

State of California 2023-2024 Annual Action Plan

Substantial Amendment CDBG & NHTF

April 11, 2024
2:00 - 3:00pm

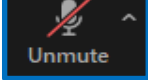
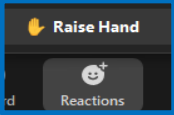
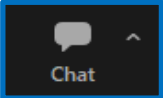

California Department of Housing and
Community Development (HCD)

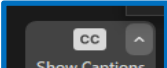
Division of Federal Financial Assistance (DFFA)





Housekeeping

- ▶ All Participant Lines Muted Upon Entry 
- ▶ Use “Raise Hand” Feature 
- ▶ Use Chat 
- ▶ Comments on Annual Action Plan Substantial Amendment Saved as Public Record
- ▶ Periodically Pause for Questions/Comments
- ▶ Call In Option 

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One tap mobile
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- ▶ Meeting Is Recorded
- ▶ Recording and Slides Available/Posted
- ▶ Closed Captioning 



Presenters

- ▶ Anne Nicholls - *NHTF Program Section Chief*
- ▶ Crystal White - *CDBG Specialist*
- ▶ Tim Koop-Whittley - *Federal Reporting Representative*



Agenda

- ▶ Introduction
- ▶ CDBG & NHTF Substantial Amendment to the Fiscal Year 2023-2024 (FY23) Annual Action Plan (AAP)
 - ▶ AP-05 Executive Summary: Overview
 - ▶ AP-12 Citizen Participation
 - ▶ AP-30 Method of Distribution
- ▶ Questions/Comments
- ▶ Resources

AP-05 Executive Summary





Annual Action Plan Substantial Amendment CDBG Executive Summary

- ▶ The proposed substantial amendment to the 2023-2024 Annual Action Plan (AAP) seeks to amend the Method of Distribution (MOD) for the Community Development Block Grant (CDBG) program funds:
- ▶ **CDBG:**
 - ▶ Shifting the release date of the 2023 CDBG Notice of Funding Availability (NOFA) to September 2023.
 - ▶ Eliminating the Competitive MOD for 2023.
 - ▶ Modifying the Over-the-Counter (OTC) MOD for the same year.
 - ▶ Specifically, \$19 million will be allocated for 2019-2020 Waitlisted OTC projects in September 2023, while an additional \$19 million will be earmarked for new Community Development, Economic Development, and Housing projects through a NOFA amendment in January 2024.
 - ▶ Notably, Housing and Economic Development programs will be excluded as eligible application types for 2023 only.
- ▶ Language being removed is indicated by ~~strikethrough~~ while new language being added is underlined and highlighted in **red** font.



Annual Action Plan Substantial Amendment NHTF Executive Summary

- ▶ The proposed substantial amendment to the 2023-2024 Annual Action Plan (AAP) seeks to amend the Method of Distribution (MOD) for the National Housing Trust Fund (NHTF) program funds:
- ▶ **NHTF:**
 - ▶ incorporate a Federally Declared Disaster Area (FDDA) Target, constituting 20 percent of the \$172 million available funds for the combined fiscal years 2022 and 2023.
 - ▶ These adjustments aim to optimize the distribution and utilization of CDBG and NHTF resources in alignment with evolving community development and housing needs.
- ▶ Language being removed is indicated by ~~strikethrough~~ while new language being added is underlined and highlighted in **red** font.

AP-12 Citizen Participation





Annual Action Plan Substantial Amendment Citizen Participation

- ▶ The Draft CDBG and NHTF Substantial Amendment to the Fiscal Year 2023-2024 (FY23) Annual Action Plan (AAP) is available for public comment from **April 8, 2024, to May 8, 2024.**
 - ▶ <https://www.hcd.ca.gov/policy-and-research/plans-and-reports>
 - ▶ Click on 'Federal Plans and Reports'
 - ▶ Located under 'Annual Action Plans and Amendments (2020-2024), 2023-2024'
- ▶ Comments may be submitted to ConsolidatedPlan@hcd.ca.gov or mailed to:

Department of Housing and Community Development
Federal Branch Suite 200
2020 W. El Camino Ave
Sacramento CA, 95833

AP-30 Method of Distribution





Annual Action Plan Substantial Amendment Method of Distribution for CDBG

Overview

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

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



Annual Action Plan Substantial Amendment Method of Distribution for CDBG

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

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



Annual Action Plan Substantial Amendment Method of Distribution for CDBG

CDBG Annual Action Plan Substantial Amendment Proposes:

For 2023 funding, the CDBG program is temporarily suspending the availability of funds under the Competitive MOD and is limiting the other methods to CDBG eligible projects only, not funding any programs with 2023 funds.



