2011-2012 Annual Plan Update

of the 2010-2015 Consolidated Plan

for federally-funded community development programs operated by the State of California:

Community Development Block Grant (CDBG)
Disaster Recovery Initiative (DRI)
Neighborhood Stabilization Program (NSP)
Home Investment Partnerships Program (HOME)
Emergency Shelter Grants (ESG)
Homelessness Prevention and Rapid Re-Housing Program (HPRP)
Housing Opportunities for Persons with AIDS (HOPWA)
Lead Based Paint Hazard Control Program (LHCP)

State of California

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Executive Summary

This 2011-12 Annual Plan Update (AP) is the second of five annual supplements to the State of California 2010-2015 Consolidated Plan (ConPlan). It outlines the state's current housing and community development needs and sets the State's priorities and strategies to address these needs using federal community development funds from the U.S. Department of Housing and Urban Development (HUD), and from other federal and State sources.

This AP describes projected HUD funding levels for fiscal year 2011-12, State and other resources expected for the year, program operation schedules, the year's goals, objectives and planned operations, and the performance measures to determine degrees of success. Following is an outline of the goals and objectives described in this plan:

Statewide Goals, 2011-12

- Meeting the housing needs of low-income renter households, including providing homeownership opportunities for first-time homebuyers;
- Meeting the housing needs of low-income homeowner households;
- Meeting the housing, supportive housing and accessibility needs of the homeless and other special needs groups, including prevention of homelessness; and
- Mitigation of impediments to fair housing choice.

Program Objectives

<u>Community Development Block Grant (CDBG)</u>

- Improve life in California cities and counties by providing decent housing, a suitable living environment, and expansion of economic opportunities primarily for targeted lower income and special needs populations.
- Make grants available where 51 percent of program funds will go toward providing or improving housing opportunities for targeted income groups, or toward other activities that support housing opportunities for targeted groups. This may include, but is not limited to, the construction of infrastructure.
- Reduce the amount of grant funds unexpended by grantee jurisdictions to the HUD recommended maximum of twice their annual grant amounts.

Disaster Recovery Initiative/Disaster Recovery Enhancement Fund (DRI/DREF)

- Provide incentives to incorporate enhanced mitigation techniques (designs and materials) as part of jurisdictions' disaster repair and rehabilitation activities, by providing an additional $15,000,000 to help cover the costs of enhanced designs and materials that increase mitigation.

- Provide incentives to incorporate forward thinking hazard mitigation planning in jurisdictions' disaster recovery efforts (eg, creation and update of Local Hazard Mitigation Plans (LHMPs), or creation and update of Safety Elements in General Plans).

- Provide incentives to adopt updated building codes and code enforcement as repair and rehabilitation projects are completed.

Neighborhood Stabilization Program (NSP 3)

Expend all NSP 3 funds within 3 years of the grant as required by HUD, to provide affordable rental housing for very low income and low income households in urban areas that continue to experience the impacts of the foreclosure crisis, by acquiring, rehabilitating and renting foreclosed single family homes to lower income households in the areas of greatest need.

Home Investment Partnerships Program (HOME)

- HOME funds will continue to be used to support the development of rental housing for all types and sizes of low-income households. Continue using State Objective bonus points to encourage lower rents than the standard Low and High HOME rents.

- Allow use of HOME funds for both first-time homebuyer (FTHB) downpayment assistance programs and construction projects, as well as owner-occupied rehabilitation (OOR) programs.

- Allow use of HOME funds for acquisition, rehabilitation, or construction of permanent supportive housing for special needs populations, and transitional housing to provide temporary shelter to individuals and families who are currently homeless. HOME Program funds can also be used to provide Tenant Based Rental Assistance (TBRA), including security deposit assistance, to assist persons to access and maintain housing.

- Allow use of HOME funds to mitigate impediments to fair housing choice.

Federal Emergency Shelter Grant Program (FESG)

FESG will continue to fund emergency shelter, transitional housing, day centers and homelessness prevention programs serving homeless and low-income individuals and families.

Upon adoption of federal regulations for the new Emergency Solutions Grant (ESG) program under the HEARTH ACT of 2009, staff will determine what changes may be needed in State FESG regulations to operate the program. These possible changes would take effect with the federal fiscal year commencing October 2011.

Programs serving the chronically homeless; homeless veterans; and underserved counties will receive State objective points in the 2011-12 funding round. Pursuant to State FESG regulations, FESG also will determine if particular types of facilities or programs serving the chronically homeless should receive State Objective points due to an imbalance in the types of programs funded in the 2010-11 funding round.

FESG will focus its grantee monitoring efforts on those programs that did not expend prior year contracts in a timely manner. During 2011-12, FESG will monitor through a combination of site visits and desk audits a minimum of five programs with low expenditure rates or reporting difficulties. FESG will simplify reporting requirements, and provide a Grant Management training workshop for current and new grantees in October 2011 in Sacramento, California.

Homelessness Prevention and Rapid Re-Housing Program (HPRP)

Continue to fund eligible jurisdictions that are ready to provide homelessness prevention and rapid re-housing activities for homeless persons and persons “at risk of becoming homeless” within HUD’s time requirements for the use of HPRP funds.

Housing Opportunities for Persons with AIDS (HOPWA)

Continue implementing long-term comprehensive strategies to meet the housing needs of persons living with HIV/AIDS or related diseases, and their families. Allocate HOPWA funds in a manner that ensures participating counties are able to meet the most urgent HIV/AIDS housing needs of the clients within their community and in turn alleviate or prevent homelessness among persons living with HIV/AIDS. Help sponsors establish linkages with other mainstream resources (e.g. housing authorities, local Continuum-of-Care groups, homeless service agencies) through technical assistance and other HOPWA resources.

Lead Based Paint Hazard Control Program (LHCP)

Provide lead hazard reduction services to 210 privately-owned housing units meeting income eligibility, occupied by low- to moderate –income families, homes with children under the age of six, or homes with children that spend a significant amount of time, and children with elevated blood lead levels. Lead hazard control services will be provided in conjunction with weatherization services funded by U.S. Department of Energy Weatherization Assistance Program and Low-Income Home Energy Assistance Program weatherization services.

Ongoing Programs

The ConPlan and the AP are prerequisites for receipt of the State's allocation of HUD funds for the following programs:

- Community Development Block Grant **(CDBG)**
- HOME Investment Partnership **(HOME)**
- Federal Emergency Shelter Grant (**ESG**; scheduled to change in 2011-12 to the new Emergency Solutions Grant, pending new federal regulations)
- Housing Opportunities for Persons Living with AIDS (**HOPWA**)
- Lead-Based Paint Hazard Control Program (**LHCP**)

CDBG, HOME and ESG are administered by the California Department of Housing and Community Development (the Department, or HCD). HOPWA is administered by the California Department of Public Health (CDPH), and LHCP is administered by the California Department of Community Services and Development (CSD). These programs are described in more detail in following sections of this plan.

Economic Stimulus and Disaster Recovery Programs

In addition to the five ongoing programs listed above, this AP includes information on several special economic stimulus and disaster recovery programs enacted in 2008 and 2009. Some are already essentially completed, and others are expected to end in 2011 or 2012:

- Disaster Recovery Initiative (**DRI**; administered by HCD);
- Neighborhood Stabilization Program (**NSP 1** and **NSP 3**; by HCD)
- Homelessness Prevention and Rapid Re-Housing Program (**HPRP**; by HCD, expires in 2012)
- Tax Credit Assistance Program (**TCAP**; administered by the Tax Credit Allocation Committee (TCAC) in the office of the State Treasurer)

NSP 1 was created by the federal Housing and Economic Recovery Act of 2008 (HERA). NSP 3, established as part of Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), provided additional assistance for the redevelopment of abandoned and foreclosed homes. The NSP programs administered by HCD are discussed later in this AP.

TCAP, administered by the State Treasurer, is not discussed in detail in this plan. For more information, please contact the Tax Credit Allocation Committee (TCAC) in the Office of the State Treasurer (http://www.treasurer.ca.gov/ctcac/). A general description is given here for information purposes:

Among its other enactments, ARRA provided states with more than $325 million nationwide through TCAP to assist projects receiving federal Low Income Housing Tax Credit awards. By federal statute, TCAC was designated California's TCAP administrator by virtue of being the State's tax credit allocating agency. Beginning in the summer of 2009, TCAC awarded TCAP funds as both equity gap-fillers and cash in lieu of credits. By the end of January, 2010, all available TCAP funding had been awarded to 55 rental housing developments that are projected to produce 2,986 units of affordable rental housing throughout California. TCAC is delivering the TCAP funds as 55-year, zero-interest fully-deferred loans.

More details on **DRI** (page 32), **NSP** (page 29) and **HPRP** (page 54) are given later in this report.

Goals

The 2011-12 Annual Plan (AP):

- summarizes the State's priorities and strategies for the delivery of funds for housing, and addressing homelessness, community development, lead abatement and housing for persons with special needs;
- provides a platform of actions the State will initiate during the next year to further the goals and objectives of the ConPlan;
- explains the State's method for distributing the funds made available through these programs; and
- provides opportunity for public review and input on the contents and development of the AP.

The State's 2010-2015 ConPlan outlines four over-arching goals that are applicable to the Department's efforts to provide housing and community development needs through a variety of federal and State resources. These include:

- meeting the housing needs of low-income renter households, including providing homeownership opportunities for first-time homebuyers;
- meeting the housing needs of low-income homeowner households;
- meeting the housing, supportive housing and accessibility needs of the homeless and other special needs groups, including prevention of homelessness; and
- mitigation of impediments to fair housing, including but not limited to updating HCD's Analysis of Impediments (AI) as required by HUD, and exploring ways to further fair housing through the distribution and use of CDBG and HOME funds.

The State's progress in achieving the goals outlined above will be measured through specific objectives, outcome measures and indicators in accordance with the March 7, 2006 Performance Measurement Final Rule published by HUD. Information on the specific required indicators for each program is detailed in the program specific sections beginning on page 19.

Performance in 2009-10

During the 2009-10 Program Year (described in the Consolidated Annual Performance and Evaluation Report (CAPER) for 2009-10 submitted to HUD in September, 2010), the

CDBG, HOME, ESG and HOPWA programs assisted a total of 32,690 households and homeless individuals and families with housing and supportive services. A total of 2,136 renter households and 995 owner households were assisted through the **CDBG, HOME and HOPWA** programs; 45 percent of the total 3,131 had incomes at or below 30 percent of area median household income (AMI), and 1,349 of them which were assisted by HOPWA had at least one member living with HIV/AIDS. In addition, **ESG** assisted a total of 29,559 homeless individuals and families with emergency shelter, supportive services and/or homelessness prevention assistance.

In 2010, the **CDBG** program issued Notices of Funding Availability (NOFAs) that included funds from HUD's annual allocation plus disencumbered funds from prior grant years and any remaining funds not utilized. The CDBG program awarded a total of $40,524,115 in 2009-10 through the General Allocation, Native American, Colonias and Economic Development components.

Under CDBG, the State awarded $22,684,887 through the General Allocation component. The CDBG Economic Development program awarded $8,650,000 in grants for Business Assistance and Micro-enterprise programs, and $2,687,488 through the Over-the-Counter component. There were 46 Planning and Technical Assistance (PTA) grants awarded under the General and Economic Development programs, totaling $2,393,000.

NSP 1 awarded $13,395,822 for multi-family rental housing projects, and the CDBG program also awarded $9,902,602 in CDBG-Recovery (CDBG-R) funds, comprising two Economic Development grants of $3,132,917 and 10 General Allocation grants totaling $6,769,685.

In 2009-10, the **HOME** Program awarded a total of $64,466,935 million in HOME funds to 52 applicants funding 72 activities assisting an estimated 944 households, including first-time homebuyer programs (26 percent), first-time homebuyer new construction (4.5 percent), rental new construction (55 percent), owner-occupied rehabilitation (13 percent) and tenant-based rental assistance programs (1.5 percent).

The **ESG** Program funded a variety of projects including emergency shelters, transitional housing, and day centers serving homeless individuals and families, battered women and homeless youth. Homelessness prevention activities, such as eviction prevention, security deposits, housing counseling and legal representation, were also funded. During FY 2009-10, the ESG Program provided assistance to an estimated 67,650 homeless individuals and 2,315 homeless families. A total of $6.9 million was awarded (including $440,983 in supplemental awards) to 40 units of local government and non-profit organizations for operation costs, essential service activities, homelessness prevention services, shelter staff administration and grant administration.

The **HPRP** Program met its commitments under the Grant Agreement. The program developed critical procedures and administrative documents in a short time, conducted an applicant workshop and a webinar, and made a total of 31 awards statewide, totaling $42,688,202.

During 2009-10, a total of $3.77 million in **HOPWA** funds were awarded to 25 eligible project sponsors and 1,428 HOPWA eligible households were assisted through HOPWA funded housing assistance activities including emergency assistance, transitional housing assistance, independent living and supportive housing. Supportive services were provided to 1,668 persons. Approximately 58 percent of HOPWA funds were used for the prevention of homelessness among persons living with HIV/AIDS and their families through the use of short-term rent, mortgage and utility assistance payments, facility-based housing assistance and tenant-based rental assistance.

In addition, HOPWA sponsors in the 42 eligible counties provided permanent supportive housing placement assistance in the form of security deposits and housing information services to persons who were homeless or at-risk of becoming homeless. Housing placement assistance activities accounted for approximately 11 percent of HOPWA funds expended in 2009-10. Approximately 21 percent of the funds expended were used for supportive services, including but not limited to case management, transportation and food vouchers, and hotel/motel vouchers.

The **LHCP** Program continues to work aggressively with its current Round 15 – ARRA grant. LHCP recently achieved the milestone of expending 50 percent of grant funds before the March 30, 2011 deadline. This means that HUD will not recapture the remaining funds or terminate the grant. LHCP has faced obstacles since the grant began, including a new Davis-Bacon Prevailing Wage requirement which forced the Fresno County Economic Opportunities Commission (EOC) to withdraw from the program because of its inability to issue prevailing wages to its youth corps members. Maravilla Foundation also withdrew early in the program, but at CSD's request rejoined to assist with program shortfalls. Work crews were shared with Department of Energy and Low-Income Home Energy Assistance Program weatherization programs. LHCP expects to fully expend the grant by the April 14, 2012 deadline.

Public Participation Process

HCD has the lead role in preparing the ConPlan and its AP Updates for the State of California. The Department solicits input from public, private, and nonprofit organizations, and other State agencies to prepare this AP and subsequent AP Updates in accordance with the Citizen Participation Plan in the ConPlan.

Public notices containing a description of the draft document and related amendments, inviting comments, and announcing public hearings are routinely emailed to local governments, other interested parties and depository libraries, and placed on the Department's website at http://www.hcd.ca.gov/hpd/hrc/rep/fed/. Paper copies of notices and the draft AP are sent on written request. Notices are also published in newspapers of record to notify the public of the document development process, timelines, and participation options.

This draft AP was available for comment from all interested parties for a 30-day period, April 13 – May 12, 2011. Public hearings were held on April 27, 2011 in Redding, Riverside and Sacramento. For details see the Public Notices in Appendix F.

Copies of the draft AP were made available for review at the Department's Housing Resource Center, and copies of the Public Notice were e-mailed to CDBG, HOME, ESG, HOPWA and LHCP program contacts and interested parties. Both publications were available on the Department's website at http://www.hcd.ca.gov/hpd/hrc/rep/fed/ and also at public depository libraries as identified in the notice (see Appendix E) throughout the public comment period. HCD's website is at http://www.hcd.ca.gov/ and the email address is caper@hcd.ca.gov.

Public Comments and Responses

(in order of receipt; comments have been edited for clarity and length)

1. From Greg Sparks of Mercy Housing, by email, April 21 2011:

[Comment directed to the CDBG and NSP 3 programs]

With declining real estate values, many jurisdictions are offering health and safety grants and smaller rehabilitation loans. The cost of activity delivery for a OOR [owner-occupied rehabilitation project] does not vary significantly for a smaller assignment. Participant intake and eligibility, definition of the scope of work, contractor procurement and close-out costs are similar if not equal, regardless of the size of the assignment.

1. Recommendation: Consider increasing the amount of activity delivery fee for OOR for smaller assignments.

* * *

"All NSP 3 funds must be expended within 3 years of the grant from HUD. The purpose of the funds is to provide affordable rental housing [emphasis added] for very low income and low income households in the areas that continue to experience the impacts of the foreclosure crisis. Properties will have been foreclosed homes, which have been acquired and rehabilitated, including green and energy efficiency components when feasibible, to ensure long term affordability." (Page 27 of Consolidated Plan draft) While rental housing is an eligible activity under NSP3, owner-occupancy is . . . ineligible.

2. Recommendation: Allow NSP3 Awardees to provide OO [owner-occupied] housing for VLI [very low income households]

* * *

"A minimum of 25 percent of NSP 3 funding will be used to assist households at or below 50 percent of the area median income (AMI), with the remaining funds assisting households at or below 80 percent of AMI." Page 27 [of the draft]

HUD regs on NSP3 appear to allow for participant incomes up to 120% of AMI

3. Recommendation: Allow for . . . serving households up to 120% AMI.

HCD Response:

Recommendation 1: Consider increasing the amount of activity delivery fee for OOR for smaller assignments.

HCD Response: The Department does not yet have enough information about actual Activity Delivery costs to increase the activity delivery fee for Owner Occupied Rehabilitation (OOR). The Department will consult with CDBG and HOME stakeholders during the 2011-12 period to determine if such an increase is warranted.

Recommendation 2: “Allow NSP3 Awardees to provide OO housing for VLI,…”

HCD Response: The Department has agreed to add homeownership as an eligible activity if feasible in each community.

Recommendation 3: Allow for serving households up to 120% AMI.

HCD Response: HCD will not propose this change. The Department will continue to use NSP 3 funds to serve households with incomes at 80% or below Area Median Income (AMI) because they have fewer options for affordable housing than those with higher incomes. The Department has consulted with all three identified NSP 3 grantees on this matter. All agree that limiting NSP 3 to households with incomes at or below 80 percent of AMI would not significantly affect the feasibility of their programs. The Department's own analysis of sales prices and incomes for the three identified communities confirms that households at or below 80% of AMI can purchase eligible homes with NSP3 deferred payment loan assistance.

2. From Cate Steane of FESCO – The Family Shelter, by email, April 27 2011:

The current system of distribution of Federal Emergency Shelter Grant (FESG) funds is undermining the stability of the emergency shelter system, putting an already-fragile infrastructure of safety net services at further risk. FESG is currently the only source of funding for homeless shelter operations administered by the State of California and it is vital to the continued operations of emergency shelters. The distribution system

- does not correlate the distribution of funds to a geographical distribution of homeless persons around the state
- subjects shelter providers to an unpredictable feast-or-famine funding pattern over time
- operates in the absence of first-hand knowledge of the quality of applicant facilities and programs.

Alameda County, a county with a high homeless population and high quality programs, is now threatened the loss of over 100 emergency shelter beds because programs that have historically been funded with FESG monies were completely defunded in 2009.

The 2009 awards did not have geographic equity or relation to the number of homeless persons in a given area. For example, Sonoma County got seven funding awards to Alameda County's one, and Napa County was awarded $2,390 per homeless person compared to $175 in Alameda County.

Proposed Solution:

1. Allocate the state-administered funds by eligible counties using a formula that accounts for the Point in Time Homeless Counts each county conducts on a bi-annual basis.
2. Once the amount of funding per county is determined, the decision on which service providers should receive how much funding should be handled by the Designated Local Boards in each county. There is historical precedent for this with the state

Emergency Housing Assistance Program (EHAP), which was allocated through a local board competitive process. Those local boards got 2% of each County's EHAP allocation and ran the provider selection process for 15 rounds of that funding before it was eliminated two years ago. These local boards still exist in most counties and allocate federal FEMA funds on an annual basis.

I recommend regulatory changes to implement this solution.

HCD Response:

General Summary

While FESG does not award funds on the basis of homeless population (for reasons discussed below in our response to the commenter's specific recommendations), equitable geographic distribution of funds is a priority. State FESG regulations require funds to be distributed by region as follows:

Region	Percentage of Available Allocation
New Programs	5%
Northern CA region	33%
Southern CA region	24%
Rural County region	19%
General Allocation	15%

In essence, each application competes with other applications within their region; those applications that do not receive funding from their regional allocation may receive funding out of the "General Allocation".

The "feast or famine" funding referred to in the comment is a consequence of 1) the competitive FESG award process and 2) the fact that FESG funds are not guaranteed to the State. The proposed solution of changing state regulations in favor of a county allocation would not necessarily ensure that funded applicants could depend on ESG funding from one year to another. To base awards on a history of past awards would ignore the changing patterns of experience and capability among applicants, and changing needs among jurisdictions.

HCD typically receives more than 100 FESG applications per year, and due to limited federal funds only approximately 30 percent can be funded. In the FESG 2010 NOFA, 105 eligible applications were received, and 36 (34 percent) were awarded funds. Our HUD allocation for 2010 was $6.6 million, and the applications received requested a total of $17.5 million.

With the changes enacted in the new federal HEARTH Act of 2009, FESG will be increasingly competitive. HCD has always provided technical assistance in completing FESG applications and held Grant Management workshops to help awardees use their funds effectively and remain competitive in future funding rounds.

The comment also states that FESG's distribution system operates in the absence of first-hand knowledge of the quality of applicant facilities and programs. On the contrary, the Department has received, reviewed, rated and ranked all applications for ESG funds over the past 20 years. All applications require a clear description of not only the applicant facilities and programs, but also the applicant capability. The following categories are reviewed and serve as a base for rating each application:

- Applicant Capability
- Need for funds
- Impact and Effectiveness
- Cost Efficiency
- State Objectives

We believe this experience provides a clear picture of the applicant organizations with a consistent statewide basis for comparison.

Recommendation 1: Allocate the state-administered funds by eligible counties using a formula that accounts for the Point in Time Homeless Counts each county conducts on a bi-annual basis.

Response: HCD does not support this change. Not all counties conduct homeless counts, so this proposal would not measure homeless populations on a consistent statewide basis. Nor is the number of homeless persons alone a sufficient basis for awarding funds. HCD funds shelter providers that not only meet the eligibility requirements under federal and state regulations, but also show they have adequate capability and experience to use the funds efficiently to provide the promised shelter and services to the homeless. Further, the numbers of homeless are already taken into account. The local Continuums of Care, when reviewing the “Certification of Local Need,” take into consideration the homeless population and target groups within that population in assessing the “Need for Funds” category of each application.

Recommendation 2: Once the amount of funding per county is determined, the decision on which service providers should receive how much funding should be handled by the Designated Local Boards in each county. There is historical precedent for this with the state Emergency Housing Assistance Program (EHAP), which was allocated through a local board competitive process. Those local boards got 2% of each County’s EHAP allocation and ran the provider selection process for 15 rounds of that funding before it was eliminated two years ago. These local boards still exist in most counties and allocate federal FEMA funds on an annual basis.

Response: HCD does not support this change. The use by FESG of Designated Local Boards (DLBs) established under the state Emergency Housing Assistance Program (EHAP) would require additional local and FESG workload and an additional FESG review and approval cycle. Considering federal requirements for obligating funds, the use of DLBs would add substantial time and difficulty to the process. Not all counties have chosen to establish DLBs, and no ESG funds exist for DLB grant administration. EHAP experience with DLBs has led to the limitation of their role in EHAP awards to providing recommendations to HCD, rather than awarding funds directly. Their capability to award funds themselves is unknown, and would likely be variable.

There is another major difference between FESG and EHAP that would make the recommendation difficult to implement: ESG provides funds primarily to rural applicants to complement the federal distribution of ESG funds to more urbanized entitlement jurisdictions, while EHAP (currently unfunded and dormant) operated statewide with no complementary program. Distributing FESG funds by homeless population would mean that areas in the state that are already receiving ESG funds directly from HUD would be allowed to receive duplicate ESG funds from HCD, while non-entitlement areas where HCD has historically provided ESG funding would suddenly receive much less.

3. From Zack Olmstead of Housing California, by email, May 10 2011:

[Comment 1:] First, in the discussion of State Bond-Funded Programs that begins on page 7, we noticed that there is mention of the impact the PMIB bond “Freeze” has had on HCD operations, but there is no mention of the current suspension of HCD Notices of Funding Availability (NOFA) and the significant impact this has on HCD achieving its mission of increasing the supply of affordable homes in California.

The suspension of HCD NOFAs that begin in February 2011 has just as significant impacts as did the PMIB bond freeze, for it has the same effect of stalling the affordable housing pipeline, putting other leveraged funds at risk, and jeopardizing the stability of the affordable housing industry. Certainly there are other negative impacts of the suspension as well, among them a missed opportunity for the state to generate much needed jobs.

Failing to identify the uncertainty of when the NOFA suspension will end is certainly a deficiency in the draft plan, as it surely should be characterized as a market condition that poses a barrier to HCD (and the state) achieving the outcomes we would like to see in affordable home production.

[Comment 2:] Second, on page 10 in the chart of 2011-12 Anticipated Schedule of Program Application and Award Processes, it appears the row for the “ESG” program not been updated, since all dates reflect 2010 rather than future years.

[Comment 3:] Finally, we found it curious that on Page 14 a section is devoted to the “Governor’s Interagency Council on Homelessness”, specifically the mention that the Department “participates in the Governor’s Inter-Agency Council on Homelessness that is comprised of public, private and non-profit entities committed to ending long-term homelessness, ensuring coordination of efforts, and maximizing the use of resources. The State's Council brings together State and federal agencies and departments, local social service, health, law enforcement and other local agencies, local elected officials, non-governmental providers of services to the homeless, homeless advocates and the philanthropic community, to build and operate housing that is accompanied by services for residents.”

As an organization that for years has been advocating for the creation of such a council both via governor executive order and through legislation (AB 1177 in 2009-10 and the current AB 1167 introduced in 2011, both authored by Assemblymember Fong), we know that no such council currently exists and find it odd that the department would claim to be participating. We fear the inaccurate statement that we have an existing Interagency Council could damage efforts to create one and presents a false picture to HUD of what the state is doing.

It would be helpful if this section was amended to demonstrate the Department’s interest in playing a leadership role in the creation of an Interagency Council, placing emphasis on the stark need we have in creating as much interagency collaboration as possible.

We hope that the Department will be a strong partner in helping make this happen so that future updates of the Consolidated Plan can include and confirm the department's contributions and participation in a real Interagency Council on Homelessness.

HCD Response:

Comment 1: In February 2011 the Governor's proposed State budget for 2011-12 directed HCD and other State agencies to observe a "pause" in State bond issuances, to hold bond debt at current levels while the State's finances were evaluated. As a result, HCD was obligated to cancel all open and unawarded NOFAs for programs funded by State bond issuances. Further NOFAs for these programs could not be issued until the pause was lifted. However, the Governor's May Revision Budget Plan lifted the pause in May and at this writing HCD expects to release within a week a schedule for resuming NOFA issuance. The pause is not analyzed here because it affected State-funded programs and not the federally-funded programs in this AP, and because it was temporary.

