

Substantial Amendment to the Consolidated Plan 2008 Action Plan for the Homelessness Prevention and Rapid Re-Housing Program (HPRP)

Grantees eligible to receive funds under the Homelessness Prevention and Rapid Re-Housing Program (HPRP) are required to complete a substantial amendment to their Consolidated Plan 2008 Action Plan. This form sets forth the required format for this substantial amendment. A completed form is due to HUD within 60 days of the publication of the HUD HPRP notice.

To aid grantees in meeting this submission deadline, the HPRP Notice reduces the requirement for a 30-day public comment period to no less than 12 calendar days for this substantial amendment. With this exception, HPRP grantees are required to follow their Consolidated Plan's citizen participation process, including consultation with the Continuum of Care (CoC) in the appropriate jurisdiction(s). Grantees are also required to coordinate HPRP activities with the CoC's strategies for homeless prevention and ending homelessness. To maximize transparency, HUD strongly recommends that each grantee post its substantial amendment materials on the grantee's official website as the materials are developed.

A complete submission contains the following three documents:

- 1) A signed and dated SF-424,
- 2) A completed form HUD-40119 (this form), and
- 3) Signed and dated General Consolidated Plan and HPRP certifications.

For additional information regarding the HPRP program, visit the HUD Homelessness Resource Exchange (www.hudhre.info). This site will be updated regularly to include HPRP resources developed by HUD and its technical assistance providers.

The information collection requirements contained in this application have been submitted to the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520). This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Information is submitted in accordance with the regulatory authority contained in each program rule. The information will be used to rate applications, determine eligibility, and establish grant amounts.

Public reporting burden for this collection of information is estimated to be 16 hours, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. To the extent that any information collected is of a confidential nature, there will be compliance with Privacy Act requirements. However, the substantial amendment to the Consolidated Plan 2008 Action Plan does not request the submission of such information.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

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A. General Information

Grantee Name	State of California
Name of Entity or Department Administering Funds	Department of Housing and Community Development, Division of Financial Assistance
HPRP Contact Person (person to answer questions about this amendment and HPRP)	Dan Apodaca
Title	Homeless Operations Programs Manager
Address Line 1	1800 3 rd Street, Room 390-4
Address Line 2	
City, State, Zip Code	Sacramento, CA, 95811
Telephone	(916) 327-3633
Fax	(916) 323-6016
Email Address	dapodaca@hcd.ca.gov
Authorized Official (if different from Contact Person)	Chris Westlake
Title	Deputy Director, Division of Financial Assistance
Address Line 1	1800 3rd Street, Room 390
Address Line 2	
City, State, Zip Code	Sacramento, CA, 95811
Telephone	(916) 322-1560
Fax	(916) 327-6660
Email Address	cwestlake@hcd.ca.gov
Web Address where this Form is Posted	http://www.hcd.ca.gov/econrecov/

Amount Grantee is Eligible to Receive*	\$ 44,466,877
Amount Grantee is Requesting	\$ 44,466,877

*Amounts are available at <http://www.hud.gov/recovery/homelesspreventrecov.xls>

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B. Citizen Participation and Public Comment

1. Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment (limit 250 words).

Response: The Department's Updated Consolidated Plan for 2009-10 included a preliminary summary of the ARRA-HPRP, and was available for 30-day public comment on April 1, 2009. Additionally, the draft Amendment to the State's Consolidated Plan specific to the HUD Notice regarding ARRA Homelessness and Rapid Re-Housing Program will allow a minimum 12-day public comment window as required in the HUD HPRP Notice. Stakeholder input continues with homeless advocates and service providers. Public comments and input will be taken at three separate hearings located throughout the state; and in accordance with the Public Notice procedure used for the Updated Consolidated Plan for 2009-10.

2. Provide the appropriate response regarding this substantial amendment by checking one of the following options:
 - Grantee did not receive public comments.
 - Grantee received and accepted all public comments.
 - Grantee received public comments and did not accept one or more of the comments.
3. Provide a summary of the public comments regarding this substantial amendment. Include a summary of any comments or views not accepted and the reasons for non-acceptance.

