

**State of California 2020-2024
Federal Consolidated Plan
Annual Action Plan
One Year Use of Funds Fiscal Year 2021-2022**



**Gavin Newsom, Governor
State of California**

**Lourdes M. Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director
California Department of Housing and Community Development**

Division of Federal Financial Assistance
2020 W. El Camino Avenue, Suite 200, Sacramento, CA 95833
Website: <https://www.hcd.ca.gov/>

Consolidated Plan email: ConsolidatedPlan@hcd.ca.gov

Post Public Comment Draft

May 12, 2021

Table of Contents

Executive Summary.....	1
AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)	1
PR-05 Lead & Responsible Agencies - 91.300(b)	7
AP-10 Consultation - 91.110, 91.300(b); 91.315(l)	9
AP-12 Participation - 91.115, 91.300(c)	28
Expected Resources	33
AP-15 Expected Resources – 91.320(c) (1,2)	33
Annual Goals and Objectives	44
AP-20 Annual Goals and Objectives – 91.320(c)(3) & (e)	44
AP-25 Allocation Priorities – 91.320(d).....	49
AP-30 Methods of Distribution – 91.320(d)&(k).....	54
AP-35 Projects – (Optional).....	72
AP-38 Project Summary	73
AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)	78
AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)	79
AP-48 Method of Distribution for Colonias Set-aside – 91.320(d)&(k)	80
AP-50 Geographic Distribution – 91.320(f).....	82
Affordable Housing	83
AP-55 Affordable Housing – 24 CFR 91.320(g)	83
AP-60 Public Housing - 24 CFR 91.320(j).....	85
AP-65 Homeless and Other Special Needs Activities – 91.320(h)	86
AP-70 HOPWA Goals – 91.320(k)(4)	91
AP-75 Barriers to affordable housing – 91.320(i)	92
AP-80 Colonias Actions – 91.320(j)	95

AP-85 Other Actions – 91.320(j)	97
Program Specific Requirements.....	106
AP-90 Program Specific Requirements – 91.320(k)(1,2,3).....	106
Appendix A.....	119
AP-05 Executive Summary	119
PR-05 Lead & Responsible Agencies - 24 CFR Part 91.300(b).....	120
AP-10 Consultation - 24 CFR Part 91.110, 91.300(b); 91.315(l).....	120
AP-12 Citizen Participation – 24 CFR Part 91.115, 91.300(c).....	121
AP-15 Expected Resources – 24 CFR Part 91.320(c)(1,2).....	123
AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)Goals Summary Information.....	126
AP-25 Allocation Priorities – 24 CFR Part 91.320(d)	127
AP-30 Methods of Distribution – 24 CFR Part 91.320(d)&(k)	127
AP-50 Geographic Distribution – 24 CFR Part 91.320(f)	130
AP-55 Affordable Housing – 24 CFR Part 91.320(g).....	132
AP-65 Homeless and Other Special Needs Activities – 24 CFR Part 91.320(h).....	132
AP-70 HOPWA Goals – 24 CFR Part 91.320(k)(4).....	133
AP-85 Other Actions – 24 CFR Part 91.320(j).....	133
Appendix B.....	135
Program Income for CDBG.....	135
Appendix C.....	139

Executive Summary

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

Introduction

The 2021-2022 Annual Action Plan (AAP) is the first of four annual updates to the 2020-24 State of California Consolidated Plan (Con Plan). The AAP outlines the State of California's current priorities and strategies to address affordable housing and community development goals. The AAP provides detail on programming federal affordable housing and community development funding for Fiscal Year 2021-2022 (FY 21-22) from the U.S. Department of Housing and Urban Development (HUD), and includes summary information on programs and activities funded with state and local revenues.

This AAP includes the state's funding allocations from HUD for FY 21-22, 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)
- National Housing Trust Fund (NHTF)
- Emergency Solutions Grants (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)

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 marginalized 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+, and other individuals that may not traditionally access mainstream support.

HCD is committed to supporting Tribes in addressing housing and community development needs by making funds available, as eligibility allows, to both federally recognized and non-federally recognized Native American Tribes and dedicated outreach and technical assistance. The Department 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. The Department 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. The

Department is committed to learning about, considering, and honoring this history when building relationships with Tribes over time through respectful and accountable interactions.

One of HCD's top priorities and goals is to address and prevent homelessness in California. The California Homeless Coordinating and Financing Council (HCFC) released, in the spring of 2021, an Action Plan for Preventing and Ending Homelessness in California. HCFC'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. The Homelessness Action Plan directs coordinated activities where state agencies will leverage each other's operations to measurably tackle homelessness, track progress towards goals identified in the Plan, and report outcomes. During the upcoming fiscal year, HCD will lead and collaborate on activities through four newly established interagency Working Groups on 1) State Funding & Programs, 2) Racial Equity, 3) Tailoring Strategies for Youth & Young Adults, and 4) Employment Opportunities & Outcomes.

These state-administered federal funds are 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-DR and CDBG-NDR programs) if they were directly impacted by a federally declared disaster, including the 2013 Rim Fire (NDR), and the multiple 2017 and 2018 wildfires (CDBG-DR).

The 2021-2022 allocation of CDBG funds to the state from HUD reflects a voluntary grant reduction of \$2,764,690 as a result of a state grantee's misuse of Program Income funds for activities that did not meet a National Objective. The AAP also discusses other federal and state programs that may leverage these dollars, and the goals and planned activities of these programs.

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

Summary of the objectives and outcomes identified in the Plan

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, our 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 and community resistance to new housing.

As a result of the COVID-19 pandemic, survey respondents identified unemployment as a new barrier to maintaining affordable housing. COVID-19 restrictions were the most cited barrier to local economic development, followed by lack of access to higher education and post-secondary training programs, insufficient employment opportunities and local businesses' limited access to financing.

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, and annual targets related to each goal are discussed in Section AP-20. Outcomes for HUD-funded programs are measured and reported by households and housing units, individual beneficiaries, and neighborhood or target area population, 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 state reports its annual activities accomplished and progress towards completing the 5-year Con Plan outcome targets in its Consolidated Annual Performance Evaluation Report (CAPER). The most recently completed CAPER, for Fiscal Year 2019-2020 (FY 19-20), is available at https://hcd.ca.gov/policy-research/plans-reports/docs/2019-2020_Draft_CAPER.pdf. Highlights from the FY 19-20 CAPER include:

CDBG: California's CDBG program made available \$60 million and expended \$21 million during FY 19-20. CDBG-funded activities rehabilitated 38 homes occupied by low-income households, provided homebuyer assistance to 15 low-income households, supported 32 businesses in the creation or retention of 177 jobs, and supported public facilities in low-income neighborhoods home to over 180,000 residents.

HOME: California's HOME program made available \$42 million and expended \$14 million during FY 19-20. HOME-funded activities resulted in the construction of 29 owner-occupied and 57 renter-occupied homes affordable to low-income families, rehabilitated 25 homes occupied by low-income households, and provided homebuyer assistance to 28 low-income households.

NHTF: California's NHTF program made available \$33 million in May 2019 and awarded \$22 million in February 2020 via the Housing for a Healthy California program. The program expended \$23.8 million during FY 2019-20, which will result in the eventual creation of 328 rental units that are affordable to very low-income households.

ESG: California's ESG program made available \$11 million and expended \$7.5 million during FY 2019-20. ESG grantees provided \$17.9 million in match funding. The ESG program assisted 10,360 persons experiencing homelessness with emergency shelter programs that provided short-term shelter and supportive services. ESG Rapid Rehousing funds assisted 2,441 households, Street Outreach activities assisted 8,088 persons and Homelessness Prevention activities assisted 374 persons.

HOPWA: A total of \$3.75 million was made available and \$4 million expended during FY 19-20. HOPWA-funded activities assisted 821 households with persons living with HIV/AIDS. These activities provided 643 households with short-term rent, mortgage, and utility assistance (STRMU), provided 45 households with tenant-based rental assistance (TBRA) and provided 133 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-COVID (CV)**, **ESG-CV**, and **HOPWA-CV** programs during the 2020 calendar year. 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 person experiencing homelessness; and
- 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.

The Department of Housing and Community Development's (HCD) 2019-20 Annual Report provides extensive information on the array of programs funded and administered by the state, and accomplishments associated with this funding. The state awarded over \$2.5 billion in state funds during FY 19-20, leveraging an additional \$8.9 billion in investment from other sources. The 2019-20 Annual Report is available at https://hcd.ca.gov/policy-research/plans-reports/docs/HCD_2019-20_Annual-Report_WEB_ADA_FINAL_Lower_Res.pdf.

Summary of Citizen Participation Process and consultation process

HCD conducted brief surveys with CoCs, service providers, and non-entitlement jurisdictions asking which programs they work with, barriers to affordable housing and economic development in their communities, and what HCD could do to improve its operations, customer service, and programs' effectiveness.

HCD also sent out a memo and survey for the AAP to state agencies acknowledging their responses to our 2020-2024 Consolidated Plan survey, and soliciting further feedback about their departments' goals, coordination efforts with other departments, and any services they provide. The full list of agencies consulted is included in AP-10.

The public comment period for the AAP will be held from **April 2, 2021** through **May 4, 2021**. In accordance with the state's Citizen Participation Plan, and 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. 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 will host one webinar on April 16, 2021 to solicit comments on the draft and provide notification of the webinar at the beginning of the public comment period.

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 will be attached to the final plan.

Summary of public comments

HCD received 1 public comment on the plan. The comment and response can be viewed on Appendix C

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

The public comment received was accepted

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	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, and Consolidated Annual Performance Evaluation Report (CAPER) to HUD. The plans are prepared and administered in the Division of Federal Financial Assistance within HCD. The programs administered by HCD are CDBG, CDBG-CV, HOME, NHTF, ESG and ESG-CV, as well as the CDBG-DR and NDR programs. The California

Department of Public Health/Office of AIDS (CDPH/OA) administers HOPWA and HOPWA-CV. Please see Appendix A for HOPWA plan. All 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

For contact by e-mail or phone: consolidatedplan@hcd.ca.gov; 916-841-8670

For contact by mail:

Attn: Division of Federal Financial Assistance, Con Plan Comments
California Department of Housing and Community Development
PO Box 952054
Sacramento, CA 94252-2054

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

Introduction

Since the California Department of Housing and Community Development's (HCD) Division of Federal Financial Assistance 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 Grant (ESG) programs due to the feedback from outreach, our surveys for feedback for this Annual Action Plan (AAP) period followed up with any further suggestions stakeholders had for improvement for our program operation and sought ideas for further collaboration.

HCD solicited input from agencies that provide assisted housing, health services, and social services and that address the housing, health, social services, domestic violence survivor services, employment, and education needs of low-income, homeless, and special needs populations. HCD contacted the same list of organizations as in previous years, because not all agencies were able to respond under the first round of outreach and consultation, and to ensure that agencies that had responded were able to comment on changes in needs in the past year. HCD contacted a total of 31 agencies to request consultation via a survey.

More broadly, HCD is continuously looking for ways to enhance coordination and communication with our 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:

- In the Division of Federal Financial Assistance, CDBG and ESG program staff hold weekly office hours to provide technical assistance to grantees for both regular and CV (Coronavirus) funding. In response to AB 1010, HCD's Fair Housing Team in collaboration with CDBG and HOME program staff have been holding office hours to provide technical assistance to federally recognized and non-federally recognized tribes and their partners, and have provided individualized technical assistance conferences to assist tribal partners with CDBG-CV applications for funding.
- In the Division of Codes and Standards, the Mobilehome Park Maintenance Task Force (which includes representatives of mobilehome owners, mobilehome park operators, local enforcement agencies, and the Legislature) meets bi-annually to provide input to HCD on the conduct and operation of the mobilehome park maintenance inspection program.
- In the Division of Codes and Standards, stakeholder focus groups are being held for public comment on the proposed changes to the 2022 California Green

Building (CAL Green) Code. HCD works with the Air Resources Board (ARB), Energy Commission, and California Building Industry Association, as well as other agencies.

- In the Asset Management and Compliance (AMC) section, HCD participates in conferences such as Housing California, Non-Profit Housing (NPH), and Southern California Association of Non-Profit Housing (SCANPH). AMC 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.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies (91.215(l)).

Permanent supportive housing includes 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 the Multifamily Housing Program (MHP), which has absorbed Supportive Housing Multifamily Housing Program (SHMHP), and Housing for a Healthy California (HHC), No Place Like Home (NPLH), and the Veterans Housing and Homelessness Prevention (VHHP) programs. Some affordable housing projects in HCD's Asset Management and Compliance portfolio also contain supportive services as a part of their annual budget, typically contracting supportive services to a third party.

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 Notice of Funding Availability (NOFA) and application workshops, stakeholder feedback listening sessions, guideline development, and as a part of long-term monitoring, 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.

HCD is working with CalHFA to assume monitoring duties for the Mental Health Services Act (MHSA) Loan Portfolio. HCD intends to assume these duties on a small portion of the portfolio at first, and possibly phase in up to 180 housing projects. HCD may do the same for CalHFA's Special Needs Housing Program (SNHP). The assumption may be for monitoring and may include assuming the loans as well.

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

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 access to Colonias funding. The CDBG program allocates five 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. The 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 Continuum(s) of Care (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 the Division of Federal Financial Assistance 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.

Within HCD is a priority policy area with a homelessness focus that is funded from state revenue sources; the programs within this area are: California Emergency Housing and Solutions (CESH) program, whose eligible applicants were CoCs or their AE’s; No Place like Home (NPLH), which serves people with serious mental illness who are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness; Pet Assistance and Support (PAS) Program, which serves pet owners

who are experiencing homelessness; Transitional Housing Program, serving young adults aged 18 to 25 years old, with a priority given to those formerly in the foster care or probation systems; and VHHP, serving veterans experiencing or at risk of homelessness. Outside of the homelessness policy area, the Multifamily Housing Program awards additional points to projects with units set aside for people experiencing homelessness.

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 have 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.

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

1	Agency/Group/Organization	California Housing and Finance Agency (CalHFA)
	Agency/Group/Organization Type	Housing, State Government
	What section of the plan was addressed by consultation?	Housing Needs Assessment, Public and Assisted Housing, Homeless Needs Assessment
	Briefly describe how the Agency/Group/Organization was	Community Survey, Direct email, Phone call.

	consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Improved coordination in affordable housing development, voucher administration, and special needs housing applications.
2	Agency/Group/Organization	Bureau of Consumer Services and Housing
	Agency/Group/Organization Type	Housing, State Govt. Business Leaders
	What section of the plan was addressed by consultation?	Needs Assessment-Housing, Homeless, Non-Housing Community Development Needs, Market Analysis of cost of housing, condition of housing, Homeless facilities.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Increased collaboration in implementing State housing priorities and Governor's Office and BCSH policy goals.
3	Agency/Group/Organization	California Housing Partnership
	Agency/Group/Organization Type	Housing, Civic Leaders, Non-Profit
	What section of the plan was addressed by consultation?	Needs Assessment-Housing, Community Development. Market Analysis-Public and Assisted Housing, Cost of Housing. Affordable Housing.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination in lowering barriers to housing access and affordability in California.

