Genesis LA
	Agency/Group/Organization Type	Community Development Financial Institution
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Finding and maintaining affordable housing. Providing Technical Assistance for small businesses.
34	Agency/Group/Organization	Global Empathy Training Academy
	Agency/Group/Organization Type	Consultant
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Access to Rapid Re-Housing funding.

35	Agency/Group/Organization	Golden State Manufactured-Homeowners League
	Agency/Group/Organization Type	Civil rights, fair housing, or disability rights organization
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey NIMBY - current residents opposing bringing in any kind of low-income or high-density housing projects. Rural areas remain challenging with very few options available to remote residents.
36	Agency/Group/Organization	Habitat for Humanity Greater SF
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of a priority for housing production for nonprofit houses doing homeownership.

37	Agency/Group/Organization	Hidden Valley Lake Community Services District
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Critical infrastructure improvements to meet housing demands.
38	Agency/Group/Organization	HomeFed Corporation
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Ineligibility of funding because of location, cost of approvals, and delays in approvals. Surplus Land Act has created hurdles in allowing municipalities to move forward on projects planned for economic development. Cost of broadband services can be a hurdle for low-income families.

39	Agency/Group/Organization	.
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Obtaining permits and housing growth policies.
40	Agency/Group/Organization	Yolo County Housing Authority
	Agency/Group/Organization Type	Public Housing Agency
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of extremely low and very low-income units. Broadband access challenges in rural areas.

41	Agency/Group/Organization	Housing El Dorado
	Agency/Group/Organization Type	Homelessness Services Provider
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Tax credit funding and entitlement process delays projects. Affordable housing and broadband access challenges.
42	Agency/Group/Organization	Human Response Network
	Agency/Group/Organization Type	Homelessness Services Provider
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of available, affordable housing.

43	Agency/Group/Organization	Humboldt County DHHS
	Agency/Group/Organization Type	Continuum of Care Administrative Entity
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Insufficient affordable housing stock, land restrictions, economic development leadership challenges, limited broadband access in large areas of Humboldt County.
44	Agency/Group/Organization	LAMAS Housing Project
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of affordable housing zoning opportunities from local authorities.

45	Agency/Group/Organization	MidPen Housing Corporation
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey The lack of availability of safe, quality housing stock for individuals at or below the area median income.
46	Agency/Group/Organization	
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of funding. Broadband access challenges with high costs.

47	Agency/Group/Organization	Office of Congressman Lou Correa
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of affordable housing and commercial properties. Broadband challenges in Mobilehome parks with highest needs.
48	Agency/Group/Organization	Orangewood Foundation
	Agency/Group/Organization Type	Homelessness Services Provider.
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of emergency shelter space for Transitional Aged Youth Housing.

49	Agency/Group/Organization	Pacific National Development
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of funding.
50	Agency/Group/Organization	Plug In America
	Agency/Group/Organization Type	Fair Housing Organization
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of access to affordable, regulated home-based Electric Vehicle (EV) charging for multifamily housing residents.

51	Agency/Group/Organization	Recovery Survival Network
	Agency/Group/Organization Type	Public or private agency that provides fair housing services
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of funding for nonprofit providers. Lack of understanding of fair housing needs from city and state agencies. Broadband access challenges.
52	Agency/Group/Organization	Root 66
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Cost of development for affordable housing.

53	Agency/Group/Organization	San Francisco Municipal Transportation Agency
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of funding and community support. Broadband access challenges in rural areas.
54	Agency/Group/Organization	Seaside Civic League, Inc. DBA Villa Del Monte
	Agency/Group/Organization Type	Public or private agency that provides housing services
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of housing, lack of water, & building/city ordinances.

55	Agency/Group/Organization	Social Services Data Solutions, Inc.
	Agency/Group/Organization Type	Consultant
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of understanding of housing and homeless data systems.
56	Agency/Group/Organization	Sonoma Applied Villages Services
	Agency/Group/Organization Type	Consultant
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of sharing of information about current vacancies and development obligations. Lack of adequate affordable housing for employees.

57	Agency/Group/Organization	Stanislaus County Affordable Housing Corporation
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Housing availability on the local economy. Cost of construction. Requirements of lenders.
58	Agency/Group/Organization	Turning Point Foundation
	Agency/Group/Organization Type	Homelessness Services Provider
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Low housing inventory, high rent housing market and rent control.

59	Agency/Group/Organization	University of San Diego Law School, Housing Rights Legal Clinic
	Agency/Group/Organization Type	Civil rights, fair housing, or disability rights organization
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of housing. Broadband access challenges.
60	Agency/Group/Organization	We Are Up
	Agency/Group/Organization Type	Nonprofit
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Building costs and funding sources.

61	Agency/Group/Organization	Wilton Rancheria
	Agency/Group/Organization Type	Tribally Designated Housing Entity (TDHE)
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of Affordable Housing
62	Agency/Group/Organization	Xander Dev Co, LLC
	Agency/Group/Organization Type	Affordable Housing Developer
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Availability of zoned land, local land use regulations, and regulatory bodies.

63	Agency/Group/Organization	Yolo County
	Agency/Group/Organization Type	Local Government
	What section of the plan was addressed by consultation?	Affordable Housing, Community Development, and Economic Development.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey Lack of inventory.

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

All agency types were consulted.

Other local/regional/state/federal planning efforts considered when preparing the Plan

In March 2022, HCD released the Statewide Housing Plan (SHP), which presents a comprehensive look at the state’s housing needs, actions and vision to address the affordable housing crisis in California. The topics addressed in this plan are broader than the scope of discussion in the AAP but will continue to inform DFFA’s strategy and action in the future. The plan, accompanying tools, and datasets are posted online with regularly updated information that can be reviewed here: <https://statewide-housing-plan-cahcd.hub.arcgis.com/>.

AP-12 Participation - 91.115, 91.300(c)

Summary of citizen participation process/Efforts made to broaden citizen participation

The goals of the California Department of Housing and Community Development's (HCD) citizen participation process are to assess community-level affordable housing and economic development needs from members of the public, and to learn from the public what they think HCD should be doing to address their local needs. HCD also informs the public of the Annual Action Plan's (AAP) contents and encourages community members to attend public hearings where they can ask questions about the plan as a part of the citizen participation process. HCD continues to develop additional activities to support its efforts to broaden citizen participation, including strategies to proactively connect members of the public seeking affordable housing or homelessness assistance to local agencies that can assist them. As a baseline for public noticing, the Division of Federal Financial Assistance (DFFA) still relies on publishing notices in three newspapers while also broadening citizen participation through social media.

HCD conducted a survey for this action plan, again reaching out to organizations as well as members of the public. Survey respondents were given the opportunity to describe themselves according to detailed categories (representing local and state agencies; local, regional, and statewide institutions; Continuums of Care (CoCs); nonprofit, philanthropic, community-based, and faith-based organizations; and businesses and developers) and had the option to respond anonymously. The survey asked respondents to rank their planned changes in capacity and focus on the next year, as well as the most significant barriers to affordable housing and economic development.

The Consolidated Plan (Con Plan) is subject to federal Citizen Participation requirements, described in HCD's current Citizen Participation Plan (CPP) [Plans & Reports | California Department of Housing and Community Development](#). To meet these requirements, HCD solicits public comment from public, private, nonprofit organizations, local jurisdictions, and other state agencies in the preparation of the AAP. HCD encourages our stakeholders to inform members of the public to participate in the public hearings for the AAP, especially low- and moderate-income persons, particularly those living in areas where Community Development Block Grant (CDBG) funds are proposed for use; residents of predominantly low- and moderate-income neighborhoods; individuals identifying as Black, indigenous, and people of color ("minorities"), non-native English speakers, and persons with disabilities. Public notices describing the draft documents, inviting comments, and announcing public hearings are drafted in English and Spanish, emailed to local governments and other interested parties, published in legal newspapers of record, and placed on HCD's website at [Plans & Reports | California Department of Housing and Community Development](#). Paper

copies of notices and draft documents are available by written request.

The public comment period for the AAP was held from March 6, 2023, to April 6, 2023. In accordance with the state's CPP, in advance of the public comment period, the state published a summary of the proposed (draft) AAP in three newspapers of general circulation, in both English and Spanish, and distributed this summary to interested parties via electronic mailing, as well as when the public hearing will be held. The summary described the contents and purposes of the AAP and described how copies of the entire document could be viewed. Copies of the draft AAP are available on HCD's website and available from HCD headquarters in print, upon request. HCD hosted one public hearing by webinar on March 16, 2023, to solicit comments on the draft. Translation services were offered with advance notice to HCD.

HCD has considered written and oral comments received at the public hearings in preparation of the final versions of the AAP. A summary of these comments and responses is attached to the final AAP as Appendix C.

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

All of the Colonias supported by the state's HUD funding are located in Imperial County. HCD works closely with the County and the various communities that meet the Colonias definition to ensure they have input to the consolidated planning process (including the five-year plan and AAP updates) and access to funding. The CDBG program allocates 5 percent of each annual entitlement award for the Colonias, and the method of distribution allows for that funding to be in addition to any jurisdictional limits identified in the Notice of Funding Availability (NOFA). During the 2022 calendar year, HCD held weekly meetings with Imperial County staff to check on project progress, provide technical assistance, listen to the needs of the Colonias communities, and strategize about solutions. The County administrators are excellent partners with HCD and encourage Colonias community leaders to participate in HCD events hosted at the County. The County also administers CDBG and other federal program awards on behalf of Colonias communities without sufficient administrative capacity, and coordinates with HCD to ensure programs and projects are completed according to federal requirements.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of Response/ Attendance	Summary of Comments Received	Summary of Comments Not Accepted and Reasons	URL (If Applicable)
1	2023-24 AAP Public Comment Period, Public Notice Newspaper Ad	Non-Targeted Broad Community Non-English Speaking – Spanish	Public Notices: Published in three journals in English and Spanish	N/A	N/A	N/A
2	2023-24 AAP Public Comment Period, Public Comment Webinar, Internet Outreach, Direct Email	Non-Targeted Broad Community Non-English Speaking – Spanish	Announcement distributed to HCD email list (approximately 4,500 parties), posted on HCD Website. Public Comment Period: 03/06/2023 – 04/06/2023	One comment received. See Appendix C.		
3	2023-24 AAP Community Survey: 2/14/2023 – 2/28/2023	Minorities, Persons with Disabilities, Residents of Assisted Housing, ServiceProviders, Continuums of Care	Sixty-three stakeholders responded to the survey.	Respondents reported a lack of affordable housing, high development costs and affordable housing costs, lack of local processes and internal resources, broadband access challenges in disadvantaged areas, and economic development challenges.		

Table 3 – Citizen Participation Outreach

Expected Resources

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

Introduction

The 2023-2024 Annual Action Plan (AAP) covers the period of July 1, 2023, through June 30, 2024. It is the third of four annual updates in the implementation of the five-year 2020-2024 Consolidated Plan (Con Plan). All Coronavirus Aid, Relief, and Economic Security (CARES) Act (CV) Community Development Block Grant (CDBG-CV) and CARES Act Emergency Solutions Grants (ESG-CV) funding has been discussed and or reflected in amendments to the 2019 -2020 AAP.

On January 27, 2020, the U.S. Department of Housing and Urban Development (HUD) announced, via a Federal Register Notice, the allocation of \$3.8 billion in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds for the purpose of assisting in long-term recovery from major disasters that occurred in 2017, 2018, and 2019. The California Department of Housing and Community Development (HCD) is the lead and responsible agency for administering the CDBG-DR funds allocated to the State of California. The State of California was allocated \$1,017,399,000 from this appropriation and identified HCD as its administrative agency for the funds.

To meet disaster recovery needs, the statutes making CDBG-DR funds available have imposed additional requirements and authorized HUD to modify the rules that apply to the annual Community Development Block Grant (CDBG) program to enhance flexibility and allow for a quicker recovery. HUD has allocated \$231,203,000 in CDBG-DR funds to the State of California in response to FEMA DR-4558 and DR-4569, through the publication of the Federal Register, Vol. 87, No. 23, February 3, 2022 (87 FR 6364). This allocation was made available through Public Law 117-43. HCD's CDBG-DR Action Plan was approved by HUD on August 5, 2022. Funds will be allocated according to federal regulations found in 84 FR 45838, 24 CFR §570 and the CDBG-Mitigation (MIT) Action Plan. For more information, please reference the CDBG-DR Action Plan and Program Policies at: [Disaster Recovery & Mitigation | California Department of Housing and Community Development](#).

To address the need for homelessness assistance and supportive services, the U.S. Congress appropriated \$5 billion in funding from the American Rescue Plan Act of 2021 (ARP) to be administered through the HOME Investment Partnerships Program (HOME). Program activities must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or belong to other vulnerable populations. HCD is the administrator of the HOME-ARP Program on behalf of the state. HCD received a one-time HOME-ARP allocation of \$155,003,054. The allocation is intended to ensure HCD's one-time HOME-ARP allocation assists the greatest number of the

Qualifying Populations (QPs), all with different levels of service and housing needs. HCD will allocate HOME-ARP funding to the development of affordable rental housing, Supportive Services, and Administration and Planning. The State of California HOME-ARP Allocation Plan (Plan) describes how the state will use HOME-ARP Program funds for eligible activities to address the unmet needs of the QPs in accordance with the Plan, and is posted on the HCD website at:

<https://www.hcd.ca.gov/sites/default/files/docs/policy-and-research/plan-report/home-arp-allocation-plan-draft-1-25-2023.pdf>.

The following page describes the Fiscal Year 2023-2024 (FY23) annual allocations, prior year resources, and the one-year remainder estimates, available to the state's eligible CDBG, HOME, Emergency Solutions Grants (ESG), Housing Opportunities for Persons With Aids (HOPWA), National Housing Trust Fund (NHTF), CDBG-DR, and NDR programs. For CDBG, there is an estimated \$5 million in prior year Program Income (PI) and an estimated \$3.2 million of disencumbered funds from prior years. For HOME, there is prior year PI of \$6.7 million and an estimated \$51 million in disencumbered funds from prior years.

Anticipated Resources

Program	Source of Funds	Use of Funds	Expected Amount Available Year 3				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$31,050,303	\$5,000,000	\$3,200,000	\$39,250,303	\$35,800,000	2023 HUD award allocation, available PI balance plus an estimate of prior year CDBG resources.
HOME	Public Federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$48,140,496	\$6,700,000	\$51,000,000	\$105,840,496	\$52,000,000	2023 HUD Award allocation, Available PI balance plus an estimate on prior year HOME resources.

ESG	Public Federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid Re-Housing (rental assistance) Rental Assistance Services Transitional housing	\$12,412,939	\$0	\$0	\$12,412,939	\$12,265,000	2023 HUD award allocation.
NHTF	Public Federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	\$62,249,056	\$0	\$0	\$62,249,056	\$215,000,000	2023 HUD award estimate.

HOPWA	Public Federal	Permanent Housing Facilities PHP Short term or transitional housing facilities STRMU Supportive Services TBRA	\$5,020,123	\$0	\$2,178,020	\$7,198,143	\$5,020,123	The state HOPWA allocation is \$5,020,123. Prior Year Resources include uncommitted FY 22-23 funding of \$2,178,020.
CDBG-DR 2018 Unmet Needs	Public Federal	Multifamily rental new construction Multifamily rental rehab Other infrastructure	\$0	\$0	\$1,017,399,000	\$1,017,399,000	\$0	HUD Awards: B-19-DV-06-0001 B-19-DV-06-0002
CDBG-DR Mitigation	Public Federal	Public Services and planning, various resilient infrastructure	\$0	\$0	\$80,607,319	\$80,607,319	\$0	HUD Awards: B-18-DP-06-0001 B-19-DT-06-0001

CDBG-NDR	Public Federal	Biomass Facility, Community Resilience Center, Forest, and Watershed health	\$0	\$0	\$28,249,477	\$28,249,477	\$0	2013 HUD Award: B-13-DS-06-0001
CDBG-DR Unmet Needs	Public Federal	Multifamily Housing, Infrastructure, Owner Occupied Rehabilitation	\$0	\$0	\$231,203,000	\$231,203,000	\$0	2020 HUD Award: B-21-DZ-06-0001

Table 4 - Expected Resources – Priority Table

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

The CDBG, HOME, NHTF, ESG, HOPWA, CDBG-DR, and CDBG-National Disaster Resilience (NDR) programs only partially fund the many different activities and services listed. Each program takes a unique approach to leverage multiple funding sources to expand the reach of services. This leveraged funding from other partners is critical. As housing costs continue to rise, developers, communities, and service providers must be creative and have partnerships and other resources to successfully complete the proposed projects. Banks participate in providing conventional loans to support development of affordable rental units. Banks are also active in providing first-time homebuyer assistance in conjunction with state and federal programs.

In general, affordable housing in California is financed by the following sources (the percentage is the approximate utilization for the respective funding sources based on HCD's development financing records):

- State housing tax credits: 10 percent
- Federal housing tax credits: 40 percent
- Private bank loans: 10 percent
- Federal HOME funds: 5 percent
- Local funds: 5 percent
- Federal Home Loan Bank Affordable Housing Program: 5 percent
- State housing funds: 20 percent
- State Mental Health Services Act Housing funds: 5 percent

Funding from state and local housing funds will likely increase from past levels, due to an increase in affordable housing funding available from the state and improvements in local revenues during the past five years.

CDBG: CDBG does not have a match requirement. HCD anticipates that local, state, and philanthropic dollars will be leveraged for CDBG funded activities.

HOME: 25 percent Match Requirement. HCD match sources consist of other state and local resources contributions to housing in conjunction with HOME funds pursuant to the HOME matching requirements at 24 Code of Federal Regulations (CFR) 92.220.

ESG: 100 percent Match Requirement. ESG Match is provided by its Subrecipients on a dollar-for-dollar basis. Specific sources of match are identified at the time of application and must comply with 24 CFR 576.201. The primary sources of match identified in the most recent funding round for ESG are: Local match funding, including cities and

counties, private match funding, including fundraising and cash, federal match funding, including CDBG, Supportive Housing Program (SHP), and HOME Tenant-Based Rental Assistance (TBRA); in addition to donated goods, volunteers, building value, or lease.

NHTF: There is no federal match requirement for NHTF. HCD anticipates that, like the state HOME program, Low Income Housing Tax Credits (LIHTC) will be leveraged for rental new construction projects. HCD anticipates sources of leverage including private bank loans, state funds such as tax credits and HCD state programs such as NPLH, VHHP, MHP, Housing Accelerator, Homekey, etc., other federal funds, and local funds.

HOPWA: There is no federal match requirement for state HOPWA; however, state HOPWA project sponsors report their leveraged funds. On an annual basis, the California Department of Public Health/Office of AIDS (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 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 Consolidated Annual Performance and Evaluation Report (CAPER) FY 2021-2022 reported numbers.

CARES Act: Funding through the CARES Act waived match requirements to improve immediate access to the ESG-CV funds. CDBG-CV does not require match. HOPWA-CV does not require match.

CDBG-DR / MIT: There is no federal match requirement for CDBG-DR. HCD anticipates that for the Multifamily Housing Program, similar to the state HOME and NHTF programs, Low Income Housing Tax Credits (LIHTC) will be leveraged for rental new construction projects. HCD anticipates sources of leverage to also include private bank loans, other state funds, other federal funds, and local funds.

CDBG-NDR: There is no federal match requirement for CDBG-NDR. However, CDBG-NDR funds can be used as non-federal match for certain federal programs, including assistance from FEMA and help to leverage additional public dollars in this way.

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

The lack of affordable housing across California is a matter of vital statewide importance and the state is working to expand housing opportunities through a new level of innovation and cooperation between the public and private sectors. As one of his first acts after taking the oath of office, California Governor Gavin Newsom signed Executive Order (EO) N-06-19, which directed the Department of General Services (DGS) and HCD to identify and prioritize excess state-owned property and aggressively pursue sustainable, innovative, cost-effective housing projects.

DGS compiled an inventory of over 44,000 state-owned parcels and identified the sites most suitable for development. A two-part screening tool, including housing need and economic feasibility measures, was developed and applied to prioritize these parcels.

DGS and HCD published the site inventory in a geographic information system (GIS)-enabled, searchable, and fully interactive map, available at

<https://cadgs.maps.arcgis.com/apps/webappviewer/index.html?id=392e5e687e9041bb8f20e3acc5b211c7>.

This land inventory map shows more than 125 sites that have been identified as state property, suitable for housing (with a focus on affordable housing and access to nearby opportunities) and vetted by departments with jurisdictions excess to their need. Most sites are located within the state's most populous urban areas (i.e., Los Angeles, Bay Area, San Diego, Sacramento, and Orange County), range in size (anywhere from 0.1 acres to large campus sites) and vary from vacant to existing improvements on site. The state's property inventory is dynamic, and sites will be added and/or removed from the map – the state will continue to identify excess land that may be used to address the housing needs identified in this plan. In accordance with recent legislation, HCD and DGS are undertaking a process to update the map, inventory, and screening criteria by mid-2024.

To date, DGS and HCD have released 20 excess sites for developer solicitation, awarded 16 sites to qualified developers of affordable homes, and amassed a pipeline of over 5,000 units and counting. In 2022, HCD doubled down on its commitment to financing these projects through creation of the Excess Sites Local Government Matching Grants program (LGMG). HCD has now implemented two LGMG funding rounds, awarding approximately \$45 million for the generation of nearly 800 low-income housing units and leveraging \$39.4 million in matching local government contributions.

Building on this EO, Assembly Bills 1486 and 1255 were signed at the end of 2019 – connecting affordable housing developers to local surplus land, strengthening enforcement of the Surplus Land Act, and requiring cities and counties to inventory and report surplus and excess local public lands to include in a statewide inventory.

Assembly Bill 1486 (Ting, 2019) aims to connect developers who are interested in building more affordable homes to surplus local public land that is both available and suitable for housing development. As of January 1, 2020, local agencies (cities, counties, and special districts) must send notices about available, surplus local public land to HCD, any local public entity within the jurisdiction where the surplus local land is located, and developers who have notified HCD of their interest in developing affordable housing on surplus local land.

In January 2023, HCD partnered with DGS to publicly release an interactive map of property identified by local governments and jurisdictions to help developers find land for housing development. The Housing and Local Land Development Opportunity Map displays potential development sites in local housing plans and locally owned surplus

and excess sites identified in housing element Annual Progress Reports (APR). This map is particularly impactful to allow developers to view all sites identified by local jurisdictions for housing through housing elements and locally owned surplus and excess land.

More recently, Senate Bill 791 (Cortese, 2021) established the California Surplus Land Unit within HCD. This Unit will build upon HCD's successful implementation of Assembly Bills 1486 and 1255 by providing enhanced data, technical assistance, educational materials, and proactive engagement to increase the utilization of local public land for housing. It will also collaborate with state financing agencies to support the funding and financing of housing projects on such sites. The California Surplus Land Unit is currently in the planning and design phase with the intent to provide technical assistance to select stakeholders by late summer of 2023.

Through both executive and legislative action, the state is not only identifying publicly owned land that may be used to address housing needs, but also finding creative ways to expedite the production of affordable housing through innovative and sustainable measures. As of February 2023, the local public lands (through Surplus Land Act – Assembly Bills 1486 and 1255 of 2019) and the state public lands (through EO N-06-19) programs are estimated to have built a development pipeline of nearly 13,000 new homes, including approximately 9,000 affordable homes.

Annual Goals and Objectives

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

The Consolidated Plan identifies six priority needs and associates six goals with these needs. The goals are:

1. Increase housing affordability (Priority Need: Improved access to affordable housing)
2. Addressing and preventing homelessness (Priority Need: Homelessness prevention and assistance)
3. Economic development (Priority Need: Increase economic development opportunities)
4. Maintain or improve public facilities and infrastructure (Priority Need: Neighborhood stability and sustainability)
5. Maintain or improve access to public services (Priority Need: Community-based public services)
6. Recovery assistance for natural disaster survivors (Priority Need: Disaster recovery and climate resilience)

The figures below represent estimates of allocation goals and objectives for the Program Year 2023-2024. These figures could change based on the U.S. Department of Housing and Urban Development (HUD) input.

In response to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the COVID-19 pandemic, certain goals have been prioritized for increased funding, particularly through the Emergency Solutions Grants-CARES Act Stimulus (ESG-CV) and Community Development Block Grant CARES Act Stimulus (CDBG-CV) programs. These goals include:

- Addressing and preventing homelessness: focusing on providing suitable shelter for unhoused persons at risk of infection and spread of COVID-19.
- Economic development: focusing on job retention and business support
- Maintain or improve public facilities and infrastructure: focusing on healthcare facilities and capacity as well as appropriate shelter facilities for persons experiencing homelessness.
- Maintain or improve access to public services: focusing on services to help address the impacts of COVID-19.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (Cumulative of all Programs)
1	Increase housing affordability	2020	2024	Affordable Housing	Statewide	Improved access to affordable housing	CDBG: \$12,196,117.42 HOME: \$101,026,446.40 HTF: \$62,249,056	Rental units constructed: 120 Household Housing Units (HHU) Rental units rehabilitated: 25 HHU Homeowner housing added: 27 HHU Homeowner housing rehabbed: 245 HHU Direct financial assistance to homebuyers: 52 HH Assisted (HA) Tenant-Based rental assistance: 75 HA
2	Addressing and preventing homelessness	2020	2024	Homeless	Statewide	Homelessness prevention and assistance	CDBG: \$2,791,747.83 HOME: \$4,814,049.60 ESG: \$12,412,939 HOPWA: \$7,198,143	Rapid Re-Housing: 2,800 HA Homeless Person Overnight Shelter: 15,900 Persons Assisted Overnight/ES/TH Housing Beds Added: 300 Beds Homelessness Prevention: 755 Persons Assisted Housing for Homeless Added: 100 HHU HIV/AIDS Housing Operations: 780 HHU See Appendix A for HOPWA

3	Economic Development	2020	2024	Non-Housing Community Development	Statewide	Economic Development	CDBG: \$8,375,243.50	Jobs created/retained:40 Jobs Businesses assisted: 90
4	Maintain or improve public facilities and infrastructure	2020	2024	Non-Housing Community Development	Statewide	Neighborhood stability and sustainability COVID-19 Pandemic Response (CARES Act)	CDBG \$7,020,873.92	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 112,000 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 100 Households Assisted
5	Maintain or improve access to public services	2020	2024	Non-Housing Community Development	Statewide	Community-based public services COVID-19 Pandemic Response (CARES Act)	CDBG \$4,187,621.76	Public service activities other than Low/Moderate Income Housing Benefit: 30,000 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 100 Households Assisted
6	Recovery assistance for natural disaster survivors	2020	2024	Affordable Housing Non-Housing community development	Federally declared disaster areas	Disaster recovery and climate resilience		See CDBG-DR Action Plan: https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notice-frns

Table 5 Goals Summary

Name	Description
1) Increase housing affordability	Address the high cost of housing among extremely low-, low-, and moderate-income households by making available and preserving more affordable housing options.
2) Addressing and preventing homelessness	Addressing the increasing number of individuals and families experiencing homelessness by aiding households currently experiencing homelessness and those at imminent risk of entering homelessness.
3) Economic Development	Provide an economic catalyst to areas in need of economic development, particularly in rural areas, with the goal of increasing economic opportunities and outcomes for low- and moderate-income individuals.
4) Maintain or improve public facilities and infrastructure	Provide support for public facilities and infrastructure, particularly in rural areas, with the goal of supporting low- and moderate-income households in these communities.
5) Maintain or improve access to public services	Provide support for public services, particularly in rural areas, with the goal of supporting low- and moderate-income households in these communities.
6) Recovery assistance for natural disaster survivors	<p>Activities to support disaster recovery for local jurisdictions and communities impacted by federally declared natural disasters.</p> <p>Visit this link for HCD's Disaster Recovery web page for information regarding CDBG-DR Action Plans.</p> <p>Disaster Recovery & Mitigation California Department of Housing and Community Development</p>

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

See estimates in AP-20 table under Goal 1 Increase housing affordability.

