

State of California

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2008-09 Annual Plan Update

Prepared by:
State of California
Department of Housing and Community
Development

For Submittal to:
U.S. Department of Housing and Urban Development

PUBLIC COMMENT DRAFT

**State of California
2008-09
Annual Plan Update
of the
2005-2010 Consolidated Plan**

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State of California 2008-09 Annual Plan Update

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EXECUTIVE SUMMARY

The 2008-09 Annual Plan Update is the third of five annual plans to update the State of California's 2005-2010 Consolidated Plan addressing the State's housing and community development needs. The Consolidated Plan is the State's overall vision for community development, using funds from the U.S. Department of Housing and Urban Development (HUD) and other sources.

The Consolidated Plan/Annual Plan Update is a prerequisite of receipt of the State's allocation of HUD funds for the following programs:

- Community Development Block Grant (CDBG)
- Federal Emergency Shelter Grant (ESG)
- HOME Investment Partnership (HOME)
- Housing Opportunities for Persons Living with AIDS (HOPWA)
- Lead-Based Paint Hazard Control Program (LHCP)

The CDBG, HOME and ESG Programs are administered by the California Department of Housing and Community Development (Department). The HOPWA Program is administered by the California Department of Public Health (CDPH) and LHCP is administered by the California Department of Community Services and Development (CSD).

Objectives and Outcomes

The 2008-09 Annual Plan Update:

- 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 Consolidated Plan;
- explains the State's method for distributing CDBG, HOME, ESG, HOPWA and LEAD program funds; and
- provides opportunity for public input on the development of the Annual Plan Update.

The State's 2005-2010 Consolidated Plan outlines four over-arching goals which 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 and supportive housing needs of the homeless and other special needs groups, including prevention of homelessness; and
- mitigation of impediments to fair housing.

The State's progress in achieving the goals outlined on the previous page 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 are detailed in the program specific sections beginning on page 29.

Evaluation of Past Performance

During the 2006-07 Program Year, the CDBG, HOME, ESG and HOPWA programs assisted a total of 90,874 households, homeless individuals and families with housing and supportive services. A total of 2,684 renter households and 863 owner households were assisted through the CDBG, HOME and HOPWA programs, 39 percent of which were at or below 30 percent of median household income. In addition, the ESG, HOPWA and CDBG programs assisted a total of 89,512 homeless individuals and families with emergency shelter, supportive services and/or homeless prevention assistance.

The CDBG Program's 2006 Community Development Block Grant General Allocation Notice of Funding Availability (NOFA) was funded with HUD's annual allocation to the State plus disencumbered funds from past year's grants and funds not committed under the Economic Development (ED) and Planning and Technical Assistance (PTA) allocations for the year. The CDBG General/Native American/Colonias component awarded a total of \$54,779,491 in 2006-07, including disencumbered and returned funds as well as funds from the FFY 2006 allocation. Included in this award were \$2,320,314 in 2006-07 for Colonias, \$1,009,472 for the 2006-07 Freeze Disaster, and \$10,000,000 in CDBG General Allocations for public works. Also, there was \$23,700,378 in pre-commitments made in 2005-06 but awarded in 2006-07. These awards were distributed to 80 eligible jurisdictions.

Included in the 2006-07 total, the CDBG Economic Development program awarded a total of \$12,103,550 last year, distributed to 23 eligible jurisdictions. Under the Planning and Technical Assistance Program, 65 applications were awarded \$3,114,743 in 2006-07. No relocation activity was funded.

The HOME Program awarded a total of \$73.2 million in HOME and American Dream Downpayment Initiative (ADDI) funds to 54 eligible applicants to fund 75 activities to assist an estimated 1,011 households including first-time homebuyer programs (23 percent), first-time homebuyer new construction (5 percent), rental new construction (55 percent), owner-occupied rehabilitation (15 percent) and tenant-based rental assistance programs (2 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. Homeless Prevention activities, such as eviction prevention, security deposits, housing counseling and legal representation, were also funded. During FY 2006-07, the ESG Program provided assistance to an estimated 65,611 homeless individuals and 3,582 homeless families. A total of \$6.7 million was awarded to 38 units

of local government and non-profit organizations for operation costs; essential service activities, homeless prevention services, shelter staff administration and grant administration.

During FY 2006-07, a total of \$2.6 million in HOPWA funds were awarded and 3,094 clients and family members were assisted through HOPWA funded activities including emergency assistance, transitional housing assistance, independent living, supportive housing and other services. Approximately 56.5 percent of HOPWA funds were 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, housing information services and hotel/motel vouchers to persons who were homeless or at-risk of becoming homeless. Housing placement assistance activities accounted for approximately 12 percent of HOPWA funds expended in FY 2006-07.

During the FY 2006-07, the LHCP Program achieved and exceeded the Round XI program unit goals. Community-Based Organizations (CBO) worked aggressively to complete contractual goals in order to begin the projected unit goals under Round XIII. A total of 316 units of the 305 required units under Round XI were completed. Clients assisted during this period received lead remediation activities to remove lead hazards identified through paint, dust, and soil samplings.

Public Participation Process

The Department has the lead role in preparing the Consolidated Plan and its Annual Plan updates for the State of California. The Department solicits input from public, private, and nonprofit organizations, and other State agencies to prepare the Annual Plan Update in accordance with the Citizen Participation Plan of the Consolidated Plan (see Citizen Participation Plan in the State's 2005-2010 Consolidated Plan, pages 85-90).

Consultation and citizen participation are both essential components of a statewide planning effort. The Citizen Participation Plan, as incorporated in the Consolidated Plan, sets the policy for involving citizens in the decision-making, review and comment process for the Annual Plan update. To encourage additional public input in the preparation of the Annual Plan, public notices containing a description of the Annual Plan Update and related amendments, inviting comments, and announcing public hearings are being mailed directly to local governments and depository libraries, and placed on the Department's website at <http://www.hcd.ca.gov/hpd/hrc/rep/fed/>. Notices are also published in newspapers to notify the public of the Annual Plan development process, timelines and participation options. The Department will continue to consult with other State agencies to explore ways in which to improve facilitation of program coordination and the effects of the consolidated planning process on the consumers and clients of the other agencies. A listing of State departments and agencies involved in the consultation process is available in the 2005-2010 Consolidated Plan (pages 5-6).

The Draft Annual Plan will be available for comment from all interested parties for a 30-day period, April 1 – April 30, 2008. Three public hearings are scheduled to allow the public to respond, comment or ask questions in a public forum:

Location	Address	Date/time
Visalia	Visalia Convention Center 303 E. Acequia Avenue Visalia, CA 93291	April 2 nd (Wednesday) Noon – 4:00 p.m. Room: Sequoia B
Sacramento	HCD 1800 Third Street Sacramento, CA 95811	April 16 th (Wednesday) 11:00 a.m. – 3:00 p.m. Room: 170
Redding	Redding City Hall 777 Cypress Ave Redding, CA 96001	April 23 th (Wednesday). 10:00 a.m. – 2:00 p.m. Room: TBD

To provide greater access to individuals with non-English background, the Department has provided the public notice in Spanish. If requested, interpreters are available in other languages and such requests should be directed to the Department at the number listed in the public notices included in Appendix F.

Copies of the 2008-09 Draft Annual Plan and the 2005-2010 Consolidated Plan are available for review at the Department’s Housing Resource Center and copies of the Public Notice have been mailed to CDBG, HOME, ESG, HOPWA and LHCP program contactors and interested parties. Both publications are also available on the Department’s website <http://www.hcd.ca.gov/hpd/hrc/rep/fed/> and will be available at public depository libraries as identified in the notice (see Appendix F) throughout the public comment period.

AMENDMENTS TO THE 2005-2010 CONSOLIDATED PLAN

Strategies and Outcome Measures (Consolidated Plan, page 25)

In accordance with the Final Rule (FR-4970-N-02) published by HUD on March 7, 2006 on the Outcome Performance Measurement System for community planning and development formula grant programs, the State began collecting information on the activities and indicators as outlined in the Consolidated Plan (pages 25-29) during FY 2006-07. Additional information is available in the individual program narratives beginning on page 29 of this document.

Citizen Participation Plan (Consolidated Plan, Page 87)

As it pertains to “Citizen Participation Requirements for Local Governments Receiving CDBG (Section 91.115(e))” beginning on page 87 of the State’s 2005-2010 Consolidated Plan, a new section (4) was added in order to further the goals of the New Freedom Initiative, as follows:

- (4) In accordance with CPD Notice CPD-05-03, issued by the U.S. Department of Housing and Urban Development (HUD), Community Planning and Development, on June 6, 2005, regarding the New Freedom Initiative, local governments participating in the CDBG Program are encouraged to expand their outreach efforts to persons with disabilities. This expansion is intended to ensure that persons with disabilities are aware of the support that may be available to them through CDBG-assisted programs in the jurisdictions in which they reside. The State recommends that local government applicants and grantees of the State CDBG Program notify and partner with local disability advocacy groups, Independent Living Centers (ILCs), and persons with disabilities to identify the needs of persons with disabilities and to determine how best to address the identified needs. The New Freedom Initiative is intended to remove the barriers to community living that are present in the lives of persons with disabilities.*

Special Needs Services and Facilities (Consolidated Plan, page 16)

Based upon public comment received from the California Health and Human Services Agency Department of Developmental Services (DDS), a new section will be added to address the housing needs of individuals with developmental disabilities as follows:

Affordable and accessible housing is a cornerstone to individuals with developmental disabilities residing in their local communities. The term developmental disability refers to severe and chronic disability attributable to a mental or physical impairment, such as mental retardation, cerebral palsy, epilepsy, or autism that begins before individuals reach adulthood (Welfare and Institutions Code, Section 4512). The DDS is the State agency responsible for assisting over 210,000 children and adults with developmental disabilities. DDS contracts with 12 nonprofit regional centers

throughout California to coordinate and provide ongoing services and supports in such areas as independent living, personal care, mobility, behavior and socialization (visit www.dds.ca.gov for more information).

To live in the least restrictive community settings, many individuals with developmental disabilities require deeply subsidized housing. However, as increasing numbers of individuals choose to live in the community, or move from large institutional settings, there exists a shortage of affordable and accessible housing to meet the needs of these individuals. As a result, individuals who might otherwise live independently in the community are often forced to live in more restrictive community care facilities and smaller institutional settings.

As one of its highest priorities, DDS actively pursues projects that will increase the capacity and construction of affordable and accessible housing in the least restrictive community settings. DDS is currently working with regional centers, nonprofit housing corporations, developers, and funding agencies to develop specialized housing in the Bay Area for up to 300 individuals moving into the community as a result of the plan to close Agnew Development Center in San Jose. It is anticipated that this unique approach could be a model for acquiring future permanent housing stock for the benefit of individuals with developmental disabilities. In addition, DDS collaborates with the Department, via an Interagency Agreement, to monitor and provide technical assistance to 14 DDS rental housing projects.

All other information in the 2005-2010 Consolidated Plan remains unchanged.
A copy of the complete Consolidated Plan is available on the Department's website at <http://www.hcd.ca.gov/hpd/hrc/rep/fed/conplan05-10final.pdf>.

SIGNIFICANT CHANGES TO THE 2008-09 ANNUAL PLAN UPDATE

All changes are discussed in more detail in the program specific narratives beginning on page 29.

CDBG Program:

- Suspending the Multi-year Awards for 2008-09.
- An increase in the maximum amount awarded per application has increased to \$1.5 million for the General Allocation. A maximum of one project for up to \$1,000,000; or a maximum of two different types of programs up to \$1,000,000 (limit of \$500,000/program); or one program and one project for up to \$1,500,000 (limit \$500,000/program and \$1,000,000/project).
- The CDBG General Allocation will be limited to one 10 percent Set-Aside.
- Bonus points will be awarded for the following:
 1. Infrastructure Proposals;
 2. Energy Efficiency Proposals;
 3. Native American Partnership Proposals;
 4. Farmworker Housing/Health Services; and
 5. Capacity Building.
- Under the Economic Development (ED) Allocation for Planning and Technical Assistance (PTA) grantees can request up to \$70,000 for preparation of one or more Over-the-Counter (OTC) funding or Enterprise Zone (EZ) designation applications.