Submitted by Denise Cannistraci from Impact House on May 5, 2009

Comment: 1.5 billion for homeless. The Rural areas are not being served.

Response: The Amended Consolidated Plan allows for both, rural and non-rural applications.

Submitted by Jean Hom from the City of San Leandro Community Development Department-Housing Services Division on May 8, 2009

Comment: As the Housing Specialist for the City of San Leandro, I have been attending countywide and jurisdictional meetings regarding HPRP. I have read and discussed many of the issues with my jurisdictional colleagues, staff from EveryOne HOME (formerly our Continuum of Care coalition), and service providers. Our City commends the State for its commitment to ensuring that applicants are linked with their 10-Year Plan agencies and Continuums of Care and for the emphasis and incentives for multi-jurisdictional and multi-agency collaboration. Our City's comments on the State's Con Plan Amendment are:

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Comment: The State is proposing that any funds that are not allocated to cities or providers in non-entitlement jurisdictions will be made available to entitlement jurisdictions in order of size. Although this may be expedient and more efficient for State staff to award fewer contracts and to large jurisdictions like Los Angeles, this is not a fair process. As a non-entitlement grantee, our City is already at a disadvantage having to compete for the remaining HPRP funds. Our City strongly encourages the State award these funds competitively rather than by size of jurisdiction.

Response: The Department does not anticipate any funds to remain after the funding of non-entitlement areas. However, if there are funds remaining, entitlement cities and counties who applied will be funded in rank order of HUD allocation.

Comment: The State has allocated only 2% of funding for data collection and evaluation, a very minimal amount that would not cover basic costs, particularly since HUD has been saying there might be significant changes with the HMIS system. Subgrantees will need to receive these funds to cover their participation in mandated HMIS, including the addition of new providers to the system, expansion of the data and analysis functions for this program, and training. With grants of \$300,000 per participating agency that would only provide \$6,000 for HMIS costs per agency, over three years. This is wholly inadequate to support even minimal HMIS participation costs. 5-8% is a more reasonable amount.

Response: Accepted. The Data Collection and Evaluation shall be adjusted to 10% from the original 2% in the original proposal. This allocation can be used by both the grantee and sub-grantee.

Comment: HUD's allocation of 5% for administrative costs is seriously inadequate as it is. However, the State is proposing to keep 4.5% of the Administrative funds and pass through only .05% to sub-grantees. This is wholly inadequate to cover sub grantees administrative costs. The State needs to pass through at least 3% to sub-grantees.

Response: State grantee will be sharing the administration costs as follows: 4% to Grantee and 1% to sub-grantees. The State as the grantee has determined that 4% will be needed to administer, monitor and evaluate HPRP sub-grantee activities.

Comment: Please reconsider some of the State's proposals above. As it is, I believe that it was a complete oversight by HUD that our City was not a direct grantee of HPRP funds. For example, even using ESG criteria, our City has more foreclosures, unemployment, homeless, and those at risk of homelessness than some of the grantees who were allocated funds in Alameda County. Therefore, our

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City highly encourages HCD to help level the playing field and make your allocation process as fair as possible. Thank you for your consideration.

Response: The HUD Allocation to State grantees allows for serving non-entitlement areas and entitlement areas.

Submitted by the Corporation for Supportive Housing on May 7, 2009

Comment: Draft Substantial Amendment

We support the Department of Housing and Community Development's (HCD) intent to offer a competitive application process and to provide incentives for community collaboration. We have several recommendations for strengthening this draft substantial amendment.

Entitlement Jurisdictions: While we understand HCD's desire to provide first priority to HUD non-entitlement areas, we recommend HCD instead offer additional points in a competitive application process to non-entitlement areas.