AP-25 Allocation Priorities – 91.320(d)

Introduction

The percentages below are based on the expected amount of funds that will be awarded by each program for Program Year 2023-2024 for eligible activities that fall within that goal.

Note: Community Development Block Grant (CDBG) Colonias percentage is listed at 5 percent, but this amount would otherwise be reflected in the amounts available under the housing or infrastructure 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 2022 HOME Notice of Funding Availability (NOFA). For purposes of the goals reflected below, HOME TBRA is considered a homelessness assistance or prevention activity.

	Increase Housing Affordability (%)	Addressing and preventing homelessness (%)	Economic Development (%)	Maintain or improve public fac. and infrastructure (%)	Maintain or improve access to public services (%)	Recovery assistance for natural disaster survivors (%)	Colonias Set-Aside (%)	Total (%)
CDBG	35	10	30	5	15	0	5	100
HOME	90	10	0	0	0	0	0	100
HOPWA	0	100	0	0	0	0	0	100
ESG	0	100	0	0	0	0	0	100
HTF	100	0	0	0	0	0	0	100
Other CDBG-DR Mitigation	0	0	0	0	0	100	0	100
Other CDBG-DR Unmet Need	0	0	0	0	0	100	0	100
Other NDR	0	0	0	0	0	100	0	100

Table 6 – Funding Allocation Priorities

Reason for Allocation Priorities

Community Development Block Grant (CDBG): Actual allocation percentages may vary from Table 6 – Funding Allocation Priorities. After administration costs are subtracted and mandatory federal and state allocations are calculated, projected activity funding is based on the demand for each activity as reflected in each year’s application submittals. Federal law requires an allocation of up to 10 percent for eligible Colonias communities. The California Department of Housing and Community Development (HCD) has traditionally set aside 5 percent for eligible Colonias communities; however, the specific amounts will be identified in the annual Notice of Funding Availability (NOFA). Federal law requires that not more than 15 percent of CDBG funding be provided for public service activities each year. State statute requires that 1.25 percent of HUD’s annual allocation of CDBG funds be set aside to projects serving non-federally recognized Native American communities [HSC 50831], that that 30 percent of HUD’s annual allocation, less Department administrative funds, be set aside for economic development activities [HSC 50827], and that not less than 51 percent of HUD’s annual allocation, less Department administrative funds, be set aside to fund housing and housing-related activities (housing-related includes public improvements and public facilities in support of construction of new housing activities) [HSC 50828].

If the demand for these statutorily required set-asides in any given NOFA cycle is not sufficient, then the balance of funds will revert to the general pool of funds to be awarded to other eligible projects and programs. In addition to allocations and funding-level criteria described above, 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- and moderate-income individuals in compliance with CDBG federal regulations.

HOME Investment Partnerships Program (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 programs, including First-Time Homebuyer (FTHB) mortgage assistance, Owner-Occupied Rehabilitation (OOR), and TBRA (i.e., program activities), and 60 percent for multifamily rental and FTHB projects, which includes a 5 percent minimum set aside for FTHB new construction or rehabilitation/conversion activities (i.e., FTHB projects). Each allocation also included a 20 percent set-aside to fund tribal applications.

Homeless assistance and prevention activities reflects anticipated demand for HOME TBRA and Multifamily rental projects for Program Year (PY) 23-24. We anticipate an increased need for TBRA due to lack of other rental assistance, or assistance provided as a result of local, state, or federally declared disasters. Many multifamily rental funding sources are targeted to meet the needs of extremely low-income households

that are homeless or at risk of homelessness.

National Housing Trust Fund (NHTF): In accordance with the 2017 Assembly Bill 74, NHTF funding allocations for FY18-FY21 were used for the state's Housing for a Healthy California (HHC) Article I Program. Under HHC, priorities were based on the state's current homeless crisis, and funds were awarded competitively to developers for operating reserve grants and capital loans for the creation of Permanent Supportive Housing for the HHC Target Population: people experiencing chronic homelessness or homeless, who are receiving or are eligible for Medi-Cal and are high-cost health users.

Moving forward starting with FY22, NHTF will be administered as a stand-alone program without the state HHC overlay. In accordance with Title 24 Code of Federal Regulations, §93.250, and California's AB 816, NHTF funds will be used to create housing affordable to extremely low-income households, including people experiencing homelessness. HCD has amended past years annual action plans to align NHTF eligible activities with federal regulations to include rental rehabilitation.

Emergency Solutions Grants (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 (SAs), 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)

Housing Opportunities for Persons With Aids (HOPWA): A statutory goal of HOPWA is to prevent or alleviate homelessness among persons living with HIV. The California Department of Public Health/Office of 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 (EMSAs) 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.

Community Development Block Grant-Disaster Recovery (CDBG-DR): CDBG-DR funding solely supports the recovery assistance for natural disaster survivors' goals in our Consolidated Plan. For details on CDBG-DR please visit [Disaster Recovery & Mitigation | California Department of Housing and Community Development](#)

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The Consolidated Plan (Con Plan) identifies six priority needs, associates six goals with these needs, and associates specific goal outcome indicators (objectives) with these goals. The Con Plan goals are:

- Increase housing affordability (Priority Need: Improved access to affordable housing) (Goal Outcome Indicators: Households Assisted, Housing Units Added, Tenant-Based Rental Assistance/Rapid Re-Housing)
- Addressing and preventing homelessness (Priority Need: Homelessness prevention and assistance) (Goal Outcome Indicators: Households Assisted, Persons Assisted)
- Economic development (Priority Need: Increase economic development opportunities) (Goal Outcome Indicators: Jobs Created/Retained, Businesses Assisted, Persons Assisted)
- Maintain or improve public facilities and infrastructure (Priority Need: Neighborhood stability and sustainability) (Goal Outcome Indicators: Area Benefit (total people assisted), Persons Assisted)
- Maintain or improve access to public services (Priority Need: Community-based public services) (Goal Outcome Indicators: Area Benefit (total people assisted), Persons Assisted)
- Recovery assistance for natural disaster survivors (Priority Need: Disaster recovery and climate resilience) (Goal Outcome Indicators: Households, Persons, Areas)

The proposed distribution of funds addresses all the goals identified in the Con Plan by allocating funding to activities that will contribute directly to each of the goal outcome indicators. The proposed allocations will be determined by the goal priorities set in the Con Plan (High or Low), by applicant demand for each activity, and federal and state statutory or regulatory requirements for the use of the funds.

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

Introduction

Per 24 Code of Federal Regulations (CFR) Part 91.320(d) and (k), the state Annual Action Plan (AAP) must include a description of its method(s) for distributing funds to local governments and nonprofit organizations to carry out activities, or the activities to be undertaken by the state using funds that are expected to be received under formula allocations and Program Income (PI) and any other the U.S. Department of Housing and Urban Development (HUD) assistance during the fiscal year (FY). The description must include the reason for allocation priorities, how the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan (Con Plan) and any obstacles to addressing underserved needs. The method of distribution must also describe specific information for each program it administers. Pursuant to these regulations, the distribution methods for the Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), HOME Investments Partnerships Program (HOME), Housing Opportunities for Persons With AIDS (HOPWA), and the National Housing Trust Fund (NHTF) are described below.

For Community Development Block Grant-Disaster Recovery (CDBG-DR) program method of distribution, please see the California Department of Housing and Community Development's (HCD) webpage for that program's AAP:

[Disaster Recovery & Mitigation | California Department of Housing and Community Development](#)

For Coronavirus Aid, Relief, and Economic Stimulus (CARES) Act Funding Methods of Distribution including CDBG-CARES Act (CV) and ESG-CV, please see Annual Action Plans and Amendments 2019-2020 available here:

[Plans & Reports | California Department of Housing and Community Development](#)

CDBG (Community Development Block Grant) Program

Summary:

HCD's CDBG program partners with rural cities and counties to improve the lives of low and moderate-income residents through the creation and expansion of community and economic development opportunities in support of livable communities.

The state CDBG program uses a Notice of Funding Availability (NOFA) application process in which eligible cities and counties apply for funding awards both competitively and Over the Counter (OTC) for a variety of programs and projects intended to align with the goals and priorities identified in the 2020-2024 Con Plan as outlined in the Allocation Priorities.

There are four different Methods of Distribution (MOD) used within the CDBG program that are outlined in the annual NOFA:

- CDBG Competitive
- CDBG OTC
- CDBG Colonias Set-Aside
- CDBG non-federally recognized Native American Communities or Tribes Set-Aside

The third MOD listed is to comply with federal requirements which mandate an AAP set aside for Colonias, for which the state sets aside 5 percent of its allocation each year.

The fourth MOD listed is to comply with state statute that requires 1.25 percent of the total amount of funds shall be used for eligible activities benefiting non-federally recognized Native American communities or Tribes.

State statute [HSC 50828] requires that not less than 51 percent of HCD's CDBG annual allocation from HUD, less Department administrative funds, be made available for activities providing or improving housing opportunities for low- and moderate-income households, including but not limited to the construction of infrastructure.

State statute [HSC 50827] also requires that not less than 30 percent of HCD's CDBG annual allocation from HUD, less Department administrative funds, shall be set aside for Economic Development (ED) projects and programs.

All four methods of distribution contribute to the above noted housing and economic development activities percentages required by state statute. Available funding may be used across the various MODs based on demand and to meet state statutory requirements.

Future special allocations of CDBG funding may have different criteria than those

above, which are for the standard CDBG program. Future special allocations of CDBG funding may reflect specific goals or priorities intended to provide response to the reason for the special allocation such as a pandemic, economic recession or other event (s) requiring a federal response.

Applications for future special allocations may be in addition to other applications submitted by an eligible jurisdiction. Applications submitted under this section will be independently evaluated and ranked against other applications for these respective special allocations, without regard to the ranking of an application submitted pursuant to another section of the NOFA. Applications for these allocations will not be included in the per-jurisdiction grant award maximums.

Unallocated or uncommitted current or prior year CDBG funds can be used in the circumstances listed below:

- To increase awarded allocations to grantees that demonstrate fast spending and a need for additional resources.
- To meet unforeseen emergency needs, including but not limited to projects or programs qualifying under the Urgent Need National Objective.
- For other eligible activities for which applications were submitted to the state for funding that provide the ability to spend funds by regulatory expenditure deadlines.

Funding awarded in these circumstances will not require issuance of a separate Notice of Funding Availability but may have a supplementary application.

Applications will be submitted in the eCivis Grants Network, with an expedited review process to ensure that the need is met.

For the CDBG and HOME program, the state will be directly carrying out both administrative and Activity Delivery related activities across all activities where activity delivery is appropriate.

1	State Program Name:	CDBG Competitive
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	CDBG planning and public services. Applications will be submitted, and contracts will be managed in the eCivis Grants Network.
	Describe all of the criteria that will be	The 2023 NOFA offers competitive programs under the planning and public services categories.

<p>used to select applications and the relative importance of these criteria.</p>	<p>Applicants are allowed to submit up to two competitive applications or one competitive and one OTC application. Competitive application criteria will focus on need, readiness, capacity, and past performance. Specific details about the criteria and their relative importance will be published in the 2023 NOFA in June 2023 here: Community Development Block Grant Program (CDBG) California Department of Housing and Community Development</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describe the application criteria? (CDBG only)</p>	<p>CDBG - The specific scoring breakdowns for all application types are included in the Appendices of the NOFA. The NOFA will be made available on HCD’s CDBG webpage at Community Development Block Grant Program (CDBG) California Department of Housing and Community Development however, the Appendices will be kept within HCD’s grants management system. Applicants can access the grants management system at https://gn.ecivis.com/GO/gn_redir/T/vyjsqf2kekyx.</p> <p>The state’s CDBG Final Guidelines effective in 2019 also describe how evaluation criteria are established. All of these documents are available at Community Development Block Grant Program (CDBG) California Department of Housing and Community Development.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The state’s goals for the CDBG program are to partner with rural cities and counties to improve the lives of their low- and moderate-income residents through the creation and expansion of community and economic development opportunities in support of livable communities.</p> <p>Pursuant to the state’s CDBG Program Guidelines, funding allocations are based on demand once state administration funding amounts and state and federal set-aside amounts have been accounted for.</p> <p>Locally generated Program Income (PI) is not</p>

		<p>currently allowed to be used for public services or planning activities and grantees may not include Program Income in planning or public services budgets submitted under the 2023 NOFA.</p> <p>Public service activities will be funded under the competitive method of distribution and will not exceed 15 percent of the CDBG annual allocation from HUD, pursuant to federal regulation.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>Applicants must meet the state and federal CDBG regulation threshold requirements at time of application submittal. These threshold requirements are detailed in the 2023 NOFA and in the application. That can be accessed at the CDBG webpage linked above when available.</p> <p>Grant size limits: Under the CDBG 2023 NOFA, the maximum total grant award for all activities combined will be approximately \$3.3 million per jurisdiction *with the exception of applications approved to meet urgent need and to respond to unforeseen emergencies or events as determined by the HCD Community Development Branch Chief. This maximum does not include Program Income (PI). Jurisdictions that commit PI to an activity may exceed the maximum grant award total, including PI. Note that PI may be used only for Program Income Only applications or in OTC Applications. PI may not be used for public services or planning activities under the 2023 NOFA.</p> <p>Per jurisdiction limits do not include Colonia and Native American set-asides.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>With the FY23 competitively awarded funds, CDBG expects to assist eligible households and persons with housing costs and support eligible communities with needed public services. The specific goals and goal outcome indicators associated with CDBG public services activities are:</p> <p>Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons</p>

		<p>Assisted)</p> <p>Maintain or improve access to public services (Goal Outcome Indicators: Area Benefit (total people assisted), Persons Assisted, Households Assisted)</p> <p>Note that planning activities are not required to meet a National Objective but must plan for a CDBG eligible activity that will meet a National Objective if and when the project is completed.</p>
2	State Program Name:	CDBG Over the Counter (OTC)
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	<p>CDBG housing and economic development projects and programs, and non-housing (infrastructure and public facilities projects).</p> <p>Applications will be submitted, and contracts will be managed in the eCivis Grants Network.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>The OTC waitlist established under the 2019-2020 NOFA will be given a preference period to apply prior to opening the application process to new programs and projects. Applications will be reviewed for eligibility on a first-come, first-served basis.</p> <p>OTC applications must meet threshold criteria to be eligible. Threshold criteria will be listed in the NOFA found at: Community Development Block Grant Program (CDBG) California Department of Housing and Community Development.</p>
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	<p>The NOFA will be made available on HCD's CDBG webpage at Community Development Block Grant Program (CDBG) California Department of Housing and Community Development however, the Appendices will be kept within HCD's grants management system. Applicants can access the grants management system at https://gn.ecivis.com/GO/gn_redir/T/vyjsqf2kekyx.</p> <p>The state's CDBG Final Guidelines effective in 2019 also describe how evaluation criteria are established. All of these documents are available at Community Development Block Grant Program</p>

	(CDBG) California Department of Housing and Community Development.
Describe how resources will be allocated among funding categories.	<p>Pursuant to the state’s CDBG Program Guidelines, funding allocations are based on demand once state administration funding amounts and state and federal set-aside amounts have been accounted for.</p> <p>Locally generated Program Income (PI) is a key resource for meeting community needs and under federal regulations must be spent before formula allocations are spent. To ensure timely expenditure, any PI not obligated in an eligible activity by June 30, 2024, will be subject to recapture. This will not include PI receipts received after January 1, 2024 but will include all PI receipts received prior to January 1, 2024.</p>
Describe the threshold factors and grant size limits.	<p>Applicants must meet the state and federal CDBG regulation threshold requirements at time of application submittal. These threshold requirements will be detailed in the 2023 NOFA and in the application. The NOFA will be accessed at Community Development Block Grant Program (CDBG) California Department of Housing and Community Development.</p> <p>Grant size limits: Under the CDBG 2023 NOFA, the maximum total grant award for all activities combined will be approximately \$3.3 million per jurisdiction *with the exception of applications approved to meet urgent need and to respond to unforeseen emergencies or events as determined by the HCD Community Development Branch Chief. This maximum does not include Program Income (PI). Jurisdictions that commit PI to an activity may exceed the maximum grant award total, including PI. Per jurisdiction limits do not include Colonias and Native American set-asides.</p>
What are the outcome measures expected as a result of the	With the FY23 OTC funds, CDBG expects to assist eligible households and persons with housing costs and support eligible communities with needed public

	method of distribution?	<p>services, while improving economic opportunities. The specific goals and goal outcome indicators associated with CDBG OTC activities are:</p> <p>Increase housing affordability (Goal Outcome Indicators: Households Assisted, Household Housing Units Added)</p> <p>Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted, Overnight/ES/TH Housing Beds Added, Household Housing Units Added)</p> <p>Economic Development (Goal Outcome Indicators: Jobs Created/Retained, Businesses Assisted, Persons Assisted)</p> <p>Maintain or improve public facilities and infrastructure (Goal Outcome Indicators: Persons assisted, Households Assisted)</p>
3	State Program Name:	CDBG Colonias Set-aside. See AP-48 for this Method of Distribution.
	Funding Sources:	
	Describe the state program addressed by the Method of Distribution.	
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	
	If only summary criteria were described, how can potential applicants access application manuals or other state publications	

	describing the application criteria? (CDBG only)	
	Describe how resources will be allocated among funding categories.	
	Describe the threshold factors and grant size limits.	
	What are the outcome measures expected as a result of the method of distribution?	
4	State Program Name:	CDBG non-federally recognized Native American Communities or Tribes
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	<p>HCD’s CDBG program partners with rural cities and counties to improve the lives of low- and moderate-income residents through the creation and expansion of community and economic development opportunities in support of livable communities. The state sets aside at least 1.25 percent of the total amount of funds to be used for eligible activities benefiting non-federally recognized Native American communities or Tribes.</p> <p>The state CDBG program uses a Notice of Funding Availability (NOFA) application process in which eligible cities and counties apply for funding awards competitively for a variety of programs and projects intended to align with the goals and priorities identified in the 2020-2024 Con Plan as outlined in the Allocation Priorities. These cities and counties are eligible to apply on behalf of non-federally recognized Native American communities or Tribes.</p>
	Describe all of the	The criteria for the non-federally recognized Tribe’s

<p>criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>set-aside applications are the same as the criteria for the state CDBG competitive and Over the Counter applications. Competitive application criteria will focus on need, readiness, capacity and past performance. For specific details about the criteria, see the NOFA, available here: Community Development Block Grant Program (CDBG) California Department of Housing and Community Development.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications be describing the application criteria? (CDBG only)</p>	<p>Applicants will have access to the NOFA: Community Development Block Grant Program (CDBG) California Department of Housing and Community Development and a link to a unique online application form. For details on the competitive process, please see the CDBG competitive method of distribution. For details on the OTC process, please see the CDBG Over the Counter method of distribution. Only cities and counties applying on behalf of a non-federally recognized Tribe are eligible for the non-federally recognized tribal set-aside through the state CDBG program.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Pursuant to state statute, at least 1.25 percent of the total amount of funds shall be used for eligible activities benefiting non-federally recognized Native American communities or Tribes. The set-aside is allocated from the CDBG annual allocation and may be used to support any CDBG eligible activity.</p>
<p>Describe the threshold factors and grant size limits.</p>	<p>Applications may be in addition to other applications submitted by an eligible jurisdiction. Applications submitted under this section will be independently evaluated and ranked against other applications for this set-aside, without regard to the ranking of an application submitted pursuant to another section of this NOFA. Applications for these allocations are not included in the per-jurisdiction grant award maximums.</p> <p>All applications must meet federal and state thresholds and overlays to be eligible for funding.</p>

		<p>Please see the CDBG NOFA for the CDBG threshold and overlays. The tribal set-aside is subject to the same thresholds and overlays as the other set-asides and allocations in the state CDBG program.</p> <p>Grant size limits: The following grant limits apply to the tribal set-aside only:</p> <p>The FY23 NOFA maximum application limit for tribal funding will be no less than 1.25 percent of the CDBG allocation. Tribal applications may apply for the full amount of set-aside for an eligible activity. If a tribal applicant wishes to apply for more than the set-aside, it should apply under the competitive or OTC funding for evaluation along with all other applicants. Grant size limits will be in the applicable NOFA and may change as the size of the CDBG allocation changes.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>With the FY23 tribal set-aside, CDBG expects to assist eligible households and persons with housing costs and support eligible communities with needed public services, while improving economic opportunities.</p> <p>The specific goals and goal outcome indicators associated with CDBG activities are:</p> <p>Increase housing affordability (Goal Outcome Indicators: Households Assisted, Housing Units Added)</p> <p>Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted)</p> <p>Economic Development (Goal Outcome Indicators: Jobs Created/Retained, Businesses Assisted, Persons Assisted)</p> <p>Maintain or improve access to public services (Goal Outcome Indicators: Area Benefit (total people assisted), Persons Assisted)</p>

ESG Program

1	State Program Name:	Emergency Solutions Grants Program (ESG) Continuum of Care Allocation
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	<p>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-funded activities must address homelessness.</p> <p>The ESG program aims to do the following:</p> <ul style="list-style-type: none"> • Align with local systems’ federal ESG and HEARTH goals • Invest in impactful activities based on key performance goals and outcomes • Improve the geographic distribution of funded activities • Maintain continuity of funded activities and create a streamlined delivery mechanism <p>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.</p> <p>HCD’s ESG program is currently distributed in accordance with the Emergency Solutions Grants Program State Regulations, California Code of Regulations Title 25, Division 1, Chapter 7. HCD is currently exploring alternate, more effective methods of distribution and may amend this Consolidated Plan to implement a new method of distribution in future years.</p> <p>The amount of funds available to Service Areas within the Continuum of Care Allocation and the Balance of State Allocation will be based on the</p>

		<p>amount of ESG funds available in any given year using the following formula factors adjusted biannually using the most recent data available.</p> <p>(1) The Point-in-Time count published by HUD, which includes both sheltered and unsheltered homeless persons prorated to reflect the total population of the ESG non-entitlement Areas within each Continuum of Care Service Area as published by the Census Bureau.</p> <p>(2) The number of extremely low-income renter households within the ESG non-entitlement Areas of each Continuum of Care Service Area that are paying more than 50 percent of their income for rent using HUD's Comprehensive Housing Affordability Strategy dataset.</p> <p>(3) The number of persons below the federal poverty line within the ESG Non-entitlement Areas of each Continuum of Care Service Area divided by the total population within the ESG non-entitlement Areas of each Continuum of Care Service Area. This factor will be double-weighted. Data for these factors will be obtained from the Census Bureau.</p> <p>(4) Notwithstanding subsections (1) through (3) above, HCD may occasionally adjust the weighting of these factors and sources of information to reflect changes in the availability of data sources and to use the best information available. Any changes to the factors or weighting of the formula will be proposed in the Action Plan.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applications will be evaluated using criteria set in state regulation at Section 8407 or, alternatively, based on new program guidelines to be adopted should the state decide to waive, suspend, repeal, or otherwise eliminate the state ESG Regulations.</p> <p>Within the CoC allocation, Administrative Entities (AEs) will be selected by HCD to administer an allocation of funds provided pursuant to the formula factors set forth under <u>section 8402</u> of the state</p>

		<p>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 Service Areas (SA), including ensuring access to ESG funds by households living in non-entitlement areas. CoC and AE qualifications are set forth in state ESG Regulation <u>section 8403(d) and (e)</u>.</p> <p>To be eligible to participate in the Continuum of Care Allocation, the Continuum of Care shall recommend an Administrative Entity that meets the following criteria set forth in subsections (1) through (3) below. Where there is more than one eligible ESG Entitlement in a Continuum of Care Service Area willing to perform the functions of an Administrative Entity, the Continuum of Care shall recommend a single Administrative Entity for approval by HCD.</p> <p>(1) Is a Unit of general-purpose local government that has administered ESG funds for an Entitlement Area during at least one of the past five years. Where a city is the only unit of general-purpose local government that has administered ESG funds for the Entitlement Area within the Continuum of Care Service Area, the Administrative Entity may be a county agency with experience administering another federal homelessness, housing, community development, or human services program in at least one of the past five years.</p> <p>(2) Has no unresolved ESG monitoring findings with HUD or HCD that HCD determines poses a substantial risk to HCD if the Administrative Entity is approved; and</p> <p>(3) Demonstrates the ability and willingness to perform the functions of an Administrative Entity pursuant to federal and state ESG requirements.</p>
	<p>Describe the process for awarding funds to</p>	<p>Awards for funding will be made pursuant to the criteria set forth in sections 8403 of the state ESG</p>