HOME Program:

- The Program updated many of the objectives under each of its general program goals (See HOME Section, 2008-09 Goals and Objectives).
- Updated the Tenant-Based Rental Assistance (TBRA) subsection to include allowance for additional preferences in use of TBRA funds (See HOME Section, Eligible Activities description).
- Added a more detailed basic description of what is permitted by State Recipients and CHDOs if doing recapture or resale first-time homebuyer loans. (See HOME Section, HOME Recapture and Resale Policy)
- Updated HOME's projected numbers for minority homeownership assistance (See HOME Section, Minority Homeownership).
- Updated the description of our Allocation Method to include a discussion of the changes to our allocation system, per recent amendments to the State HOME Regulations (See HOME Section, Allocation Method)
- Updated our anticipated timetable for award of funds in 08/09. (See HOME Section, Application Process and Rating Criteria)
- Updated the HOME threshold and rating criteria based on recent changes to the State HOME Regulations (See HOME Section, Application Process and Rating Criteria)
- Added many new areas for possible State Objective Rating Points. (See HOME Section, Application Process and Rating Criteria)

- Discussed the new requirement for monthly project status reports, and the simplification of the quarterly reporting obligation for projects, per recent changes to the State HOME Regulations. (See HOME Section, Monitoring)
- Updated the housing production projections in the Priority Housing Needs Table based on a reduced HOME allocation for 2008-09 (See Introduction, Priority Housing Needs Table.)
- The 2008-09 lists of HOME and American Dream eligible jurisdictions will be updated once HOME receives additional information from HUD regarding jurisdictions participating in local Urban County Agreements and HOME Consortia (expected to be released in April or May).

ESG Program:

During 2008-09 ESG will:

- focus monitoring efforts on programs with difficulties in meeting reporting requirements; low drawdown rates; and staff turnover.
- monitor a minimum of eight programs with low expenditure rates or reporting difficulties through a combination of site visits and desk audits.

HOPWA Program:

- The City of Bakersfield recently became eligible to receive funds as a HOPWA grantee. At the request of the City, the State HOPWA grantee will continue to administer the HOPWA funds for the Bakersfield EMSA.
- Kern County will no longer be included in the formula used to allocate funds to counties within the State HOPWA grantee's jurisdiction since it is awarded funds separately by HUD. It is anticipated that Kern County Health Department will continue as the fiscal agent for the Bakersfield EMSA.

LHCP Program:

- Due to HUD and EPA adopting new LHCP regulations governing lead activities, the California Department of Public Health (CPHD) - formerly the Department of Health Services - issued a Notice of Proposed Rulemaking for Title 17, California Code of Regulations.
- Several components of the new federal requirements are more stringent than California's existing lead standards.
- CDPH proposes to amend Title 17 to reflect new federal standards and ensure continued status as an authorized State program.

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Distribution of Federal Resources and Housing Goals for 2008-09

The 2008-09 Annual Plan Update is the third of five annual plan updates to the State of California's 2005-2010 Consolidated Plan. The 2008-09 Annual Plan Update sets the State's priorities and strategies for the delivery of funds and explains the State's method of distribution of CDBG, HOME, FESG, HOPWA and LHCP program funds.

The Department anticipates receiving a total of \$93,716,185 in federal funds for 2008-09 for the programs listed below. As in previous years, CBDG and HOME have previously committed to grantees' portions of their 2008-09 allocation during the 2006-07 and 2007-08 fiscal years.

Community Development Block Grant (CDBG)	\$39,262,869*
Home Investment Partnership Program (HOME)	\$55,776,417**
American Dream Downpayment Initiative (ADDI)	\$371,363**
Federal Emergency Shelter Grant (FESG)	\$6,757,419
Housing Opportunities for Persons with AIDS (HOPWA)	\$3,069,000***
Lead Based Paint Hazard Control Program (LHCP)	\$6,000,000****
TOTAL	\$111,237,068

* The CDBG General Program has previously committed \$6,356,675 under the fast forwarding 3-year contracts, leaving a balance of \$32,906,194 for the 2008-09 funding cycle.

** The HOME Program has previously committed 100% of these funds under their 2008-09 NOFA and will be awarding their 2009-10 funds during the 2008-09 funding cycle, which they anticipate will be the same as their 2008-09 award.

*** HOPWA grant includes State Allocation of \$2,746,000 and \$323,000 Bakersfield Allocation.

****CSD received an additional 36-month \$3 million Lead Hazard Control Grant from HUD under Round XIII. Currently, CSD is administering Round XI and XIII for a total of \$6 million in total funding available Through March 31, 2008, LHCP will be administering two grants totaling \$6,000,000. Starting April 1, 2008, they will only be administering \$3,000,000 (Round XIII).

The amount of funds available for the CDBG, HOME and ESG programs as allocated by HUD for 2008-09 are less than the amounts received in FY 2007-08 due to budget reductions at the federal level.

Other Resources Available

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

Low-income housing tax credits, for both federal and State credits, are administered competitively on a statewide basis by the State Treasurer's Office. The Tax Credit Allocation Committee (TCAC) has available approximately \$730 million (to be claimed over ten years) in federal tax credits for 2008-09 along with \$82 million in State credits.

With the passage of Propositions 46 and 1C, the Department is currently administering 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 to support construction, acquisition, rehabilitation and preservation of affordable rental and ownership housing, child care facilities, homeless shelters, transitional housing, infrastructure and the development of jobs for low-income workers.

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. As of December 31, 2007, the Department and CalHFA have awarded approximately \$1.8 billion in Proposition 46 funds to eligible cities, counties and for- and non-profit organizations. These funds will create, incentivize, or reward more than 120,328 renter- and owner-occupied homes and shelter spaces.

Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, extended the nation's largest state-funded affordable housing assistance effort. The State's voters approved the measure by a substantial margin, authorizing \$2.85 billion in State General Obligations bonds to continue several important housing assistance programs, and to begin new programs to improve infrastructure to support housing.

The Proposition 1C funds are allocated as follows:

\$1.15 billion to continue several Department programs that were created or supported by Proposition 46:

- \$345 million for the Multifamily Housing Program (MHP)
- \$300 million for the CalHome Program
- \$195 million for the Multifamily Supportive Housing Program (MHP-SH)
- \$135 million for the Joe Serna, Jr. Farmworker Housing Grant Program (Serna)
- \$125 million for Building Equity and Growth in Neighborhoods (BEGIN)
- \$50 million for the Emergency Housing and Assistance Program Capital Development

\$350 million for two new programs to be operated by the Department:

- \$300 million for the Transit-Oriented Development Implementation Program that provides funding for infrastructure and housing to help cities and counties develop higher-density housing near transit stations
- \$50 million for housing for homeless youth, to be administered through the Multifamily Supportive Housing Program (MPH-SH)

\$200 million for the existing Homebuyer's Downpayment Assistance Program operated by CalHFA. Up to \$100 million of this may be expended for land acquisition and the construction of for-sale housing.

\$1.15 billion for three new programs that were authorized but not fully specified by Proposition 1C, and that will be, or recently have been, further defined by legislation:

- \$850 million for development of public infrastructure projects that facilitate or support infill housing construction. Projects could include water, sewer and transportation improvements, traffic mitigation, brownfield cleanup, and up to \$200 million for parks.
- \$200 million for the new Housing Urban-Suburban-Rural Parks Account, for a program to make housing-related park grants. Legislation to guide this program is anticipated in 2008.
- \$100 million for the new Affordable Housing Innovation Fund, for pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing.

Priority Housing Needs

The State has several priorities that will be integrated through its housing and community development efforts during 2008-09. These priorities have been developed through the analysis of housing needs and market analysis included in the State's 2005-2010 Consolidated Plan. These priorities and objectives are outlined in the following specific program narratives and will be updated as needed through Annual Plan Updates.

The State has identified all categories of households and housing assistance categories in the Priority Housing Needs table on the next page as high priority. The HUD definition of "high priority" for the purpose of completing the table is that activities to address this need will be funded during the five-year period covered by the State's 2005-2010 Consolidated Plan. All of the categories detailed below are of high priority in some eligible jurisdictions statewide, and are all expected to be funded.

As is indicated in the identification of housing problems (2005-2010 Consolidated Plan, pages 7-12), renters represent a higher need group than owners 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. Similarly, renters have much higher rates of overcrowding, more frequently have high cost burdens, and higher percentages live in substandard housing than owner households. Clearly, in setting priorities for housing assistance efforts, there is a priority need to address the housing problems of renters.

The table presents an estimate of the number of households to be assisted with CDBG, HOME, ESG, HOPWA and LHCP funds in 2008-09 including any nonfederal funds used in conjunction with federal funds. These figures are estimates based on past experience and are subject to significant variation based on the activities proposed by eligible applicants. Therefore, the actual numbers of households assisted in the various categories will be determined by the actual accomplishments reported by grantees. This number will be affected by the content of the applications received and the rating assigned using the applicable regulations and rating procedures as outlined for each

individual program as well as local market conditions. The goal estimates below are not used in the rating process.

2008-09 Priority Housing Needs (Households)				
		Priority Need Level		Goals
Renter	Small Related	0-30%	High	209
		31-50%	High	198
		51-80%	High	129
	Large Related	0-30%	High	8
		31-50%	High	8
		51-80%	High	10
	Elderly	0-30%	High	7
		31-50%	High	9
		51-80%	High	11
	All Other	0-30%	High	16
		31-50%	High	49
		51-80%	High	31
			TOTAL Renters	685
Owner	0-30%	High	130	
	31-50%	High	357	
	51-80%	High	507	
				TOTAL Owners
Homeless (Individuals & Families)			High	13,158
Non-Homeless Special Needs Populations*		0-80%	High	1,736
TOTAL Goals				16,573
TOTAL 215 Goals**				994

* Persons living with HIV/AIDS

** HOME funded projects must meet the Section 215 qualification as affordable housing for both rental and ownership units.

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 will best address their local needs. Applications received are evaluated based on the needs of the local jurisdiction, proposed use of funds and the applicable regulations and rating factors for each specific program (for additional information refer to page 22 – Geographic Distribution and Rating Criteria and program specific sections beginning on page 29).

Anticipated NOFA/Application Timelines

The table below summarizes the anticipated timing of Allocation funds and the application process for each program for 2008-09.

2008-09 Anticipated Schedule of Allocation of Funds Application Process				
NOFA	Workshops	Application Deadline(s)	Awards	Contracts
CDBG				
General Allocation				
1/14/09	2/11/09	4/15/09	6/10/09	8/10/09
Native American/Colonias Allocation				
10/8/08	11/12/08	1/5/09	4/1/09	6/12/09
ED Enterprise Fund				
11/2008	TBD	1/2009	4/2009	6/2009
ED Over-the-Counter				
8/2008	TBD	3/2009	TBD	5/2009
Planning and Technical Assistance				
6/2008	TBD	1/5/09	4/1/09	6/12/09
ESG				
2/11/2008	2/27/2008	4/7/2008	9/1/2008	10/1/ 2008
HOME and ADDI				
6/2/2008	6/2008	8/15/2008-Rental Projects	10/2008-Programs 11/2008-Rental Projects	45-60 days after award letter
HOPWA				
4/2008	N/A	5/2008	6/2008	7/1/2008
LHCP				
3/2008	N/A	6/2008	9/2008	11/2008

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 therefore the listing of eligible jurisdictions by program is updated annually. 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. A listing of current eligible jurisdictions for all programs is included as Appendix A.

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); and 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 provides 50 points during the rating and ranking process for applicants from rural areas. In addition, HOME Program applicants from documented low-income areas are eligible for up to 450 points for level of community need based on Census factors such as poverty level, housing overpayment by low-income households and overcrowding. 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 B 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 B, typically also have higher levels of poverty. These areas are typically eligible for ranking points allowable for rural and lower-income areas as stated above.

