

**State of California 2020-2024
Federal Consolidated Plan
Annual Action Plan
One Year Use of Funds Fiscal Year 2024-2025
First Amendment - Substantial**



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State of California
2024-2025 Annual Action Plan
First Amendment – Substantial

The purpose of this amendment is to incorporate the allocation of Rapid Unsheltered Survivor Housing (RUSH) funds into the Annual Action Plan (AAP) in accordance with the Federal Register Notice (FR-6315-N-01). This amendment outlines the allocation methodology, eligible activities, and funding use for RUSH grants to support individuals and families experiencing homelessness or at risk of homelessness in disaster-affected areas.

This amendment reflects only those sections, or portions of sections, within which changes have been made. All other sections remain unchanged.

Below is a summary of the changes:

- AP-15: Added reference to ESG RUSH funds as an available resource.
- AP-20: Added ESG RUSH funds and updated goal outcome indicators to reflect anticipated people to be served with RUSH funds.
- AP-30: Updated Method of Distribution to describe method for distributing ESG RUSH funding.
- AP-35: Updated Project 2 to include RUSH funds.
- AP-65: Added language about how ESG RUSH would meet one-year goals for reducing and ending homelessness.

Language being removed is indicated by ~~strikethrough~~ while new language being added is underlined and highlighted in **red** font

The full text of the original 2024-2025 AAP and all amendments may be found at [Plans & Reports | California Department of Housing and Community Development](#).

AP-12 Participation - 91.115, 91.300(c)

Summary of Citizen Participation Process and Consultation Process

This amendment was made available for public review in accordance with the Federal Register Notice (FR-6315-N-01) for Rapid Unsheltered Survivor Housing (RUSH) funding. Per HUD's guidance, the initial allocation of RUSH funds does not require a public comment period or consultation. However, to ensure transparency and public awareness, the amendment was posted on HCD's website on January 31, 2025, and made accessible to all interested parties.

No public hearing or formal public comment process was required for this amendment.

This approach aligns with HUD's directive to expedite the deployment of RUSH funds while maintaining public access to information about the funding allocation.

This amendment is available for review on HCD's website at <https://www.hcd.ca.gov/policy-and-research/plans-and-reports>, under "Federal Plans and Reports."

Expected Resources

AP-15 Expected Resources – 91.320(c) (1,2)

Introduction

The 2024-2025 Annual Action Plan (AAP) covers the period of July 1, 2024, through June 30, 2025. It is the fourth and final update in the implementation of the five-year 2020-2024 Consolidated Plan (Con Plan).

All Coronavirus Aid, Relief, and Economic Security (CARES) Act (CV) Community Development Block Grant (CDBG-CV) and CARES Act Emergency Solutions Grants (ESG-CV) funding has been discussed and or reflected in amendments to the 2019 - 2020 AAP.

On January 27, 2020, the U.S. Department of Housing and Urban Development (HUD) announced, via a Federal Register Notice, the allocation of \$3.8 billion in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds for the purpose of assisting in long-term recovery from major disasters that occurred in 2017, 2018, and 2019. The California Department of Housing and Community Development (HCD) is the lead and responsible agency for administering the CDBG-DR funds allocated to the State of California. The State of California was allocated \$1,017,399,000 from this appropriation and identified through the California Department of Housing and Community Development (HCD) as its administrative agency for the funds.

To meet disaster recovery needs, the statutes making CDBG-DR funds available have imposed additional requirements and authorized HUD to modify the rules that apply to the annual Community Development Block Grant (CDBG) program to enhance flexibility and allow for a quicker recovery.

HUD announced that the State of California will receive \$115,022,000 in funding to support long-term recovery efforts following [FEMA DR-4683](#) through HCD. HUD has allocated \$115,022,000 in CDBG-DR funds to the State of California in response to FEMA DR-4683, through the publication of the Federal Register, *Vol. 88, (88 FR 82982) November 27, 2023*. This allocation was made available through the Disaster Relief Supplemental Appropriations Act, 2023 (division B of Public Law 117-43) and allocates remaining funding made available through Public Law 117-32. The DR Action Plan is due to HUD on April 4, 2024, for review and approval. Implementation will begin after HUD approves the Action Plan and executes a grant agreement for this allocation.

HUD has allocated \$231,203,000 in CDBG-DR funds to the State of California in response to FEMA DR-4558 and DR-4569, through the publication of the Federal Register, *Vol. 87, No. 23, February 3, 2022 (87 FR 6364)*. This allocation was made available through Public Law 117-43. HCD's CDBG-DR Action Plan was approved by

HUD on August 5, 2022. Funds were allocated according to federal regulations found in 84 FR 45838, 24 CFR §570 and the CDBG-Mitigation (MIT) Action Plan. For more information, please reference the CDBG-DR Action Plan and Program Policies at: [Disaster Recovery & Mitigation | California Department of Housing and Community Development](#).