Comment 2: The FESG dates on the Anticipated Schedule table have not been updated because the 2011 FESG program has been suspended to await 1) anticipated federal regulations to implement the HEARTH Act, which will reorganize and rename FESG, and 2) the new federal budget.

Comment 3: In February 2011, HCD recommended to the Governor's Office that the Administration should designate a lead agency to serve as the State's liaison with the U.S. Interagency Council on Homelessness, and should reactivate the State Interagency Council on Homelessness. Progress has occurred: HCD has been designated as California's representative on the federal Council, and Assembly Bill AB 1167, which would reactivate the State Interagency Council, passed the Assembly in June 2011.

An active State interagency response to chronic homelessness was mounted from 2005-06 to 2009-10 through the Governor's Homeless Initiative (GHI), a joint effort by the California Housing Finance Agency (CalHFA), the Department of Mental Health, and HCD. The GHI has awarded more than $36 million to assist the development of twelve permanent supportive housing projects for chronically homeless persons with severe mental illness. These developments will provide 420 new and rehabilitated affordable housing units, including 297 units with social services. This effort directly contributes to the GICH's goal of ending long-term homelessness. Also during this five-year period, HCD's Federal Emergency Shelter Grant program (FESG), Emergency Housing and Assistance Program (EHAP) and EHAP Capital Development component (EHAPCD) have awarded more than $161 million to build, rehabilitate, operate and provide social services for homeless shelters and transitional housing developments throughout the state.

4. From Raul Arambula of the State Independent Living Council, by email, May 12 2011:

The State Independent Living Council recommends that in addition to ensuring that the ADA covers housing complexes with more than 4 units, [HCD should] require housing elements in general plans to have concrete activities that provide integrated housing for people with disabilities. Also, because of the overwhelming need, we strongly recommend that [HCD] use all influence and tools at their disposal to increase available integrated housing for people with disabilities.

<u>HCD Response:</u>

HCD does not support this recommendation. State housing element law requires an analysis of special need populations including persons with disabilities. Many individuals with a disability live on a small fixed income, limiting their ability to pay for housing. Individuals with mental, physical, and developmental disabilities need affordable, conveniently-located housing which, where necessary, has been or can be specially adapted to address accessibility issues and with on- or off-site support services including outpatient/inpatient day treatment programs.

The requisite analysis in State housing element law requires 1) a quantification of the total number of persons and households in the special housing needs group; 2) quantification and qualitative description of the need, including a description of the potential housing problems faced by the groups, a description of any existing resources or programs to assist, and an assessment of unmet needs; and 3) identification of potential program or policy options and resources to address the needs.

Housing element law requires that in addition to the needs analysis for persons with disabilities as described above, the housing element must also analyze potential governmental constraints to the development, improvement and maintenance of housing for persons with disabilities, demonstrate local efforts to remove any such constraints and provide for reasonable accommodations for persons with disabilities through programs that remove constraints. For additional information on these requirements, please refer to http://www.hcd.ca.gov/hpd/housing_element2/CON_disabilities.php.

In addition, the law has been recently amended (SB 812, Chapter 507, Statutes of 2010) to include an analysis of the special housing needs of persons with developmental disabilities, defined by the State Welfare and Institutions Code (Section 4512) as substantial disabilities originating before age 18 and expected to continue indefinitely requiring treatment for conditions other than those handicaps which are solely physical in nature. The expanded housing element analysis should now quantify the developmentally disabled population and describe housing problems faced by this special need group (including individuals with mental retardation, cerebral palsy, epilepsy and autism).

The Department is currently drafting a technical assistance paper on these new statutory requirements, including sources of information to assist localities in preparing future revisions to their housing elements. HCD continues to provide guidance regarding the needs and constraints analyses related to the disabled population and other special needs populations in the *Building Blocks For Effective Housing Elements* on the Department's website. For additional information see:

http://www.hcd.ca.gov/hpd/housing_element2/SHN_disabilities.php;
http://www.hcd.ca.gov/hpd/housing_element2/PRO_assist.php and
http://www.hcd.ca.gov/hpd/housing_element2/PRO_mitigate.php .

<u>5. From Ricky Millhollin of the Salvation Army, by email, May 12 2011:</u>

In the state's allocation of funds for the 2011-2012 fiscal year, I advocate for rural counties, such as Yuba/Sutter, that have a minimal population but large areas to cover. . . Poverty, homelessness, drug and alcohol addiction, mental illness, the need for food, utility assistance and emergency housing funds are all part of our local client base. . . The Salvation Army attempts to address the multitude of issues and bring the best of care to those in need. . . In order for that to continue we need the assistance of the local, State and federal government . . . The Yuba/Sutter area [like other rural areas compared to urban areas] is rich in programs but poor in funding opportunities. There is a huge unmet need.

HCD Response:

HCD recognizes that budget pressures have become especially difficult during the recession for service organizations in rural areas. Accordingly, many HCD programs, including CDBG, HOME and FESG, focus on serving nonentitlement and rural jurisdictions. Within this priority, the department seeks a reasonable geographic distribution of funds throughout the state.

6. From Andrea Luquetta of the Western Center on Law and Poverty, by email, May 12 2011:

I submit these comments on behalf of Western Center on Law & Poverty and several organizations who have been working with HCD over the last year to develop a comprehensive analysis of impediments to fair housing. These comments also follow up our comments submitted last year regarding the State ofCalifornia's Draft Consolidated Plan ("Draft Plan") for 2010 through 2015.

In our previous comments, we expressed concern that the Draft Plan, and the corresponding Analysis of Impediments, which informed the Draft Plan, did not address a recent court decision, *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles,* 175 Cal.App.4th 1396 (2009) ("*Palmer*"). That decision construed state law as potentially precluding locally adopted inclusionary housing programs in California. As these programs have proven to be an effective tool to combat residential segregation, *Palmer* poses a significant impediment to affirmatively furthering fair housing in California.

Soon after we submitted our letter, a number of organizations came together to work with HCD to update its Analysis of Impediments. These organizations include: California Rural Legal Assistance, Law Foundation of Silicon Valley, Legal Services of Northern California, Legal Aid Foundation of Los Angeles, National Housing Law Project, Public Interest Law Project, Public Counsel, Housing Equality Law Project, The Law Firm of Relman, Dane and Colfax, Bet Tzedek Legal Services, Fair Housing Center of San Diego, California Reinvestment Coalition, and Neighborhood Legal Services of Los Angeles County.

We were surprised to learn the scant basis for the current AI and agreed to help HCD develop an AI that reflects actual needs and barriers to fair housing throughout the jurisdictions eligible to receive HUD funds through HCD. We realized that this would be a large undertaking, requiring coordination by HCD and substantial state resources sufficient to support the cost and labor of the project. However, we also understood that

HCD had been instructed to complete the undertaking by May of 2011 and believed that it would be possible to meet that deadline.

Since then, we have helped HCD develop a comprehensive and achievable scope of work, provided significant recommendations on sources and uses of information and analytical methods (such as mapping), and suggested ways to identify impediments and how to work with subrecipients jurisdictions to address them. We have also commented on drafts of surveys that HCD intends to send to sub-recipients, and have asked to meet with the researchers contracted to do the analysis.

We believe that HCD is committed to developing an analysis of impediments that meets the legal requirements as set forth by federal law. *See*, *Analysis of Impediments to Fair Housing Choice Reissuance*, Memorandum from the Offices of Community Planning and Development and Fair Housing and Equal Opportunity, September 2, 2004; the Fair Housing Planning Guide, U.S. Department of Housing and Urban Development, March 1996; *United States ex rel. Anti-Discrimination Ctr. of Metro N.Y., Inc., v. Westchester County* 668 F.Supp.2d 548 (S.D.N.Y. 2009).

However, we are disappointed that more progress has not been made to date. We appreciate HCD's plans to complete the AI and build on the work we have begun, outlined on page 15 of the draft 2011-2012 Annual Plan. Yet, it is worrisome that the draft plan lacks necessary information about, and programmatic steps to address fair housing impediments that affect access to affordable housing and community development programs for low income and special needs populations in California. We continue to stress the urgency of the matter and to make ourselves available to help address it. We expect the next Annual Plan and Consolidated Plan will be informed by a complete AI.

HCD Response:

As noted in Ms. Luquetta's letter, the Department is currently undertaking a comprehensive revision of its Analysis of Impediments to fair housing (AI). The Department has been in communication with representatives of Region IX FHEO as well as HUD Headquarters staff in Washington D.C. regarding the Department's AI Scope of Work (SOW). In addition, the Department has conducted several meetings with a stakeholder group of fair housing organizations from throughout the State. The input from Region IX and the stakeholders has expanded the scope and complexity of the proposed SOW. The Department recently reached an interagency agreement with the University of California, Los Angeles (UCLA) Lewis Center for Regional Policy Studies, and has begun internal data collection for elements of the SOW in addition to completing two survey instruments to solicit information from non-entitlement CDBG-eligible jurisdictions statewide on impediments to fair housing and the siting of new housing affordable to lower-income households within communities. Based on a schedule of work developed by UCLA and subject to data availability, the Department plans to complete a draft report by October 2011.

7. From Elaine de Coligny of EveryOne Home, by email, May 12 2011:

EveryOne Home [is] Alameda County's Continuum of Care coordinator and leads the implementation of the county's ten year plan to end homelessness. Alameda County's Homeless and Special Needs Housing Plan, known as the EveryOne Home Plan, has been adopted by all 14 cities in the county, the Board of Supervisors, and over sixty homeless service providers and housing operators. EveryOne Home is submitting comments to California Department of Housing and Community Development's (HCD) Draft Annual Plan Update 2011-12 on behalf of our partners across the county. The Federal Emergency Shelter Grant Program (FESG), addressed on pages 45-50 [of the public review draft AP], is the focus of our comments.

What: EveryOne Home is proposing the Department of Housing and Community Development (HCD) block grant balance of state Federal Emergency Shelter Grant (FESG) funds to local continuums of care and allow a designated local board (DLB), which could be the continuum of care body, to make funding awards. Block granting will ensure that California communities are working with more consistent resources year over year.

Why: Counties with programs providing services to the homeless throughout the State of California have experienced major fluctuations in funding from FESG administered through HCD. Please see attached spreadsheet for fluctuations in funding for counties across the state. Consistent resources are key to the efficiency and efficacy of programs that serve homeless populations over time, and counties that have experienced significant changes in their funding levels are finding it difficult to make sustainable strategic and systematic improvements to services.

How: At this time, the enactment of the HEARTH Act presents both a challenge and an opportunity to improve the use of ESG funds to end homelessness across California. There is a requirement that ESG dollars are used as part of a coordinated local continuum of care plan. Distributing funding through these same continuums of care ensures local and centralized control over resources, program management and outcomes all in one coordinating body. The requirements to coordinate with local plans will be very challenging under the current design of the State ESG program, whereas if balance of state funds are block granted to local continuum of care bodies they will by design be coordinated with the local planning process.
EveryOne Home has reviewed Federal and State Regulations regarding FESG funding and has evaluated the viability of this proposal based on the following:

1. Whether current and upcoming federal regulations on the distribution of FESG funds allow for or prohibit in any way the block granting of balance of state funds. Our research indicates this is an allowable approach.
2. Whether there is historical precedent for the state to utilize local boards to make and administer state-controlled funds for serving the homeless. The Emergency Housing Assistance Program last awarded in 2007-2008 was administered in this way.

<u>EveryOne Home would also like to comment on changes being considered for the 2011 FESG NOFA. We are opposed to the following:</u>

- Requiring applicants for the 2011 NOFA to provide both prevention and shelter services. Not all FESG funded shelters provide prevention services currently. Many communities have different agencies doing prevention and sheltering. Funding should align with local communities systems of care, not require agencies to develop programming they don't do in order to get FESG funding.

- Requiring applicants to allocate 40% or more of their grant to prevention activities before HEARTH regulations take effect. The HEARTH Act requires that no more than 60% of ESG funds go to emergency shelters, but does allow communities to establish a hold harmless baseline for shelter funding that can be higher. If HCD imposes the 40/60 split in this year's grants, emergency shelter capacity will be cut across the state unnecessarily, doing irreparable damage to the safety net.

HCD Response:

Ms. de Coligny's recommendations to allocate FESG funds to counties by block grant formula, and to have Designated Local Boards (DLBs) award funds within counties, were also made by Cate Steane (comment #2 above). From our response to Ms. Steane:

HCD does not support these recommendations. HCD's FESG program funds shelter providers that not only meet the eligibility requirements under federal and state regulations, but also show that they have adequate capability and experience to use the funds efficiently to provide the promised shelter and services to the homeless. All applications require a clear description of not only the applicant facilities and programs, but also the applicant capability. The following categories are reviewed and serve as a basis for rating each application:

- Applicant Capability
- Need for funds
- Impact and Effectiveness
- Cost Efficiency

Based on experience, HCD believes that to abandon these standards for a county formula would lead to a deterioration in the effectiveness of use of these scarce and perhaps diminishing funds.

The use by FESG of Designated Local Boards (DLBs), established under the State-funded Emergency Housing and Assistance Program (EHAP), would require additional local and FESG workload and an additional FESG review and approval cycle. Considering federal requirements for obligating funds, the use of DLBs would add substantial time and difficulty to the process. Further, not all counties established DLBs when invited to do so for the purpose of EHAP awards, and no ESG funds exist for DLB grant administration. EHAP experience with DLBs has led to the limitation of their role in EHAP awards to providing recommendations to HCD which are given weight in HCD's rating and ranking process, rather than awarding funds directly. Their capability to award funds directly is unknown, and may be variable.

<u>Ms. de Coligny also commented in opposition to two policies which she states are being considered for the 2011 FESG NOFA:</u>

- "Requiring applicants for the 2011 NOFA to provide both prevention and shelter services. Not all FESG funded shelters provide prevention services currently. Many communities have different agencies doing prevention and sheltering. Funding should align with local communities systems of care, not require agencies to develop programming they don't do in order to get FESG funding."

HCD Response: The 2011 FESG NOFA has not been released, pending final receipt of the federal HEARTH regulations pertaining to ESG. However, HCD does not intend to require applicants for the 2011 NOFA to provide both prevention and shelter services, as indicated. Eligible applicants may apply as one of the following types of projects:

- Type I: Homeless Prevention Only
- Type II: Emergency Shelter + Homeless Prevention
- Type III: Transitional Housing + Homeless Prevention
- Type IV: Emergency Shelter + Transitional Housing + Homeless Prevention

- "Requiring applicants to allocate 40% or more of their grant to prevention activities before HEARTH regulations take effect. The HEARTH Act requires that no more than 60% of ESG funds go to emergency shelters, but does allow communities to establish a hold harmless baseline [emphasis added] for shelter funding that can be higher. If HCD imposes the 40/60 split in this year's grants, emergency shelter capacity will be cut across the state unnecessarily, doing irreparable damage to the safety net."

HCD Response: The 2011 FESG NOFA, Application, and Awards will occur after the HEARTH regulations take effect and an Agreement is approved by the Department. HCD will then be obliged to follow the final federal regulations and related state regulatory changes in order to implement the program. HCD has been informed by our HUD/CPD representative that the "hold harmless baseline" Ms de Coligny refers to will not apply to the state allocation.

8. From Laura Hocking, County of Ventura, by email May 19 2011

Ms. Hocking's email (received late) included letters from the Ventura County Resource Management Agency and the county Watershed Protection District confirming their review of the draft AP, without substantive comments.

Funding Levels

The State anticipates receiving a total of approximately $133 million in federal funds for 2011-12 for the programs listed below. As in previous years, CDBG has committed to grantees a portion of the 2010-11 allocation during the previous fiscal year. HOME committed its Federal Fiscal Year (FFY, from October 1 through September 30) 2011 funds in its 2010 NOFA cycle, and will award its FFY 2012 funds in 2011. ESG committed funds in the 2010 NOFA cycle and will commit any unspent funds as a reallocation in the following funding cycle.

Projected and/or Allocated Federal Funding, 2011-12	
Community Development Block Grant (CDBG)	$35,841,830
CDBG Disaster Recovery Enhancement Fund (DREF)	$15,000,000[1]
Neighborhood Stabilization Program (NSP 3)	$11,872,089[2]
Home Investment Partnership Program (HOME)	$55,970,955[3]
Federal Emergency Shelter Grant (FESG)	$6,900,617
Housing Opportunities for Persons with AIDS (HOPWA)	$4,222,879[4]
Lead Based Paint Hazard Control Program (LHCP)	$3,000,000[5]
Total	**$132,808,370**

[1] DREF allocation is "up to $15,000,000." Total allocation from HUD depends on budgeted and allocated funds for DREF-eligible purposes from the DREF allocation.
[2] NSP 3 amount listed is the amount applied for in March 2011. Final award is still to be determined.
[3] Includes only the State HOME program's 2011 allocation from HUD. Does not include any other fund source, including disencumbered funds or funds that may be committed from the anticipated 2012 allocation. .
[4] The HOPWA figure includes the State of California allocation plus the Bakersfield and Fresno EMSA allocations and unspent funds from prior year.
[5] The Lead Hazard Control Program received a 36-month $3 million HUD grant in April 2009, as part of the American Recovery and Reinvestment Act of 2009 (ARRA), covering the period April 15, 2009 to April 14, 2012. This is Round 15 for the program. LHCP is also closing out activities under its Round 13 grant, which ended October 31, 2009.

Other Resources

In addition to funds available through the HUD programs outlined above, several State funding sources are commonly used in combination with these federal funds.

Tax Credits

Federal and State low-income housing tax credits are administered competitively on a statewide basis by the Tax Credit Allocation Committee (TCAC) in the State Treasurer's Office. In calendar 2009 TCAC awarded nearly $91.1 million in competitive nine-percent federal credits to 79 proposed housing projects, along with $72.5 million in State credits to 19 competitive nine-percent projects, and $6.7 million in State credits to 3 projects receiving four-percent tax credits with tax-exempt bond funds. A federal tax credit is in effect for ten years, which means the eventual total value of federal credits awarded in California in 2009 is $911 million. The $79.2 million total for State tax credits covers a four-year period of effect.

State Bond-Funded Programs

With the passage of **Proposition 46 and Proposition 1C**, the Department administers more than 20 programs awarding loans and grants to hundreds of local public agencies, private for- and non-profit housing developers and service providers every year for the construction, acquisition, rehabilitation and preservation of affordable rental and ownership housing, homeless shelters, transitional housing and infrastructure.

For many years, financial assistance programs that were funded by California General Obligation (GO) bond proceeds, including HCD's Proposition 46 and Proposition 1C-programs (listed on the Funding Source table on page 1), could award the funds according to each program's particular priorities and schedules. The State Pooled Money Investment Board (PMIB) would provide short-term loans to cover the awards and pay off these loans when bonds were sold.

This flexible process was disrupted at the end of 2008, when the PMIB "froze" its loans to GO bond programs due to the difficult market for bond sales at the bottom of the recession. The freeze affected bonds for transportation, levees, schools – and affordable housing. HCD delayed issuance of new Notices of Funding Availability (NOFAs) and new awards. In addition, conditions were attached to some of the new awards that resulted in some developers having difficulty in obtaining supplemental private financing.

Proceeds of the limited bond sales could not meet all demands and priority was given by the State to projects already underway, leaving funding for new awards less certain. In March 2009, however, there was a successful bond sale that increased the cash available to HCD to cover its commitments.

In April 2010, as a result of the successful bond sales, the State Department of Finance announced a Bond Proceeds Allocation Plan to allocate future bond sales through Fiscal Year 2012-13. This allowed bond programs to plan future activities on a more predictable basis. HCD was authorized to issue new NOFAs, make awards and remove the conditions from existing awards that had limited developers' access to private debt.

Proposition 46 Moves Toward Conclusion

Proposition 46, the Housing and Emergency Shelter Trust Fund Act of 2002, allocated $2.1 billion to the Department and the California Housing Finance Agency (CalHFA) to administer existing and new programs. By June 30, 2010, HCD had invested more than $1.5 billion in Proposition 46 bond funds to create or preserve more than 76,000 affordable housing units, among other accomplishments. Another $266 million has been awarded by the California Housing Finance Agency (CalHFA) to provide homeownership down payment and mortgage assistance. A cumulative summary of HCD Proposition 46 awards by county is on page 49.

Most Proposition 46 funds have been expended. Less than three percent of HCD's 2009-10 awards were from this source. Approximately $100 million remains, or about five percent of the $2.1 billion originally authorized in 2002. Proposition 46 extended beyond its expected lifetime due to the recession-caused slowdown in housing construction in 2008-10 and to the occasional recapture of awarded funds from projects that did not proceed as planned. To date, Proposition 46 awards by HCD and CalHFA have helped to build, rehabilitate, preserve or facilitate through incentives approximately 116,000 affordable housing units, including 9,800 shelter and dormitory beds.

Proposition 1C: Still Going Strong

For the third consecutive year, Proposition 1C (approved by voters in November 2006) was HCD's largest source of housing assistance funds. As of June 30, 2010, HCD has invested nearly $1.8 billion in Proposition 1C funds with hundreds of public and private organizations to build or rehabilitate more than 41,000 affordable housing units. As of August 31, 2010, another $51 million has been awarded by the California Housing Finance Agency (CalHFA) to provide low- and moderate-income homebuyers with down payment assistance. Approximately $700 million remains in Proposition 1C funds.

Cumulative Awards

Cumulative Proposition 46 awards through June 30, 2010 can be seen on HCD's website at http://www.hcd.ca.gov/fa/CBRprop46%20_6-30-10(rev11-08-10).pdf. Cumulative Proposition 1C awards through June 30, 2010 can be seen at: http://www.hcd.ca.gov/fa/CBR_prop1C6-30-10(rev%2011-05-10).pdf.

Priority Housing Needs/
Annual Affordable Housing Goals

The State has several priorities that will be integrated through its housing and community development efforts during 2011-12. These priorities have been developed through the analysis of housing needs and market analysis included in the State's 2010-2015 ConPlan. These priorities and objectives are outlined in the following specific program narratives and will be updated as needed through future APs.

The State has identified all categories of households and housing assistance in the Priority Housing Needs table on the next page as "high priority," in order to give local grantees flexibility to set their own priorities within this range. The HUD definition of "high priority" is: activities to address this need will be funded during the five-year period covered by the State's 2010-2015 Consolidated Plan. All the categories in the table are of high priority in some eligible jurisdictions statewide, and all are expected to be funded.

Renters (including the homeless and other special needs groups) generally show a higher incidence of housing deficiencies than homeowners, in both total numbers and the percentage of households experiencing housing problems. Renters have median incomes just over half as high as owners, are predominantly low-income, and represent a majority of low-income households. Renters also have higher rates of overcrowding, higher housing cost burdens, and higher percentages live in substandard housing than owner households. Clearly, there is a priority need to address renter housing problems.

The Priority Housing Needs table gives estimates of the number of households to be assisted with CDBG, HOME, ESG, HOPWA and LHCP funds in 2011-12, including non-federal funds used with federal funds. These estimates are based on experience and are subject to later revision for any of several reasons: 1) variations in the activities proposed by eligible applicants and approved by HCD, 2) actual reported accomplishments, including those still to come using grants from previous years, and 3) estimated HUD 2011-12 funding allocations, not published at the time of writing.

2011-12 Priority Housing Needs (Households)				
		Priority Need Level		Goals
Renter	Small Related	0-30%	High	422
		31-50%	High	335
		51-80%	High	178
	Large Related	0-30%	High	128
		31-50%	High	158
		51-80%	High	30
	Elderly*	0-30%	High	17
		31-50%	High	24
		51-80%	High	21
	All Other	0-30%	High	16
		31-50%	High	49
		51-80%	High	31
			TOTAL Renters	**1,409**
Owner		0-30%	High	152
		31-50%	High	452
		51-80%	High	763
			TOTAL Owners	**1,367**
Homeless (Individuals & Families)			High	10,000
Non-Homeless Special Needs Populations**		0-80%	High	1,758
TOTAL Goals				**13,125**
TOTAL 215 Goals* **				**1,062**

* 35 HOME-assisted Elderly units are also included in Small and Large Related figures, but not in Renter total.
** Persons living with HIV/AIDS
*** HOME funded projects must meet the Section 215 qualification as affordable housing for both rental and ownership units. HOME estimates are based on actual data from 2008-09.

The wide variety of housing, community development and supportive service needs among the approximately 222 eligible HOME, CDBG and ESG jurisdictions plus eligible non-profit entities results in substantial variation in allowable activities from year to year. With the exception of HOPWA, State programs award funds on a competitive basis using a variety of criteria including, but not limited to, applicant capacity and locally identified needs. Consequently, annual goals by activity type cannot be reliably estimated.

This process allows local grantees to determine which of the allowable activities under each program best address their local needs. Applications received are evaluated based on the needs of the jurisdiction, proposed use of funds and the applicable regulations and rating factors for each program (for more information refer to the Geographic Distribution and Rating Criteria and the program sections of this plan.

Anticipated Schedule

2011-12 Anticipated Schedule of Program Application and Award Processes				
NOFA	**Workshops**	**Application Deadline(s)**	**Awards**	**Contracts**
		CDBG		
		General Allocation		
1/12/12*	TBD	3/30/12	6/30/12	45-60 days after award letter
		Native American/Colonias Allocation		
1/12/12*	TBD	3/30/12	6/30/12	45-60 days after award letter
		ED Enterprise Fund		
1/12/12*	TBD	3/30/12	6/30/12	45-60 days after award letter
		ED Over-the-Counter		
1/12/12*	TBD	Open	Ongoing	45-60 days after award letter
		Planning and Technical Assistance		
1/12/12*	TBD	3/30/12	6/30/12	45-60 days after award letter
		Neighborhood Stabilization Program (NSP 3)		
Possible RFP**	TBD	TBD	TBD	TBD
		Disaster Recovery Initiative / Disaster Recovery Enhancement Fund (DRI/DREF)		
Ongoing***	TBD	TBD	TBD	
		ESG		
4/13/10	5/13/10	5/28/10	9/30/10	10/1/10
		Homeless Prevention and Rapid Rehousing Program (HPRP)		
7/8/09	7/15/09	8/6/09	9/21/09	10/1/09
		HOME		
6/1/11	6/11	8/16/11- Programs and Projects	12/11 Programs 2/12- Projects	45-60 days after award letter
		HOPWA		
5/11	N/A	6/11	6/11	7/11
		LHCP		
No	new	awards	in	2011-12

* Dates subject to approval of a revised method of distribution to be determined later in 2011. HCD is discussing options with customers and reviewing statutes and regulations.
** NSP 3 may issue an RFP iin 2011, if HUD accepts the State's application
***There are no dates for DRI/DREF because the additional allocation for DREF will be distributed through an amendment to the previous NOFA.