<p>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)</p>	<p>Regulations, or by an alternative established in new program guidelines to be adopted should the state decide to waive, suspend, or eliminate the state ESG Regulations, and pursuant to objectives laid out in annual or special Notices of Funding Availability that are responsive to current needs.</p> <p>HCD does not limit the number or type of contracts, subcontracts, or activities per contract between the Administrative Entity and the Subrecipient of the Administrative Entity. If limits are established, they will be defined here and in the NOFA. <u>The Administrative Entity shall ensure that:</u></p> <p>(1) Not including the funding administered for a geographically contiguous Continuum of Care Service Area pursuant to subdivision (a) (1) above, not less than 40 percent of the funds awarded on an annual basis shall be used for Rapid Re-Housing activities; and</p> <p>(2) Through the use of Coordinated Entry and other means, all funded activities are available to non-entitlement areas of the Service Area consistent with section 414 [42 U.S.C. section 11373(c)].</p> <p>(A) The Administrative Entity shall facilitate outreach and access to reach populations in the non-entitlement areas and shall evaluate participation from these areas at least annually. HCD may condition future funding to ensure access to funded activities by non-entitlement areas.</p> <p>(B) Funded activities may also serve households located in ESG Entitlement Areas.</p> <p>Processes used to make ESG CoC funding awards follow the following steps:</p> <ol style="list-style-type: none"> 1. Availability of funding is announced via a NOFA 2. Applications are made available and are completed and submitted by applicants (AEs)
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		<ol style="list-style-type: none"> 3. Program staff evaluate applications on ability to meet threshold requirements and eligibility set forth in the NOFA 4. Applications recommended for award by program staff are routed for approval by HCD leadership 5. HCD leadership makes decisions about which awards to fund 6. Awards are announced; and 7. Awards made are formalized through an executed Standard Agreement.
	<p>Describe how resources will be allocated among funding categories.</p>	<p>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 restrictions as well as the following limitations.</p> <p>HCD does not limit the number or type of contracts, subcontracts, or activities per contract between the Administrative Entity and the Subrecipient of the Administrative Entity. If limits are established, they will be defined here and in the NOFA. <u>The Administrative Entity shall ensure that:</u></p> <p>(1) Not less than 40 percent of the funds awarded on an annual basis shall be used for Rapid Re-Housing activities, 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 ESG Regulations section 8408; and</p> <p>(2) Through the use of Coordinated Entry and other means, all funded activities are available to non-entitlement areas of the Service Area consistent with section 414 [42 U.S.C. section 11373(c)].</p> <p>(A) The Administrative Entity shall facilitate outreach and access to reach populations in the non-entitlement areas and shall evaluate</p>

		<p>participation from these areas at least annually. HCD may condition future funding to ensure access to funded activities by non-entitlement areas.</p> <p>(B) Funded activities may also serve households located in ESG Entitlement Areas.</p> <p>AEs under the CoC allocation may receive approximately 2.6 percent of their formula allocation for Administration as defined in the federal regulations, 24 CFR 576.108(a).</p>
	Describe the threshold factors and grant size limits.	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 the contracts. HCD will be monitoring AEs to ensure that they can effectively manage the number of awards they make.
	What are the outcome measures expected as a result of the method of distribution?	<p>As stated previously, the method of distribution is designed to better align with local systems, federal ESG and HEARTH goals. The specific goal and goal outcome indicators associated with ESG activities in the Strategic Plan is addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted).</p> <p>For FY23, ESG anticipates serving approximately:</p> <p>Rapid Re-Housing: 2833 households and 4555 persons</p> <p>Emergency Shelter: 11510 households and 15,903 persons</p> <p>Street Outreach: 5048 households and 7011 persons</p> <p>Homelessness Prevention: 180 households and 207 persons</p>
2	State Program Name:	Emergency Solutions Grants Program (ESG) Balance of State Competitive
	Funding Sources:	ESG
	Describe the state	As authorized by Subtitle B of Title IV of the

<p>program addressed by the Method of Distribution.</p>	<p>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-funded activities must address homelessness.</p> <p>The ESG program aims to do the following:</p> <ul style="list-style-type: none"> • Align with local systems’ federal ESG and HEARTH goals • Invest in impactful activities based on key performance goals and outcomes • Improve the geographic distribution of funded activities • Maintain continuity of funded activities and create a streamlined delivery mechanism <p>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.</p> <p>HCD’s ESG program is currently distributed in accordance with the Emergency Solutions Grants Program State Regulations, California Code of Regulations Title 25, Division 1, Chapter 7. HCD is currently exploring alternate, more effective methods of distribution and may amend this Consolidated Plan to implement a new method of distribution in future years.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The amount of funds available to Service Areas within the Continuum of Care Allocation and the Balance of State Allocation will be based on the amount of ESG funds available in any given year using the following formula factors adjusted biannually using the most recent data available.</p> <p>(1) The Point-In-Time count published by HUD which includes both sheltered and unsheltered homeless persons prorated to reflect the total</p>

		<p>population of the ESG non-entitlement Areas within each Continuum of Care Service Area as published by the Census Bureau.</p> <p>(2) The number of extremely low-income renter households within the ESG non-entitlement Areas of each Continuum of Care Service Area that are paying more than 50 percent of their income for rent using HUD's Comprehensive Housing Affordability Strategy dataset.</p> <p>(3) The number of persons below the federal poverty line within the ESG non-entitlement Areas of each Continuum of Care Service Area divided by the total population within the ESG non-entitlement Areas of each Continuum of Care Service Area. This factor will be double-weighted. Data for these factors will be obtained from the Census Bureau.</p> <p>(4) Notwithstanding subsections (1) through (3) above, HCD may occasionally adjust the weighting of these factors and sources of information to reflect changes in the availability of data sources and to use the best information available. Any changes to the factors or weighting of the formula will be proposed in the Action Plan.</p> <p>Applications will be evaluated using criteria set in state regulation at Section 8407 or, alternatively, based on new program guidelines to be adopted should the state decide to waive, suspend, repeal, or otherwise eliminate the state ESG Regulations.</p> <p>Per state Regulation, under the annual NOFA, ESG funds will be allocated to two separate funding pools: the Continuum of Care (CoC) allocation and the Balance of State (BoS) allocation.</p> <p>HCD will administer the Balance of State Allocation for a Service Area without an ESG Entitlement consistent with the requirements section 8404. SA Funds available through the competitive allocation are divided up into three geographic regional allocations (Northern Region, Bay Area Region, and</p>
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		<p>the Central and Imperial Valley Region). Programs within each of these regions apply for the funds. Applications will be evaluated using criteria set in state ESG Regulation at Section 8407 or based on alternative program guidelines to be adopted should the state decide to waive, suspend, repeal, or otherwise eliminate the state ESG Regulations, based on the following criteria listed from highest to lowest possible points:</p> <p><u>Impact and Effectiveness:</u> Average length of project participation for leavers and exits to permanent housing.</p> <p><u>Applicant Experience:</u> Length of experience implementing proposed activity (points can be lost for prior year disencumbered funds, unresolved monitoring findings, or late reporting).</p> <p><u>Program Design:</u> Quality of the proposed program in delivering eligible Activities to participants consistent with the CoC’s written standards and state ESG Regulation section 8409 Core Practices.</p> <p><u>Need:</u> Application for activity meets the highest need in the community.</p> <p><u>Cost Efficiency:</u> Average cost per exit to permanent housing.</p> <p>Future special allocations of ESG funding may have different criteria than those above, which are for the standard ESG program. Future special allocations of ESG funding may reflect specific goals or priorities intended to provide response to the reason for the special allocation such as the pandemic, economic recession or other event requiring a federal response.</p>
	<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local</p>	<p>ESG funds will be distributed to local governments and non-profit homeless service providers, including community and faith-based organizations pursuant to the formula set forth under section 8402 of the state ESG Regulations or, alternatively, based on new program guidelines to be adopted</p>

<p>government, and non-profit organizations, including community and faith-based organizations. (ESG ONLY)</p>	<p>should the state decide to waive, suspend, or eliminate the state ESG Regulations, as described above.</p> <p>Awards for funding will be made pursuant to the criteria set forth in sections 8403 and 8404 of the state ESG Regulations, or by an alternative established in new program guidelines to be adopted should the state decide to waive, suspend, or eliminate the state ESG Regulations, and pursuant to objectives laid out in annual or special Notices of Funding Availability that are responsive to current needs.</p> <p>All competitive processes used to make ESG funding awards follow the following steps:</p> <ol style="list-style-type: none"> 1. Availability of funding is announced via a NOFA. 2. Applications are made available and are completed and submitted by applicants. 3. Program staff evaluate applications on ability to meet threshold requirements, eligibility, and on set scoring criteria in the NOFA. 4. Applications recommended for award by program staff are routed for approval by HCD leadership. 5. HCD leadership makes decisions about which awards to fund. 6. Awards are announced; and 7. Awards made are formalized through an executed Standard Agreement. <p>Per the requirement of the state ESG Regulations at 8402 (c)(4), the annual competitive CoC NOFA will cap the amount of funds available to a Service Area (SA) to no more than 10 percent of the greater geographic balance of the funds among all eligible Continuums of Care. The annual NOFA will detail the amount of funds under the BoS allocation that will be made available noncompetitively to each SA.</p> <p>Under the BoS allocation, up to 50 percent of the funds will be available noncompetitively to each</p>
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		<p>BoS SA. The remaining balance will be available within three regional competitive set-asides set forth under ESG regulations <u>section 8404(a)(3)</u>. 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 or, alternatively, based on new program guidelines to be adopted should the state decide to waive, suspend, or eliminate the state ESG Regulations.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>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 restrictions as well as the following instructions.</p> <p>Under the BoS allocation, up to 50 percent of the funds will be available noncompetitively to each BoS SA. The remaining balance will be available within three regional competitive set-asides set forth under ESG regulations <u>section 8404(a)(3)</u>. BoS Competitive applicants may submit applications for RR, ES and SO. HP and HMIS are limited to 10 percent of the applicant’s total application amount.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>All funded activities must meet program eligibility criteria as set forth in state ESG Regulations section 8406 and this AAP. Applications for ESG funding must meet the following threshold factors:</p> <ul style="list-style-type: none"> • The applicant is an eligible organization and is recommended by the CoC • The CoC meets the requirements of section 8404(a)(1) • The application proposes an eligible activity in the CoC SA consistent with section 8408

		Each Competitive 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. Grant administration of up to \$200 per application may be requested by local government service provider applicants per <u>24 CFR §576.108</u> .
	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. The specific goal and goal outcome indicators associated with ESG activities in the Strategic Plan is addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted). For FY23, ESG anticipates serving approximately: Rapid Re-Housing: 104 households and 253 persons Emergency Shelter: 1078 households and 1808 persons Street Outreach: 388 households and 400 persons Homelessness Prevention: 39 households and 76 persons
3	State Program Name:	Emergency Solutions Grants Program (ESG) Balance of State Noncompetitive
	Funding Sources:	ESG
	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-funded activities must address homelessness. The ESG program aims to do the following: <ul style="list-style-type: none"> Align with local systems' federal ESG and HEARTH goals

		<ul style="list-style-type: none"> • Invest in impactful activities based on key performance goals and outcomes • Improve the geographic distribution of funded activities • Maintain continuity of funded activities and create a streamlined delivery mechanism <p>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.</p> <p>HCD’s ESG program is currently distributed in accordance with the Emergency Solutions Grants Program State Regulations, California Code of Regulations Title 25, Division 1, Chapter 7. HCD is currently exploring alternate, more effective methods of distribution and may amend this Consolidated Plan to implement a new method of distribution in future years.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The amount of funds available to Service Areas within the Continuum of Care Allocation and the Balance of State Allocation will be based on the amount of ESG funds available in any given year using the following formula factors adjusted biannually using the most recent data available.</p> <p>(1) The Point- In- Time count published by HUD which includes both sheltered and unsheltered homeless persons prorated to reflect the total population of the ESG non-entitlement Areas within each Continuum of Care Service Area as published by the Census Bureau.</p> <p>(2) The number of extremely low-income renter households within the ESG non-entitlement Areas of each Continuum of Care Service Area that are paying more than 50 percent of their income for rent using HUD's Comprehensive Housing Affordability</p>

		<p>Strategy dataset.</p> <p>(3) The number of persons below the federal poverty line within the ESG non-entitlement Areas of each Continuum of Care Service Area divided by the total population within the ESG non-entitlement Areas of each Continuum of Care Service Area. This factor will be double-weighted. Data for these factors will be obtained from the Census Bureau.</p> <p>(4) Notwithstanding subsections (1) through (3) above, HCD may occasionally adjust the weighting of these factors and sources of information to reflect changes in the availability of data sources and to use the best information available. Any changes to the factors or weighting of the formula will be proposed in the Action Plan.</p> <p>Applications will be evaluated using criteria set in state regulations, or, alternatively, based on new program guidelines to be adopted should the state decide to waive, suspend, repeal, or otherwise eliminate the state ESG Regulations.</p> <p>Per state Regulation, under the annual NOFA, ESG funds will be allocated to two separate funding pools: the Continuum of Care (CoC) allocation and the Balance of State (BoS) allocation.</p> <p>HCD will administer the Balance of State Allocation for a Service Area without an ESG Entitlement consistent with the requirements section 8404. SA Funds available through the Noncompetitive 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 will be evaluated using criteria set in state ESG Regulation or based on alternative program guidelines to be adopted should the state decide to waive, suspend, repeal, or otherwise eliminate the state ESG Regulations,</p>
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		<p>based on the following criteria, listed in order of importance.</p> <p>Within this allocation pool, the 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 state ESG Regulations, <u>section 8404(a)(2)</u>, or based on alternative program guidelines to be adopted should the state decide to waive, suspend, repeal, or otherwise eliminate the state ESG Regulations.</p> <p>For the current year, BoS CoC's must use a minimum of 40 percent and a maximum of 50 percent of their noncompetitive allocation for RR. BoS Homelessness Prevention is limited to 10 percent per application. If applied for as part of a noncompetitive RR application, SO funds are limited to 10 percent per application under state Regulation section 8404(b). HMIS is limited to 10 percent per application under state Regulations section 8408.</p> <p>Grant administration of up to \$200 per application may be requested by local government service provider applicants per <u>24 CFR §576.108</u>.</p>
	<p>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)</p>	<p>ESG funds will be distributed to local governments and non-profit homeless service providers, including community and faith-based organizations, pursuant to the formula set forth under section 8402 of the state ESG Regulations or, alternatively, based on new program guidelines to be adopted should the state decide to waive, suspend, or eliminate the state ESG Regulations, as described above.</p> <p>Awards for funding will be made pursuant to the criteria set forth in sections 8403 and 8404 of the state ESG Regulations, or by an alternative</p>

		<p>established in new program guidelines to be adopted should the state decide to waive, suspend, or eliminate the state ESG Regulations, and pursuant to objectives laid out in annual or special Notices of Funding Availability that are responsive to current needs.</p> <p>Processes used to make ESG BoS Noncompetitive funding awards follow the following steps:</p> <ol style="list-style-type: none"> 1. Availability of funding is announced via a NOFA. 2. Applications are made available and are completed and submitted by applicants. 3. Program staff evaluate applications on ability to meet threshold requirements and eligibility criteria in the NOFA. 4. Applications recommended for award by program staff are routed for approval by HCD leadership. 5. HCD leadership makes decisions about which awards to fund. 6. Awards are announced; and 7. Awards made are formalized through an executed Standard Agreement. <p>The annual NOFA will detail the amount of funds under the BoS allocation that will be made available noncompetitively to each SA.</p> <p>Under the BoS allocation, up to 50 percent of the funds will be available noncompetitively to each BoS SA. The remaining balance will be available within three regional competitive set-asides set forth under ESG regulations <u>section 8404(a)(3)</u>. 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 or, alternatively, based on new program guidelines to be adopted should the state decide to waive, suspend, or eliminate the state ESG Regulations.</p>
	Describe how resources	Federal ESG regulations cap the amount that can

<p>will be allocated among funding categories.</p>	<p>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 restrictions as well as the following limitations.</p> <p>BoS CoC’s must use a minimum of 40 percent and a maximum of 50 percent of their noncompetitive allocation for RR. BoS Homelessness Prevention is limited to 10 percent per application. If applied for as part of a noncompetitive RR application, SO funds are limited to 10 percent per application under state Regulation section 8404(b). HMIS is limited to 10 percent per application under state Regulations section 8408.</p> <p>Grant administration of up to \$200 per application may be requested by local government service provider applicants per <u>24 CFR §576.108</u>.</p>
<p>Describe the threshold factors and grant size limits.</p>	<p>All funded activities must meet program eligibility criteria as set forth in state ESG Regulations section 8406 and this AAP. Applications for ESG funding must meet the following threshold factors:</p> <ul style="list-style-type: none"> • The applicant is an eligible organization and is recommended by the CoC • The CoC meets the requirements of section 8404(a)(1) • The application proposes an eligible activity in the CoC SA consistent with section 8408 <p>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. The set-aside for the BoS Noncompetitive allocation is a minimum of 40 percent and maximum 50 percent of the BoS’s allocation.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>As stated previously, the method of distribution is designed to better align with local systems, federal ESG and HEARTH goals. The specific goal and goal outcome indicators associated with ESG activities in the Strategic Plan is addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted).</p> <p>For FY23, ESG anticipates serving approximately:</p> <p>Rapid Re-Housing: 626 households and 979 persons</p> <p>Street Outreach: 320 households and 320 persons</p> <p>Homelessness Prevention: 48 households and 105 persons</p>
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HOME Program

1	State Program Name:	HOME Investment Partnerships Program (HOME)
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	<p>HCD’s HOME program partners with rural cities and counties, Community Housing Development Organizations (CHDOs), Developers and tribal entities to improve the lives of low- and moderate-income families through the creation and expansion of affordable housing options and opportunities.</p> <p>Types of HOME activities vary by applicant type. Developers may apply for development of multifamily housing new construction and rehabilitation only. CHDOs may apply for both First-Time Homebuyer (FTHB) Projects and the development of multifamily Rental New Construction (RNC) and Rental Rehabilitation (RR), and Infill New Construction (INC) programs. Cities, counties, and tribal entities may apply for all types of HOME activities.</p> <p>As described in their respective Methods of Distribution, the State HOME program sets aside 20 percent of the funding allocation to tribal entities, 15 percent of funding to CHDOs, and conducts a competitive and/or Over-The-Counter NOFA process to distribute the funding. For all programs, the state HOME Regulations require that a minimum of 50 percent of funds go to activities located in rural census tracts.</p> <p>The state HOME program uses a Notice of Funding Availability (NOFA) application process in which eligible applicants apply for funding awards competitively for a variety of programs and projects intended to align with the goals and priorities identified in the 2020-2024 Con Plan as outlined in the Allocation Priorities.</p> <p>Additional preferences for special needs populations, including the needs of persons with mobility, sensory, mental health, and intellectual disabilities, may be</p>

		<p>approved by HCD consistent with federal and state Regulations and fair housing laws, as well as households experiencing homelessness, chronic homelessness, or at risk of homelessness as defined by 24 CFR 91.5. Note: In a federally, state, or locally declared emergency, the state may utilize an alternate method of distribution for funds not committed in response to a NOFA and program income on hand to target impacted areas.</p> <p>Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to set method of distribution.</p>
	<p>Describe all the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Below is a summary of the HOME rating criteria. For additional information, see section 8212 of the state HOME Regulations at https://www.hcd.ca.gov/grants-funding/active-funding/home/docs/State-HOME-Regulations-eff-1-1-2017-FINAL.docx</p> <p>Threshold Factors</p> <p>See threshold factors in the response to the question “Describe the threshold factors and grant size limits”</p> <p>Scoring Factors</p> <ol style="list-style-type: none"> 1. Housing element compliance, as applicable. Information regarding housing element compliance can be found on the HCD public website at the following link. https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-review-and-compliance-report 2. Direct HOME Allocation Declined 3. Rural Activities 4. State Objectives <ol style="list-style-type: none"> a. Applications that provide deeper affordability b. Applications that demonstrate expeditious or efficient use of HOME funds c. Applications that can be funded in a manner which promotes capacity building and continuity of housing

		<p>activities</p> <p>d. 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, and HOME requirements</p> <p>e. Applications that serve victims of locally, state, or federally declared disasters</p> <p>f. Applications that address fair housing impediments</p> <p>g. Activities that complement other state or federal programs or policy objectives</p> <p>h. Applications that address homelessness</p> <p>i. Applications that provide access to opportunity</p> <p>Further information and guidance on the specific State Objective factors utilized will be in the NOFA.</p> <p>Additional Rating Factors for Program Activities Applications include:</p> <p>1. Applicant Capacity: 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.</p> <p>2. Community Need: Examines census data, such as poverty rates, age of housing stock, housing overcrowding, and home sales prices compared to median incomes in the locality.</p> <p>3. Program Feasibility: For FTHB programs, this factor examines the financial feasibility of the activity at proposed sales prices, income targets, and assistance levels. For Owner-Occupied Rehabilitation (OOR) programs, this factor examines feasibility as reflected through need by census data, such as overcrowding and age of housing stock. For Tenant Based Rental Assistance (TBRA) programs, this factor examines feasibility as reflected through need</p>
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		<p>by census data, such as renter overpayment for housing.</p> <p>Additional Rating Factors for Project Applications include:</p> <ol style="list-style-type: none"> 1. Applicant Capacity: Examines past performance on HOME contracts, as well as experience with other activities. Points may be deducted for any of the following: <ol style="list-style-type: none"> a. missing HOME performance deadlines in the last five years b. failure to submit required reports in a timely manner c. material misrepresentations of fact which jeopardize the HOME investment or put HCD at risk of a serious monitoring finding d. failure to cooperate with monitoring requirements identified by HCD in the last five years 2. Community Need: 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: Both rental and FTHB projects earn points based on the percentage of HOME-assisted units. Rental projects must demonstrate compliance with HCD's 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: Examines the project development plan, as well as the status of local government approvals, design progress, and financing commitments. <p>Future special allocations of HOME funding may have different criteria than those above, which are for the</p>
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		<p>standard HOME program. Future special allocations of HOME funding may reflect specific goals or priorities intended to provide response to the reason for the special allocation such as a pandemic, economic recession or other event requiring a federal response.</p> <p>Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to set funding criteria.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>Pursuant to state HOME Regulations, a minimum of 40 percent (40%) of the annual allocation received from HUD will be used to support awards to Program Activities applications (FTHB, OOR, and/or TBRA activities), five percent (5%) will be available to fund FTHB projects applications. and 55 percent of funds are typically available for rental project new construction or rehabilitation projects in a given NOFA cycle. Additionally, 20 percent (20%) of the allocation will be set aside to fund tribal entity applications. Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to determine how resources are allocated among funding categories.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>Pursuant to state HOME Regulations 25 CCR section 8212, the following threshold criteria must be met to be considered for funding:</p> <ol style="list-style-type: none"> 1) Applications shall not be considered for funding unless the application is received within the time frame specified in the NOFA and demonstrates that all of the following conditions exist: 2) The applicant is eligible pursuant to Section 8204 and 8204.1; 3) The applicant proposes at least one eligible activity and the proposed uses for the HOME funds are eligible pursuant to Section 8205 and 8210(c); 4) The application is complete pursuant to Section

		<p>8211;</p> <p>The total amount of funds requested for both administration and activity-specific costs does not exceed the funding allocation limit which is stated in the NOFA and any allowed increase to this limit pursuant to Section 8217;</p> <ol style="list-style-type: none"> 5) 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. 6) Applicants for Program Activities 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 Activities funds. 7) 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. 8) If applicant is a CHDO, includes procedures ensuring the CHDO's effective project control of activities assisted with HOME funds pursuant to 24 CFR Section 92.300(a)(1); and 9) For applications proposing projects involving acquisition of rental housing, acquisition and rehabilitation of rental housing, rehabilitation of rental housing, construction of rental housing or construction of housing for first-time homebuyers, the application demonstrates: <p>Site control pursuant to Section 8303;</p> <ol style="list-style-type: none"> 10) That there are no pending lawsuits that will prevent implementation of the project, as
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		<p>proposed.</p> <p>11)For applications proposing rental activities, the application contains documentation demonstrating that the project either complies with or is exempt from Article 34 of the California Constitution.</p> <p>Maximum grant size limit for projects is \$5.1M</p> <p>Maximum grant size limit for program activities is \$1M</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The specific goals and goal outcome indicators associated with the entire HOME program year in the Strategic Plan are:</p> <ol style="list-style-type: none"> 1. Increase housing affordability (Goal Outcome Indicators: Households Assisted, Housing Units Added) 2. Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted). <p>In the upcoming fiscal year HOME estimates, for all activities, completing construction on 180 rental units (includes RNC and RR) and 85 homebuyer units (FTHB New Construction); rehabilitating 145 OOR units, assisting 52 FTHB households, and providing TBRA to 75 households.</p>
2	State Program Name:	HOME Over-The-Counter (OTC)
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	<p>HCD’s HOME program partners with rural cities and counties, Community Housing Development Organizations (CHDOs), Developers and tribal entities to improve the lives of low- and moderate-income families through the creation and expansion of affordable housing options and opportunities.</p> <p>Types of HOME activities vary by applicant type. Developers may apply for development of multifamily housing new construction and rehabilitation only. CHDOs may apply for both First-Time Homebuyer (FTHB) Projects and the development of multifamily Rental New Construction (RNC) and Rental</p>

		<p>Rehabilitation (RR), and Infill New Construction (INC) programs. Cities, counties, and tribal entities may apply for all types of HOME activities.</p> <p>As described in their respective Methods of Distribution, the State HOME program sets aside 20 percent (20%) of funding allocation to tribal entities applicants, 15 percent (15%) of funding to CHDOs, and conducts a competitive and/or OTC NOFA process to distribute the funding. For all programs, the state HOME Regulations require that a minimum of 50 percent (50%) of funds go to activities located in rural census tracts.</p> <p>The state HOME program uses a Notice of Funding Availability (NOFA) application process in which eligible applicants apply for funding awards competitively for a variety of programs and projects intended to align with the goals and priorities identified in the 2020-2024 Con Plan as outlined in the Allocation Priorities.</p> <p>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, as well as households experiencing homelessness, chronic homelessness, or at risk of homelessness as defined by 24 CFR 91.5</p> <p>Note: In a federally, state, or locally declared emergency, the state may utilize an alternate method of distribution for funds not committed in response to a NOFA and program income on hand to target impacted areas.</p> <p>Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to set method of distribution.</p>
	<p>Describe all of the</p>	<p>Utilization of this method of distribution will be</p>