Annual Action Plan Substantial Amendment Method of Distribution for CDBG

- ▶ 2023 CDBG NOFA and Annual Action Plan changes:
 - The release date will move from June 2023 to September 2023.
 - The CDBG Competitive Process for 2023 will be removed.



Annual Action Plan Substantial Amendment Method of Distribution for CDBG

- ▶ 2023 CDBG NOFA and Annual Action Plan changes:
 - Modification of CDBG Over-The-Counter (OTC) Method
 - \$19 million will be made available *only* for 2019-2020 Waitlisted OTC projects in September 2023
 - \$19 million will be made available *only* for new Community Development, Economic Development, and Housing projects through a NOFA amendment in January 2024.
 - Housing programs and Economic Development programs will be eliminated as eligible application types for 2023 only



Annual Action Plan Substantial Amendment Method of Distribution for CDBG

These change were made for three major reasons:

1. To prioritize waitlisted 2019-2020 OTC projects for funding under the Fiscal Year 2023-2024 AAP, allowing the retirement of the waitlist.
2. To prioritize the backlog of shovel ready projects after limiting their eligibility in 2021 and 2022.
3. To allow HCD to focus on release of a full 2024 NOFA with new equity centered scoring criteria and a streamlined application and contracting process prior to or early in the 2024 program year with all MOD types eligible.



NHTF Program Summary

- ▶ **Purpose:** To increase and preserve the supply of affordable housing for Californians with the lowest incomes.
- ▶ **Serves:** Extremely low-income households at or below 30 percent of the Area Median Income (AMI) with a specific focus on Permanent Supportive Housing for people experiencing homelessness, to the extent that a sufficient number of projects exist.
- ▶ **Funded by:** Annual allocation funded by an assessment on loans backed by Fannie Mae and Freddie Mac.



NHTF Program Summary Part 2

- ▶ **Eligible Applicants/Recipients:** Organizations, agencies, or other entities that are owners and/or developers, including:
 - ▶ Native American Entity
 - ▶ Public Housing Agencies
 - ▶ For-Profit and Non-Profit Entities
- ▶ **Eligible Uses:**
 - ▶ Loans for Acquisition, Rehabilitation New Construction and Permanent financing (and related eligible soft costs)
 - ▶ Grants for the above uses are available for Native American Entities.
- ▶ **Project Type:**
 - ▶ Multifamily Rental Housing, targeted at ELI households (30% AMI)
 - ▶ Permanent Supportive Housing for people experiencing homelessness, to the extent that a sufficient number of projects exist.



Annual Action Plan Substantial Amendment Method of Distribution for NHTF

- ▶ **FY22-FY23 NHTF NOFA, Final Guidelines, Workshops and Technical Assistance Office Hours were released in October 2023**
- ▶ **California's allocation is estimated at \$172 million**
 - \$34.4 million Rural Areas
 - \$17.2 million for Tribal Entities
 - \$34.4 million for Federally Declared Disaster Areas (previously \$0)
 - \$86 million Competitive (previously \$120.4 million)
- ▶ **Program Changes:**
 - NHTF will be a standalone program, funds will no longer be made available through the Housing for a Healthy California (HHC) Program
 - Capitalized Operating Subsidy Reserve (COSR) Grants are no longer eligible, pending guidance from HUD re eligible operating costs
- ▶ **FY22-FY23 NHTF NOFA Awards will be announced in July 2024**



Questions, Comments, Feedback?





Resources

- ▶ Federal Plans & Reports:
 - ▶ <https://www.hcd.ca.gov/policy-and-research/plans-and-reports>
 - ▶ Click on 'Federal Plans and Reports'
- ▶ FY23 AAP Draft Substantial Amendment:
 - ▶ <fy23-24-aap-cdbg-nhtf-substantial-amendment.pdf> (ca.gov)
- ▶ Citizen Participation Plan:
 - ▶ <https://www.hcd.ca.gov/policy-research/plans-reports/docs/Amended-Citizen-Participation-Requirements-for-the-States-Annually-Appropriated-Federal-Programs-Plans-and-Reports-ADA.pdf>