Geographic Distribution and Rating Criteria

Changes in eligible jurisdictions may occur annually if jurisdictions join or withdraw from a CDBG Urban County Agreement or **HOME** Consortium within a county and the listing of eligible jurisdictions by program is therefore updated annually when new data comes from HUD. Additionally, changes in eligible jurisdictions for **HOPWA** may occur if a metropolitan area reaches a population of more than 500,000 and has at least 1,500 cumulative AIDS cases. Listings of current eligible jurisdictions are included as Appendices A and B.

Aside from the **ESG** Program the State does not set priorities for allocation of available funds based on geographic areas of the State. The ESG Program allocates available funds by regions as follows: 33 percent of total available funds to urban counties in Northern California; 24 percent of funds to urban counties in Southern California; 19 percent of funds to rural (non-urban counties); 15 percent of funds shared in a General category; and 5 percent for New Programs.

Programs, however, provide additional rating points or have established set-asides for grantees that meet specified State objectives including but not limited to rural communities, low-income areas and targeted populations. For example, the **HOME** Program offers a scoring maximum of from 1,100 to 1,700 points depending on the kind of activity applied for. HOME provides 50 points for applicants from rural areas, and up to 450 points for applicants from documented low-income areas for level of community need based on Census factors such as poverty level, housing overpayment by low-income households and overcrowding. HOME also may offer application bonus points to the highest rated application in each county in order to help foster a geographic balance in the distribution of its funds. The **ESG** Program allocates 19 percent of available funds for jurisdictions in non-urban/rural counties.

Similarly, **CDBG** applicants can receive up to 100 points based on the percentage of the population within the designated activity area with incomes below the poverty level (see Appendix K for a listing of eligible CDBG and HOME counties by percentage of population in poverty). In addition, up to 300 points are available for applicants with proposed activities where at least 51 percent of the beneficiaries earn no more than 80 percent of the county's area median income.

Areas of minority concentration, as seen in Appendix D, generally also have higher levels of poverty. These areas are typically eligible for ranking points allowable for rural and lower-income areas as stated above.

HUD announced the **NSP 3** funding formula under which the majority of jurisdictions previously funded with the State's NSP 1 funds will receive funds directly from HUD for NSP3, and will not be funded through the State's allocation. California's projected NSP 3 State allocation of $11,872,089 limits the number of eligible jurisdictions if award sizes are to remain adequate for efficient and effective programs. To be eligible for the State's NSP 3 funds, jurisdictions must meet the following criteria: 1) No direct NSP 3 funding from HUD; 2) HUD's "NSP Need Scores" at or above 18; 3) area unemployment at or above 15 percent; 4) a minimum "impact score" at or above 4 units needing assistance to have a stabilizing impact on the neighborhood; and 5) must have capacity, as defined as previous NSP experience. Three jurisdictions met these criteria: Yuba City, Yuba County, and the City of West Sacramento.

Eligible **HPRP** jurisdictions included both non-entitlement and entitlement cities and counties throughout the state. Eligible subrecipients included these jurisdictions and non-profit organizations serving the homeless and those at risk of becoming homeless in those jurisdictions. HPRP is not limited to any geographic location.

Homeless and Other Special Needs Activities

An important part of promoting suitable living conditions for those with special needs is the provision of appropriate supportive services. California has an extensive system of social service organizations that provide institutional care, client-based community or residential services, and housing-based supportive services, including significant mainstream programs and services to prevent homelessness.

HCD Programs: EHAP-CD, FESG and HPRP

The Department's Emergency Housing Assistance Capital Development Program (**EHAP-CD**), funded through the passage of Proposition 46 and Proposition 1C, is the State's leading source of funds for capital development activities for homeless shelters. To date, EHAP-CD has provided more than $211 million to 340 local governments and non-profit organizations to preserve or create a total of 13,509 shelter spaces.

The Department, through HUD formula grants under McKinney-Vento, administers the Emergency Shelter Grant (**ESG**) program by providing "operating grants" to non-entitlement cities and counties and non-profit organizations serving the homeless and those at risk of becoming homeless. Commencing with federal fiscal year 2012 (2011-2012), the ESG program will evolve into a combination of ESG and HPRP-type activities under the new HEARTH ACT of 2009, currently awaiting the drafting of HUD regulations. ESG will become the Emergency Solutions Grant program starting in 2011, with a greater emphasis on homeless prevention.

HPRP is a three-year grant program scheduled for completion by September 10, 2012, to provide funding to units of local government and non-profits serving the homeless and those at risk of becoming homeless, through case management, short-term and medium-term rental assistance, utility deposits, security deposits, legal assistance regarding eviction proceedings, and moving costs.

The State provides other funding for homeless services under various programs including, for example, workforce development, temporary assistance to needy families (TANF), supplemental security income (SSI), veteran services, unemployment compensation, workers compensation, foster care, and affordable rental housing. Some programs, such as the TANF Homeless Assistance Program (HA), provide assistance to those at imminent risk of becoming homeless. TANF HA also provides non-recurring cash assistance to families who are already homeless. HCD continues to assist homeless persons by funding activities of service and housing providers to promote self-sufficiency and provide transitional and permanent housing, and through its collaborative efforts with other State agencies and departments.

PATH

The State also receives formula grants under the McKinney Projects for Assistance in Transition from Homelessness (**PATH**) Program, administered by the Department of Mental Health (DMH), and provides funding for housing and supportive services in residential settings. HCD continues to work with DMH to develop policy and program guidelines to promote collaborative efforts in the area of supportive housing, including participation on the Supportive Services Council and Mental Health Planning Council.

The Department and DMH jointly manage the California Statewide Supportive Housing Initiative Act (SHIA), created in 1998 to develop affordable housing linked to supportive services in mental health, substance addiction, employment training, and other topics.

The intent of this act is to provide incentives and leverage to local governments and the nonprofit and private sectors to invest resources that expand and strengthen supportive housing opportunities.

Governor's Homeless Initiative (GHI)

On August 31, 2005, Governor Schwarzenegger announced an initiative to end long-term homelessness in California by providing integrated permanent housing and services to the long-term homeless in partnership with local governments and the private sector by leveraging State funds for mental health services and housing available through Propositions 46, 1C and 63 (the Mental Health Services Act). The Governor directed HCD, the California Housing Finance Agency (CalHFA), and the Department of Mental Health (DMH) to develop an integrated joint funding package to finance permanent supportive housing for chronically homeless persons with severe mental illness. Residents of this housing receive supportive services from county mental health departments, using Mental Health Services Act (MHSA) funds.

Since a NOFA was issued on November 15, 2005, the GHI has awarded more than $36 million to assist the development of twelve permanent supportive housing projects for chronically homeless persons with severe mental illness. These developments will provide 420 new and rehabilitated affordable housing units, including 297 units with social services. This effort directly contributes to the GICH's goal of ending long-term homelessness. Also during this five-year period HCD's Federal Emergency Shelter Grant program (FESG), Emergency Housing and Assistance Program (EHAP) and EHAP Capital Development component (EHAPCD) have awarded more than $161 million to build, rehabilitate, operate and provide social services for homeless shelters and transitional housing developments throughout the state.

Federal and State Interagency Councils on Homelessness

In February 2011, HCD recommended to the Governor's Office that the Administration should designate a lead agency to serve as the State's liaison with the U.S. Interagency Council on Homelessness, and should reactivate the State Interagency Council on Homelessness. HCD has been designated as California's representative on the federal Council.

The original State council, known as the Governor's Inter-Agency Council on Homelessness, was comprised of public, private and non-profit entities committed to ending long-term homelessness, ensuring coordination of efforts, and maximizing the use of resources. It was never abolished, but has not met for some time. This Council can again bring together State and federal agencies and departments, local social service, health, law enforcement and other local agencies, local elected officials, non-governmental providers of services to the homeless, homeless advocates and the philanthropic community, to build and operate housing that is accompanied by services for residents.

HIV/AIDS and HOPWA

CDPH-Office of AIDS (OA) is the State's clearinghouse agency for statewide programs and activities that pertain to HIV/AIDS. The OA emphasizes the integration of representatives of HIV/AIDS service agencies, other State departments (such as Corrections, Housing, Rehabilitation, Mental Health, Developmental Services and Alcohol and Drug Programs), local health departments, University-wide AIDS Research Program (University of California San Francisco), and others in information gathering, research and decision-making processes. The ad hoc Interagency AIDS Coordinating Council includes numerous State departments in the review of AIDS service delivery and prevention/education efforts.

The HOPWA Program is based within the CDPH-OA to ensure that all HIV/AIDS service programs, including housing assistance, are coordinated at the State and local levels.

State Housing Element Law

Changes to State housing element law (Chapter 633, Statutes 2007) clarify and strengthen this law to promote certainty in zoning and approvals for emergency shelters and transitional and supportive housing. Generally, Chapter 633 amends housing element law in terms of planning (Government Code Section 65583) and approval (Government Code Section 65589.5) for emergency shelters and transitional and supportive housing as follows:

- At least one zone shall be identified to permit emergency shelters without a conditional use permit or other discretionary action.
- Sufficient capacity must be identified to accommodate the needs for emergency shelters and at least one year-round emergency shelter.
- Existing or proposed permit procedures and development and management standards must be objective and encourage and facilitate the development of or conversion to emergency shelters.
- Written and objective standards may be applied as specified in statute, including maximum number of beds, provision of onsite management, length of stay and security.
- Transitional and supportive housing shall be considered a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone.
- Limits denial of emergency shelters, transitional housing or supportive housing by requiring specific findings.

- Some findings shall not be utilized if new planning requirements of Chapter 633 are not met such as identifying a zone without a conditional use permit.

The housing element continues to be a unique and essential tool in planning for the State's special housing needs population as well as broader planning objectives. For example, over 95 percent of the jurisdictions that have adopted housing elements have committed to amend zoning to facilitate the development of emergency shelters consistent with Chapter 633, Statutes of 2007. Most zoning is anticipated to be amended by the end of 2012. In addition, most of these zoning amendments will permit transitional and supportive housing as a residential use, and thereby reduce regulatory barriers to their development. As a result, Chapter 633 and housing element updates will create tremendous opportunities to address homeless needs and housing for persons with disabilities.

Further, the housing element has served as a vehicle for extensive additional commitment to update zoning codes and establish procedures to better address the housing needs of persons with disabilities pursuant to the Americans with Disabilities Act (ADA). These commitments range from ensuring that local zoning reflects and accommodates a range of family types to adopting reasonable accommodation procedures to provide zoning exceptions for persons with disabilities.

Strategies to Overcome Barriers to Affordable Housing

To maintain compliance with applicable HUD regulations and as a requirement of receiving federal funds, the Department conducts the Analysis of Impediments to Fair Housing Choice (AI) to describe California's existing fair housing conditions and implementation strategies for addressing the identified needs using State, local, private, and federal resources.

The Department's 2010 Community Needs Survey, completed during the update of the State's 2010-2015 Consolidated Plan, surveyed and compiled information on local efforts to remove barriers and identify potential constraints to fair housing. In addition, in Fall 2010 the Department signed a letter of special assurances with HUD committing the Department to conduct a complete updated analysis of impediments to fair housing choice (AI). As part of this effort, Department staff have been meeting with community organizations and local advocates to define the scope of work, identify potential impediments that will be analyzed and discuss efforts to address fair housing concerns.

The AI will examine and assess major demographic conditions and trends that may influence the State's Fair Housing Objectives, and will be used to develop recommendations relevant to government, the private sector and other interested stakeholders.

Specifically, demographic information to be collected and analyzed on a statewide and regional basis will include population, economic data, geographic distribution of households occupied by members of a protected class (e.g., race, color, religion, sex, national origin, familial status, disability), and income level wherever available, and projected housing need by protected class, number of units and households, vacancy, overpayment, and special needs populations.

The analysis will incorporate existing conditions, statewide efforts to address fair housing issues and enforcement, an overview of State agencies and departments involved in implementing State housing law, fair housing law and aspects of fair housing practices in finance programs, and identification of State Department of Fair Employment and Housing (DFEH) employment and housing complaints. The AI will identify any State-eligible CDBG and HOME jurisdictions where a disproportionate need exists and analyze the siting of CDBG- and HOME-funded housing developments, particularly in areas of minority and lower-income over-concentration, and the potential impacts of this siting on providing fair housing choice.

In order to identify disparities in the distribution of federal funds, the updated AI will also include a 5-year analysis of which jurisdictions were eligible, which ones applied, which were funded or not funded, what activities they applied for and how much money was applied for and received by type of housing activity. Eligible jurisdictions will be surveyed for information on their current fair housing practices and constraints in order to identify potential impediments to fair housing choice.

Other Actions

California posted the nation's third highest state foreclosure rate in February 2011, with one in every 239 housing units with a foreclosure filing, according to a March 9, 2011 market report from RealtyTrac. "With 56,229 properties with a foreclosure filing, California accounted for 25 percent of the national total in February. Seven California metro areas posted foreclosure rates in the top 10, led by Modesto at No. 2, with one in every 140 housing units with a foreclosure filing, and Stockton at No. 3, with one in every 141 housing units with a foreclosure filing. Also in the top 10 were Riverside-San Bernardino-Ontario at No. 5 (one in 144 housing units); Vallejo-Fairfield at No. 6 (one in 147 housing units); Merced at No. 7 (one in 153 housing units); Bakersfield at No. 8 (one in 166 housing units); and Sacramento-Arden-Arcade-Roseville at No. 10 (one in 189 housing units)."

To address the growing foreclosure problem, the State launched a public awareness campaign to educate homeowners about options that can help them avoid losing their homes to foreclosure. The $1.2 million campaign, funded through existing consumer education efforts within the Business, Transportation and Housing Agency and the State and Consumer Services Agency, does the following:

- informs borrowers about their options;
- urges borrowers to work with lenders before foreclosure;
- encourages the use of nonprofit housing counselors; and
- partners with local leaders and trusted organizations, like churches and community groups, to further the goals of the campaign.

The following resources are also available to homeowners:

- The "HOPE Hotline" (1-888-995-HOPE or http://www.995hope.org), provides free mortgage counseling 24 hours a day, seven days a week.
- A website with helpful information for prospective homebuyers, as well as homeowners who are experiencing difficulty in keeping payments current: http://www.yourhome.ca.gov/ and the Spanish language version: http://www.sucasa.ca.gov/.

Keep Your Home California Programs

The California Housing Finance Agency in early 2011 launched the Keep Your Home California programs, to provide nearly $2 billion in federal funding to avoid foreclosure for approximately 95,000 borrowers and provide relocation assistance for another 6,500 people who lose their homes.

Primary objectives for the Keep Your Home California programs include:

- Preserving homeownership for low and moderate income homeowners in California by reducing the number of delinquencies and preventing avoidable foreclosures
- Assisting in the stabilization of California communities

Each of the Keep Your Home California programs is designed to address one or more aspects of the current housing crisis by doing the following:

- Helping low and moderate income homeowners retain their homes if they either have suffered a financial hardship such as unemployment, have experienced a change in household circumstance such as death, illness or disability, or are subject to a recent or upcoming increase in their monthly mortgage payment and are at risk of default because of this economic hardship when coupled with a severe decline in their home's value.
- Creating a simple, effective way to get federal funds to assist low and moderate income homeowners who meet one or all of the objective criteria described above. Speed of delivery will be balanced with fulfillment of the specific program's mission and purpose.
- Creating programs that have an immediate, direct economic and social impact on low and moderate income homeowners and their neighborhoods.

Under recent U.S. Treasury-approved program changes in these programs, California homeowners who,through refinancing or home equity lines of credit accessed the equity in their homes, could now be eligible to receive assistance for the following programs: Unemployment Mortgage Assistance, Mortgage Reinstatement Assistance and Transition Assistance. These same programs have also been expanded to include mortgages that were originated after January 1, 2009. (Homeowners who were previously disqualified for one of these reasons are being contacted and offered an opportunity to reapply. Those homeowners are also welcome to contact the Keep Your Home California call center at 888.954.5337.)

In total, the Keep Your Home California web site has been visited over 40,000 times and more than 2,000 California homeowners are of receiving help through one of the programs.

All of the programs are designed specifically for low or moderate income homeowners who are either unemployed or are facing another financial hardship, have fallen behind on their mortgages and owe significantly more than the value of their homes. Specifically, the Keep Your Home California programs with expanded eligibility are:

• Mortgage assistance of up to $3,000 per month for unemployed homeowners who are in imminent danger of defaulting on their home loans.

• Funds to help homeowners who have fallen behind on their mortgage payments due to a documented financial hardship. The program will provide up to $15,000 per household to reinstate mortgages to prevent foreclosures.

• Funds for relocation assistance for homeowners who have concluded that they don't have the resources to remain in their homes and have initiated a short sale or deed-in-lieu of foreclosure.

A full description of the programs can be found at www.KeepYourHomeCalifornia.org

Finally, HCD will continue to participate in meetings with other State departments, professional associations, including the Council of State Community Agencies, the California Rural Housing Coalition, the National Association of Housing and Redevelopment Officials, the Association of California Redevelopment Agencies, the California Association for Micro-Enterprise Opportunity, the California Association for Local Economic Development and a host of other organizations that have an interest in the State's implementation of HUD-funded programs. These efforts facilitate discussion of potential program commonalities, maximize resources, integrate eligibility requirements where possible, share "best practices" and promote collaboration efforts at the local level.

Community Development Block Grant (CDBG)

Funds Available and Fund Allocations

The State's CDBG Program has received an allocation of $35,841,830 from HUD for 2011-12. After removing allowable administration costs, the total amount available for Local Assistance is estimated to be $34,496,575. The Department will make this funding available to qualifying local jurisdictions in addition to funding made available through disencumbrances or funds returned to the State.

HCD received additional funds under the 2009 Disaster Recovery Inititive (DRI) for the Disaster Recovery Enhancement Fund (DREF) of up to $15 million, and anticipates additional funding for NSP 3 in the approximate amount of $11,872,089. Further information on NSP 3 and DRI/DREF is included below.

The NSP 3 funding is to be used in the rehabilitation of foreclosed single family residential units to become rental housing for households at or below 80 percent of Area Median Income (AMI). A minimum of $1,944,255 of the total award is to be used for very low income households, which are at or below the 50 percent of AMI level.

CDBG funds are allocated by program area as listed here, and as shown on the allocation chart later in this chapter. The chart shows the Local Assistance total amount (estimated at $38,201,646) to be allocated to the program areas after removing allowable State administration costs (3.7 percent) from the total allocation above. The program areas are:

<u>Colonias</u>: Section 916 of the National Affordable Housing Act of 1990, as amended, established an annual set-aside for activities benefiting the residents of Colonias. In accordance with direction from HUD, the State will set aside 5 percent of the allocation, an estimated $1,724,829 for Colonias in 2011-12.

<u>Economic Development (ED)</u>: California Health and Safety Code (H&S) 50827 and Title 25 of the California Code of Regulations (CCR) Section 7062.1 require the Department to set aside 30 percent of the annual federal CDBG award for ED activities. This amount is expected to be $9,148,973 for 2011-12. This amount reflects $1,200,000 being set aside for ED-PTA activities as noted below. The full 30 percent set-aside for ED is expected to be $10,348,973.

<u>Economic Development - Planning and Technical Assistance (ED PTA)</u>: This amount will be approximately $1,200,000 for 2011-12.

<u>General Allocation</u> The General Allocation does not have a prescribed set-aside. The amount available is the amount remaining after the mandated set-asides for other program areas. For 2011-12, this is estimated to be $20,791,567.

<u>General - Planning and Technical Assistance (PTA)</u> Pursuant to H&S Code Section 50833(b), the Department will determine and announce in the NOFA the percentage of the general CDBG Allocation to be set aside for general planning and technical

assistance (PTA) grants. The Department anticipates this amount will be $1,200,000 for 2011-12.

Native American Activities: Pursuant to H&S Code Section 50831 and Title 25 CCR 7062, the State annually sets aside 1.25 percent of its CDBG award for grants to non-recognized tribes and Rancherias. This amount is expected to be $431,207 for 2011-12.

Match: The State program will satisfy the federal 2 percent match requirement by using the State General Fund allocation and in-kind contributions from the Department.

2011-2012 Goals and Objectives

The primary 2011-2012 objectives of the HCD CDBG program are:

1) Improve life in California cities and counties by helping to provide decent housing, a suitable living environment, and expansion of economic opportunities primarily for targeted populations.
2) Make grants available to eligible jurisdictions where 51 percent of program funds will provide or improve housing opportunities for targeted income groups, or toward activities that are directly related to the provision or improvement of housing opportunities for targeted groups. This may include, but is not limited to, the construction of infrastructure (CCR 7052).
3) Reduce the amount of grant funds held unexpended by grantees to the HUD recommended maximum of two times the annual grant amount.

To achieve the primary objectives, staff and management have set the following program goals for 2011-12:

1. Increase the State expenditure rate by reviewing and streamlining the distribution of funds, starting with the contract development phase, and the timely expenditure of funds by grantees.

2. Consider improvements to the Economic Development allocation to address customer-identified problems, such as: underwriting review, contract length, and complexity of the Over the Counter process.

3. Increase monitoring and technical assistance efforts by conducting more site visits to help ensure compliance with federal overlay requirements and provide guidance on how to maximize the use of CDBG Economic Development resources.

4. Review and update CDBG program regulations to improve administrative procedures. Changes are needed to reflect current business practices and improve program performance.

5. Review and streamline internal processes, including rating and ranking, to ensure a competitive advantage for jurisdictions with demonstrated need, capacity, and a high level of readiness to perform. Evaluate the feasibility of increasing the visibility and transparency of the HCD competitive application scoring process.

6. Consider a review of the Program Milestones for their value in reducing grantee expenditure rate goals for the State.

7. Review the State Program Income rules to determine if they benefit or hinder the State's expenditure rate.

8. Analyze the current rating system and make necessary changes to ensure, as much as possible, that there is a level playing field for all eligible activities.

9. Evaluate whether non-housing activities such as public services, public facilities and community facilities should receive an additional priority.

10. Consider improvements to the Planning and Technical Assistance NOFAs to address customer-identified problems, such as: high level of competition, short time period to prepare applications, total amount of available funding, and types of applications.

11. Consider awarding applications to address fair housing impediments.

12. Explore consolidating all CDBG activities into one NOFA to be released in January of each year.

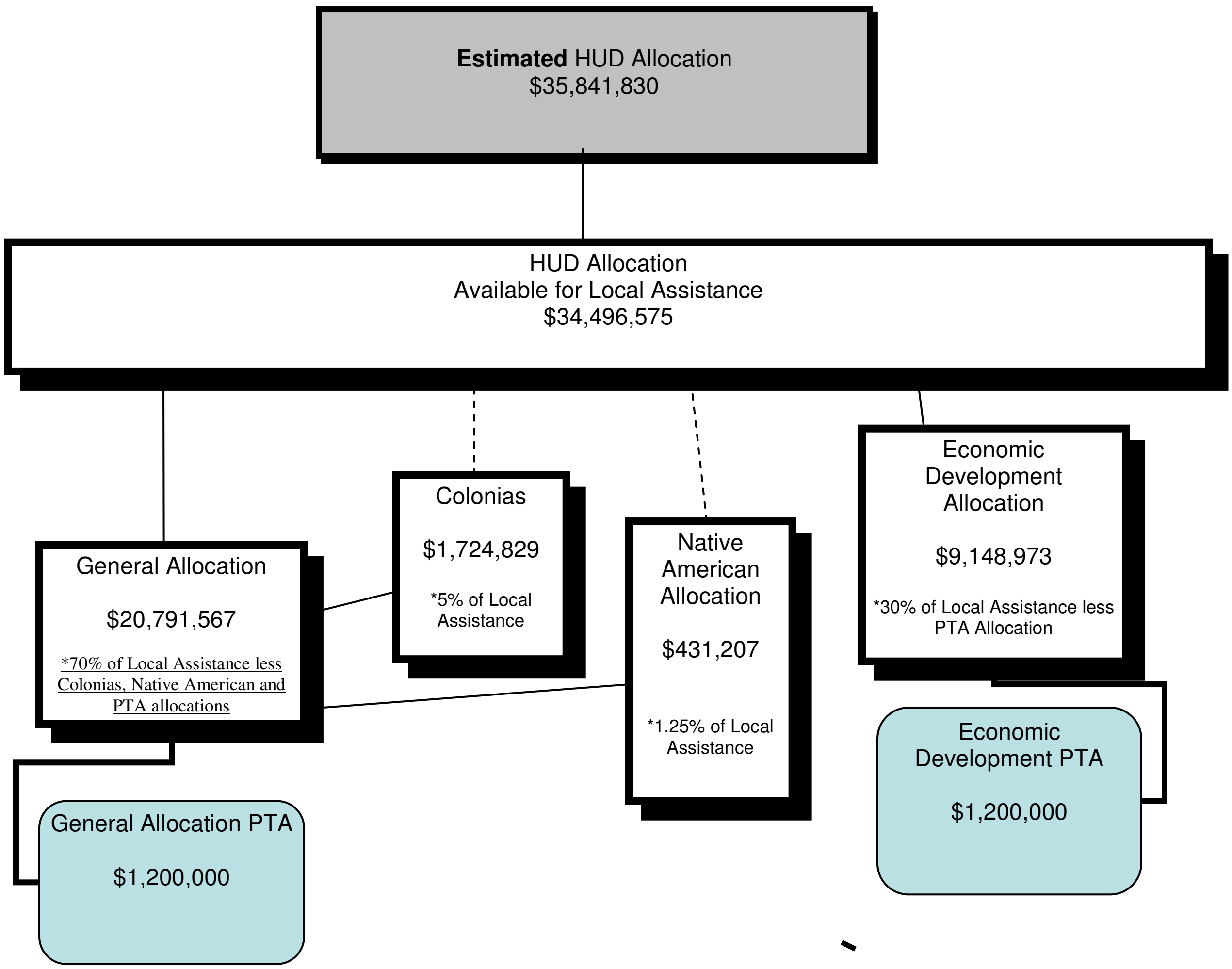
Eligible Jurisdictions

The CDBG Program anticipates having approximately 166 eligible jurisdictions that may qualify to participate during 2011-12, as well as two Native American Tribes that are eligible to apply for DRI/DREF funding.

The 166 eligible jurisdictions include incorporated cities under 50,000 population and counties with an unincorporated area population of fewer than 200,000 persons. Eligible cities and counties may apply for CDBG funding under the various programs made available by the State. The only exceptions are: 1) cities under 50,000 in population that have entered into a three-year urban county Cooperation Agreement with HUD and, 2) any city under 50,000 in population declared a central city of a Standard Metropolitan Statistical Area. Both exceptions are eligible to receive CDBG funds directly from HUD as Entitlement Jurisdictions.