4	Agency/Group/Organization	California Coalition for Rural Housing
	Agency/Group/Organization Type	Housing, Non-profit, Civic Leaders, Organization serving Colonias
	What section of the plan was addressed by consultation?	Needs Assessment-Disproportionately Greater Need: Housing Problems. Market Analysis-Public and Assisted Housing. Colonias Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved accessibility to funding for affordable housing in CA Rural Communities.
5	Agency/Group/Organization	Disability Rights California
	Agency/Group/Organization Type	Services-Persons with Disabilities, Housing, Civic Leaders
	What section of the plan was addressed by consultation?	Needs Assessment-Housing. Special Needs Facilities and Services. Strategic Plan-Public housing accessibility and involvement. Barriers to affordable housing.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Continued coordination on removing barriers to new and existing multifamily housing being ADA compliant as well as funding for retrofitting and ADA modifications.
6	Agency/Group/Organization	California Department of Public Health
	Agency/Group/Organization Type	State Govt-Services-Health
	What section of the plan was addressed by consultation?	Needs Assessment-Housing, Market Analysis-condition of housing, Priority needs.

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination with a focus on health equity and housing. Data sharing between service providers and housing agencies. Expanding permanent Supportive Housing.
7	Agency/Group/Organization	California Department of Health Care Services
	Agency/Group/Organization Type	State Govt-Services-Health, Homeless
	What section of the plan was addressed by consultation?	Needs Assessment-Housing, Homelessness. Market Analysis- # of housing units, condition of housing. Strategic Plan-Lead based paint hazards. HOPWA goals.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination in tracking the change in financial cost to high-cost health user's once they enter Permanent Supportive Housing.
8	Agency/Group/Organization	California Department of Managed Health Care
	Agency/Group/Organization Type	Health Agency
	What section of the plan was addressed by consultation?	Market Analysis-Public and assisted housing. Non-Housing Community Needs.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improving individuals with upward mobility program, Americans with Disabilities Act program, and reasonable accommodation program.

9	Agency/Group/Organization	California Health Care Foundation
	Agency/Group/Organization Type	Health Agency
	What section of the plan was addressed by consultation?	Needs Assessment-non housing community needs.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Coordination between measuring health outcomes of individuals receiving supportive housing and measuring improvements in the way the health care delivery system provides care to the people of California.
10	Agency/Group/Organization	California Department of Health and Human Services
	Agency/Group/Organization Type	State Govt-Services- Housing, Health, Education, Children, Elderly Persons, Employment, Homeless, Fair Housing
	What section of the plan was addressed by consultation?	Needs Assessment-Housing, Homelessness, Special needs. Market Analysis-Special needs facilities and services, Housing units. Cost of housing.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improve coordination of federal funds to support child welfare services, foster care, the CalWORKs welfare-to-work program, and other services that assist low-income and vulnerable Californians.

11	Agency/Group/Organization	California Department of Fair Employment and Housing
	Agency/Group/Organization Type	State Govt-Services-Fair Housing, Employment, Persons with Disability, Elderly Persons
	What section of the plan was addressed by consultation?	Needs Assessment-Housing problems. Market Analysis-Cost and condition of housing. Affordable housing.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination in ensuring that organizations that work with HCD are following fair housing law.
12	Agency/Group/Organization	Fair Housing Advocates of Northern California
	Agency/Group/Organization Type	Non-Profit-Fair Housing
	What section of the plan was addressed by consultation?	Needs Assessment-Housing problems. Market Analysis-Cost and condition of housing. Affordable housing. Strategic Plan-public housing accessibility and involvement. Affordable housing.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination on how to enforce fair housing law especially for developments/sponsors who have received HCD funding.
13	Agency/Group/Organization	Fair Housing Council of Central California
	Agency/Group/Organization Type	Non-Profit-Fair Housing
	What section of the plan was addressed by consultation?	Needs Assessment-housing problems, homeless needs. Market Analysis-cost and condition of housing, public and assisted housing. Affordable housing.

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination on how to enforce fair housing law especially for developments/sponsors who have received HCD funding.
14	Agency/Group/Organization	Rural Fair Housing Center
	Agency/Group/Organization Type	Non-Profit-Regional Organization-Fair Housing
	What section of the plan was addressed by consultation?	Needs Assessment-Housing. Strategic Plans-Colonias Strategy. Homelessness strategy. Colonias actions. Market Analysis-Housing units, costs, broadband needs, hazard mitigation.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination on how to enforce fair housing law especially for developments/sponsors who have received HCD funding.
15	Agency/Group/Organization	California Dept of Social Services
	Agency/Group/Organization Type	State Govt-Services-Children, Housing, Elderly Persons, Persons with Disabilities, Persons with HIV/Aids, Homeless, Health, Education, Victims of Domestic Violence.
	What section of the plan was addressed by consultation?	Needs Assessment-Housing, homelessness, housing problems, housing cost burdens. Homeless special needs. HOPWA goals.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination on how to enforce fair housing law and promote the economic and social well-being of families, children, individuals, and communities.

16	Agency/Group/Organization	California Department of Aging (CDA)
	Agency/Group/Organization Type	State Govt-Services- Elderly persons, Persons with disabilities, Persons with HIV/AIDS, Homeless
	What section of the plan was addressed by consultation?	Needs Assessment-Housing, homelessness, housing problems, Special needs facilities and service, housing cost burdens. Homeless special needs.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. CDA coordinates with supportive agencies to support the needs of and develop strategies for older adults in the areas of housing and social services. Anticipated outcome is to improve accessible affordable housing and assist with social service needs for California's older adult population and adults with disability using HCD's CDBG and HOME grants.
17	Agency/Group/Organization	California Dept of Education
	Agency/Group/Organization Type	State Govt-Services - Education
	What section of the plan was addressed by consultation?	Strategic Plans-Influences of market conditions. Anti-poverty strategies.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Increase assistance for homeless children and youth program using CDBG programs. Increase State Special Schools student transportation.

18	Agency/Group/Organization	California Dept of Development Services (DDS)
	Agency/Group/Organization Type	State Govt-Services-Persons with Disability
	What section of the plan was addressed by consultation?	Needs Assessment-Housing, Homeless needs. Market Analysis-Public and assisted housing, special needs facilities and services. Other special needs activities.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Assist with access to stable, affordable housing and affordable health services and mental health services to individuals who have intellectual and development disabilities. Improve funding for housing development, renovation, and rental subsidies. Increase collaboration with multi-family housing developers.
19	Agency/Group/Organization	California Dept of Community Services and Development
	Agency/Group/Organization Type	State Govt-Services-Employment, Non-Profit, Neighborhood Organizations, Business and Civic Leaders
	What section of the plan was addressed by consultation?	Needs Assessment-Housing, non-housing community development needs. Market Analysis-non-housing community development assets.

		Community Revitalization Strategies. Public housing. Affordable housing.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improve coordination with a network of private, non-profit, and local government community service providers to helping low-income families achieve and maintain self-sufficiency, meet their home energy needs and reside in housing free from the dangers of lead hazards.
20	Agency/Group/Organization	Aids Healthcare Foundation
	Agency/Group/Organization Type	Non-Profit-Services-Health-Persons with HIV/AIDS
	What section of the plan was addressed by consultation?	Needs Assessment-non-housing special needs, non-housing community development needs. Market Analysis-special needs facilities and services. HOPWA goals.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improve coordination with HOPWA group in addressing these needs Healthy Housing Foundation by AHF provides decent housing units at an affordable cost to low-income people, including families with children, and those previously unsheltered or homeless. HHF will offer priority placement to

		individuals with chronic health conditions, including HIV/AIDS.
21	Agency/Group/Organization	HOPWA & CA Dept of Public Health
	Agency/Group/Organization Type	State Govt-Services-Persons with HIV/AIDS
	What section of the plan was addressed by consultation?	Annual Action Plan-HOPWA goals. Market Analysis-special needs facilities and services.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improve coordination with HOPWA group with housing assistance and supportive services designed to reduce or prevent homelessness for persons living with HIV (PLWH). Seek to increase the availability of decent, safe, and affordable housing for low-income PLWH.
22	Agency/Group/Organization	California Environmental Protection Agency
	Agency/Group/Organization Type	State Govt-Services-Planning Organizations, Business and Civic Leaders
	What section of the plan was addressed by consultation?	Market Analysis-Hazard mitigation. Strategic Plans-Lead based paint hazards.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call Improve coordination to address public health challenges such as lead poisoning and hazardous wastes. HCD to increase funding in CDBG

		infrastructure in the state to recover edible food and recycle. Clean up contaminated sites.
23	Agency/Group/Organization	Cal Office of Emergency Services
	Agency/Group/Organization Type	State Govt-Services- Managing Flood Prone Areas, Management of Public Land or Water Resources, Business and Civic Leaders, Planning Organizations.
	What section of the plan was addressed by consultation?	Needs Assessment- Housing, Non-homeless Special needs. Market Analysis- Hazard Mitigation.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call Coordinate and help with the State Disaster Recovery Program specifically dedicated to housing recovery. Permanent housing solutions for displaced survivors. Administer programs to help create resilient California. Poverty alleviation. Homeless Youth and Exploitation programs and equality in prevention and services for domestic violence.
24	Agency/Group/Organization	California Dept of Corrections and Rehabilitation
	Agency/Group/Organization Type	State Govt-Services- Housing, Health, Emergency Management

	What section of the plan was addressed by consultation?	Needs Assessment-Severe housing problems, homeless needs. Homeless facilities, Community Revitalization Strategies.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call Coordinate to increase funding in correctional health care services such as medical, dental, and mental health services to prison inmates. ESG program for transitional homes and mental health services. Juvenile and adult rehab facilities to successfully reintegrate offenders back into the communities.
25	Agency/Group/Organization	Governor's Office of Business and Economic Development (GO-BIZ)
	Agency/Group/Organization Type	State Govt-Services-Employment, Business, and Civic leaders
	What section of the plan was addressed by consultation?	Needs Assessment-non-housing community development needs. Market Analysis-non-housing community development assets.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call Improve coordination to increase CDBG grant funding for economic development which helps support small businesses. Provide resources to certain organizations for employment training,

		apprenticeship training, California veterans programs, joint venture programs.
26	Agency/Group/Organization	California Association for Local Economic Development (CALED)
	Agency/Group/Organization Type	Services-Education, Employment, Business, and Civic leaders
	What section of the plan was addressed by consultation?	Needs Assessment-non-housing community development needs. Market Analysis-non-housing community development assets.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call Improve coordination to increase CDBG economic development funding for business expansion, business retention and business creation. Coordinate with State reps to support the association in ways to generate revenue for the local small communities.
27	Agency/Group/Organization	California Forward
	Agency/Group/Organization Type	Non-Profit, Business, and Civic Leaders, Planning and Organization
	What section of the plan was addressed by consultation?	Annual Action Plan-Program Specific Requirements. Strategic Plans-barriers to affordable housing. Institutional Delivery Structure.
	Briefly describe how the Agency/Group/Organization was consulted. What	Community Survey, Direct email, Phone call.

	are the anticipated outcomes of the consultation or areas for improved coordination?	Improve coordination with different regions in the state to create more affordable housing using CDBG funds. Increase local investments in upward mobility programs. Help to assist in hunger, housing issues and health for those who can't afford it.
28	Agency/Group/Organization	Rural Community Assistance Corp (RCAC)
	Agency/Group/Organization Type	Non-Profit-Organizations Serving Colonias, Services-Education, Broadband Internet Service Providers, Community Development Financial Institution, Business and Civic Leaders
	What section of the plan was addressed by consultation?	Needs Assessment-Public housing, Homeless needs, housing cost burdens. Market Analysis-special needs facilities and services, broadband needs of housing. Strategic Plans-Colonias Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call Coordinate with nonprofit organizations to provide training, technical and financial resources to rural communities. Provide safe drinking water program, vital infrastructure in low income rural communities where housing is sub-standard, and poverty is common.

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

One of HCD's top priorities and goals is to address and prevent homelessness in California. The California Homeless Coordinating and Financing Council (HCFC) released, in the spring of 2021, an Action Plan for Preventing and Ending Homelessness in California. HCFC'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. The Homelessness Action Plan directs coordinated activities where state agencies will leverage each other's operations to measurably tackle homelessness, track progress towards goals identified in the Plan, and report outcomes. During the upcoming fiscal year, HCD will lead and collaborate on activities through four newly established interagency Working Groups on 1) State Funding & Programs, 2) Racial Equity, 3) Tailoring Strategies for Youth & Young Adults, and 4) Employment Opportunities & Outcomes.

The general goal of all CoCs throughout the state and the second goal in the 2020-2024 Con Plan Strategic Plan are the same, addressing and preventing homelessness. HCD coordinates with the various CoCs in the state through multiple venues but does not directly contribute to local CoC plans.

AP-12 Participation - 91.115, 91.300(c)

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

The California Department of Housing and Community Development's (HCD) citizen participation process sought to build on the outreach efforts initiated during the development of the Consolidated Plan (Con Plan). HCD distributed a survey via e-mail to Continuum of Care (CoC) lead agencies, Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) non-entitlement jurisdictions, and service providers statewide. Survey responses were anonymous, but respondents were given the opportunity to describe themselves according to detailed categories (representing local and state agencies; local, regional, and statewide institutions; CoCs; nonprofit, philanthropic, community-based and faith-based organizations; and businesses and developers). The survey asked respondents to identify barriers to finding and maintaining affordable housing, barriers to economic development, and ways that the state could improve its response to local needs.

Despite enduring over a year of fallout from the COVID-19 pandemic, survey respondents identified the same top barriers to achieving affordable and stable housing as in the Con Plan survey: a severe shortage of affordable housing units, high development costs, and insufficient economic resources. Community resistance to new housing was also among the top five barriers mentioned. The top barriers to local economic development included issues related to COVID-19 restrictions, lack of access to higher education and post-secondary training programs, few employment opportunities, and local businesses' limited access to financing. In general, respondents wanted the state to encourage affordable housing development by increasing grant funding, simplifying the development process, and removing restrictions on how funding can be used. Respondents also identified support for jobs and industries that enable career development (in contrast to "dead-end" jobs) as a priority for improving well-being in their communities.

The Con Plan is subject to federal Citizen Participation requirements, described in HCD's current Citizen Participation Plan (<https://hcd.ca.gov/policy-research/plans-reports/docs/Amended-Citizen-Participation-Requirements-for-the-States-Annually-Appropriated-Federal-Programs-Plans-and-Reports-ADA.pdf>). To meet these requirements, HCD solicits public comment from public, private, nonprofit organizations, local jurisdictions, and other state agencies in the preparation of the Annual Action Plan (AAP). HCD encourages members of the public to participate in the development of the AAP, especially low- and moderate-income persons, particularly those living in areas where 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 <http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>. Paper copies of notices and draft documents are available by written request.