<p>criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>announced in the NOFA. Below is a summary of the HOME rating criteria. For additional information, see section 8212 of the state HOME Regulations at State-HOME-Regulations-eff-1-1-2017-FINAL.docx (live.com)</p> <p>Rating Factors</p> <p>OTC applications will be awarded on a first-come, first-served basis once it is determined they meet the threshold factors and any minimum score requirements for type of activity.</p> <ol style="list-style-type: none"> 1. Housing element compliance, as applicable. Information regarding housing element compliance can be found on the HCD public website at the following link. https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-review-and-compliance-report 2. Direct HOME Allocation Declined 3. Rural Activities 4. State Objectives <ol style="list-style-type: none"> a. Applications that provide deeper affordability b. Applications that demonstrate expeditious or efficient use of HOME funds c. Applications that can be funded in a manner which promotes capacity building and continuity of housing activities d. 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 e. Applications that serve victims of locally, state, or federally declared disasters f. Applications that address fair housing impediments g. Activities that complement other state or federal programs or policy objectives
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		<p>h. Applications that address homelessness</p> <p>i. Applications that provide access to opportunity</p> <p>Further information and guidance on the specific State Objective factors utilized will be in the NOFA.</p> <p>Additional Rating Factors for Program Activities Applications include:</p> <ol style="list-style-type: none"> 1. Applicant Capacity: 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: 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: 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. <p>Additional Rating Factors for Project Applications include:</p> <p>OTC applications will be scored to determine whether or not the application meets the minimum score threshold for funding and funds will be awarded on a first-come, first-served basis. The scoring criteria is outlined in the state HOME regulations and includes these categories.</p> <ol style="list-style-type: none"> 1. Applicant Capacity: Examines past performance on
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		<p>HOME contracts, as well as experience with other activities. Points may be deducted for any of the following:</p> <ol style="list-style-type: none"> a. missing HOME performance deadlines in the last five years b. failure to submit required reports in a timely manner c. material misrepresentations of fact which jeopardize the HOME investment or put HCD at risk of a serious monitoring finding d. failure to cooperate with monitoring requirements identified by HCD in the last five years <p>2. Community Need: 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.</p> <p>3. Project Feasibility: 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.</p> <p>4. Readiness: Examines the project development plan, as well as the status of local government approvals, design progress, and financing commitments.</p> <p>Future special allocations of HOME funding may have different criteria than those above, which are for the standard HOME program. Future special allocations of HOME funding may reflect specific goals or priorities intended to provide response to the reason for the special allocation such as a pandemic, economic recession or other event requiring a federal</p>
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		<p>response.</p> <p>Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to set funding criteria.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>Pursuant to state HOME Regulations, a minimum of 40 percent (40%) of the annual allocation received from HUD will be used to support awards to Program Activities applications (FTHB, OOR, and/or TBRA activities), 5 percent (5%) will be available to fund FTHB projects applications and 55 percent (55%) of funds are typically available for rental project new construction or rehabilitation projects in a given NOFA cycle. Additionally, 20 percent (20%) of the allocation will be set aside to fund tribal entity applications.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>Pursuant to state HOME Regulations 25 CCR section 8212, the following threshold criteria must be met to be considered for funding:</p> <ol style="list-style-type: none"> 1) Applications shall not be considered for funding unless the application is received within the time frame specified in the NOFA and demonstrates that all of the following conditions exist: 2) the applicant is eligible pursuant to Section 8204 and 8204.1; 3) the applicant proposes at least one eligible activity and the proposed uses for the HOME funds are eligible pursuant to Section 8205 and 8210(c); 4) the application is complete pursuant to Section 8211; 5) the total amount of funds requested for both administration and activity-specific costs does not exceed the funding allocation limit which is stated in the NOFA and any allowed increase to this limit pursuant to Section 8217;

		<p>6). 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.</p> <p>7). Applicants for Program Activities funds with one or more active state HOME contracts must have expended at least 50 percent (50%) of the aggregate total of program funds originally awarded under these contracts to be eligible to apply for additional Program Activities funds.</p> <p>8). 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.</p> <p>9). if applicant is a CHDO, includes procedures ensuring the CHDO's effective project control of activities assisted with HOME funds pursuant to 24 CFR Section 92.300(a)(1); and</p> <p>10). for applications proposing projects involving acquisition of rental housing, acquisition and rehabilitation of rental housing, rehabilitation of rental housing, construction of rental housing or construction of housing for first-time homebuyers, the application demonstrates:</p> <p style="padding-left: 40px;">(A) site control pursuant to Section 8303;</p> <p>11). that there are no pending lawsuits that will prevent implementation of the project, as proposed;</p> <p>12). for applications proposing rental activities, the application contains documentation demonstrating that the project either complies with or is exempt from Article 34 of the California Constitution.</p>
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		<p>Maximum grant size limit for projects is \$5.1M</p> <p>Maximum grant size limit for program activities is \$1M.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The specific goals and goal outcome indicators associated with the entire HOME program year in the Strategic Plan are:</p> <ol style="list-style-type: none"> 1. Increase housing affordability (Goal Outcome Indicators: Households Assisted, Housing Units Added) 2. Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted). <p>In the upcoming fiscal year HOME estimates, for all activities, completing construction on 180 rental units (includes Rental New Construction and Rental Rehab) and 85 homebuyer units (FTHB New Construction); rehabilitating 145 OOR units, assisting 52 FTHB households, and providing TBRA to 75 households.</p>
3	State Program Name:	HOME CHDO Set-Aside
	Funding Sources:	HOME
		<p>HCD’s HOME program partners with rural cities and counties, Community Housing Development Organizations (CHDOs), Developers and tribal entities to improve the lives of low- and moderate-income families through the creation and expansion of affordable housing options and opportunities.</p> <p>Types of HOME activities vary by applicant type. Developers may apply for development of multifamily housing new construction and rehabilitation only. CHDOs may apply for both First-Time Homebuyer (FTHB) Projects and the development of multifamily</p>

		<p>Rental New Construction (RNC) and Rental Rehabilitation (RR), and Infill New Construction (INC) programs. Cities, counties, and tribal entities may apply for all types of HOME activities.</p> <p>As described in their respective Methods of Distribution, the state HOME program sets aside 20 percent (20%) of funding allocation to tribal entities applicants, 15 percent (15%) of funding to CHDOs, and conducts a competitive and/or Over-The-Counter NOFA process to distribute the funding. For all programs, the state HOME Regulations require that a minimum of 50 percent (50%) of funds go to activities located in rural census tracts.</p> <p>The state HOME program uses a Notice of Funding Availability (NOFA) application process in which eligible applicants apply for funding awards competitively for a variety of programs and projects intended to align with the goals and priorities identified in the 2020-2024 Con Plan as outlined in the Allocation Priorities.</p> <p>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, as well as households experiencing homelessness, chronic homelessness, or at risk of homelessness as defined by 24 CFR 91.5</p> <p>Note: In a federally, state, or locally declared emergency, the state may utilize an alternate method of distribution for funds not committed in response to a NOFA and program income on hand to target impacted areas.</p> <p>Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to set method of distribution.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Below is a summary of the HOME rating criteria used for the CHDO program. For additional information, see section 8212 of the state HOME Regulations at State-HOME-Regulations-eff-1-1-2017-FINAL.docx (live.com)</p> <p>CHDO applications will be scored to ensure the minimum point score required for funding has been met and will be ranked by score highest to lowest separate from all other applications. Those CHDO applications will then be set aside for funding based on score until the CHDO set-aside is met. Any remaining CHDO applications meeting the minimum score will then be ranked with the remaining applications and funds will be awarded based on score from highest to lowest until all funds are exhausted.</p> <p>Threshold Factors</p> <p>See threshold factors in the response to the question “Describe the threshold factors and grant size limits”</p> <p>Scoring Factors</p> <ol style="list-style-type: none"> 1. Housing element compliance, as applicable. Information regarding housing element compliance can be found on the HCD public website at the following link. https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-review-and-compliance-report 2. Direct HOME Allocation Declined 3. Rural Activities 4. State Objectives <ol style="list-style-type: none"> a. Applications that provide deeper affordability b. Applications that demonstrate expeditious or efficient use of HOME funds c. Applications that can be funded in a manner which promotes capacity building and continuity of housing activities
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		<p>d. 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</p> <p>e. Applications that serve victims of locally, state, or federally declared disasters</p> <p>f. Applications that address fair housing impediments</p> <p>g. Activities that complement other state or federal programs or policy objectives</p> <p>h. Applications that address homelessness</p> <p>i. Applications that provide access to opportunity</p> <p>Further information and guidance on the specific State Objective factors utilized will be in the NOFA.</p> <p>Additional Rating Factors for Program Activities Applications (FTHB, OOR, and TBRA) include:</p> <ol style="list-style-type: none"> 1. Applicant Capacity: 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: 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: 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
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		<p>housing.</p> <p>Additional Rating Factors for Project Applications include:</p> <ol style="list-style-type: none"> 1. Applicant Capacity: Examines past performance on HOME contracts, as well as experience with other activities. Points may be deducted for any of the following: <ol style="list-style-type: none"> a. missing HOME performance deadlines in the last five years b. failure to submit required reports in a timely manner c. material misrepresentations of fact which jeopardize the HOME investment or put HCD at risk of a serious monitoring finding d. failure to cooperate with monitoring requirements identified by HCD in the last five years 2. Community Need: 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: Both rental and FTHB projects earn points based on the percentage of HOME-assisted units. Rental projects must demonstrate compliance with HCD's 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: Examines the project development plan, as well as the status of local government approvals, design progress, and financing commitments. <p>Future special allocations of HOME funding may have different criteria than those above, which are for the standard HOME program. Future special allocations</p>
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		<p>of HOME funding may reflect specific goals or priorities intended to provide response to the reason for the special allocation such as a pandemic, economic recession or other event requiring a federal response.</p> <p>Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to set funding criteria.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>Pursuant to state HOME Regulations, a minimum of 40 percent (40%) of the annual allocation received from HUD will be used to support awards to Program Activities applications (FTHB, OOR, and/or TBRA activities), 5 percent (5%) will be available to fund FTHB projects applications and 55 percent (55%) of funds are typically available for rental project new construction or rehabilitation projects in a given NOFA cycle. Additionally, 20 percent (20%) of the allocation will be set aside to fund tribal entity applications.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>Pursuant to state HOME Regulations 25 CCR section 8212, the following threshold criteria must be met to be considered for funding:</p> <ol style="list-style-type: none"> 1) Applications shall not be considered for funding unless the application is received within the time frame specified in the NOFA and demonstrates that all of the following conditions exist: 2) the applicant is eligible pursuant to Section 8204 and 8204.1; 3) the applicant proposes at least one eligible activity and the proposed uses for the HOME funds are eligible pursuant to Section 8205 and 8210(c); 4) the application is complete pursuant to Section 8211; 5) the total amount of funds requested for both

		<p>administration and activity-specific costs does not exceed the funding allocation limit which is stated in the NOFA and any allowed increase to this limit pursuant to Section 8217;</p> <p>6) 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.</p> <p>7) Applicants for Program Activities funds with one or more active state HOME contracts must have expended at least 50 percent (50%) of the aggregate total of program funds originally awarded under these contracts to be eligible to apply for additional Program Activities funds.</p> <p>8). 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.</p> <p>9) if applicant is a CHDO, includes procedures ensuring the CHDO's effective project control of activities assisted with HOME funds pursuant to 24 CFR Section 92.300(a)(1); and</p> <p>10) for applications proposing projects involving acquisition of rental housing, acquisition and rehabilitation of rental housing, rehabilitation of rental housing, construction of rental housing or construction of housing for first-time homebuyers, the application demonstrates:</p> <p style="padding-left: 40px;">(B) site control pursuant to Section 8303;</p> <p>11) that there are no pending lawsuits that will prevent implementation of the project, as proposed;</p> <p>12) for applications proposing rental activities, the</p>
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		<p>application contains documentation demonstrating that the project either complies with or is exempt from Article 34 of the California Constitution.</p> <p>Maximum grant size limit for projects is \$5.1M</p> <p>Maximum grant size limit for program activities is \$1M</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The specific goals and goal outcome indicators associated with the entire HOME program year in the Strategic Plan are:</p> <ol style="list-style-type: none"> 1. Increase housing affordability (Goal Outcome Indicators: Households Assisted, Housing Units Added) 2. Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted). <p>In the upcoming fiscal year HOME estimates, for all activities, completing construction on 180 rental units (includes Rental New Construction and Rental Rehab) and 85 homebuyer units (FTHB New Construction); rehabilitating 145 OOR units, assisting 52 FTHB households, and providing TBRA to 75 households.</p>
4	<p>State Program Name:</p>	<p>HOME Tribal Set-Aside</p>
	<p>Funding Sources:</p>	<p>HOME</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>HCD’s HOME program partners with rural cities and counties, Community Housing Development Organizations (CHDOs), Developers and tribal entities to improve the lives of low- and moderate-income families through the creation and expansion of affordable housing options and opportunities.</p> <p>Types of HOME activities vary by applicant type. Developers may apply for development of multifamily housing new construction and rehabilitation only. CHDOs may apply for both First-Time Homebuyer</p>

	<p>(FTHB) Projects and the development of multifamily Rental New Construction (RNC) and Rental Rehabilitation (RR), and Infill New Construction (INC) programs. Cities, counties, and tribal entities may apply for all types of HOME activities.</p> <p>As described in their respective Methods of Distribution, the state HOME program sets aside 20 percent (20%) of funding allocation to tribal entities applicants, 15 percent (15%) of funding to CHDOs, and conducts a competitive and/or Over-The-Counter NOFA process to distribute the funding. For all programs, the state HOME Regulations require that a minimum of 50 percent (50%) of funds go to activities located in rural census tracts.</p> <p>The state HOME program uses a Notice of Funding Availability (NOFA) application process in which eligible applicants apply for funding awards competitively for a variety of programs and projects intended to align with the goals and priorities identified in the 2020-2024 Con Plan as outlined in the Allocation Priorities.</p> <p>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, as well as households experiencing homelessness, chronic homelessness or at risk of homelessness as defined by 24 CFR 91.5</p> <p>Note: In a federally, state, or locally declared emergency, the state may utilize an alternate method of distribution for funds not committed in response to a NOFA and program income on hand to target impacted areas.</p> <p>Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to set method of distribution.</p>
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	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Below is a summary of the HOME rating criteria. For additional information, see section 8212 of the HOME Regulations at State-HOME-Regulations-eff-1-1-2017-FINAL.docx (live.com)</p> <p>These applications will be scored to ensure the minimum point score required for funding has been met and will be ranked by score highest to lowest separate from all other applications. Those tribal applications will then be set aside for funding based on score until the tribal set-aside is met. Any remaining tribal applications meeting the minimum score will then be ranked with the remaining applications and funds will be awarded based on score from highest to lowest until all funds are exhausted.</p> <p>Threshold Factors</p> <p>See threshold factors in the response to the question “Describe the threshold factors and grant size limits”</p> <p>Scoring Factors</p> <ol style="list-style-type: none"> 1. Housing element compliance, as applicable. Information regarding housing element compliance can be found on the HCD public website at the following link: <ul style="list-style-type: none"> Housing Element Review and Compliance Report California Department of Housing and Community Development 2. Direct HOME Allocation Declined 3. Rural Activities 4. State Objectives <ol style="list-style-type: none"> a. Applications that provide deeper affordability b. Applications that demonstrate expeditious or efficient use of HOME funds c. Applications that can be funded in a manner which promotes capacity building and continuity of housing
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		<p>activities</p> <p>d. 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</p> <p>e. Applications that serve victims of locally, state, or federally declared disasters</p> <p>f. Applications that address fair housing impediments</p> <p>g. Activities that complement other state or federal programs or policy objectives</p> <p>h. Applications that address homelessness</p> <p>i. Applications that provide access to opportunity.</p> <p>Further information and guidance on the specific State Objective factors utilized will be in the NOFA.</p> <p>Additional Rating Factors for Program Activities Applications (FTHB, OOR and TBRA) include:</p> <ol style="list-style-type: none"> 1. Applicant Capacity: 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: 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: 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
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		<p>housing.</p> <p>Additional Rating Factors for Project Applications include:</p> <ol style="list-style-type: none"> 1. Applicant Capacity: Examines past performance on HOME contracts, as well as experience with other activities. Points may be deducted for any of the following: <ol style="list-style-type: none"> a. missing HOME performance deadlines in the last five years b. failure to submit required reports in a timely manner c. material misrepresentations of fact which jeopardize the HOME investment or put HCD at risk of a serious monitoring finding d. failure to cooperate with monitoring requirements identified by HCD in the last five years 2. Community Need: 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: Both rental and FTHB projects earn points based on the percentage of HOME-assisted units. Rental projects must demonstrate compliance with HCD's 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: Examines the project development plan, as well as the status of local government approvals, design progress, and financing commitments. <p>Future special allocations of HOME funding may have different criteria than those above, which are for the standard HOME program. Future special allocations of HOME funding may reflect specific goals or</p>
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		<p>priorities intended to provide response to the reason for the special allocation such as a pandemic, economic recession or other event requiring a federal response.</p> <p>Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to set funding criteria.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>Pursuant to state HOME Regulations, a minimum of 40 percent (40%) of the annual allocation received from HUD will be used to support awards to Program Activities applications (FTHB, OOR, and/or TBRA activities), 5 percent (5%) will be available to fund FTHB projects applications and 55 percent (55%) of funds are typically available for rental project new construction or rehabilitation projects in a given NOFA cycle. Additionally, 20 percent (20%) of the allocation will be set aside to fund tribal entity applications.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>Pursuant to state HOME Regulations 25 CCR section 8212, the following threshold criteria must be met to be considered for funding:</p> <ol style="list-style-type: none"> 1) Applications shall not be considered for funding unless the application is received within the time frame specified in the NOFA and demonstrates that all of the following conditions exist: 2) the applicant is eligible pursuant to Section 8204 and 8204.1; 3) the applicant proposes at least one eligible activity and the proposed uses for the HOME funds are eligible pursuant to Section 8205 and 8210(c); 4) the application is complete pursuant to Section 8211; 5) the total amount of funds requested for both

		<p>administration and activity-specific costs does not exceed the funding allocation limit which is stated in the NOFA and any allowed increase to this limit pursuant to Section 8217;</p> <p>6). 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.</p> <p>7). Applicants for Program Activities funds with one or more active state HOME contracts must have expended at least 50 percent (50%) of the aggregate total of program funds originally awarded under these contracts to be eligible to apply for additional Program Activities funds.</p> <p>8). 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.</p> <p>9) if applicant is a CHDO, includes procedures ensuring the CHDO's effective project control of activities assisted with HOME funds pursuant to 24 CFR Section 92.300(a)(1); and</p> <p>10) for applications proposing projects involving acquisition of rental housing, acquisition and rehabilitation of rental housing, rehabilitation of rental housing, construction of rental housing, or construction of housing for first-time homebuyers, the application demonstrates:</p> <p style="padding-left: 40px;">(C) site control pursuant to Section 8303;</p> <p>11) that there are no pending lawsuits that will prevent implementation of the project, as proposed;</p> <p>12) for applications proposing rental activities, the</p>
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		<p>application contains documentation demonstrating that the project either complies with or is exempt from Article 34 of the California Constitution.</p> <p>Maximum grant size limit for projects is \$5.1M</p> <p>Maximum grant size limit for program activities is \$1M.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The specific goals and goal outcome indicators associated with the entire HOME Program year in the Strategic Plan are:</p> <ol style="list-style-type: none"> 1. Increase housing affordability (Goal Outcome Indicators: Households Assisted, Housing Units Added) 2. Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted). <p>In the upcoming fiscal year HOME estimates, for all activities, completing construction on 180 rental units (includes Rental New Construction and Rental Rehab) and 85 homebuyer units (FTHB New Construction); rehabilitating 145 OOR units, assisting 52 FTHB households, and providing TBRA to 75 households.</p>

HOPWA Program

See Appendix A

NHTF Program

1	State Program Name:	Housing Trust Fund (HTF) / National Housing Trust Fund (NHTF)
	Funding Sources:	HTF
	Describe the state program addressed by the Method of Distribution.	<p>The NHTF Program is a federal formula grant that provides annual allocations to states to increase and preserve the supply of decent, safe, and sanitary affordable housing specifically for extremely low-income households.</p> <p>The California Department of Housing and Community Development (HCD) will distribute NHTF funds to eligible multifamily rental projects in California through a competitive and/or Over-The-Counter (OTC) application process, as specified in the Notice of Funding Availability (NOFA).</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Eligible applicants/recipients of NHTF funds include organizations, agencies, or other entities such as PHAs, Tribal Entities, and for-profit and nonprofit entities. Recipients must:</p> <ol style="list-style-type: none"> 1. Meet the definition of a Recipient under 24 C.F.R. § 93.2, specifically, <ol style="list-style-type: none"> a. Make acceptable assurance they will comply with all NHTF requirements during the entire affordability period; b. Demonstrate the 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 NHTF funds to ensure compliance; and d. Demonstrate experience and capacity to conduct the eligible NHTF activity in question as evidenced by relevant history. 2. Have site control under 25 C.C.R. § 8303 of the project they apply to HCD for an award of NHTF funds, including but not limited to, demonstrating

		<p>site control by one of the following:</p> <ul style="list-style-type: none"> a. Fee Title evidenced by a current title report showing the Applicant holds fee title; b. For tribal trust land, a title status report (TSR) or an attorney’s opinion regarding chain of title and current title status; c. A leasehold interest on the Project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease must permit, prior to loan closing, compliance with all Program requirements, including compliance with 25 C.C.R. § 8316; or d. A leasehold estate held by a Native American Entity in federal tribal trust lands property, or a valid sublease thereof that has been or will be approved by the Bureau of Indian Affairs. <p>3. Have resolved any open audit finding(s) for any state or federally funded housing or community development projects or programs to the satisfaction of HCD or the federal agency by which the finding was made.</p> <p>4. Are not debarred or suspended from participation in federal or state housing or community development projects or programs.</p> <p>5. Cities, counties, and local public housing authorities must comply with the submittal requirements of cost principles and audit requirements at 2 C.F.R. Part 200.</p> <p>Competitive applications will initially be reviewed for meeting the minimum requirements in the NOFA. Applications that pass minimum requirements will then be rated and ranked according to the selection criteria outlined in the NOFA. In the event of a tie amongst applications, HCD must assign a higher rank</p>
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		<p>to applications with a greater readiness to proceed with their Project’s milestones. If any tied applications have equal readiness to proceed with their Project’s milestones, then HCD must assign a higher rank to the applications that have secured firmer written financial commitments for its Project’s funding. If any tied applications have equal readiness to proceed with their Project’s milestones and have secured an equal amount of firm written financial commitments for their Projects’ funding, then HCD must assign a higher rank to any of the applications with Projects providing greater affordability for households at or below 30 percent (30%) of Area Median Income (AMI).</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>NHTF funding will be available to all jurisdictions in California, including Native American Lands. HCD will target 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 (HSC). In addition, HCD shall target 10 percent of available funds for projects developed by, or in partnership with, Tribal Entities (defined below).</p> <p>“Tribal Entity(ies)” means an Applicant that is any of the following:</p> <ol style="list-style-type: none"> a. Applicant meets the definition of Indian Tribe under United States Code (U.S.C.) Title 25 U.S.C. § 4103(13)(B); b. Applicant meets the definition of Tribally Designated Housing Entity under Title 25 U.S.C. § 4103(22); c. If not a federally recognized Tribe, either: <ol style="list-style-type: none"> i. Applicant is listed in the Bureau of Indian Affairs Office of Federal Acknowledgement petitioner list pursuant to Title 25 CFR § 83.1. ii. Applicant is an Indian Tribe located in California that is on the contact list maintained

		<p>by the Native American Heritage Commission for the purposes of consultation pursuant to § 65352.3 of the Government Code.</p> <p>For calculation purposes, applications for the 10 percent Tribal Target will not be counted towards the 20 percent Rural Area Target, even if the project is located in a Rural Area – unless the funds for the Tribal Target are fully utilized, in which case a Tribal project in a Rural Area will be counted towards the Rural Area Target.</p> <p>If the funds for the Rural Area Target are not fully utilized, any unused funds will be re-allocated to the Tribal Target. If the funds for the Tribal Target are not fully utilized (including any carry-over funds from the Rural Area Target), unused funds will be re-allocated to the general NHTF fund.</p> <p>If the funds for the Tribal Target are not fully utilized, any unused funds will be re-allocated for the Rural Area Target. If the funds for the Rural Area Target are not fully utilized (including any carry-over from the Tribal Target), unused funds will be re-allocated to the general NHTF fund.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>NHTF funding will be awarded on a competitive basis through a Notice of Fund Availability (NOFA). HCD may issue more than one NOFA during a funding cycle. The NOFA shall specify the maximum amount of project funds available, including whether funds have been targeted for a specific purpose; 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.</p> <p>An Applicant must electronically submit its application in a format made available by HCD that requests the information required by the NHTF Guidelines.</p> <p>An Applicant must submit its application by the deadline specified in the NOFA.</p>

		<p>Application requirements include, but are not limited to the following:</p> <ul style="list-style-type: none">• Project Narrative/Details, Construction Scope of Work, and Financing.• Detailed information of the borrower Applicant adequate to determine the experience of the Applicant with other federal, state, or local housing or community development programs.• Site Information.• Property management plan.• Resident services plan.• Supportive Services plan (for permanent supportive housing developments).• Environmental Provisions documentation.• Consultants/Third Party Reports (i.e., appraisal, market study and physical needs assessments).• Relocation Plan, if applicable.• Article XXXIV Authority.
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What are the outcome measures expected as a result of the method of distribution?

The expected outcome measure is the increase in supply of affordable rental housing by providing NHTF assistance to units for tenants at or below 30 percent of AMI or below the poverty line; whichever is greater.

The charts below summarize the known FY22 and FY23 allocations available for project financing, as well as the anticipated production of units. Details with respect to the FY22-FY23 calculations follow the charts.