Many of the eligible jurisdictions are concentrated in central and northern California primarily because they are located in rural areas. Most cities in urban areas participate as Entitlement Jurisdictions. Eligible jurisdictions range in population from cities with fewer than 500 people to counties with unincorporated area populations of more than 170,000. Information on eligible jurisdictions is included in Appendices A and B.

State of California
Estimated CDBG Program, 2011-12 Allocation



Methods of Distribution

This section discusses the State's method of fund distribution for last year (2010-11). However, the State may change its method of distribution toward the end of 2011. If so, an amendment to the Annual Plan and an opportunity for public comment will precede the implementation of changes.

Funds will be distributed pursuant to federal CDBG regulations (CFR 24 Part 570), California CDBG regulations (CCR Title 25, Sections 7056, 7060, 7064, 7072, 7078, 7062.1), and California Health and Safety Code (H&S) Sections 50832, 50833, and 50834. The following describes the current method of distribution for each CDBG program component:

Colonias: This component of the CDBG Program provides direct community development benefits to Colonias located in the non-metropolitan border region. A Colonia is a distressed, non-entitlement jurisdiction within 150 miles of the California-Mexico border. All cities and counties eligible under the State CDBG (non-entitlement) Program that contain Colonias may qualify. The amount applied for under the Colonias Allocation does not count against funding limits for the CDBG General and ED Allocations. The Department typically issues a funding notice for Colonias once every two years with a competitive award process.

Economic Development (ED):

- Enterprise Fund: Under State regulations HCD determines what percentage of ED funds will be set aside for Enterprise Fund applications based on prior years' demand. Grantees make loans to businesses to create or retain jobs, fund infrastructure improvements needed to accommodate business expansion or retention projects, or fund micro-enterprise assistance activities that will foster the development of micro-enterprises. Projects for which $250,000 or more is requested must be reviewed by the CDBG ED Loan Advisory Committee, and HCD reserves the option to take projects that are immediately under this threshold to the Committee for recommendation to the Director. The Department typically issues an annual funding notice for this award process.

- Over-the Counter (OTC) ED Component: State law requires a separate NOFA for this component, which funds "ready-to-go" business expansion, public infrastructure in support of rental housing developments, or job retention projects. All projects under this component are presented to the ED Loan Advisory Committee for recommendation to the Director. The Department will entertain applications on an ongoing basis.

- ED Planning and Technical Assistance (PTA): State law requires the Department to determine and announce in the NOFA the amount available for PTA activities. The Department typically issues a combined General and ED PTA funding notice. Funding decisions are made on a first-come, first-served basis, based on eligibility threshold criteria.

General Allocation: This component funds a variety of CDBG-eligible activities. The Department typically issues an annual NOFA, and reviews applications through a competitive rating and ranking process. States may fund up to 65 different activities under the CDBG Program. Primary activities include housing rehabilitation, homeownership assistance, public facilities, public services and public improvement activities, and new housing construction in limited circumstances.

General PTA: The Department makes this funding available through a single-funding cycle announced annually by NOFA. Funding decisions are made on a first-come, first-served basis, based on eligibility threshold criteria.

Native American: Under the Native American program, funding decisions are made through a competitive rating and ranking process. Primary activities include housing rehabilitation, homeownership assistance, public facilities, public services, public improvements, and new housing construction in limited circumstances.

Application Review & Award Amounts

CDBG funds are awarded by the Department, primarily through a competitive process, to non-entitlement local governments which do not receive formula CDBG grants directly from HUD. The General, Native American and Colonias applications are evaluated according to the criteria prescribed by CCR Section 7078 and are ranked according to the total number of points received. Activities that provide relatively high percentages of benefits to low-income persons, and address serious community development needs, receive the most points. Other rating factors include community poverty rate, local capacity, past performance, other funding, and projects meeting one or more State objectives.

Economic Development
Under the ED Allocation, maximum award amounts are as follows:

- California Community Economic Enterprise Fund: Applications will be evaluated using the criteria described in CCR Section 7062.1(b). The principal evaluation criteria are local need for the program, capacity to operate the program, commitment of other funding, and existence of a local ED plan. Eligible CDBG jurisdictions may apply for a maximum grant of $500,000 in 2011-12.

- OTC ED Component: OTC applications will be evaluated based on criteria described in CCR Section 7062.1(c), consisting principally of unemployment rate, CDBG funds per job, other funding, past performance, and low administrative funding requested. If the application receives half the available points under these criteria, it is further evaluated for feasibility, capacity, terms, ownership, relocation of jobs, and opportunities for low-income job seekers. The maximum award amount is $2.5 million per application per program year. Applicants may apply for up to $5 million over a two-year period.

Any new funding cap established in a NOFA may be waived for the ED Allocation if funding is still available after September 1st of each program year. Unless a waiver of the funding cap is approved, no single jurisdiction may receive more than the maximum amount established in a NOFA (formerly $1.3 million) for total funding from the General and ED Allocations.

Colonia and General Allocation

Pursuant to CCR 7064, Colonia and General Allocation maximum awards are as follows:

- The maximum award per application under the General/Colonia Allocation is $800,000.
- Each application will be limited to one of the following scenarios:
  - Up to $400,000 for one of the following programs: housing rehabilitation or public services or homeownership assistance.
  - Up to $600,000 for a housing combination program consisting of a housing rehabilitation program and a homeownership assistance program. Grantees may transfer funds between the two activities as needed, with written approval from HCD.
  - Up to $800,000 for two programs, one of which is a housing program (rehabilitation or homeownership assistance), and the other of which is a public service program (up to five public service activities), each program with up to $400,000.
  - Up to $800,000 for up to two eligible projects (public improvements, public improvements in support of new housing construction, public facilities, multi-family rehabilitation, real property acquisition or new housing construction).
  - Up to $800,000 for a combination of one eligible program (up to $400,000) and one eligible project, or a combination of a housing combination program (up to $600,000) and one eligible project.

A 10 percent set-aside of General Allocation funds is allowed for any CDBG-eligible activity, limited to one activity per application. This activity will not be rated and ranked, but the application must include all documents related to it.

PTA Grants

The Department divides the PTA funds into the General Allocation and the ED Allocation. Applicants can request up to $70,000 under the General Allocation and $70,000 under ED for project-specific planning activities. In addition, under the ED Allocation, an applicant can apply for up to $70,000 for preparation of one or more OTC funding applications or for an application for Enterprise Zone designation. If an applicant does not request a full $70,000 in planning funds for a project-specific activity, then it may request up to $35,000 for one or more proposed studies not directly related to a specific project. All applications must meet the threshold criteria in H&S Code Section 7056.

Native American: The maximum award from the Native American Allocation is $800,000 per eligible Native American tribe or area. Funds will be awarded to applicants with the highest overall score until available funding is exhausted. Consistent with a competitive application process, there is no assurance that all applications will be funded. Amounts applied for under this allocation do not count against any General or ED Allocation limits.

Program Income

During 2011-12, the State anticipates CDBG-eligible jurisdictions will receive program income of approximately $8,500,000. Most of these funds will be obligated in accordance with approved local Program Income Reuse Plans. At least 40 percent of program income is typically expended through housing rehabilitation, housing acquisition/homeownership assistance, economic development assistance to businesses, and micro-enterprise revolving loan accounts. Some is expended through other activities in open CDBG grants.

Section 108 Loan Guarantees

HCD has not issued any Section 108 loan guarantees, and has no plans to do so in 2011-12.

Float-Funded Activities

The State has not undertaken a float-funded activity and has no plans to do so in 2011-12.

Antidisplacement and Relocation Assistance Plan

Please refer to Appendix E.

Monitoring

CDBG will continue to use a risk assessment tool to measure risk by jurisdiction for non-planning General Allocation and ED Allocation grants to determine which of these grants require on-site monitoring. On-site monitoring of high-risk General Allocation and ED Allocation grants, along with some desk monitoring of the remaining grants (Planning and Technical Assistance grants, for example) and current tracking system for grantee reporting, will ensure long-term compliance with requirements of the program, including comprehensive planning requirements.

Performance Measurement

CDBG has incorporated HUD's new performance measurement system into its application and report forms as detailed in the final rule on performance measures published by HUD on March 7, 2006 (FR-4970-N-02).

Once funded, grantees are required to collect data and report on their accomplishments, which the State enters into IDIS. HCD has pre-determined specific output indicators based on the type of activity. Most of these indicators are the same as those used in the past. New information and instructions concerning Performance Measures are included in the updated Grant Management Manual, Chapter 12, available on HCD's website at http://www.hcd.ca.gov/fa/cdbg/manual/

Stimulus Funding Programs

The following information on the Neighborhood Stabilization Program and the American Recovery and Reinvestment Act are general descriptions based on the statutes. As needed, HCD will develop more detailed amendments to the Consolidated Plan in response to HUD regulations for these Acts.

Neighborhood Stabilization Program (NSP 3)

(These funds have been applied for but not awarded as of March 2011 – this section is included in anticipation of these funds being awarded.)

Primary Objective

The Dodd-Frank Act specifically cited that rental housing be given a priority focus for NSP 3 funding. Foreclosed single family residential units will be acquired, rehabilitated and rented to very low income households in the areas of greatest need. Hiring local workers (defined as those that reside within the area of greatest need neighborhood) will further help stabilize the communities.

Program Goal

All NSP 3 funds must be expended within 3 years of the grant from HUD. The purpose is to provide affordable rental housing for very low income and low income households in the areas that continue to experience the impacts of the foreclosure crisis. Foreclosed homes will be acquired and rehabilitated, including green and energy efficiency retrofits when feasible, to ensure long term affordability.

A minimum of 25 percent of NSP 3 funding will be used to assist households at or below 50 percent of the area median income (AMI), with the remaining funds assisting households at or below 80 percent of AMI.

Funds Available

HUD allocated approximately $149.3 million to 46 cities and counties in California, and $7,777,019 to the State of California.

Eligible Applicants

HCD identified the eligible applicants by identifying the areas of greatest need according to these criteria:

1. No other NSP 3 funds awarded to the jurisdiction,
2. NSP Need Score (as set by HUD) at or above 18,
3. Unemployment at or above 15 percent and
4. Capacity (previous NSP experience).

The Substantial Amendment to the Action Plan, listed on the HCD website at www.hcd.ca.gov/fa/nsp/nsp3.html, identified the City of Yuba City, the County of Yuba and the City of West Sacramento, that fell within the parameters.

Distribution of the NSP 3 Allocation

The Department will award NSP 3 funds based on the following calculations: One half of the funds will be divided equally between the applicant jurisdictions. The remaining half of funds will be divided proportionally to the number of units that need assistance.

Each participating jurisdiction is required to use 25 percent of the funds, including 5 percent general administration, to benefit households at or below 50 percent of AMI.

Eligible Use of Funds

All funds are to be used to help individuals and families whose incomes do not exceed 80 percent of AMI, including at least 25 percent of the funds be used to house individuals and families whose incomes do not exceed 50 percent of AMI. Any profit from the sale, rental, rehabilitation or redevelopment of these properties will be reinvested to further activities under the program. NSP 3 funds will be used to acquire and rehabilitate foreclosed single family residential properties (1-4 units), to be used as rental housing for income eligible households.

Program Income

Program income generated from NSP 3 must be reused within 90 days, or remitted to the Department. The Department plans to reallocate remitted program income.

Monitoring

HCD will monitor grantees per NSP 3 federal register guidance, by conducting on-site reviews of any sub-recipients, designated public agencies, and units of general local government deemed necessary or appropriate to meet the requirements of 42 U.S.C. 5304(e)(2). The Department will use a system similar to the State's existing CDBG Program monitoring policies and procedures to ensure compliance with federal guidelines. This includes oversight for compliance with the requirements for the prevention of fraud, waste, and abuse of funds. Monitoring will address program compliance with contract provisions, including national objectives, financial management, the requirements of 24 CFR Part 85 relating to procurement, and all applicable federal overlay requirements. The State will also meet all HUD requirements for reporting on each NSP 3 grant and/or sub-grant that is required through HUD's Disaster Recovery Grant Reporting (DRGR) system.

Performance Measurement

The Department will comply with Performance Measurements specifically established for NSP 3. Performance measurement data will include the following:

a. The proposed number of foreclosed homes to be purchased from lenders at a minimum discount of one (1) percent,

b. The proposed number of homes to be rehabilitated,

c. The proposed number of homes that will be made available as affordable rental housing for by income-eligible low and moderate-income households (LMMH) as homebuyers,

d. The proposed number of beneficiaries by income level, including individuals and families under the 50-percent AMI directly assisted with NSP 3 funds.

Disaster Recovery Initiative/Disaster Recovery Enhancement Fund (DRI/DREF)

Primary Objective

HUD allocates the Disaster Recovery Enhancement Fund (DREF) to the State for use with the DRI Program. Specific requirements for using DREF funds were published in the State's Amendment #1 to the DRI Action Plan. To use these funds, eligible jurisdictions must budget their DRI awards for use in "forward thinking mitigation, enhancements, and land use planning activities."

In 2008, California experienced a wildfire siege of the greatest magnitude in the history of the State, which resulted in the issuance of two Presidential Disaster Declarations. On June 28, 2008 President Bush issued an emergency management disaster declaration through the Federal Emergency Management Administration (FEMA 3287-EM), which included Butte, Kern, Mariposa, Mendocino, Monterey, Plumas, Santa Barbara, Santa Clara, Santa Cruz, Shasta, Trinity counties, and the Hoopa Valley Indian Tribe and Yurok Indian Tribe of the Yurok Reservation.

On November 18, 2008, the President issued a disaster recovery declaration through the Federal Emergency Management Administration (FEMA 1810-DR) for disasters from wildfires in Los Angeles, Orange, Riverside and Santa Barbara counties. Costs stemming from 2008 wildfire damage, destruction and loss of property were estimated at well over $1.3 billion.

The primary objectives of the 2008 DRI Program, including the DREF allocation, are to provide financial assistance to eligible jurisdictions (Counties, Cities and Tribes) for necessary expenses related to disaster relief, long-term recovery and restoration of infrastructure, housing and economic revitalization in areas affected by wildfire disasters occurring in 2008.

The primary objectives for the 2008 DREF allocation are:

- Provide incentives to eligible jurisdictions to incorporate enhanced mitigation techniques (designs and materials) as part of their repair and rehabilitation activities, by providing an additional $15,000,000 to help cover the higher costs of the enhanced designs and materials that increase mitigation within individual projects.

- Provide incentives to eligible jurisdictions to incorporate forward thinking hazard mitigation planning in their recovery efforts (eg, creation/update of Local Hazard Mitigation Plans (LHMPs), or, creation/update of Safety Elements in General Plans).

- Provide incentives to eligible jurisdictions to incorporate updated building codes, and code enforcement, as repair and rehabilitation projects are constructed and completed.

HCD Program Goals

1) Conduct outreach to all eligible entities by:
   a) Traditional posting and electronic delivery of public notice, action plan amendment announcing the DREF allocation, amendment to the DRI NOFA and application to all jurisdictions (statewide), and instructions delivered to jurisdictions that previously applied for DRI funding.
   b) Posting and maintaining available information and related forms on HCD web-site.
   c) Direct individual contact with jurisdictions that have already applied for DRI funding.

2) Provide technical assistance to ensure compliance with federal overlay requirements and maximum use of available DRI and DREF resources.

3) Streamline funding recommendation process to allow timely distribution of funds. The Department has elected an Over-The-Counter (OTC) process to speed the processing of applications and delivery of funds.

4) Verify compliance with all federal overlay requirements via the approved CDBG monitoring plan.

Funds Available

HCD received approximately $39.5 million in Disaster Recovery Initiative (DRI) grants for 2008 California wildfire disasters, and $15 million in the DREF allocation.

The Department has budgeted $15 million for forward-thinking planning and other smart strategies to prevent or reduce damage from future disasters. Per the federal DRI Notice, this allowed the State to request an equal amount from HUD’s $311,602,923 discretionary DREF. This Enhancement Fund is designed to allow secondary allocations to grantees that anticipate still having unmet disaster recovery needs after developing and undertaking forward thinking recovery strategies and activities in a timely manner.

Eligible Jurisdictions

The DRI and DREF Programs anticipate having approximately 224 eligible jurisdictions. Eligible applicants include cities, counties, and two federally-recognized Native American Tribes within counties where the 2008 major disasters were declared. The following eleven counties and two Tribes were listed in major disaster declaration FEMA 3287-EM for 2008: Butte, Kern, Mariposa, Mendocino, Monterey, Plumas, Santa Barbara, Santa Clara, Santa Cruz, Shasta and Trinity counties, and the federally recognized Hoopa Valley Indian Tribe and Yurok Indian Tribe of the Yurok Reservation. Four counties were listed in major disaster declaration FEMA 1810-DR for 2008: Los Angeles, Orange, Riverside, and Santa Barbara counties. DRI and DREF funding is available to the above-named counties and tribes, and any city within the named counties.

Fund Allocation for DRI

Allocation of $39.5 million 2008 DRI funds:

- $18 Million for housing, infrastructure and economic recovery and revitalization.
- $15 Million for the development of forward-thinking land-use planning.
- $4.5 Million set-aside (per HUD) for affordable rental housing activities
- $2 Million (est. 5 percent) allowed by HUD for administrative costs.

Fund Allocation for DREF

(These funds will be added to the State's 2008 DRI award total.)

Allocation of up to $15 million DREF funds:

- Up to $15 million will be available to the State based on the amount budgeted and allocated to eligible jurisdictions for "DREF-eligible" activities.
- Funding may be allocated to eligible jurisdictions for any DRI-eligible activity, regardless of enhancements, so long as the same amount (up to $15 million) is allocated for DREF-eligible activities out of the original $39.5 million in DRI funds.

Methods of Distribution of the DREF

Funds will be distributed pursuant to the federal DRI Notice [Docket No. FR–5337–N–01], Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (U.S.C. 5121), and, as prescribed under federal (CFR, Title 24, Part 570 et seq.) and California (CFR, Title 25, Part 7050 et seq.) (CDBG program regulations).

All DREF Funding will be made available through an amendment to the established 2008 DRI NOFA and over-the-counter application process. The Department will review applications and make funding decisions as applications are received. Awards will be made on a first-come, first-served basis based on eligibility threshold criteria. DREF eligibility criteria were established by HUD and announced in the State's amendment to the DRI NOFA and will be independent of applicants' status with the State CDBG Program. If requests total less than the funds available, the balance may be distributed to existing applicants.

Eligible Activities

All DRI and DREF activities must meet at least one of three CDBG program national objectives: benefit to persons of low-and moderate income, aid in the prevention or elimination of slums or blight, or meeting other urgent community development needs where existing conditions pose a serious and immediate threat to the health and welfare of the community and other financial resources are not available. In addition, grantees must ensure and document that at least fifty percent of their funding will meet the National Objective of benefiting low- and moderate-income persons. The State is required to meet this percentage and is passing this requirement on to local jurisdictions. All DREF funds will be used in conjunction with already awarded DRI funds.

All activities funded with 2008 DRI allocations will be CDBG eligible in accordance with current Federal and state regulations, and all DREF allocations will be used for the same activities. The State may, at its discretion, allow DREF funds to be used for any DRI-eligible activity. Adherence to all current construction quality standards, applicable building codes, zoning ordinances, and cost-effective energy conservation standards will be required.

Primary 2008 DRI program activities, whether funded through the DRI allocation, the later DREF allocation or a combination of both, may include:

- Housing rehabilitation, reconstruction or replacement of residential structures;
- Homebuyer assistance to facilitate homeownership among low-and moderate income persons affected by the declared disaster, (down payment assistance, interest rate subsidies, loan guarantees);
- Repair, reconstruction or replacement of affordable rental housing;
- Community facility acquisition, construction, reconstruction or rehabilitation;
- Public works & infrastructure improvements in support of housing, including: installation/improvements of water and sewer facilities, streets and drainage;
- Code enforcement in deteriorated areas, e.g., those affected by disaster;
- Public services for social services required because of disaster, emergency shelter or transitional housing payments;
- Activities relating to energy conservation and renewable energy resources, incorporated into recovery;
- Housing new construction activities for replacement housing units damaged or destroyed as a direct result of the declared disaster;
- Acquisition of real property (including buying-out of properties in critical fire hazard areas and the acquisition of relocation property);
- Relocation payments and assistance for displaced persons, businesses, organizations, and farm operations;
- Individual Mitigation Measures (IMM) to improve residential properties making them less prone to damage;
- Forward Thinking Hazard Mitigation Planning activities (i.e., the creation/update of local Hazard Mitigation Plans, or, creation/update of Safety Elements in General Plans); and,
- General administrative activities

NOTE: Reimbursement of previously expended non-federal funds for 2008 DRI eligible activities may be eligible in some cases as described in the NOFA and Application.

Applicants within the eligible counties with no 2008 wildfire damage area may apply only for forward-thinking land use planning, such as general plan safety elements, LHMPs and modern disaster Codes (and associated Administration costs).

Under the 2008 DRI Amended NOFA, eligible applicants will be allowed to apply for grant amounts of up to $8,500,000 depending on the scope and number of eligible activities being applied for (see details in the NOFA Amendment and Application).

Program Income

Program income (PI) generated by DRI funds shall remain at the local jurisdiction. State staff will determine if PI repaid from activities funded under this NOFA are normal CDBG PI and will be tracked as such by the grantee's fiscal staff, or must be tracked as DRI PI and retain their identity as such. If the grantee is using DRI or DREF funds for activities already being funded with other CDBG funds, for example doing additional housing rehabilitation loans, then any DRI or DREF funds repaid will be returned to the local CDBG program income account. However, if the grantee is doing a new activity with DRI or DREF funds not already issued with CDBG funds, any repayments from DRI or DREF must be tracked as DRI program income. The State's decision about the type of program income generated from the proposed activities will be made at the time of initial award of DRI or DREF funds and that determination will be included in the grant contract between the State and the grantee.

Monitoring

Prior to expiration of the grant agreement, State staff will monitor each DRI grant recipient for compliance with State and federal overlays as described in the State's adopted CDBG monitoring plan. Monitoring checklists in the most recent grant management manual will be utilized and any issues found in the monitoring will be resolved prior to closeout of the grant. All DREF funding will be monitored as part of each jurisdiction's overall DRI grant.

Performance Measurement

Grantees will be required to collect data and report their accomplishments using procedures in the State CDBG program grant management manual, which requires completion of pre-determined specific output indicators based on type of activity. The State will track and report this information, to the extent possible, through HUD's on-line Disaster Recovery Grant Reporting (DRGR) federal grant reporting system.
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Home Investment Partnerships Program (HOME)

Funds Available

During 2011-12, the State HOME Program is expected to receive an allocation of approximately $55.9 million (including approximately $1.6 million reallocated to the State from jurisdictions giving up their HOME formula allocation). Of this amount, $4.1 million will be reserved for State administrative funds, leaving a minimum of approximately $51.8 million to be offered in the HOME NOFA.

2011-12 Goals and Objectives

Goal 1: Meet the housing needs of low-income renter households

HOME funds will continue to be used to support the development of rental housing for all types and sizes of low-income households.

Objectives:

1. Continue using State Objective bonus points to encourage lower rents than the standard Low and High HOME rents.
2. Continue to explore ways to make HOME rental projects more competitive for other sources of available public financing, and/or ways to make them more compatible with other financing programs.
3. Consider amending the State HOME regulations to reduce the number of points available for the Community Need rating factor, or to eliminate this rating factor.
4. Explore ways to assist HOME projects to recapitalize, if needed, after the end of the 15-year tax credit compliance period.
5. Continue evaluating HOME's existing portfolio to assess the need for additional assistance to projects that may have extenuating financial need and/or rehabilitation needs (i.e., "troubled projects").

Goal 2: Meet the housing needs of low-income homeowners

HOME funds may be used for both first-time homebuyer (FTHB) downpayment assistance programs and construction projects, as well as owner-occupied rehabilitation (OOR) programs. For more information, see Sections 8201 and 8205 of the State HOME regulations located at http://www.hcd.ca.gov/fa/home/.

Objectives:

1. Explore ways to provide development subsidies to FTHB construction activities.
2. In OOR situations, consider permitting a higher Loan to Value ratio or offering grants to the extent needed to finance substantial rehabilitation.

3. Explore ways to use HOME funds for homebuyer and rehabilitation activities that could otherwise be funded with State CDBG funds in order to increase use of State CDBG funds for non-housing activities.
4. Explore ways to provide grants or forgivable loans in certain cases such as when a development subsidy is needed for a FTHB construction activity.
5. Consider amending State HOME regulations to provide grants for the following, provided the house is also brought up to code: handicapped accessibility, asbestos and mold mitigation, energy efficiency improvements, fire sprinkler systems.

Goal 3: Address the housing needs of homeless and other special needs groups, including the prevention of homelessness

HOME funds may be used for acquisition, rehabilitation, or construction of permanent supportive housing for special needs populations, and transitional housing to provide temporary shelter to individuals and families who are currently homeless. HOME Program funds can also be used to provide Tenant Based Rental Assistance (TBRA), including security deposit assistance, to assist persons to access and maintain housing.

Objectives:

1. Offer additional funds and/or bonus points for rental projects providing deeper affordability.
2. Encourage applications for projects targeting special needs populations, as permitted under federal and State antidiscrimination and fair housing laws.
3. Explore ways to provide incentives for use of HOME funds with federal homeless resources administered by the Department.

Goal 4: Mitigate Impediments to Fair Housing

Objectives:

1. Continue monitoring fair housing activities, including providing technical assistance on community-wide marketing, and affirmative marketing plans for projects of five or more units.
2. Continue work on updating the Department's Analysis of Impediments to Fair Housing Choice (AI) as required by HUD, including exploring ways to affirmatively further fair housing in the distribution and use of HOME funds.

Eligible Applicants

Eligible HOME applicants include:

- Cities and counties not located in HUD-designated Participating Jurisdictions (PJs);
- Cities not participating in an Urban County Agreement with their county PJ;
- Cities and counties not part of a HOME Consortium; and
- State-certified Community Housing Development Organizations (CHDOs) proposing eligible activities within the CHDO service area and HOME-eligible locality.

For a tentative list of the approximately 220 HOME-eligible cities and counties, see Appendix A.

Eligible Activities

Pursuant to federal and State HOME regulations, HOME funds can be used for:

- new construction, acquisition, and/or rehabilitation activities;
- FTHB downpayment assistance;
- Tenant-Based Rental Assistance (TBRA); and
- certain administrative expenses.