To address the need for homelessness assistance and supportive services, the U.S. Congress appropriated \$5 billion in funding from the American Rescue Plan Act of 2021 (ARP) to be administered through the HOME Investment Partnerships Program (HOME). Program activities must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or belong to other vulnerable populations. HCD is the administrator of the HOME-ARP Program on behalf of the state. HCD received a one-time HOME-ARP allocation of \$155,003,054. The allocation is intended to ensure HCD's one-time HOME-ARP allocation assists the greatest number of the Qualifying Populations (QPs), all with different levels of service and housing needs. HCD will allocate HOME-ARP funding to the development of affordable rental housing, supportive services, and administration and planning. The State of California HOME-ARP Allocation Plan (Plan), and subsequent amendment to the Plan, describes how the state will use HOME-ARP program funds for eligible activities to address the unmet needs of the QPs in accordance with the Plan, and is posted on the HCD website at: [State of California HOME-ARP Allocation Plan](#).

The following page describes the Fiscal Year 2024-2025 (FY24) annual allocations and prior year resources available to the state's eligible CDBG, HOME, ESG, Housing Opportunities for Persons With Aids (HOPWA), National Housing Trust Fund (NHTF), CDBG-DR, and NDR programs. For CDBG, there is an estimated \$14 million in prior year Program Income (PI) and \$6.4 million from prior years.

For CDBG, there is an estimated \$6.4 million from prior years. For ESG, there is an estimated \$2.4 million from prior years. Prior year resources reflect dollars from previous grant years that had remained unobligated through previous application cycles. It also includes funds that were disencumbered and are now being re-encumbered. These amounts will go out in a NOFA in FY24-2025.

Anticipated Resources

Program	Source of Funds	Use of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources : \$	Total: \$		
CDBG	Public Federal	Acquisition, Administration and Planning, Economic Development, Housing, Public Improvements, Public Services	\$30,065,955	\$14,000,000	\$6,400,000	\$50,465,955	\$0	2024 HUD Award Allocation, available PI balance, and prior year CDBG resources.
HOME	Public Federal	Acquisition, Homebuyer Assistance, Homeowner Rehabilitation, Multifamily Rental New Construction, Multifamily Rental Rehabilitation, New Construction for Ownership, Tenant-Based	\$37,964,245	\$0	\$0	\$37,964,245	\$0	2024 HUD Award Allocation, available.

		Rental Assistance						
ESG	Public Federal	Conversion and Rehabilitation for Transitional Housing, Financial Assistance, Overnight Shelter, Rapid Re-Housing (Rental Assistance), Rental Assistance Services, Transitional Housing	\$12,442,477	\$0	2,414,874	\$14,857,351	\$0	2024 HUD Award Allocation plus Prior Years Resources
<u>ESG RUSH</u>	<u>Public Federal</u>	<u>Street Outreach, Emergency Shelter, Rapid Re-Housing, Homelessness Prevention, Admin, HMIS Activities</u>	<u>N/A</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>A set-aside of ESG funds in the amount of \$3,000,000 was awarded to HCD under ESG RUSH. HCD will award ESG RUSH funds via contract to eligible subrecipients in the disaster declared areas.</u>

								<u>under DR-4856, for performance of eligible activities as defined in the RUSH Notice: FR-6315-N-01</u>
NHTF	Public Federal	Acquisition, Administration and Planning, Homebuyer Assistance, Multifamily Rental New Construction, Multifamily Rental Rehabilitation, New Construction for Ownership	\$21,561,035.25	\$0	\$0	\$21,561,035.25	\$0	2024 HUD Award Allocation
HOPWA	Public Federal	Permanent Housing Facilities (PHP), Short-Term or Transitional Housing Facilities (STRMU), Supportive Services, Tenant-Based Rental Assistance	\$5,132,250	\$0	\$0	\$5,132,250	\$0	The State HOPWA Allocation is \$5,132,250

CDBG-DR 2017 Unmet Needs	Public Federal	Owner Occupied Rehab; Multifamily Housing; Homebuyer Assistance	\$0	\$0	\$1,650,310.1 3	\$1,650,310.13	\$0	HUD Awards: B- 18-DP-06-0001; B-19-DP-06-0001
CDBG-DR 2018 Unmet Needs	Public Federal	Multifamily Rental New Construction, Multifamily Rental Rehabilitation, Other, Infrastructure	\$0	\$0	\$476,314.34	\$476,314.34	\$0	HUD Awards: B-19-DV-06-0001 B-19-DV-06-0002
CDBG- DR Mitigation	Public Federal	Public Services and Planning, Various Resilient Infrastructure	\$0	\$0	\$0	\$0	\$0	HUD Awards: B-18-DP-06- 0002 B-19-DT-06- 0001