The public comment period for the AAP will be held from April 2, 2021 through May 4, 2021. In accordance with the state’s Citizen Participation Plan, 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. 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 will host one webinar on April 16, 2021 to solicit comments on the draft and provide notification of the webinar at the beginning of the public comment period.

Note that, as required by federal statute to notice the public of the final 2021 CDBG allocation, details on HCD’s 2021 voluntary grant reduction in the amount of \$2,764,690 are included in the AP-05 Executive Summary, AP-15 Available Resources and AP-30 Method of Distribution of the AAP and were included in the summary to be published in newspapers and distributed via electronic mailing.

HCD will consider written comments and comments received orally at the public hearings in preparing the final versions of the AAP. A summary of these comments and the responses to them will be attached to the final AAP.

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 five 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. Imperial County hosted HCD in three workshops, two trainings, two focus groups, and several Technical Assistance visits during the 2019 calendar year and participates in virtual interactions under COVID restrictions limiting in-person events. 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 the behalf of Colonias communities without sufficient administrative capacity, and coordinates with HCD to ensure programs and projects are completed according to federal requirements.

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)
	2021-22 AAP Public Comment Period Public Notice Newspaper Ad	Non-Targeted Broad Community Non-English Speaking – Spanish	Public Notices published in 3 journals in English and Spanish 3/29/2021	NA	NA	NA
	2021-22 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 (appx. 4,500 parties), posted on HCD website Public Comment Period 4/2/2021- 5/4/2021	One comment received. See comment in Appendix C	Comment accepted	

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)
	2021-22 AAP Community Survey	Minorities, Persons with Disabilities, Residents of Assisted Housing, Service Providers, Continuums of Care	32 individuals responded to the survey 1/25/2021-2/22/2021	Respondents reported that the top barriers to securing affordable housing were a lack of affordable units, high development costs, unemployment, and community resistance to new development. Barriers to economic development included the COVID-19 pandemic, limited access to quality education/training and lack of quality jobs.		

Table 3 – Citizen Participation Outreach

Expected Resources

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

Introduction

For the Fiscal Year 2021-2022 (FY 21-22) Annual Action Plan (AAP), the California Department of Housing and Community Development (HCD) assumes its allocations each year over the five-year period will remain approximately the same and in line with the 2020-2024 Consolidated Plan (Con Plan) allocations. The AAPs submitted in each of the subsequent years will reflect actual allocation amounts received.

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act identified additional funding for the Emergency Solutions Grant (ESG), Community Development Block Grant (CDBG), and Housing Opportunities for Persons with AIDS (HOPWA) programs to support preparation for, and response to, the community impacts of the COVID-19 pandemic. The ESG CARES Act Stimulus (ESG-CV), the CDBG CARES Act Stimulus (CDBG-CV), the HOPWA CARES Act Stimulus (HOPWA-CV), and the CDBG-Disaster Recovery (CDBG-DR) funding will be expended during the 2020-2024 Con Plan period.

The CDBG-CV, ESG-CV, and HOPWA-CV funding to be expended is discussed in the first amendment to the state's 2019-2020 AAP published in April 2020 for CDBG-CV1, HOPWA-CV1, and ESG-CV1 funding. The state received a second allocation of CDBG-CV2 and ESG-CV2 funding, which was addressed in the second substantial amendment to the 2019-2020 AAP published in September 2020. Approximately \$50 million of the CDBG-CV2 funding will be used to support California's Homekey Program. The state also received tranche 3 of CDBG CV funding (CDBG-CV3, which was addressed in the third substantial amendment to the 2019-2020 AAP published in October 2020. The state has received in total \$150,626,712 for CDBG-CV, \$315,721,589 for ESG-CV, and \$578,909 for HOPWA-CV.

All activity conducted under the CDBG-DR program will be reported via the Disaster Recovery Grant Reporting system. HCD received \$1.02 billion for unmet recovery needs in response to the 2018 disasters (4407 and 4382). On February 3, 2020, the U.S. Department of Housing and Urban Development (HUD) allocated an additional \$38 million in CDBG-DR to support the State of California's unmet infrastructure recovery needs related to the 2017 declarations. Eighty percent (approximately \$130 million) goes to HUD-defined Most Impacted and Distressed (MID) areas. The state must expend 100 percent of its allocation of \$124 million CDBG-DR funds on eligible activities by August 20, 2025. The \$38 million will have a separate timeline, set by the terms of the forthcoming Grant Agreement with HUD. For Community

Development Block Grant - National Disaster Resiliency (CDBG-NDR), \$70,359,459 was awarded in January 2016 with the HUD grant agreement executed in January 2017. HCD expects to expend all CDBG-NDR funds in this Con Plan period.

The majority of CDBG-DR funds are allocated to housing recovery programs. This includes the state-run Owner-Occupied Rehabilitation and Reconstruction program, which allows affected residents to apply directly to the state for grants up to \$200,000. The Multifamily Housing program allows local governments to identify, select and submit potential projects to the state for eligibility and compliance review, approval, and funding. Local governments that receive funds work with qualified developers and contractors to construct the developments. Assistance is also available for the rehabilitation and reconstruction of small rental properties (properties with under five units total). Both the multifamily program and the small rental program are aimed at assisting renters impacted by the disasters. With over \$2.8 billion in unmet infrastructure needs resulting from the 2018 fires, HCD determined that a significant investment in this program area was warranted. HCD has allocated funding for a Hazard Mitigation Grant Program (HMPG) match and for local infrastructure projects in support of housing. Though economic revitalization made up only about 16 percent of the total unmet recovery need, it still resulted in an unmet need of over \$1 billion. Therefore, HCD is allocating \$40.7 million toward workforce development and grant programs to address economic impacts of the 2018 fires.

Planning efforts at a local, regional, and state level are necessary to ensure fire-impacted areas are rebuilt in a thoughtful and more resilient manner. HCD allocated \$86.2 million toward planning efforts and to support local capacity building. Finally, HUD allows grantees to allocate up to five percent of the CDBG-DR grant for administration. HCD is using four percent to perform necessary grant administration functions such as required reporting, administering the single-family housing program, and managing public engagement and hearings. The other one percent has been allocated to subrecipients to assist them in their local administration of projects.

On the following page are the FY 21-22 annual allocation amounts, and the three-year remainder estimates, available to the state's eligible CDBG, HOME Investment Partnerships Program (HOME), ESG, HOPWA, National Housing Trust Fund (NHTF), CDBG-DR, and CDBG-NDR. For CDBG, there is an estimated \$5 million in prior-year Program Income (PI) and an estimated \$15 million of disencumbered funds from prior years. To ensure that CDBG PI is spent to meet community needs, any program income not obligated in an eligible activity by June 30, 2022 will be subject to recapture. This will not include PI receipts received after January 1, 2022 but will include all PI receipts received prior to January 1, 2022. For HOME, there is prior-year PI of \$6 million and an estimated \$6 million in disencumbered funds from prior years. Note that the

allocation of CDBG reflects a voluntary grant reduction of \$2,764,690 as a result of the City of Lindsay's misuse of PI funds for activities that did not meet a National Objective.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				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	\$29,939,774	\$5,000,000	\$20,000,000	\$54,939,774	\$105,000,000	2021 HUD award (increased May 13, 2021) available PI balance plus an estimate on prior year CDBG resources
HOME	Public Federal	Acquisition, Homebuyer assistance and rehab, Multifamily rental rehab, New construction, TBRA	\$42,560,831	\$6,000,000	\$6,000,000	\$54,560,831	\$139,000,000	2021 HUD award, 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-Rehousing, Transitional housing	\$12,634,701			\$12,634,701	\$37,365,000	2021 HUD allocation
NHTF	Public Federal	Multi-family rental new construction, increase supply of affordable housing, Develop housing for healthy California	\$126,579,067			\$126,579,067	\$150,000,000	2021 HUD allocation
HOPWA	Public Federal	Permanent housing in facilities, Permanent housing placement, Short term or	\$4,466,591		\$922,459	\$5,389,050	\$13,399,773	The 2021 State HOPWA allocation is \$4,466,591 Prior Year Resources

		transitional housing facilities, STRMU Supportive Services, TBRA						include uncommitted FY -20-21 funding of \$681,278. \$241,181 of unspent 2019-20 funds.
CDBG-CV		Acquisition, Admin and Economic Development, Public Services and Facility Improvements	\$0	\$0	\$50,000,000	\$50,000,000	\$0	One-time award of funds – remaining funds to be made available to award to projects in support of Homekey or to augment previously CDBG-CV funded projects and programs
CDBG-DR Mitigation	Public Federal	Public Services and Planning, various resilient infrastructure	\$0	\$0	\$5,813,308	\$5,813,308	\$0	2018 HUD award

CDBG-NDR	Public Federal	Biomass Facility, Community Resilience Center, Forest and Watershed health	\$0	\$0	\$59,315,069	\$59,315,069	\$0	2017 HUD award
CDBG-DR Unmet Needs	Public Federal	Multifamily Housing, Infrastructure, ORR	\$0	\$0	\$114,421,202	\$114,421,202	\$0	2017 HUD Award 2020 Add HUD award \$38,057,257

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-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 addition to conventional lending and HUD entitlement funds, resources include the following (the percentage is the utilization for the respective funding sources based on HCD's development financing records):

- State housing tax credits: 11%
- Federal housing tax credits: 43%
- Private bank loans: 9%
- Federal HOME funds: 5%
- Local funds: 4%
- Federal Home Loan Bank Affordable Housing Program: 3%
- State housing funds: 19%
- State Mental Health Services Act Housing funds: 6%

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

HOME: Twenty-five percent Match Requirement. HCD uses state CalHome funds and other state and local resource contributions to housing pursuant to the HOME matching requirements at 24 Code of Federal Regulations (CFR) 92.220.

ESG: One-hundred 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: (1) Local match funding, including cities and counties; (2) Private match funding, including fundraising and cash; (3) federal match funding, including CDBG, Supportive Housing Program (SHP), and HOME Tenant-Based Rental Assistance (TBRA); in addition to (4) 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, 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 FY 2019-2020 Consolidated Annual Performance and Evaluation Report (CAPER) reported number.

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: 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 including private bank loans, state funds such as tax credits, 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 N-06-19 (EO), 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.

The housing need screening allowed the state to focus its efforts in areas where housing development will be most impactful. If the state can reduce cost burden by not only restricting rents, but also by making sure the households served are close to quality jobs, schools, and transit, household cost burden and vehicle miles traveled can be reduced.

DGS and HCD published a geographic information system (GIS)-enabled, searchable, and fully interactive map. This land inventory map shows more than 100 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 jurisdiction as excess to their need. The majority of 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.

Building on this Executive Order, 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 Lands 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.

By April 1, 2021, every California city and county will be required to have a central inventory of surplus and excess land and must report to HCD on each parcel. HCD, in turn, will provide the information to DGS to include in a statewide inventory. This is in accordance with Assembly Bill 1255 (Robert Rivas, 2019).

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.

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:

- Increase housing affordability (Priority Need: Improved access to affordable housing)
- Addressing and preventing homelessness (Priority Need: Homelessness prevention and assistance)
- Economic development (Priority Need: Increase economic development opportunities)
- Maintain or improve public facilities and infrastructure (Priority Need: Neighborhood stability and sustainability)
- Maintain or improve access to public services (Priority Need: Community-based public services)
- 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 2021-2022 fiscal year. These figures could change based on the U.S. Department of Housing and Urban Development input.

In response to the Corona Virus 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 Grant-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 person 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
1	Increase housing affordability	2020	2024	Affordable Housing	Statewide	Improved access to affordable housing	CDBG: \$12,978,921 HOME: \$50,304,748 HTF: \$126,579,067	Rental units constructed: 400 Household housing units Rental units rehabilitated: 90 Household housing units Homeowner housing added: 50 Household housing units Homeowner housing rehabilitated: 50 Household housing units Direct financial assistance to homebuyers: 50 Households assisted Tenant-Based rental assistance: 50 Households assisted
2	Addressing and preventing homelessness	2020	2024	Homeless	Statewide	Homelessness prevention and assistance	CDBG: \$2,993,977 HOME: \$4,256,083 ESG: \$12,634,701 HOPWA: \$5,389,050	Tenant-Based rental assistance/Rapid Rehousing: 2,450 Households assisted Homeless Person Overnight Shelter: 4,500 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds Added: 300 Beds Homelessness Prevention: 300 Persons Assisted Housing for Homeless Added: 100 Household Housing Unit HIV/AIDS Housing Operations:

								840 Household Housing Unit HOPWA Goal Outcome Indicators: Housing Information and Supportive Services: 1,500 Tenant-based rental Assistance/ Rapid Rehousing: 52 households Homeless Person Overnight Shelter: 150 persons assisted Homelessness Prevention: 813 persons assisted HIV/AIDS Housing Operations: 55 households
3	Economic Development	2020	2024	Non-Housing Community Development	Statewide	Economic Development	CDBG: \$8,981,932	Jobs created/retained: 160 Jobs Businesses assisted: 10
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: \$23,996,989	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 7,100 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: \$4,490,966	Public service activities other than Low/Moderate Income Housing Benefit: 1,500 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

Table 5 – Goals Summary

Goal Descriptions

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.

Name	Description
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 recover for local jurisdictions and people impacted by 2017 and 2018 natural disasters.</p> <p>Visit this link for HCD's Disaster Recovery web page for information regarding CDBG-DR Action Plans for 2017 and 2018.</p> <p>https://www.hcd.ca.gov/community-development/disaster-recovery-programs.shtml</p>

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 Fiscal Year 2021-2022 (FY 21-22) for eligible activities that fall within that goal.

Note: Community Development Block Grant (CDBG) Colonias percentage is listed at five 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 2021 HOME Notice of Funding Availability. For purposes of the goals reflected below, HOME TBRA is considered a homelessness assistance or prevention activity.

Funding Allocation Priorities

	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-CV	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 Colonia communities. The California Department of Housing and Community Development (HCD) has traditionally set aside five percent for eligible Colonia communities, however, the specific amounts will be identified in the NOFA. Federal law requires that not more than

15 percent of CDBG funding be provided for public service activities each year. State allocations include a 1.25 percent allocation for non-federally recognized Native American communities, and state statute require that 30 percent be allocated for economic development activities. If the demand for these allocations in any given NOFA cycle is not sufficient, then the balance of funds will revert to the general pool of funds.

State statute requires that at least 51 percent of all 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 allocation, if the demand for housing funds in a given 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, 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.