Eligible activities may occur within programs or projects. Programs are activities without identified sites at the time of the HOME application. Program funds are provided in the form of grants to eligible cities and counties who then provide low-interest deferred payment loans or grants to individuals for specified activities. Projects are activities with identified sites at the time of the HOME application. Project funds are provided to eligible cities and counties in the form of grants. The locality then provides funds to affordable housing developers, primarily in the form of three percent deferred payment loans. The Department also provides project funds directly to CHDOs, primarily in the form of three percent deferred payment loans. HOME funds may be used to assist Indian tribes consistent with applicable State and federal requirements.

Eligible Program Activities

- FTHB Program - Funds provided to a city, county or CHDO to administer a program to assist first-time buyers. Eligible uses of these funds consist of: 1) a city or county providing a loan to the homebuyer for acquisition and up to $10,000 for rehabilitation of a dwelling that the homebuyer selects from the open market provided the work is done after transfer of ownership interest; and 2) a city, county or CHDO providing assistance for the construction of scattered site dwellings, with no more than four dwellings on each vacant site, and each site shall be in an existing built-out neighborhood. These dwellings must then be sold to FTHBs. HOME permits FTHB primary loan terms to exceed 30 years. Homebuyer Education is required for all Homebuyer loans made after June 30, 2008.

- Owner-Occupied Rehabilitation Program - Funds provided to a city or county to administer a program to assist owners of homes that are in need of rehabilitation in order to comply with applicable Health and Safety statutes or building codes.

- Rental Rehabilitation and/or Acquisition Program - Funds provided to a city or county to administer a program to assist owners of multi-unit rental housing that is in need of rehabilitation, or to assist in the purchase and rehabilitation of multi-unit rental housing that is in need of rehabilitation. No property assisted through this program shall receive more than 40 percent of the activity amount. Funds for this activity may not be made available under the 2011 NOFA.

- TBRA Program - Funds provided to a city or county to administer a program to provide rent subsidies to eligible households. 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 rent 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 local, State, or federally declared disasters. Preferences for TBRA funds may also be established for tenants displaced if the Department determines that existing rental assistance will not be continued or renewed.

Any TBRA preferences must be established under the jurisdiction's HOME TBRA guidelines, and these guidelines must be approved by the Department. Before using HOME TBRA funds, the applicable TBRA requirements at 24 CFR Part 58 must also be met.

TBRA funds can be used in all HOME-eligible jurisdictions in the county where the funds were awarded, not just in the particular local jurisdiction to which the funds were awarded.

Eligible Project Activities

- FTHB Project - Funds used to develop a specified number of units to be sold to FTHBs. By the conclusion of construction, the entire HOME investment shall be converted to mortgage assistance for the FTHBs.

- Rental New Construction Project - Funds provided to develop a specific multifamily project on a specific site by a specific developer.

- Rental Rehabilitation and/or Acquisition Project – Funds provided to acquire a specific rental housing project, to rehabilitate a specific project without any transfer of ownership, or to both acquire and rehabilitate a specific project. Funds for projects that only involve acquisition with no rehabilitation, and for projects that only involve rehabilitation with no acquisition, may not be made available under the 2011 NOFA.

Currently, HOME funds used for TBRA, relocation payments, lead remediation, and administration or activity delivery costs must be provided in the form of grants.

For more information on HOME-eligible activities, see Sections 8201 and 8205 of the State HOME regulations located at *http://www.hcd.ca.gov/fa/home/*.

HOME Recapture and Resale Policy

Pursuant to 24 CFR 92.254(a)(5) and HOME Regulation 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.

- *Recapture Loans:* Under this option, where the local jurisdiction or the CHDO is not imposing its own resale controls, the entire amount of the HOME loan may be recaptured by the local jurisdiction or by HCD in the case of CHDO loans. The amount of accrued interest recaptured may be reduced as permitted under the State HOME Regulations. However, pursuant to 24 CFR 92.254, when the recapture requirement 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. The 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 also be assumed by subsequent HOME-eligible purchasers.

- *Resale Loans:* Although the HOME loan is generally not a resale loan, a State Recipient or CHDO may impose its own resale controls on a State Recipient or CHDO project when there is a source of subsidy other than State HOME funds. The source of subsidy need not necessarily be an actual loan; it may be in the form of an inclusionary housing ordinance which requires homes to sell below fair market value. The city, county or CHDO must request advance State HOME Program approval of the resale agreement and HOME loan documents to ensure that all of these documents meet the requirements of the HOME Final Rule and the State HOME Program. Loans made under this option may be assumable by subsequent HOME-eligible purchasers, even if the HOME loan is a recapture loan.

  Pursuant to State Regulation 8206.1, HOME loans may be made in the form of resale loans on projects involving limited equity forms of ownership, such as community land trusts or cooperatives, when market conditions indicate that resale controls may be necessary to keep units affordable to subsequent purchasers, and when adequate protections of the State's financial interest in the project exist. However, resale HOME loans are not recommended, because if the loan must be repaid during the federal period of affordability, and the net proceeds are insufficient to repay the full HOME loan amount, the shortfall must be repaid to HUD.

The Department may impose additional procedures as necessary to expedite loan assumptions or new loan processing on loans made with CHDO set-aside funds.

Affirmative Marketing

Pursuant to Section 92.351 (a), the State HOME Program requires projects of five or more units to adopt affirmative marketing plans and requirements.

HOME requires the use of specific forms as part of its affirmative marketing procedure.

- HUD's Sample Affirmative Marketing Procedures and Requirements
- Form HUD-935-2A, Affirmative Fair Housing Marketing Plan for MF Housing
- Form HUD-935.2B, Affirmative Fair Housing Marketing Plan for SF Housing
- Ethnicity and Race Data Collection Form
- Annual Affirmative Marketing Analysis Report
- Demographic Analysis (for activities, such as FTHB mortgage assistance programs or OOR programs)

In addition, Chapter XII of the HOME Contract Management Manual entitled "*Equal*

Opportunity in Housing" is available on HCD's website as a reference. It is an overview of Fair Housing, Affirmative Marketing, and Accessibility requirements and contains several documents in the Appendix to guide HOME recipients in attaining compliance. The Contract Management Manual and some of the forms noted above are available on our website at www.hcd.ca.gov/fa/home/

Annually, monitoring staff send letters to HOME recipients requesting document copies for each HOME-assisted project. The HOME recipient must submit the documents for review within a reasonable period of time.

HOME staff sends the HOME Recipient a letter upon completion of the review to either confirm compliance, provide technical assistance as needed, or inform of a possible site visit for training purposes.

Minority Homeownership

It is projected that approximately 600 minority households will become homeowners with State HOME assistance during the period covered by the 2010-2015 Consolidated Plan. The State estimates that it will assist 120 minority households to become homeowners in 2011-12. HOME will continue to assess homebuyer outreach/marketing plans for additional marketing efforts to increase minority homeownership rates.

Minority/Women's Business Outreach

Pursuant to Section 92.351(b), the State HOME Program requires recipients of funds to adopt procedures for outreach to minority business enterprises (MBE) and woman business enterprises (WBE) in the procurement of goods and services related to its housing activities. HOME contractors are trained using outreach standards developed by HUD and given resources for finding certified MBE/WBE firms in California. Chapter XIII of the HOME Contract Management Manual, "EO – Employment and Contracting", contains our requirements and resources in this area.

HOME monitors contractor good-faith efforts to utilize MBE/WBE. Site visits include a review of HOME contractor files and discussions with HOME contractor staff. Thereafter, the HOME contractor will annually submit MBE/WBE reporting forms to the Department.

Match

Pursuant to Section 8206 of the State HOME regulations, the HOME Program will satisfy the federal 25 percent match requirement by using excess match reported from prior HOME fiscal years, as well as match reported by applicants funded in the current funding round.

Antidisplacement and Relocation Assistance Plan

Please refer to Appendix E.

HOME Allocation Method

HOME funds will be divided into three separate allocations: one for rental projects, one for programs, and one for FTHB projects, with the percentage of each allocation based on the actual application demand expressed as a dollar amount requested in response to the initial NOFA of a funding cycle. However, under the initial NOFA, in no event shall the allocation for rental projects or the allocation for programs decline below 40 percent of the total funds available, and in no event shall the allocation for FTHB projects decline below 5 percent of the total funds available.

If the minimum allocation is not fully subscribed for applications submitted under the initial NOFA, the remaining funds may be: (1) transferred to the other allocation; (2) made available under a subsequent NOFA; or (3) a combination of (1) and (2). Funds under a subsequent NOFA may be made available on a first-come, first-served basis for a maximum of nine months from the application deadline under the initial NOFA, or for programs, may be divided equally among all eligible applicants requesting funds.

Pursuant to federal and State HOME regulations, a minimum of 15 percent of the total HOME allocation will be set-aside for CHDOs, and a minimum of 50 percent of the total funds awarded will be set-aside for rural area applicants. This rural percentage was chosen based on a needs study conducted pursuant to 24 CFR 92.201. If there are an insufficient number of eligible applications that qualify for the set-aside, the remaining rural funding reservation will be used to fund any eligible non-rural applications.

For more information on allocation of funds, see Sections 8212, 8212.1 and 8213 of the State HOME Regulations located at http://www.hcd.ca.gov/fa/home/.

Application Process and Rating Criteria

The anticipated timetable for the award of 2011-12 HOME funds is as follows:

Issue NOFA	June 1, 2011
NOFA Training Workshops	June 2011
Application Deadline - Projects and Programs	August 16, 2011
Loan and Grant Committee (Rental Projects)	January 2012
Announce Awards	December 2011 - Programs February 2012 - Projects
Execute Contracts	45-60 days after award letters

Over-The Counter (OTC) NOFA for Programs

Depending on the availability of funds, and in addition to the main competitive NOFA, HOME may also issue an OTC NOFA in 2011-12 for programs that were ineligible to apply under the main NOFA because the applicant had not reached the 50 percent expenditure level by the first application deadline (see below). Once they have reached the 50 percent level, programs can apply for and receive OTC funds as long as their application meets all of the threshold criteria set forth in Section 8212 (a) of the State HOME regulations.

OTC program funds may be awarded in equal amounts among all applicants requesting funds, rather than on a first-come first-served basis.

Deep Targeting

HOME may also offer additional funds to rental projects to reduce private mandatory debt and facilitate more affordable rents.

Threshold Evaluation Criteria

To be considered eligible for funding, an application must be submitted by an eligible applicant by the deadline stated in the applicable NOFA. In addition, the application must be complete and all proposed activities must be eligible.

The total amount requested in an application cannot exceed the amounts specified in the NOFA. Applicants may be held out from competition due to performance problems with current HOME contracts, failure to submit required OMB A-133 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.

Contractors for projects that miss three project deadlines are currently ineligible to apply under the next project NOFA. However the Department 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.

Applications must also demonstrate financial feasibility. HOME requires submission of 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 for new construction projects or lead, asbestos, and mold assessments for rehabilitation projects. FTHB projects must also submit project guidelines similar to those now submitted by FTHB programs. Project applications must also have adequate evidence of site control.

Applicants must certify there are no pending lawsuits preventing implementation of the project as proposed. 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.

Rating Factors

Programs and projects compete separately. HOME uses several rating factors to evaluate proposed programs and projects. Following is a general description of these rating factors:

Applicant Capability: Examines past performance on HOME contracts, as well as experience with other similar projects. The Department may deduct rating points from a project application if the project applicant, developer, owner, or managing general partner has been the applicant, developer, owner, or managing general partner on HOME projects in the past five years that have missed any of the following project deadlines: obtaining all necessary permanent financing, project set-up, construction loan closing, project completion, or final expenditure of funds. Performance points may also be deducted for failure to submit required reports in a timely manner and material misrepresentations of fact which jeopardize the Department's investment in the project, or put the Department at risk of a serious monitoring finding. In addition to HOME applicants, project owners and managing general partners can also have points deducted from applications they are involved in for failure to cooperate with monitoring requirements identified by the Department in the last five years

Community Need: Examines Census data relative to need in the locality where the program or project is being proposed.

Feasibility: Feasibility of rental projects must be demonstrated by compliance with the Department's Uniform Multifamily Regulations and State and federal HOME requirements.

In addition, for FTHB development activities, the Department will evaluate the ability of the proposed project to meet State and federal HOME requirements. This will include, but is not limited to: an evaluation of the adequacy of the proposed development budget, the demonstrated market for the project, including both the assisted units and the non-assisted units, if any, and the affordability of the project, taking into account other available financing and HOME income requirements.

Both rental and FTHB projects earn points based on having the greatest percentage of assisted units. Point values for each factor will be identified in the NOFA (up to 200 points).

Readiness: Examines the applicant's project development plan, as well as the status of local government approvals, design progress, and financing commitments for a project.

Housing Element Compliance: Examines whether a city or county's housing element is in substantial compliance with State law. CHDOs and newly formed cities receive full points in this rating category.

Giving Up Formula Allocation: Applicants receive additional points for proposing activities in a jurisdiction that has given up its HOME formula allocation to compete in the State HOME Program.

Rural Points: Rural applicants receive fifty additional points in the competition.

State Objectives: For 2011-12 HOME may award additional State Objective points to the following:

- Applications that provide deeper affordability;
- Activities that can be set up and funded quickly;
- Applications that demonstrate expeditious use of HOME funds;
- Applications that can be funded in a manner which promotes capacity building and continuity of housing activities;
- Applications that target “special needs populations,” where permitted under federal and state antidiscrimination and fair housing laws;
- Applications that promote geographic diversity;
- Applications that address fair housing impediments.

For more detailed information on HOME rating criteria, please see Section 8212 of the State HOME regulations located at *http://www.hcd.ca.gov/fa/home/*.

Monitoring

The HCD HOME program undertakes several levels of oversight to monitor activities carried out in furtherance of the Annual Plan. Principally, HCD relies on the standards set in federal and State HOME statutes and regulations to govern its actions. However, HCD also consults regularly with applicants and grantees for feedback on priorities the Program should undertake, and on how to improve its internal procedures to improve Program implementation. HCD HOME also continually revises its set-up documentation and ongoing, close-out, and long-term monitoring procedures so that monitoring compliance with HOME fiscal requirements and federal overlays happens when most appropriate in the development of a project. Currently, HOME combines desk monitoring and site visits, which involve ongoing communication with its grantees. Internally, HOME monitors performance in meeting its Annual Plan goals and objectives through regular management team meetings, and State Recipient and CHDO staff meetings. In addition to the monitoring procedures described for Program requirements, HOME also monitors project progress and grantee expenditure rates.

In the coming year, HOME will explore ways to gather and analyze project data from our asset management unit to better inform our current underwriting practices so that we can develop more financially sustainable projects.

Performance Measurement

HUD has established Performance Measurements that became mandatory for every formula grantee in October 2006. These measurements are designed to enable grantees and HUD to inform Congress, the Office of Management and Budget (OMB), and the public of the outcomes of the programs. The goal is to begin focusing on more outcome-oriented information and to aggregate results across the broad spectrum of programs funded by these block grants at the city, county, and State level.

For all activities, the State HOME Program will continue using “Providing Decent Affordable Housing” as its primary objective and “Improving Affordability” as its primary outcome measurement. The Program will collect performance measurement data from borrowers and grantees through its Set-up and Project Completion Reports.

Federal Emergency Shelter Grant Program (FESG)

Special Note

The federal Emergency Shelter Grant program will evolve into the new federal "Emergency Solutions Grant " program (also FESG) over the next two years, commencing with federal fiscal year 2011. For federal fiscal year 2011 (2010-11), FESG will continue under the current ESG regulations.

Commencing with federal fiscal year 2012, the program will be implemented in accordance with new federal regulations to be adopted under the HEARTH ACT of 2009 and yet to be released by HUD as of this writing in May 2011.

Eligible Applicants

FESG-eligible applicants are cities and counties that do not receive FESG funds directly from HUD, as well as 501(c)(3) nonprofit organizations that provide FESG-eligible activities in these localities. Pursuant to State FESG Regulations, as of the publication date of the applicable NOFA, an eligible organization must have provided FESG-eligible activities continuously each day throughout the prior 12 months or for winter or summer-only shelter providers, each day throughout the region's prior winter or summer shelter season. This requirement does not apply to new programs as described below.

Eligible Activities

Types of programs eligible for FESG funds include day centers, overnight emergency shelters, transitional housing and emergency hotel vouchers for homeless persons**.** Homelessness prevention programs are also eligible, including programs providing temporary rental assistance to prevent eviction or assist with move-in costs. For more information on specific State requirements related to these types of programs, see Sections 8406-8409 of the State FESG Regulations located on the Department's website at *www.hcd.ca.gov/fa/fesg/*.

Pursuant to federal and State FESG regulations, eligible activities within these types of programs include:

- facility operations;
- essential services;
- supervisory shelter administration;
- grant administration;
- homelessness prevention activities;
- renovation, conversion, or major rehabilitation.

Major budget activities within "essential services" and "homelessness prevention" may be subject to the federal non-supplant requirements, pending HEARTH regulations.

The State may request a waiver of the 30 percent limitation on essential services, if applicable, to devote more funding to shelter operations and services. The federal match requirement will be satisfied by all grantees.

Due to the availability of State bond funds allocated through the passage of Propositions 46 and 1C for the capital development of emergency shelter and transitional housing, FESG will discourage use of its funds for capital development activities including renovation, major rehabilitation and conversion, and encourage the use of state EHAP- Capital Development deferred loan program funds instead. The FESG NOFA includes a statement recommending that organizations needing funds for capital development apply to EHAP-Capital Development (EHAPCD) to fund these activities.

Funds Available

FESG is expected to receive an allocation of $6.9 million from HUD during 2011-12. In addition, the FESG Program will continue to reallocate any disencumbered funds from expired contracts. Funds will be made available on a competitive basis to cities and counties within California that do not receive an FESG allocation directly from HUD, as well as nonprofit organizations operating homeless programs within these same localities. During 2011-12, there will be an estimated 40 counties and 116 cities within counties eligible to receive FESG funds. A listing of eligible jurisdictions is included in Appendix A.

The State's Emergency Housing and Assistance Program (EHAP) was unfunded in the 2008-09 and 2009-10 fiscal years. In 2010-11, the Department released a NOFA for about $6 million in residual EHAP funds for local government agencies and nonprofit corporations to shelter the homeless on an emergency or transitional basis, and provide support services. The future of the State's EHAP-Capital Development program (EHAPCD) remains dependent on the bond market. In 2009-10, EHAPCD offered approximately $11 million in Proposition 1C bond funds to support capital development activities for emergency and transitional housing statewide.

FESG Allocation Method

In accordance with State FESG Regulations enacted in July 2004, the FESG allocation will be divided into five smaller allocations described below. Note that Regional Allocation percentages are based on past demand for FESG funds in the region.

<u>New Programs Allocation (5 percent)</u>: The purpose of this Allocation is to foster the development of new capacity to serve the homeless. To qualify as a New Program under this Allocation, a program must have been in operation for less than two years from the date of the applicable NOFA, <u>and</u> the organization applying on behalf of the program must not have received State FESG funds or EHAP funds in the previous two funding rounds.

<u>Northern California Allocation (33 percent)</u>: Available to programs in FESG-eligible localities within Northern California urban counties.

Southern California Allocation (24 percent): Available to programs in FESG-eligible localities within Southern California urban counties.

Rural Allocation Region (19 percent): Available to programs in FESG-eligible localities within non-urban counties.

General Allocation (15 percent): Available to programs that do not rank high enough to be funded out of the New Program or regional (Northern California, Southern California and Rural) Allocations. All programs not funded out of these Allocations can receive General Allocation funds based on a statewide ranking of their application score.

FESG Allocation		
	Percentage	**Anticipated for 2010-11**
New Programs	5%	$346,023
Northern California	33%	$2,283,752
Southern California	24%	$1,660,911
Rural	19%	$1,314,888
General	15%	$1,038,069
State Administration	4%	$276,818
TOTAL	**100%**	**$6,920,461**

Application Process and Rating Criteria

FESG expects to release its annual NOFA and hold one application training workshop in Sacramento. State regulations permit the maximum grant amount per application to be established in the NOFA based on 2 to 4 percent of the available annual State FESG allocation. State regulations also permit the Department to give applicants the option of applying for 12- or 24-month grants.

Per recent State regulations, applicants are rated in four main areas: applicant capability (300 points); need for funds (100 points); impact and effectiveness of the client housing (250 points); cost efficiency (100 points) and State objectives (35 points). For a detailed description of each of the rating factors, see Section 8411 of the State FESG Regulations located on the Department's website at www.hcd.ca.gov/fa/fesg/.

Monitoring

The State FESG Program will continue to use the risk assessment tool to measure risk associated with all grantees to determine which grantees require on-site monitoring. On-site monitoring of the highest risk grantees along with the current tracking system for grantee reporting will ensure long-term compliance with requirements of the Program, including the comprehensive planning requirements. In addition to on-site monitoring, desk audits will be implemented during 2011-12 for those grantees at lower risk.

Goals and Objectives

Goal 1: Continue to address the needs of FESG-eligible communities for emergency shelter, transitional housing, day centers and assistance to prevent homelessness

FESG will continue to fund emergency shelter, transitional housing, day centers and homelessness prevention programs serving homeless and low-income individuals and families. FESG will continue to award application rating points based on factors including the number and accessibility of supportive services provided to clients, staff to client ratios, and client outcome measures.

Objectives:

1. Continue outreach efforts to inform programs serving the homeless about the availability of FESG funds. Current outreach efforts include maintenance of an extensive NOFA mailing list of homeless service organizations; participation in regional and statewide meetings and conferences on homelessness; maintenance of an FESG webpage which includes application information; and participation in State inter-agency events concerning issues relevant to homelessness.

2. Award FESG funds according to the following anticipated timetable:

Release NOFA and Application	April 2011
Hold Application Training Workshops	April 2011
Rate and Rank Applications Received	June-Aug 2011
Announce Awards	September 2011
Execute Contracts	October 2011

Goal 2: Monitor and Assess the Implementation of new State regulations

In July 2004, the State FESG Program enacted its first set of regulations governing the allocation of FESG funds. Staff will monitor and assess regulations to ensure that implementation of any of the requirements does not result in any unintended consequences.

Objectives:

1. Data from the 2010-11 applicant pool will be analyzed to determine trends in the award of funds by program type, size, and subpopulation served. Any significant imbalances that appear among any of these factors will be examined closely to see what in the application rating process may have contributed to an imbalance.

2. Prior to developing the 2011-12 NOFA, FESG staff analyzed each rating question to determine if non-regulatory changes can be made to achieve fair and reasonable scoring, taking into account each question's policy goal and prior year's score distribution.

3. Upon adoption of federal regulations for the new Emergency Solutions Grant (ESG) program under the HEARTH ACT of 2009, staff will determine what changes may be needed in State FESG regulations to operate the program. These possible changes would take effect with the federal fiscal year commencing October 2011.

<u>Goal 3: Award State Objective points to programs serving the chronically homeless</u>

State regulations currently permit the FESG Program to award up to 35 points to programs meeting a federal funding priority as publicly announced by HUD. Consistent with this, programs serving the chronically homeless; homeless veterans; and underserved counties will receive State objective points in the 2011-12 funding round.

Objectives

1. Prior to release of the NOFA and application, FESG staff will determine how to best solicit information from applicants regarding service to chronically homeless.

2. Pursuant to Section 8411(b)(5)(A) of the State FESG regulations, FESG also will determine if particular types of facilities or programs serving the chronically homeless should receive State Objective points due to an imbalance in the types of programs funded in the 2010-11 funding round.

<u>Goal 4: Focus monitoring efforts on programs with difficulties in meeting reporting requirements; low drawdown rates; and staff turnover</u>

FESG will focus its grantee monitoring efforts on those programs that did not expend prior year contracts in a timely manner. This will include programs that had unspent funds at the end of their contract term, as well as programs whose expenditure rate over the term of the grant was very uneven. Programs with reporting difficulties will also be monitored.

Objectives:

1. During 2011-12, FESG will monitor through a combination of site visits and desk audits a minimum of five programs with low expenditure rates or reporting difficulties.

2. FESG will simplify reporting requirements, and provide additional technical assistance and monitoring support to grantees regarding completion of Program Activity Reports (PARs), which must be submitted to draw-down FESG funds.

3. FESG will provide a Grant Management training workshop for current and new grantees in October 2011 in Sacramento, California. This will provide a review and follow-up to existing grantees and early training for inexperienced grantees. FESG's Grant Management Manual was updated in March 2010.

Performance Measurement

In April 2006 the State FESG Program began incorporating HUD's new performance measurement system into its application and reporting forms. In 2009, HUD's IDIS system was redesigned as a web-based system. FESG began inputting sub-grantee data collected via the Annual Performance Report and submitting it in the IDIS format. With the introduction of the new HUD HPRP Program under ARRA, IDIS underwent changes in project setup and data requirements that may affect future Annual Performance Reports for FESG and HPRP. Program staff will continue to enter sub-grantee reporting data in IDIS, and will await further HUD guidance on data to be included in the Annual Performance Report (APR).

FESG will collect any new information on its revised report forms which will be included in the 2011 Grants Management Manual. Revisions to FESG reporting forms will reflect changes in IDIS. Grantees will be required to collect data and report on pre-determined specific output indicators based on the type of activity. FESG output indicators used in prior annual performance reports may change but no major changes are anticipated.

American Recovery and Reinvestment Act of 2009 (ARRA): Homelessness Prevention and Rapid Re-Housing Program (HPRP)

HPRP has been funded by HUD for a three-year period covering September 11, 2009 to September 10, 2012. The following is general description based on the statute. A formal ConPlan amendment was submitted to HUD on May 18, 2009 in response to HUD regulations. For details see: http://www.hcd.ca.gov/fa/ahif/recovery.html.

HPRP Program Goal

Give priority to funding eligible jurisdictions that are ready to provide homelessness prevention and rapid re-housing activities pursuant to HPRP and the state Notice of Funding Availability (NOFA), within HUD's time requirements for the use of HPRP funds.

Primary Objective

Funding under HPRP will be directed towards providing homelessness prevention and rapid re-housing activities for homeless persons and persons "at risk of becoming homeless" under Title XII of Division A of ARRA.

Funds Available

HCD received an allocation of $44,466,877 from HUD as part of ARRA funding. A total of $42,688,202 was awarded to 31 sub-grantees statewide. According to the HUD Notice (federal regulation), 60 percent of all HPRP funds must be spent within 24 months of the date HUD signed the Grant Agreement (September 11, 2009), and 100 percent must be spent within 36 months of that date, or by September 10, 2012.

Eligible Jurisdictions

Jurisdictions eligible under HPRP are those currently eligible to participate in the Emergency Shelter Grant (ESG) program within non-entitlement cities and counties of the State, as well as HUD entitlement cities and counties. Attachments A and B of the 2009 HPRP NOFA, and Appendix B of this plan, identify the eligible jurisdictions.

1. The Secretary of HUD established requirements to expedite the use of HPRP funds. The Grant Agreement with HCD was signed by HUD on September 11, 2009, which became the commencement date of the "period of availability".