CDBG-NDR	Public Federal	Biomass Facility, Community Resilience Center, Forest, and Watershed Health	\$0	\$0	\$827,932	\$827,932	\$0	2013 HUD Award: B-13-DS-06-0001
CDBG-DR Unmet Needs	Public Federal	Multifamily Housing, Infrastructure, Owner-Occupied Rehabilitation	\$0	\$0	\$0	\$0	\$0	2020 HUD Award: B-21-DZ-06-0001; B-21-DF-06-0001; B-22-DF-06-0001
CDBG-DR 2023 Unmet Needs	Public Federal	Multifamily Rental New Construction Manufactured Housing Unit Replacement & Elevation Community Resiliency Centers	\$0	\$0	\$107,695,585	\$107,695,585	\$0	HUD Awards: B-23-DG-06-0001

Table 4 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied.

The CDBG, HOME, NHTF, ESG, HOPWA, CDBG-DR, and CDBG-National Disaster Resilience (NDR) programs only partially fund the many different activities and services listed. Each program takes a unique approach to leverage multiple funding sources to expand the reach of services. This leveraged funding from other partners is critical. As housing costs continue to rise, developers, communities, and service providers must be creative and have partnerships and other resources to successfully complete the proposed projects. Banks participate in providing conventional loans to support development of affordable rental units. Banks are also active in providing first-time homebuyer assistance in conjunction with state and federal programs.

In general, affordable housing in California is financed by the following sources (the percentage is the approximate utilization for the respective funding sources based on HCD's development financing records):

- State housing tax credits: 10 percent
- Federal housing tax credits: 40 percent
- Private bank loans: 10 percent
- Federal HOME funds: 5 percent
- Local funds: 5 percent
- Federal Home Loan Bank Affordable Housing Program: 5 percent
- State housing funds: 20 percent
- State Mental Health Services Act Housing funds: 5 percent

Funding from state and local housing funds will likely increase from past levels, due to an increase in affordable housing funding available from the state and improvements in local revenues during the past five years.

CDBG: CDBG does not have a match requirement. HCD anticipates that local, state, and philanthropic dollars will be leveraged for CDBG funded activities.

HOME: 25 percent match requirement. HCD match sources consist of other state and local resources contributions to housing in conjunction with HOME funds pursuant to the HOME match requirements at 24 Code of Federal Regulations (CFR) 92.220.

ESG: 100 percent match requirement. ESG match is provided by its subrecipients on a dollar-for-dollar basis. Specific sources of match are identified at the time of application and must comply with 24 CFR 576.201. The primary sources of match identified in the most recent funding round for ESG are: local match funding, including cities and

counties, private match funding, including fundraising and cash, federal match funding, including CDBG, Supportive Housing Program (SHP), and HOME Tenant-Based Rental Assistance (TBRA); in addition to donated goods, volunteers, building value, or lease.

Match requirements do not apply to ESG RUSH program funds.

NHTF: There is no federal match requirement for NHTF. HCD anticipates that, like the state HOME program, Low Income Housing Tax Credits (LIHTC) will be leveraged for rental new construction and rehabilitation projects. HCD anticipates sources of leverage including private bank loans, state funds such as tax credits, tax exempt bonds, and HCD state programs such as NPLH, VHHP, MHP, IIG, FWHG, Homekey, etc., other federal funds, and local funds.

HOPWA: There is no federal match requirement for state HOPWA; however, state HOPWA project sponsors report their leveraged funds. On an annual basis, the California Department of Public Health/Office of AIDS (CDPH/OA) allocates funding through the HIV Care Program (Ryan White Part B) for HIV/AIDS care and treatment services to California counties. Based on prior year data, state HOPWA anticipates approximately \$3.5 million in leveraged funds by HOPWA project sponsors, including Ryan White Part B and other federal, state, local, and private resources for the provision of HIV/AIDS housing and services to HOPWA clients based on the FY 2022-2023 Consolidated Annual Performance and Evaluation Report (CAPER) reported numbers.

CARES Act: Funding through the CARES Act waived match requirements to improve immediate access to the ESG-CV funds. CDBG-CV does not require match. HOPWA-CV does not require match.

CDBG-DR / MIT: There is no federal match requirement for CDBG-DR. HCD anticipates that for the Multifamily Housing Program, similar to the state HOME and NHTF programs, Low Income Housing Tax Credits (LIHTC) will be leveraged for rental new construction projects. HCD anticipates sources of leverage to also include private bank loans, other state funds, other federal funds, and local funds.