Performance Measurement

Required outcome indicators of the eligible activities as detailed in the specific program sections will be measured in three areas of overarching outcome categories: insuring availability/accessibility, creating affordability and promoting sustainability.

For each activity, all grantees will be required to provide information on the following outcome indicators:

- number of persons, households, units assisted (actual unit of measurement is dependent on the program and eligible activity);
- income levels of persons or households by 30, 50, 60 or 80 percent of area median income;
- number of communities/neighborhoods assisted;
- race, ethnicity and disability of assisted persons; and
- amount of money leveraged per activity.

Additional output indicators will be required by each specific program, dependent on the type of activity funded. For additional information, refer to specific program sections.

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. As described in the State's 2005-2010 Consolidated Plan (pages 12-19), California has an extensive ongoing 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. The Department's Emergency Housing Assistance Program (EHAP), funded through the passage of Proposition 46 and Proposition 1C, is the State's leading source of funds for homeless assistance services for direct client housing, facility operations and administration, residential rent assistance, leasing or renting rooms for provision of temporary shelter, and capital development activities. To date, the EHAP Program has provided more than \$180 million to local governments and non-profit organizations to create an additional 11,653 shelter spaces.

Additionally, the State provides funding for homeless services under various programs including, for example, public education, 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 TANF Homeless Assistance Program and the Department's EHAP Program provide assistance to those at imminent risk of becoming homeless. The Department 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.

The State also receives formula grants under the McKinney Projects for Assistance in Transition from Homelessness (PATH) Program which is administered by the Department of Mental Health (DMH) and provides funding for housing and supportive services in residential settings. The Department continues to work with DMH to develop policy and program guidelines that 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 accessible mental health, substance addiction, employment training and other support services. The intent of this initiative is to provide the incentives and leverage for local governments, and the nonprofit and private sectors to invest resources that expand and strengthen supportive housing opportunities.

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 1C, 46, and 63. The Governor directed the Department, CalHFA, and 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 will receive supportive services from county mental health departments, using Mental Health Services Act (MHSA) funds.

A NOFA for the Governor's Homeless Initiative was issued on November 15, 2005 offering funding of approximately \$40 million in permanent supportive housing development financing through the Department's Multifamily Housing Program (MHP), CalHFA construction, bridge and permanent financing, and approximately \$2 million in DMH State-share MHSA funds for rent subsidies.

Applications for funding continue to be accepted on an "over-the-counter" basis until available funding is exhausted. To date, MHP has awarded funds to seven applications. Including those seven, the Department has received a total of nine applications requesting funds. If all are approved, the Department will have committed over 50 percent of the program funds.

The Department also participates in the Initiative's Inter-Agency Council on Homelessness 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 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.

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 annual 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.

Recent statutory changes to State housing element law (Chapter 633, Statutes 2007) clarify and strengthen housing element law to promote certainty in zoning and approvals for emergency shelters and transitional and supportive housing. The law takes a fundamental and necessary step toward addressing the critical needs of homeless populations and persons with special needs throughout all communities in California. Generally, Chapter 633 of Statutes 2007 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 shelters;
- Existing or proposed permit procedures, development and management standards must be objective and encourage and facilitate the development of or conversion to emergency shelters;
- Emergency shelters shall only be subject to development and management standards that apply to residential or commercial within the same zone;
- 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; and
- 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.

Strategies to Overcome Barriers to Affordable Housing

The State mandates local governments to address housing needs by requiring all cities and counties (Government Code Section 65580) to have a housing element in their general plan to guide residential development and direct public investments. The housing element has many similar requirements to the federally-mandated Consolidated Plan in that it requires a thorough assessment of housing needs and the adoption of a comprehensive five-year program to address those needs.

The housing element also contains information about the availability of sites and infrastructure to accommodate new housing needs, and requires an analysis of governmental constraints to the production and preservation of housing. Cities and counties are required by State housing element law to have land-use plans and regulatory policies which facilitate the development of a range of housing types to meet the needs of all income groups. The housing element, which must be developed with public input and participation, serves as the basis for land-use and assistance programs to address local, regional and State housing needs.

In addition, Chapter 671, Statutes of 2001 (SB 520) requires all localities, under State housing element law, to include as part of a governmental constraints analysis; an analysis of potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities and demonstrate local efforts to remove and identify constraints that hinder the locality from meeting the need for housing for persons with disabilities. The element must also include programs that remove the constraints or provide reasonable accommodations for housing developed for persons with disabilities.

As local governments prepare to update their housing elements, the Department continues to improve and expand its technical assistance efforts to assist cities and counties in the preparation and implementation of effective housing elements. In December 2007, the Department launched its newest online technical assistance resource – *Building Blocks for Effective Housing Elements* - to assist local governments in preparing housing elements that effectively address the specific requirements of State law and develop effective strategies to meet identified housing needs.

The *Building Blocks for Effective Housing Element* webpage provides step-by-step assistance in preparing and updating local housing elements including:

- detailed information about specific statutory requirements;
- information and resources to complete effective analyses of housing needs, resources and constraints;
- sample/model analyses and programs; and
- links to resources for demographic data, current research and reports, housing and land-use funding and policy strategies, helpful public and private industry and advocacy organizations.

The on-line resource available through the *Building Blocks* webpage has been well-received by local governments and other stakeholders. The Department continues to update the information and provide additional model analyses and sample programs. The *Building Blocks* webpage is available at http://www.hcd.ca.gov/hpd/housing_element/index.html.

Other Actions

California metropolitan areas have led the nation in foreclosures for 10 months in a row. In November 2007, California accounted for 20 percent of the 201,950 foreclosure filings reported nationwide - 2.2 times the national average and 213% above the statewide 2006 total. A half million Californians have sub-prime loans that will jump to higher rates within the next two years. To address the growing foreclosure problem, Governor Schwarzenegger 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, will:

- Inform borrowers about their options.
- Urge borrowers to work with lenders before foreclosure.
- Encourage the use of nonprofit housing counselors.
- Partner with local leaders and trusted organizations, like churches and community groups, to further the goals of the campaign.

As part of the Governor's efforts, 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/>.

Additionally, the Governor negotiated an agreement with four lenders, representing 25 percent of the sub-prime loan market in California, to announce their commitment to principles that will help preserve homeownership for tens of thousands of home owners at risk of default due to hybrid ARM sub-prime mortgages resetting to higher interest rates. The agreement consists of three basic principles directing mortgage lenders to:

- Reach out proactively to borrowers well before their loans reset;
- Streamline the processes by which they determine whether borrowers may reasonably be expected to be able to make the reset payment; and

- Maintain at the starter rate for a sustainable period of time the homeowner who is current on payments, where a lender has determined the borrower's resources are insufficient to make the reset payment.

In addition, the Department 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 promote 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)

The State of California CDBG Program anticipates it will receive an allocation of \$39,262,869 from HUD for 2008-09. The Department will make this funding available to qualifying local jurisdictions in addition to funding that is disencumbered or returned to the State.

Primary Objectives

The two primary objectives of the CDBG program are: 1) the development and preservation of cities and counties by providing decent housing, a suitable living environment, and expansion of economic opportunities primarily for targeted populations; and 2) making grants available to eligible jurisdictions where 51 percent of program funds will go toward providing or improving 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).

Program Goals

To achieve the primary objectives, staff and management have set the following program goals for 2008-09:

1. Review of current program regulations for both General and Economic Development Allocations to update existing language. The goal is to take a comprehensive approach to the existing language, add clarity where needed and update some administrative procedures that do not reflect existing business practices commonly used by other programs in the Department.
2. Evaluation of existing internal work processes and drafting new or updating procedures to document and streamline existing processes and improve customer service. Program Staff are retooling a number of internal and external documents and manuals to facilitate this change. Staff will focus on improving customer service and developing a Best Practice Manual.
3. Increase the State's expenditure rate by encouraging local jurisdictions to efficiently utilize their CDBG funding. The Department continuously supports and trains local jurisdictions on program requirements and successful completion of their activities.
4. Partner with HUD to develop a Community Revitalization pilot program for State Grantees.
5. Develop a model contract language between homeowners and rehabilitation contractors to be shared among the Department's federal programs.
6. Increase technical assistance and provide training to staff and grantees through statewide workshops and development of useful toolkits.
7. Conduct regular CDBG Advisory Council Meetings and establish procedures to fully utilize the representation and guidance of the Council.

8. Review rating factors used to evaluate applications for funding under the California Community Enterprise Fund component of the Economic Development Allocation. The goal is to have a rating system that will give a competitive advantage to jurisdictions with demonstrated capacity and/or have performed well in the past, and have a documented demand for Economic Development funding.
9. Increase demand for Over-the-Counter (OTC) funding. Economic Development Program staff will increase marketing efforts, including site visits with jurisdictions, businesses, and developers to provide technical assistance on maximizing the use of CDBG funding. Encouraging the use of Planning and Technical Assistance grants for OTC application preparation will open up opportunities to jurisdictions with little or no resources to participate in the OTC component.
10. Build local capacity by increasing the number of on-site technical assistance visits and by holding economic development workshops throughout the state on deal structuring and on how to develop and implement Business Assistance Programs. The program will also develop a detailed “how-to” guide for grantees on developing and operating a Business Assistance Revolving Loan Fund program.
11. Evaluate the CDBG Economic Development programs and seek alternatives in which the programs can be more responsive to changing market conditions.

Eligible Jurisdictions

The CDBG Program anticipates having approximately 168 eligible jurisdictions that may qualify to participate during 2008-09. 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 to this are: 1) cities that are under 50,000 in population and 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 including current population and population increases between 2000 and 2005 is included in Appendix K of the State’s 2005-2010 Consolidated Plan.

Fund Allocation

The State of California's 2008-09 CDBG allocation from HUD is \$39,262,869. This represents a slight reduction from the State's FY 2007-08 allocation. The following represents the allocation of funds by specific program area that the State anticipates in the fiscal year:

Colonias: 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 \$1,963,143 for Colonias in 2008-09.

Economic Development (ED): California Health and Safety Code 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 will be \$11,162,694 for 2008-09. The ED funds will be allocated as follows:

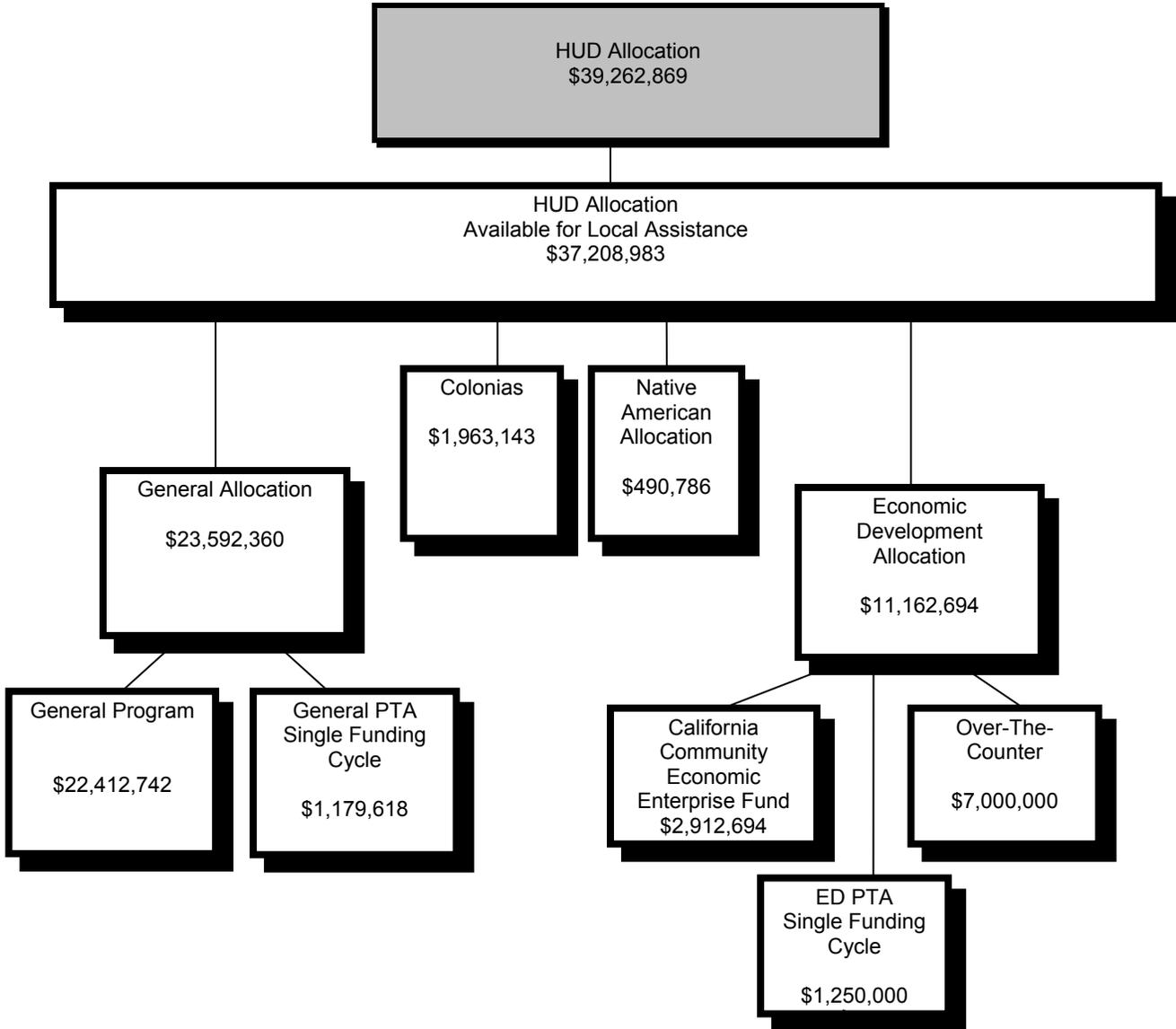
- California Community Economic Enterprise Fund (Enterprise Fund): The amount allocated to this component will be 26 percent of the ED balance (after subtracting PTA funding), equaling \$2,912,694 for 2008-09.
- "Over-the-Counter" (OTC) ED Component: In 2008-09, the Department will allocate the remaining 62 percent of the ED balance for this component that will equal \$7,000,000.
- Economic Development - Planning and Technical Assistance (ED PTA): This amount will be approximately \$1,250,000 for 2008-09. The ED PTA represents 11 percent of the total ED Allocation for FY2008-09.

General Allocation The General Allocation does not have a prescribed set aside. The amount of funding made available is represented by the amount of funds that remain after the mandated set-asides for other program areas. For 2008-09, the General Allocation is estimated to be \$22,412,742.

General - Planning and Technical Assistance (PTA) Pursuant to Health & Safety (H&S) Code Section 50833(b), as amended January 1, 2006, the Department shall 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 the amount set aside for General PTA's to be \$1,179,618 for 2008-09.

Native American Activities: Pursuant to H&S Code Section 50831 and Title 25 CCR 7062, the State annually sets aside one and a quarter percent of its CDBG award for grants to be made available to non-recognized tribes and Rancherias. This amount will be \$490,786 for 2008-09.

State of California CDBG Program 2008-09 Allocation



Methods of Distribution

Funds will be distributed pursuant to Code of Federal Regulations (CFR) Title 25, Part 570, CCR Sections 7056, 7060, 7064, 7072, 7078, 7062.1, and H&S Code Sections 50832, 50833, and 50834. The following represents a brief description of the method of distribution for each of the CDBG program components:

Colonias: This component of the CDBG Program provides direct community development benefits to Colonias located in the non-metropolitan border region. All cities and counties eligible under the State CDBG (non-entitlement) Program which contain Colonias as defined in Section 916 (e)(1) of the National Affordable Housing Act of 1990 may qualify.

A Colonia is defined as a distressed, non-entitlement jurisdiction within 150 miles of the California-Mexico border. The amount applied for under the Colonias Allocation does not count against any funding limits for the CDBG General and ED Allocations. The Department typically issues a funding notice for the Colonias component once every two years under this competitive award process.

Economic Development: The CCR Section 7062.1(d) stipulates that, based upon prior years' demand, the Department will determine what percentage of the ED funds will be set aside for Enterprise Fund applications.

- Enterprise Fund: Program provides funds to grantees to make loans to businesses to create or retain jobs, fund infrastructure improvements needed to accommodate business expansion or retention projects, or to fund micro-enterprise assistance activities that will foster the development of micro-enterprises. Projects for which \$250,000 or more of CDBG funds are requested must be reviewed by the CDBG ED Loan Advisory Committee. CDBG reserves the option to take projects that are immediately under this threshold to the ED Loan Advisory Committee for recommendation to the Director. The Department typically issues an annual funding notice for this award process.
- OTC ED Component: H&S Code Section 50834 requires a separate NOFA be issued for this component, which funds "ready-to-go" business expansion or retention projects. The Department will entertain applications on an ongoing basis, making funding decisions as applications are finalized and reviewed.
- ED PTA: H&S Code Section 50833(a), as amended effective January 1, 2006, states the Department shall determine and announce in the NOFA the percentage of the ED set-aside that will be made available for PTA activities. The Department will make these dollars available through a continuous funding cycle. Funding decisions are made on a first-come, first-served basis, and based on eligibility threshold criteria.

General Allocation: This component of the CDBG Program represents the mechanism through which a broad variety of CDBG-eligible activities are funded. The Department typically issues an annual NOFA for a variety of activities and applications are reviewed based on a competitive rating and ranking process. States may fund up to 65 different activities under the CDBG Program. The primary activities include housing rehabilitation, housing acquisition, public facilities, public services, public improvement activities, and housing new construction.

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, and based on eligibility threshold criteria.

Native American: Under the Native American program, funding decisions are made on a competitive rating and ranking process for granting awards. The primary activities include: housing rehabilitation, housing acquisition and new construction, public facilities, public services, public improvements activities.

Application Review & Award Amounts

CDBG funds are awarded by the Department, primarily through a competitive process, to local governments in California which do not receive formula CDBG grants directly from HUD (non-entitlement cities and counties). 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. The activities that provide relatively high percentages of benefit 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 of the State objectives.

Colonias

Under the Colonias' program there is no limit on the maximum award amount, therefore a Colonia may receive up to the maximum amount of funding that is made available under this allocation.

Economic Development

Under the ED Allocation, the Department revised the maximum award amount 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, local capacity to operate the program, commitment of other funding, and existence of a local ED plan. Under the Enterprise Fund Component, eligible CDBG jurisdictions may apply for a maximum grant of \$500,000 in 2008-09.
- 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 of the available points under those 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 allocation.

Any new funding cap that is established in a NOFA may be waived under the ED Allocation if funding is still available after September 1st of each program year. In addition, unless a waiver of the funding cap is approved, no single jurisdiction may receive more than the maximum amount established in a NOFA (formerly \$1,300,000) of total funding from the General and ED Allocations.

General Allocation

Pursuant to CCR 7064, the Department revised the General Allocation maximum award amount as follows:

- Up to a maximum of \$500,000 for one eligible program (housing or public services) with a maximum of two programs for a total of \$1,000,000. Multiple activities may be included in each program.
- Up to a maximum of \$1,000,000 for one eligible project (public improvements, public facilities, and housing new construction).
- Up to a maximum of \$1,500,000 for a combination of one eligible type of program (up to \$500,000) AND one eligible project (up to \$1,000,000). The maximum award amount per eligible applicant is \$1.5 million.

Applications for funding will be competitively rated and ranked based on the criteria prescribed by state regulations. CDBG General Allocation funding criteria includes level of poverty, benefit to low-income households/persons (Targeted Income Group (TIG)), need for the activity, prior performance, capacity/readiness, amount of leverage and National and State's goals and objectives. Funding will be awarded to applicants with the highest overall score, until the available funding has been exhausted. Consistent with the nature of a competitive application process, there is no assurance that all applications will be funded.

PTA Grants

The Department divides the PTA funds into two allocations, the General Allocation and the ED Allocation. One NOFA is used for both the General and ED Allocations, however, two applications for the different allocations are required.

Applicants can request up to \$70,000 under the General Allocation and \$70,000 under the 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 application for Enterprise Zone designation. In no instance will an ED or General planning grant application request exceed \$70,000. If an applicant does not request a full \$70,000 in planning funds for a project-specific activity, then they may request up to \$35,000 in funds for one or more proposed studies not directly focused on

development of a specific project (non-project specific activity). All applications must meet the threshold criteria contained in H&S Code Section 7056 in order to be funded.

Native American: The maximum award limit for the Native American Allocation is \$1,000,000 per eligible Native American tribe/area. Funding will be awarded to applicants with the highest overall score, until available funding has been exhausted. Consistent with the nature of a competitive application process, there is no assurance that all applications will be funded. The amount applied for under the Native American Allocation does not count against any General and ED Allocation limitations.

Program Income

During 2008-09, the State anticipates CDBG-eligible jurisdictions will likely collect program income in the amount of approximately \$38,839,000. All but a small fraction of these funds will be expended locally in accordance with locally adopted Reuse Plans approved by the State. Remaining funds will be returned to the State for reassignment to grant activities. In the past, approximately 50 percent of each year's program income is expended through housing rehabilitation and business assistance revolving loan funds with the remainder expended through revolving loan funds for other activities in conjunction with other State CDBG grant activities.

Emergency Regulations

The Department was required to develop emergency regulations to permit the latest General Allocation NOFA to be issued. Regulations adopted in 2005 were designed to provide a fast forward future funding concept to be used by the program to allow larger allocations of funding to be award by reserving funds that would be allocated in future years. The regulations adopted to facilitate this three-year fast forwarding concept inadvertently required all future funding rounds to offer any one of three contract terms to be provided, creating a significant administrative burden related to the tacking requests to accommodate different contract lengths for each award. To correct this, the Department has submitted amended CDBG regulations for Office of Administrative Law (OAL) final review. The Public comment period is closed. The length of the future contract terms will be established within each NOFA.

Section 108 Loan Guarantees

The CCR, Section 7062.3 authorizes the Department to pledge future federal allocations, up to \$16 million at a time, of CDBG funds as collateral for federal guarantees of notes or other obligations issued by eligible jurisdictions under the Section 108 Loan Guarantee Program. To date, the Department has not issued any Section 108 loan guarantees and has no immediate plans to do so.

Float-Funded Activities

The State has not undertaken a float-funded activity and has no plans to do so in the near future.

Antidisplacement and Relocation Assistance Plan

Please refer to Appendix L of the State's 2005-2010 Consolidated Plan.

Monitoring

The CDBG Program will continue to use the risk assessment tool, a slightly modified International Finance Corporation Kaiser-developed tool, to measure risk associated with all non-planning General Allocation grants to determine which of these grants require on-site monitoring. The remaining low-risk General Allocation grants and all planning grants will receive desk monitoring. All non-planning ED Allocation grants will continue to receive on-site monitoring. On-site monitoring of high risk General Allocation grants and all ED Allocation grants, along with desk monitoring of the remaining grants and current tracking system for grantee reporting, will ensure long-term compliance with requirements of the program, including the comprehensive planning requirements.

Performance Measurement

As of October 2006, the CDBG Program began incorporating 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 pre-determined specific output indicators based on the type of activity. Most of these output indicators have been used by CDBG in the past, but there are several new ones. CDBG will begin collecting the new information on its revised application and also in the Grantee Performance Report and other fiscal documents. New information concerning Performance Measures will be included in the updated Grant Management Manual, to be issued prior to the 2008 grant management workshops.