2. Award priority included sub-recipients that can provide homelessness prevention services within prescribed time limits to be set by HUD. The 2009 HPRP NOFA set the rating categories.

3. The Secretary may waive or specify alternative requirements for any provision of any statute or regulation in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding that such waiver is necessary to expedite or facilitate the timely use of such funds and would not be inconsistent with the overall purpose of the statute. HCD requested a waiver to include Public Housing Authorities and Public School Districts in the definition of sub-grantee, but HUD denied this request.

Fund Allocation

The State's total HPRP allocation is $44,466,877 for a three-year period. Funds were allocated statewide in accordance with the HUD Notice of March 19, 2009 and the HCD NOFA dated July 8, 2009. $42,688,202 was allocated to subrecipients, and $1,778,675 was allocated to the State for administration.

2009 HPRP Fund Allocation to Subrecipients	
Homelessness Prevention	$23,923,181
Rapid Re-Housing	$13,873,665
Data Collection and Evaluation	$ 4,446,687
Grant Administration	$ 444,669
Total	$42,688,202 (all awarded on 9-21-09)

Methods of Distribution of the HPRP Allocation

State HPRP funding was distributed competitively as noted in the Substantial Amendment to the 2009 Annual Plan, as well as pursuant to federal statutes and regulations, guidelines set forth by HUD, and State HPRP regulations.

Eligible Activities

All activities allowed under federal HPRP rules are eligible, subject to any limitations that may be imposed by the Secretary of HUD. All grantees must spend a minimum of 60 percent of their funds within two years of the date funds were made available to the State (September 11, 2009), and the remainder must be spent within three years of that date.

Program Income

None anticipated. The Department will comply with the requirements as set forth in the award.

Monitoring

The Department will comply with the monitoring requirements set forth in the Award and by HUD. Monitoring is anticipated to ensure the compliance with all grant terms and conditions as may be set forth by statutes or regulations, or HUD requirements.

Performance Measurement

The Department will comply with the Performance Measurements established for HPRP, and incorporated into IDIS and reporting systems required by HUD.

Housing Opportunities for Persons with AIDS (HOPWA)

The California Department of Public Health, Center for Infectious Diseases, Office of AIDS (CDPH-OA) has grant administration responsibilities as the State of California HOPWA grantee.

Needs Statement

As of September 30, 2010, a total of 108,986[1] Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) cases have been reported in California. Of these cases, 12,401 persons living with HIV/AIDS (PLWH/A) were reported in those 42 counties served by the State HOPWA Program, which include 40 counties outside the Eligible Metropolitan Statistical Areas (EMSA) and the newly designated Bakersfield and Fresno EMSAs. According to the National AIDS Housing Coalition[2], half the people living with HIV/AIDS need some form of housing assistance. When applying this percentage to the number of AIDS cases reported in the 42-county area served by the State HOPWA Program, there may be at least 6,201 persons that are homeless or at risk of homelessness. In accordance with Health and Safety Code Section 121022, health care providers and laboratories must report cases of HIV infection by name to the local health officer, and local health officers must report unduplicated HIV cases by name to CDPH-OA. Once the names reporting system has matured, it is anticipated that the number of HIV cases will increase the total of HIV/AIDS cases significantly.

Persons living with HIV/AIDS experience multiple barriers to housing stability. The most prevalent barrier is insufficient financial resources. Income data from HOPWA clients served by the State HOPWA Program in 2009-10 indicates 69 percent of renter and owner households had incomes between zero and 30 percent of area median income. Other conditions such as physical disabilities, developmental disabilities, mental illness and drug or alcohol abuse make day-to-day lives difficult. Additionally, persons living with HIV/AIDS often have poor credit history, criminal records, or are undocumented which also create additional barriers to securing affordable housing. Households are experiencing loss of housing due to foreclosure as well. The State HOPWA program will continue to fill the unmet and most urgent HIV/AIDS housing needs by providing housing assistance and supportive services as set forth in the planned goals below.

CDPH-OA is gathering unmet HIV/AIDS housing need data from its local jurisdictions. One method is through tracking of persons living with HIV/AIDS (PLWH/As) on waiting lists for tenant based rental assistance or short-term rent, mortgage and utility assistance

[1] California Department of Public Health, Office of AIDS website: http://www.cdph.ca.gov/data/statistics/Pages/OAHIVAIDSStatistics.aspx.
[2] www.nationalaidshousing.org

(STRMU). Although requested, waiting list information was not available from every county under the OA HOPWA jurisdiction. The table below represents the unmet housing need reported as of June 30, 2010 through waiting lists from 12 jurisdictions.

Unmet Housing Need / June 30, 2010

Tenant Based Rental Assistance	**72**
Short Term Rent, Mortgage and Utility Assistance (STRMU)	**181**
Facility Based Housing	**16**
Total Unmet HIV/AIDS Housing Needs	**269**

Goals and Objectives

The purpose of the HOPWA Program is to devise long-term comprehensive strategies to meet the housing needs of persons living with HIV/AIDS or related diseases, and their families. To meet the most urgent needs of persons living with HIV/AIDS, the following goals have been established for the HOPWA Program during 2011-12:

- Allocate HOPWA funds in a manner that ensures all non-EMSA counties are able to meet the most urgent HIV/AIDS housing needs of the clients within their community and in turn alleviate or prevent homelessness among persons living with HIV/AIDS.

- Assist sponsors in establishing linkages with other mainstream resources (e.g. housing authorities, local Continuum-of-Care groups, homeless service agencies) through technical assistance and other HOPWA resources.

Based on prior year data and similar funding levels, it is anticipated that the following goals can be met:

	HOPWA Performance Chart 1	HOPWA Assistance	Non-HOPWA Assisted
	Housing Assistance Subsidies		
1	Tenant-based rental assistance	138	100
2	Households in permanent housing facilities receiving operating subsidies/leased units	0	25
3	Households in transitional/short term housing facilities that receive operating subsidies/leased units (includes Hotel/Motel Voucher Assistance)	260	50
4	Units in facilities developed with capital funds and placed in service during the program year (Number of households supported)	0	0
5	Short-term rent, mortgage and utility assistance (STRMU)	1,360	200
Total Housing Subsidy Assistance		1,758	375
	Housing Development (Construction And Stewardship Of Facility Based Housing)		
6	Units in Permanent housing facilities being developed with capital funding but not yet opened (show units of housing planned)	0	

7	Stewardship (developed with HOPWA but no current operation or other costs) Units of housing subject to 3 or 10 year use agreements	2	
Total Housing Developed		2	
	Supportive Services		
8	i) Supportive Services in conjunction with HOPWA activities ii) Supportive Services NOT in conjunction with HOPWA activities	1570 145	
Total Supportive Services		1715	
	Housing Placement Assistance		
9	Housing Information Services	1280	
10	Permanent Housing Placement	107	
Deduct for Duplication of Assistance		30	
Total Housing Placement Assistance		1357	

Performance Measurement

For all housing assistance activities, the HOPWA Program will use “Providing Decent Housing” as the primary objective and “Improving Affordability” will be the primary outcome measurement. For supportive services activities in conjunction with housing assistance, the HOPWA Program will use “Providing Decent Housing” as the primary objective and “Availability/Accessibility” will be the primary outcome measurement.

HOPWA specific outcomes to be measured are the degree to which HOPWA-assisted households have been enabled to:

- Establish or better maintain a stable living environment;
- Improve access to care and support; and
- Reduce the risk of homelessness.

CDPH-OA will strive to meet the National HOPWA targets to 1) maintain housing stability by at least 90 percent of HOPWA households in permanent housing by 2012; and 2) reduce risk of homelessness for at least 70 percent of clients in short-term or transitional housing by 2012.

Leveraged Funds

The provision of HIV/AIDS services requires collaborative efforts from a variety of resources. On an annual basis, CDPH-OA allocates funding to counties within the HOPWA State Grantee jurisdictions for HIV/AIDS prevention, treatment and care services including, but not limited to, AIDS drug assistance and other core medical and supportive services. HOPWA project sponsors receive funding through the non-HOPWA CDPH-OA programs for many of these activities. Based on reported leveraged funds in FY 2009-10, CDPH-OA anticipates projects sponsors will leverage funds from CDPH-0A as well as other private, local, State and federal resources totaling approximately $4,000,000.

Availability of Funds and Method of Distribution

In FY 2010-11, CDPH-OA renewed its existing HOPWA contracts for a three-year period. The contracts include 16 health departments , 1 housing authority and 8 non-profit community based. Contracts will be amended to reflect any changes in the allocation for FY 2011-12. In the event a Contractor withdraws, a Request for Applications will be released for that county or counties to select a new project sponsor.

All funds, including the FY 2011 grant and any prior-year unspent or returned funds, will be allocated to the 40 counties outside the Eligible Metropolitan Statistical Areas (EMSAs) through a non-competitive formula allocation process.

For the FY 2011-12 allocation, OA will include in the allocation formula both HIV and AIDS cases reported to OA, and will exclude HIV and AIDS cases reported from prisons. Counties will be held harmless to a percentage of prior year funding levels if the modification to the allocation formula creates a significant decrease to a county's allocation from prior years.

The total allocation amount is determined by the FY 11-12 HUD grant allocation less the allowable HOPWA grantee administrative fee plus any uncommitted funds from prior year.

In FY 2007-08, the City of Bakersfield became an eligible HOPWA grantee for Kern EMSA, and Fresno was recently designated an eligible HOPWA Grantee for the Fresno EMSA. Both Bakersfield and Fresno requested that the State assume the HOPWA grantee responsibilities beginning in FY 2009-10. The State has entered into tri-party agreements with HUD and Bakersfield, and HUD and Fresno. The HUD allocations designated for Kern EMSA and Fresno EMSA will be dedicated to Kern and Fresno, respectively, and not included in the formula allocation process. Any unspent funds from the prior year grant for Kern or Fresno will be carried forward to FY 2011-12 for eligible HOPWA housing assistance activities in Kern or Fresno County respectively.

A list of HOPWA eligible jurisdictions is provided in Appendix A.

The following chart lists the HOPWA contractors and their service areas.

Contractor Name	HOPWA Service Area (by county)
Caring Choices	Butte, Colusa, Glenn, Shasta, Sutter,Tehama, Trinity, Yuba
Face to Face/Sonoma County AIDS Network	Sonoma County
Central Coast HIV/AIDS Services	Monterey County
Community Care Management Corporation	Lake County
Del Norte County	Del Norte County
Fresno County	Fresno County
Humboldt County	Humboldt County
Imperial Valley Housing Authority	Imperial County
Kings County	Kings County
Kern County	Kern County
Madera County	Madera & Mariposa Counties

Mendocino County AIDS Volunteer Network	Mendocino County
Merced County Community Action Agency	Merced County
Napa County	Napa County
Nevada County	Nevada County
Plumas County	Lassen, Modoc, Plumas, Sierra, Siskiyou
San Joaquin County	San Joaquin County
San Luis Obispo County	San Luis Obispo County
Santa Barbara County	Santa Barbara County
Santa Cruz County	Santa Cruz County
Sierra Health Resources	Alpine, Amador, Calaveras, Inyo, Mono, Tuolumne
Solano County	Solano County
Stanislaus Community Assistance Project	Stanislaus County
Tulare County	Tulare County
Ventura County	Ventura County

Program Activities

Based on local HIV/AIDS housing and supportive service needs assessments, each locality will determine the HOPWA activities to be funded and the amount of funds from its allocation to be applied toward each selected activity. HOPWA contractors should allocate funds to activities that will assist clients in overcoming the most significant barriers to housing in their community. Through an application process, CDPH-OA will evaluate and approve those activities prior to the beginning of each program year.

Tenant Based Rental Assistance. Project Sponsors are encouraged to establish a tenant-based rental assistance program if their HOPWA allocation is sufficient to operate this type of activity, and there is evidence of a need for rental subsidies in their HIV/AIDS community. The rent standards to be used are those approved by each of the local public housing authorities for the area.

Emergency Short-Term Rent, Mortgage and Utility Assistance (STRMU): It is anticipated that STRMU will be made available to PWLH/A in all 42 counties. In accordance with 24 CFR 574, STRMU assistance may be provided to eligible households for a period of 21 weeks out of any 52-week period. CDPH-OA has defined the 52-week period based on the program year of July 1 – June 30. Agencies will track the 21 weeks using calendar days of assistance. CDPH-OA has established the following uniform guidelines for those counties wishing to impose caps:

1. At a minimum, the annual per-household STRMU amount should be equivalent to at least one month's HUD Fair Market Rent for a one-bedroom unit for the jurisdiction where the household resides. A per-household utility assistance cap should not be less than the current Utility Allowances published by the local housing authority.

2. The household's on-going housing needs are assessed or will be assessed in connection with the development of an individual housing service plan for the household. The level of assistance is based on the assessed housing need.

3. The time limitation or cap on funds will be sufficient to avoid any continuing household housing crisis.

4. The assistance will be for actual costs.

5. Other resources, such as household income, are not reasonably available to address the unmet housing need.

6. Any process for waiving a cap or limitation must be expressed in writing and implemented in a uniform manner to all clients assisted.

Facility Based Housing Operations. This activity includes project-based rental assistance, operating subsidies for HIV/AIDS supportive housing facilities, permanent, transitional or emergency housing, and hotel/motel voucher assistance.

Housing Placement Assistance. This includes security deposit assistance, credit checks and utility hook-up deposits as well as housing information, outreach and referral services.

Supportive Services. This activity includes case management, transportation vouchers, nutritional services, benefits counseling, substance abuse or mental health counseling, personal assistance, life skills management, job training, consumer credit counseling and other services if approved by CDPH-OA.

All households receiving HOPWA housing assistance must be provided with appropriate supportive services. Supportive services may be funded through other resources or through linkage to other programs. HOPWA funds may also be used but should be limited.

CDPH-OA policy requires that not more than 25 percent of a HOPWA contractor's annual HOPWA allocation can be used for supportive services. CDPH-OA will allow a waiver of the 25 percent cap if an increase in supportive services will help clients overcome barriers to stable housing (e.g., more intense case management, mental health or alcohol and substance abuse treatment, consumer credit counseling, job training, etc.).

Eligible Applicants

As defined by Title 24, CFR, Part 574.3, a "project sponsor" must be a nonprofit organization or a "governmental housing agency" which engages in housing activities as an established function of that agency. It was established early on in the HOPWA program that most county health agencies carry out sufficient housing related activities to qualify as HOPWA "project sponsors." If a local health department elects to contract with a local housing or HIV/AIDS service provider to perform a particular HOPWA activity, the project sponsor is required to solicit through their local procurement process to ensure full access to all grassroots, faith-based and community-based organizations and governmental housing agencies. In counties or regions where a HOPWA contractor withdraws from providing ongoing HOPWA services, CDPH-OA solicits for a project sponsor or sponsors through a Request for Applications process to ensure full access to these organizations as well.

Partnering with local health departments to act as a fiscal agent is a more efficient method of administering the HOPWA grant over a 42-county area; however, over the next two years, there may be less participation by the local health departments in this capacity due to an impending alignment of the allowable project sponsor administrative fee. CDPH-OA has received clarification that only agencies that directly assist HOPWA clients can be considered to be project sponsors and be eligible to receive the 7 percent project sponsor administrative fee. Unless a contractor is directly providing HOPWA services, the project sponsor administrative fee must be passed on to the subcontracting agency providing the services. If fiscal agents withdraw as a result of this change, CDPH-OA will select qualified project sponsors through a Request for Applications process to carry out HOPWA activities.

It is anticipated that Kern County Health Department and Fresno County Health Department will continue as project sponsors/fiscal agents for Kern County and Fresno County for FY 2011-12.

Coordination of Efforts and Community Input

CDPH-OA has the lead responsibility for coordinating State programs, services and activities related to HIV/AIDS. CDPH-OA emphasizes the integration of representatives of HIV/AIDS service agencies, other State departments (such as Corrections, Housing, Rehabilitation, Mental Health, Developmental Services and Alcohol and Drug Programs), local health departments, university-wide AIDS Research Program (University of California San Francisco), and others in information gathering, research and decision making processes.

Additionally, CDPH-OA requires that local planning or advisory groups be formed to include representatives of HIV/AIDS service agencies, health department representatives, local affordable housing and homeless agencies, representatives of the post-incarcerated populations, agencies addressing the needs of the mentally ill, substance abusing or other disabled populations and consumers. These groups are charged with informing agencies about local HIV service delivery plans and addressing the need for linking care and treatment service agencies with other agencies and clinics providing services to the same population. HOPWA contractors should participate in the local HIV planning and service delivery process to the extent possible.

Project sponsors are encouraged to participate in their local Continuum of Care planning process to ensure that the HIV/AIDS population is represented during the planning process. CDPH-OA will provide counties with contact information and assist them in establishing relationships with the Continuum of Care Planning group in their community. Sponsors serving PLWH/A that target the homeless population must participate in their local Homeless Management Information System (HMIS). Those agencies that target PLWH/A and may assist homeless PLWH/A are encouraged to participate in the local HMIS as well.

All project sponsors were encouraged to apply for or collaborate with local agencies receiving funds through the ARRA-HPRP funds as a mechanism for increasing housing resources for PLWH/As.

Monitoring and Program Improvement Activities

CDPH-OA will continue on-site monitoring visits to its fiscal agents and project sponsors to ensure compliance with HOPWA Regulations, federal overlays, and CDPH-OA contractual obligations.

A revised HOPWA Administrative Manual is in process, and is expected to be completed by December 2011. Training will be provided for all fiscal agents and project sponsors by teleconference or web-based conferencing.

CDPH-OA has revised its progress reports to reflect revisions made to the HOPWA Consolidated Annual Performance and Evaluation Report (CAPER) and the federal Integrated Disbursement and Information System (IDIS) reporting requirements. The State's AIDS Regional Information and Evaluation System (ARIES) includes a HOPWA reporting component that is consistent with the HOPWA IDIS and CAPER reporting requirements. The report is being tested by ARIES users.

Continuous monitoring and technical assistance will be provided through telephone communication, quarterly reports, monthly expenditure reviews, and management memoranda.

Lead Based Paint Hazard Control Program (LHCP)

Funding Allocation

In February 2009, the State Department of Community Services and Development (CSD) received a 36-month, $3 million ARRA Lead Hazard Control Grant from HUD under Round 15. CSD is the administrative agency for the LHCP**.** CSD intends to provide lead hazard reduction services to 210 privately-owned housing units. Housing units meeting income eligibility occupied by low- to moderate –income families, homes with children under the age of six, or homes with children that spend a significant amount of time, and children with elevated blood lead levels are eligible for services.

Lead hazard control services will be provided in conjunction with weatherization services funded by U.S. Department of Energy Weatherization Assistance Program and Low-Income Home Energy Assistance Program weatherization services. The strategy combines the benefits of weatherization and minor home repair services with CSD's LHCP.

In response to the need to reduce lead-based paint hazards in pre-1979 low-income privately-owned housing, CSD has and will continue to work in partnership with other State and local agencies, as well as community-based organizations.

Funding Procedures

Under the original LHCP grant proposal CSD planned to partner with four Community-Based Organizations (CBOs) from its weatherization network to deliver hazard control services. Unfortunately, new Davis Bacon prevailing wage requirements forced Fresno County Economic Opportunities Commission (EOC) to withdraw from the program because of the organization's inability to issue prevailing wages to its youth corps. members. With EOC's withdrawal, negotiations began with Community Resources Project to partner once again with CSD. Maravilla Foundation withdrew early in the program, but at CSD's request rejoined the program this year to assist with program shortfalls.

Due to the critical funding timelines, (50 percent must be expended by April 2011 and 100 percent by April 2012) and CSD's delayed spending authority approval, CSD redistributed funds to the CBOs to ensure all major funding timelines were met. Because of these strategies, CSD successfully expended 50 percent of grant funds before the April deadline and does not foresee any obstacles to fully expending the grant by the April 2012 grant termination date.

As outlined in the chart below, CSD partners with four nonprofit CBO's to provide LHCP services in seven counties throughout the state.

CBO	COUNTIES	UNIT GOAL	ALLOCATIONS
Community Resource Project	Sacramento, San Joaquin, Sutter and Yuba	25	$357,218
Maravilla Foundation	Los Angeles	30	$459,382
Redwood Community Action Agency	Humboldt	45	$518,664
Community Action Partnership of San Bernardino	San Bernardino	110	$1,164,736

In addition, the California Department of Public Health (CDPH) receives annual funding from the federal Environmental Protection Agency (EPA) to implement effective compliance and enforcement of the Lead-Related Construction Program, develop and distribute outreach and education materials, and evaluate and monitor childhood lead exposure.

Monitoring

CSD monitoring activities include review and approval of lead-based paint inspection and risk assessment reports, project design and cost estimates, desk reviews, and periodic field visits to supervise work activities.

Five-Year Lead Hazard Control Objectives

Action to reduce or eliminate lead-based paint hazards in the operation of State housing programs include the following:

- CSD will implement the ARRA-funded Round 15 as described above. CSD will seek out opportunities to diversify funding opportunities to sustain the program.
- CSD will partner with the California Healthy Homes Coalition to develop a statewide coalition to address healthy homes policy and programs.
- CSD will partner with the California Department of Public Health (CDPH) to develop a quality assurance program to assess participating CBO's compliance with applicable State, federal and local laws.
- CSD will monitor the performance of its network of lead protection providers to assure compliance with lead-safe work practices as outlined in HUD's Title X, Davis Bacon State prevailing wages, EPA, OSHA, CSD's Weatherization Installation Standards Manual, and Policies and Procedures.
- CDPH will continue to implement Title 17, CCR, to govern accreditation and certification of the lead hazard control industry and lead hazard control work.
- CDPH will continue to compile information, identify target areas, and analyze information to design and implement a program of medical follow-up and environmental abatement to reduce childhood lead exposure.
- CDPH will continue to provide outreach to the public on lead hazard avoidance (especially for at-risk children) in order to reduce lead exposure in housing.

Certifications

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about

   (a) The dangers of drug abuse in the workplace;
   (b) The grantee's policy of maintaining a drug-free workplace;
   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
   (a) Abide by the terms of the statement; and
   (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
   (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
   (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan. 3

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Cathy E. Creswell

Cathy E. Creswell
Acting Director

5-23-11
Date

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

2. It engages in or will engage in planning for community development activities;

3. It provides or will provide technical assistance to units of local government in connection with community development programs; and

4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority**. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. **Overall Benefit**. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2011 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. **Special Assessments**. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

Cathy E. Creswell
Acting Director

5-23-11
Date

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

Cathy E. Creswell
Cathy E. Creswell
Acting Director

5-23-11
Date

Specific ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services and Operating Costs -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR 576.51 and 42 *USC* 11375, including a description of the sources and amounts of such supplemental funds, as provided by the State, units of general local government or nonprofit organizations.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Discharge Policy -- -- It has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

HMIS – It will comply with HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.

Cathy E Creswell

Cathy E. Creswell
Acting Director

5-23-11
Date

Specific HOPWA Certifications

The State HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,

2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Cathy E. Creswell
Cathy E. Creswell
Acting Director

5-23-11
Date

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).