CDBG-NDR: There is no federal match requirement for CDBG-NDR. However, CDBG-NDR funds can be used as non-federal match for certain federal programs, including assistance from FEMA and help to leverage additional public dollars in this way.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3) & (e)

The Consolidated Plan identifies six priority needs and associates six goals with these needs. The goals are:

1. Increase housing affordability (Priority Need: Improved access to affordable housing)
2. Addressing and preventing homelessness (Priority Need: Homelessness prevention and assistance)
3. Economic development (Priority Need: Increase economic development opportunities)
4. Maintain or improve public facilities and infrastructure (Priority Need: Neighborhood stability and sustainability)
5. Maintain or improve access to public services (Priority Need: Community-based public services)
6. Recovery assistance for natural disaster survivors (Priority Need: Disaster recovery and climate resilience)

The figures below represent estimates of allocation goals and objectives for the Program Year 2024-2025. These figures could change based on the U.S. Department of Housing and Urban Development (HUD) input.

In response to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the COVID-19 pandemic, certain goals have been prioritized for increased funding, particularly through the Emergency Solutions Grants-CARES Act Stimulus (ESG-CV) and Community Development Block Grant CARES Act Stimulus (CDBG-CV) programs. These goals include:

- Addressing and preventing homelessness: focusing on providing suitable shelter for unhoused persons at risk of infection and spread of COVID-19.
- Economic development: focusing on job retention and business support.
- Maintain or improve public facilities and infrastructure: focusing on healthcare facilities and capacity as well as appropriate shelter facilities for persons experiencing homelessness.
- Maintain or improve access to public services: focusing on services to help address the impacts of COVID-19.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (Cumulative of all programs)
1	Increase housing affordability	2020	2024	Affordable Housing	Statewide	Improved access to affordable housing	CDBG: \$15,927,171 HOME: \$34,167,821 HTF: \$21,561,035.25	Rental units constructed: 280 Household Housing Units (HHU) Rental units rehabilitated: 46 HHU Homeowner housing added: 100 HHU Homeowner housing rehabbed: 145 HHU Direct financial assistance to homebuyers: 140 HH Assisted (HA) Tenant-Based Rental Assistance: 75 HA
2	Addressing and preventing homelessness	2020	2024	Homeless	Statewide	Homelessness prevention and assistance	CDBG: \$4,550,620 HOME: \$3,796,424 ESG: \$14,857,351 <u>ESG RUSH:</u> <u>\$3,000,000</u> HOPWA: \$5,132,250	Rapid Re-Housing: <u>3,770</u> HA Homeless Person Overnight Shelter: <u>23,320</u> Persons Assisted Overnight/ES/TH Housing Beds Added: 300 Beds Homelessness Prevention: <u>765</u> Persons Assisted Housing for Homeless Added: 100 HHU HIV/AIDS Housing Operations: 15 HHU See Appendix A for HOPWA

3	Economic Development	2020	2024	Non-Housing Community Development	Statewide	Economic Development	CDBG: \$13,651,860	Jobs created/retained:360 Businesses assisted: 40
4	Maintain or improve public facilities and infrastructure	2020	2024	Non-Housing Community Development	Statewide	Neighborhood Stability and Sustainability COVID-19 Pandemic Response (CARES Act)	CDBG: \$4,550,620	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 118,800 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 100 Households Assisted Includes Colonias set-aside
5	Maintain or improve access to public services	2020	2024	Non-Housing Community Development	Statewide	Community-Based Public Services COVID-19 Pandemic Response (CARES Act)	CDBG: \$6,825,930	Public service activities other than Low/Moderate Income Housing Benefit: 40,500 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 100 Households Assisted
6	Recovery Assistance for Natural Disaster survivors	2020	2024	Affordable Housing Non-Housing Community Development	Federally Declared Disaster Areas	Disaster Recovery and Climate Resilience		See CDBG-DR Action Plan: https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notice-frns

Table 5 Goals Summary

Name	Description
1) Increase Housing Affordability	Address the high cost of housing among extremely low-, low-, and moderate-income households by making available and preserving more affordable housing options.
2) Addressing and Preventing Homelessness	Addressing the increasing number of individuals and families experiencing homelessness by aiding households currently experiencing homelessness and those at imminent risk of entering homelessness. <u>Provide short-term disaster response assistance for the needs of persons who are experiencing homelessness or at-risk of homelessness residing in disaster areas.</u>
3) Economic Development	Provide an economic catalyst to areas in need of economic development, particularly in rural areas, with the goal of increasing economic opportunities and outcomes for low- and moderate-income individuals.
4) Maintain or improve Public Facilities and Infrastructure	Provide support for public facilities and infrastructure, particularly in rural areas, with the goal of supporting low- and moderate-income households in these communities.
5) Maintain or improve access to Public Services	Provide support for public services, particularly in rural areas, with the goal of supporting low- and moderate-income households in these communities.
6) Recovery assistance for Natural Disaster survivors	Activities to support disaster recovery for local jurisdictions and communities impacted by federally declared natural disasters. Visit this link for HCD's Disaster Recovery web page for information regarding CDBG-DR Action Plans. <u>Disaster Recovery & Mitigation California Department of Housing and Community Development</u>