FY2022-FY2023 NOFA

Fiscal Year	General Allocation (million)	Rural Area Target (million)	Tribal Target (million)
FY2022	\$83.1	\$23.8	\$11.9
FY2023	\$39.2	\$11.2	\$5.6
Subtotal Amount	\$122.3	\$35.0	\$17.5
Aggregate	\$174.8 million		

Anticipated Unit Production

Fiscal Year	General Allocation	Rural Area Target	Tribal Target
FY2022	270	90	39
FY2023	127	43	18
Subtotal Units	397	133	57
Aggregate	587 units		

For the Fiscal Year 2022, over \$132 million of NHTF has been allocated to HCD, inclusive of an estimated \$118.8 million available to finance affordable multifamily developments. \$83.1 million of the \$118.8

		<p>million will be in the general allocation fund. Based on the per unit assistance provided with the FY2020-FY2021 NHTF general allocation fund, approximately 270 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY22 general allocation fund.</p> <p>Based on the same assumptions for FY22, \$23.8 million of the \$118.8 million will be in the Rural Area Target and approximately 90 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY22 Rural Area Target fund.</p> <p>Continuing the same assumptions for FY22, \$11.9 million of the \$118.8 million will be in the Tribal Target and approximately 39 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using FY22 Tribal Target fund.</p> <p>For the Fiscal Year 2023, over \$62.2 million of NHTF has been allocated to HCD, inclusive of an estimated \$56 million available to finance affordable multifamily developments. \$39.2 million of the \$56 million will be in the general allocation fund. Based on the per unit assistance provided with the FY2020-FY2021 NHTF general allocation fund, approximately 127 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY23 general allocation fund.</p> <p>Based on the same assumptions for FY23, \$11.2 million of the \$56 million will be in the Rural Area Target and approximately 43 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY23 Rural Area Target fund.</p> <p>Continuing the same assumptions for FY23, \$5.6 million of the \$56 million will be in the Tribal Target</p>
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		and approximately 18 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using FY23 Tribal Target fund.
2	State Program Name:	Housing Trust Fund/ National Housing Trust Fund- Rural Area Target
	Funding Sources:	HTF
	Describe the state program addressed by the Method of Distribution.	<p>The NHTF Program is a federal formula grant that provides annual allocations to states to increase and preserve the supply of decent, safe, and sanitary affordable housing specifically for extremely low-income households.</p> <p>HCD will distribute NHTF funds to eligible multifamily rental projects in California through a competitive and/or over-the-counter application process, as specified in the NOFA.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Eligible applicants/recipients of NHTF funds include organizations, agencies, or other entities such as PHAs, Tribal Entities, and for-profit and nonprofit entities. Recipients must:</p> <ol style="list-style-type: none"> 1. Meet the definition of a Recipient under 24 C.F.R. § 93.2, specifically, <ol style="list-style-type: none"> a. Make acceptable assurance they will comply with all NHTF 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 NHTF funds to ensure compliance; and d. Demonstrate experience and capacity to conduct the eligible NHTF activity in question as evidenced by relevant history.

		<p>2. Have site control under 25 C.C.R. § 8303 of the project they apply to HCD for an award of NHTF funds, including but not limited to, demonstrating site control by one of the following:</p> <ul style="list-style-type: none"> a. Fee Title evidenced by a current title report showing the Applicant holds fee title; b. For tribal trust land, a title status report (“TSR”) or an attorney’s opinion regarding chain of title and current title status; c. A leasehold interest on the Project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease must permit, prior to loan closing, compliance with all Program requirements, including compliance with 25 C.C.R. § 8316; or d. A leasehold estate held by a Native American Entity in federal tribal trust lands property, or a valid sublease thereof that has been or will be approved by the Bureau of Indian Affairs. <p>3. Have resolved any open audit finding(s), for any state or federally funded housing or community development projects or programs to the satisfaction of HCD or the federal agency by which the finding was made.</p> <p>4. Are not debarred or suspended from participation in federal or state housing or community development projects or programs.</p> <p>5. Cities, counties, and local public housing authorities must comply with the submittal requirements of cost principles and audit requirements at 2 C.F.R. Part 200.</p> <p>Competitive applications will initially be reviewed for meeting the minimum requirements in the NOFA. Applications that pass minimum requirements will</p>
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		<p>then be rated and ranked according to the selection criteria outlined in the NOFA. In the event of a tie amongst applications, HCD must assign a higher rank to applications with a greater readiness to proceed with their Project’s milestones. If any tied applications have equal readiness to proceed with their Project’s milestones, then HCD must assign a higher rank to the applications that have secured firmer written financial commitments for its Project’s funding. If any tied applications have equal readiness to proceed with their Project’s milestones and have secured an equal amount of firm written financial commitments for their Projects’ funding, then HCD must assign a higher rank to any of the applications with Projects providing greater affordability for households at or below 30 percent of AMI.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>NHTF funding will be available to all jurisdictions in California including Native American Lands. HCD will target 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 (HSC). In addition, HCD shall target 10 percent of available funds for projects developed by, or in partnership with, Tribal Entities (defined below).</p> <p>“Tribal Entity(ies)” means an Applicant that is any of the following:</p> <ul style="list-style-type: none"> a. Applicant meets the definition of Indian Tribe under United States Code (U.S.C.) Title 25 U.S.C. § 4103(13)(B); b. Applicant meets the definition of Tribally Designated Housing Entity under Title 25 U.S.C. § 4103(22); c. If not a federally recognized Tribe, either: <ul style="list-style-type: none"> i. Applicant is listed in the Bureau of Indian Affairs Office of Federal Acknowledgement petitioner list

		<p>pursuant to Title 25 CFR § 83.1.</p> <p>ii. Applicant is an Indian Tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of consultation pursuant to § 65352.3 of the Government Code.</p> <p>For calculation purposes, applications for the 10 percent Tribal Target will not be counted towards the 20 percent Rural Area Target, even if the project is located in a Rural Area – unless the funds for the Tribal Target are fully utilized, in which case a Tribal project in a Rural Area will be counted towards the Rural Area Target.</p> <p>If the funds for the Rural Area Target are not fully utilized, any unused funds will be re-allocated to the Tribal Target. If the funds for the Tribal Target are not fully utilized (including any carry-over funds from the Rural Area Target), unused funds will be re-allocated to the general NHTF fund.</p> <p>If the funds for the Tribal Target are not fully utilized, any unused funds will be re-allocated for the Rural Area Target. If the funds for the Rural Area Target are not fully utilized (including any carry-over from the Tribal Target), unused funds will be re-allocated to the general NHTF fund.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>NHTF funding will be awarded on a competitive basis through a Notice of Funding Availability (NOFA). HCD may issue more than one NOFA during a funding cycle. The NOFA shall specify the maximum amount of project funds available, including whether funds have been set aside for a specific purpose; 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.</p> <p>An Applicant must electronically submit its application in a format made available by HCD that requests the</p>

		<p>information required by these Guidelines.</p> <p>An Applicant must submit its application by the deadline specified in the NOFA.</p> <p>Application requirements include, but are not limited to the following:</p> <ul style="list-style-type: none"> • Project Narrative/Details, Construction Scope of Work and Financing. • Detailed information of the borrower Applicant adequate to determine the experience of the Applicant with other federal, state, or local housing or community development programs. • Site Information. • Property management plan. • Resident services plan. • Supportive Services plan (for permanent supportive housing developments). • Environmental Site Assessment Documentation (i.e., Phase I, asbestos, mold, lead-based paint assessments). • Consultants/Third Party Reports (i.e., appraisal, market study and physical needs assessments). • Relocation Plan. • Article XXXIV Authority.
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What are the outcome measures expected as a result of the method of distribution?

The expected outcome measure is the increase in supply of affordable rental housing by providing NHTF assistance to units for tenants at or below 30 percent of AMI or below the poverty line; whichever is greater.

The charts below summarize the known FY22 and conservatively estimated FY23 allocations available for project financing, as well as the anticipated production of units. Details with respect to the FY22-FY23 calculations follow the charts.

FY2022-FY2023 NOFA

Fiscal Year	General Allocation (million)	Rural Area Target (million)	Tribal Target (million)
FY2022	\$83.1	\$23.8	\$11.9
FY2023	\$39.2	\$11.2	\$5.6
Subtotal Amount	\$122.3	\$35.0	\$17.5
Aggregate	\$174.8 million		

Anticipated Unit Production

Fiscal Year	General Allocation	Rural Area Target	Tribal Target
FY2022	270	90	39
FY2023	127	43	18
Subtotal Units	397	133	57
Aggregate	587 units		

For the Fiscal Year 2022, over \$132 million of NHTF has been allocated to HCD, inclusive of an estimated \$118.8 million available to finance affordable multifamily developments. \$83.1 million of the \$118.8

		<p>million will be in the general allocation fund. Based on the per unit assistance provided with the FY2020-FY2021 NHTF general allocation fund, approximately 270 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY22 general allocation fund.</p> <p>Based on the same assumptions for FY22, \$23.8 million of the \$118.8 million will be in the Rural Area Target and approximately 90 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY22 Rural Area Target fund.</p> <p>Continuing the same assumptions for FY22, \$11.9 million of the \$118.8 million will be in the Tribal Target and approximately 39 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using FY22 Tribal Target fund.</p> <p>For the Fiscal Year 2023, over \$62.2 million of NHTF has been allocated to HCD, inclusive of an estimated \$56 million available to finance affordable multifamily developments. \$39.2 million of the \$56 million will be in the general allocation fund. Based on the per unit assistance provided with the FY2020-FY2021 NHTF general allocation fund, approximately 127 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY23 general allocation fund.</p> <p>Based on the same assumptions for FY23, \$11.2 million of the \$56 million will be in the Rural Area Target and approximately 43 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY23 Rural Area Target fund.</p> <p>Continuing the same assumptions for FY23, \$5.6 million of the \$56 million will be in the Tribal Target</p>
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		and approximately 18 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using FY23 Tribal Target fund.
3	State Program Name:	Housing Trust Fund/ National Housing Trust Fund- Tribal Target
	Funding Sources:	HTF
	Describe the state program addressed by the Method of Distribution.	<p>The NHTF Program is a federal formula grant that provides annual allocations to states to increase and preserve the supply of decent, safe, and sanitary affordable housing specifically for extremely low-income households.</p> <p>HCD will distribute NHTF funds to eligible multifamily rental projects in California through a competitive and/or over-the-counter application process, as specified in the NOFA.</p>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>Eligible applicants/recipients of NHTF funds include organizations, agencies, or other entities such as PHAs, Tribal Entities, and for-profit and nonprofit entities. Recipients must:</p> <ol style="list-style-type: none"> 1. Meet the definition of a Recipient under 24 C.F.R. § 93.2, specifically, <ol style="list-style-type: none"> a. Make acceptable assurance they will comply with all NHTF requirements during the entire affordability period; b. Demonstrate the 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 NHTF funds to ensure compliance; and d. Demonstrate experience and capacity to conduct the eligible NHTF activity in question as evidenced by relevant history.

				<p>2. Have site control under 25 C.C.R. § 8303 of the project they apply to HCD for an award of NHTF funds, including but not limited to, demonstrating site control by one of the following:</p> <ul style="list-style-type: none"> a. Fee Title evidenced by a current title report showing the Applicant holds fee title; b. For tribal trust land, a title status report (“TSR”) or an attorney’s opinion regarding chain of title and current title status; c. A leasehold interest on the Project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease must permit, prior to loan closing, compliance with all Program requirements, including compliance with 25 C.C.R. § 8316; or d. A leasehold estate held by a Native American Entity in federal tribal trust lands property, or a valid sublease thereof that has been or will be approved by the Bureau of Indian Affairs. <p>3. Have resolved any open audit finding(s), for any state or federally funded housing or community development projects or programs to the satisfaction of HCD or the federal agency by which the finding was made.</p> <p>4. Are not debarred or suspended from participation in federal or state housing or community development projects or programs.</p> <p>5. Cities, counties, and local public housing authorities must comply with the submittal requirements of cost principles and audit requirements at 2 C.F.R. Part 200.</p> <p>Competitive applications will initially be reviewed for meeting the minimum requirements in the NOFA. Applications that pass minimum requirements will</p>
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		<p>then be rated and ranked according to the selection criteria outlined in the NOFA. In the event of a tie amongst applications, HCD must assign a higher rank to applications with a greater readiness to proceed with their Project’s milestones. If any tied applications have equal readiness to proceed with their Project’s milestones, then HCD must assign a higher rank to the applications that have secured more firm written financial commitments for its Project’s funding. If any tied applications have equal readiness to proceed with their Project’s milestones and have secured an equal amount of firm written financial commitments for their Projects’ funding, then HCD must assign a higher rank to any of the applications with Projects providing greater affordability for households at or below 30 percent of AMI.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>NHTF funding will be available to all jurisdictions in California including Native American Lands. HCD will target 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 (HSC). In addition, HCD shall target 10 percent of available funds for projects developed by, or in partnership with, Tribal Entities (defined below).</p> <p>“Tribal Entity(ies)” means an Applicant that is any of the following:</p> <ul style="list-style-type: none"> a. Applicant meets the definition of Indian Tribe under United States Code (U.S.C.) Title 25 U.S.C. § 4103(13)(B); b. Applicant meets the definition of Tribally Designated Housing Entity under Title 25 U.S.C. § 4103(22); c. If not a federally recognized Tribe, either: <ul style="list-style-type: none"> i. Applicant is listed in the Bureau of Indian Affairs Office of Federal Acknowledgement petitioner list pursuant to Title

		<p>25 CFR § 83.1.</p> <p>ii. Applicant is an Indian Tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of consultation pursuant to § 65352.3 of the Government Code.</p> <p>For calculation purposes, applications for the 10 percent Tribal Target will not be counted towards the 20 percent Rural Area Target, even if the project is located in a Rural Area – unless the funds for the Tribal Target are fully utilized, in which case a Tribal project in a Rural Area will be counted towards the Rural Area Target.</p> <p>If the funds for the Rural Area Target are not fully utilized, any unused funds will be re-allocated to the Tribal Target. If the funds for the Tribal Target are not fully utilized (including any carry-over funds from the Rural Area Target), unused funds will be re-allocated to the general NHTF fund.</p> <p>If the funds for the Tribal Target are not fully utilized, any unused funds will be re-allocated for the Rural Area Target. If the funds for the Rural Area Target are not fully utilized (including any carry-over from the Tribal Target), unused funds will be re-allocated to the general NHTF fund.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>NHTF funding will be awarded on a competitive basis through a Notice of Funding Availability (NOFA). HCD may issue more than one NOFA during a funding cycle. The NOFA shall specify the maximum amount of project funds available, including whether funds have been set aside for a specific purpose; 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.</p>

		<p>An Applicant must electronically submit its application in a format made available by HCD that requests the information required by the NHTF Guidelines.</p> <p>An Applicant must submit its application by the deadline specified in the NOFA.</p> <p>Application requirements include, but are not limited to the following:</p> <ul style="list-style-type: none"> • Project Narrative/Details, Construction Scope of Work and Financing. • Detailed information of the borrower Applicant adequate to determine the experience of the Applicant with other federal, state, or local housing or community development programs. • Site Information. • Property management plan. • Resident services plan. • Supportive Services plan (for permanent supportive housing developments). • Environmental Site Assessment Documentation (i.e., Phase I, asbestos, mold, lead-based paint assessments). • Consultants/Third Party Reports (i.e., appraisal, market study and physical needs assessments). • Relocation Plan, if applicable. • Article XXXIV Authority.
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The expected outcome measure is the increase in supply of affordable rental housing by providing NHTF assistance to units for tenants at or below 30 percent of AMI or below the poverty line; whichever is greater:</p> <p>The charts below summarize the known FY22 and conservatively estimated FY23 allocations available for project financing, as well as the anticipated production of units. Details with respect to the FY22-</p>

FY23 calculations follow the charts.

FY2022-FY2023 NOFA

Fiscal Year	General Allocation (million)	Rural Area Target (million)	Tribal Target (million)
FY2022	\$83.1	\$23.8	\$11.9
FY2023	\$39.2	\$11.2	\$5.6
Subtotal Amount	\$122.3	\$35.0	\$17.5
Aggregate	\$174.8 million		

Anticipated Unit Production

Fiscal Year	General Allocation	Rural Area Target	Tribal Target
FY2022	270	90	39
FY2023	127	43	18
Subtotal Units	397	133	57
Aggregate	587 units		

For the Fiscal Year 2022, over \$132 million of NHTF has been allocated to HCD, inclusive of an estimated \$118.8 million available to finance affordable multifamily developments. \$83.1 million of the \$118.8 million will be in the general allocation fund. Based on the per unit assistance provided with the FY2020-FY2021 NHTF general allocation fund, approximately 270 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY22 general allocation fund.

Based on the same assumptions for FY22, \$23.8

		<p>million of the \$118.8 million will be in the Rural Area Target and approximately 90 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY22 Rural Area Target fund.</p> <p>Continuing the same assumptions for FY22, \$11.9 million of the \$118.8 million will be in the Tribal Target and approximately 39 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using FY22 Tribal Target fund.</p> <p>For the Fiscal Year 2023, over \$62.2 million of NHTF has been allocated to HCD, inclusive of an estimated \$56 million available to finance affordable multifamily developments. \$39.2 million of the \$56 million will be in the general allocation fund. Based on the per unit assistance provided with the FY2020-FY2021 NHTF general allocation fund, approximately 127 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY23 general allocation fund.</p> <p>Based on the same assumptions for FY23, \$11.2 million of the \$56 million will be in the Rural Area Target and approximately 43 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY23 Rural Area Target fund.</p> <p>Continuing the same assumptions for FY23, \$5.6 million of the \$56 million will be in the Tribal Target and approximately 18 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using FY23 Tribal Target fund.</p>
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CDBG-CV Program and ESG-CV Program

The method of distribution for CDBG-CV and ESG-CV is described in the 2019-2020 AAP Amendments labeled CARES Act found here:

[Plans & Reports | California Department of Housing and Community Development](#)

(Federal Plans and Reports)

CDBG-DR Program

The method of distribution for the CDBG-DR program is described in the CDBG-DR Action Plan. Please see HCD's webpage for that program's Action Plan:

[Action Plans and Federal Register Notices \(FRNs\) | California Department of Housing and Community Development](#)

CDBG-NDR Program

The method of distribution for the CDBG-NDR program is described in the CDBG-NDR Action Plan. Please see HCD's webpage for that program's Action Plan: [National Disaster Resilience Competition | California Department of Housing and Community Development.](#)

AP-35 Projects – (Optional)

Introduction

The following projects address the five strategic goals outlined in section AP-20 (Annual Goals and Objectives):

#	Project Name
1	Increase Housing Affordability
2	Addressing and Preventing Homelessness
3	Economic Development
4	Maintain or Improve Public Facilities and Infrastructure
5	Maintain or Improve Access to Public Services
6	State Operations
7	2022 CDBG General Admin Assistance

Table 7 – Project Information

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

For the Community Development Block Grant (CDBG) Program, state statute requires that at least 51 percent of all available funds be allocated for applications to fund housing and housing-related activities (housing-related includes public improvements and public facilities in support of construction of new housing activities).

As with the Economic Development (ED) allocation for CDBG, if the demand for housing funds in a given Notice of Funding Availability (NOFA) cycle is not sufficient, the balance of funds reverts to the general pool of funds to be awarded to other eligible projects and programs. In addition to allocations and funding level criteria described above, the 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- and moderate-income individuals in compliance with the federal regulation. The HOME Investment Partnerships (HOME) Program funding allocation priorities are based on demand by program applicants for categories of activities.

For allocation priorities of the CDBG-Disaster Recovery (DR) program, please see HCD's webpage for that program's Action Plan: [Action Plans and Federal Register Notices \(FRNs\) | California Department of Housing and Community Development](#).

AP-38 Project Summary

Project Summary Information

1	Project Name	Increase Housing Affordability
	Target Area	Statewide
	Goals Supported	Increase Housing Affordability
	Needs Addressed	Improved access to affordable housing
	Funding	CDBG: \$12,196,117.42 HOME: \$101,026,446.40 HTF: \$62,249,056
	Description	Address the high cost of housing among extremely low-income, low-income, and moderate-income households by making available and preserving more affordable housing options.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	544 families of extremely low-, low-, and moderate-income
	Location Description	
	Planned Activities	Multifamily Rental and New Construction. Homebuyer Assistance, Homeowner Rehabilitation

2	Project Name	Addressing and Preventing Homelessness
	Target Area	Statewide
	Goals Supported	Addressing and preventing homelessness
	Needs Addressed	Homelessness prevention and assistance
	Funding	CDBG: \$2,791,747.83 HOPWA: \$7,198,143 HOME: \$4,814,049.60 ESG: \$12,412,939
	Description	Addressing the increasing number of individuals and families experiencing homelessness by aiding households currently experiencing homelessness and those at imminent risk of entering homelessness.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	2,800 households experiencing homelessness 15,900 persons experiencing homelessness
	Location Description	
	Planned Activities	Short-Term Rent, Mortgage, and Utility Assistance, Transportation, Permanent Housing Placement, Housing Information Services, Case Management, and Tenant-Based Rental Assistance

3	Project Name	Economic Development
	Target Area	Statewide
	Goals Supported	Economic Development
	Needs Addressed	Increase economic development opportunities
	Funding	CDBG: \$8,375,243.50
	Description	Provide an economic catalyst to areas in need of economic development, particularly in the rural areas, with the goal of increasing economic opportunities and outcomes to low- and moderate-income individuals.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	40 jobs created or retained 90 businesses assisted
	Location Description	
	Planned Activities	Acquisition, Administration and Planning, Economic Development

4	Project Name	Maintain or Improve Public Facilities and Infrastructure
	Target Area	Statewide
	Goals Supported	Maintain or improve public facilities and infrastructure
	Needs Addressed	Neighborhood stability and sustainability
	Funding	CDBG: \$7,020,873.92
	Description	Provide support for public facilities and infrastructure, particularly in the rural areas, with the goal of supporting low- to moderate-income households in these communities.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	Other than low- and moderate-income Housing Benefit: 30,000 Assisted For low- and moderate-income Housing Benefit: 100 Households Assisted
	Location Description	
	Planned Activities	Acquisition, Administration and Planning, Economic Development, Housing, Public Improvements, Public Services

5	Project Name	Maintain or Improve Access to Public Services
	Target Area	Statewide
	Goals Supported	Maintain or improve access to public services
	Needs Addressed	Community-based public service
	Funding	CDBG: \$4,187,621.76
	Description	Provide support for public services, particularly in rural areas, with the goal of supporting low- and moderate-income households in these communities.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	Other than low- and moderate-income Housing Benefit: 112,000 Persons Assisted For low- and moderate-income Housing Benefit: 100 Households Assisted
	Location Description	
	Planned Activities	Acquisition, Administration and Planning, Economic Development, Housing, Public Improvements, Public Services

6	Project Name	State Operations
	Target Area	Statewide
	Goals Supported	Increase Housing Affordability Addressing and preventing homelessness Economic Development Maintain or improve public facilities and infrastructure Maintain or improve access to public services
	Needs Addressed	Improved access to affordable housing Homelessness prevention and assistance Neighborhood stability and sustainability Community-Based public services Increased economic development opportunities
	Funding	CDBG: \$1,181,509.09
	Description	State Operations for the 2022 CDBG Program for the State of California. This will include program administration and providing technical assistance to grantees. There is no corresponding National Objective for State Operations though these efforts support the successful completion of all other projects and activities.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	State Operations

7	Project Name	2022 CDBG General Administrative Assistance
	Target Area	
	Goals Supported	Increase Housing Affordability Addressing and preventing homelessness Economic Development Maintain or improve public facilities and infrastructure Maintain or improve access to public services
	Needs Addressed	Improved access to affordable housing Homelessness prevention and assistance Neighborhood stability and sustainability Community-Based public services Increased economic development opportunities Disaster recovery and climate resilience
	Funding	CDBG: \$2,101,315.57
	Description	General Administrative Assistance for CDBG
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Local General Administration of CDBG Programs

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

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

No.

Available Grant Amounts

The California Department of Housing and Community Development (HCD) has considered Community Development Block Grant (CDBG) Economic Development (ED) projects for Section 108 funding. However, large-scale projects that would support the federal Section 108 funding have not been identified at this time.

Acceptance process of applications

There are none currently. The state has not historically operated a Section 108 program.

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

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

No.

State's Process and Criteria for approving local government revitalization strategies

Not applicable. The state Community Development Block Grant (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.

AP-48 Method of Distribution for Colonias Set-Aside – 91.320(d)&(k)

Introduction

Colonias are jurisdictions along the U.S. and Mexico border that frequently experience advanced needs for housing, water, and sewer challenges.

Colonia programs, projects, and service applications should align to the specific needs of Colonias, with a focus on housing, access to potable water, and sewer improvements. To support this focus, the Colonia set-aside is allocated to the community development component of the 2023 Notice of Funding Availability (NOFA). Economic Development (ED) and public services applications will not be eligible through the Colonia allocation, though jurisdictions in which Colonias are located may apply for ED activities from the ED set-aside and the general Community Development Block Grant (CDBG) allocation, in addition to a Colonia activity application. The Colonia applications are subject to the same method of distribution identified in the CDBG method of distribution.

Distribution Methods

1	State Program Name:	CDBG Colonias Set-Aside
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The National Affordable Housing Act of 1990 established allocations to support Colonias in addressing deficiencies in housing, access to potable water, and sewer improvements. The new CDBG guidelines allow for up to 10 percent of CDBG funding to be set aside for Colonia applications, which aligns with federal Regulations. This allows for the CDBG program to be responsive in the event additional funding needs to be made available for the Colonias. Typically, the State of California has met the federal requirement for the Colonia allocation by setting aside 5 percent of CDBG funding for Colonia applications. The state plans to continue to use the 5 percent set-aside for FY23.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The criteria for the Colonia set-aside applications are the same as the criteria for the competitive and Over the Counter (OTC) CDBG applications, except that the Colonias set-aside may not be used for public services

		<p>activities. Competitive application criteria will focus on need, readiness, capacity, and past performance. For specific details about the criteria, see the CDBG competitive and OTC methods of distribution. The Colonia set-aside will not be eligible for ED or public services activities, though Colonia jurisdictions may apply for Colonia eligible activities in addition to general CDBG programs, services, planning, and projects.</p>
	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describe the application criteria? (CDBG only)</p>	<p>Applicants will have access to a unique application form. For details on the competitive and OTC processes, please see the CDBG method of distribution. For FY23, only the Colonias in Imperial County are eligible for the Colonias set-aside through the state CDBG program.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>Pursuant to state CDBG guidelines, funding allocations are based on demand once state administration funding amounts and state and federal allocated amounts have been accounted for. The allocation for Colonias is determined based on a 5 percent set-aside for FY23. The Colonias set-aside is pulled from the community development funds and may be used for programs and projects that support housing, access to potable water, and sewer improvements. The Colonias set-aside may not be used for public services activities. Applications for activities from the Colonias set-aside may be made in addition to applications for the general CDBG activities identified in the CDBG allocation among funding categories.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>All applications must meet federal and state thresholds and overlays to be eligible for funding. Please see the CDBG method of distribution for the CDBG threshold and overlays. The Colonia set-aside is subject to</p>

		<p>the same thresholds and overlays as the other set-asides and allocations in the state CDBG program.</p> <p>Grant size limits: The following grant limits apply to the Colonia set-aside only:</p> <p>The FY23 NOFA maximum application limit for Colonia funding will be 5 percent of the CDBG allocation. Colonia applicants may apply for the full amount of set-aside for an eligible project. Grant size limits will be in the applicable NOFA and may change as the size of the CDBG allocation changes.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The California Department of Housing and Community Development (HCD) expects to use CDBG funding to support public infrastructure for water and sewer improvements in the Colonias, as well as improving housing quality in owner- and renter-occupied units. HCD expects to leverage the Colonia allocation with other CDBG funding, as Imperial County has been a regular applicant for multiple CDBG funded projects.</p> <p>Increase housing affordability (Goal Outcome Indicators: Households Assisted, Housing Units Added)</p> <p>Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted)</p> <p>Economic Development (Goal Outcome Indicators: Jobs Created/Retained, Businesses Assisted, Persons Assisted)</p> <p>Maintain or improve access to public services (Goal Outcome Indicators: Area Benefit (total people assisted), Persons Assisted)</p>

AP-50 Geographic Distribution – 91.320(f)

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 regions of the state, subject to program eligibility rules. Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funding is available to non-entitlement jurisdictions, which are smaller cities and counties in rural areas of the state.

