

TITLE 25. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

**NOTICE OF PROPOSED RULEMAKING
FOR THE
FEDERAL HOMELESSNESS PREVENTION AND RAPID-REHOUSING PROGRAM
Subchapter 12.5
Commencing with Section 7980**

Notice is hereby given that the Department of Housing and Community Development (Department) proposes to adopt regulations governing the Homelessness Prevention and Rapid Re-Housing Program ("HPRP") administered by the federal Department of Housing and Urban Development ("HUD"). The purpose of these regulations is to establish policies and procedures for the administration of the HPRP Standard Agreements. These regulations apply to all parties to a Standard Agreement entered into with the Department for receipt and administration of HPRP funds.

The State of California allocation of HPRP funds was administered by the Department of Housing and Community Development (HCD) pursuant to emergency regulations published in Title 25 of the California Code of Regulations commencing with section 7980. The emergency regulations became effective September 8, 2009, and will remain in effect through March 9, 2010, unless extended or superseded by formally-adopted regulations.

The text of the proposed regulation amendments, along with related documents, is available on the Department's web site (www.hcd.ca.gov).

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Department. The written comment period begins December 25, 2009 and closes at 5:00 p.m. on February 8, 2010. The Department will consider comments received during this timeframe. Please address your comments to Lenora Frazier at lfrazier@hcd.ca.gov. Comments can also be sent via mail to Department of Housing and Community Development, Legal Affairs Division, P.O. Box 952052, Sacramento, California 94252-2052 or via fax to (916) 323-2815 attention: Lenora Frazier.

PUBLIC HEARINGS

A public hearing regarding this proposed regulatory action is not scheduled. However, a public hearing will be held if any interested person or his or her duly authorized representative requests a public hearing to be held relevant to the proposed action by submitting a written request to the contact person identified in this notice no later than 5:00 p.m. on January 25, 2010, fifteen (15) days prior to the close of the written comment period.

AUTHORITY AND REFERENCE

The Department is conducting this rulemaking activity under the authority provided by Health and Safety Code (H&S) Sections 50406(h), 50406(i), 50406(n) and 50407 Health and Safety Code. Reference: Public Law 111-5 (American Recovery and Reinvestment Act of 2009), Sec. 2, Div. A, Title 12.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

This rulemaking action establishes a homelessness prevention program using federal funds made available under the American Recovery and Reinvestment Act of 2009. The HUD allocation of HPRP funds was a one-time allocation. The HUD Notice required that all HPRP funds be committed no later than September 30, 2009. HCD conducted an application and award process pursuant to emergency regulations. All HPRP funds have been awarded and all HPRP grant contracts (known as "Standard Agreements") executed. There are no more HPRP funds to be awarded. For this reason, HCD is not proposing to formally adopt sections of the emergency regulations governing the application for an award of HPRP funds. HCD will allow these sections to automatically expire. The proposed regulations describe monitoring and accountability requirements; and subgrantee requirements.

Section 7980. Purpose and Scope - This section provides a statement of the program regulations' authority, purpose and general activities; and notifies applicants that all HPRP funds are subject to the provisions of the HUD Notice.

Section 7980.1. Definitions - This section provides the definitions of key terms used throughout the body of regulations. These definitions are descriptive, are adopted in order to shorten the text of the regulations, and for ease of reference.

Section 7980.2. Drawdown of Funds and Financial Management - The purpose of this section is to establish the process for requesting HPRP funds from the Department.

Section 7980.3. Record Keeping and Reporting Requirements - The HUD Notice and ARRA contain various record keeping and reporting requirements that must be followed by the Department as the HPRP grantee, and by successful applicants termed "subgrantees." The purpose of this section is to notify applicants of the record keeping and reporting obligations that come with the acceptance of HPRP funds.

IMPACT OF PROPOSED REGULATIONS

The program regulations are designed to provide federal funding to address the States homeless populations.

AFFECT ON SMALL BUSINESS

The proposed regulations do not affect small businesses, because the regulations do not mandate or require small businesses to take any prescribed action, and it has no financial impact on small businesses.

LOCAL MANDATE

Federal Law mandates most of the requirements in these proposed regulations. Moreover, the Department has determined that these regulations do not impose a mandate on local agencies or school districts, and participation in the program is voluntary.

FISCAL IMPACT

The Department has determined that no savings or increased costs to any State agency, no reimbursable costs or savings under Part 7 (commencing with Section 17500) of Division 4 of the Government Code to local agencies or school districts, no nondiscretionary costs or savings to local agencies or school districts, and no costs or savings in Federal funding to the State will result from the proposed action. Participation in the program is voluntary. The State's share of HPRP funds is determined by HUD by a formula. The HUD Notice permits the state to recoup its costs for administering the program.

AFFECT ON HOUSING COSTS

The Department has determined that the proposed action has no significant impact on housing costs on a state-wide basis. HPRP funds may be used for housing vouchers and in that way will reduce the housing costs of individual families.

INITIAL DETERMINATION OF STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESSES

The Department has made an initial determination that the proposed action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

ASSESSMENT STATEMENT

The Department has determined that the regulations will not significantly affect the creation or elimination of jobs in California; the creation of new businesses or the elimination of existing businesses within California; or the expansion of businesses currently operating in California. In any case, participation in the program would be voluntary.

STATEMENT OF POTENTIAL COSTS IMPACT ON PRIVATE PERSONS AND BUSINESS DIRECTLY AFFECTED

The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. While private businesses (including nonprofits) and individuals are eligible to receive program funds under the program, participation is voluntary.

CONSIDERATION OF ALTERNATIVES

The Department of Housing and Community Development must determine that no reasonable alternative considered by the Department or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

AVAILABILITY OF TEXT OF PROPOSED REGULATIONS AND STATEMENT OF REASONS

The text of the proposed regulations, along with the Initial Statement of Reasons prepared by the Department, which provides the reasons for the proposals, is available on the Department’s web site, at www.hcd.ca.gov. All information the Department is considering as a basis for this proposal is maintained in a rulemaking file, which is available for inspection at the address noted below. Copies can be obtained by contacting Lenora Frazier at the address and telephone number noted below.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the written comment period, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications, which are sufficiently related to the originally proposed text, it will make the modified text--with changes clearly indicated--available to the public for at least 15 days before the Department adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Lenora Frazier at the address indicated below. The Department will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF RULEMAKING DOCUMENTS

All of the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public review, by contacting the person named below.

AVAILABILITY OF FINAL STATEMENT OF REASONS

At the conclusion of this rulemaking, a Final Statement of Reasons will be prepared as required by Government Code section 11346.9. This document will be available from the contact person named below.

CONTACT INFORMATION PERSON

- HCD: Lenora Frazier
 (916) 323-7288**

- HCD Back-Up: Dennis Beddard
 (916) 323-7288**

HCD Address: Department of Housing and Community Development
1800 Third Street, Room 440
Sacramento, California 95814

HCD Website: Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations may be accessed through our website at www.hcd.ca.gov

HCD Facsimile No: (916) 323-2815

The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period. Direct inquiries concerning the substance of the proposed rulemaking action and any requests for the documents noted above should be made to Lenora Frazier at the following address:

California Department of Housing and Community Development
Attention: Lenora Frazier
P.O. Box 952052
Sacramento, California 94252-2052
Telephone (916) 323-7288
Fax (916) 323-2518
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