- Though the amendment indicates HCD will use a competitive process, the proposed structure does not seem competitive if all non-entitlement jurisdictions meeting minimal threshold criteria will be awarded funds. In fact, HCD's own Multifamily Housing Program Regulations indicate the described approach is non-competitive (CA Code of Regulations, § 7217(c)). While a competitive process would ensure the best programs are funded, the described approach does not promise selection of the best plans.
- Many cities within entitlement counties will not receive funds from entitlement counties. Some of these cities have higher rates of need than many non-entitlement jurisdictions. For example, Los Angeles County will not be able to fund activities in all of its 88 cities. Alameda County, receiving a total of \$700,000, will not be able to fund activities for its 19 cities. Though some cities within both are receiving HPRP funds, many are not.
- Excluding entitlement jurisdictions from a first round of consideration will discourage many jurisdictions from applying, particularly since many understaffed agencies within these jurisdictions may believe non-entitlement jurisdictions could consume the available resources.
- Excluding entitlement jurisdictions will dissuade innovative programs that target specific populations (i.e., programs serving homeless transition-age youth) from applying, rather than spurring the development of "out of the box" regional programs that could use small amounts of state funding to operate prevention and rapid re-housing programs across entitlement and non-entitlement jurisdictions.

Response: The HUD Allocation to State grantees allows for serving non-entitlement areas and entitlement areas. The Department's priority in serving HUD non-entitlement areas allows for widespread funding statewide and not focusing on metropolitan cities and counties that have already received a HUD

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allocation directly. Entitlement areas are not prohibited from applying for State HPRP funding.

The Department does not anticipate any funds to remain after the funding of non-entitlement areas. However, if there are funds remaining, entitlement cities and counties who applied will be funded in rank order of HUD allocation.

Comment: *Non-Profits and CoCs*: We recommend allowing non-profit organizations and Continua of Care meeting HCD criteria to apply for HPRP funds. Many non-profits and Continua of Care have more experience and capacity to apply for and administer these programs than cities or counties, especially in non-entitlement areas. While we appreciate HCD's goal of aligning plans with Continua of Care policies, we believe the same alignment could be achieved by allowing these Continua to apply directly to the state.

Response: Non-Profits and Continua of Care are not excluded from applying under the non-entitlement allocation if they are eligible.

Comment: *Additional Thresholds*: In addition to the factors HCD listed as general threshold categories, we recommend adding the following categories as minimum thresholds:

- Development of assessment criteria targeting potential prevention participants who are likely to become homeless.
 - The HUD Guidelines state repeatedly that the prevention program must target people who are likely to become homeless without HPRP assistance: "It is helpful to remember that the defining question to ask is: 'Would this individual or family be homeless *but* for this assistance?'" Most people who experience a housing crisis do not become homeless. Research indicates that only 20% of people who receive a notice of eviction, for example, will become homeless. In its Guidelines, HUD "strongly encourages" the development of risk factors beyond the minimum eligibility guidelines HUD included.
 - HCD, as a grantee, has the responsibility of ensuring this program prevents homelessness. Without mandating or providing incentives to develop additional assessment criteria, applicants have an incentive to "cream" participants who are most likely to remain stably housed and produce good outcomes. We therefore urge HCD to provide incentives or mandate applicants to develop thoughtful, carefully crafted assessment criteria based on HMIS or other available local data. Minimum criteria should extremely low income (30% or below area median income), a housing crisis (such as overcrowding or paying more than 50% of income on rent), and lack of supports, like family or friends in a position to help. In the absence of local data to develop additional criteria, applicants

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should identify additional risk factors they will use based evidence, including,

- a history of homelessness,
 - two or more moves within the past year,
 - living doubled up,
 - a head of household aged 24 or younger with a history of foster care placement or a young child,
 - experiencing domestic violence,
 - mental illness or other disability,
 - recent discharge from jail or prison, or
 - a past eviction from public housing.
- Local data should inform applicants' plans for HPRP funds. While we do not recommend requiring significant research, HCD should require a statement of need based on the jurisdiction's unemployment rate, poverty rate, vacancy rate, and market rents (as they compare to incomes). This information should be easily obtainable. In fact, a report published every year, *Out of Reach*, documents a comparison of wages and rents for every county.
 - Plan to connect participants to permanent housing, as reflected in Guideline goals.
 - Plan to develop policies and protocols related to discharge planning, as required by the Guidelines.

Response: The comments pertaining to risk factors and need will be considered in the development of the Department's NOFA and Application. The Department will consider risk factors serving participants below 50% of AMI. The HUD Notice dated March 19, 2009 also provides guidance for applicants.