Emergency Solutions Grants (ESG), Housing Opportunities for Persons With AIDS (HOPWA), and National Housing Trust Fund (NHTF) awards are made statewide. Changes in CDBG- and HOME-eligible jurisdictions may occur annually if jurisdictions join or withdraw from a CDBG Urban County Agreement or a HOME consortium. See AP-30 for each program’s current Method of Distribution that sets forth allocation methods and applicant rating criteria that may directly or indirectly impact the geographic distribution of program funds.

In each Notice of Funding Availability (NOFA), the California Department of Housing and Community Development (HCD) will consider different approaches to an equitable and strategic distribution of funds through geographic targeting. These approaches may include rural set-asides, set-asides for tribal communities, minimum allocations by geographic region, incentives for activities in areas providing access to opportunity and incentives for investment in disadvantaged communities. HCD will continue to focus on expanding its activities in Tribal communities through the relationship-building and technical assistance outreach described in AP-10 and other activities to develop funding relationships with tribal nations.

HOPWA: Pursuant to eligibility requirements for HOPWA formula awards, changes in HOPWA-eligible jurisdictions 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. Eligible MSAs (EMSA) receive approximately \$36 million annually in HOPWA funds directly from the U.S. Department of Housing and Urban Development (HUD). State HOPWA currently funds non-eligible MSAs only unless there is a compelling reason to assume oversight of a particular EMSA’s funding for a limited period.

Geographic Distribution

Target Area	Percentage of Funds
Statewide	100%

Table 9 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The state has no geographic target areas for allocation.

Discussion

Affordable Housing

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

Introduction

According to the California Housing Partnership, California has more than doubled production of new affordable homes in the past three years. Unfortunately, housing costs continue to rise in the state, and renters need to earn 2.8 times the state minimum wage – the equivalent of three full-time jobs – to afford the average market rate rent for a two-bedroom apartment (see chpc.net/publications/housing-need-reports/). The number of California households with worst-case housing needs – defined as low-income households paying more than half of their incomes on rent, living in seriously substandard housing (which refers to units having one or more serious physical problems related to heating, plumbing, and electrical systems or maintenance), who are experiencing homelessness or who have been involuntarily displaced has been increasing in tandem with rising housing costs.

The California Department of Housing and Community Development (HCD) leads in the State of California's response to our state housing crisis. Since 2018, HCD has released \$14.3 billion in funding to develop multifamily housing, of which \$12.8 billion has been awarded to date. These investments have resulted in 54,841 new homes, either constructed, or in the pipeline, providing housing to approximately 125,000 Californians. The Department's funded portfolio comprises around 91,000 units, which will provide affordable housing to an estimated 1.79 million individuals over the lifespan of these projects.

California's ongoing investments in affordable housing leverage federal funding from the U.S. Department of Housing and Urban Development (HUD), maximizing the impact of valuable federal resources. For instance, many affordable development proposals receive a mix of funds – both federal and state – to achieve financial feasibility. The below table lists state-funded affordable housing development programs and production rates. Many of these programs are described in more detail in AP-65. All programs currently prioritize unhoused individuals and at-risk populations.

Programs (2018 - Current)	Projects and Units by Status						Totals	
	Awarded not yet Under Construction		Under Construction		Complete		Projects	Units ^[1]
	Projects	Units	Projects	Units	Projects	Units		
ACC^[2]	34	3,120	24	1,967	0	0	58	5,087
AHSC^[3]	69	2,250	96	2,935	33	2,503	198	7,688
FWHG^[4]	15	583	24	1,405	0	0	39	1,988
Homekey^[6]	5	89	121	7,270	84	5,256	210	12,615
IIG^[7]	62	6,428	50	1,151	15	316	127	7,895
MHP^[8]	15	1,146	49	2,679	2	112	66	3,937
NPLH^[9]	136	2,759	73	3,060	30	531	239	6,350
TOD^[10]	6	381	14	1,073	1	58	21	1,512
VHHP^[11]	12	251	16	779	7	366	35	1,396
MFSN^[12]	72	6,373	0	0	0	0	72	6,373

^[1] **Total Units:** To avoid double counting of units that receive multiple sources of funding, units are associated with the program for which the development most recently received funding. For example, for a development receiving Affordable Housing and Sustainable Communities (AHSC) and Accelerator (ACC) funding, the units are attributed to ACC, as that is the most recent award. Unit counts represent minimum number of units produced by these programs, which may grow over time as additional funds are awarded.

^[2] **ACC:** The ACC program funded multiple developments that had past HCD awards in other programs on this list, including AHSC, Farmworker Housing Grant (FWHG), Infill Infrastructure Grant (IIG), Multifamily Housing Program (MHP), No Place Like Home (NPLH), Transit-Oriented Development (TOD), and Veterans Housing and Homelessness Prevention Program (VHHP). As a result, the production from some of those programs is captured in this row, leading to lower figures in the individual programmatic rows.

^[3] **AHSC:** Some additional AHSC production is captured in the ACC row. This is done to ensure data is not duplicated and that the overall production data is accurate.

^[4] **FWHG:** Some additional FWHG production is captured in the ACC row. This is done to ensure data is not duplicated and that the overall production data is accurate.

^[6] **HOME Investment Partnerships Program (HOME):** Units may be represented in more than one program in the table resulting in a duplication of units. As a result, these are not reflected in the "All Programs" totals.

¹⁶ Homekey: Total Units slightly lower than in the Homekey section of this document, due to units sometimes being combined during rehabilitation.

¹⁷ IIG: Some additional IIG production is captured in the ACC row. This is done to ensure data is not duplicated and that the overall production data is accurate.

¹⁸ MHP: Some additional MHP production is captured in the ACC row. This is done to ensure data is not duplicated and that the overall production data is accurate.

¹⁹ NPLH: Some additional NPLH production is captured in the ACC row. This is done to ensure data is not duplicated and that the overall production data is accurate.

¹⁹¹ TOD: Some additional TOD production is captured in the ACC row. This is done to ensure data is not duplicated and that the overall production data is accurate.

¹¹¹ VHHP: Some additional VHHP production is captured in the ACC row. This is done to ensure data is not duplicated and that the overall production data is accurate.

¹²¹ Multifamily Finance Super NOFA (MFSN): This NOFA includes the following programs: MHP, IIG, VHHP, and FWHG.

However, housing costs for unregulated and market rate housing continue to rise precipitously, resulting from decades of underproduction. As is the case, nationally, wage growth is stagnant or lags far behind housing cost escalation, and as a result, California is currently experiencing a crisis of homelessness. HCD will continue to direct newly available funding (from HUD and the State of California) towards this most vulnerable population.

One Year Goals for the Number of Households to be Supported	
Homeless	2,900
Non-Homeless	544
Special-Needs	780
Total	4,224

Table 10 - One Year Goals for Affordable Housing by Support Requirement

Type of Affordable Housing Assistance	
Rental Assistance	3,655
The Production of New Units	247
Rehabilitation of Existing Units	270
Acquisition of Existing Units	52
Total	4,224

Table 11 - One Year Goals for Affordable Housing by Support Type

Discussion

The state plans to provide 4,224 households with federally funded assistance to obtain or maintain affordable housing. This includes supporting 2,900 households experiencing homelessness in the Community Development Block Grant (CDBG), HOME, and Emergency Solutions Grants (ESG) program, 780 households with special needs in the Housing Opportunities for Persons With AIDS (HOPWA) program, and 544 households not experiencing homelessness in the CDBG, HOME, and National Housing Trust Fund (NHTF) programs. This assistance will vary in type depending on the program and households' needs.

The state plans to provide 3,655 households with short-term rental assistance and other forms of housing-related financial assistance in the HOPWA, ESG, and HOME programs, 247 households with new affordable units in the CDBG, HOME, and NHTF programs, 270 households with rehabilitated affordable units in the CDBG, HOME, and NHTF programs, and 52 households with homebuyer assistance in the CDBG and HOME programs.

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

Introduction

The California Department of Housing and Community Development (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 to the U.S. Department of Housing and Urban Development's (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 Grants (ESG), and Housing Opportunities for Persons With AIDS (HOPWA). 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:

[PHA Contact Information - HUD | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

Actions to encourage public housing residents to become more involved in management and participate in homeownership. (Should this be bold?)

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.

Discussion

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

Introduction

The California Department of Housing and Community Development (HCD) addresses and prevents homelessness through over a dozen state-funded housing programs and will continue to address the requirements in 24 CFR Section 91.320(h) by using funding for the Emergency Solutions Grants (ESG) and Community Development Block Grant (CDBG) programs, alongside state-funded programs.

The ESG program currently has over 100 active contracts with local entities. ESG grants can be used to (1) engage individuals and families experiencing unsheltered homelessness, (2) rapidly re-house individuals and families experiencing homelessness, (3) help operate and provide essential services in emergency shelters (including required intake data collection), and (4) prevent at-risk individuals and families from entering homelessness. CDBG funding also can be used by local jurisdictions to fund services that address and prevent homelessness.

In recognition of the current crisis of homelessness in California, state leadership aims to promote action-oriented coordination and alignment across state agencies and programs, and stronger partnerships with public and private partners in communities. To these ends, the California Interagency Council on Homelessness (Cal ICH) released, in the spring of 2021, an Action Plan for Preventing and Ending Homelessness in California (Homelessness Action Plan). Cal ICH's Homelessness Action Plan outlines specific steps that state agencies and departments will take to identify and support solutions to short-term and chronic homelessness. These steps are in five Action Areas:

- Strengthening our systems to better prevent and end homelessness in California,
- Equitably addressing the health, safety and services needs of Californians experiencing unsheltered homelessness,
- Expanding communities' capacity to provide safe and effective sheltering and interim housing,
- Expanding and ensuring equitable access to permanent housing, and
- Preventing Californians from experiencing the crisis of homelessness.

Cal ICH approved the first Annual Update to the Homelessness Action Plan in September 2022 for Fiscal Year 2022-2023 (FY22) and issued its second Implementation Progress Report in February 2023 for Fiscal Year 2021-2022 (FY21). During FY21, HCD and the California Business, Consumer Services and Housing Agency (BCSH) – HCD's umbrella agency – identified opportunities to improve policies and practices in state housing programs that focus on extremely low-income households and housing for people exiting homelessness. These included alignment of definitions and operations across programs to create more housing that serves people

experiencing, exiting, or at risk of homelessness. This process included Homekey, the Multifamily Finance Super Notice of Funding Availability (Super NOFA), and the California Debt Limit Allocation Committee (CDLAC) state affordable housing tax credit program regulations. A key goal of the Super NOFA – which aligned four of the largest state bond-funded affordable housing finance programs into a single application and award process – is to harmonize state policy objectives (including addressing homelessness) with HCD affordable housing program operations, and to ensure that units targeted towards households experiencing or at-risk of homelessness are developed in all HCD state-funded programs.

During the upcoming fiscal year, HCD will continue to lead and collaborate on activities through four interagency Working Groups on 1) State Funding & Programs, 2) Racial Equity, 3) Tailoring Strategies for Youth & Young Adults, and 4) Employment Opportunities & Outcomes. HCD will continue to be the lead department on many of the Homelessness Action Plan's implementation activities, including:

- Providing technical assistance and training opportunities, participating in listening or feedback sessions, and adapting program guidelines and guidance, to enhance Tribal Organizations' access to state homelessness and housing programs and resources.
- Implementing state and federal funding to support the provision of safe, effective housing-placement focused sheltering and interim housing models for people experiencing homelessness, with the identification of clear goals and targets for the number of shelter or interim housing opportunities to be supported through each program.
- Implementing state and federal funding to support the rehousing of people experiencing homelessness into a diverse range of housing models, including models appropriate for youth and young adults, and the development of affordable supportive housing, with the identification of clear housing goals and targets for the implementation of each program.
- Enhancing technical assistance for affordable housing providers on fair housing choice, including expanding educational efforts regarding non-discrimination based on source of income (SB 329), disability, criminal history, and other factors addressed by fair housing requirements.

The Cal ICH Homelessness Action Plan can be found on the Cal ICH website at:

https://bcsh.ca.gov/calich/documents/action_plan.pdf.

The Housing Opportunities for Persons With Aids (HOPWA) program is administered by the California Department of Public Health, Office of AIDS (CDPH/OA). The CDPH/OA convenes the California Planning Group, which serves as an advisory subcommittee and identifies the most effective housing services and best practices for integrating HIV

health, homelessness assistance, and housing providers.

Describe the jurisdiction's one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The ESG program funds Street Outreach (SO) programs, which outreach and provide services to persons experiencing unsheltered homelessness. Eligible activities for SO programs include engagement activities, case management, emergency health and mental health services, transportation, and services for special populations as defined in the federal Regulations.

SO programs use ESG funds to provide essential services necessary to outreach to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Based on past ESG applicant demand, HCD anticipates that up to 5 percent of the ESG awards will go toward SO activities for Fiscal Year 2023-2024 (FY23).

Addressing the emergency shelter and transitional housing needs of homeless persons

The ESG program funds several ES programs, which provide shelter and essential services to homeless individuals and families while they seek affordable and suitable 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. In FY23, HCD anticipates that 30-50 percent of its awards will go toward Emergency Shelter programs, based on past ESG applicant demand.

HCD's state-funded Pet Assistance and Support (PAS) Program provides funds to homelessness services agencies to reduce barriers for those individuals' experiencing homelessness with their pets. By supporting improvements to shelters to accommodate pets, the program brings individuals into shelters who otherwise would not receive services and shelter. The PAS program will award \$10 million during FY23.

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 Rapid Re-Housing (RRH) and Homeless Prevention (HP) activities which provide short- and medium-term rental assistance and supportive services to individuals and families experiencing homelessness (RRH) and those at risk of homelessness (HP), so that they can access and maintain affordable, suitable permanent housing. In FY23, HCD anticipates that approximately 40-50 percent of its awards will go towards RRH and HP projects.

ESG will continue efforts begun with the ESG Coronavirus Aid, Relief, and Economic Stimulus Act (CARES Act) (ESG-CV) program to address racial disproportionality in populations experiencing homelessness and achieve equitable provision of services for Black, Native and Indigenous, Latino/a/x, Asian, Pacific Islanders, and other people of color who are disproportionately impacted by homelessness. ESG funds housing and services that are low barrier, trauma informed, culturally responsive and implement Housing First best practices. See AP-30 for more information.

Housing Trust Fund (referred to as NHTF by HCD): HTF provides funding to affordable housing developers to preserve, rehabilitate and construct housing, primarily for extremely low-income households who are at highest risk of entering homelessness. At least 75 percent of the funds for rental housing must benefit extremely low-income households and 25 percent of the funds must benefit very low-income households. HCD is currently developing its approach to the distribution of NHTF funding after sunsetting the Housing for a Healthy California program. HCD's approach will adhere closely to the federal regulations governing HTF and will award approximately \$120 million in funding during FY23.

HOME Investment Partnerships Program – American Rescue Plan (HOME-ARP): The HOME-ARP program also will provide affordable permanent housing opportunities to individuals and families experiencing homelessness or who are at risk of homelessness. HCD's HOME-ARP allocation of approximately \$155 million will be used to fund the development of affordable rental housing in non-entitlement areas (\$110 million) and housing plus supportive services programs (\$27 million). \$16 million of the affordable rental housing funds will be targeted towards developing affordable housing for individuals exiting correctional facilities who are at-risk of entering homelessness. HCD plans to award funds from this allocation during FY23.

HCD also administers programs that utilize state funding to help persons experiencing homelessness – especially chronically homeless individuals and families, and veterans and their families – make the transition to permanent housing. All of the large development-focused programs listed above in AP-55 fund housing for homeless and at-risk individuals and families. In addition to these development-focused programs, HCD manages the Portfolio Reinvestment Program (PRP) and the Manufactured Housing Opportunity and Revitalization Program (MORE) program, which preserve affordable housing opportunities for people who would otherwise be at-risk for homelessness. HCD also manages service-enhancing grants for homeless populations

such as the Youth Transitional Housing Program (TAY) and Pets Assistance Program (PAS).

All of HCD's rental housing development, preservation, and services programs are integral to the State's strategy to end and prevent homelessness. These programs prioritize housing for extremely low-income and homeless households. HCD's affordable rental development and preservation programs include:

- Affordable Housing and Sustainable Communities Program (AHSC)
- Infill Infrastructure Grant Program (IIG)
- Joe Serna Jr, Farmworker Housing Grant Program (FWHG)
- Permanent Local Housing Authority (PLHA)
- Portfolio Reinvestment Program (PRP)
- Manufactured Housing Opportunity and Revitalization Program (MORE)

Beyond those named above, several programs deserve highlighting as they focus exclusively or centrally on households experiencing homelessness and at-risk for homelessness. These are Homekey, the Veterans Housing and Homelessness Program, the Multifamily Housing Program and new Multifamily (Finance?) Super NOFA, No Place Like Home, and the Youth Transitional Housing Program.

Homekey: Homekey was created as an opportunity for local public agencies to quickly acquire and rehabilitate properties like motels, multifamily buildings, and commercial properties, to expand housing for persons experiencing or at risk of homelessness. Since its inception in 2020, Homekey has awarded over \$2.7 billion to 210 projects, which will quickly and cost-effectively create 12,774 units of housing. The 210 projects are expected to serve 211,592 people over the projects' affordability term.

Veterans Housing and Homelessness Prevention (VHHP): In 2013, Assembly Bill 639 (AB 639) restructured the Veteran's Bond Act of 2008 to authorize \$600 million in existing bond authority to fund multifamily housing for veterans. VHHP funding can be used for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families. At least 50 percent of the funds awarded shall serve veteran households with extremely low incomes. Of those units targeted to extremely low-income veteran housing, 60 percent shall be supportive housing units. HCD has awarded approximately \$500 million in five funding releases and anticipates that \$50 million will be awarded through VHHP in the upcoming fiscal year.

Multifamily Finance Super NOFA (MFSN) and Multifamily Housing Program (MHP): MHP is one of HCD's longest running programs and provides financing for the construction of affordable rental housing. Under the newly implemented MFSN, revised universal scoring criteria provided greater incentives to develop housing for individuals

experiencing chronic homelessness and extremely low-income individuals and families. 35 percent of an applicant's total score (40 points out of 113) now are based on the extent to which the project serves households at the lowest income levels (30 points) or persons experiencing homelessness (10 points). The new MFSN universal scoring criteria was applicable beyond the MHP program to all core rental development programs including FWHG, IIG, VHHP and TOD. This alignment demonstrates HCD's commitment to preventing and addressing homelessness.

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: HOPWA provides funding to help individuals who are being discharged from publicly funded health care institutions and systems of care, corrections institutions and programs, and receiving assistance from public health agencies. The HOME-ARP program, currently in development, also will prioritize projects that serve re-entry populations.

HOPWA provides Tenant-Based Rental Assistance (TBRA); 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.

Homelessness prevention 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 health, drug use, or chronic homelessness). Housing assistance and supportive services allow residents to achieve or maintain housing stability. The National AIDS Housing Coalition reports that housing assistance has been shown to decrease health disparities while reducing overall public expense, thereby making better use of limited public resources.

In addition to the federally funded homelessness prevention activities described above, HCD administers many state-funded programs that aim to help low-income individuals and families avoid entering homelessness.

Youth Transitional Housing Program (THP): When left without support or resources, young adults aged 18 to 25 years ("transition age youth") can face huge barriers to finding safe, affordable homes. As a result, many of these youth are at extreme risk of falling into homelessness. The Transitional Housing Program provides funding to

counties for child welfare services agencies to help young adults aged 18 to 25 years find and maintain housing, with priority given to those formerly in the foster care or probation systems. Authorized by SB 80 (2019), THP allocates approximately \$8 million in grants to counties, based on each county's percentage of the total statewide number of young adults aged 18 to 25 years in foster care.

No Place Like Home (NPLH): The NPLH program provides development financing, including capitalized operating subsidy reserves, for rental housing serving extremely low-income individuals, including children and youth, who are experiencing homelessness or who are at risk of chronic homelessness, and who are in need of mental health services. "Persons at risk of chronic homelessness" includes persons discharged from various institutional settings. Under the program, counties are required to provide mental health services and to coordinate the provision of or referral to other services that NPLH tenants may need including, but not limited to, health, social services, employment, and education. HCD does not plan to release a NOFA for the NPLH program during FY23 but will continue to monitor the development and operation of NPLH-funded housing.

Discussion

AP-70 HOPWA Goals – 24 CFR Part 91.320(k)(4)

One-year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	650
Tenant-based Rental Assistance	45
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds (including hotel/motel voucher assistance)	85
Total	780

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

Introduction

The state will continue to identify existing public policies that serve as barriers to affordable housing and remove or ameliorate these negative effects through policy implementation and enforcement. One of the barriers identified in the 2020 Analysis of Impediments, “Local Resistance and Exclusionary Land Use Policies Constrain Access to Opportunity”, is specifically related to tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.

The California Department of Housing and Community Development’s (HCD) Housing Policy Development (HPD) Division leads HCD’s efforts to tackle laws, rules and policies that present barriers to affordable housing. One of HCD’s primary activities in this area is the continued administration of the Regional Housing Need Allocation process and State Housing Element Law. All 539 jurisdictions in California are required to include a housing element within their general plans. The housing element contains information about the availability of sites and infrastructure to accommodate new housing needs and requires an analysis of governmental constraints to the production and preservation of housing.

Housing Element Law requires cities and counties to have land-use plans and regulatory policies that facilitate the development of a range of housing types to meet the needs of all income groups. These plans must be developed with public input and participation as they serve as the basis for land-use and assistance programs to address local, regional, and state housing needs.

Housing elements are required to be updated periodically (either every five years or every eight years) and must be reviewed by HCD to determine compliance or noncompliance with State Housing Element Law (Article 10.6 of the Government Code). HCD staff are reviewing 6th cycle housing element updates.

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

In October 2021, HCD established a new Housing Accountability Unit, strengthening efforts to increase local jurisdictions’ accountability to their housing production goals outlined in their housing elements and Regional Housing Needs Allocations (RHNA). The new unit also works to ensure compliance with state affordable housing laws. HCD has the authority to enforce various state housing laws, including housing element fair

housing and program commitments, the Housing Accountability Act, No Net Loss law, Density Bonus law, Land Use Discrimination law, Accessory Dwelling Unit laws, Affordable Housing Preservation Noticing law, Surplus Land Act, Affirmatively Furthering Fair Housing law, Streamlined Ministerial Permit processes, and limitations on development standards.

The Housing Accountability Unit will continue to work with local jurisdictions to provide technical assistance and review of policies that often hinder the building of housing throughout the state. As reported in the 2021-22 Consolidated Annual Performance Evaluation Report (CAPER), as of August 2022, HCD's accountability unit unlocked 2,790 housing units, 571 affordable housing units, provided technical assistance on 195 cases, and sent 140 accountability letters to local jurisdictions. The Housing Accountability Unit also launched a first-ever Housing Policy and Practice Review into San Francisco's legal, planning, and political barriers to housing production at all income levels. The unit also formally absorbed enforcement of the Surplus Land Act, unlocking hundreds of affordable housing units through its review of state surplus land.

California's Statewide Housing Plan (SHP) (available at <https://statewide-housing-plan-cahcd.hub.arcgis.com>) identifies actions to mitigate the effects of public policies that create barriers to affordable housing production and preservation in three categories: streamlining housing development, incentivizing housing production overall and affordable housing production specifically, and strengthening local jurisdictions' accountability by improving the enforcement of specific laws.

Streamlining Housing Development: Over the past few years, the state has approved and implemented legislation to increase the supply of affordable housing to all income levels by reducing the time and cost associated with the development of housing units. These laws encouraged a more straightforward process for housing approvals at the local level by streamlining the permitting process via ministerial approvals, offering exemptions to the California Environmental Quality Act (CEQA) and expanding the capacity for Accessory Dwelling Units (ADUs). The Legislature also provided new funding for local governments to improve their development processes as well as a better coordination system for the delivery of state funding. The state also took steps to preserve its existing authority to ensure low-income housing is included in new developments.

Incentivizing Housing Production: These incentives include programs that provide infrastructure and parks funding for cities that produce affordable housing, matching funds for cities and counties that contribute local funding to affordable housing and incorporating housing goals into transportation plans. The state also took a variety of steps to utilize public land for affordable housing production. Both the Surplus Land Act (AB 1486, 2019; SB 791, 2021) and the Excess Sites Program make public land available to affordable housing developers. These two initiatives have already produced

significant dividends, resulting in over 5,000 units of affordable housing expected on current sites as of February 2022.

Strengthening Accountability and Enforcement: In addition to creating HCD's Housing Accountability Unit, the state adopted several laws that improve the "No Net Loss" of Affordable Housing regulations, reinforce programs to prevent exclusionary policies, improve reporting requirements for housing elements and RHNA goals, and track compliance of existing housing laws.

Discussion

The state continues to approve and fund legislation to encourage the removal of barriers to housing. In California's 2019-2020 Budget Act, Governor Gavin Newsom allocated \$250 million for all regions, cities, and counties to engage in housing planning to accelerate housing production. HCD created two programs: Local Early Action Planning Grants (LEAP), which awards funding to cities and counties (similarly to the SB 2 planning grants) and Regional Early Action Planning Grants (REAP). The REAP program marks the first time the state has invested in regional housing planning and as a result, HCD anticipates local governments will engage in a variety of unique, innovative, and effective partnerships and planning activities. As of March 2022, all 18 eligible regions and the majority of eligible jurisdictions in the state (564 out of 575) were awarded funding through these programs.