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction

Per 24 Code of Federal Regulations (CFR) Part 91.320(d) and (k), the state of California's Annual Action Plan (AAP) must include a description of its method(s) for distributing funds to local governments and nonprofit organizations to carry out activities, or the activities to be undertaken by the state using funds that are expected to be received under formula allocations and Program Income (PI) and any other U.S. Department of Housing and Urban Development (HUD) assistance during the Fiscal Year (FY). The description must include the reason for allocation priorities, how the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan (Con Plan), and any obstacles to addressing underserved needs. The method of distribution must also describe specific information for each program it administers. Pursuant to these regulations, the distribution methods for the Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), HOME Investments Partnerships Program (HOME), Housing Opportunities for Persons With AIDS (HOPWA), and the National Housing Trust Fund (NHTF) programs are described below.

For Community Development Block Grant-Disaster Recovery (CDBG-DR) program method of distribution, please see the California Department of Housing and Community Development's (HCD) webpage for that program's AAP:

[Disaster Recovery & Mitigation | California Department of Housing and Community Development | Action Plans](#)

For Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding Methods of Distribution, including CDBG-CARES Act (CV) and ESG-CV, please see Annual Action Plans and Amendments 2019-2020 available here:

[Plans & Reports | California Department of Housing and Community Development](#)

ESG Program

1	State Program Name:	Emergency Solutions Grants Program (ESG) Continuum of Care Allocation
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	<p>As authorized by Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378) and the federal Homeless Emergency and Rapid Transition to Housing Act (HEARTH) Act, 100 percent of ESG-funded activities must address homelessness.</p> <p>The ESG program aims to do the following:</p> <ul style="list-style-type: none"> • Align with local systems' federal ESG and HEARTH goals. • Invest in impactful activities based on key performance goals and outcomes. • Improve the geographic distribution of funded activities. • Maintain continuity of funded activities and create a streamlined delivery mechanism. <p>Pursuant to current state regulations, eligible applicants are local governments and nonprofit corporations. Federal ESG funding will continue to be directed towards non-entitlement areas throughout the state; however, under the redesigned program, funding can be used in entitlement areas.</p> <p>HCD's ESG program is currently distributed in accordance with the Emergency Solutions Grants Program State Regulations, California Code of Regulations Title 25, Division 1, Chapter 7. HCD is currently exploring alternate, more effective methods of distribution and may amend this Consolidated Plan to implement a new Method of Distribution (MOD) in future years.</p> <p>The amount of funds available to Service Areas (SAs) within the Continuum of Care (CoC) allocation and the Balance of State allocation will be based on</p>

		<p>the amount of ESG funds available in any given year using the following formula factors, adjusted biannually, using the most recent data available.</p> <p>(1) The Point-in-Time count published by HUD, which includes both sheltered and unsheltered homeless persons prorated to reflect the total population of the ESG non-entitlement areas within each CoC SA, as published by the Census Bureau.</p> <p>(2) The number of extremely low-income renter households within the ESG non-entitlement areas of each CoC SA that are paying more than 50 percent of their income for rent using HUD's Comprehensive Housing Affordability Strategy dataset.</p> <p>(3) The number of persons below the federal poverty line within the ESG non-entitlement areas of each CoC SA divided by the total population within the ESG non-entitlement areas of each CoC SA. This factor will be double-weighted. Data for these factors will be obtained from the Census Bureau.</p> <p>(4) Notwithstanding subsections (1) through (3) above, HCD may occasionally adjust the weighting of these factors and sources of information to reflect changes in the availability of data sources and to use the best information available. Any changes to the factors or weighting of the formula will be proposed in the Action Plan.</p> <p><u>Special allocations made under the ESG Program, such as ESG RUSH funding, may be awarded to existing subrecipients in good standing with HCD. ESG RUSH funding is geographically restricted for use within disaster declared areas. Therefore, Section 200 of the State Guidelines which describes the Allocation Formula does not apply to ESG RUSH. https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/esg/esg-final-guidelines.pdf.</u></p>
	<p>Describe all of the criteria that will be used to select</p>	<p>Applications will be evaluated using criteria set in state regulation at Section 8407 or, alternatively, based on new program guidelines to be adopted,</p>