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Home Investment Partnerships Program (HOME)

Funds Available

During 2008-09, the State HOME Program is expected to receive an allocation of approximately \$55.8 million in funds, (including approximately \$1.7 million in funds reallocated to the State from jurisdictions giving up their HOME formula allocation), and \$371,000 in American Dream Downpayment Assistance (ADDI) funds for a total of \$56.1 million. Of this amount, \$4.1 million will be reserved for State Administrative funds, leaving a minimum of approximately \$52 million issued in the HOME NOFA.

2008-09 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 monitoring efforts to make sure affordable housing units remain available and in good condition for income-qualified households, in order to encourage healthy environments for tenants and healthy neighborhoods.
2. Continue using State Objective Bonus Points to encourage lower rents than the standard Low and High HOME rents.
3. Advocate for a permanent State and federal funding source to support ongoing, needed development of affordable rental housing.
4. Encourage applications from jurisdictions for “at risk preservation” projects which have rental assistance or operating subsidy payments under a renewable contract.

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. Except for administration, activity delivery, lead hazard reduction, and relocation costs, all direct homebuyer assistance must be made in the form of deferred payment loans. For more information, see Sections 8201 and 8205 of the State HOME regulations located at <http://www.hcd.ca.gov/fa/home/>.

Objectives:

1. Continue to encourage reconstruction of severely dilapidated units.
2. Advocate for a permanent State and federal funding source to support ongoing, needed development of affordable ownership housing.

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 in accessing and maintaining housing.

Objectives:

1. Waive Uniform Multifamily Regulation (UMR) requirements when a project is jointly funded with HOME and HUD Section 202 funds.
2. Offer additional funds and/or bonus points for rental projects providing deeper affordability.
3. Encourage applications for projects targeting special needs populations.

Goal 4: Improve HOME's HUD SNAPShots rankings

Objectives:

1. Set up rental projects in IDIS earlier as a way to improve commitment rates.
2. Explore ways to fund projects and programs to facilitate expeditious use of HOME funds.
3. Continue work on a reporting and data collection system that tracks the monthly progress of projects, and provide additional technical assistance to slow-moving projects.
4. Continue consulting with other large states regarding ways to improve performance.
5. Streamline application rating processes so that awards can be made sooner.

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. In addition to those localities described above, cities tentatively eligible for the State’s 2008-09 allocation of ADDI funds also include the following:

Eligible American Dream Applicants Not Eligible for State HOME Funds				
Alhambra	Davis	Merced	Redding	Santa Monica
Baldwin Park	Downey	Montebello	Redwood City	South Gate
Bellflower	El Cajon	Monterey Park	Richmond	Sunnyvale
Berkeley	El Monte	Mountain View	Rosemead	Vallejo
Burbank	Escondido	National City	Salinas	Visalia
Chico	Fullerton	Norwalk	San Buenaventura	Westminster
Compton	Hawthorne	Orange	San Mateo	Whittier
Corona	Huntington Park	Palmdale	Santa Barbara	
Costa Mesa	Inglewood	Paramount City	Santa Clara	
Daly City	Lynwood	Pasadena	Santa Cruz	

* This list is subject to change pending receipt of additional information from HUD for 2008.

Eligible Activities

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

- new construction, acquisition, and/or rehabilitation activities;
- FTHB downpayment 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 3 percent deferred payment loans. The Department also provides project funds directly to CHDOs, primarily in the form of 3 percent deferred payment loans. HOME funds may be used to assist Indian tribes consistent with applicable State and federal requirements.

Eligible Program Activities

- First-Time Homebuyer Program - Funds provided to a city, county or CHDO to administer a program to assist FTHBs. 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. Such dwellings shall then be sold to FTHBs.

Newly adopted State HOME regulations require homebuyers assisted with HOME funds to receive basic homebuyer education. The State Recipient or CHDO shall determine the format best suited for providing homebuyer education to its homebuyers (for example, classroom instruction, one-on-one counseling, written materials, or internet). Homebuyer Education will be required for all Homebuyer loans made after June 30, 2008. Recent State HOME regulation changes also now permit FTHB primary loan terms to exceed 30 years.

- 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 H&S 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 2008 NOFA.
- Tenant-Based Rental Assistance 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.

Recent amendments to the State HOME regulations expand the potential use of TBRA funds by permitting them to 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

- First-Time Homebuyer Project — Funds used to develop a specified number of units to be sold to first-time homebuyers (FTHBs). By the conclusion of construction, the entire HOME investment shall be converted to mortgage assistance for the FTHBs.

Newly adopted State HOME regulations require homebuyers assisted with HOME funds to receive basic homebuyer education. The State Recipient or CHDO shall determine the format best suited for providing homebuyer education to its homebuyers (for example, classroom instruction, one-on-one counseling, written materials, or internet). Homebuyer Education will be required for all Homebuyer loans made after June 30, 2008. Recent State HOME regulation changes also now permit FTHB primary loan terms to exceed 30 years.

- 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 being done to the project) may not be made available under the 2008 NOFA. Currently, HOME funds used for TBRA, relocation payments, lead remediation, and administration or activity delivery costs must be provided in the form of a grant.

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.

State Recipients

- *Recapture Loans:* Under this option, (where the local jurisdiction is not imposing its own resale control), the entire amount of the HOME loan may be recaptured by the local jurisdiction, or the jurisdiction may reduce the amount of accrued interest recaptured 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 repayment (other than HOME funds) and any closing costs. HOME loans made by State Loans to Recipients under the recapture option may also be assumed by subsequent HOME-eligible purchasers.

- *Resale Loans:* Although the HOME loan is not a resale loan, a State Recipient may impose its own resale controls 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 or county must request advance State HOME Program approval of the resale agreement and HOME loan documents to be used in order to ensure that all of these documents meet the requirements of the HOME Final Rule and the State HOME Program. Loans made by State Recipients under the resale option may be assumable by subsequent HOME-eligible purchasers, even though it is a recapture loan.

CHDO Projects or Infill Programs

- *Recapture Loans:* Under this option, the entire amount of the HOME loan will be recaptured by the Department. 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 repayment (other than HOME funds) and any closing costs.

Under the recapture option, loans made as part of a CHDO FTHB project or program activity may not be assumed by subsequent purchasers because of the difficulties in re-qualifying borrowers without an ongoing contract with a local CHDO, and the inherent difficulties in qualifying families in locations throughout the State from the State's headquarters in Sacramento.

- *Resale Loans:* For 2008-099, resale controls will not be permitted for FTHB projects where the CHDO is the HOME applicant. The Department's experience with resale controls in CHDO projects is that this requires the Department to make the loans assumable or to make new loans to subsequent buyers throughout the entire term of the loan. The Department cannot guarantee that this will be possible for the entire term of the loan, therefore cannot commit to a policy allowing CHDO loans to be resale loans. However, activities requiring resale controls, such as Community Land Trusts, can still be pursued through a State Recipient application.

American Dream Downpayment Initiative

2008-09 State ADDI funds can be used for FTHB downpayment assistance as well as rehabilitation activities completed within one year of the assisted home purchase. Per federal requirements, the total amount of ADDI funds made available per household cannot exceed the greater of 6 percent of the purchase price of a single-family dwelling, or \$10,000. The total amount of ADDI funds allocated to rehabilitation activities cannot exceed 20 percent of the State's ADDI allocation. However, HOME funds can be used in conjunction with ADDI funds for acquisition/rehabilitation.

In funding program activities, the State HOME Program only funds FTHBs for acquisition that may include up to \$10,000 in rehabilitation costs, determining that an applicable portion of all FTHB activities will meet the ADDI requirements. The Program is combining HOME and ADDI funds when providing these funds to HOME eligible jurisdictions implementing FTHB program activities. Eligible Participating Jurisdictions will receive only ADDI funds. The Department will conduct an annual review to ensure ADDI-funded projects meet these requirements.

Pursuant to the ADDI statute, the State requires all HOME recipients to conduct targeted outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other families assisted by public housing agencies.

The State will assist jurisdictions to ensure the suitability of families to undertake and maintain homeownership by requiring program guidelines for the implementation of their FTHB programs; rating on the feasibility of these programs, and offering technical assistance and training.

The State also provides sample [Homebuyer Program Guidelines](#) and a [Homebuyer Program Guidelines Checklist](#) which are "best practice" technical assistance tools for local jurisdictions, and others that use State HOME, CDBG or CalHome program funds for homebuyer assistance. These documents discuss tools to help ensure the suitability of families to undertake and maintain homeownership, including homebuyer counseling.

Affirmative Marketing

Pursuant to Section 92.351 (a), the State HOME Program requires projects of five or more units to adopt affirmative marketing procedures and requirements. Project recipients are trained in affirmative marketing, and monitored on this issue through site visits and desk reviews of marketing procedures, materials, and outcomes.

Minority Homeownership

It is projected that approximately 467 minority households will become homeowners with State HOME and ADDI assistance during the period covered by the 2005-2010 Consolidated Plan. The State estimates that it will assist 100 minority households to become homeowners in 2008-09.

HOME will continue to assess homebuyer outreach/marketing plans for additional marketing efforts to increase minority homeownership rates, particularly among African Americans, which have a lower homeownership rate than other minority groups. HOME will continue talking with local jurisdictions to determine if there are other factors contributing to low homeownership rates, such as low credit scores, and if there are other local program changes that could improve the minority homeownership rate.

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. 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 L of the State's 2005-2010 Consolidated Plan.

HOME Allocation Method

Pursuant to recent State regulation changes 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 both (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. State ADDI funds will be combined with HOME funds and distributed according to HOME Program requirements.

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 2008-09 HOME funds is as follows:

Issue NOFA	June 2, 2008
NOFA Training Workshops	June 2008
Application Deadline-Rental Projects and Programs	August 15, 2008
Loan and Grant Committee (Rental Projects)	October 16, 2008
Announce Awards	October 17, 2008 - Programs November 19, 2008 - Projects
Execute Contracts	45-60 days after award letter

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 2008-09 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. 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

Recent State HOME Regulation changes also permit HOME to offer additional funds to rental projects in order to reduce private mandatory debt and provide more affordable rents.

Threshold Evaluation Criteria

In order 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 ineligible to apply under the next project NOFA.

Project applications must have adequate evidence of site control. Project applications must also demonstrate financial feasibility. Recent State regulation changes require submission of certain documents to evaluate project feasibility, including but not limited to, a market study (or other market information for FTHB projects), 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 that now submitted by FTHB programs.

Applicants must certify there are no pending lawsuits preventing implementation of the project as proposed. Rental projects must demonstrate compliance with Article 34 of the California Constitution, and CHDO applicants must also demonstrate effective project control pursuant to federal and State HOME requirements.

Rating Factors

Programs, projects, and ADDI applicants compete separately. ADDI applications are evaluated using the same criteria as other program applications.

HOME uses several rating factors to evaluate proposed programs and projects. A general description of these rating factors are included on the following page.

Applicant Capability: Examines past performance on HOME contracts, as well as experience with other similar projects. Recent State HOME regulation changes permit the Department to deduct rating points from a project application if the project developer, owner, or managing general partner has been the developer, owner, or managing general partner on HOME projects in the past five years having missed project deadlines on the following: obtaining all necessary permanent financing, construction loan closing, project completion, and final expenditure of funds. Performance points will also be deducted for material misrepresentations of facts which jeopardize the Department's investment in the project, or put the Department at-risk of a serious monitoring finding.

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

Feasibility: Recent State HOME regulation changes clarify that feasibility of rental projects must be demonstrated by compliance with the Uniform Multifamily Regulations (commencing with Section 8300) and State and federal HOME requirements.

In addition, for FTHB projects, 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 percent 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 2008-09 HOME may award additional State Objective points to the following.