4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

____

____

____

____

Check if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Appendices

Appendix A
Eligible Jurisdictions for CDBG, HOME, ESG, HOPWA

<table>
<tr><th colspan="5">Eligible Jurisdictions by Program
2011-12
This table is subject to change.
(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)</th></tr>
<tr><th></th><th>CDBG</th><th>HOME</th><th>ESG</th><th>HOPWA</th></tr>
<tr><td>Alameda</td><td>None</td><td>None</td><td>County not Eligible
Alameda (city)
Fremont
Hayward
Livermore
Pleasanton
San Leandro
Union City</td><td>None</td></tr>
<tr><td>Alpine</td><td>Alpine County</td><td>Alpine County</td><td>Entire County Eligible</td><td>Entire County Eligible</td></tr>
<tr><td>Amador</td><td>Amador County
Amador City
Ione
Jackson
Plymouth
Sutter Creek</td><td>Amador County
Amador City
Ione
Jackson
Plymouth
Sutter Creek</td><td>Entire County Eligible</td><td>Entire County Eligible</td></tr>
<tr><td>Butte</td><td>Butte County
Biggs
Gridley
Oroville</td><td>Butte County
Biggs
Gridley
Oroville
Paradise</td><td>Entire County Eligible</td><td>Entire County Eligible</td></tr>
<tr><td>Calaveras</td><td>Calaveras County
Angels Camp</td><td>Calaveras County
Angels Camp</td><td>Entire County Eligible</td><td>Entire County Eligible</td></tr>
<tr><td>Colusa</td><td>Colusa County
Colusa
Williams</td><td>Colusa County
Colusa
Williams</td><td>Entire County Eligible</td><td>Entire County Eligible</td></tr>
<tr><td>Contra Costa</td><td>None</td><td>None</td><td>County not Eligible.
Antioch
Concord
Pittsburg
Richmond
San Ramon Village
Walnut Creek</td><td>None</td></tr>
<tr><td>Del Norte</td><td>Del Norte County
Crescent City</td><td>Del Norte County
Crescent City</td><td>Entire County Eligible</td><td>Entire County Eligible</td></tr>
</table>

Eligible Jurisdictions by Program
2011-12

This table is subject to change.
(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

	CDBG	HOME	ESG	HOPWA
El Dorado	El Dorado County Placerville South Lake Tahoe	El Dorado County Placerville South Lake Tahoe	Entire County Eligible	None
Fresno	County not eligible Firebaugh Huron Orange Cove Parlier San Joaquin	County not eligible Clovis Firebaugh Huron Orange Cove Parlier San Joaquin	County not Eligible Clovis Firebaugh Huron Orange Cove Parlier San Joaquin	Entire County Eligible
Glenn	Glenn County Orland Willows	Glenn County Orland Willows	Entire County Eligible	Entire County Eligible
Humboldt	Humboldt County Arcata Blue Lake Eureka Ferndale Fortuna Rio Dell Trinidad	Humboldt County Arcata Blue Lake Eureka Ferndale Fortuna Rio Dell Trinidad	Entire County Eligible	Entire County Eligible
Imperial	Imperial County Brawley Calexico Calipatria El Centro *(eligible for Colonias Allocation only)* Holtville Imperial Westmorland	Imperial County Brawley Calexico Calipatria El Centro Holtville Imperial Westmorland	Entire County Eligible	Entire County Eligible
Inyo	Inyo County Bishop	Inyo County Bishop	Entire County Eligible	Entire County Eligible
Kern	County not Eligible. Delano Maricopa Taft Wasco	County not Eligible. Delano Maricopa Taft Wasco	County not Eligible. Delano Maricopa Taft Wasco	Entire County Eligible
Kings	Kings County Avenal Corcoran Lemoore	Kings County Avenal Corcoran Hanford Lemoore	Entire County Eligible	Entire County Eligible
Lake	Lake County Clearlake Lakeport	Lake County Clearlake Lakeport	Entire County Eligible	Entire County Eligible
Lassen	Lassen County Susanville	Lassen County Susanville	Entire County Eligible	Entire County Eligible

Eligible Jurisdictions by Program 2011-12 This table is subject to change. (Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)				
	CDBG	HOME	ESG	HOPWA
Los Angeles	County not Eligible. Avalon Artesia Hidden Hills Industry Palos Verdes Estates Vernon	County not Eligible. Artesia Avalon Carson Gardena Glendora Hidden Hills Industry Lakewood Lancaster Palos Verdes Estates Pico Rivera Redondo Beach Santa Clarita Torrance Vernon West Covina	County not Eligible. Alhambra Artesia Baldwin Park Bellflower Burbank Carson Downey Gardena Glendora Hawthorne Hidden Hills Huntington Park Industry La Canada Flintridge Lakewood Lancaster Lynwood Montebello Monterey Park Norwalk Palmdale Palos Verdes Estates Paramount City Pico Rivera Redondo Beach Rosemead Santa Clarita Santa Monica Torrance Vernon West Covina Whittier	None
Madera	Madera County Chowchilla	Madera County Chowchilla Madera	Entire County Eligible	Entire County Eligible
Marin	None	None	Entire County Eligible	None
Mariposa	Mariposa County	Mariposa County	Entire County Eligible	Entire County Eligible
Mendocino	Mendocino County Fort Bragg Point Arena Ukiah Willits	Mendocino County Fort Bragg Point Arena Ukiah Willits	Entire County Eligible	Entire County Eligible

Eligible Jurisdictions by Program
2011-12

This table is subject to change.
(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

	CDBG	HOME	ESG	HOPWA
Merced	Merced County Atwater Dos Palos Gustine Livingston Los Banos	Merced County Atwater Dos Palos Gustine Livingston Los Banos	Entire County Eligible	Entire County Eligible
Modoc	Modoc County Alturas	Modoc County Alturas	Entire County Eligible	Entire County Eligible
Mono	Mono County Mammoth Lakes	Mono County Mammoth Lakes	Entire County Eligible	Entire County Eligible
Monterey	Monterey County Carmel Del Rey Oaks Gonzales Greenfield King City Marina Pacific Grove Sand City Soledad	Monterey County Carmel Del Rey Oaks Gonzales Greenfield King City Marina Monterey Pacific Grove Sand City Seaside Soledad	Monterey County and all jurisdictions eligible except for Salinas	Entire County Eligible
Napa	Napa County American Canyon Calistoga St. Helena Yountville	Napa County American Canyon Calistoga Napa St. Helena Yountville	Entire County Eligible	Entire County Eligible
Nevada	Nevada County Grass Valley Nevada City Truckee	Nevada County Grass Valley Nevada City Truckee	Entire County Eligible	Entire County Eligible

Eligible Jurisdictions by Program
2011-12

This table is subject to change.
(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

	CDBG	HOME	ESG	HOPWA
Orange	County not Eligible San Juan Capistrano	County not Eligible Buena Park Fountain Valley La Habra Laguna Niguel Lake Forest Mission Viejo Newport Beach Rancho Santa Margarita San Clemente San Juan Capistrano Tustin	County not Eligible Buena Park Costa Mesa Fountain Valley Fullerton Huntington Beach Irvine La Habra Laguna Niguel Lake Forest Mission Viejo Newport Beach Orange (city) Rancho Santa Margarita San Clemente San Juan Capistrano Tustin Westminster	None
Placer	Placer County Auburn Colfax Lincoln Loomis	Placer County Auburn Colfax Lincoln Loomis Rocklin Roseville	Entire County Eligible	None
Plumas	Plumas County Portola	Plumas County Portola	Entire County Eligible	Entire County Eligible
Riverside	County not Eligible Calimesa Coachella Indian Wells Rancho Mirage	County not Eligible Calimesa Coachella Hemet Indian Wells Indio Palm Desert Palm Springs Perris Rancho Mirage	County not Eligible Calimesa Coachella Corona Hemet Indian Wells Moreno Valley Palm Desert Palm Springs Rancho Mirage	None
Sacramento	None	County not eligible Elk Grove Rancho Cordova	County not Eligible Citrus Heights Elk Grove Rancho Cordova	None
San Benito	San Benito County Hollister San Juan Bautista	San Benito County Hollister San Juan Bautista	Entire County Eligible	None

Eligible Jurisdictions by Program
2011-12

This table is subject to change.
(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

	CDBG	HOME	ESG	HOPWA
San Bernardino	None	County Not Eligible Chino Hesperia Redlands Upland	County not Eligible Apple Valley Chino Chino Hills Hesperia Rancho Cucamonga Rialto Upland Victorville	None
San Diego	None	None	County not Eligible Carlsbad El Cajon Encinitas Escondido La Mesa National City Oceanside San Marcos Santee Vista	None
San Francisco	None	None	None	None
San Joaquin	None	County not eligible Lodi	None	Entire County Eligible
San Luis Obispo	County not Eligible Pismo Beach Morro Bay	County not Eligible Pismo Beach Morro Bay	County not Eligible Morro Bay Pismo Beach	Entire County Eligible
San Mateo	None	None	County not Eligible Daly City Redwood City San Mateo (city) South San Francisco	None
Santa Barbara	Guadalupe	County not Eligible Guadalupe	County not Eligible Goleta Guadalupe Santa Barbara (city) Santa Maria	Entire County Eligible
Santa Clara	None	County not Eligible Gilroy Cupertino City Milpitas Palo Alto	Santa Clara County and all jurisdictions eligible except for San Jose	None
Santa Cruz	Santa Cruz County Capitola Scotts Valley	Santa Cruz County Capitola Scotts Valley Watsonville	Entire County Eligible	Entire County Eligible

Eligible Jurisdictions by Program
2011-12

This table is subject to change.
(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

	CDBG	HOME	ESG	HOPWA
Shasta	Shasta County Anderson Shasta Lake	Shasta County Anderson Shasta Lake	Entire County Eligible	Entire County Eligible
Sierra	Sierra County Loyalton	Sierra County Loyalton	Entire County Eligible	Entire County Eligible
Siskiyou	Siskiyou County Dorris Dunsmuir Etna Fort Jones Montague Mount Shasta Tulelake Weed Yreka	Siskiyou County Dorris Dunsmuir Etna Fort Jones Montague Mount Shasta Tulelake Weed Yreka	Entire County Eligible	Entire County Eligible
Solano	Solano County Benicia Dixon Rio Vista Suisun City	Solano County Benicia Dixon Fairfield Rio Vista Suisun City Vacaville	Entire County Eligible	Entire County Eligible
Sonoma	None	County not Eligible Petaluma	County not Eligible Petaluma Santa Rosa	Entire County Eligible
Stanislaus	County not Eligible Hughson Riverbank	County not Eligible Hughson Riverbank	County not Eligible Riverbank Turlock	Entire County Eligible
Sutter	Sutter County Live Oak	Sutter County Live Oak Yuba City	Entire County Eligible	Entire County Eligible
Tehama	Tehama County Corning Red Bluff Tehama	Tehama County Corning Red Bluff Tehama	Entire County Eligible	Entire County Eligible
Trinity	Trinity County	Trinity County	Entire County Eligible	Entire County Eligible
Tulare	Tulare County Dinuba Exeter Farmersville Lindsay Woodlake	Tulare County Dinuba Exeter Farmersville Lindsay Porterville Tulare Woodlake	Entire County Eligible	Entire County Eligible

Eligible Jurisdictions by Program
2011-12

This table is subject to change.
(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

	CDBG	HOME	ESG	HOPWA
Tuolumne	Tuolumne County Sonora	Tuolumne County Sonora	Entire County Eligible	Entire County Eligible
Ventura	None	County not Eligible Camarillo Simi Valley Thousand Oaks	County not Eligible Camarillo San Buenaventura Simi Valley Thousand Oaks	Entire County Eligible
Yolo	Yolo County West Sacramento Winters	Yolo County West Sacramento Winters Woodland	Entire County Eligible	None
Yuba	Yuba County Wheatland	Yuba County Marysville Wheatland	Entire County Eligible	Entire County Eligible

Appendix B
Eligible Jurisdictions for NSP3, DRI/DREF and HPRP, 2011-12

County	Program		
	NSP 3	DRI/DREF	HPRP*
Alameda	None	None	County Alameda Berkeley Fremont Hayward Livermore Oakland Pleasanton San Leandro Union City
Alpine	None	None	Entire County Eligible
Amador	None	None	County and All Cites
Butte	None	County and All Cities	County and All Cities
Calaveras	None	None	County and All Cities
Colusa	None	None	County and All Cities
Contra Costa	None	None	County Antioch Concord Costa Mesa Pittsburg Richmond Walnut Creek
Del Norte	None	None	County and All Cities
El Dorado	None	None	County and All Cities
Fresno	None	None	County Clovis Firebaugh Fresno Huron Orange Cove Parlier San Joaquin

County	Program		
	NSP 3	DRI/DREF	HPRP*
Glenn	None	None	County and All Cities
Humboldt	None	None	County and All Cities
Imperial	None	None	County and All Cities
Inyo	None	None	County and All Cities
Kern	None	County and All Cities	County Bakersfield Delano McFarland Taft Wasco
Kings	None	None	County and All Cities
Lake	None	None	County and All Cities
Lassen	None	None	County and All Cities
Los Angeles	None	County and All Cities	County Alhambra Artesia Avalon Baldwin Park Bellflower Burbank Carson Compton Downey El Monte Gardena Glendale Glendora Hawthorne Hidden Hills Huntington Park Industry Inglewood Lakewood Lancaster Long Beach Los Angeles Lynwood Montebello Monterey Park Norwalk Palmdale Palos Verdes Estates Paramount Pasadena Pico Rivera

County	Program		
	NSP 3	DRI/DREF	HPRP*
			Pomona Redondo Beach Rosemead Santa Clarita Santa Monica South Gate Torrance Vernon West Covina Whittier
Madera	None	None	County and All Cities
Marin	None	None	County
Mariposa	None	Mariposa County	Entire County Eligible
Mendocino	None	County and All Cities	County and All Cities
Merced	None	None	County and All Cities
Modoc	None	None	County and All Cities
Mono	None	None	County and All Cities
Monterey	None	County and All Cities	County and All Cities
Napa	None	None	County and All Cities
Nevada	None	None	County and All Cities
Orange	None	County and All Cities	County Anaheim Buena Park Fountain Valley Fullerton Garden Grove Huntington Beach Irvine La Habra Laguna Niguel Lake Forest Mission Viejo Newport Beach Orange Rancho Santa Margarita San Clemente San Juan Capistrano Santa Ana

County	Program		
	NSP 3	DRI/DREF	HPRP*
			Tustin Westminster
Placer	None	None	County and All Cities
Plumas	None	Plumas County Portola	County and All Cities
Riverside	None	County and All Cities	County Calimesa Coachella Corona Hemet Indian Wells Moreno Valley Palm Desert Palm Springs Rancho Mirage Riverside
Sacramento	None	None	County Citrus Heights Elk Grove Rancho Cordova Sacramento
San Benito	None	None	County and All Cities
San Bernardino	None	None	County Apple Valley Chino Chino Hills Fontana Hesperia Ontario Rancho Cucamonga Rialto San Bernardino Upland Victorville
San Diego	None	None	County Carlsbad Chula Vista Encinitas El Cajon Escondido La Mesa National City Oceanside San Diego San Marcos Santee Vista
San Francisco	None	None	City and County
San Joaquin	None	None	County Stockton

County	Program		
	NSP 3	DRI/DREF	HPRP*
San Luis Obispo	None	None	County Morro Bay Pismo Beach
San Mateo	None	None	County Daly City Redwood City San Mateo South San Francisco
Santa Barbara	None	County and All Cities	County Goleta Guadalupe Santa Barbara Santa Maria
Santa Clara	None	County and All Cities	County Cupertino Gilroy Milpitas Mountain View Palo Alto San Jose Santa Clara Sunnyvale
Santa Cruz	None	County and All Cities	County and All Cities
Shasta	None	County and All Cities	County and All Cities
Sierra	None	None	County and All Cities
Siskiyou	None	None	County and All Cities
Solano	None	None	County and All Cities
Sonoma	None	None	County Petaluma Santa Rosa
Stanislaus	None	None	County Hughson Modesto Riverbank Turlock
Sutter	Yuba City	None	County and All Cities
Tehama	None	None	County and All Cities
Trinity	None	Entire County Eligible	County and All

County	Program		
	NSP 3	DRI/DREF	HPRP*
			Cities
Tulare	None	None	County and All Cities
Tuolumne	None	None	County and All Cities
Ventura	None	None	County Camarillo Oxnard San Buenaventura Simi Valley Thousand Oaks
Yolo	County not eligible West Sacramento	None	County and All Cities
Yuba	Yuba County	None	County and All Cities
Eligible Native American Tribe DRI/DREF only		Hoopa Valley Tribe	
Eligible Native American Tribe DRI/DREF only		Yurok Tribe of the Yurok Reservation	

*All cities and counties and non-profits are eligible in accordance with Substantial Amendment 2 of the Con Plan 2008 Action Plan

Appendix C
CDBG, HOME and ESG Eligible Jurisdictions by Population

County	Cities or Unincorporated County Areas	CDBG	Eligible for HOME	ESG	2000 Population	2010 Population	Population Increase	Population Change %
Alameda	Alameda (city)			ESG	72,259	75,409	3,150	4.36%
Alameda	Fremont			ESG	203,413	218,128	14,715	7.23%
Alameda	Hayward			ESG	140,030	153,104	13,074	9.34%
Alameda	Livermore			ESG	73,464	85,312	11,848	16.13%
Alameda	Pleasanton			ESG	63,654	70,711	7,057	11.09%
Alameda	San Leandro			ESG	79,452	83,183	3,731	4.70%
Alameda	Union City			ESG	66,869	75,054	8,185	12.24%
Alpine	Alpine County	CDBG	HOME	ESG	1,208	1,189	-19	-1.57%
Amador	Amador (city)	CDBG	HOME	ESG	196	208	12	6.12%
Amador	Amador County	CDBG	HOME		20,503	22,110	1,607	7.84%
Amador	Ione	CDBG	HOME		7,129	7,707	578	8.11%
Amador	Jackson	CDBG	HOME		3,989	4,304	315	7.90%
Amador	Plymouth	CDBG	HOME		980	1,027	47	4.80%
Amador	Sutter Creek	CDBG	HOME		2,303	2,666	363	15.76%
Butte	Biggs	CDBG	HOME		1,793	1,787	-6	-0.33%
Butte	Butte County	CDBG	HOME	ESG	96,042	84,302	-11,740	-12.22%
Butte	Gridley	CDBG	HOME		5,408	6,454	1,046	19.34%
Butte	Oroville	CDBG	HOME		13,004	14,687	1,683	12.94%
Butte	Paradise		HOME		26,408	26,310	-98	-0.37%
Calaveras	Angels Camp	CDBG	HOME		3,004	3,549	545	18.14%
Calaveras	Calaveras County	CDBG	HOME	ESG	37,550	42,321	4,771	12.71%
Colusa	Colusa (city)	CDBG	HOME		5,402	5,947	545	10.09%
Colusa	Colusa County	CDBG	HOME	ESG	9,732	10,910	1,178	12.10%
Colusa	Williams	CDBG	HOME		3,670	5,349	1,679	45.75%
Contra Costa	Antioch			ESG	90,532	102,330	11,798	13.03%
Contra Costa	Concord			ESG	121,872	125,864	3,992	3.28%
Contra Costa	Pittsburg			ESG	56,769	64,967	8,198	14.44%
Contra Costa	Richmond			ESG	99,216	105,630	6,414	6.46%
Contra Costa	San Ramon			ESG	44,722	64,860	20,138	45.03%
Contra Costa	Walnut Creek			ESG	64,296	66,584	2,288	3.56%
Del Norte	Crescent City	CDBG	HOME		7,347	7,609	262	3.57%
Del Norte	Del Norte County	CDBG	HOME	ESG	20,160	29,673	9,513	47.19%
El Dorado	El Dorado County	CDBG	HOME	ESG	123,080	147,503	24,423	19.84%
El Dorado	Placerville	CDBG	HOME		9,610	10,429	819	8.52%
El Dorado	South Lake Tahoe	CDBG	HOME		23,609	24,087	478	2.02%
Fresno	Clovis		HOME	ESG	68,516	96,868	28,352	41.38%
Fresno	Firebaugh	CDBG	HOME	ESG	5,743	6,941	1,198	20.86%
Fresno	Huron	CDBG	HOME	ESG	6,310	8,082	1,772	28.08%
Fresno	Orange Cove	CDBG	HOME	ESG	7,722	11,049	3,327	43.08%
Fresno	Parlier	CDBG	HOME	ESG	11,145	13,658	2,513	22.55%
Fresno	San Joaquin	CDBG	HOME	ESG	3,270	4,071	801	24.50%
Glenn	Glenn County	CDBG	HOME	ESG	13,952	15,428	1,476	10.58%

Glenn	Orland	CDBG	HOME		6,281	7,501	1,220	19.42%
Glenn	Willows	CDBG	HOME		6,220	6,505	285	4.58%
Humboldt	Arcata	CDBG	HOME		16,651	17,712	1,061	6.37%
Humboldt	Blue Lake	CDBG	HOME		1,137	1,170	33	2.90%
Humboldt	Eureka	CDBG	HOME		26,128	26,066	-62	-0.24%
Humboldt	Ferndale	CDBG	HOME		1,382	1,444	62	4.49%
Humboldt	Fortuna	CDBG	HOME		10,498	11,364	866	8.25%
Humboldt	Humboldt County	CDBG	HOME	ESG	67,236	72,039	4,803	7.14%
Humboldt	Rio Dell	CDBG	HOME		3,174	3,295	121	3.81%
Humboldt	Trindad	CDBG	HOME		312	310	-2	-0.64%
Imperial	Brawley	CDBG	HOME		22,052	27,743	5,691	25.81%
Imperial	Calexico	CDBG	HOME		27,109	40,075	12,966	47.83%
Imperial	Calipatria	CDBG	HOME		7,289	8,233	944	12.95%
Imperial	El Centro	El Centro *(eligible for Colonia Allocation only)*	HOME		38,025	45,365	7,340	19.30%
Imperial	Holtville	CDBG	HOME		5,612	6,641	1,029	18.34%
Imperial	Imperial	CDBG	HOME		7,560	13,374	5,814	76.90%
Imperial	Imperial County	CDBG	HOME	ESG	32,583	39,182	6,599	20.25%
Imperial	Westmorland	CDBG	HOME		2,131	2,416	285	13.37%
Inyo	Bishop	CDBG	HOME		3,575	3,543	-32	-0.90%
Inyo	Inyo County	CDBG	HOME	ESG	14,496	14,567	71	0.49%
Kern	Delano	CDBG	HOME	ESG	39,499	54,447	14,948	37.84%
Kern	Maricopa	CDBG	HOME		1,111	1,153	42	3.78%
Kern	McFarland	CDBG	HOME	ESG	9,835	13,942	4,107	41.76%
Kern	Taft	CDBG	HOME	ESG	8,811	9,264	453	5.14%
Kern	Wasco	CDBG	HOME	ESG	21,263	25,541	4,278	20.12%
Kings	Avenal	CDBG	HOME		14,674	16,236	1,562	10.64%
Kings	Corcoran	CDBG	HOME		20,843	25,692	4,849	23.26%
Kings	Hanford		HOME		41,686	53,266	11,580	27.78%
Kings	Kings County	CDBG	HOME	ESG	32,546	35,634	3,088	9.49%
Kings	Lemoore	CDBG	HOME		19,712	25,461	5,749	29.16%
Lake	Clearlake	CDBG	HOME		13,147	14,385	1,238	9.42%
Lake	Lake County	CDBG	HOME	ESG	40,358	44,528	4,170	10.33%
Lake	Lakeport	CDBG	HOME		4,820	5,140	320	6.64%
Lassen	Lassen County	CDBG	HOME	ESG	16,363	18,458	2,095	12.80%
Lassen	Susanville	CDBG	HOME		17,465	17,431	-34	-0.19%
Los Angeles	Alhambra			ESG	85,757	89,501	3,744	4.37%
Los Angeles	Artesia	CDBG	HOME	ESG	16,380	17,608	1,228	7.50%
Los Angeles	Avalon	CDBG	HOME	ESG	3,279	3,559	280	8.54%
Los Angeles	Baldwin Park			ESG	75,837	81,604	5,767	7.60%
Los Angeles	Bellflower			ESG	72,878	77,312	4,434	6.08%
Los Angeles	Burbank			ESG	100,316	108,469	8,153	8.13%
Los Angeles	Carson		HOME	ESG	89,730	98,047	8,317	9.27%
Los Angeles	Downey			ESG	107,323	113,715	6,392	5.96%
Los Angeles	Gardena		HOME	ESG	57,746	61,927	4,181	7.24%
Los Angeles	Glendora		HOME	ESG	49,415	52,830	3,415	6.91%
Los Angeles	Hawthorne			ESG	84,112	90,145	6,033	7.17%
Los Angeles	Hidden Hills	CDBG	HOME	ESG	1,875	2,025	150	8.00%
Los Angeles	Huntington Park			ESG	61,348	64,219	2,871	4.68%
Los Angeles	Industry	CDBG	HOME	ESG	777	803	26	3.35%
Los Angeles	Lakewood		HOME	ESG	79,345	83,636	4,291	5.41%
Los Angeles	Lancaster		HOME	ESG	118,718	145,875	27,157	22.88%

Los Angeles	Lynwood			ESG	69,845	73,295	3,450	4.94%
Los Angeles	Montebello			ESG	62,150	65,781	3,631	5.84%
Los Angeles	Monterey Park			ESG	60,051	65,027	4,976	8.29%
Los Angeles	Norwalk			ESG	104,323	109,817	5,494	5.27%
Los Angeles	Palmdale			ESG	116,670	152,622	35,952	30.82%
Los Angeles	Palos Verdes Estates	CDBG	HOME		13,340	14,085	745	5.58%
Los Angeles	Paramount			ESG	55,266	57,989	2,723	4.93%
Los Angeles	Pico Rivera		HOME	ESG	63,428	66,967	3,539	5.58%
Los Angeles	Redondo Beach		HOME	ESG	63,261	68,105	4,844	7.66%
Los Angeles	Rosemead			ESG	53,505	57,756	4,251	7.95%
Los Angeles	Santa Clarita		HOME	ESG	151,131	177,641	26,510	17.54%
Los Angeles	Santa Monica			ESG	84,084	92,703	8,619	10.25%
Los Angeles	Torrance		HOME	ESG	137,946	149,717	11,771	8.53%
Los Angeles	Vernon	CDBG	HOME	ESG	91	96	5	5.49%
Los Angeles	West Covina		HOME	ESG	105,080	112,890	7,810	7.43%
Los Angeles	Whittier			ESG	83,639	87,128	3,489	4.17%
Madera	Chowchilla	CDBG	HOME		14,416	18,698	4,282	29.70%
Madera	Madera		HOME		43,207	58,243	15,036	34.80%
Madera	Madera County	CDBG	HOME	ESG	65,486	76,714	11,228	17.15%
Marin	Marin County			ESG	986,050	70,685	-915,365	-92.83%
Mariposa	Mariposa County	CDBG	HOME	ESG	17,130	18,192	1,062	6.20%
Mendocino	Fort Bragg	CDBG	HOME		6,814	6,855	41	0.60%
Mendocino	Mendocino County	CDBG	HOME	ESG	58,407	62,192	3,785	6.48%
Mendocino	Point Arena	CDBG	HOME		474	491	17	3.59%
Mendocino	Ukiah	CDBG	HOME		15,497	15,682	185	1.19%
Mendocino	Willits	CDBG	HOME		5,073	5,069	-4	-0.08%
Merced	Atwater	CDBG	HOME		23,113	27,755	4,642	20.08%
Merced	Dos Palos	CDBG	HOME		4,385	5,041	656	14.96%
Merced	Gustine	CDBG	HOME		4,698	5,250	552	11.75%
Merced	Livingston	CDBG	HOME		10,473	14,051	3,578	34.16%
Merced	Los Banos	CDBG	HOME		25,869	36,421	10,552	40.79%
Merced	Merced County	CDBG	HOME	ESG	78,123	88,992	10,869	13.91%
Modoc	Alturas	CDBG	HOME		2,892	2,798	-94	-3.25%
Modoc	Modoc County	CDBG	HOME	ESG	6,557	6,979	422	6.44%
Mono	Mammoth Lakes	CDBG	HOME		7,093	7,299	206	2.90%
Mono	Mono County	CDBG	HOME	ESG	5,760	6,318	558	9.69%
Monterey	Carmel	CDBG	HOME		4,081	4,053	-28	-0.69%
Monterey	Del Rey Oaks	CDBG	HOME		1,650	1,649	-1	-0.06%
Monterey	Gonzales	CDBG	HOME		7,564	9,114	1,550	20.49%
Monterey	Greenfield	CDBG	HOME		12,648	17,898	5,250	41.51%
Monterey	King City	CDBG	HOME		11,204	12,140	936	8.35%
Monterey	Marina	CDBG	HOME		18,925	19,445	520	2.75%
Monterey	Monterey		HOME		29,696	29,455	-241	-0.81%
Monterey	Monterey County	CDBG	HOME	Monterey County and all jurisdictions eligible except for Salinas	101,414	109,607	8,193	8.08%
Monterey	Pacific Grove	CDBG	HOME		15,522	15,683	161	1.04%
Monterey	Sand City	CDBG	HOME		261	329	68	26.05%
Monterey	Seaside		HOME		33,097	34,628	1,531	4.63%
Monterey	Soledad	CDBG	HOME		23,015	27,929	4,914	21.35%
Napa	American Canyon	CDBG	HOME		9,774	16,836	7,062	72.25%
Napa	Calistoga	CDBG	HOME		5,190	5,370	180	3.47%