Comment: *State Agency Collaboration:* Though HUD Guidelines require coordination among grantees receiving stimulus funding and other mainstream agencies; the substantial amendment contains no information about ongoing collaboration between state agencies. We appreciate the difficulties of coordinating state activities within the short timeframes required by HPRP and other stimulus resources. However, we recommend HCD include plans to meet with other agency staff prior to the completion of the draft NOFA and throughout the process of administration.

Response: HCD will continue to collaborate with other State agencies regarding homelessness in the State of California.

Comment: *Promoting Collaboration:* Finally, we recommend setting aside a small portion of HPRP funds for the state to promote collaboration between counties and between cities and counties.

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Response: The Department strongly encourages collaborations between cities, counties and non-profits serving the homeless. Instead of a fund set-aside, the application shall award points for collaborating.

Comment: Drafting the NOFA

In developing a Notice of Funding Availability, we recommend creating guidelines that do not place undue burdens on applicants and allow significant flexibility, but fulfill the state's responsibility to meet program goals:

- As stated, the NOFA should include a minimal threshold requirement (or, at least, incentives) for an applicant to develop assessment criteria who are likely to become homeless.
- Base scoring on whether an applicant offers a full range of services and financial assistance, as well as provides the three programmatic layers of prevention, diversion, and re-housing, with intent to provide increasingly intensive assistance.
- Require plans to detail outreach efforts. Most people at the highest risk of becoming homeless do not seek assistance. An applicant should be required to state strategies for reaching people at the highest risk of becoming homeless, including working with organizations and agencies that serve people at risk of becoming homeless. These organizations and agencies should include programs that directly reach people in high-need neighborhoods, public agencies, health care programs, housing agencies, and community-based organizations.
- Require applicants to describe how their plans will coordinate with other resources, like Section 8 vouchers, CalWorks, Workforce Investment Act programs, and community action agency programs, as well as domestic violence, substance abuse treatment, and mental health care programs. HUD Guidelines focus on a program purpose of providing, "housing stabilization, linking program participants to community resources and mainstream benefits, and helping them develop a plan for preventing future housing instability."
- Develop outcome measures that reflect program effectiveness in promoting housing stability.
 - Measuring actual homeless prevention is difficult, but HCD should include the number and percentage of people served at highest risk of homelessness (based on the risk factors noted) and the overall number of people who have become homeless in the jurisdiction over the period measured.
 - Similarly, for diversion programs, HCD could measure the number and percentage of people who are successfully diverted from homelessness and the number and percentage of people who were diverted who become homeless within 12 months.

Response: This comment will be considered in the development of the Department's NOFA and Application.

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Submitted by the California Coalition for Youth on May 8, 2009

Comment: Delete the prioritization of applications received from HUD Non-Entitlement areas over HUD Entitlement areas. (Section C-2) This prioritization reduces HPRP funding access to youth-serving nonprofit organizations throughout the state that are located in HUD Entitlement areas. In many cases, youth serving organizations are not included in their local Continuums of Care, as they are not considered “traditional” homeless service providers.

Response: The Department does not anticipate any funds to remain after the funding of non-entitlement areas. However, if there are funds remaining, entitlement cities and counties who applied will be funded in rank order of HUD allocation.

Youth serving organizations are not prohibited from applying for HPRP funding in either the non-entitlement or entitlement areas.

Comment: Designate 5% of the HPRP funds specifically for applicants proposing to prevent youth homelessness and re-house homeless youth. Youth homelessness is disturbingly common; approximately 5% of the older adolescent population will experience a homeless episode this year. This number is likely to increase given our economic crisis. However, a small percentage of homeless youth experience long-term homelessness and can benefit from housing-first and rapid re-housing programs.

Response: The Department will allow for flexibility in its funding of HPRP related activities. Local homelessness prevention needs and strategies to address homelessness will be developed on the local level, rather than requiring rigid set-asides.

Comment: Require applicants to demonstrate that funds will target populations most at risk of homelessness.