- Applications that provide deeper affordability.
- Applications that can lead to an improvement in HOME's HUD SNAPShots ranking, such as:
 1. projects and programs which can set-up and be funded quickly;
 2. projects and programs which demonstrate expeditious use of HOME funds; and
 3. projects which have all of their local approvals in place.
- Program applications that can be funded in a manner which promotes capacity building and continuity of programs.
- Applications for "at risk preservation" projects which have rental assistance or operating subsidy payments under a renewable contract;
- Projects where the land is donated by an unrelated third party;
- Applications that target "special needs populations";
- Applications that incorporate "green-building" features and/or universal design;

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

There are several levels of oversight which the HOME Program undertakes to monitor activities carried out in furtherance of the Annual Plan. Principally, the Program relies on the standards set forth in federal and State statutes and regulations applicable to the HOME Program to govern its actions. However, HOME 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. 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 does a combination of 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 weekly management team meetings and bi-weekly State Recipient and CHDO meetings. Goal setting is also done at least once a year where program policy and implementation issues are discussed, and priorities for the coming year are developed which are incorporated into the Annual Plan Update.

In addition to the monitoring procedures described for Program requirements, HOME currently monitors grantee expenditure rates.

Recent amendments to State Regulations require State Recipients and CHDOs to complete monthly reports regarding the status of their projects until project completion, and remove requirement that projects submit full quarterly reports. Only the quarterly Program Income report must be submitted for SR projects, and for CHDO projects where CHDOs have been authorized to retain CHDO proceeds.

Performance Measurement

HUD has established Performance Measurements that became mandatory for every formula grantee in October 2006. These measurements have been designed to enable grantees and HUD to inform Congress, OMB, and the public of the outcomes of the covered programs. The goal is to begin focusing on more outcome-oriented information and to be able 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.

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Federal Emergency Shelter Grant Program (FESG)

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 experience 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. Homeless 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 (limited to 30 percent of the total State allocation);
- supervisory shelter administration (limited to 10 percent of the individual grant amount);
- grant administration (limited to 1 percent of the individual grant amount);
- homeless prevention activities (limited to 30 percent of the total State allocation); and
- renovation, conversion, or major rehabilitation.

Major budget activities within "Essential Services" and "Homeless Prevention" are subject to the federal non-supplant requirements.

The State will request a waiver of the 30 percent limitation on essential services. The federal match requirement will be satisfied by providing evidence of current State expenditures on activities serving the homeless. The match requirement will not be passed down to FESG grantees.

Due to the availability of State bond funds allocated through the passage of Propositions 46 and 1C for the development of emergency shelter and transitional housing, FESG will discourage use of its funds for capita development activities including renovation, major

rehabilitation and conversion, and encourage the use of 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 to fund these activities.

Funds Available

FESG is expected to receive an allocation of \$6,757,419 from HUD during 2008-09. In addition, the FESG Program will continue to reallocate any disencumbered funds from expired contracts. These funds will be made available on a competitive basis to cities and counties within California that do not receive a FESG allocation directly from HUD, as well as nonprofit organizations operating homeless programs within these same localities. During 2008-09, there will be an estimated 40 counties and 119 cities in ineligible counties that will be eligible to receive FESG funds. A complete listing of eligible jurisdictions is included as Appendix A.

State funding for homeless programs is available primarily through the Emergency Housing and Assistance Program (EHAP). In 2007, \$4 million in State general fund dollars was available to support shelter operations and temporary rental assistance to prevent homelessness. In 2008, \$3,599,000 in funding for these activities will be available. Additionally, through the State EHAP-Capital Development Program, an estimated \$31 million in Proposition 46 bond funds was made available in 2007 to support capital development activities for emergency and transitional housing statewide. The next capital development NOFA beginning in November 2008 will include a combination of Proposition 46 and Proposition 1C monies, for a total of approximately \$31 million.

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.

New Programs Allocation (5 percent): 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, and the organization applying on behalf of the program must not have received State FESG funds or EHAP funds in the previous two funding rounds.

Northern California Allocation (33 percent): 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 2008-09 Allocation		
	Percentage	Anticipated Amount for 2008-09
New Programs	5%	\$337,870
Northern California	33%	\$2,229,948
Southern California	24%	\$1,621,781
Rural	19%	\$1,283,910
General	15%	\$1,013,613
State Administration	4%	\$270,297
TOTAL	100%	\$6,757,419

Application Process and Rating Criteria

In February 2008, FESG released its annual NOFA and held one application training workshop (February 27, 2008 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 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 Activities

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 2008-09 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, and assistance to prevent homelessness

FESG will continue to fund emergency shelter, transitional housing, and homeless 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	February 2008
Hold Application Training Workshops	February 2008
Rate and Rank Applications Received	April--July 2008
Announce Awards	September 2008
Execute Contracts	October 2008

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 2007 applicant pool will be analyzed to determine trends in the award of funds by program type, size, and subpopulation served. Any significant imbalances that may 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 2008 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.

Goal 3: Award State Objective points to programs serving the chronically homeless

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 will receive State objective points in the 2008 funding round.

Objectives

1. Prior to release of the NOFA and application, FESG staff determined 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 determined 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 2007 funding round.

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

During 2008-09, 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 2008-09, FESG will monitor a minimum of eight programs with low expenditure rates or reporting difficulties through a combination of site visits and desk audits.
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 workshops for current and new grantees in October 2008 in Sacramento and southern 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 2008.

Performance Measurement

Under FESG, beginning in April 2006, the State FESG Program began incorporating HUD's new performance measurement system into its application and reporting forms. The FESG Program will input submitted sub-grantee reporting data collected via the Annual Performance Report.

FESG will collect any new information on its revised report forms which will be included in the 2008 Grants Management Manual. Revisions to the FESG reporting forms will reflect changes to the IDIS system. Once funded, grantees will be required to collect data and report on pre-determined specific output indicators based on the type of activity. The FESG output indicators used in prior annual performance reports may change but no major changes are anticipated.

Housing Opportunities for Persons with AIDS (HOPWA)

The 2008-09 Action Plan Update for HOPWA is part of the State of California 2005-2010 Consolidated Plan submitted to the US Department of Housing and Urban Development (HUD) by the California Department of Housing and Community Development. The California Department of Public Health – Office of AIDS (CDPH-OA) assumes the grant administration responsibilities, as the State of California HOPWA grantee.

Needs Statement

As of December 31, 2007, a total of 63,289¹ Acquired Immunodeficiency Syndrome (AIDS) cases have been reported since 1983 in the State of California. Of the 63,289 reported AIDS cases statewide, 7,607 persons living with AIDS (PLWA) were reported in those counties served by the State HOPWA Program, which include 41 counties outside the Eligible Metropolitan Statistical Areas (EMSA) and the newly designated Bakersfield EMSA. According to the National AIDS Housing Coalition², 50 percent of 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 3,800 persons that are homeless or at risk of homelessness. In accordance with a new law, H&S Code Section 121022 passed in April 2006, health care providers and laboratories must now 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 is in full effect, it is anticipated that the number of HIV cases will increase the total number 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 2006-07 indicates 65 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. The cost of living in California continues to rise, making it increasingly more difficult for persons on a fixed-income living with HIV/AIDS to afford housing. 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.

¹ California Department of Public Health, Office of AIDS, HIV/AIDS Case Registry Section, data as of December 31, 2007.

² www.nationalaidshousing.org

Goals and Objectives

The purpose of the HOPWA Program is to devise long-term comprehensive strategies for meeting 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 2008-09:

- 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 Goals
1	Housing Assistance Subsidies	
1	Tenant-based rental assistance	40
2	Households in permanent housing facilities receiving operating subsidies/leased units	20
3	Households in transitional/short term housing facilities that receive operating subsidies/leased units	60
4	Units in facilities developed with capital funds and placed in service during the program year (<i>Number of households supported</i>)	0
5	Short-term rent, mortgage and utility assistance	1,600
Total Housing Subsidy Assistance		1,720
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)	10
7	Stewardship (developed with HOPWA but no current operation or other costs) Units of housing subject to 3 or 10 year use agreements	6
Total Housing Developed		16
Supportive Services		
8	i) Supportive Services in conjunction with HOPWA activities	1,736
	ii) Supportive Services NOT in conjunction with HOPWA activities	0
Total Supportive Services		1,736
Housing Placement Assistance		
9	Housing Information Services	600
10	Permanent Housing Placement	100
Deduct for Duplication of Assistance		100
Total Housing Placement Assistance		600

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.

Leveraged Funds

During 2007-08, the Office of Aids (OA) allocated approximately \$29 million in funding through the Ryan White Treatment Modernization Act (Ryan White Program) and Center for Disease Control (CDC) to counties within the HOPWA State Grantee jurisdictions. These funds are used to provide HIV/AIDS services including, but not limited to, AIDS Drug-Assistance Program, core medical and supportive services, community-based care and early intervention and outreach programs. For the most part, HOPWA project sponsors receive funding through the non-HOPWA OA programs for many of these activities.

The OA also administers the \$1,000,000 statewide Residential AIDS Licensed Facilities (RALF) Program which provides annual operating subsidies to licensed residential facilities for persons living with HIV/AIDS, one of which is located in a State HOPWA jurisdiction (Santa Barbara County).

In a few counties, such as Sonoma, Ventura, San Luis Obispo, Monterey, Stanislaus and Santa Barbara, service providers have been successful in obtaining Shelter Plus Care contracts, advocating for priority Section 8 vouchers for persons living with HIV/AIDS, and securing funding awards through the McKinney Supportive Housing Program for the operation of transitional and permanent housing. Additionally, some service providers receive private foundation funds that are used to provide shallow rent subsidies or pay for facility operating costs.

Availability of Funds and Method of Distribution

The 2008-09 grant funds and any unspent or returned funds from prior year grants will be distributed by a formula allocation process to 41 counties located outside of HOPWA EMSAs. Any unallocated 2008-09 HOPWA grant funds will be obligated no later than September 30, 2009.

Funds are distributed annually on a non-competitive basis to the selected fiscal agents. The OA contracts with fiscal agents for a three-year period. The formula used to allocate HOPWA funds is based upon the number of persons living with AIDS by county, as reported to the OA HIV/AIDS Case Registry as of December 31st of the prior year. Although HIV names reporting has begun in California, the allocation formula will continue to be based on reported AIDS cases until the HIV names reporting method used by California has been accepted by the Federal Center for Disease Control (CDC).

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

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.

The OA strongly encourages counties receiving an allocation of more than \$100,000 and reporting 100+ AIDS cases, to use at least 15 percent of their annual formula allocation to develop longer-term housing activities including, but not limited to, planning, housing development, tenant-based rental assistance, project-based rental assistance and operating subsidies for HIV/AIDS housing facilities.

It is anticipated that all HOPWA service providers will provide short-term rent, mortgage and utility assistance. Other eligible activities are permanent housing placement assistance (including credit checks and security deposit assistance), housing information services, and supportive services such as case management, transportation, and hotel/motel vouchers.

Since 1998 it has been the policy of the OA that not more than 25 percent of a HOPWA fiscal agent's annual HOPWA allocation be used for supportive services. Most care and support, including case management, is provided to clients through other programs also administered by the OA such as the Care Services Program, Case Management Program and Medical Waiver Program, Early Intervention, Education and Prevention, AIDS Drug Assistance Program and CARE Health Insurance Premium Payments.

A complete list of eligible HOPWA activities is included in Appendix C.

Eligible Applicants

The OA has selected fiscal agents to administer the HOPWA funds throughout the State. In counties or regions where a fiscal agent has canceled or declined a contract as fiscal agent, the OA solicits new fiscal agents for those regions through a Request for Proposals process that is open to all grassroots, faith-based, community-based organizations and governmental agencies. There are currently 15 county health departments, one housing authority and eight non-profit community-based organizations under contract with the OA as fiscal agents. Fiscal agents follow a similar process to contract with project sponsors.

The City of Bakersfield recently became eligible to receive funds as a HOPWA grantee. At the request of the City of Bakersfield, the State HOPWA grantee will continue to administer the HOPWA funds for the Bakersfield EMSA. Kern County will not be included in the above-referenced formula allocation as their allocation is awarded separately by HUD. It is anticipated that Kern County Health Department will continue as the fiscal agent for this jurisdiction.