Napa	Napa		HOME		72,585	78,791	6,206	8.55%
Napa	Napa County	CDBG	HOME	ESG	27,483	28,653	1,170	4.26%
Napa	St. Helena	CDBG	HOME		5,950	6,010	60	1.01%
Napa	Yountville	CDBG	HOME		3,297	3,257	-40	-1.21%
Nevada	Grass Valley	CDBG	HOME		10,922	12,746	1,824	16.70%
Nevada	Nevada City	CDBG	HOME		2,996	3,040	44	1.47%
Nevada	Nevada County	CDBG	HOME	ESG	64,251	66,614	2,363	3.68%
Nevada	Truckee	CDBG			13,864	16,280	2,416	17.43%
Orange	Buena Park		HOME	ESG	77,962	84,141	6,179	7.93%
Orange	Costa Mesa			ESG	108,724	117,178	8,454	7.78%
Orange	Fountain Valley		HOME	ESG	54,978	58,741	3,763	6.84%
Orange	Fullerton			ESG	126,003	138,610	12,607	10.01%
Orange	Huntington Beach			ESG	189,627	203,484	13,857	7.31%
Orange	Irvine			ESG	143,072	217,686	74,614	52.15%
Orange	Laguna Niguel		HOME	ESG	61,891	67,666	5,775	9.33%
Orange	La Habra		HOME	ESG	58,974	63,184	4,210	7.14%
Orange	Lake Forest		HOME	ESG	58,707	78,720	20,013	34.09%
Orange	Mission Viejo		HOME	ESG	93,102	100,725	7,623	8.19%
Orange	Newport Beach		HOME	ESG	70,032	86,738	16,706	23.85%
Orange	Orange (city)			ESG	128,868	142,708	13,840	10.74%
Orange	Rancho Santa Margarita		HOME	ESG	47,214	49,945	2,731	5.78%
Orange	San Clemente		HOME	ESG	49,936	68,763	18,827	37.70%
Orange	San Juan Capistrano	CDBG	HOME	ESG	33,826	37,233	3,407	10.07%
Orange	Tustin		HOME	ESG	67,504	75,773	8,269	12.25%
Orange	Westminster			ESG	88,207	94,294	6,087	6.90%
Placer	Auburn	CDBG	HOME		12,462	13,578	1,116	8.96%
Placer	Colfax	CDBG	HOME		1,520	1,993	473	31.12%
Placer	Lincoln	CDBG	HOME		11,205	41,111	29,906	266.90%
Placer	Loomis	CDBG	HOME		6,260	6,743	483	7.72%
Placer	Placer County	CDBG	HOME	ESG	100,701	111,877	11,176	11.10%
Placer	Rocklin		HOME		36,330	56,019	19,689	54.19%
Placer	Roseville		HOME		79,921	115,781	35,860	44.87%
Plumas	Plumas County	CDBG	HOME	ESG	18,597	18,431	-166	-0.89%
Plumas	Portola	CDBG	HOME		2,227	1,997	-230	-10.33%
Riverside	Calimesa	CDBG	HOME	ESG	7,139	7,555	416	5.83%
Riverside	Coachella	CDBG	HOME	ESG	22,724	42,591	19,867	87.43%
Riverside	Corona			ESG	124,966	150,416	25,450	20.37%
Riverside	Hemet		HOME	ESG	58,812	75,820	17,008	28.92%
Riverside	Indian Wells	CDBG	HOME	ESG	3,816	5,144	1,328	34.80%
Riverside	Moreno Valley			ESG	142,379	188,537	46,158	32.42%
Riverside	Palm Desert		HOME	ESG	41,155	52,067	10,912	26.51%
Riverside	Palm Springs		HOME	ESG	42,805	48,040	5,235	12.23%
Riverside	Rancho Mirage	CDBG	HOME	ESG	13,249	17,008	3,759	28.37%
Sacramento	Citrus Heights			ESG	85,071	88,115	3,044	3.58%
Sacramento	Elk Grove		HOME	ESG	NA	143,885	#VALUE!	#VALUE!
Sacramento	Rancho Cordova			ESG	NA	62,899	#VALUE!	#VALUE!
San Benito	Hollister	CDBG	HOME		34,424	37,301	2,877	8.36%
San Benito	San Benito County	CDBG	HOME	ESG	17,261	19,192	1,931	11.19%
San Benito	San Juan Bautista	CDBG	HOME		1,549	1,895	346	22.34%
San Bernardino	Apple Valley			ESG	54,239	70,040	15,801	29.13%
San Bernardino	Chino		HOME	ESG	67,168	84,742	17,574	26.16%
San Bernardino	Chino Hills			ESG	66,787	78,971	12,184	18.24%
San Bernardino	Hesperia		HOME	ESG	62,590	88,479	25,889	41.36%
San Bernardino	Rancho Cucamonga			ESG	127,743	178,904	51,161	40.05%
San Bernardino	Rialto			ESG	91,882	100,260	8,378	9.12%

San Bernardino	Upland		HOME	ESG	68,393	76,106	7,713	11.28%
San Bernardino	Victorville			ESG	64,029	112,097	48,068	75.07%
San Diego	Carlsbad			ESG	78,306	106,804	28,498	36.39%
San Diego	El Cajon			ESG	94,869	99,637	4,768	5.03%
San Diego	Encinitas			ESG	57,955	65,171	7,216	12.45%
San Diego	Escondido			ESG	133,663	147,514	13,851	10.36%
San Diego	La Mesa			ESG	54,749	58,150	3,401	6.21%
San Diego	National City			ESG	54,260	57,799	3,539	6.52%
San Diego	San Marcos			ESG	54,977	84,391	29,414	53.50%
San Diego	Santee			ESG	52,946	58,044	5,098	9.63%
San Diego	Vista			ESG	89,857	97,513	7,656	8.52%
San Luis Obispo	Morro Bay	CDBG	HOME	ESG	10,350	10,608	258	2.49%
San Luis Obispo	Pismo Beach	CDBG	HOME	ESG	8,551	8,704	153	1.79%
San Mateo	Daly City			ESG	103,625	108,383	4,758	4.59%
San Mateo	Redwood City			ESG	75,402	78,568	3,166	4.20%
San Mateo	San Mateo (city)			ESG	92,482	97,535	5,053	5.46%
San Mateo	South San Francisco			ESG	60,552	65,872	5,320	8.79%
Santa Barbara	Buellton	CDBG			3,828	4,833	1,005	26.25%
Santa Barbara	Carpinteria	CDBG			14,194	14,528	334	2.35%
Santa Barbara	Golita			ESG	NA	31,099	#VALUE!	#VALUE!
Santa Barbara	Guadalupe	CDBG	HOME	ESG	5,659	6,570	911	16.10%
Santa Barbara	Santa Barbara (city)			ESG	89,606	90,893	1,287	1.44%
Santa Barbara	Santa Maria			ESG	77,423	93,225	15,802	20.41%
Santa Barbara	Solvang	CDBG			5,332	5,487	155	2.91%
Santa Clara	Cupertino		HOME		50,602	56,431	5,829	11.52%
Santa Clara	Gilroy		HOME		41,464	52,027	10,563	25.48%
Santa Clara	Milpitas		HOME		62,698	71,552	8,854	14.12%
Santa Clara	Palo Alto		HOME		58,598	65,408	6,810	11.62%
Santa Clara	Santa Clara County			Santa Clara County and all jurisdictions eligible <u>except</u> for San Jose	99,813	91,832	-7,981	-8.00%
Santa Cruz	Capitola	CDBG	HOME		10,033	10,198	165	1.64%
Santa Cruz	Santa Cruz County	CDBG	HOME	ESG	135,345	59,684	-75,661	-55.90%
Santa Cruz	Scotts Valley	CDBG	HOME		11,385	11,903	518	4.55%
Santa Cruz	Watsonville		HOME		44,246	52,543	8,297	18.75%
Shasta	Anderson	CDBG	HOME		9,027	10,826	1,799	19.93%
Shasta	Shasta County	CDBG	HOME	ESG	64,271	71,566	7,295	11.35%
Shasta	Shasta Lake	CDBG	HOME		9,093	10,294	1,201	13.21%
Sierra	Loyalton	CDBG	HOME		862	825	-37	-4.29%
Sierra	Sierra County	CDBG	HOME	ESG	2,693	2,478	-215	-7.98%
Siskiyou	Dorris	CDBG	HOME		886	858	-28	-3.16%
Siskiyou	Dunsmuir	CDBG	HOME		1,923	1,814	-109	-5.67%
Siskiyou	Etna	CDBG	HOME		781	747	-34	-4.35%
Siskiyou	Fort Jones	CDBG	HOME		660	658	-2	-0.30%
Siskiyou	Montague	CDBG	HOME		1,456	1,488	32	2.20%
Siskiyou	Mount Shasta	CDBG	HOME		3,621	3,595	-26	-0.72%
Siskiyou	Siskiyou County	CDBG	HOME	ESG	23,686	25,462	1,776	7.50%
Siskiyou	Tulelake	CDBG	HOME		1,020	964	-56	-5.49%
Siskiyou	Weed	CDBG	HOME		2,978	3,009	31	1.04%
Siskiyou	Yreka	CDBG	HOME		7,290	7,415	125	1.71%
Solano	Benicia	CDBG	HOME		26,865	28,086	1,221	4.54%

Solano	Dixon	CDBG	HOME		16,103	17,605	1,502	9.33%
Solano	Fairfield		HOME		96,178	105,955	9,777	10.17%
Solano	Rio Vista	CDBG	HOME		4,571	8,324	3,753	82.10%
Solano	Solano County		HOME	ESG	19,305	20,165	860	4.45%
Solano	Suisan City	CDBG	HOME		26,118	28,962	2,844	10.89%
Solano	Vacaville		HOME		88,642	97,305	8,663	9.77%
Sonoma	Petaluma		HOME		54,550	58,401	3,851	7.06%
Sonoma	Santa Rosa			ESG	147,595	163,436	15,841	10.73%
Stanislaus	Hughson	CDBG	HOME	ESG	3,980	6,240	2,260	56.78%
Stanislaus	Riverbank	CDBG	HOME	ESG	15,826	22,201	6,375	40.28%
Stanislaus	Turlock			ESG	55,811	71,181	15,370	27.54%
Sutter	Live Oak	CDBG	HOME		6,229	8,791	2,562	41.13%
Sutter	Sutter County	CDBG	HOME	ESG	35,943	24,991	-10,952	-30.47%
Sutter	Yuba City		HOME		36,758	65,372	28,614	77.84%
Tehama	Corning	CDBG	HOME		6,741	7,409	668	9.91%
Tehama	Red Bluff	CDBG	HOME		13,147	13,825	678	5.16%
Tehama	Tehama	CDBG	HOME		432	426	-6	-1.39%
Tehama	Tehama County	CDBG	HOME	ESG	35,719	41,440	5,721	16.02%
Trinity	Trinity County	CDBG	HOME	ESG	13,022	13,898	876	6.73%
Tulare	Dinuba	CDBG	HOME		16,844	21,542	4,698	27.89%
Tulare	Exeter	CDBG	HOME		9,168	10,752	1,584	17.28%
Tulare	Farmerville	CDBG	HOME		8,737	10,971	2,234	25.57%
Tulare	Lindsay	CDBG	HOME		10,297	11,800	1,503	14.60%
Tulare	Porterville		HOME		39,615	52,960	13,345	33.69%
Tulare	Tulare		HOME		43,994	59,535	15,541	35.33%
Tulare	Tulare County	CDBG	HOME		140,822	146,356	5,534	3.93%
Tulare	Woodlake	CDBG	HOME		6,653	7,927	1,274	19.15%
Tuolumne	Sonora	CDBG	HOME		4,423	4,672	249	5.63%
Tuolumne	Tuolumne County	CDBG	HOME		50,081	51,414	1,333	2.66%
Ventura	Camarillo		HOME		57,084	66,690	9,606	16.83%
Ventura	Simi Valley		HOME		111,351	126,902	15,551	13.97%
Ventura	Thousand Oaks		HOME		117,005	130,209	13,204	11.28%
Yolo	West Sacramento	CDBG	HOME		31,615	48,426	16,811	53.17%
Yolo	Winters	CDBG	HOME		6,125	7,098	973	15.89%
Yolo	Woodland		HOME		49,155	57,288	8,133	16.55%
Yolo	Yolo County	CDBG	HOME		21,457	23,571	2,114	9.85%
Yuba	Marysville		HOME		12,268	12,867	599	4.88%
Yuba	Wheatland	CDBG	HOME		2,272	3,558	1,286	56.60%
Yuba	Yuba County	CDBG	HOME		45,679	56,955	11,276	24.69%

Appendix D
Areas of Poverty and Minority Concentration

Eligible CDBG / HOME Counties [1]	Percentage of population in Poverty [2]	Percentage of non-white individuals (including Hispanic) [3]
Alpine	19.5%	28.2%
Amador	9.2%	17.6%
Butte	19.8%	20.0%
Calaveras	11.8%	12.5%
Colusa	16.1%	52.0%
Del Norte	20.2%	29.9%
El Dorado	7.1%	15.1%
Fresno	22.5%	60.3%
Glenn	18.1%	37.4%
Humboldt	19.5%	18.4%
Imperial	22.6%	79.8%
Inyo	12.6%	25.6%
Kern	20.8%	50.5%
Kings	19.5%	58.4%
Lake	17.6%	19.5%
Lassen	14.0%	29.4%
Los Angeles	17.9%	68.9%
Madera	21.4%	53.4%
Mariposa	14.8%	15.1%
Mendocino	15.9%	25.1%
Merced	21.7%	59.4%
Modoc	21.5%	18.9%
Mono	11.5%	23.5%
Monterey	13.5%	59.7%
Napa	8.3%	30.9%
Nevada	8.1%	9.7%
Orange	10.7%	48.7%
Placer	5.8%	16.6%
Plumas	13.1%	11.3%
Riverside	14.2%	49.0%
Sacramento	14.1%	42.2%
San Benito	10.0%	54.0%
San Bernardino	15.8%	56.0%
San Joaquin	17.7%	52.6%
San Luis Obispo	12.8%	23.9%
Santa Barbara	14.3%	43.1%
Santa Clara	7.5%	55.8%
Santa Cruz	11.9%	34.5%
Shasta	15.4%	13.6%
Sierra	11.3%	9.7%
Siskiyou	18.6%	16.7%
Solano	8.3%	50.8%

Sonoma	8.3%	25.5%
Stanislaus	16.0%	42.7%
Sutter	15.5%	39.8%
Tehama	17.3%	21.5%
Trinity	18.7%	13.4%
Tulare	23.9%	58.2%
Tuolumne	11.4%	14.9%
Ventura	9.2%	43.2%
Yolo	18.4%	41.9%
Yuba	20.8%	34.7%

[1] Eligible CDBG and HOME jurisdictions in each listed county are detailed in Appendix A

[2] US 2000 Census Summary File 3 (SF3) P87 Poverty Status in 1999

[3] US 2000 Census Summary File 1 (SF1) P4 Hispanic and Latino Race

Appendix E
Antidisplacement and Relocation Assistance Plan

It is the State's intent that the attached State Relocation Plan meets the administrative requirement under Section 104(d) relocation law and satisfies the public disclosure requirement for the State Relocation Plan through its inclusion in this Annual Plan.

Applicants to the State CDBG and HOME programs will be required to certify they will follow the State Relocation Plan and the Uniform Relocation Act (URA) Requirements when they apply for grants. Program applicants will be required to certify in their CDBG and HOME application's Statement of Assurances (CDBG) or Applicant Certification and Commitment of Responsibility (HOME) that they will follow the State Relocation Plan and the URA Requirements.

CDBG and HOME grantee contracts with the Department may also contain special conditions relating to relocation to ensure any additional relocation requirements will be adhered to, if required. Each program's application includes items relating to acquisition and/or relocation on application checklists in order to alert the State regarding activities that may trigger compliance with federal relocation law. Contract special conditions language and application checklists will help to ensure that any persons eligible for relocation benefits because of activities funded by our CDBG or HOME grants will receive their proper benefits.

A copy of the plan follows.

State of California
Antidisplacement and Relocation Assistance Plan

The State of California will ensure that all State Recipients of federal grant funds, specifically Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) program funds, replace all occupied and vacant occupiable lower income housing units demolished or converted to a use other than lower income housing as a result of investment of these funds.

All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a State Contract committing the funds for a project that will directly result in demolition or conversion, the State will require the grant recipient to make public by publication in a newspaper of general circulation, local posting, and submitting to the State, the following information in writing:

1. A description of the proposed assisted project;

1. The address, number of bedrooms, and location on a map of lower income housing that will be demolished or converted to a use other than as lower income housing as a result of an assisted project;

2. A time schedule for the commencement and completion of the demolition or conversion;

4. To the extent known, the address, number of bedrooms and location on a map of the replacement housing that has been or will be provided.

5. The source of funding and a time schedule for the provision of the replacement housing;

6. The basis for concluding that the replacement housing will remain lower income housing for at least 10 years from the date of initial occupancy;

7. Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a two-bedroom unit with two one-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the approved local housing element and/or Comprehensive Housing Affordability Strategy (CHAS).

To the extent that the specific location of the replacement housing and other data in items 4 through 7 are not available at the time of the general submission, the State Recipient will identify the general location of such housing on a map and complete the disclosure and submission requirements as soon as the specific data are available.

The Grantee awarded Federal funds by the State is responsible for tracking the replacement of lower income housing and ensuring that it is provided within the required period. The State will monitor the Grantee to ensure the proper number and type of units are replaced.

The Grantee awarded Federal funds by the State is responsible for providing relocation payments and other relocation assistance to any lower income person displaced by the demolition of any housing or the conversion of lower income housing to another use. The State will monitor the Grantee to ensure the proper relocation benefits are provided to displaced households. All relocation benefits will be at or above the required benefits per CFR Part 42 Subpart d under Section 104 (d). If the project receives HOME funds, the requirements of 24 CFR 92.353 must be met.

Consistent with the goals and objectives of activities assisted under the Act, the Grantee awarded federal funds by the State will take the following steps to minimize the direct and indirect displacement of persons from their homes:

1. Coordinate code enforcement with rehabilitation and housing assistance programs.

2. Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants.

3. Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.

4. Arrange for facilities to house persons who must be relocated temporarily during rehabilitation.

5. Adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods.

6. Adopt policies which provide reasonable protections for tenants faced with conversion to a condominium or cooperative.

7. Adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas.

8. Establish counseling centers to provide homeowners and tenants with information on assistance available to help them remain in their neighborhood in the face of revitalization pressures.

9. The State will require all Grantees to adopt specific relocation plans for programs and projects which could trigger relocation activities prior to release of funds for those funded activities.

10. The State will require documentation of relocation notices for proposed activities in funding applications which could trigger relocation of existing persons.

Appendix F
Public Notices

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Division of Financial Assistance
1800 Third Street, Suite 390
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 322-1560 / FAX (916) 322-6660
www.hcd.ca.gov

April 13, 2011

FOR IMMEDIATE POSTING

PUBLIC NOTICE FOR COMMENT

Draft 2011-12 Annual Plan Update of the

State of California's 2010-2015 Consolidated Plan

The State of California, Department of Housing and Community Development (Department), is soliciting public review and comment on the Draft 2011-12 Annual Plan Update for the State of California's 2010-2015 Consolidated Plan.

The Consolidated Plan is updated annually and submitted to HUD to enable the State to administer approximately $138 million in federal funds under the Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and Lead-Based Paint Hazard Control Program (LHCP). The State Consolidated Plan is primarily applicable to non-entitlement jurisdictions that are eligible to compete for allocation of these funds by the State.

The 2010-2015 Consolidated Plan, for which this Annual Plan Update has been prepared: 1) identifies housing needs and problems; 2) analyzes market conditions and resources; 3) sets priorities and adopts strategies for addressing the identified needs; 4) describes criteria and procedures for allocating resources; and 5) contains a plan which identifies federal funds expected to be used, indicating the activities on which they will be spent, and sets goals for the number and types of households to be assisted through the federally-funded programs named above.

The public review period for these documents is 30 days, from **April 13, 2011 through May 12, 2011.** The Department must receive all comments on this document by **May 12, 2011**.

Written comments can be submitted via facsimile (916-327-6660), electronic mail (caper@hcd.ca.gov), or mailed to the following address:

Department of Housing and Community Development,
Division of Financial Assistance
P.O. Box 952054
Sacramento, California 94252-2054
Attention: Ann Hornbeck

The Draft 2011-2012 Annual Plan is available for public review on the Department's website at www.hcd.ca.gov, in Sacramento at the Department's Housing Resource Center in Room 430; at planning departments of counties with at least one non-entitlement jurisdiction, and at the following depository libraries:

California State Library, Government Publications (Sacramento)
California State University, Meriam Library (Chico)
California State University, Library- Government (Long Beach)
Free Library, Government Publications (Fresno County)
Public Library, Serials Division (Los Angeles)
Public Library (Oakland)
Public Library, Science & Industry Department (San Diego)
Public Library, Government Documents Dept (SF)
Stanford University Libraries, Green Library, Government Docs
University of California, Government Documents Library (Berkeley)
University of California, Shields Library, Government Documents (Davis)
University of California, Research Library (LA)
University of California, Government Documents (San Diego/La Jolla)
University of California, Government Publications (Santa Barbara)

In addition, public hearings will be held in the following locations:

Location	Address	Date/Time	Phone No.
Sacramento	Department of Housing and Community Development Division of Financial Assistance 1800 3rd Street, Room 183 Sacramento, CA	Wednesday, April 27, 2011 1:00 p.m.-3:00 p.m.	(916) 322-1560
Riverside County	Department of Housing and Community Development Division of Codes and Standards Registration and Titling Program 3737 Main Street, Suite 400 Riverside, CA	Wednesday, April 27, 2011 8:00 a.m. to 2:00 p.m.	(916) 322-1560
Shasta County	Department of Housing and Community Development Division of Codes and Standards Registration and Titling Program 2986 Bechelli Lane, Suite 201 Redding, CA	Wednesday, April 27, 2011 8:00 a.m. to 5:00 p.m.	(916) 322-1560

A limited number of copies of these documents are also available to entities or individuals unable to access one of the above sources.

If you have any questions, would like addresses or phone numbers for the county planning departments or are in need of translators or special services, please contact this Department, prior to the review dates at (916) 322-1560. For translator or special services needs, please advise the Department within five working days of the review period in order to facilitate the request.

This proposal has been determined to be EXEMPT from CEQA (Public Resources Code Section 21080.10(b)) and CATEGORICALLY EXCLUDED from NEPA (Title 24 Code of Federal Regulations 50.20(o)(2)).

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Division of Financial Assistance
1800 Third Street, Suite 390
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Sacramento, CA 94252-2054
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www.hcd.ca.gov

13 de abril de 2011

PARA PUBLICACIÓN INMEDIATA

AVISO PÚBLICO PARA COMENTARIO

Borrador de la Actualización Anual del Plan Correspondiente a Año Fiscales 2011-2012 del Plan Consolidado del Estado de California

El Departamento de Vivienda y de Desarrollo Comunitario del Estado de California (Department) solicita la revisión y comentarios públicos al Borrador del Plan Anual correspondiente a los años fiscales 2011-2012 del Plan Anual Consolidado del Estado de California correspondiendo a los años Fiscales 2010 a 2015.

El Plan Consolidado se actualiza anualmente y es sometido a HUD para permitir que el Estado administre aproximadamente $138 millones en fondos federales para los siguientes programas: Subsidio Colectivo para el Desarrollo Comunitario (CDBG), Programa de Asociación para Inversiones en Vivienda HOME, Subsidio de Viviendas de Emergencia (ESG), Oportunidades de Vivienda para Personas con SIDA (HOPWA) y Programa para Controlar el Riesgo de la Pintura con Plomo (LEAD). El Plan Consolidado del Estado es aplicable principalmente a jurisdicciones que no reciben fondos directamente de HUD, y cumplen con los requisitos para competir por la asignación de estos fondos por el Estado.

El Plan Consolidado correspondiente a los años Fiscales 2010 a 2015, por cual se preparó la actualización del plan anual: 1) identifica las necesidades y los problemas de vivienda; 2) analiza las condiciones y los recursos del mercado; 3) fija prioridades y adopta estrategias para dirigirse a las necesidades identificadas; 4) describe criterios y procedimientos para asignar recursos; y, 5) contiene un plan que identifica los fondos federales que se espera utilizar, indicando las actividades en las que se invertirán, y establece metas para el número y el tipo de hogares que se asistiran por los programas financiados por el gobierno federal.

El período para comentarios públicos de estos documentos es de 30 días. Dicho período empieza el 13 de abril de 2011 y termina el 12 de mayo de 2011. El Departamento debe recibir todo comentario sobre estos documentos a más tardar el 12 de mayo de 2011.

Comentario pueden mandarse por fax al (916) 327-6660, o por correo electrónico a (caper@hcd.ca.gov), o por correo a:

Department of Housing and Community Development,
Division of Financial Assistance
P.O. Box 952054
Sacramento, California 94252-2054
Attention: Ann Hornbeck

El borrador del Plan Anual correspondiente al año fiscal 2011-2012 esta disponible para revisión pública en el sitio web del Departamento (www.hcd.ca.gov), tambien en el Centro de Recursos de Vivienda del Departamento en 1800 3rd Street, Sacramento, CA 95811, interior 430, así como en los departamentos de planificación de condados con al menos una

jurisdicción que no recibe fondos directamente de HUD, y en las siguientes bibliotecas con acceso a información del gobierno:

California State Library, Government Publications (Sacramento)
California State University, Meriam Library (Chico)
California State University, Library- Government (Long Beach)
Free Library, Government Publications (Fresno County)
Public Library, Serials Division (Los Angeles)
Public Library (Oakland)
Public Library, Science & Industry Department (San Diego)
Public Library, Government Documents Dept (SF)
Stanford University Libraries, Green Library, Government Docs
University of California, Government Documents Library (Berkeley)
University of California, Shields Library, Government Documents (Davis)
University of California, Research Library (LA)
University of California, Government Documents (San Diego/La Jolla)
University of California, Government Publications (Santa Barbara)

Además, se celebrarán audiencias públicas en las siguientes localidades:

Ubicación	Dirección	Fecha/Hora	Teléfono
Sacramento	Department of Housing and Community Development Division of Financial Assistance 1800 3rd Street, Room 183 Sacramento, CA	27 de abril 2011 (miércoles) 1:00 p.m.a 3:00 p.m.	(916) 322-1560
Riverside County	Department of Housing and Community Development Division of Codes and Standards Registration and Titling Program 3737 Main Street, Suite 400 Riverside, CA	27 de abril 2011 (miércoles) 8:00 a.m. a 2:00 p.m.	(916) 322-1560
Shasta County	Department of Housing and Community Development Division of Codes and Standards Registration and Titling Program 2986 Bechelli Lane, Suite 201 Redding, CA	27 de abril 2011 (miércoles) 8:00 de a.m. a 5:00 de la tarde	(916) 322-1560

Un número limitado de copias de estos documentos está a disposición para entidades o individuos que no pueden tener acceso a las fuentes antes mencionadas.

Si tiene alguna pregunta o necesita direcciones, comuniquese con este Departamento antes de las fechas de las audiencias, llamando al (916) 322-1560. Si necesita un intérprete o servicios especiales, indíqueselo al Departamento dentro de los cinco días laborables antes de la audiencia, y así poder cumplir su petición.

Se ha determinado que esta propuesta está EXENTA de CEQA (Sección del Código 21080.10(b), Recursos Públicos) y CATEGÓRICAMENTE EXCLUIDA de NEPA (Título 24, Código de Reglamentaciones Federales 50.20(o)(2)).