

# Substantial Amendment to the State of California's Community Development Block Grant (CDBG) Program 2015-2016 Action Plan:

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Under the authority of 24 CFR 91.505, California is submitting this Substantial Amendment to its 2015-2016 Action Plan pertaining to the State's CDBG Program Method of Distribution.

## **CDBG Method of Distribution**

The Method of Distribution (MOD) for the regular 2015 Notice of Funding Availability (NOFA), as stated in the 2015-16 Annual Plan, will remain unchanged. However, due to the emergent need for immediate direct relief to mitigate the effects of the ongoing California Drought Disaster, as declared by Governor Brown in his 2014 [Drought Declaration](#), the Department of Housing and Community Development (the "Department") has amended the 2015-16 Annual Action Plan for the Community Development Block Grant (CDBG) program. This amendment adds a MOD to implement a special drought-related NOFA for eligible CDBG non-entitlement cities and counties highly affected by the drought.

Approximately \$5,000,000 will be made available via the **CDBG 2015 Drought NOFA** for CDBG-eligible activities which are documented as providing immediate direct relief and/or mitigation of the effects of the Drought for Californians in CDBG eligible non-entitlement areas.

### **1. AUTHORITY**

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- a. Pursuant to 25 CCR 7056(a) and (c)(1), the Department has the authority to issue special NOFAs within any funding cycle.
- b. Pursuant to 25 CCR 7065.5(a) when the Governor declares an emergency, the Department may issue Emergency Disaster Assistance funding subject to the following special conditions:
  - (1) The project or activity shall be designed to alleviate existing conditions which pose a serious actual or impending threat to the health or welfare of the community.
  - (2) The applicant shall demonstrate that it is unable to finance the project or activity on its own and that other sources of funding are unavailable.
  - (3) The proposed project or activity shall be otherwise eligible for funding under this Subchapter, or eligible pursuant to HUD eligibility criteria related to the emergency.

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## 2. ELIGIBLE APPLICANTS

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All **non-entitlement** CDBG jurisdictions located in California that can demonstrate project eligibility are eligible to apply. See Section 3 below for details on project eligibility.

### *Threshold Requirements*

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Pursuant to State CDBG Regulations at 25 CCR 7065.5, when the Governor declares an emergency, the Department has the authority to waive State Regulations that do not effect federal compliance and that may expedite the funding of activities to address emergent needs.

Pursuant to State CDBG Regulations, Section 7060, all eligibility criteria remain unchanged from the current MOD; with the exception that for the purposes of the 2015 CDBG Drought NOFA the following threshold criteria are waived:

- A. *State and Federal submittal requirements of OMB Circular A-133, Single Audit Report by the NOFA application due date.***
- B. *Compliance with State regulations at 25 CCR 7060(a)(3) pertaining to the 50% Rule by the application due date are being waived.***
- C. *Housing Element submittal and approval by HCD requirements under Health and Safety Code 50829 and 50830.***

At the time of application submission, the Department will review all applications from eligible applicants, as defined above, for the following eligibility criteria:

- a.** All eligibility threshold criteria currently being used in the 2015 NOFA and found in State CDBG Regulation at 25 CCR 7060 – Eligible Applicants other than those described above in Section 2 - *Threshold Requirements*.
- b.** Documentation substantiating a direct link between the current drought and the requested activity.
- c.** All eligibility threshold criteria pursuant to State CDBG Regulation at 25 CCR 7065.5 – Emergency Disaster Assistance, which include:
  - i.** Documentation that the requested activity will alleviate the existing conditions which pose a serious and immediate threat to the health or welfare of the community, which are of recent origin (issue must not have existed more than 18 months prior to the final application filing date).

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- ii. Documentation that the applicant is unable to finance the activity on its own.
- iii. Documentation that other sources of funding are not available to meet such needs.
- d.** Documentation that the applicant applied for activity will meet an eligible National Objective.

### 3. FUNDING LIMITS AND PROJECT ELIGIBILITY

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The only eligible activity under this NOFA is **Housing Rehabilitation for installation of water laterals near existing or proposed water systems (14A), including payment of connection fees and abatement of dry private water wells.**

**Project Eligibility** will be based on the individual home having a water well that is dry, has very depleted water levels or is contaminated, and that the home is able to connect via lateral connection to a public water system. Each application must document the number of homes within their jurisdiction that meet these criteria and the estimated costs to install the lateral connections.

The minimum application amount is \$150,000, while the maximum will be \$750,000. All funds will be awarded on a first-come first-served basis upon demonstration of need and eligibility.

Any unallocated funds from the CDBG 2015 Drought NOFA will be re-allocated to 2016 or future CDBG NOFA awards.

### 4. NATIONAL OBJECTIVES

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All National Objectives (Low/Mod Benefit, Slums and Blight, and Urgent Need) are open for use for purposes of the CDBG 2015 Drought NOFA. However, the Department anticipates using only the **Urgent Need National Objective.**

### 5. AVAILABILITY OF NECESSARY DOCUMENTS AND FORMS

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As with all CDBG NOFAs, the Department will place the CDBG 2015 Drought NOFA, Application Forms and all other related documents on its Current NOFA page at: <http://www.hcd.ca.gov/fa/cdbg/CurrentNOFAs.html>.