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 First-Time Homebuyer (FTHB) mortgage assistance, Owner Occupied Rehabilitation (OOR), and TBRA (i.e., program activities), and a five percent minimum allocation for FTHB new construction or rehabilitation/conversion activities (i.e., FTHB projects). For FY 21-22, in the table above, the 55 percent allocation for renters reflects anticipated demand for rental new construction or rehabilitation projects.

The 10 percent for homeless assistance and prevention activities reflects anticipated demand for HOME TBRA activities for FY 21-22 due to the U.S. Department of Housing and Urban Development allowing unit inspections and income determinations as eligible project-related soft costs for TBRA, as well as an anticipated increase in the need for TBRA due to lack of other rental assistance, continued focus on Rapid Rehousing (RR) for homeless households, or assistance provided as a result of local, state, or federally declared disasters.

National Housing Trust Fund (NHTF): Per 2017 Assembly Bill 74, NHTF funding allocation priorities are based on the state's current homeless crisis. Per Title 24 Code of Federal Regulations, §93.250, the NHTF program will target homeless or households that are extremely low-income. HCD will allocate these NHTF funds competitively to developers for operating reserve grants and capital loans for new Supportive Housing

opportunities to assist the Housing for a Healthy California (HHC) program's Target Population. Target Population means a person who is chronically homeless or is homeless and a high-cost health user, as defined by HCD's HHC program guidelines located on HCD's website at <http://www.hcd.ca.gov/grants-funding/active-funding/hhc/docs/HHC-Final-Guidelines.pdf>. HCD has amended past years annual action plans to align NHTF eligible activities with federal regulations in order to include rental rehabilitation.

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

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 (EMSA) of California while allocating proportionately larger amounts to the communities most impacted by HIV/AIDS. To promote the use of HOPWA funds for housing assistance activities, CDPH/OA has limited supportive services activities to 20 percent of a project sponsor's allocation.

Community Development Block Grant-Disaster Recovery (CDBG-DR): The 2017 CDBG-DR Action Plan outlines the following allocation priorities for the \$162 million grant: 29 percent to owner-occupied rehabilitation and reconstruction, 44 percent to multifamily housing, and 22 percent to infrastructure (with five percent retained for state administration). At least 3 percent of the expenditures in support of affordable housing will benefit low- and moderate-income households. HUD allocated an additional \$38 million in CDBG-DR to support the State of California's unmet infrastructure recovery needs related to the 2017 declarations. Eighty percent (approximately \$130 million) goes to HUD-defined Most Impacted and Distressed (MID) areas. More information on the associated goal outcome indicators and methods of distribution for this grant is available in the Action Plan at <https://hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/docs/March-2019-HCD-CDBG-DR-ActionPlan-APPROVED.pdf>

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)
- 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 Grant (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 HCD's webpage for that program's AAP:

<https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.shtml>

For Coronavirus Aid, Relief, and Economic Stimulus (CARES) Act Funding Methods of Distribution including CDBG-CV and ESG-CV, please see the CARES Act State of California 2019-2020 AAP Third Substantial Amendment, available here: [HCD Policy and Research Plans and Report \(ca.gov\)](#)

Distribution Methods

CDBG (Community Development Block Grant)

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.

1. Describe the state program addressed by the Method of Distribution.

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. Federal requirements

mandate a set aside for Colonias, for which the state sets aside five percent of its allocation each year.

Additionally, state statute requires that at least 51 percent of HCD's CDBG allocation from HUD be made available to housing and housing related activities; 30 percent shall be set aside for Economic Development (ED) projects and programs; five percent shall be set aside for Colonias; and at least 1.25 percent of the total amount of funds shall be set aside for eligible Native American activities benefiting non-federally recognized Native American communities or tribes.

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

The 2021 NOFA offers competitive programs under the housing assistance, non-housing, and ED categories. Additionally, there is an ED OTC category for capital projects. Applicants are allowed to apply for one activity per category and can submit up to three applications under the NOFA cycle. The 2021 HUD award of funds is subject to a voluntary grant reduction due to an HCD 2018 finding that a local non-entitlement jurisdiction misused Program Income (PI) for activities that did not meet a National Objective.

Need and Benefit – HCD will assess the Applicant's program/activity description to ensure that it meets a National Objective. This assessment will include the review of the Applicant's narrative to ensure there is a clear description of why the program/activity is needed in the service area, who the beneficiaries will be, where it will take place, when it will be implemented and completed, and how it will be completed.

Readiness – The 2021 NOFA has made readiness a main measurement for both the OTC and Competitive categories.

Applicants applying for funds in the competitive programs are also required to document that projects/activities are ready to start once funding is received. Those readiness criteria vary based on the activity category that is being applied for.

Jurisdictional Capacity and Past Performance – Applicants in both categories will be required to demonstrate the capacity to implement the proposed activity, as demonstrated by performance, including financial reporting, activity reporting, and cooperation in clearing audit and monitoring findings.

For the 2021 NOFA, Applicants are not being scored on past performance as HCD has recently redesigned the program and a new system is being used to track reporting. Applicants are required to certify that they are in good standing with HCD, provide HCD with current single audits, where applicable, and provide documentation of remediation for any monitoring findings that may be open.

State Objectives – Applicants are required to document they have met the State Objectives as identified in the NOFA.

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 pandemic, economic recession or other event requiring a federal response.

In the event of an unforeseen emergency need that meets a CDBG National Objective, unallocated or uncommitted current or prior year CDBG funds can be used to provide project or program funding. Applications will be submitted in the eCivis Grants Network, with an expedited review process to ensure that the need is met.

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

CDBG - The specific scoring breakdowns for all application types are included in Appendices of the NOFA. The NOFA will be made available on HCD's CDBG webpage at <https://www.hcd.ca.gov/grants-funding/active-funding/cdbg.shtml>, however, the Appendices will be kept within HCD's grants management systems. Applicants can access the grants management system at https://gn.ecivis.com/GO/gn_redir/T/vyjsqf2kekyx.

The evaluation criteria are also contained within the state's CDBG Final Guidelines effective in 2019, and the 2021 NOFA. All of these documents are available at <https://www.hcd.ca.gov/grants-funding/active-funding/cdbg.shtml>

4. Describe how resources will be allocated among funding categories.

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.

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, 2022 will be subject to recapture. This will not include PI receipts received after January 1, 2022, but will include all PI receipts received prior to January 1, 2022.

CDBG 2021 NOFA: The CDBG 2021 NOFA contains the FY 2021 CDBG allocation from HUD in the amount of approximately \$28 million. The 30 percent set aside for allocation to ED will be made available for ED Over the Counter and Competitive activities.

At least 51 percent of awarded funds of the Community Development allocation will be made available in supporting housing and housing related activities, including housing related public improvement projects. Public service activities will be capped at 15 percent, except for activities to prevent, prepare for and respond to coronavirus, which are exempt from the public services cap. Once these funding requirements have been met, the remaining funds will be awarded down the list of scored applicants. The set-aside for Colonias is five percent of the state's annual allocation from HUD. The set-aside for non-federally recognized tribes is 1.25 percent of the state's annual allocation from HUD.

5. Describe threshold factors and grant size limits

Applicants must meet the state and federal CDBG regulation threshold requirements at time of application submittal. These threshold requirements are detailed in the 2021 NOFA and in the application. The NOFA can be accessed at <https://www.hcd.ca.gov/grants-funding/active-funding/cdbg.shtml>.

Grant size limits: Under CDBG 2021 NOFA the maximum total grant award for all activities combined is \$1.5 million per jurisdiction. This maximum does **not** include Program Income (PI). Jurisdictions that commit PI to an activity may exceed the maximum grant award total, including PI. In no event shall the new grant award exceed the maximum per jurisdiction limit of \$1.5 million. Per jurisdiction limits do not include Colonia and Native American set-asides.

Colonias and Native American Communities: 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 these respective special allocations, 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.

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

With the FY 21-22 funds, CDBG expects to assist eligible households and persons with housing costs and support eligible communities with needed public services, while improving economic opportunities. The specific goals and goal outcome indicators associated with CDBG activities are:

- Increase housing affordability (Goal Outcome Indicators: Households Assisted, Housing Units Added)
- Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted)

- Economic Development (Goal Outcome Indicators: Jobs Created/Retained, Businesses Assisted, Persons Assisted)
- Maintain or improve access to public services (Goal Outcome Indicators: Area Benefit (total people assisted), Persons Assisted)

ESG Program

1. 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:

- 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

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.

HCD's ESG program is currently distributed in accordance with Emergency Solutions Grant 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.

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

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.

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.

CoC allocation: 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 section 8402 of the state 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 section 8403(d) and (e).

BOS allocation – Noncompetitive allocation: CoCs in the BoS allocation are those that have no ESG entitlement jurisdictions within their CoC SA. 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, section 8404(a)(2), or based on alternative program guidelines to be adopted should the state decide to waive, suspend, repeal or otherwise eliminate the state ESG Regulations.

BOS allocation – Competitive allocation: Funds available through the competitive allocation are divided up into three geographic regional allocations (Northern Region, Bay Area Region, and the Central and Imperial Valley Region). Programs within each of these regions apply for the funds. Applications will be evaluated using a 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 in order of importance:

(Primary Considerations)

Impact and Effectiveness

Applicant Experience

Program Design

Need

(Secondary considerations)

Cost Efficiency

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 pandemic, economic recession or other event requiring a federal response.

3. Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations (ESG ONLY)

ESG funds will be distributed to local governments and non-profit homeless service providers, 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.

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.

All competitive processes used to make ESG funding awards follow the following steps:

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.

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 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.

Under the BoS allocation for the 2021 funding round, 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 section 8404(a)(3). HCD will select providers for funding according to the application eligibility criteria set forth under section 8406 and the application rating criteria set forth under section 8407 or, alternatively based on new program guidelines to be adopted should the state decide to waive, suspend or eliminate the state ESG Regulations.

The 2021 NOFA is made up of only FY 2021 ESG funding.

4. Describe how resources will be allocated among funding categories.

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

CoC allocation: State ESG Regulations section 8403(i) requires that not less than 40 percent of the CoC allocation awarded by an AE be for RR except if funds are administered by an AE for two contiguous SAs. In this scenario, 100 percent of the funds must be used for RR. HMIS is limited to 10 percent per application under state ESG Regulations section 8408. AEs under the CoC allocation may receive approximately 2.6 percent of their formula allocation for Administration as defined in the federal regulations.

BoS allocation: For the current year, BoS must use a minimum of 40 percent and a maximum of 50 percent of their noncompetitive allocation for RR. BoS Homelessness Prevention funds are limited to 10 percent per application and can only be used in combination with an RR or ES application. If applied for as part of a noncompetitive RR application, SO funds are limited to 10 percent per application under state Regulation section 8404(b). HMIS is limited to 10 percent per application under state Regulations section 8408. Grant administration of up to \$200 per application may be requested by local government service provider applicants per 24 CFR §576.108.

5. Describe threshold factors and grant size limits

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:

- 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
- Grant size limits are discussed in the next section

6. Minimum and Maximum Grant Limits

CoC allocation: Where there is an approved AE, AEs will be responsible for setting any minimum and maximum grant amounts since they will be evaluating provider

applications and managing the contracts. HCD will be monitoring AEs to ensure that they can effectively manage the number of awards they make.

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

BOS allocation – Noncompetitive allocation: Each application submitted must be for a minimum of \$75,000 and a maximum of \$200,000. These amounts include amounts requested for all eligible activities, including HMIS and indirect costs.

7. 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 FY 21-22, ESG anticipates serving approximately 2,450 households with RR, 4,500 persons with ES, and 300 persons with HP services.

HOME Program

1. Describe the state program addressed by the Method of Distribution

The HOME Investment Partnerships Program (HOME) provides funds for Project Activities (PJ) and Program Activities (PA) on a competitive basis and/or OTC annually through a periodic NOFA. The competitive method will be utilized unless there is a business need to utilize the OTC method to obligate each year's allocation.

The FY 21-22 allocation will be made available in a NOFA in tandem with the FY 20-21 allocation. The FY 20-21 Annual Action Plan will be substantially amended to reflect this method of distribution change. In general, the funding distribution method will remain as follows:

PJs are activities with an identified site at the time of application for HOME funds. These activities include Rental New Construction or Rehabilitation projects and First-Time Homebuyer (FTHB) New Construction or Rehabilitation/Conversion projects. Based on applicant demand, HOME allocates roughly 60 percent of its funds to project activities on an annual basis, with 55 percent of total funds to rental projects and five percent to FTHB projects. Within the rental project allocation, HOME may offer additional Deep

Targeting (DT) funds to rental projects to reduce private mandatory debt and facilitate more-affordable rents.

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

Effective October 9, 2019, AB 1010 was passed into law and expanded the definitions of “Local agency” and “Local public entity” to include the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24.

Eligible applicants for HOME funds are:

- Local agencies that do not receive a direct allocation of HOME funds from HUD
- Local agencies that do not participate in a HOME Consortium or a HOME Urban County Agreement
- State-certified HOME Community Housing Development Organization(s) (CHDOs) that provide housing in these localities
- Developers, including Native American entities

The state considers American Indian reservations or Native American lands to be within the boundaries of the applicable state HOME eligible jurisdictions listed in Appendix A.

State HOME Regulations require that a minimum of 50 percent of funds go to activities located in rural census tracts. Federal Regulations require that a minimum of 15 percent of funds be allocated to CHDOs. TBRA funds can be used in all state HOME-eligible jurisdictions in the county where the funds were awarded, and not just in the particular jurisdiction to which the funds were awarded. TBRA tenant leases cannot exceed 24 months but can be renewed if additional TBRA funds are secured. In California, there are many market conditions that justify the use of HOME funds for TBRA, including tenant income compared to fair market rents and housing cost burden. State recipients may establish preferences pursuant to federal and state HOME requirements

for use of HOME TBRA funds to serve victims of locally, state, or federally declared disasters. Preferences for TBRA funds may also be established for tenants displaced if HCD determines that existing rental assistance will not be continued or renewed.

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

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

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

1. Housing Element Compliance - Provides points to cities or counties with an adopted housing element that has been approved by HCD. Projects developed on American Indian reservations or Native American lands as defined by section 8201(y)(1) receive full points for this rating factor. CHDOs, developers, and newly formed cities receive full points in this rating category.
2. Direct HOME Allocation Declined - HOME entitlement jurisdictions that have given up their HOME formula allocation to compete in the state HOME Program receive additional points.
3. Rural Points - Activities proposed in rural census tracts receive additional points.
4. State Objectives - For FY 21-22 HOME funds, HCD may award State Objective points to one or more of the following:
 - a. Applications that provide deeper affordability
 - b. Activities that can be set up and funded quickly

- c. Applications that demonstrate expeditious or efficient use of HOME funds
- d. Applications that can be funded in a manner, which promotes capacity building and continuity of housing activities
- e. Applications that target special needs populations, including the needs of persons with mobility, sensory, mental health, and intellectual disabilities, as permitted under federal and state antidiscrimination and fair housing laws, HOME requirements
- f. Applications that serve victims of locally, state, or federally declared disasters
- g. Applications that address fair housing impediments
- h. Activities that complement other state or federal programs or policy objectives
- i. Applications that addresses homelessness
- j. Applications that provide access to opportunity.