The existing guidelines leave the potential for applicants to exclude participants that have the greatest housing needs, and would otherwise become homeless without this support. To ensure that the highest risk populations receive support, we recommend that HCD mandate applicants to identify the risk factors they will use to select participants. Risk factors include:

- Homeless in the past 12 months;
- Young parent under age 25;
- Past involvement in child welfare or juvenile delinquency systems;
- Extremely low income;
- High overcrowding in current housing;
- Past institutional care (jail, hospital, or residential treatment);
- Mental health or substance abuse issues;
- experiencing domestic violence;
- No high school diploma or GED; and

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- History of abuse or neglect as a child.

Response: These risk factors although not mandated, are included in the HUD Notice and shall be included in the department's NOFA and application.

Comment: Allow non-profit organizations and Continuums of Care meeting HCD criteria to apply for HPRP funds. This change would allow the nonprofit organizations and Continuums of Care with significant experience, knowledge, and capacity to effectively apply for and administer programs in a timely manner.

Response: Non-Profits and Continua of Care are not excluded from applying under the non-entitlement allocation if they are eligible.

Comment: When developing the NOFA, require plans to specify outreach efforts to reach people most at risk of homelessness. Effective outreach efforts could include partnerships with nonprofit and public agencies serving people at risk of becoming homeless, health clinics, community centers, and other community based organizations. These efforts will ensure that the most vulnerable populations receive support.

Response: The NOFA and Application will require applicants to identify outreach efforts.

Submitted by the HPRP Planning Group in Placer County, a Task Force coordinated by the Placer Consortium on Homelessness, on May, 8 2009

Comment: We are pleased that those available to apply for the first tier of funding will be those areas who did not receive a direct HPRP allocation from HUD. Since there is need everywhere, it's important that the non-entitlement jurisdictions have access to these funds without being in competition with the jurisdictions that received direct funding.

Response: There is no reply necessary.

Comment: We appreciate the focus on collaborative applications and approaches.

Response: There is no reply necessary.

Comment: Should not all of the money be allocated during the first round of funding, we suggest that the grants of those that did apply and were approved in the first round of funding be augmented rather than offering to the largest of the directly funded jurisdictions.

Response: The HUD notice allows the State as a grantee to serve non-entitlement areas, and entitlement areas. If after funding non-entitlement areas and HPRP funds

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remain available, it will be the Department's intent to fund entitlement cities and counties that apply in rank order and to obligate all funds by September 30, 2009.

Comment: We suggest that funding be able to cross county lines. There are some areas in the state which might be interested in applying that already cooperate and collaborate across county lines. For instance, in the North Tahoe area, agencies in Placer and Nevada counties provide joint programming and planning.

Response: Funding across county lines is currently allowed, provided the jurisdiction(s) has local approval.

Comment: We understand you are recommending a competitive process and we suggest that some consideration also be given to making sure that there are grants given to most areas that show a need for the funds and reasonable plan. We do not want to see a situation in which one county would get 6-7 grants and other counties get none. We're suggesting basically a competitive process tempered with some consideration of geographic distribution.

Response: Due to the accelerated HUD deadlines mandating the obligation to commit funds by September 30, 2009, the Department is unable to implement a geographic set aside.

Comment: We believe we may be able to put together 2-3 collaborative applications that would not duplicate services nor areas. However, we're afraid that one could be funded but not the other and we want to make sure there are funds available to all of our area so it's seems like it might be safest to put in one proposal. Given that HCD would like to allocate all of the funds, we'd like to suggest some way that if only one proposal is funded in an area, that an expansion of area be allowed after selection.

Response: All applicants are encouraged to apply per the Department's NOFA and Application. There will be no limitations placed on the number of applications the Department may receive. Local jurisdictions and non-profits must decide if their application strategy best reflects their communities need.

Submitted by the HPRP Planning Group in Yolo County, a Task Force coordinated by the Yolo County Homelessness and Poverty Action Coalition on May 8, 2009.

Comment: We are excited that the first tier of funding will be those areas who did not receive a direct HPRP allocation from HUD.

Response: There is no reply necessary.

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Comment: We are concerned about the amount of administration funds available to the sub-grantees. This may work if all of the activities related to a program component, such as writing checks to landlords, can be charged to that category rather than administration.