Coordination of Efforts

The 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 annual Interagency AIDS Coordinating Council includes numerous State departments in the review of AIDS service delivery and prevention/education efforts.

Additionally, the OA requires that local planning 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 planning groups are charged with the development of local HIV service delivery plans addressing the need for linking care and treatment service agencies with other agencies and clinics providing services to the same population. The selected HOPWA sponsors are participants in this HIV planning and service delivery process.

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. The OA will provide counties with contact information and assist them in establishing relationships with the Continuum of Care Planning group in their community. Sponsors or their service providers that target the HIV/AIDS homeless population are strongly encouraged to participate in their local Homeless Management Information System.

Monitoring and Program Improvement Activities

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

A revised HOPWA Administrative Manual will be completed during 2008-09 and trainings will be provided for all fiscal agents and project sponsors, either by teleconference or through regional trainings.

The OA will revise its progress reports to reflect revisions made to the HOPWA Consolidated Annual Performance and Evaluation Report (CAPER), APR, and IDIS and is developing a HOPWA component in the State's AIDS Regional Information and Evaluation System (ARIES) to assist in data collection.

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 November 2006, CSD received a 36-month \$3 million Lead Hazard Control Grant from HUD under Round XIII. CSD concurrently is administering Round XI and XIII and intends to provide lead hazard reduction services to at least 610 privately-owned housing units occupied by low- to moderate-income families in which a child under the age of six resides or spends a significant amount of time. Housing units meeting income eligibility occupied by a child with elevated blood lead levels are also eligible. 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.

As indicated in the chart below, California has 11,502,870 pre-1979 units of which 17 percent are pre-1950 housing units. Consequently, children of very low- and low-income families are disproportionately at risk for lead poisoning, as they tend to reside in older housing. In fact, according to the 2000 Census, there are approximately 3,029,317 very low- and low-income families in California that reside in homes that potentially contain lead-based paint.

Year Structure Built	Total Units per 2000 Census	Owner Occupied Units Per 2000 Census	Renter Occupied Units Per 2000 Census
Pre-1940	1,090,564	560,351	530,213
1940-1949	891,363	496,066	395,297
1950-1959	1,809,151	1,097,727	711,424
1960-1969	1,927,203	1,005,648	921,555
1970-1979	2,353,560	1,260,440	1,093,120
1980 or newer	3,431,029	2,126,005	1,305,024
Total	11,502,870	6,546,237	4,956,633

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, as described below.

Funding Procedures

The Round XI funding ended March 31, 2008. Community Based Organizations (CBOs) will continue to provide LHCP services under Round XIII in six counties throughout the State in partnership with four non-profit CBOs, as outlined in the goal chart on the following page.

CBO	COUNTIES	UNIT GOAL	ALLOCATION
Community Resource Project	Sacramento, Sutter and Yuba	30	\$278,202
Maravilla Foundation	Los Angeles	125	\$1,019,122
Redwood Community Action Agency	Humboldt	50	\$409,028
Community Action Partnership of San Bernardino County	San Bernardino	100	\$814,608

In addition, CDPH receives annual funding from Environmental Protection Agency (EPA) to implement effective compliance and enforcement of the Lead-Related Construction Program, develops and distributes outreach and education materials, and evaluates and monitors 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

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

- CSD will implement the HUD-Funded Round XIII as described above. CSD will seek out opportunities to diversify funding opportunities to sustain the program.
- CSD will partner with DHS to develop a quality assurance program to assess participating CBOs' compliance with applicable State, federal and local laws.
- CSD will monitor the performance of its network of weatherization providers to assure compliance with the lead-safe work practices as outlined in CSD's Weatherization Installation Standards Manual.
- In awarding funds to rehabilitate housing, the Department and CalHFA require the identification and mitigation of lead-based paint hazards.
- DHS will continue to implement Title 17, CCR, to govern accreditation and certification of the lead hazard control industry and lead hazard control work.
- DHS 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.

Certifications

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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 anti-displacement 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.

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.

Lynn Jacobs
Director

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 non-entitlement 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) 2008-09. (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.

Lynn Jacobs
Director

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.

Lynn Jacobs
Director

Date _____

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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.

Lynn Jacobs
Director

Date _____

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.

Lynn Jacobs
Director

Date _____

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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).

Appendix

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Appendix A

Eligible Jurisdictions by Program 2008-09

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
Alameda	None	None	County not Eligible Alameda (city) Fremont Hayward Livermore Pleasanton San Leandro Union City	None
Alpine	Alpine County	Alpine County	Entire County Eligible	Entire County Eligible
Amador	Amador County Amador City Ione Jackson Plymouth Sutter Creek	Amador County Amador City Ione Jackson Plymouth Sutter Creek	Entire County Eligible	Entire County Eligible
Butte	Butte County Biggs Gridley Oroville	Butte County Biggs Gridley Oroville Paradise	Entire County Eligible	Entire County Eligible
Calaveras	Calaveras County Angels Camp	Calaveras County Angels Camp	Entire County Eligible	Entire County Eligible
Colusa	Colusa County Colusa Williams	Colusa County Colusa Williams	Entire County Eligible	Entire County Eligible
Contra Costa	None	None	County not Eligible. Antioch Concord Pittsburg Richmond San Ramon Village	None
Del Norte	Del Norte County Crescent City	Del Norte County Crescent City	Entire County Eligible	Entire County Eligible

Eligible Jurisdictions by Program 2008-09

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 <i>(eligible for Colonias Allocation only)</i> 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. McFarland Taft Wasco	County not Eligible. Delano McFarland Taft Wasco	County not Eligible. Delano McFarland Taft Wasco	Entire County Eligible
Kings	Kings County Avenal Corcoran Lemoore	Kings County Avenal Corcoran Lemoore Hanford	Entire County Eligible	Entire County Eligible
Lake	Lake County Clearlake Lakeport	Lake County Clearlake Lakeport	Entire County Eligible	Entire County Eligible

Eligible Jurisdictions by Program 2008-09

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
Lassen	Lassen County Susanville	Lassen County Susanville	Entire County Eligible	Entire County Eligible
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 Avalon Baldwin Park Bellflower Burbank Carson Downey Gardena Glendora Hawthorne Hidden Hills Huntington Park Industry 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

Eligible Jurisdictions by Program 2008-09

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
Mendocino	Mendocino County Fort Bragg Point Arena Ukiah Willits	Mendocino County Fort Bragg Point Arena Ukiah Willits	Entire County Eligible	Entire County Eligible
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 2008-09

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 Palm Desert Palm Springs Rancho Mirage	County not Eligible Calimesa Coachella Corona Hemet Indian Wells Moreno Valley Palm Desert Palm Springs Rancho Mirage	None
Sacramento	None	None	County not Eligible Citrus Heights Elk Grove Rancho Cordova	None

Eligible Jurisdictions by Program 2008-09

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 Benito	San Benito County Hollister San Juan Bautista	San Benito County Hollister San Juan Bautista	Entire County Eligible	None
San Bernardino	None	County Not Eligible Chino Hesperia 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 San Marcos Santee Vista	None
San Francisco	None	None	None	None
San Joaquin	None	None	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	Buellton Carpinteria Guadalupe Solvang	County not Eligible Guadalupe	County not Eligible Goleta Guadalupe Santa Barbara (city) Thousand Oaks	Entire County Eligible

Eligible Jurisdictions by Program 2008-09

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
Santa Clara	None	County not Eligible Gilroy Cupertino City Milpitas Palo Alto	Santa Clara County and all jurisdictions eligible <u>except</u> 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
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	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 Hughson Riverbank Turlock	Entire County Eligible

Eligible Jurisdictions by Program 2008-09

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
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
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 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%
San Benito	10.0%	54.0%
San Bernardino	15.8%	56.0%

Eligible CDBG / HOME Counties ¹	Percentage of population in Poverty ²	Percentage of non-white individuals (including Hispanic) ³
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 C

HOPWA Eligible Activities

Housing Assistance Category	Definition
<p>Short-term emergency rent, mortgage and utility assistance payments (STRMU)</p>	<ul style="list-style-type: none"> • A limited subsidy or payment subject to the limited time period to prevent the homelessness of a household with a least one individual living with HIV/AIDS. • Payments are limited to no more than 21 weeks in a 52-week period. The 21 weeks do not have to be consecutive. • The household must be currently living in rented or mortgaged housing with written documentation verifying their legal right to occupy the premises.
<p>Tenant Based Rental Assistance (TBRA)</p>	<ul style="list-style-type: none"> • Rental subsidies that are provided to the client/household to be used in any eligible unit chosen by the client. If the client moves, the rental subsidy remains with the client to be used in another eligible unit. • Unit must pass a Housing Quality Standards inspection. May include shared housing arrangements (when two or more households share a home). • Tenant must pay as rent the higher of 30 percent of adjusted household income or 10 percent of gross household income
<p>Facility based housing – Project Based Rental Assistance (PBRA)</p>	<ul style="list-style-type: none"> • Rental subsidies that are provided to residents of certain units within a specific building. When the resident moves, the rental subsidy remains with the unit to be used by the next eligible client. • Unit must pass a Housing Quality Standards inspection. • May require some level of environmental review. • Shared housing arrangements are allowable (e.g., when two or more households share a home). • Tenant must pay as rent the higher of 30 percent of adjusted household income or 10 percent of gross household income

Housing Assistance Category	Definition
Facility based housing – Master Leasing	<p>Similar to project based rental assistance. However, the sponsor leases the unit from the property owner and sublets the unit to clients.</p> <p>Tenant must pay as rent the higher of 30 percent of adjusted household income or 10 percent of gross household income</p>
Facility based housing – Facility Operating Costs	<p>This activity pertains to all costs associated with the ongoing operations of a housing project that target persons living with HIV/AIDS. The housing may be emergency-based, transitional or permanent housing, and includes licensed and unlicensed HIV/AIDS facilities.</p> <p>Such costs include: Security, operational costs (resident manager, etc.), supplies and materials, insurance, utilities, furnishings, maintenance, equipment and other incidental costs in providing housing to clients in these units.</p> <p>NOTE: Supportive service costs associated with counseling programs, skills development, personal assistance, etc. are NOT counted under this category.</p> <p>Tenants must pay as rent the higher of 30 percent of adjusted household income or 10 percent of gross household income</p>
Facility based housing – Capital Development	<p>Costs for the development or renovation of a housing facility, such as a community residence, SRO dwelling or other multi-unit dwelling. Those costs include acquisition, new construction or conversion, and substantial or non-substantial rehabilitation.</p> <p>Activities under this category will require some level of environmental review. Do not lease, purchase, rehabilitate, or construct projects prior to completion of an environmental review approval from HUD.</p> <p>Capital development projects funded using HOPWA funds are subject to minimum use period requirements. See HOPWA regulations 24 CFR Part 574.</p> <p>CONSULT THE OFFICE OF AIDS PRIOR TO USING FUNDS FOR THESE ACTIVITIES.</p>

Housing Placement Assistance Categories

Service Category	Definition
Permanent Housing Placement Services	A supportive housing service that helps establish the household in the housing unit; such as reasonable costs for security deposits not to exceed two months of rent costs, credit checks or one-time utility hook-ups.
Housing Information Services	These services include housing counseling, information services, referral services to assist an eligible household to locate, acquire, finance, and/or maintain housing, and fair housing counseling for people who have encountered discrimination on the basis of race, religion, sex, age, national origin, familial status, or handicap.