<p>applications and the relative importance of these criteria.</p>	<p>should the state decide to waive, suspend, repeal, or otherwise eliminate the state ESG regulations.</p> <p>Within the CoC allocation, Administrative Entities (AEs) will be selected by HCD to administer an allocation of funds provided pursuant to the formula factors set forth under <u>section 8402</u> of the state ESG regulations. These AEs must be local governments of ESG entitlement areas and must commit to administering ESG funds, in collaboration with their CoC, throughout their CoC SAs, including ensuring access to ESG funds by households living in non-entitlement areas. CoC and AE qualifications are set forth in state ESG regulation <u>section 8403(d) and (e)</u>.</p> <p>To be eligible to participate in the CoC allocation, the CoC shall recommend an AE that meets the following criteria set forth in subsections (1) through (3) below. Where there is more than one eligible ESG entitlement in a CoC SA willing to perform the functions of an AE, the CoC shall recommend a single AE for approval by HCD.</p> <p>(1) Is a unit of general-purpose local government that has administered ESG funds for an Entitlement Area during at least one of the past five years. Where a city is the only unit of general-purpose local government that has administered ESG funds for the Entitlement Area within the CoC SA, the AE may be a county agency with experience administering another federal homelessness, housing, community development, or human services program in at least one of the past five years.</p> <p>(2) Has no unresolved ESG monitoring findings with HUD or HCD that HCD determines poses a substantial risk to HCD if the AE is approved; and</p> <p>(3) Demonstrates the ability and willingness to perform the functions of an AE pursuant to federal and state ESG requirements.</p> <p><u>Selection criteria is not applicable for ESG RUSH</u></p>
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		<p><u>funding directly awarded to existing ESG subrecipients in the declared disaster area, however HCD will review the prior performance of existing subrecipients prior to making an award recommendation.</u></p>
	<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG ONLY)</p>	<p>Awards for funding will be made pursuant to the criteria set forth in sections 8403 of the state ESG regulations, or by an alternative established in new program guidelines to be adopted should the state decide to waive, suspend, or eliminate the state ESG regulations, and pursuant to objectives laid out in annual or special NOFAs that are responsive to current needs.</p> <p>HCD does not limit the number or type of contracts, subcontracts, or activities per contract between the AE and the subrecipient of the AE. If limits are established, they will be defined here and in the NOFA. <u>The AE shall ensure that:</u></p> <p>(1) Not including the funding administered for a geographically contiguous CoC SA, pursuant to subdivision (a) (1) above, not less than 40 percent of the funds awarded on an annual basis shall be used for Rapid Re-Housing (RR) activities; and</p> <p>(2) Through the use of Coordinated Entry and other means, all funded activities are available to non-entitlement areas of the SA, consistent with section 414 [42 U.S.C. section 11373(c)].</p> <p>(A) The AE shall facilitate outreach and access to reach populations in the non-entitlement areas and shall evaluate participation from these areas at least annually. HCD may condition future funding to ensure access to funded activities by non-entitlement areas.</p> <p>(B) Funded activities may also serve households located in ESG entitlement areas.</p> <p>Processes used to make ESG CoC funding awards pertain to the following steps:</p>

		<ol style="list-style-type: none"> 1. Availability of funding is announced via a NOFA. 2. Applications are made available and are completed and submitted by applicants (AEs). 3. Program staff evaluate applications on ability to meet threshold requirements and eligibility set forth in the NOFA. 4. Applications recommended for award by program staff are routed for approval by HCD leadership. 5. HCD leadership makes decisions regarding which awards to fund. 6. Awards are announced; and 7. Awards made are formalized through an executed Standard Agreement. <p><u>In addition, HCD will provide special allocations, such as ESG RUSH funding, as direct awards to existing subrecipients who are in good standing in their existing ESG award.</u></p>
	<p>Describe how resources will be allocated among funding categories.</p>	<p><u>ESG funds, inclusive of special allocations, may be used for four service components: Street Outreach, Emergency Shelter, Homelessness Prevention, and Rapid Re-Housing assistance. Funds may also be utilized for HMIS/HMIS comparable database and administration in proportion to funding utilized for service components.</u></p> <p>Federal ESG regulations cap the amount that can be allocated to eligible projects under the Street Outreach (SO) and Emergency Shelter (ES) components at 60 percent of HCD’s annual federal ESG allocation. Individual homeless service providers may propose uses of funds in accordance with their needs, subject to the above restrictions, as well as the following limitations.</p> <p>HCD does not limit the number or type of contracts, subcontracts, or activities per contract between the AE and the subrecipient of the AE. If limits are established, they will be defined here and in the</p>