Further information and guidance on the specific State Objective factors utilized will be in the NOFA.

Additional Rating Factors for Program Activity Applications include:

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.

Additional Rating Factors for Project Applications:

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:

missing HOME performance deadlines in the last five years; failure to submit required reports in a timely manner; material misrepresentations of fact which jeopardize the HOME investment or put HCD at risk of a serious monitoring finding; and failure to cooperate with monitoring requirements identified by HCD in the last five years.

2. **Community Need:** 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 Uniform Multifamily Regulations (UMRs) and HOME requirements. FTHB projects must demonstrate the ability of the proposed project to meet HOME requirements, including demonstrating the adequacy of the proposed development budget, the market for the project, and the affordability of the project.
4. **Readiness:** Examines the project development plan, as well as the status of local government approvals, design progress, and financing commitments.

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 pandemic, economic recession or other event requiring a federal response.

3. Describe how resources will be allocated among funding categories

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

4. Describe threshold factors and grant size limits

Grant size limits are defined in the applicable NOFA and may change as the size of the HOME allocation changes. HOME threshold factors are discussed below.

To be eligible for funding, an application must be submitted by an eligible applicant by the deadline stated in the applicable NOFA. The total amount requested in an application cannot exceed the amounts specified in the NOFA for the particular eligible

activity(ies). Applicants may be held out from competition due to performance problems with current HOME contracts, such as failure to submit required Single Audit documentation to the State Controller's Office, or unresolved audit findings.

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

Project applications must show adequate evidence of site control and demonstrate financial feasibility. HOME requires certain documents to evaluate feasibility, including, but not limited to, a market study (or other market information for FTHB development activities), appraisal, and Phase I/Phase II Environmental Site Assessments (ESA) for new construction projects or lead, asbestos, and mold assessments for rehabilitation projects. Project applicants must also certify there are no pending lawsuits preventing implementation of the project as proposed. FTHB projects and all program activities must also submit guidelines governing the allocation of mortgage assistance funds to individual homebuyers. Rental projects must demonstrate compliance with Article XXXIV of the California Constitution and CHDO applicants must also demonstrate effective project control pursuant to federal and state HOME requirements.

All proposed HOME activities must be evaluated according to underwriting standards addressing federal HOME requirements at Federal Home Regulations 92.250 and 92.254, as applicable. For more information, see sections 8211 and 8212 of the state HOME Regulations. Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to set threshold factors and grant size limits in accordance with state priorities and federal Regulations.

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

The specific goals and goal outcome indicators associated with HOME activities in the Strategic Plan are:

- Increase housing affordability (Goal Outcome Indicators: Households Assisted, Housing Units Added); and
- Addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted).

Based on trends in prior year completion data and additional demand for TBRA, in the upcoming fiscal year HOME estimates completing construction on 150 rental units (includes Rental New Construction and Rental Rehab) and 42 homebuyer units (FTHB New Construction); rehabilitating 74 OOR units, assisting 91 FTHB households, and providing TBRA to 92 households.

HOPWA Program

See Appendix A

NHTF Program

1. Describe the state program addressed by the Method of Distribution

California's National Housing Trust Fund Program (NHTF) provides funding for Rental New Construction, Rehabilitation, Acquisition, and any other eligible activities as per the federal Regulations at 24 CFR 93, for projects on a competitive basis through an annual NOFA. A NHTF applicant must be the owner or developer of the NHTF-assisted project and must meet the requirements identified in the recipient definition of 24 CFR 93.2.

In 2017, the California State Legislature passed AB 74, which subsequently was signed into law by former Governor Edmund G. Brown Jr. AB 74 directs the state to use NHTF resources for the newly established Housing for a Healthy California (HHC) program. The HHC program creates supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services (DHCS) Medi-Cal program. HHC uses a competitive application process to identify eligible projects and award funds.

HCD will be developing guidelines for the NHTF program during the 2021-2022 program year to prepare for the FY 22-23 allocation, which will need an updated method of distribution.

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

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

- Geographic priorities for the distribution of funds
- Applicant's ability to obligate NHTF funds
- Applicant's ability to complete the proposed project in a timely manner
- The availability of federal, state, or local project-based rental assistance
- How well the application meets the state's priority housing needs

- Use of nonfederal funding sources as leverage

The application selection criteria will also consist of requirements specifically mandated in the HHC AB 74 statute. HCD will apply the AB 74 requirements in a manner consistent with the rules of the NHTF funds.

Eligible projects will receive points for the following:

- Development team experience, measured including the developer, applicant ownership and operations, property manager, and lead service provider
- Percentage of assisted units restricted for supportive housing, with a minimum of at least five percent
- Supportive services plan including clear description of services, resident involvement, and budget information
- 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
- Need, which includes consideration of the number of individuals experiencing homelessness in the geographic jurisdiction
- Location efficiency and reasonable access to destinations for participating tenants

HCD may award application points for addressing State Objectives as identified in the NOFA. HCD may include State Objective points for one or more of the following HCD priority objectives: 1) Access to Opportunity (e.g. diversity of investment in areas of low opportunity and investment in areas of high opportunity); 2) Homelessness; and 3) Disaster Resiliency Long-Term Planning to incentivize local jurisdictions to incorporate hazard mitigation and disaster resiliency planning. More clarification on these HCD priorities will be provided in the Notice of Funding Availability (NOFA). Projects must employ Housing First practices documented in the application, property management plan, and supportive services plan.

3. Describe how resources will be allocated among funding categories

HCD will distribute funds to eligible recipients, as defined in 24 CFR § 93.2 on a competitive basis and/or OTC annually through a periodic NOFA. The competitive method will be utilized unless there is a business need to utilize the OTC method to obligate each year's allocation.

The FY 21-22 allocation will be made available in a NOFA in tandem with the FY 20-21 allocation. The FY 20-21 Annual Action Plan will be substantially amended to reflect this method of distribution change. In general, the funding distribution method will remain as follows:

4. Describe threshold factors and grant size limits

1. To be eligible, a recipient may be an organization, agency, or other entity (including a public housing agency, or a for-profit entity or a nonprofit entity) acting as an owner or developer to carry out an assisted project. The organization must meet the requirements of 24 CFR §93.2 of Recipient. A Recipient must: 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; d) demonstrate experience and capacity to conduct the eligible NHTF activity in questions as evidenced by relevant history; and e) has site control.
2. The maximum loan limit per Applicant is \$20 million. The maximum amount that can be used for capitalized operating subsidy reserves will be one third of the total loan amount in accordance with 24 CFR 93.200(a)(1).
3. HCD will adopt maximum per-unit development subsidy limits similar to the limits established by the state's No Place Like Home (NPLH) program as follows:
 - a) Maximum per-unit loan amounts shall not exceed the total eligible costs required, when considered with other available financing and assistance, in order to: a) enable the funds to be used for eligible uses; b) ensure that rents for Assisted Units comply with Program requirements; and c) operate in compliance with all other program requirements.
 - b) The capital portion of the loan amount is further limited to the sum of a base amount per Assisted Unit, plus the amount per Assisted Unit required to reduce rents from 30 percent of the 30 percent of Area Median Income (AMI) level to the actual maximum restricted rent for the Assisted Unit, with loan limits increasing based on the level of affordability provided.
 - c) For loan limit calculations, HCD shall include the number of units within a rental housing development and the number of bedrooms per Assisted Unit.

- d) For Assisted Units receiving rental assistance, the loan amount will be based on the most restrictive level of income restriction that will apply following the closing of the program loan.
- e) Initial base amounts for the portion of the loan that does not include rental assistance will be equal to the NPLH initial base amounts.
- f) The capital portion amounts in subparagraph (2) above will be adjusted annually based upon increases in the Consumer Price Index. Maximum per-unit loan amounts for loans underwritten by HCD shall be updated annually and published in the NOFA.

4. 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 Goal Outcome indicator measures are Rental units constructed and Rental units rehabilitated. HCD expects to construct 250 rental units and rehab 40 rental units.

CDBG-CV Program

The method of distribution for CDBG-CV is described in the 2019-2020 AAP Amendment found here: [State of California 2019-2020 Annual Action Plan Second Substantial Amendment](#)

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: [Community Development Block Grant Program \(CDBG\) - Disaster Recovery \(DR\) \(ca.gov\)](#)

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 \(NDRC\) \(ca.gov\)](#)

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

Table 7 – Project Information

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

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 allocation, if the demand for housing funds in a given 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 Program funding allocation priorities are based on demand by program applicants for categories of activities.

For allocation priorities of the Community Development Block Grant-Disaster Recovery program, please see HCD's webpage for that program's Action Plan: [Community Development Block Grant Program \(CDBG\) - Disaster Recovery \(DR\) \(ca.gov\)](https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/Community-Development-Block-Grant-Program-(CDBG)-Disaster-Recovery-(DR)-(ca.gov))

AP-38 Project Summary

Project Summary Information

1	Project Name	Increase Housing Affordability
	Target Area	
	Goals Supported	Increase Housing Affordability
	Needs Addressed	Improved access to affordable housing
	Funding	CDBG: \$12,978,921 HOME: \$50,304,748 HTF: \$126,579,067
	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	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	690 families of extremely low-, low-, and moderate-income
	Location Description	
	Planned Activities	Multifamily rental and new construction. Homebuyer assistance, Homeowner rehab.
2	Project Name	Addressing and Preventing Homelessness
	Target Area	

	Goals Supported	Addressing and preventing homelessness
	Needs Addressed	Homelessness prevention and assistance
	Funding	CDBG: \$2,993,977 HOPWA: \$5,389,050 HOME: \$4,256,083 ESG: \$12,634,701
	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	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	2,450 households experiencing homelessness 4,800 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	
	Goals Supported	Economic Development

	Needs Addressed	Increase economic development opportunities
	Funding	CDBG: \$8,981,932
	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	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	160 jobs created or retained 10 businesses assisted
	Location Description	
	Planned Activities	Acquisition, Administration and Planning, Economic Development
4	Project Name	Maintain or Improve Public Facilities and Infrastructure
	Target Area	
	Goals Supported	Maintain or improve public facilities and infrastructure
	Needs Addressed	Neighborhood stability and sustainability
	Funding	CDBG: \$23,996,988

	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	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Other than low- and moderate-income Housing Benefit: 7,100 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
5	Project Name	Maintain or Improve Access to Public Services
	Target Area	
	Goals Supported	Maintain or improve access to public services
	Needs Addressed	Community-based public service
	Funding	CDBG: \$4,490,966
	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	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Other than low- and moderate-income Housing Benefit: 1,500 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

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 has considered Community Development Block Grant economic development 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. 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 Community Development Block Grant (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 has met the federal requirement for the Colonia allocation by setting aside five percent of CDBG funding for Colonia applications. The state plans to continue to use the five percent set aside for Program Year FY 2021 as described in the 2021 CDBG Notice of Funding Availability.

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 2021 Notice of Funding Availability (NOFA). Economic Development (ED) applications will not be eligible through the Colonia allocation, though jurisdictions may apply for ED activities from the ED set aside and the general 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

Applicants will have access to a unique application form. For details on the competitive process, please see the CDBG method of distribution. FY 2021 NOFA eligible activities will include housing and housing-related infrastructure and public services. Only the Colonias in Imperial County are eligible for the Colonia set aside through the state CDBG program.

The criteria for the Colonia set aside applications is the same as the criteria for the state CDBG applications. Competitive application criteria will focus on need, readiness, capacity and past performance, and State Objectives. Competitive applications will focus on readiness and capacity and past performance, which includes performance on the State Objectives. For specific details about the criteria, see the CDBG method of distribution. The Colonia set aside will not be eligible for ED activities, though Colonia jurisdictions may apply for Colonia eligible activities in addition to general CDBG programs, services, planning, and projects.

Describe how resources will be allocated among funding categories.

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 five percent set-aside for FY 2021. 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, sewer improvements, and public services. Applications for activities from the Colonia set aside may be made in addition to applications for the general CDBG activities identified in the CDBG allocation among funding categories.

Describe threshold factors and grant size limits.

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 the same thresholds and overlays as the other set asides and allocations in the state CDBG program.

Grant size limits: The following grant limits apply to the Colonia set aside only. The FY 2021 NOFA maximum application limit for Colonia funding will be five percent of the CDBG allocation. Colonia applications 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.

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

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 and to fund eligible public services. HCD expects to leverage the Colonia allocation with other CDBG funding, as Imperial County has been a regular applicant for multiple CDBG funded projects.

State Program Name	Funding Sources
CDBG Colonias Set-Aside	CDBG

Table 8 - Distribution Methods by State Program for Colonias Set-aside

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. ESG, HOPWA, and 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, 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, which can include areas with concentrations of lower-income or racially/ethnically segregated households that experience lack of decent infrastructure and/or proximity to environmental hazards.

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 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

Prior to the COVID-19 pandemic, 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), are experiencing homelessness or have been involuntarily displaced – was increasing. The public health, economic, and social crises created by the pandemic have accelerated this trend. Job losses, concentrated in lower-income sectors of the economy, have led to a conservative estimate of at least 90,000 renter households behind on rent as of January 2021¹. Although California legislators passed an evictions moratorium at the end of January, it expires on June 30, 2021 – at the outset of the 2020-21 planning period. We can anticipate that the pandemic will have long-term and lasting consequences on low-income households' ability to find and

¹ [How Has COVID-19 Affected Renters and Homeowners? \(ca.gov\)](https://www.ca.gov/)

maintain affordable housing.

One Year Goals for the Number of Households to be Supported	
Homeless	2,550
Non-Homeless	690
Special-Needs	920
Total	4,160

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	3,420
The Production of New Units	550
Rehab of Existing Units	140
Acquisition of Existing Units	50
Total	4,160

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

Discussion

The state plans to provide 4,160 households with federally funded assistance to obtain or maintain affordable housing. This includes supporting 2,550 households experiencing homelessness in the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Solutions Grant (ESG) program, 920 households with special needs in the Housing Opportunities for Persons with Aids (HOPWA) program, and 690 households not experiencing homelessness in the CDBG, HOME, and National Housing Trust Funds (NHTF) programs. This assistance will vary in type depending on the program and households' needs.

The state plans to provide 3,420 households with short-term rental assistance and other forms of housing-related financial assistance in the HOPWA, ESG, and HOME programs, 550 households with new affordable units in the CDBG, HOME, and NHTF programs, 140 households with rehabilitated affordable units in the CDBG, HOME, and NHTF programs, and 50 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 requirements, PHAs are also not eligible to apply directly for funds from the following programs: Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), National Housing Trust Fund (NHTF), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA). 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:

https://www.hud.gov/sites/dfiles/PIH/documents/PHA_Contact_Report_CA.pdf.