Supportive Services Assistance Categories

Service Category	Definition
Supportive Services Limit of 25 percent of allocation for these activities	<p>The following are eligible supportive services:</p> <ul style="list-style-type: none"> • Hotel/Motel Vouchers (must be in conjunction with assisting client in locating more stable housing) • Adult day care and/or personal assistance • Alcohol and drug abuse services • Case Management/client advocacy/access to benefits & services • Child care and other child services • Education • Employment assistance and training • Life Skills Management • Meals/Nutrition services • Transportation

Technical Assistance and Resource Identification

Service Category	Definition
Technical Assistance	<p>These costs must pertain to the establishment and operation of a community residence (as defined in 24 CFR Part 574.3). The activities include planning costs, community outreach and educational activities regarding AIDS or related diseases for persons residing in proximity to the proposed residence; development of long-term planning documents, and development of AIDS housing needs assessments.</p>
Resource Identification	<p>Activities under this category are specific to:</p> <ul style="list-style-type: none"> • identifying housing resources and do not include housing referral services; • establishing, coordinating and/or developing housing assistance resources for eligible persons; • hiring staff or consultants to develop housing finance package for a specific housing project; conducting preliminary research; determining feasibility of specific housing-related initiatives; and market studies.

Appendix D

Department of Housing and Community Development
 Proposition 46 and Proposition 1C Housing Programs
 As of March 1, 2008

Program	Description	Current/Next NOFA Date	NOFA Amount	Web Page	Contact Information
Rental Programs					
Governor's Homeless Initiative	Interagency funds (HCD, CAIHFA, DMH) for supportive housing for persons with severe mental illness who are chronically homeless	11/15/05	Approx. \$6.8 million remaining, Prop 46	www.hcd.ca.gov/fa/mhp/	(916) 323-3178 multifamilyhousingsection@hcd.ca.gov
Multifamily Housing Program (MHP) - General	Low-interest loans for development of affordable rental housing	01/31/08	\$70 million	www.hcd.ca.gov/fa/mhp/	(916) 323-3178 multifamilyhousingsection@hcd.ca.gov
Multifamily Housing Program-Supportive Housing (MHP-SH)	Loans for rental housing with supportive services for the disabled who are homeless or at risk of homelessness	03/03/08	\$45 million	www.hcd.ca.gov/fa/mhp/	(916) 323-3278 multifamilyhousingsection@hcd.ca.gov

Program	Description	Current/Next NOFA Date	NOFA Amount	Web Page	Contact Information
Multifamily Housing Program - Homeless Youth	Housing with supportive services for homeless youth	01/31/07	\$24 million	www.hcd.ca.gov/fa/mhp/	(916) 323-3278 multifamilyhousingsection@hcd.ca.gov
<u>Homeownership Programs</u>					
CalHome	<u>Grants</u> to local public agencies and nonprofits to fund first-time homebuyer mortgage assistance and owner-occupied housing rehabilitation.	March 2008	\$50 million	www.hcd.ca.gov/fa/calhome	(916) 327-3646 mlawson@hcd.ca.gov
	<u>Loans</u> to local public agencies and nonprofits to fund homeownership development projects. Funds become grants as qualifying households occupy units.	March 2008	\$20 million		

Program	Description	Current/Next NOFA Date	NOFA Amount	Web Page	Contact Information
Building Equity and Growth in Neighborhoods (BEGIN)	Grants to cities and counties that adopt measures to encourage affordable housing, to make second mortgage loans to low and moderate income homebuyers.	May 2008	\$33 million	www.hcd.ca.gov/fa/begin/	(916) 327-3646 mLawson@hcd.ca.gov
CalHome Self-Help Housing Technical Assistance Allocation	Grants to organizations to assist low and moderate income households who build their own homes.	11/16/07 2007	\$3.3 million	www.hcd.ca.gov/fa/cshhp/	(916) 445-9581 dfrankli@hcd.ca.gov
Farmworker Housing					
Joe Serna Jr. Farmworker Housing Grant Program (Serna)	Grants and loans for construction or rehabilitation of <u>ownership</u> housing for farmworkers	1/1/08	\$7.5 million	www.hcd.ca.gov/fa/fwhg/	(916) 324-0695 cGaines@hcd.ca.gov
	Grants and loans for construction or rehabilitation of <u>rental</u> housing for farmworkers	November 2007	\$10 million		

Other Programs					
Emergency Housing and Assistance Program Capital Development (EHAPCD)	Deferred payment loans for capital development of emergency shelters and transitional housing for the homeless (no operating subsidy authorized)	December 2007	\$31 million (Prop 46)	www.hcd.ca.gov/fa/ehap/ehap-capdev.html	(916) 445-0845 pdyer@hcd.ca.gov
Affordable Housing Innovation Fund	Acquisition loans for affordable housing offered through an intermediary	Winter 2008	\$25 million	TBA	
Practitioner Fund	Acquisition funding for selected developers	Winter 2008	\$25 million		
Local Housing Trust Funds	Funds to match local contributions for local housing trust funds	Summer 2008	\$35 million		
Innovative Homeownership Program	TBD	Spring 2009	\$10 million		

Construction Liability Insurance Reform Program	Predevelopment funds for HCD and CalHFA condominium projects that utilize enhanced construction oversight and monitoring programs	Spring 2009	\$5 million		
Infill Incentive Grant Program	Funding of public infrastructure (water, sewer, traffic, parks, site cleanup, etc.) to facilitate infill housing development	2/28/2008	\$240 million		
Transit-Oriented Development Program	Funding for housing and related infrastructure near transit stations	12/11/07	\$95 million	www.hcd.ca.gov/fa/tod	tod@hcd.ca.gov
Housing Urban-Suburban-and-Rural Parks	Grants for housing-related parks	TBD	TBD		

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Appendix E
Public Comments

This section will be updated at the end of the public comment period

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Appendix F
English and Spanish Public Notices

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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Division of Housing Policy Development

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov



April 1, 2008

FOR IMMEDIATE POSTING**PUBLIC NOTICE FOR COMMENT*****Draft 2008-09 Annual Plan Update of the State of California's
Five Year Consolidated Plan (2005-2010)***

The State of California, Department of Housing and Community Development (Department), is soliciting public review and comment on the Draft 2008-09 Annual Plan for the State of California's Consolidated Plan FY 2005-2010.

The Consolidated Plan is updated annually and submitted to HUD to enable the State to administer approximately \$94 million in federal funds under the Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and Lead-Based Paint Hazard Control Program (LHBP) programs. 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 FY 2005-2010 Consolidated Plan, for which the annual 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 an which identifies federal funds expected to be used, indicating the activities on which they will be spent, and sets goals for the number and type of households to be assisted in the applicable federally-funded programs.

The public review period for these documents is 30 days, which begins **April 1, 2008 through April 30, 2008**. The Department must receive all comments on these documents by **April 30, 2008**. Comments may be submitted by mail to the Department at 1800 Third Street, Room 430, Sacramento, CA 95814, fax (916) 327-2643 or email to jmyles@hcd.ca.gov. If you have any questions, please contact the Department at (916) 445-4728.

The Draft 2008-09 Annual Plan is available for public review on the Department's website: www.hcd.ca.gov, or at the Department's Housing Resource Center in Room 430 and at the following depository libraries:

California State Library, Govt Publications (Sacramento)
 California State University, Library-Govt (Long Beach)
 Public Library, Serials Division (Los Angeles)
 Public Library, Science & Industry Department (San Diego)
 Stanford University Libraries, Green Library, Govt Docs
 University of Cal., Shields Library, Govt Documents (Davis)
 University of Cal., Govt Documents (San Diego/La Jolla)

California State Univ., Meriam Library (Chico)
 Free Library, Govt Publications (Fresno County)
 Public Library (Oakland)
 Public Library, Govt Documents Dept (SF)
 University of Cal, Govt Doc Library (Berkeley)
 University of California, Research Library (LA)
 University of Cal., Gov Pubs (Santa Barbara)

A limited number of copies of these documents are also available to entities or individuals unable to access one of the above sources. In addition, public hearings will be held in the following locations:

Location	Address	Date/Time	Phone No.
Visalia	Visalia Convention Center 303 E Acequia Avenue, Visalia, CA 93291	April 2 nd (Wednesday) Noon – 4:00 p.m	Leticia Garcia (559) 713-4000
Sacramento	HCD 1800 Third Street, Room 170 Sacramento, CA 95814	April 16 th (Wednesday) 11:00 a.m. – 3:00 p.m.	Jeana Code (916) 445-4728
Redding	City Hall, 3 rd Floor 777 Cypress Ave Redding, CA 96001	April 23 rd (Wednesday) 10:00 a.m. – 2:00 p.m.	Lydia Buckley (530) 225-4427

If you have any questions or are in need of translators or special services, please contact the Department's Division of Housing Policy, prior to the hearing dates at (916) 445-4728. For translator or special services needs, please advise the Department within five working days of the hearing 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 Housing Policy Development**

1800 Third Street, Suite 430
P. O. Box 952053
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(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov



1 de abril de 2008

**PARA ANUNCIO INMEDIATO
AVISO PÚBLICO PARA COMENTARIO**

***Borrador de la Actualización Anual del Plan Correspondiente a Año Fiscales 2008-09
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 2008-09 del Plan Anual Consolidado del Estado de California correspondiendo a los años Fiscales 2005 a 2010.

El Plan Consolidado se actualiza anualmente y es sometido a HUD para permitir que el Estado administre aproximadamente \$94 millones en fondos federales para los siguientes programas: Subsidio Colectivo para el Desarrollo Comunitario (CDBG), 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 (LHBP). El Plan Consolidado del Estado es aplicable principalmente a jurisdicciones que no reciben fondos directamente de HUD, que cumplen con los requisitos para competir por la adjudicación de estos fondos por el Estado.

El Plan Consolidado correspondiente a los años Fiscales 2005 a 2010, 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 los criterios y procedimientos para adjudicar recursos; y, 5) contiene un plan anual 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 viviendas a ser ayudadas por los programas aplicables financiados por el gobierno federal.

El período de repaso público de estos documentos es de 30 días. Dicho período empieza el **1º de abril de 2008 y termina el 30 de abril de 2008**. El Departamento debe recibir todo comentario sobre estos documentos a más tardar el **30 de abril de 2008**. Comentario pueden mandarse por fax al (916) 327-2643, o por correo electrónico a jmyles@hcd.ca.gov.

Si tiene alguna pregunta llame por favor al Departamento al (916) 445-4728 El borrador del Plan Anual correspondiente al año fiscal 2007-2008 es disponible para revisión pública en Sacramento, en el sitio web del HCD: www.hcd.ca.gov, o en el Centro de Recursos de Vivienda del HCD, en la Sala 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, Govt Publications (Fresno Cty)
Public Library, Serials Division (Los Angeles)	Public Library (Oakland)
Public Library, Science and Industry Department (San Diego)	Public Library, Govt Documents Dept (SF)
Stanford University Libraries, Green Library, Government Docs	University of California, Gov Doc Library (Berkeley)
University of Cal., Shields Library, Government Documents (Davis)	University of California, Research Library (LA)
University of Cal., Government Documents (San Diego/La Jolla)	University of California, Gov Pubs (Santa Barbara)

Un número limitado de copias de estos documentos también está a disposición de entidades o individuos que no pueden tener acceso a ninguna de las fuentes que anteceden. Además, se celebrarán audiencias públicas en las siguientes localidades:

Sitio	Dirección	Fecha y hora	Teléfono
Visalia	Visalia Convention Center 303 E Acequia Avenue, Visalia, CA 93291	April 2 nd (Miercoles) Noon – 4:00 p.m	Leticia Garcia (559) 713-4000
Sacramento	HCD 1800 Third Street Sacramento, CA 95814	April 16 th (Miercoles) 11:00 a.m. – 3:00 p.m.	Jeana Code (916) 445-4728
Redding	City Hall, 3 rd Floor 777 Cypress Ave Redding, CA 96001	April 23 rd (Miercoles) 10:00 a.m. – 2:00 p.m.	Lydia Buckey (530) 225-4020

Si tiene alguna pregunta, necesita direcciones o necesita intérprete o servicios especiales, comunicase con este Departamento antes de las fechas de las audiencias, llamando al (916) 445-4728. Si necesita un intérprete o servicios especiales, indíquese al Departamento dentro de los cinco días laborables antes de la audiencia, para facilitar el pedido.

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