		<p>NOFA. <u>The AE shall ensure that:</u></p> <p>(1) Not less than 40 percent of the funds awarded on an annual basis shall be used for RR activities, except if funds are administered by an AE for two contiguous SAs. In this scenario, 100 percent of the funds must be used for RR. HMIS is limited to 10 percent per application under state ESG regulations section 8408; and</p> <p>(2) Through the use of Coordinated Entry and other means, all funded activities are available to non-entitlement areas of the SA, consistent with section 414 [42 U.S.C. section 11373(c)].</p> <p>(A) The AE shall facilitate outreach and access to reach populations in the non-entitlement areas and shall evaluate participation from these areas at least annually. HCD may condition future funding to ensure access to funded activities by non-entitlement areas.</p> <p>(B) Funded activities may also serve households located in ESG entitlement areas.</p> <p>AEs under the CoC allocation may receive approximately 2.6 percent of their formula allocation for Administration as defined in the federal regulations, 24 CFR 576.108(a).</p>
	<p>Describe the threshold factors and grant size limits.</p>	<p>Where there is an approved AE, AEs will be responsible for setting any minimum and maximum grant amounts since they will be evaluating provider applications and managing the contracts. HCD will be monitoring AEs to ensure that they can effectively manage the number of awards they make.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>As stated previously, the MOD is designed to better align with local systems, federal ESG, and HEARTH goals. The specific goal and goal outcome indicators associated with ESG activities in the Strategic Plan is addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted).</p> <p>For FY23, ESG anticipates serving approximately:</p>

		<p>Rapid Re-Housing: 2833 households and 4555 persons</p> <p>Emergency Shelter: 11510 households and 15,903 persons</p> <p>Street Outreach: 5048 households and 7011 persons</p> <p>Homelessness Prevention: 180 households and 207 persons</p>
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AP-38 Project Summary

Project Summary Information

2	Project Name	Addressing and Preventing Homelessness
	Target Area	Statewide
	Goals Supported	Addressing and Preventing Homelessness <u>Recovery Assistance for Natural Disaster Survivors</u>
	Needs Addressed	Homelessness Prevention and Assistance
	Funding	CDBG: \$4,550,620 HOPWA: \$5,132,250 HOME: \$3,796,424 ESG: \$14,857,351 <u>ESG RUSH:</u> <u>\$3,000,000</u>
	Description	Addressing the increasing number of individuals and families experiencing homelessness by aiding households currently experiencing homelessness and those at imminent risk of entering homelessness. <u>A set-aside of ESG funds in the amount of \$3,000,000 was awarded to HCD under ESG RUSH.</u> <u>HCD will award ESG RUSH funds via contract to eligible subrecipients in the disaster declared areas under DR-4856 for performance of eligible activities as defined in the RUSH Notice: FR-6315-N-01.</u>
	Target Date	6/30/2025

<p>Estimate the number and type of families that will benefit from the proposed activities</p>	<p>3,770 households experiencing homelessness. 23,320 persons experiencing homelessness. 765 persons assisted in homelessness prevention.</p>
<p>Location Description</p>	
<p>Planned Activities</p>	<p>Short-Term Rent, Mortgage, and Utility Assistance, Transportation, Permanent Housing Placement, Housing Information Services, Case Management, and Tenant-Based Rental Assistance</p>

Affordable Housing

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

The California Department of Housing and Community Development (HCD) addresses and prevents homelessness through over a dozen state-funded housing programs and will continue to address the requirements in 24 CFR Section 91.320(h) by using funding for the Emergency Solutions Grants (ESG) and Community Development Block Grant (CDBG) programs, alongside state-funded programs.

The ESG program currently has over 100 active contracts with local entities. ESG grants can be used to (1) engage individuals and families experiencing unsheltered homelessness, (2) rapidly re-house individuals and families experiencing homelessness, (3) help operate and provide essential services in emergency shelters (including required intake data collection), and (4) prevent at-risk individuals and families from entering homelessness. CDBG funding also can be used by local jurisdictions to fund services that address and prevent homelessness. Special allocations made under the ESG Program, such as ESG RUSH funding, may be awarded to existing subrecipients in good standing with HCD. ESG RUSH funding is geographically restricted for use within disaster declared areas. Therefore, Section 200 of the State Guidelines which refers to the allocation formula does not apply to ESG RUSH <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/esg/esg-final-guidelines.pdf>.