For further updates on HCD's planned activities to address barriers to affordable housing, please refer to the SHP landing page (<https://statewide-housing-plan-cahcd.hub.arcgis.com/>). This site includes a summary of the SHP, data dashboards that provide context for California's affordable housing crisis, and a link to the entire SHP. These dashboards will be updated as new data and research become available to track progress towards the state's goals.

AP-80 Colonias Actions – 91.320(j)

Introduction

According to the Cranston-Gonzalez Act of 1990, a “Colonia” is any identifiable community that: 1) is located within 150 miles of the border between the United States and Mexico, except within any standard metropolitan statistical area that has a population exceeding 1,000,000; 2) is designated by the state or county in which it is located as a Colonia; 3) is determined to be a Colonia on the basis of objective criteria, including the lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and 4) was generally recognized as a Colonia before the enactment of the National Affordable Housing Act of 1990. The U.S. Department of Housing and Urban Development (HUD) mandates that the state invests up to 10 percent of its Community Development Block Grant (CDBG) allocation for activities in Colonias. California has the following designated Colonias located in unincorporated Imperial County: Bombay Beach, Poe, Heber, Ocotillo, Palo Verde, Salton Sea, Winterhaven, Niland, and Seeley. Areas in the following cities have also been designated: Brawley, Calexico, El Centro, and Imperial. California sets aside 5 percent of its CDBG allocation for use in the Colonias.

Actions planned to address obstacles to meeting underserved needs

A historic under investment and a limited ability to generate local dollars resulting in a lack of funding is a major obstacle to meeting needs in the Colonias. To address that, 5 percent of the CDBG allocation is set-aside for the Colonias and, in addition, Imperial County frequently accesses additional funding through the regular competitive Notice of Funding Availability (NOFA) process. California has redesigned the CDBG program to make it much easier to co-fund projects with other state and federal funders. This was implemented in 2020 and over the coming program years, the California Department of Housing and Community Development (HCD) will assess its success in attracting additional funding to the area.

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

State CDBG Colonia set-aside funds are used primarily for water, sewer, public facilities, and housing rehabilitation within Colonia communities. Addressing these issues improves sustainability and quality of life for the residents. The safe environment and stable housing then allow families to focus on other areas such as education, where there is the potential to improve their incomes and reduce poverty.

Actions the state plans to take to develop the institutional structure

California provides significant outreach, technical assistance, and training in Imperial County to assist these communities in accessing CDBG and other funding sources. In addition, substantial training has been added to the state CDBG website to allow these communities to access training without traveling.

Specific actions the state plans to take to enhance coordination between public and private housing 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 and other jurisdictions with Colonias are 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.

Discussion

The state has worked closely with Imperial County throughout the planning, application, and implementation process to allow the county to successfully implement CDBG funding for work in Colonias. Substantial training has been provided to the county and other communities. The state has determined that the approach has been successful and plans to continue it into the future.

AP-85 Other Actions – 91.320(j)

Introduction

While there are numerous constraints to meeting the housing needs of low-income Californians, the primary obstacle is that there is an insufficient supply of affordable housing across the state, and a lack of funding to close the affordability gap. Specifically, the gap between the number of households in need of affordable housing and the supply of affordable and available housing units remains stubbornly large. For individuals and families who have experienced housing instability in the past, the lack of affordable and available units and the resulting competition for units means that it is very difficult for them to find housing without additional assistance. While the state will provide an unprecedented amount of financial support for affordable housing development and rental assistance in the upcoming fiscal year (details available at ebudget.ca.gov/2023-24/pdf/BudgetSummary/HousingandHomelessness.pdf), California's housing cost growth continues to outstrip funding increases.

Actions planned to address obstacles to meeting underserved needs

The State of California's 2020-2024 Consolidated Plan (Con Plan) identified the following obstacles to meeting underserved needs. During the 2023-24 fiscal year, HCD plans to take the following actions to address these obstacles:

- Rents are too expensive: Select HCD programs (including the HOME Investment Partnerships Program (HOME), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) provide tenant-based rental assistance to help low-income families afford rent.
- Difficulty finding available units: Select HCD programs (including ESG, HOPWA, HOME-ARP, No Place Like Home (NPLH) and Veterans Housing and Homelessness Prevention (VHHP)) provide funding for housing navigation services to assist very low-income households in finding affordable housing.
- Lack of cash for move-in deposit, first and last months' rent: HCD may explore the option of allowing grant funding to be used to address financial barriers to affordable housing lease-up.
- Affordable housing is in poor condition: Most HCD programs that provide funding for developing or preserving affordable housing allow this funding to be used for substantial rehabilitation.
- Community resistance to new housing: HCD's Analysis of Impediments to Fair Housing identifies potential actions to address Impediment 9, "Local Resistance and Exclusionary Land Use Policies Constrain Access to Opportunity". These actions include continuing enforcement of Housing Element Law (as described in

section AP-75) and supporting continuing research and stakeholder engagement on how restrictions on multifamily housing (such as limited multifamily zoning, and height and density limitations) discourage inclusive communities.

- Down payments, closing costs, mortgages, taxes, and home insurance are too expensive: HCD's affordable homeownership programs (including CDBG, HOME, CalHome, and the Joe Serna, Jr. Farmworker Housing Grant (FWHG)) increase the supply of affordable owner-occupied housing and provide down payment assistance for potential homeowners who are low income.
- Affordable housing is not in a safe neighborhood: HCD's access to opportunity programs (including the Multifamily Housing Program (MHP) and CalHome)) may continue to include incentives for applicants to site affordable housing projects and activities in "high-opportunity areas" with access to good schools, transportation, and employment opportunities.
- Lack of steady household income: CDBG provides funding for employment services, economic development programs and small businesses to contribute to local economic opportunities and the availability of stable employment.
- Landlords do not accept Section 8/Housing Choice vouchers: HCD may consider increasing support for landlord engagement activities to increase the stock of affordable homes available to households receiving rental assistance.

HCD also has been making efforts at addressing the underserved needs above in the following ways:

- HCD's Portfolio Reinvestment Program (PRP) has been designed specifically to support the preservation of existing affordable units, especially in light of other state programs' shift towards producing new units.
- All HCD programs prioritize access to resources like schools, grocery stores, transit, libraries, health care etc., and fund some neighborhood safety improvements. Additionally, HCD has formed critical partnerships that have successfully resulted in housing prioritization and funding in other programs such as with the California Department of Transportation (CalTrans) and the California Air Resources Board (CARB).
- AB 686 creates new requirements for all housing elements due to be revised on or after January 1, 2021. These requirements ensure that the obligation to affirmatively further fair housing is a part of a jurisdiction's planning process and guiding documents for community development.
- As of the passing of SB 329 (2019), it is against California law to discriminate against tenants based on their source of income.

HCD will continue to provide capacity-building technical assistance to agencies and local governments implementing programs funded by HUD. HCD holds numerous workshops throughout the year to assist with preparing for an application or to administer a grant in accordance with federal requirements. Additionally, HCD will continue to be the lead agency to encourage and develop the capacity of service providers in rural parts of the state. Finally, HCD will encourage its funded agencies and units of local government to seek other private or public funding opportunities to leverage sufficient funds to complete projects or provide services to a greater number of eligible beneficiaries. HCD will continue to assess the extent to which programs are able to remove these barriers to affordable housing, reducing homelessness, and economic development.

Actions planned to foster and maintain affordable housing

Part of HCD's mission is to preserve affordable housing, and this is done on various levels throughout the organization. A summary of the resources available is maintained on HCD's website at <https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml>. California state law (California Government Code (GC) Section [65863.10](#) (b) and (c)) requires owners of assisted housing developments give notice to tenants at 3-year, 12-month, and 6-month intervals before a unit's affordable housing restrictions end. In 2022, HCD began collecting annual owner certifications from all affordable housing property owners in CA. HCD tracks projects with upcoming affordability restrictions ending throughout the state in our Housing Policy Division (HPD). HPD's review of local governments' housing elements requires these jurisdictions to develop and implement preservation strategies for at risk properties.

Within our Asset Management and Compliance (AMC) Branch, HCD's portfolio is monitored for projects which have upcoming regulatory agreement expiration dates. HCD works with the project sponsors to explore options for extending affordability periods. This could involve either project restructuring and rehabilitation through Low-Income Housing Tax Credits and conventional financing, or subsidized financing in one of HCD's many affordable housing finance programs, such as our Loan Portfolio Restructuring (LPR) Program. The restructuring of HCD's loans is intended to preserve affordable housing units that would have been lost to termination of the regulatory provisions restricting rents and occupancy, to address physical deterioration of the property, and/or to improve project fiscal integrity.

In March 2022, HCD launched the Portfolio Reinvestment Program (PRP), which made approximately \$300 million available for loans to rehabilitate and extend the long-term affordability of HCD-funded rental housing developments that have an affordability restriction that has expired or will expire by December 31, 2026. The program's goal is to decrease the risk of conversion to market rate housing for projects in the HCD portfolio. Units funded with the PRP program will comply with the affordability limits

established in the PRP NOFA and will have a new loan term of either 30 or 55 years based on the size of the project. HCD will award all funds allocated to this program from the Coronavirus State Fiscal Recovery Fund by May 2023.

Actions planned to reduce lead-based paint hazards

The Lead Renovation, Repair, and Painting Rule governs the renovation of homes built before 1978, where work might disturb lead-based paint. The rule was first established in 2008 and requires workers to be certified in lead-safe practices and certified by the EPA.

All HCD grantees that receive federal funds (CDBG, HOME, or other HUD programs) are required to follow the regulations and statutes pertaining to lead-based 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 grantees are responsible for informing residents of the potential of lead-based paint hazards in their homes, evaluating the degree of lead-based paint hazards, mitigating these hazards, providing clearance on the rehabilitated areas affected by 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 Code of Federal Regulations 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). HCD grantees must adhere to these rules when implementing these activities: Housing Rehabilitation activities (whether operated as a single-family residential program or a multifamily project), homebuyer assistance and tenant-based rental assistance programs. 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, the ESG, HOPWA and THP programs fund case management services, which help poverty-level households connect to mainstream education and employment opportunities and assist them in increasing their income.

Other HCD affordable housing programs aim 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 of area median

income (AMI) or below, and by providing rent or operating subsidies that will assist families at this income level to afford housing. The NHTF, VHHP, NPLH, and Section 811 Project-based Rental Assistance (PRA) programs specifically target households at 30 percent of AMI or below. Other state programs such as HOME, MHP, Affordable Housing and Sustainable Communities (AHSC), and 9 percent and 4 percent low-income housing tax credit programs include incentives in the form of application scoring points and additional dollars for providing rents to individuals and families at 30 percent of AMI or below.

MHP and HOME also provide scoring incentives for developments located in census tracts that are classified as “high or highest opportunity”, according to the opportunity mapping index developed by the state and the California Tax Credit Allocation Committee (CTCAC). High-opportunity neighborhoods provide a healthy, well-resourced environment with access to jobs and transportation – neighborhoods whose characteristics are linked to children’s well-being and pathways to exit poverty. The Qualified Allocation Plan (QAP), developed by the state to govern the allocation of Low-Income Housing Tax Credits, prioritizes developments that are sited in stable communities – areas of lower poverty and access to place-based opportunities in transportation, education, and employment – and those that are in revitalizing communities – areas that have higher poverty rates but are paired with a concerted community revitalization plan.

For CDBG and HOME, the method of distribution for competitive programs includes community need scores, which increase the chances of funding for those jurisdictions in the state that suffer from higher levels of poverty. Although other competitive factors on a combined basis carry more weight (e.g., target area benefit, health and safety needs, and project feasibility), these points assist communities when, other factors being equal, their level of poverty is greater than others. The housing and services described in this section are an integral part of the state’s anti-poverty strategy.

Actions planned to develop institutional structure

The primary strength of the institutional delivery structure in California is the wide array of entities, both public and private, which receive HCD funding to provide housing and services. Specific gaps in services vary by geographic area, with non-entitlement areas and rural areas having fewer health, education, employment, and transportation services available to assist their low-income populations generally, and households experiencing temporary or chronic homelessness in particular. HCD will continue to prioritize support for and collaboration with housing and service delivery organizations to build institutional structure.

Continuing through 2024, HCD and consultants will provide program specific technical

assistance to local jurisdictions, CoC's and service providers. Training topics include deep dives on components of ESG, financial and grant management principles, leveraging and braiding funding, as well as racial equity. Continued trainings such as these enable recipients of HUD funding from HCD to provide more seamless delivery of HUD funded programs locally, which in turn enables more people to be served by homelessness, housing, or public service/facilities and economic development programs. Eligible recipients may request technical assistance in the following categories: Building Capacity, Housing First, and Housing Stability. HCD's contractors provide customized technical assistance based on the unique circumstances and challenges of each request. Types of assistance offered, and activities supported, at no cost to the jurisdictions, include stakeholder-convened discussions, tool kits, and education and training through workshops, webinars, and onsite or remote consultations with technical experts.

Growth within the Division of Federal Financial Assistance (DFFA) has continued from the end of 2021 through the beginning of 2023. This involved adding a Deputy Director and an Assistant Deputy Director overseeing the federal community development programs and creating a branch containing all of DFFA's housing programs. This branch consists of adding a section for the HOME-ARP program, the hiring of a Section Chief and nine authorized positions, which will be filled during the 2023-24 fiscal year; and the hiring of a Section Chief and five authorized positions to the NHTF section, which will be filled during the 2023-24 fiscal year.

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

Through the ESG, VHHP, NPLH, and Section 811 PRA programs, HCD continues to work with other state departments to assist supportive housing developers and providers. Funding recipients in these programs coordinate with local Continuums of Care, public and assisted housing providers, private and governmental health, mental health, and service agencies to connect low-income households and households at risk of/experiencing homelessness to the broadest possible array of social services.

HOPWA:

In addition to the programs discussed above, the California Department of Public Health, Office of AIDS (CDPH/OA) 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. The state HOPWA program is situated in CDPH/OA to ensure that all HIV service programs, including housing assistance, are coordinated at state and local levels.

State HOPWA staff will provide technical assistance to project sponsors to address

barriers such as potentially identifying more low-income housing for their service area. In addition, collaboration with the local Ryan White HIV/AIDS Program (RWHAP) (Part B) in leveraging funding sources to provide supportive services will address some of the other barriers such as mental health and substance abuse.

Project sponsors are required to outreach to key points of entry to increase their awareness of the HOPWA program and referral processes. Project sponsors often participate in local planning and advisory groups to represent the HIV and housing needs of their clients and participate in the community needs assessment processes. Project sponsors also often participate in their local Continuum of Care Planning Group, including assisting with the homeless counts each year, which has improved their knowledge and collaborative efforts to provide housing and supportive services to PLWH in 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.

Program Specific Requirements

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

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 in AP-35.

CDBG:

Program Income: CDBG information required by 24 Code of Federal Regulations (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 (PI), and the National Objective(s) served with the funds. In addition, for PI held in local accounts to be used, HCD uses a PI only application in eCivis where the activity is bound by a Standard Agreement. Grantees may also use Program Income in conjunction with annual funds bound by a Standard Agreement that includes both funding types. See Appendix B for a local entity PI chart.

HOME Investment Partnerships Program (HOME):

Program Income: The HOME Interim Rule (12/2/16) requires that uncommitted PI, repaid funds, or recaptured funds received during the previous program year must be described in the Annual Action Plan (AAP). Pursuant to 24 CFR 91.320(k)(2)(i) for the HOME Program, the state may choose to include PI funds that are expected to be received during the program year if the state plans to commit these funds during the program year. HCD is currently undergoing efforts at developing processes around HOME PI receipting, programming, and expending. Once a HOME PI policy is established, a summary will be included here.

Preferences: At this point, the state does not plan to require subgrantees to limit the beneficiaries of HOME assistance or to give preferences to a particular segment of the low-income population for HOME assistance. However, subgrantees may establish a preference for individuals with special needs (for example, survivors of natural disasters, members of households impacted by COVID-19, or individuals at risk of homelessness or currently experiencing homelessness) in their programs, in accordance with 24 CFR 92.209 and 24 CFR 92.253. In the future, the state may give preferences to a particular segment of the low-income population in response to an unforeseen and emergency need in HOME-eligible communities (for example, natural disasters or a re-emergence of the COVID-19 pandemic).

**Community Development Block Grant Program
(CDBG)Reference 24 CFR 91.320(k)(1)**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table in AP-35. The following identifies PI that is available for use that is included in projects to be carried out.

1. The total amount of PI that will have been received before the start of the next program year and that has not yet been reprogrammed.	\$5,000,000
2. 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
3. The amount of surplus funds from urban renewal settlements.	\$0
4. 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
5. The amount of income from float-funded activities.	\$0
Total PI:	\$5,000,000

Other CDBG Requirements

1. The amount of urgent need activities	\$0
2. 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 AAP.

70.00%

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

1. 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.

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

HCD's HOME program recapture policy is currently in draft form. When the policy is approved by HUD, this section will be updated to include a summary. The below language is carried over from last year's AAP:

Recaptured 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 HCD provides funds for homeowner new construction or rehabilitation and the 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 were 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 the United States Department of Agriculture (USDA) or the California Housing Finance Agency (CalHFA).

Applicants requesting funding for Owner-Occupied Rehabilitation (OOR), 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.

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, can be reviewed on the HCD website at [State and Federal Income, Rent, and Loan/Value Limits | California Department of Housing and Community Development](#).

3. 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:

HCD's HOME program recapture policy is currently in draft form. When the policy is approved by HUD, this section will be updated to include a summary. The below language is carried over from last year's AAP:

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.

4. 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.

Emergency Solutions Grants (ESG) Reference 91.320(k)(3)

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

HCD requires applicants to submit written standards for each funded activity. All written standards must comply with written standards identified in the Notice of Funding Availability (NOFA). NOFA written standard language is paraphrased below:

Funded activities must operate consistently with the written standards currently adopted by the Continuum of Care (CoC) and applicable to all similar activities. In general, written standards address such things as policies and procedures for evaluating eligibility, targeting, and prioritizing of services, length and terms of assistance, coordination among services, and participation in Homeless Management Information System (HMIS). Applicants should consult the federal regulations for what should be addressed in written standards for each activity.

In addition, state Regulations require that written standards reflect the state's Core Practices, including:

- Protocols for use of coordinated entry to promote comprehensive and coordinated access to assistance, while prioritizing access to assistance for people with the most urgent and severe need.
- Use Housing First and progressive engagement practices.
- Consistent program requirements governing decisions around type, duration, and amount of assistance provided if multiple Rapid Re-Housing (RRH) or Homelessness Prevention (HP) programs are operated within the same Service Area.

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

The state has approximately 40 Continuums of Care (CoCs) potentially eligible to access federal 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

state ESG Regulations, as well as the HUD requirements.

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

See ESG's Method of Distribution in AP-30.

4. 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.

5. Describe performance standards for evaluating ESG.

There are evaluation criteria for applicants to the state ESG Balance of State Competitive Allocation. These include impact measures (average length of project participation, percent of leavers who exit to permanent housing, increases in exits to permanent housing, and increases in the number of chronically homeless served) and cost-efficiency measures (average cost per exit to permanent housing). The state will be including additional performance criteria to evaluate racial equity in homeless response and prevention and looking for additional opportunities to track, report, and utilize data to support racial equity by effectively adjusting programs responding to and preventing homelessness.

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

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients.

HCD will distribute NHTF funds through a competitive and/or over-the-counter application process, as specified in the NOFA.

2. If distributing NHTF funds through grants to subgrantees, describe the method for distributing NHTF 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

3. If distributing NHTF funds by selecting applications submitted by eligible recipients,

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

Eligible applicants/recipients of NHTF funds include organizations, agencies, or other entities such as PHAs, Tribal Entities, and for-profit and nonprofit entities. Recipients must:

1. Meet the definition of a Recipient under 24 C.F.R. § 93.2, specifically,
 - a. Make acceptable assurance they will comply with all NHTF 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 NHTF funds to ensure compliance; and
 - d. Demonstrate experience and capacity to conduct the eligible NHTF activity in question as evidenced by relevant history.
2. Have site control under 25 C.C.R. § 8303 of the project they apply to HCD for an award of NHTF funds, including but not limited to, demonstrating site control by one of the following:
 - a. Fee Title evidenced by a current title report showing the Applicant holds fee title;
 - b. For tribal trust land, a title status report (“TSR”) or an attorney’s opinion regarding chain of title and current title status;
 - c. A leasehold interest on the Project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease must permit, prior to loan closing, compliance with all Program requirements, including compliance with 25 C.C.R. § 8316; or
 - d. A leasehold estate held by a Native American Entity in federal tribal trust lands property, or a valid sublease thereof that has been or will be approved by the Bureau of Indian Affairs.
3. Have resolved any open audit finding(s), for any state or federally funded housing or community development projects or programs to satisfaction of HCD or the federal agency by which the finding was made.

4. Are not debarred or suspended from participation in federal or state housing or community development projects or programs.
5. Cities, counties, and local public housing authorities must comply with the submittal requirements of cost principles and audit requirements at 2 C.F.R. Part 200.

b. Describe the grantee's application requirements for eligible recipients to apply for NHTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A."

NHTF funding will be awarded competitively and/or on an Over the Counter (OTC) basis through a Notice of Funding Availability (NOFA). HCD may issue more than one NOFA during a funding cycle. The NOFA shall specify the maximum amount of project funds available, including whether funds have been set aside for a specific purpose or for OTC for a specific purpose; 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.

An Applicant must electronically submit its application in a format made available by HCD that requests the information required by the NHTF Guidelines.

An Applicant must submit its application by the deadline specified in the NOFA.

Application requirements include, but are not limited to the following:

- Project Narrative/Details, Construction Scope of Work and Financing.
- Detailed information of the borrower Applicant adequate to determine the experience of the Applicant with other federal, state, or local housing or community development programs.
- Site Information.
- Property management plan.
- Resident services plan.
- Supportive Services plan (for permanent supportive housing developments).
- Environmental Site Assessment Documentation (i.e., Phase I, asbestos, mold, lead-based paint assessments).
- Consultants/Third Party Reports (i.e., appraisal, market study and physical needs assessments).
- Relocation Plan, if applicable.
- Article XXXIV Authority.

c. 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.”

On September 29, 2021, the Governor signed into law Assembly Bill (AB) 816, which amended Health and Safety Code Section 50676. In accordance with Section 50676(d) of the Health and Safety Code, priority shall be given to projects based on: (1) geographic diversity (2) the extent to which rents are affordable, especially to extremely low-income households; (3) the merits of the project; (4) applicant’s readiness and (5) the extent to which the project will use nonfederal funds. HCD shall award funds to projects serving people experiencing homelessness, to the extent that a sufficient number of projects exist.

Eligible projects will receive points for the following:

- Development team experience, ability and financial capacity measured amongst the developer, applicant ownership and operations, property manager, and resident services provider (as applicable).
- Utilization of other funding sources to offset requests.
- Leverage of rental or operating subsidies available for the project.
- Readiness to proceed with documented project milestones completed.
- Confirmation of local need for affordable housing.
- Location efficiency and access to amenities.
- Bonus points will be issued to permanent supportive housing projects that serve Homeless and/or Chronically Homeless and have a supportive services provider and plan that meet the requirements specified in the NHTF Guidelines.

(a) Competitive applications will initially be reviewed for meeting the minimum requirements in the NOFA. Applications that pass minimum requirements will then be rated and ranked according to the selection criteria outlined in the NOFA. In the event of a tie amongst applications, HCD must assign a higher rank to applications with a greater readiness to proceed with their Project’s milestones. If any tied applications have equal readiness to proceed with their Project’s milestones, then HCD must assign a higher rank to the applications that have secured firmer written financial commitments for its Project’s funding. If any tied applications have equal readiness to proceed with their Project’s milestones and have secured an equal amount of firm written financial commitments for their Projects’ funding, then HCD must assign a higher rank to any of the applications with Projects providing greater affordability for households at or below 30 percent of AMI.

Applicants may submit only one application in response to a NOFA unless the NOFA

specifies otherwise.

d. 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”.

NHTF funding will be available to all jurisdictions in California including Native American Lands. HCD will target 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 (HSC). In addition, HCD shall target 10 percent of available funds for projects developed by, or in partnership with, Tribal Entities (defined below).

“Tribal Entity(ies)” means an Applicant that is any of the following:

- a. Applicant meets the definition of Indian Tribe under United States Code (U.S.C.) Title 25 U.S.C. § 4103(13)(B);
- b. Applicant meets the definition of Tribally Designated Housing Entity under Title 25 U.S.C. § 4103(22);
- c. If not a federally recognized Tribe, either:
 - i. Applicant is listed in the Bureau of Indian Affairs Office of Federal Acknowledgement petitioner list pursuant to Title 25 CFR § 83.1.
 - ii. Applicant is an Indian Tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of consultation pursuant to § 65352.3 of the Government Code.

For calculation purposes, applications for the 10 percent Tribal Target will not be counted towards the 20 percent Rural Area Target, even if the project is located in a Rural Area – unless the funds for the Tribal Target are fully utilized, in which case a Tribal project in a Rural Area will be counted towards the Rural Area Target.

If the funds for the Rural Area Target are not fully utilized, any unused funds will be re-allocated to the Tribal Target. If the funds for the Tribal Target are not fully utilized (including any carry-over funds from the Rural Area Target), unused funds will be re-allocated to the general NHTF fund.

If the funds for the Tribal Target are not fully utilized, any unused funds will be re-allocated for the Rural Area Target. If the funds for the Rural Area Target are not fully utilized (including any carry-over from the Tribal Target), unused funds will be re-allocated to the general NHTF fund.

e. 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 NHTF funds based on past experience. Applicants are required to submit evidence of having successfully developed, owned, and operated at least one affordable housing project subject to a recorded Regulatory Agreement for at least three years prior to the application.

f. 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 families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A."

While project-based rental assistance is not a NHTF requirement, in order to meet the state's requirement that rents are affordable, especially to extremely low-income households, HCD will evaluate applications based on whether any units in the project, including non-NHTF funded units, will have project-based rental assistance such as: Housing Choice Vouchers, Veterans Affairs Supportive Housing (VASH) vouchers, and Sponsor-based Rental Assistance (SRA). Other mechanisms that ensure affordability for extremely low-income households, such as cross-subsidization or operating cost assistance reserves, will also be considered.

g. 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 24 CFR §93.302(d), the federal affordability period is 30 years commencing upon project completion. HCD imposes a 55-year state affordability period. For projects to be eligible for funding, recipients must enter into a regulatory agreement that requires them to serve the target population in compliance with NHTF program requirements. Projects located on Native American Lands will have a declaration of restrictive covenants or a regulatory agreement that requires a 50-year state affordability period to serve the target population in compliance with NHTF program requirements.

h. 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 will be included in the NOFA.

i. 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 associated with evidence of land use entitlement and design review process, and financing commitments. Financing commitments will include the leveraging of non-federal development funding sources and the extent to which the project has federal, or state government project-based rental assistance paid on behalf of the tenant.

4. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with NHTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A.”

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

5. Does the grantee’s application require that each eligible recipient certify that housing units assisted with HTF funds will comply with NHTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A.”

Yes, HCD requires a certification by each eligible recipient that housing units assisted with NHTF funding will comply with federal and state regulations.

6. 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.

Yes, NHTF is included in the housing goals in the housing table on the SP-45 Goals

and AP-20 Annual Goals and Objectives screens.

7. 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.

Effective December 29, 2021, the NHTF maximum per-unit subsidy limits by region and bedroom size are as follows:

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
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- 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.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all NHTF-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).

Rehabilitation Projects must meet the requirements of 24 C.F.R. § 93.301(b) and HCD’s HOME Investment Partnerships (HOME) Program and National Housing Trust Fund (NHTF) Combined Multifamily Rehabilitation Standards dated January 1, 2023, as may be amended from time to time.

9. 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.

10. NHTF 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.

11. 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.” 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.

In accordance with California Assembly Bill 816 as amended and approved on September 29, 2021, HCD shall award NHTF funds to projects serving people experiencing homelessness, to the extent that a sufficient number of projects exist.

In addition, projects funded with NHTF dollars may (but are not required to) limit occupancy or provide preference to the following populations:

- People experiencing homelessness
- Seniors
- People with disabilities (including people with mental illness)
- Victims of domestic violence
- Veterans
- Formerly incarcerated individuals

However, any limitation or preference must not violate the nondiscrimination requirements in the NHTF interim rule at 24 CFR 93.350, and the applicant must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project. Preferences and/or limitations may not be given to students.

12. 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.”

N/A.

Appendix A: HOPWA Annual Action Plan

One Year Use of Funds Fiscal Year 2023-2024 (FY23)

AP-05 Executive Summary

Introduction

The purpose of the Housing Opportunities for Persons With AIDS (HOPWA) program is to provide housing assistance and supportive services to prevent or reduce homelessness for persons living with HIV (PLWH). The California Department of Public Health, Office of AIDS (CDPH/OA) is statutorily responsible for coordinating all state programs, services, and activities pertaining to HIV/AIDS (California Health & Safety Code 131019). 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.

State HOPWA coordinates with other HIV programs and encourages collaboration amongst HIV service agencies to ensure that PLWH have access to services critical for improving housing stability and overall health outcomes.

To develop this plan, CDPH/OA consulted with the California Department of Housing and Community Development (HCD) and CDPH/OA staff to coordinate the fiscal, program, and surveillance data components of this Consolidated Plan.

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

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

The 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. The state HOPWA program is situated in CDPH/OA to ensure that all HIV service programs, including housing assistance, are coordinated at state and local levels.

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	State of California	California Department of Housing and Community Development (HCD)
Contributing Agency for HOPWA Program	State of California	California Department of Public Health/Office of AIDS (CDPH/OA)

AP-10 Consultation - 24 CFR Part 91.110, 91.300(b); 91.315(l)

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.

CDPH/OA solicits input from HIV/AIDS service agencies and local health departments to inform program development and implementation. For example, in CDPH/OA's support of Ending the HIV Epidemic in America (EHE), the federal plan to decrease new HIV infections by 75 percent by 2025, CDPH/OA has, and will continue to support, convene, and engage stakeholders at the state and at the local levels in each of the designated EHE jurisdictions in their EHE planning efforts.

CDPH/OA convenes the California Planning Group (CPG) to assist in the development, implementation, and revision of California's Integrated HIV Surveillance, Prevention, and Care Plan (Integrated Plan). The current Integrated Plan responds to the National HIV/AIDS Strategy and includes housing goals and objectives related to improved access to HIV/AIDS care and treatment. CPG also informs CDPH/OA about local trends or 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 (including those who have experienced homelessness and housing instability), local health departments, and other statewide experts.

CDPH/OA published a new Integrated Plan to address the syndemic of HIV, Sexually Transmitted Diseases (STDs), and Hepatitis C and their common populations and their common social determinants of health impacting infection rates. The plan recognizes stable housing as one of six critical elements to ending the syndemic. CDPH/OA gathered input from various stakeholders at the state and local levels to develop the plan. State HOPWA staff was involved in this process, along with the CPG and HOPWA project sponsors.

State HOPWA project sponsors are required to participate in local HIV/AIDS planning/advisory groups to provide input into the HIV/AIDS service delivery and needs assessment processes within their community. Local participation assists project sponsors in linking clients to necessary services and conversely allows the HIV providers and agencies a direct link to housing services for their client.

Describe coordination with the Continuum of Care 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.

All state HOPWA project sponsors are encouraged to participate in local Continuum of Care (CoC) Planning Groups to ensure representation of the HIV/AIDS community in the housing continuum. Most state HOPWA project sponsors participate in their local CoC Planning Group, including assisting with the homeless counts each year, which has improved their knowledge and collaborative efforts to provide housing and supportive services to PLWH in their community. 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-grant scope of work and assists project sponsors in accessing local HMISs, as needed.

AP-12 Citizen Participation – 24 CFR Part 91.115, 91.300(c)

Summary of citizen participation process and consultation process

CDPH/OA convenes the California Planning Group (CPG) to assist in the development, implementation, and revision of the Integrated Plan. The current Integrated Plan responds to the National HIV/AIDS Strategy and includes housing goals and objectives related to prevention efforts and improved access to HIV 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 planning groups as well as consumers (including those who have experienced homelessness and housing instability), local health departments, and other statewide experts in the field.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals.

During the next year, state HOPWA project sponsors will continue activities to address the housing and supportive needs for PLWH, including: tenant-based rental assistance (TBRA), short-term rent, mortgage, and utility (STRMU) assistance, permanent housing placement (PHP), hotel/motel voucher assistance, housing information services, and other supportive services.

Currently, CDPH/OA is coordinating its HOPWA and Housing Plus Project (HPP) services to improve coordination of care for PLWH. Clients may receive rental assistance through HPP and employment services through HOPWA. This coordination maximizes resources from both grants and provides the best care for clients. (HPP is funded through the Ryan White HIV/AIDS Program [RWHAP], Part B.)

AP-15 Expected Resources – 24 CFR Part 91.320(c)(1,2)

Introduction

The annual allocation below is based on the U.S. Department of Housing & Urban Development (HUD) formula allocation for Federal Fiscal Year 2023-2024 (FY23). The expected state HOPWA FY23 allocation is \$5,020,123.

The expected amount available in year three includes the \$5,020,123 annual allocation, and an estimated \$2,178,020 in prior year resources, for a total of \$7,198,143.

The expected amount available in the remainder of the Consolidated Plan (Con Plan) is \$5,020,123, which is an estimate based on the FY23 allocation.

Anticipated Resources

Program	Source of Funds	Use of Funds	Expected Amount Available Year 3				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	Public Federal	Permanent Housing Facilities PHP Short term or transitional housing facilities STRMU Supportive Services TBRA	\$5,020,123		\$2,178,020	\$7,198,143	\$5,020,123	The state HOPWA allocation is \$5,020,123. Prior Year Resources include uncommitted FY 22-23 funding of \$2,178,020.

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

There is no federal match requirement for state HOPWA; however, state HOPWA project sponsors report their leveraged funds. On an annual basis, CDPH/OA allocates funding through RWHAP (Part B) for HIV/AIDS care and treatment services to California counties. Based on prior year data, state HOPWA anticipates approximately \$5 million in leveraged funds by HOPWA project sponsors, including RWHAP (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 2021-22 Consolidated Annual Performance and Evaluation Report (CAPER) reported number.

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
	Provide homeless assistance & prevention services	2023	2024	Homeless Non-Homeless Special Needs	Non-EMSAs	Homelessness Assistance and Prevention	\$7,198,143	Housing Information and Supportive Services: 1,300 Tenant-based rental Assistance/Rapid Re-Housing: 45 households Homeless Person Overnight Shelter: 85 households Homeless Prevention: 650 households HIV/AIDS Housing Operations: 15 households

AP-25 Allocation Priorities – 24 CFR Part 91.320(d)

Funding Allocation Priorities

	Goals							
	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 (%)
HOPWA			100				0	100%

Reason for Allocation Priorities

A statutory goal of HOPWA is to prevent or alleviate homelessness among persons living with HIV. State HOPWA allocates funds to HOPWA project sponsors through a formula process based on the most recent reported HIV cases by county, Federal Poverty Level (FPL), and Fair Market Rent (FMR). 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, high poverty, and high FMR rates. 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. Project sponsors who have reason to allocate more than 20 percent may request a waiver from CDPH/OA when submitting their budgets. Waivers are granted on an as-needed basis.

AP-30 Methods of Distribution – 24 CFR Part 91.320(d)&(k)

1	State Program Name:	HOPWA												
	Funding Sources:	HOPWA												
	Describe the state program addressed by the Method of Distribution.	State HOPWA serves counties that do not qualify to receive HOPWA grant funds directly from HUD.												
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Criteria for selection is as follows:												
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Criteria</th> <th style="text-align: center;">Points</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Program Description and Capacity</td> <td style="text-align: center;">25</td> </tr> <tr> <td style="text-align: center;">Implementation Plan</td> <td style="text-align: center;">25</td> </tr> <tr> <td style="text-align: center;">Budget Overview</td> <td style="text-align: center;">25</td> </tr> <tr> <td style="text-align: center;">Outcomes and Evaluation Plan</td> <td style="text-align: center;">25</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">100</td> </tr> </tbody> </table>		Criteria	Points	Program Description and Capacity	25	Implementation Plan	25	Budget Overview	25	Outcomes and Evaluation Plan	25	Total
Criteria	Points													
Program Description and Capacity	25													
Implementation Plan	25													
Budget Overview	25													
Outcomes and Evaluation Plan	25													
Total	100													
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	<p>CDPH/OA issued grants to 20 existing project sponsors through June 30, 2024, to provide housing assistance and supportive services programs to PLWHs throughout 40-non-EMSAs. Every project sponsor provides direct client services, and one subcontracts with a community-based organization to provide housing services.</p> <p>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 Application (RFA) process that allows equal access to all grassroots, faith-based and community-based organizations, and governmental housing and health agencies in that jurisdiction. Project sponsors that subcontract with other agencies must also use a selection process that provides</p>													

		<p>full access to all grassroots, faith-based and community-based organizations.</p> <p>The project sponsor Encompass notified CDPH/OA that they will be ending their HOPWA program on June 30, 2023. CDPH/OA will solicit a replacement project sponsor through a RFA process for Santa Cruz County. The RFA is scheduled to release before the end of Encompass’s HOPWA program and will be circulated widely among local organizations.</p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p>State HOPWA 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 services 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, project sponsors may select from the following eligible HOPWA activities:</p> <ul style="list-style-type: none"> • Tenant based rental assistance • Short term rent, mortgage, and utility assistance • Facility based housing operations of existing permanent or transitional HIV/AIDS housing programs • Facility based housing – hotel/motel voucher assistance • Permanent Housing Placement Assistance • Housing Information Services • Supportive Services <p>State HOPWA Project sponsors may also use up to 10 percent of funds for eligible resource identification activities if justified in their program work plan, and no more than 7</p>

		<p>percent of the allocation for grant administration.</p> <p>CDHP/OA established the following caps to ensure prioritization of funds for direct client housing assistance:</p> <ul style="list-style-type: none"> • 20 percent of a project sponsor’s allocation may be used for supportive services activities. • 15 percent of a project sponsor’s budget for housing assistance activities may be used for activity delivery costs. • 5 percent of supportive services and housing information service budgets may be used for activity delivery costs. <p>CDPH/OA may waive the above percent caps on supportive services and activity delivery costs for housing assistance, supportive services, and housing information services if the proposal assists clients in overcoming barriers to housing stability.</p> <p>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, CDPH/OA adopted the published Fair Market Rent as the rent standard for the grant area.</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>For FY 2023-24, the HOPWA allocation will be distributed through a formula process based on the reported HIV case data excluding prison numbers, Federal Poverty Levels, and Fair Market Rent by county. 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.</p>
	<p>What are the outcome measures expected as a result of the method of</p>	<p>The outcome measures expected are that low-income PLWH will have increased housing stability, access to care, and viral suppression.</p>

	distribution?	The distribution method affords counties with larger populations of PLWH, high FMR, and high levels of poverty to access more funding for supportive services and housing subsidy.
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AP-50 Geographic Distribution – 24 CFR Part 91.320(f)

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

Pursuant to 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 non-EMSA only, unless there is a compelling reason to assume oversight of a particular MSA's funding for a limited time period.

Geographic Distribution

Target Area	Percentage of Funds
All Non-EMSA	100%

Rationale for the priorities for allocating investments geographically

State HOPWA provides funds to HIV, housing, and homeless service providers in the 40 counties that do not receive funds directly from HUD. By excluding HUD-funded EMSA, the State HOPWA \$4.5 million annual allocation is available to assist PLWH in the underserved, outlying regions of California.

Historically, CDPH/OA allocated HOPWA funds through a formula process based on the most recent reported HIV and AIDS cases by county through surveillance. This allocation formula was originally developed to ensure equity of funding to all non-EMSA of California while allocating proportionately larger amounts to the communities most impacted by HIV/AIDS.

In 2021, CDPH/OA revised its HOPWA allocation formula to align with HUD's new HOPWA allocation formula authorized under the Housing Opportunity Through Modernization Act (HOTMA), Public Law 114-201. The new allocation formula considers HIV surveillance data, as well as poverty and Fair Market Rent rates. CDPH/OA allocated funds using the new formula in FY 2023-24. To promote the use of HOPWA funds for housing assistance activities, CDPH/OA has limited supportive services activities to 20 percent of a state HOPWA project sponsor's allocation.

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

One Year Goals for the Number of Households to be Supported	Total FY 2023-24 AP	Total FY 2021-22 CAPER
Homeless	0	0
Non-Homeless	0	0
Special-Needs	780	649
Total	780	649

Table 9 – One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	Total FY 2023-24 AP	Total FY 2021-22 CAPER
Rental Assistance	780	649
Production of New Units	0	0
Rehab of Existing Units	0	0
Acquisition of Existing Units	0	0
Total	780	649

Table 10 – One-Year Goals for Affordable Housing by Support Type

AP-65 Homeless and Other Special Needs Activities – 24 CFR 91.320(h)

Other Special Needs Activities - HIV/AIDS

State HOPWA project sponsors provide TBRA, STRMU, housing placement assistance, and supportive services to PLWH who are homeless or at risk of experiencing homelessness. In addition to homelessness prevention, state HOPWA funds may be used to provide temporary shelter (emergency shelter or hotel/motel vouchers) to homeless PLWH while assisting them to locate stable housing.

Through the combination of detailed housing plans, coordination with RWHAP service agencies, and connection to local housing authorities and other special population programs (e.g., veterans housing, senior housing), HOPWA housing case managers assist in guiding clients to stable housing depending on their needs and eligibility for other programs. 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 HOPWA Goals – 24 CFR Part 91.320(k)(4)

One-year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	650
Tenant-based Rental Assistance	45
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds (including hotel/motel voucher assistance)	85
Total	780

AP-85 Other Actions – 24 CFR Part 91.320(j)

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

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. The state HOPWA program is situated in CDPH/OA to ensure that all HIV service programs, including housing assistance, are coordinated at state and local levels.

State HOPWA staff will provide technical assistance to project sponsors to address barriers such as potentially identifying more low-income housing for their service area. In addition, collaboration with local RWHAP (Part B) in leveraging funding sources to provide supportive services will address some of the other barriers such as mental health and substance abuse.

Project sponsors are required to outreach to key points of entry to increase their awareness of the HOPWA program and referral processes. Project sponsors often participate in local planning and advisory groups to represent the HIV and housing needs of their clients and participate in the community needs assessment processes. Project sponsors also often participate in their local Continuum of Care Planning Group, including assisting with the homeless counts each year, which has improved their knowledge and collaborative efforts to provide housing and supportive services to PLWH in 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.

Appendix B: CDBG Program Income

The table below includes 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 estimated 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.

Jurisdiction	Contact Name	Contact Phone Number	Estimate Available as of 12/31/2021	National Objective: Low Mod Job Creation or Retention Activities (LMJ)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Area Benefit (LMA)	National Objective : Low Mod Limited Clientele/ Low Mod Area Benefit (LMC/ LMA)	National Objective : Low Mod Area Benefit (LMA)	General Admin
				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Arcata, City of	Jennifer Dart	707-825-2112	\$675,145	X		X	X			X
Auburn, City of	Chuck Wolfe	530-878-8016	\$406,153							
City of Atwater	Christina Thurman	209-357-6239	\$146,728	X		X				
Avenal, City of	Kao Yang	559-386-5776	\$143,381		X			X		X
City of Biggs	Denis Schmidt	530-868-5493	\$289,641			X				

Benicia, City of	Alan Shear	707-746-4200	\$607,951							
Brawley, City of	Tyler Salcido	760-344-8622	\$346,689							
Butte, County of	Andy Pickett	530-552-3300	\$208,724			X				
Calimesa, City of	Bonnie Johnson	909-795-9801	\$61,786			X				X
County of Calaveras	Kris Redman	209-754-6613	\$29,078							
Calipatria, City of	Rosa Ramirez	760-348-4141	\$1,254,693				X			
Capitola, City of	Kathleen Herlihy	831-475-7300	\$68,951			X				X
City of Calistoga	Jeff Mitchem	707-942-2830	\$0.00							
City of Chowchilla	Mark Hamilton	559-665-7419	\$842,182					X		
Coachella City of	Susan Long	559-802-1630	\$191,786					X		
Coalinga, City of	Marissa Trejo	559-935-1533	\$0.00						X	X
Colfax, City of	Wes Heathcock	530-346-2313	\$0.00							
Colusa, County of	Rose Gallo-Vasquez	530-458-0500	\$1,052,213			X				X
City of Colusa	Ishrat Aziz Khan	530-458-4941	\$233,680			X				
Corcoran, City of	Kevin Tromborg	559-991-2151	\$1,007,481				X			X

City of Corning	Kristina Miller	530-824-7033	\$74,248				X			
Crescent, City of	Erik Wier	707-464-7483	\$0.00							
Dinuba, City of	George Avila	559-591-5924	\$69,849		X		X			X
County of Del Norte	Antoinette Self	707-464-7214	\$17,512							
City of Dixon	Larry Burkhardt	707-678-7000	\$5,155							
Del Norte, County of	Jennifer Perry	707-464-7214	\$17,294							
Dorris, City of	Carol McKay	530-397-3511	\$679,144			X	X			X
Dunsmuir, City of	Mark Brannigan	530-235-4822	\$23,772	X						X
El Dorado, County	Bret Sampson	530-621-5301	\$430,372	X	X					
Etna, City of	Pamela Eastlick	530467-5256	\$100,628							
Exeter, City of	Rainbow Moore	559-592-2755	\$248,362		X					
Farmersville, City of	Jennifer Gomez	559-747-0458	\$225,596		X			X		X
Fort Bragg, City of	Lacy Peterson	707-961-2823	\$141,487	X			X	X		X
Fort Jones, Town of	Karl Drexel	530-468-2281	\$0.00							
Fortuna, City of	Racheal Henry	707-725-1401	\$869,730				X			

Fowler, City of	Randy Uyeda	559-834-3113	\$0.00							
Gonzales, City of	Hortencia Vargas	831-675-4208	\$0.00	X						
Grass Valley, City of	Thomas Lowe	530-274-4711	\$383,847	X	X					
Gridley, City of	Elisa Arteaga	530-846-5695	\$114,105	X	X	X				X
Glenn, County of	Scott De Moss	530-934-6419	\$561,399							
Guadalupe, City of	Juana M. Escobar	805-356-3891	\$895					X		X
Hollister, City of	Renee Perales	831-636-4316	\$3,386				X		X	
Holtville, City of	Kariza Preciado	760-356-4685	\$0.00							
Humboldt, County of	Andrew Whitney	707-268-3735	\$65,838							
Imperial, City of	Maria Sanchez	760-355-3335	\$129,019				X			
Imperial, County of	Esperanza Colio	760-604-0901	\$34,689				X	X		X
Independent Care Services-Sacramento	Saraeth Roth	916-701-1024	\$16,715							
Jackson, City of	Lorie Ann Adams	916-449-3944	\$223,847							
King, City of	Steven Adams	831-385-3281	\$0.00							

King, County of	Chuck Kinney	559-852-2674	\$319,730							
Lakeport, City of	Nicholas Walker	707-263-5615	\$135,514		X					X
Lassen, County of	Grace Poor	530-251-8336	\$307,971							
Lindsay, City of	Becky Mesedahl	559-562-7102 x8043	\$0.00							
Live Oak, City of	Alison Schmidt	530-695-2112	\$124,231				X			X
City of Lincoln	Sandra Cooke	916-434-2427	\$77,803							
Madera, County of	Annette Kephart	559-675-7821	\$661,010		X				X	
Mammoth Lakes, Town of	Daniel Holler	760-965-3601	\$0.00							
Mariposa, County of	Ben Goger	209-742-1259	\$257,352	X	X					
City of Marina	Juan Lopez	831-884-1221	\$33,313							
City of Marysville	Jennifer Stycznski	530-749-3903	\$8,133							
City of McFarland	Diana Garcia	661-792-3091	\$225,000				X			
Mendocino, County of	Jessica Byers	707-234-6852	\$1,022,231							
Merced, County of	Nicole Desmond	209-385-7686	\$585,138	X	X				X	

Montague, City of	Alyssa Merrill	530-459- 3030	\$65,524	X							X
Nevada, County of	Rob Choate	530-265- 1645	\$257,703			X					
Mount Shasta, City of	Muriel Terrell	530-926- 7523	\$17,208								
Oroville, City of	Amy Bergstran d	530-538- 2584	\$835,216		X					X	X
City or Orland	Rebecca Pendergra ss	530-865- 1601	\$283,212				X				
Pacific Grove, City of	Terri Schaefer	831-648- 3182	\$414,739		X						X
Placer, County of	Shawna Purvines	530-745- 3031	\$307,198	X	X						X
Red Bluff, City of	Sandra Ryan- harbert	530-527- 2605	\$28,672								X
Rio Dell, City of	Joanne Farley	707-764- 3532	\$502,726				X		X		
Riverbank, City of	Leticia Ibanez	209-863- 7126	\$704,605							X	X
San Joaquin, City of	Lupe Estrada	559-693- 4311	\$8,085								
San Juan Capistrano, City of	Laura Stokes	949-443- 6313	\$331,813								
Santa Cruz, County of	Porcila Wilson	831-454- 2217	\$37,851								
Shasta, County of	Hollie Zander	530-245- 6438	\$758,087								

Siskiyou, County of	Elizabeth Nielsen	530-841-2160	\$1,275,317			X	X			
Solano, County of	Birgitta Corsello	707-784-3128	\$43,082							
Soledad, City of	Brett Slama	831-223-5043	\$19,408							
Sonora, City of	Rachelle Kellogg	209-532-3508	\$1,160,663	X	X					X
South Lake Tahoe, City of	Hilary Roverud	530-542-6024	\$20,492	X	X					
Susanville, City of	Jolene Arredondo	530-252-5106	\$240,668					X		X
Sutter, County of	Jung Wang	530-822-7127	\$1,106,728				X			X
Taft, City of	Teresa Binkley	661-763-1222	\$13,266			X				
Tehama, City of	Carolyn Steffan	530-384-1501	\$15,778							
Tehama, County of	Dava Kohlman	530-527-4655	\$14.63							
Truckee, Town of	Denyelle Nishimori	530-582-2923	\$90,444	X						X
Tulare, County of	Sandra Sabin	559-636-5000	\$646,259							
Tulelake, City of	Jenny Coelho	530-667-5522	\$76,924		X					X

Tuolumne, County of	Maureen Frank	209-533-5515	\$175,466							
Ukiah, City of	Craig Schlatter	707-463-6219	\$7,906	X		X	X			X
City of Wasco	Keri Cobb	661-758-7235	\$467,020				X			
Weed, City of	Anna Guzman	530-938-5020	\$303,704				X			
Westmorland, City of	Teri Nava	760-344-3411	\$166,283				X	X		
Williams, City of	Rex Greenbaum	530-473-2955 x102	\$0.00	X	X					X
City of Willows	Karen Mantele	530-934-7041	\$0.00							
Willits, City of	Stephanie Garrabrant-Sierra	707-459-4601	\$0.00							
Winters, City of	Kathleen Trepa	530-794-6710	\$98,098	X	X					
Woodlake, City of	Jason Waters	559-564-8055	\$224,904							
Yolo, County of	Mindi Nunes	530-666-8150	\$678,802					X		X
Yreka, City of	Emily Aldrich	530-841-2323	\$636,829							
Yuba, County of	Karma Ferguson	530-749-5452	\$1,668,739	X	X					
Total			\$29,450,011							

Appendix C: Public Comments and Notices

Commentor	Jurisdiction/Agency	Email	Type	Comment	Accept/Reject	Why Rejected
Alyssa Gordon	Hidden Valley Lake Community Services District	agordon@hcvlcsd.org	Questions in response to the plan that need answers	* See text in #1 below.	Reject	* See HCD Response below.

1. The Annual Action Plan (AAP) for Fiscal Year 2023-2024 (FY23) indicates that “maintain(ing) or improve(ing) public facilities and infrastructure” continues to be a priority goal. In the AAP, Section AP-15 Expected Resources, “the statutes making CDBG-DR funds available have imposed additional requirements and authorized HUD to modify the rules that apply to the annual Community Development Block Grant (CDBG) program to enhance flexibility and allow for a quicker recovery”.

Wouldn't the improvements of public infrastructure be an exercise in flexibility enhancements since this continues to be a priority goal, and has a very tangible impact on housing? Without public infrastructure, housing is neither stable, safe, sustainable, nor affordable. Since the comment period is now open for this AAP, would HCD consider increasing the CDBG public infrastructure allocation from 5 percent to 15 percent, since that is allowable under Federal law?

HCD Response: Thank you for your comment. The 5 percent CDBG infrastructure allocation is in addition to the ability to apply for infrastructure funding under other solicitations, such as Economic Development. Therefore, HCD does not need to increase this additional allocation from 5 percent to 15 percent.