Response: State grantee will be sharing the administration costs as follows: 4% to Grantee and 1% to sub-grantees. The State as the grantee has determined that 4% will be needed to administer, monitor and evaluate HPRP sub-grantee activities. Guidance on the eligible use of administrative funds are included in the HUD Notice.

Comment: Should not all of the money be allocated during the first round of funding, we would like it to be offered to the non-entitlement jurisdictions rather than to the directly funded jurisdictions. Or perhaps it would be possible to increase the amounts of the applications funded during the first round.

Response: The HUD notice allows the State as a grantee to serve non-entitlement areas, and entitlement areas. If after funding non-entitlement areas and HPRP funds remain available, it will be the Department's intent to fund entitlement cities and counties that apply in rank order and obligate all funds by September 30, 2009.

Comment: We believe we may be able to put together 2-3 collaborative applications that would not duplicate services or areas. However, we also want to ensure that we receive at least one grant. Given that HCD would like to allocate all of the funds, we'd like to suggest some way that if only one proposal is funded in an area, that an expansion of area be allowed after selection.

Response: All applicants are encouraged to apply per the Department's NOFA and application. There will be no limitations placed on the number of applications the Department may receive. Local jurisdictions and non-profits must decide if their application strategy best reflects their communities need.

C. Distribution and Administration of Funds

Reminder: The HPRP grant will be made by means of a grant agreement executed by HUD and the grantee. The three-year deadline to expend funds begins when HUD signs the grant agreement. Grantees should ensure that sufficient planning is in place to begin to expend funds shortly after grant agreement.

1. Check the process(es) that the grantee plans to use to select subgrantees. Note that a subgrantee is defined as the organization to which the grantee provides HPRP funds.
 - Competitive Process
 - Formula Allocation
 - Other (Specify: Rank Order_____)

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2. Briefly describe the process(es) indicated in question one above (limit 250 words).

Response: California Department of Housing Community Development, (HCD), will issue a Notice of Funding Availability, (NOFA) and HPRP Application, which will allow the Department to receive competitive applications and make awards to eligible applicants serving the HUD Non-Entitlement areas that are identified in the HUD Notice dated March 19, 2009 regarding HPRP funding. Applications received from HUD Non-Entitlement areas will be reviewed for minimum threshold elements. If there are funds available after all eligible Non-Entitlement applicants are funded, the remaining funds will be allocated to the HUD Entitlement applicants, up to a maximum amount to be determined later, starting with the highest funded Entitlement city/county to the lowest funded Entitlement city/county; and until the funds are all awarded. HUD Entitlement cities/counties applying for the HPRP funding from the Department will be required to submit, at a minimum: Resolution applying for grant; Letter of direct funding from HUD; Proposed Budget; Certifications; and Program Information identifying the grantee and authorized representative.

3. Briefly describe the process the grantee plans to use, once HUD signs the grant agreement, to allocate funds available to sub grantees by September 30, 2009, as required by the HPRP Notice (limit 250 words).

Response: HCD is currently developing the NOFA, Application and related documents needed to ensure the fiscal responsibility of allocating HPRP funds and having contracts out for signing by grantees by September 30, 2009. In an effort to provide an early notification on HPRP, a preliminary letter was sent regarding the HPRP general requirements to the Homeless Section Interested Parties List. HCD will issue a NOFA and Application on June 30, 2009, with an application due date of July 30, 2009. Applications will be reviewed, rated and ranked by August 30, 2009. Award letters will follow, and Standard Agreements with sub-grantees will be sent out by September 30, 2009. HCD will engage in substantive planning discussions with each agency regarding projected budgets, strategic implementation; and provide technical assistance to ensure all sub grantees have proper training on the content provided in HUD's Notice on HPRP, dated March 19, 2009, as well as the reporting and fiscal requirements attached to the State's Standard Agreement, and federal certifications that apply.

4. Describe the grantee's plan for ensuring the effective and timely use of HPRP grant funds on eligible activities, as outlined in the HPRP Notice. Include a description of how the grantee plans to oversee and monitor the administration and use of its own HPRP funds, as well as those used by its sub grantees (limit 500 words).