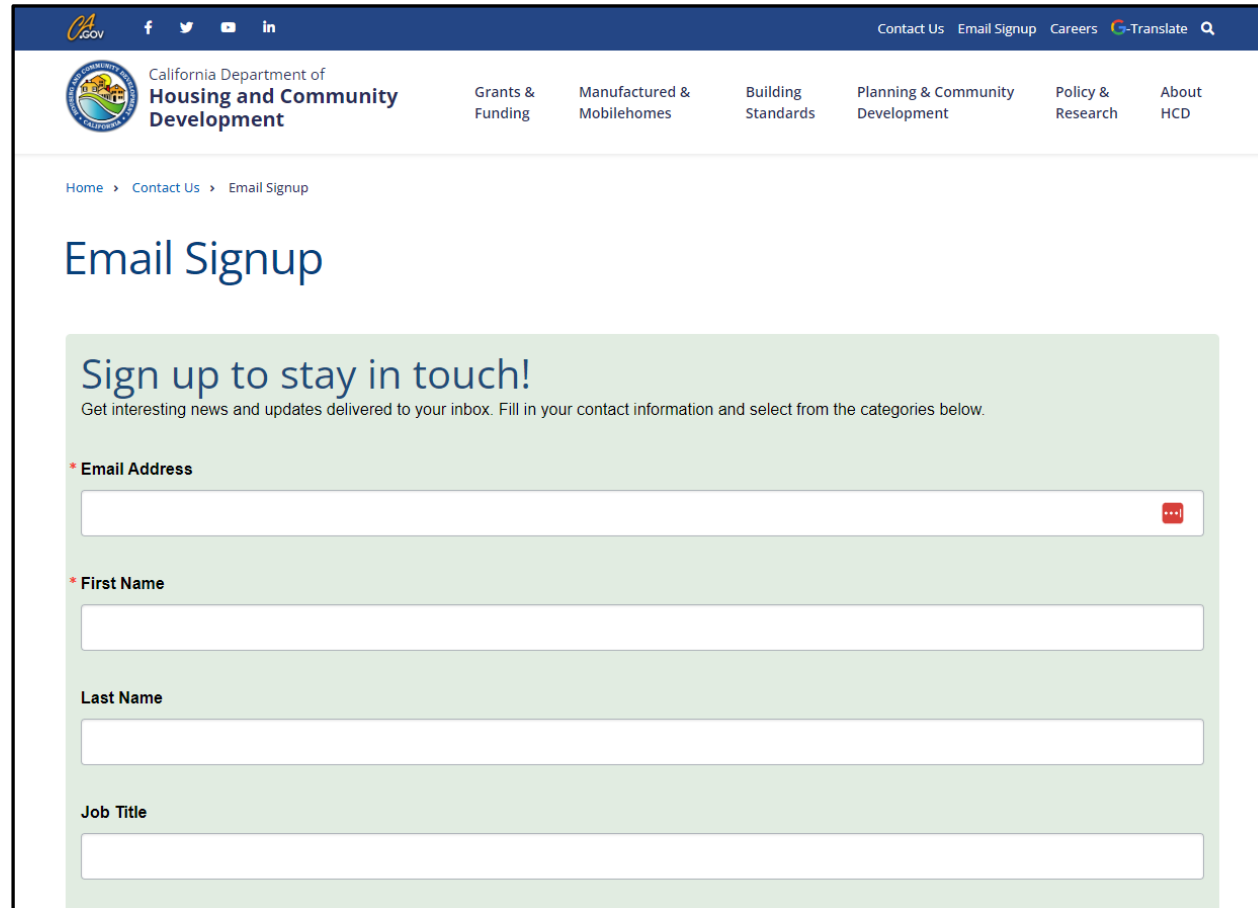
Resources (Continued)

- ▶ CDBG:
 - ▶ <https://www.hcd.ca.gov/grants-and-funding/programs-active/community-development-block-grant>
- ▶ NHTF:
 - ▶ <https://www.hcd.ca.gov/grants-and-funding/programs-active/national-housing-trust-fund-program>
- ▶ HCD Active Programs:
 - ▶ <https://www.hcd.ca.gov/grants-and-funding/programs-active>
- ▶ HCD Comments/Questions/Feedback:
 - ▶ ConsolidatedPlan@hcd.ca.gov
- ▶ HCD Email Signup:
 - ▶ <https://www.hcd.ca.gov/contact-us/email-signup>



Stay in the know & sign up for HCD emails

<https://www.hcd.ca.gov/contact-us/email-signup>

A screenshot of the California Department of Housing and Community Development's email signup page. The page has a dark blue header with the CA.gov logo, social media icons for Facebook, Twitter, YouTube, and LinkedIn, and navigation links for Contact Us, Email Signup, Careers, and Translate. Below the header is the department's name and a menu of services including Grants & Funding, Manufactured & Mobilehomes, Building Standards, Planning & Community Development, Policy & Research, and About HCD. The main content area shows a breadcrumb trail (Home > Contact Us > Email Signup) and the title "Email Signup". A green box contains the heading "Sign up to stay in touch!" and the instruction "Get interesting news and updates delivered to your inbox. Fill in your contact information and select from the categories below." The form includes fields for Email Address, First Name, Last Name, and Job Title, each with a red asterisk indicating it is required.



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- ▶ Search for California Department of Housing and Community Development

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Thank you!

Thank you for your participation. Your feedback helps us in our efforts to promote safe, affordable homes and vibrant, inclusive, sustainable communities for all Californians.

For more information, or to send a comment or question, please email ConsolidatedPlan@hcd.ca.gov.