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

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

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

There are currently no PHAs designated as "troubled" in the state's CDBG non-entitlement areas.

Discussion

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

Introduction

The California Department of Housing and Community Development (HCD) will continue to address the requirements in 24 Code of Federal Regulations Section 91.320 by using federal funding for the Emergency Solutions Grant (ESG) and Community Development Block Grant (CDBG) programs, along with state-funded programs, to address and prevent homelessness. The ESG program currently has over 100 active contracts with local entities. ESG grants can be used to (1) engage homeless individuals and families living on the street, (2) rapidly re-house homeless individuals and families, (3) help operate and provide essential services in emergency shelters for homeless individuals and families (including required intake data collection), and (4) prevent individuals and families from becoming homeless. 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 Homeless Coordinating and Financing Council (HCFC) released, in the spring of 2021, an Action Plan for Preventing and Ending Homelessness in California (Homelessness Action Plan). HCFC'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.

HCFC and its member departments will pursue the Homelessness Action Plan's vision and goals with shared accountability across State departments and with local partners. Performance measures are identified for every action, and implementation progress will be reported to HCFC on a regular basis. During the upcoming fiscal year, HCD will lead and collaborate on activities through four newly established interagency Working Groups on 1) State Funding & Programs, 2) Racial Equity, 3) Tailoring Strategies for Youth & Young Adults, and 4) Employment Opportunities & Outcomes.

The HCFC Homelessness Action Plan can be found on the HCFC website at: <https://www.bcsd.ca.gov/hcfc/>.

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) activities, which provide individualized assessment to persons experiencing homelessness. For fiscal year 2021, ESG allows for SO as a stand-alone project or as an add-on with Emergency Shelter (ES) or Rapid Rehousing (RR). These services are intended to reach individuals experiencing unsheltered homelessness and engage them in eligible activities including case management, emergency health and mental health services, transportation, and services for special populations as defined in the federal Regulations. Based on past ESG applicant demand, ESG anticipates that up to five percent of its awards will go toward SO activities in the coming year.

Addressing the emergency shelter and transitional housing needs of homeless persons

The ESG program funds several ES programs, which provide short- and medium-term shelter and supportive services to homeless individuals and families while affordable, suitable permanent housing is being sought out. In addition to providing temporary shelter, many programs provide a range of essential services necessary to assist people to access and retain permanent housing. Essential services include, but are not limited to, case management, education, job training, childcare, and mental and medical health services. Shelter operations costs include maintenance, rent, security, equipment, utilities, and food. In the coming year, ESG anticipates that 40-60 percent of its awards will go toward Emergency Shelter programs (based on past ESG applicant demand).

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The ESG program funds RR and Homeless Prevention (HP) activities which provide short- and medium-term rental assistance and supportive services to individuals and families experiencing homelessness (RR) and those at risk of homelessness (HP), so that they can access and maintain affordable, suitable permanent housing. In the coming year, ESG anticipates that approximately 40 percent of its awards will go toward RR and HP activities.

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.

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.

Veterans Housing and Homelessness Prevention (VHHP): In 2013, 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 \$375 million in five funding releases and anticipates that \$75 million will be awarded through VHHP in the upcoming fiscal year.

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 and National Housing Trust Fund (NHTF) (via the Housing for a Healthy California Program): 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.

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.

Housing for a Healthy California (HHC): Homelessness often creates an institutional circuit, where those experiencing it long enough cycle through living on the streets, emergency room visits, inpatient admission, incarceration, and often nursing home stays. In 2017, Assembly Bill 74 (AB 74) established the HHC program, funded through the National Housing Trust Fund and (during the first year) the Building Homes and Jobs Trust Fund, to develop housing with coordinated delivery services between the health and housing systems.

The goal of the HHC program is to reduce the utilization of hospitals, nursing homes, and correctional facilities for health care services by individuals experiencing homelessness. Nonprofit housing developers can obtain subsidized loans from HHC to create new subsidized housing for people who are chronically homeless or homeless and high-cost health users. HCD will award HHC's final allocation of NHTF funding, estimated at \$50 million, during fiscal year 2021-22.

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.

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/chronic 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 or referral to other services that NPLH tenants may need including, but not limited to, health, social services, employment, and education. Proposition 2, approved by California voters in November 2018, authorizes the sale of up to \$2 billion of revenue bonds and the use of a portion of Proposition 63 taxes for the NPLH program. HCD has made available approximately \$1 billion in available funding to date, and an additional \$200 million is anticipated to be made available via the Notice of Funding Availability in Fiscal Year 2021-2022.

Discussion

AP-70 HOPWA Goals – 91.320(k)(4)

One-year goals for the number of households to be provided housing through the use of Housing Opportunities for Persons with AIDS (HOPWA) for:	Number of Households
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	725
Tenant-based rental assistance	50
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	145
Total	920

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 change. 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 state continues to implement the 2017 “housing package” of 15 legislative measures, which provides incentives for local jurisdictions to implement land use policies that encourage affordable housing development, and allows the state to implement alternative development approval mechanisms in local jurisdictions that are out of compliance with state housing element law. State legislators continue to work towards passing additional measures to remove policy-related barriers to housing (for example, see Senate Bill (SB) 9 (2021) at http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB9).

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 2017, former Governor Edmund G. Brown Jr. signed a 15-bill housing package designed to mitigate the effects of public policies that create barriers to affordable housing production. The housing package provides critical support for affordable housing by accelerating development to increase housing supply, holding cities and counties accountable for addressing housing needs in their communities, and preserving the existing affordable housing stock. In Fiscal Year 2021-2022, the California Department of Housing and Community Development (HCD) will continue to implement the housing package.

Several provisions in the housing package impose more stringent accountability regarding housing element law and standards of performance by local governments. State law requires each city and county to adopt a general plan containing at least seven mandatory elements, including housing. 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. It is required to be updated every five to eight years and is subject to detailed statutory requirements and mandatory review by HCD.

Assembly Bill (AB) 72 (2017) now requires HCD to review any action inconsistent with housing element laws and allows HCD to decertify housing elements and refer

violations to the Attorney General. HCD also released guidelines in 2018 for streamlined ministerial approval processes (SB 35 (2017)) for developments in localities that have not yet met their housing targets as provided for in the housing element. Since jurisdictions faced capacity limitations due to the COVID-19 pandemic, HCD agreed to not begin processing the streamlined ministerial approval determination until after June 1, 2020. This allowed cities and counties extra time after the April 1, 2020 deadline to submit their 2019 Annual Progress Reports.

SB 2 (2017) directed HCD to administer over-the-counter planning grants to local governments for the preparation and adoption of land use plans and strategies that streamline and accelerate affordable housing production. After releasing a Notice of Funding Availability in March 2019, HCD, in conjunction with the Governor's Office of Planning and Research (OPR), provided technical assistance to local governments to complete their applications for the planning grants. As of June 30, 2020, HCD received 494 applications for approximately \$113 million. Applicants were awarded if they met threshold requirements – such as having a compliant housing element and having submitted Annual Progress Reports – and could demonstrate how they would use their grant to accelerate housing production with a nexus to reducing development costs, increasing approval certainty, expediting processing, improving housing supply, or other factors. Of the approximately two-thirds of jurisdictions that have reported a housing supply increase, planning capacity for more than 600,000 units were reported as a result of the planning grant program.

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 Grant (LEAP), like SB 2 planning grants in that funds would be awarded to cities and counties, and Regional Early Action Planning Grant (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 the drafting of this Plan, HCD anticipates close to 100 percent participation in all regions by the January 31, 2021 deadline for LEAP and REAP applications.

For further updates on HCD's planned activities to implement the 2017 housing package – including enforcement actions related to AB 72, activities related to rental inclusionary housing (AB 1505, 2017), no net loss zoning requirements (SB 166 (2017)), preliminary applications for development (SB 330, 2017), the housing element sites inventory (AB 1397 (2017), AB 1486 (2018), AB 686 and SB 6 (2019)), accessory dwelling unit

local ordinance updates, housing sustainability districts (AB 73 (2017)) and expansions to affordable housing preservation efforts (AB 1521 (2017)) – please refer to the HCD Annual Report for Fiscal Year 2019-2020, available at https://hcd.ca.gov/policy-research/plans-reports/docs/hcd_2019-20_annual-report_web_ada_final_lower_res.pdf.

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) 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 invest 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 five percent of its CDBG allocation for use in the Colonias.

Actions planned to address obstacles to meeting underserved needs

Lack of funding is a major obstacle to meeting needs in the Colonias. To address that, five 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 year, 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 recent years, onsite visits have been made to most of the communities that have Colonias. 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 several constraints to meeting the needs of target-income residents, the primary obstacle is that there is a lack of funding to fully address all needs:

- Economic challenges in recent years forced many nonprofits to cut services
- Lack of funding to address the huge amount of unmet need that exists for affordable housing, infrastructure and facility improvements, and social services
- People experiencing homelessness and other vulnerable populations face additional barriers to obtaining housing in California

Actions planned to address obstacles to meeting underserved needs

In the State of California 2020-2024 Consolidated Plan (Con Plan), the obstacles, needs and actions planned below were identified.

- Rents are too expensive: Select California Department of Housing and Community Development (HCD) programs (including the HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (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, No Place Like Home (NPLH), Veterans Housing and Homelessness Prevention (VHHP), and Housing for a Healthy California (HHC) 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 the "Local Resistance and Exclusionary Land Use Policies Constrain Access to Opportunity" (Impediment 9)
- Down payments, closing costs, mortgages, taxes, and home insurance are too expensive: HCD's affordable homeownership programs (including Community Development Block Grant (CDBG), HOME, CalHome, and 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 Multifamily Housing Program (MHP) and CalHome)) may 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: The CDBG and CDBG Coronavirus Aid, Relief, and Economic Stimulus Act (CARES Act) (CDBG-CV) programs provide funding for employment services and economic development programs to contribute to local economic opportunities
- 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
- Additional barriers to obtaining housing can include the need for additional services, accommodations, and/or physical accessibility features. A lack of credit history or references, discrimination by housing providers, criminal background or eviction histories, and serious health conditions are some other barriers
- Vulnerable populations, such as persons with disabilities, elderly persons, veterans, tribal populations, persons experiencing homelessness, recent immigrants, farm workers, domestic violence survivors, and persons living with HIV/AIDS are more likely to face these barriers
- Rural communities in California face unique obstacles in meeting underserved needs
 - Absence of service providers: The geographically expansive service areas in rural California make it nearly impossible for providers to maintain a consistent, physical presence in most communities. This is further complicated by the limited ability of many low-income residents to travel for services
 - Lack of capacity in existing agencies: Many service providers experience higher than average attrition rates among their employees, and recruitment and retention of staff continues to be a challenge
- Lack of consensus: Stakeholders within a particular jurisdiction often do not agree on priority needs and this can lead to delayed action

HCD will continue to provide technical assistance to increase capacity of agencies or 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

HCD administers housing-related activities under the federal CDBG, HOME, National Housing Trust Fund (NHTF), ESG, and HOPWA programs (described in AP-30) and housing-related activities serving individuals experiencing/at risk of homelessness under the state-funded California Emergency Solutions and Housing (CESH), NPLH, VHHP, Transitional Housing Program (THP), and HHC programs (described in AP-65). In addition to the programs described in previous sections, HCD administers state-funded affordable housing programs with the goals of providing access to opportunity for low-income households and mitigating the impact of climate change. Details on all HCD's active programs can be found at <http://www.hcd.ca.gov/grants-funding/active-funding/index.shtml>.

Access to Opportunity Programs:

Multifamily Housing Program (MHP):

Purpose: Increase the supply of affordable rental housing

Serves: Lower-income households including large families, people experiencing chronic homelessness, seniors, and others with special needs

Funded by: Voter-approved housing bond funds from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1)

Funding outlook for FY 21-22: \$250 million

CalHome Program:

Purpose: Ensures households can become (or remain) homeowners and assists homeowners affected by disasters

Serves: Low- and very low-income households that wish to become (or remain) homeowners and up to moderate-income households affected by disasters

Funded by: Voter-approved housing bond funds from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1), Housing Emergency Shelter Trust Fund Act of 2006 (Proposition 1C), and the Housing and Emergency Shelter Trust Fund Act of 2002 (Proposition 46)

Funding outlook for FY 21-22: \$57 million

Mobilehome Park Rehabilitation and Resident Ownership Program (MPRRP):

Purpose: Create stability for manufactured home and mobilehome owners by providing financial assistance to resident organizations or nonprofits that wish to purchase a mobilehome park and make repairs to bring the park into compliance with health and safety standards.

Serves: Manufactured home and mobilehome owners and residents, nonprofits

Funded by: Repayments on loans awarded by the program

Funding outlook for FY 21-22: \$34 million

Permanent Local Housing Allocation (PLHA):

Purpose: Provide financial assistance to local governments to assist in addressing the unmet housing needs of their local communities in order to create affordable rental housing and homeownership opportunities for Californians

Serves: Extremely low-, very low-, low-, or moderate-income households, and individuals and families experiencing homelessness or who are risk of homelessness

Funded by: Building Homes and Jobs Act (2017)

Funding outlook FY 21-22: Approximately \$13 million for non-entitlement jurisdictions in the competitive allocation and \$135 million in entitlement and non-entitlement (formula) allocations

Local Housing Trust Fund Program (LHTF):

Purpose: Provide matching funds from the state to local housing trust funds established by cities and counties, Native American Tribes, and/or nonprofit organizations

Serves: Low- or moderate-income households, and individuals and families experiencing homelessness or who are risk of homelessness

Funded by: Voter-approved housing bond funds from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) and the Housing Emergency Shelter Trust Fund Act of 2006 (Proposition 1C)

Funding outlook for FY 21-22: \$57 million

Joe Serna, Jr. Farmworker Housing Grant Program (FWHG):

Purpose: Creates affordable homes for California's essential farmworkers through new construction, rehabilitation, and acquisition of owner-occupied and rental housing

Serves: Farmworkers and their families

Funded by: Voter-approved housing bond funds from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1), Housing Emergency Shelter Trust Fund Act

of 2006 (Proposition 1C), and the Housing and Emergency Shelter Trust Fund Act of 2002 (Proposition 46)

Funding outlook for FY 21-22: \$74 million

Climate Change Programs

Affordable Housing and Sustainable Communities Program (AHSC):

Purpose: Protect the environment and produce healthier communities by reducing greenhouse gas emissions and fund affordable housing and transportation projects that locate housing closer to the places people want and need to go each day, encouraging improvements to walking, biking, and transit infrastructure so Californians are less likely to get in their cars and drive. The result is less congestion and less pollution, quieter roads, cleaner air, and healthier Californians.