In recognition of the current crisis of homelessness in California, state leadership aims to promote action-oriented coordination and alignment across state agencies and programs, and stronger partnerships with public and private partners in communities. To these ends, the California Interagency Council on Homelessness (Cal ICH) adopted, in the spring of 2021, an Action Plan for Preventing and Ending Homelessness in California (Homelessness Action Plan). Cal ICH's Homelessness Action Plan outlines specific steps that state agencies and departments will take to identify and support solutions to short-term and chronic homelessness. These steps are in five action areas:

- Strengthening our systems to better prevent and end homelessness in California,
- Equitably addressing the health, safety, and services needs of Californians experiencing unsheltered homelessness,
- Expanding communities' capacity to provide safe and effective sheltering and interim housing,
- Expanding and ensuring equitable access to permanent housing, and
- Preventing Californians from experiencing the crisis of homelessness.

Cal ICH approved the second annual update to the Homelessness Action Plan in

September 2023 for Fiscal Year 2023-2024 (FY23) and issued its third Implementation Progress Report in November 2023 for Fiscal Year 2022-2023 (FY22).

HCD's actions in support of the Homelessness Action Plan primarily include the financial and technical support provided to local governments, Continuums of Care, Tribal Entities, affordable housing developers, and other stakeholders through the funding programs described in this section. In addition, HCD supports system-wide opportunities to improve policies and practices in state housing programs that focus on extremely low-income households and housing for people exiting homelessness. A key goal of the Multifamily Finance Super Notice of Funding Availability (Super NOFA) – which aligned four of the largest state bond-funded affordable housing finance programs into a single application and award process – is to harmonize state policy objectives (including addressing homelessness) with HCD affordable housing program operations, and to ensure that units targeted towards households experiencing or at-risk of homelessness are developed in all HCD state-funded programs.

During the upcoming fiscal year, HCD will continue to lead and collaborate on activities through four interagency working groups on 1) State Funding & Programs, 2) Racial Equity, 3) Tailoring Strategies for Youth & Young Adults, and 4) Employment Opportunities & Outcomes. HCD will continue to be the lead department on many of the Homelessness Action Plan's implementation activities, including:

- Providing technical assistance and training opportunities, participating in listening or feedback sessions, adapting program guidelines and guidance, and implementing tribal-specific NOFAs and Tribal targets in general NOFAs to enhance Tribal organizations' access to state homelessness and housing programs and resources.
- Implementing state and federal funding to support the provision of safe, effective housing-placement focused on sheltering and interim housing models for people experiencing homelessness, with the identification of clear goals and targets for the number of shelter or interim housing opportunities to be supported through each program.
- Implementing state and federal funding to support the rehousing of people experiencing homelessness into a diverse range of housing models, including models appropriate for youth and young adults, and the development of affordable supportive housing, with the identification of clear housing goals and targets for the implementation of each program.
- Enhancing technical assistance for affordable housing providers on fair housing choice, including expanding educational efforts regarding non-discrimination based on source of income (SB 329), disability, criminal history, and other factors addressed by fair housing requirements.

The Cal ICH Homelessness Action Plan can be found on the Cal ICH website at: https://bcsh.ca.gov/calich/documents/action_plan.pdf.

The Housing Opportunities for Persons With Aids (HOPWA) program is administered by the California Department of Public Health, Office of AIDS (CDPH/OA). The CDPH/OA convenes the California Planning Group, which serves as an advisory subcommittee and identifies the most effective housing services and best practices for integrating HIV health, homelessness assistance, and housing providers.

Describe the jurisdiction’s one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The ESG program funds Street Outreach (SO) programs, which outreach and provide services to persons experiencing unsheltered homelessness. Eligible activities for SO programs include engagement activities, case management, emergency health and mental health services, transportation, and services for special populations, as defined in the federal regulations.

SO programs use ESG funds to provide essential services necessary to outreach to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Based on past ESG applicant demand, HCD anticipates that up to 5 percent of the ESG awards will go toward SO activities for Fiscal Year 2023-2024 (FY23).

ESG RUSH funding will utilize the same methods as ESG for outreach; however, assessment may require additional information be collected from clients, including ensuring that the client was residing in the disaster declared area and that their needs are not already fully met by other disaster funding that would result in a duplication of benefits under the Stafford Act.

Discussion

In addition to the work described above, the state broadly supports efforts to reach and serve persons experiencing unsheltered homelessness, to permanently house individuals and families experiencing homelessness, and to prevent those at imminent risk of entering homelessness from becoming homeless, through programs administered by other departments and agencies. These programs include the Homeless Housing Assistance and Prevention Program (administered by Cal ICH), the Behavioral Health Bridge Housing Program, the Behavioral Health Continuum Infrastructure Program, the Bringing Families Home Program, the Home Safe Program, and the Housing and Disability Advocacy Program (administered by various departments under the Health and Human Services Agency). The Governor’s annual

Budget (available at <https://ebudget.ca.gov/budget/2024-25>) describes these programs in more detail. ESG RUSH funding allocated to California may also be prioritized for gap funding for rehabilitation of emergency shelter in the disaster area and damaged by the disaster.