Serves: Californians in large and small communities throughout the state, particularly those on modest budgets living in disadvantaged communities, as well as all Californians through improved air quality

Funded by: California Climate Investments through Cap-and-Trade auction proceeds

Funding outlook FY 21-22: \$350 million

Transit Oriented Development Program (TOD):

Purpose: Increase Californians' use of public transit by funding: (1) higher-density affordable housing development within one-quarter mile of transit stations; and (2) infrastructure improvements necessary for the development of housing developments

Serves: People of modest means who need affordable homes near public transit, as well as all Californians through improved air quality

Funded by: Voter-approved housing bond funds from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) and Housing Emergency Shelter Trust Fund Act of 2006 (Proposition 1C)

Funding outlook FY 21-2022: No additional funding available

Infill Infrastructure Grant Program (IIG):

Purpose: Enable housing development on vacant or underused land within urban areas (infill sites) by funding infrastructure improvements needed to facilitate new housing developments

Serves: Lower-income Californians

Funded by: Infill Infrastructure Grant Program of 2019

Funding outlook FY 21-22: \$160 million

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, CESH, 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, 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.

For example, HCD continues to offer technical assistance to California Continuums of Care (CoCs) to enhance, develop, build capacity, or improve the design and the delivery of programs and services for people experiencing homelessness. 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, onsite or remote consultations with technical experts.

In February of 2021, Governor Gavin Newsom appointed a Deputy Director over federal programs. This appointment will complement a reorganization that will bifurcate HCD's Division of Financial Assistance (DFA) into two separate and distinct divisions: one focused on the design and implementation of state programs and another on design and implementation of federal programs. The redesign of the organizational structure of the Division of Financial Assistance that occurred in 2019 placed, for the first time, all of the federal functions in their own branch within the division. This reorganization has proven extremely helpful given that in the last two years, federal funding has significantly increased with the addition of \$1.2 billion in CDBG-Disaster Recovery funding (from fire disasters) and \$1 billion in CARES act funding for COVID response.

The state's focus on housing and homelessness before and during the pandemic has also brought new resources into state programs, the largest being the implementation of nearly \$850 million (\$750 million in federal Coronavirus relief funds, \$50 million in state general funds, and \$46 million in connected philanthropic funds) for Homekey, a program created in the 2020-2021 budget. Further resources for Homekey, as well as other state programs, have been proposed in Governor Newsom's FY 21-22 budget, and this reorganization is also taken with the anticipation that more resources to homelessness and affordable housing resources will be prioritized by Governor Newsom and the Legislature this year. These infusions of resources have led to necessary growth in staffing, the majority of which has occurred in the federal programs branch. It is anticipated that the growth will continue if California is awarded further disaster funds for the 2020 fires. Moreover, the new funding is of critical importance given its connection to disaster and pandemic response, requiring significant oversight that necessitates a Deputy Director level appointee to lead the efforts. With continued growth of funding in both federal and state resources anticipated, placing all of these responsibilities under one division and one Deputy Director is not the ideal structure to provide the care, attention, and accountability needed for these efforts. Splitting off federal programs into a standalone division with Deputy Director level oversight is the logical and easiest step to accommodate past and future growth. This shift allows all staff and programmatic functions to stay intact while providing increased support and oversight. Without this proposed restructuring, the number of staff within DFA would soon be over 400. A bifurcation of DFA staff will allow for more targeted attention and accountability for all federal and state programs by allowing the respective Deputy Directors to focus their attentions accordingly. Elevating federal programs to a focused division with an appointed Deputy Director will send a clear message of the importance

of good stewardship of federal funds, both to stakeholders in California and to HCD's federal partners.

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

Through the ESG, CESH, HHC, 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 services that can provide assistance.

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

CDPH/OA emphasizes inclusion of representatives of various HIV/AIDS service agencies, other state departments (such as Corrections and Rehabilitation, HCD, Rehabilitation, Health Care Services, and Developmental Services), local health departments, and others, in information gathering, research, and decision-making processes. CDPH/OA also convenes the California Planning Group (CPG) to assist in the development, implementation, and revision of the Integrated Plan.

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

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

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 PI, and the National Objective(s) served with the funds. In addition, for the state's CDBG Program, in order for Program Income (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. See Appendix B for 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.

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 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	0
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:	0

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% of CDBG funds is used to benefit persons of low and moderate income. Specify the years	70.00%

covered that include this Annual Action Plan.

**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:

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

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 is sufficient to repay the HOME loan and the loan is not assumed by another HOME-eligible purchaser.

The captured appreciation may also be reduced proportionate to the number of years during which the homebuyer has owned the home. The captured appreciation may also be subject to restrictions by other public lenders such as 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.

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:

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 Grant (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) which is included as an Appendix. 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 Rehousing (RR) or Homeless 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 Continuum 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 adjust 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 funds to eligible recipients, as defined in 24 CFR § 93.2, through a competitive application process. A NOFA will be issued, and applications will be rated and ranked.

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”.

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

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

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”.

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

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

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

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”.

The California State Legislature passed Assembly Bill (AB) 74, which subsequently was signed into law by former Governor Edmund G. Brown Jr. AB 74 directs the state to use NHTF resources for the newly established Housing for a Healthy California Program (HHC). Application selection criteria will also consist of requirements specifically mandated in the HHC, AB 74 statute. HCD will apply the AB 74 requirements in a manner consistent with the rules of the NHTF funds. Eligible projects will receive points for the following:

- Development team experience, measured amongst the developer, applicant ownership and operations, property manager, and lead service provider
- Percentage of assisted units restricted for supportive housing, with a minimum of at least five percent
- Supportive services plan including clear description of services, resident involvement, and budget information
- 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
- Need, which includes consideration of the number of individuals experiencing homelessness in the geographic jurisdiction; and
- Location efficiency and reasonable access to destinations for participating tenants.

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. However, HCD will allocate 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 the event no projects target the 20 percent allocation for projects located in rural areas, funds will be distributed according to the Distribution Methods identified in AP-30 in the Consolidated Plan (Con Plan). (This is to address meeting the benchmark goal of increasing the supply of affordable rental housing for extremely low- and very low-income individuals.)

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 experience. Applicants must demonstrate the successful implementation of federal, state, or local affordable housing or community development projects within the last five years.

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”.

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

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

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 is 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, design progress, and financing commitments. Financing commitments will include the leveraging of non-federal development funding sources and the extent to which the project has federal, state, or local project based rental assistance.

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 the NHTF will comply with NHTF federal regulations for development of multifamily rental housing.

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.

HCD has met the performance goals and benchmarks requirement by including the goal of increasing the supply of rental housing as a priority in the state's Con Plan. The goal is to increase the supply of affordable rental housing by providing NHTF assistance to units for tenants at or below 30 percent of Area Median Income (AMI) or below the poverty line; whichever is greater. HCD included NHTF in its 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.

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

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

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

1. Maximum per-unit loan amounts shall not exceed the total eligible costs required, when considered with other available financing and assistance, to:
 - a. Enable the funds to be used for eligible uses
 - b. Ensure that rents for Assisted Units comply with program requirements; and
 - c. Operate in compliance with all other program requirements.
2. The capital portion of the loan amount is further limited to the sum of a base amount per unit, plus the amount per unit required to reduce rents from 30 percent of the 30 percent of the Area Median Income (AMI) level to the actual maximum restricted rent for the unit, with loan limits increasing based on the level of affordability provided.
2. For loan limit calculations, HCD shall include the number of units within a rental housing development and the number of bedrooms per unit.

3. For units receiving rental assistance, the loan amount will be based on the most restrictive level of income restriction that will apply following the closing of the program loan.
4. Initial base amounts for the portion of the loan that does not include rental assistance are set at:
 - a. \$125,000 per unit for projects using 9 percent low-income housing tax credits.
 - b. \$175,000 per unit for all other projects.
5. The amounts above will be adjusted annually based upon increases in the Consumer Price Index.

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

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).

HCD is in the process of developing rehabilitation standards.

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.

While the NHTF program funding is being used for the state HHC program, the preference given to a segment of the extremely low- or very low-income population is to individuals experiencing homelessness or chronic homelessness, and high-cost health care users.

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.”

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

Appendix A
Housing Opportunities for Persons with AIDS Program
Annual Action Plan
One Year Use of Funds Fiscal Year 2021-2022
DRAFT FOR PUBLIC COMMENT
April 2, 2021

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 Housing and Community Development (HCD) Department 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 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	Housing and Community Development Department
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, other state departments (such as Corrections and Rehabilitation, Mental Health Services, and Developmental Services, and HCD), local health departments, to inform program development and implementation. For example, in CDPH/OA's support of Ending the HIV Epidemic in America (EtHE), the federal plan to decrease new HIV infections by 75 percent in the next five years, 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 EtHE jurisdictions in their EtHE 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 in the field.

CDPH/OA is currently developing 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. CDPH/OA will be gathering input from various stakeholders at the state and local levels to develop the plan. State HOPWA staff will be 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 clients.

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: TBRA, STRMU, PHP, hotel/motel voucher assistance, housing information services and other supportive services. In addition, to assist clients in becoming more independent, one State HOPWA project sponsor provides life skills, which includes training on household budgeting, good tenancy, improvement of credit scores, and avoidance of credit scams.

Currently, State HOPWA and HCP are coordinating its HOPWA and HCP's 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.

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

Introduction

The annual allocation below is based on HUD's formula allocation for Federal Fiscal Year 2022. The State HOPWA FY 2021-2022 allocation is \$4,466,591.

CDPH/OA is currently working with the City of Bakersfield for CDPH/OA to resume the administration of the HOPWA funds for the County of Kern. The County of Kern and the City of Bakersfield have indicated this would be optimal because CDPH/OA already has HCP grants administered by the County. If CDPH/OA administers the HOPWA funds as well, this would result in more comprehensive coordination of housing services for clients.

The expected amount available in year one includes the \$4,466,591 annual allocation, and the \$922,459 prior year resources, which includes \$681,278 of uncommitted FY 2020-2021 funds and \$241,181 of unspent FY 2019-20 funds, for a total of \$5,389,050.

We do not expect to carry over funds for the CARES Act Supplemental funds.

The expected amount available in the remainder of Consolidated Plan is \$13,399,773, which includes the \$4,466,591 annual allocation multiplied by three, for the remaining three years of the Consolidated Plan.

Anticipated Resources

Program	Source of Funds	Use of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	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	\$4,466,591		\$922,459	\$5,389,050	\$13,399,773	The State HOPWA allocation is \$4,466,591.

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 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 FY 2019-20 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	2021	2022	Homeless Non-Homeless Special Needs	Non-EMSAs	Homelessness Assistance and Prevention	\$5,389,050	Housing Information and Supportive Services: 1,500 Tenant-based rental Assistance/Rapid re-housing: 52 households Homeless Person Overnight Shelter: 150 households Homelessness Prevention: 813 households HIV/AIDS Housing Operations: 55 households

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

Funding Allocation Priorities

	Goals							
Program	Increase the supply of affordable rental housing (%)	Expand homeownership and improve existing housing (%)	Provide homeless assistance & prevention services (%)	Increase economic development opportunities (%)	Maintain or increase public services (%)	Maintain or increase public facilities (%)	Colonias Set-Aside (%)	Total (%)
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. 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)

State Programs Addressed

State HOPWA serves counties that do not qualify to receive HOPWA grant funds directly from HUD.

Criteria and their relative importance

In fiscal year 2019, State HOPWA started funding project sponsors through grants instead of cooperative agreements. Criteria for selection remained the same.

Program Description Supportive Service Plan/Client Accessibility to Supportive

Services:

Ability to assess organizational performance and client outcomes 5 points

Ability to report in the AIDS Regional Information and Evaluation System 5 Points

Program Staffing

Appropriate staff qualifications for HOPWA services to be performed:

Fiscal (3 points)

Administrative (3 points)

Information Management (3 points)

Client Services (e.g., case management) (3 points) 12 points

Logical and achievable program implementation and timeline 12 points

Agency Capacity and Experience:

Experience with and focus on serving clients with HIV/AIDS 12 points

Success in managing similar program(s) 12 points

Organization's cultural competency to work with target population(s) 5 points

Experience managing inter-disciplinary programs (e.g., housing/health care or mental health service/substance abuse services) 10 points

Fiscal capacity to provide housing assistance payments 10 points

Budget Detail:

Satisfactory audited financial report 12 points

Evidence of satisfactory accounting system 5 points

For project sponsors applying for a renewal to continue operating existing programs, the application process includes state HOPWA approval of a detailed budget and program work plan prior to the beginning of FY 2019-20.

Method of selecting project sponsors

CDPH/OA issued grants to 20 existing project sponsors through June 30, 2021, to provide housing assistance and supportive service 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.

In the case of loss of a project sponsor or a change in program delivery for a specific county or counties, CDPH/OA solicits project sponsors through a Request for Award

(RFA) process that allows equal access to all grassroots, faith-based and community-based organizations, and governmental housing agencies in that jurisdiction. Project sponsors that subcontract with other agencies must also use a selection process that provides full access to all grassroots, faith-based and community-based organizations.

Resource Allocation among Funding Categories

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

- 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
- Housing Placement Assistance
- Housing Information Services
- Supportive Services

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

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

- 20% of a project sponsor's allocation may be used for supportive service activities.
- 15% of a project sponsor's budget for housing assistance activities may be used for activity delivery costs.
- 5% of supportive service and housing information service budgets may be used for activity delivery costs.

State HOPWA may waive the 20 percent cap on supportive services if the proposed supportive services assist clients in overcoming barriers to housing stability.

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

area.

Threshold Factors and Grant Size Limits

For FY 2021-22, 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.

Outcome Measures expected as results of Distribution Method

The outcome measures expected are that low-income PLWH will have increased housing stability, access to care, and viral suppression. The distribution method affords counties with larger populations of PLWH to access more funding for supportive services and housing subsidy. In addition, the weighted criteria ascertain the levels of organizational stability and capacity to reach diverse groups of PLWH.

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

Geographic Distribution

Page 230

Target Area	Percentage of Funds
All Non-EMSA's	100%

Rationale for the priorities for allocating investments geographically

State HOPWA provides funds to HIV, housing, and homeless service providers in the 40 non-EMSA's that do not receive funds directly from HUD. By excluding HUD-funded EMSA, the State HOPWA \$4.4 million annual allocation is available to assist PLWH in the underserved, outlying regions of California. CDPH/OA allocates 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. CDPH/OA is currently revising its HOPWA allocation formula to align with HUD's revised HOPWA allocation formula that was authorized under the Housing Opportunity Through Modernization Act (HOTMA), Public Law 114-201. The new allocation formula will not only take into account HIV surveillance data, but also poverty and Fair Market Rent rates and is expected to be implemented in FY 2022. 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 2019-20 AP	Total FY 2019-20CAPER
Homeless	0	0
Non-Homeless	0	0
Special-Needs	820	824
Total	820	824

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

One Year Goals for the Number of Households Supported Through	Total FY 2021-22 AP	Total FY 2019-20CAPER
Rental Assistance	920	824
Production of New Units	0	0
Rehab of Existing Units	0	0
Acquisition of Existing Units	0	0
Total	920	824

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

AP-65 Homeless and Other Special Needs Activities – 24 CFR Part 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 Ryan White 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	725
Tenant-based rental assistance	50
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)	145
Total	920

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 HCP in leveraging funding sources to provide supportive services will address some of the other barriers such as mental health and substance abuse. Finally, services such as life skills, employment training, and legal services are being investigated as best practices for sustained stable housing for PLWH in California.

Project sponsors are required to 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. Most project sponsors 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
Program Income for CDBG
Annual Action Plan
One Year Use of Funds Fiscal Year 2021-2022
DRAFT FOR PUBLIC COMMENT
 April 2, 2021

Program Income for CDBG

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 PH #	20/21 Estimate Available	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	
American Canyon, City of	Jason Holley	707-647-4558	\$128,183							
Arcata, City of	Jennifer Dart	707-825-2112	\$811,907	X		X	X			X
Auburn, City of	Chuck Wolfe	530-878-8016	\$406,153							
Avenal, City of	Fernando Santillan	559-386-5766	\$71,574		X			X		X
Benica, City of	Alan Shear	707-746-4200	\$607,951							
Brawley, City of	Tyler Salcido	760-344-8622	\$346,689							
Calimesa, City of	Bonnie Johnson	909-795-9801	\$2,898			X				X
Calipatria, City of	Katherine R. Lopez	760-348-4141	\$1,028,255							
Capitola, City of	Robin Woodman	831-475-7300	\$109,088			X				X

Chowchilla, City of	Susan Long	559-802-1630	\$739,028					X		
Coalinga, City of	Marissa Trejo	559-935-1533	\$2,898						X	X
Colfax, City of	Wes Heathcock	530-346-2313	\$0.00							
Colusa, City of	Toni Benson	530-458-4941	\$184,951							X
Corcoran, City of	Kindon Meik	559-992-5121	\$1,039,592				X			X
Crescent, City of	Erik Wier	707-464-7483	\$47,124							
Dinuba, City of	George Avila	559-591-5924	\$69,849		X		X			X
Dorris, City of	Carol McKay	530-397-3511	\$71,761			X	X			X
Dunsmuir, City of	Mark Brannigan	530-235-4822	\$23,772	X						X
El Dorado, County of	CJ Freeland	530-621-5159	\$248,326	X	X					
Etna, City of	Sarah Griggs	530467-5256	\$0.00							
Exeter, City of	Adam Ennis	559-592-9244	\$316,881		X					
Farmersville, City of	Jennifer Gomez	559-747-0458	(\$3,389)		X			X		X
Fort Bragg, City of	Jennifer Owen	707-961-2827	\$0.00	X			X	X		X
Fort Jones, Town of	Karl Drexel	530-468-2281	\$0.00							
Fortuna, City of	Merritt Perry	707-725-1400	\$0.00							
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	Lance E. Lowe	530-274-4716	\$171,635	X	X					
Gridley, City of	Paul Eckert	530-846-3631	\$0.00	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	Jamila Saqqa	831-636-4356 Ext 11	\$56,802				X		X	
Holtville, City of	Kariza Preciado	760-356-4685	\$0.00							
Humboldt, County of	Kathy Hayes	707-476-2390	\$12,454							
Imperial, City of	Isabel Alvarez	760-355-3335	\$32,648							
Imperial, County of	Esperanza Colio	760-604-0901	\$34,689				X	X		X
Jackson, City of	Lorie Ann Adams	916-449-3944	\$223,847							
King, City of	Steven Adams	831-385-3281	\$23,465							

King, County of	Rebecca Campbell	559-852-2375	\$61						
Lakeport, City of	Kevin Ingram	707-263-5615	\$3,822		X				X
Lassen, County of	Nicole Madden	530-25-18153	\$285,321						
Lindsay, City of	Becky Mesedahl	559-562-7102 x8043	\$0.00						
Live Oak, City of	Alison Schmidt	530-695-2112	\$0.00			X			X
Madera, County of	Robert Mansfield	559-675-7821	\$456,944		X			X	
Mammoth Lakes, Town of	Daniel Holler	760-965-3601	\$80,679						
Mariposa, County of	Keith Williams	209-966-2007	\$78,647						
Mendocino, County of	Katrina Bartolomie	707-234-6800	\$330,035						
Merced, County of	Patty Hymiller & Mary Goulart	209-385-7686	\$398,217	X	X			X	
Montague, City of	Sara Kleier	530-459-3030	\$0.00	X					X
Nevada, County of	Sue Horne	530-265-1232	\$314,488						
Mount Shasta, City of	Bruce Pope	530-926-7510	\$153,766						
Oroville, City of	Amy Bergstrand	530-538-2584	\$10,338		X			X	X
Pacific Grove, City of	Terri Schaefer	831-648-3182	\$414,739		X				X
Placer, County of	Anne Marie Novotny	530-745-3170	\$353	X	X				X
Red Bluff, City of	Lorie Ann Adams	916-449-3944	\$121,563						X
Rio Dell, City of	Kyle Knoop	707-764-3532	\$173,856						
Riverbank, City of	Marisela Garcia	209-863-7110	\$83,672					X	X
San Joaquin, City of	Elizabeth Nunaz	559-693-4311	\$28,851						
San Juan Capistrano, City of	Laura Stokes	949-443-6313	\$331,813						
Santa Cruz, County of	Tricia Webber	831-454-2074	\$30,383						
Shasta, County of	Cathy Allen	530-225-5730	\$0.00						
Siskiyou, County of	Elizabeth Nielsen	530-842-8012	\$0.00						
Solano, County of	Birgitta Corsello	707-784-6100	\$6,610						
Soledad, City of	Brett Slama	831-223-5043	\$19,408						

Sonora, City of	Rachelle Kellogg	209-532-3508	\$319,493	X	X				X
South Lake Tahoe, City of	Hilary Roverud	530-542-6024	\$805,851	X	X				
Susanville, City of	Jared Hancock	530-252-5110	\$2,104				X		X
Sutter, County of	Bonnie Briscoe	530-822-7127	\$0.00			X			X
Taft, City of	Yvette Mayfield	661-763-1222	\$14,157						
Tehama, City of	Carolyn Steffan	530-384-1501	\$18,104						
Tehama, County of	Bill Goodwin	530-527-4655	\$8,688						
Truckee, Town of	Tony Lashbrook	530-582-7700	\$167,515	X					X
Tulare, County of	Karen Mabry	559-624-7076	\$316,184						
Tulelake, City of	Jenny Coelho	530-667-5522	\$76,924		X				X
Tuolumne, County of	Maureen Frank	209-533-5511	\$76,138			X	X		X
Ukiah, City of	Craig Schlatter	707-463-6219	\$7,906	X					X
Weed, City of	Kelly McKinnis	530-938-5020	\$83,474						
Westmorland, City of	Larry Ritchie	760-344-3411	\$0.00			X			
Williams, City of	Rex Greenbaum	530-473-2955 x102	\$0.00	X	X				X
Willits, City of	Stephanie Garrabrant-Sierra	707-459-4601	\$0.00						
Winters, City of	John Donlevy	530-795-4910	\$759,149	X	X				
Woodlake, City of	Ramon Lara	559-564-8055	\$208,753						
Yolo, County of	Mindi Nunes	530-666-8150	\$0.00				X		X
Yreka, City of	Steven W. Baker	530-841-2386	\$0.00						
Yuba, County of	Karma Ferguson	530-749-5452	\$1,466,044	X	X				
Calaveras, County of	Albert Alt	209-754-6316	\$29,078						
Butte, County of	Andy Pickett	530-552-3300	\$208,724						
Colusa, County of	Rose Gallo-Vasquez	530-458-0500	\$1,052,213						
Del Norte, County of	Jennifer Perry	707-464-7214	\$17,294						
Total			\$16,332,684						

Appendix C

2021-2022 Draft Annual Action Plan Public Comments

Commentor	Jurisdiction/ Agency	Email	Type	Comment	Accept/Reject	Why Rejected
Jasmine Bazeley	NCHV	jbazley@nchv.org	Questions re the plan that need answers	* See text below	Accept	

*** To the Division of Federal Financial Assistance for the State of California:**

Subject: Public Comment Period for the State of California 2020-2024 Federal Consolidated Plan Annual Action Plan One Year Use of Funds Fiscal Year 2021-2022

The National Coalition for Homeless Veterans (NCHV), along with our network of members and partners, is focused on what can be done to achieve an end to veteran homelessness, particularly in areas where there has been an increase in recent years. Because of the COVID-19 pandemic, there have been major shifts in housing needs for those experiencing homelessness at large. Affordable housing has become even more critically important, and a sense of urgency to resolve the housing crisis has been reenergized across the country. To that end, NCHV makes several suggestions as to how the plan can improve your community’s ability to address homelessness.

Utilize Additional Data and Stakeholder Input to Inform Affordable Housing Funding Allocations

The most recent Point in Time (PIT) Count suggests that as a state California has seen an increase in veterans experiencing homelessness in the last several years. More specifically, throughout the state, veteran homelessness increased 3.8% between 2019-2020. While there have been considerable increases in larger metropolitan areas throughout the state, there have also been

increases in Continuum of Care (CoC) service areas, including non-entitlement jurisdictions, which fall under California's Department of Housing and Community Development (HCD) coverage areas for the Annual Action Plan.

Because of the direct link between affordable housing availability and homelessness, PIT data should influence how money is spent for affordable housing programs as well as programs targeted to those experiencing homelessness, geographically. A good measure of how successfully money is being used is looking at the number of people served in conjunction with major fluctuations in PIT data. Additionally, like Emergency Solutions Grants (ESG) funding considers PIT data, HOME Investment Partnership Program (HOME) and National Housing Trust Fund (NHTF) allocations should as well. Though these sources are not designed to only serve those experiencing homelessness, more effort should be made to make sure this funding reaches individuals and families with the most critical needs, and not just projects that initially appear the most easily feasible.

Prior to publishing the current Consolidated Plan and amended Annual Action Plan, HCD conducted a needs assessment including a survey, to inform the priorities for upcoming years. Although veterans were included in the community's identified priority populations, there seems to be an underrepresentation of actual need considering the disproportionate share of veterans that make up the top 5 populations of focus- persons experiencing homelessness, persons with mental illness, elderly households, families experiencing homelessness, and persons with substance use disorders. HCD has committed to focusing on equity in the current Annual Action Plan's distribution and activity. To effectively do this, subpopulations within priority populations need to be given additional consideration.

In the future, NCHV encourages HCD to actively invite veteran serving agencies, Veteran Service Organizations (VSOs), The Department of Veterans Affairs (VA), veteran housing providers, and others who can speak on veteran housing issues, to participate in stakeholder sessions and surveys. This assures that moving forward Annual Action plans can be designed in a way that accurately addresses the needs of veterans experiencing homelessness, both geographically and especially within other priority populations.

Consider Additional Project Types as Priorities for Funding

The anticipated slow economic recovery and increasingly desperate affordable housing crisis disproportionately impact those experiencing and at-risk of homelessness. We are expecting continued fallout for veterans experiencing homelessness, particularly those with compounding housing barriers, long after the initial chaos of the pandemic has ended. While the Annual Action Plan does mention the flexibility that comes with serving those experiencing homelessness during a health emergency, there is no reference to what specific types of projects would be prioritized to do so.

NCHV encourages HCD to consider the following types of projects as priorities for HOME and ESG allocation for this year and beyond—

- hotel/motel conversions where jurisdictions, nonprofits, or affordable housing developers have leveraged funding for veterans to provide affordable housing moving forward;
- projects where jurisdictions, nonprofits, or affordable housing developers are de-congregating shelters for veterans experiencing homelessness;
- and projects where increased operational funding would allow providers to serve a mix of these two housing types more effectively.

Incentivize Using Veteran Housing Resources to Leverage HCD's Funding Allocations

The Annual Action plan considers the use of other sources in conjunction with funding awards but does not specify how multiple applications to HCD utilizing other federal, state, and local sources would compare to each other. In the distribution of HOME, ESG, and NHTF, preference should be given to jurisdictions that have written a formal plan to end homelessness and use this plan to inform how funding would be spent. By further specifying what applications would be prioritized and what funding types should be sought to use in conjunction with those HCD manages, more assurance can be made that these limited resources reach those with the most pressing housing needs.

We realize there are committed federal, state, and local resources targeted to veterans experiencing homelessness, including California's VHHP program, Veterans Affairs Supportive Housing Vouchers (HUD VASH), Supportive Services for Veteran Families (SSVF), Grant and Per Diem shelter (GPD), and recently released capital grants for GPD de-congregation. However, we also want to emphasize the effect layering other federal funding can have on furthering the impact of these resources. Performance evaluations from prior year's Annual Action Plans suggest jurisdictions awarded funding through HCD, have stretched ESG and HOME allocations to serve more than the anticipated number of individuals experiencing homelessness. To further extend these funds HCD should be allocating larger shares to jurisdictions that have identified opportunities to use these funds in conjunction with other targeted sources for those experiencing homelessness, including veterans.

NCHV applauds HCD's commitment to affordable housing, addressing concerns highlighted throughout COVID and focus on equity in this year's Annual Action Plan and beyond.

HCD Response:

To Jasmine Bazeley at The National Coalition for Homeless Veterans (NCHV):

Thank you for your comment with suggestions as to how the plan can improve our ability to address homelessness. Your suggestion for HCD to consider PIT data in designing the HOME and NHTF programs could be explored more with your organizations input and collaboration in the upcoming program design workshops for our NHTF program. Please be on the lookout for upcoming announcements for when these workshops will take place.

In the future we will be mindful to direct outreach to NCHV and the Veteran Service Organizations (VSOs) mentioned to participate in stakeholder sessions and surveys. We are always looking to improve our collaboration in order to better use our federal funding to benefit those most in need.

In regards to your recommendation to *Consider Additional Project Types as Priorities for Funding* we would like to point to the prioritization of Emergency Shelter and Rapid Re-Housing as components of the ESG-CV Tranche 2 funding in State of California 2019-2020 Annual Action Plan Second Substantial Amendment, and further discussed in the ESG-CV NOFA Round 2 released on October 2, 2020. We leave it to the CoC's to decide what specific projects within these prioritized components would be beneficial for the population experiencing homelessness within that CoC. Your recommendations to prioritize funding for HOME and ESG projects that have leveraged funding for veterans will be taken are noted in this plans public comments, and we welcome you to explore this idea further with us during stakeholders session and survey's we hold. Your comments under the recommendation heading *Incentivize Using Veteran Housing Resources to Leverage HCD's Funding Allocations* are also noted and can be further explored during NOFA development of the ESG and HOME program, as well as NHTF.

Thank you again!

Sincerely,

Planning and Reporting

HCD Division of Federal Financial Assistance