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Response: HCD will be issuing a competitive HPRP Application. Each eligible application received will be evaluated according to the following general threshold categories: Program Capacity; Proposed Services and Collaboration/Network; Fiscal Management; and Outreach Activities in order to be rated, ranked and awarded HPRP funding. Applicants will be encouraged to submit collaborative Multi-Agency applications showing the level of need, collaboration among direct service providers, targeting strategies, and the estimated Drawdown Schedule of HPRP funds. HCD shall contract with each sub-grantee utilizing the Department's Standard Agreement. The Standard Agreement shall be developed with provisions within the HUD's Notice and OMB guideline as may be received. HCD shall maintain the necessary fiscal reports and/or HUD forms that will ensure the tracking of fund advances, expenditure of funds, program fund use in accordance with approved budgets, and reporting for Quarterly Reporting; and the reporting data to be included in the preparation of the Annual Performance Reports. HCD shall implement forthcoming HUD instructions on the report form(s). HCD staff shall track expenditures and offer technical assistance to sub-grantees to ensure funds are expended within the required time and that costs are allowable under the HPRP program guidelines. Site monitor visits shall start after the first cash draw down to ensure fiscal controls are in place. Annual Risk Assessments will be conducted to determine the expenditure flow and program delivery as contracted. "Site monitoring" will be conducted throughout the contract period on those sub-grantees that may be determined by the Department as "high risk". Site monitoring visits shall determine the level of risks, issue a "findings report", and if applicable, devise an "Action Plan" to address any deficiencies identified in the monitoring report. "Desk Audits" will be performed by HCD on those sub-grantees rated a "medium risk". As with site monitoring visits, the desk audits shall identify any deficiencies, issue a "Findings Report", and if applicable devise an Action Plan to address any deficiencies. HCD shall place all relevant program forms and documents on its website. With the exception of "Administration Costs", budget flexibility within major budget activities of "Financial Assistance"; "Housing and Relocation & Stabilization Services" and "Data Collection and Evaluation" shall be allowed to the extent proposed budget changes are critical to the delivery of services.

Additionally, no later than One hundred and twenty (120) days before the end of the two-year period ending September 30, 2011, all contracts will be evaluated for expenditure flow. Subgrantees with challenges spending their respective funds within the two-year deadline will be provided technical assistance that may enhance their expenditures; or funding may be reallocated to existing sub-grantees with a demonstrated need. Subgrantees not meeting the program guidelines and contractual obligations under the Standard Agreement may be subject to termination and/or sanctions.

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D. Collaboration

1. Briefly describe how the grantee plans to collaborate with the local agencies that can serve similar target populations, which received funds under the American Recovery and Reinvestment Act of 2009 from other Federal agencies, including the U.S. Departments of Education, Health and Human Services, Homeland Security, and Labor (limit 250 words).

Response: HCD currently provides an array of programs specific to the needs of the homeless and persons at risk of homelessness. HCD's federal Emergency Shelter Grant program (ESG) under McKinney-Vento Act provides one or two-year "operational grants" to the HUD Non-Entitlement areas of the State. Additionally, the State Emergency Housing and Assistance Program-Capital Development (EHAPCD) grant offers deferred loans to emergency shelters and transitional housing providers for the acquisition, new construction, and/or Rehabilitation of emergency shelters and transitional housing projects statewide. The Housing Assistance Program, (HAP) operated by the Department as part of the HUD Section 8 Program additionally serves a low-income population at risk of becoming homeless. HCD will outreach and collaborate with our current sub-grantees directly and/or through our notification to our joint "Interested Parties List". High priority will be placed on collaboration of services that are in alignment with the respective Continuums of Care, including accessing local, state and federal programs. The Notice of Funding Availability (NOFA) and Application will be widely distributed to our Interested Parties, and cities and counties throughout the State. HCD will be encouraging communities within counties to plan and collaborate in the delivery of a comprehensive and efficient Homelessness Prevention and Rapid Re-Housing Program. Efforts by HCD and housing advocates throughout the state have communicated the need to combine resources and services in meeting the needs of the homeless and those persons at risk of becoming homeless. HCD shall widely announce the HPRP program through the HCD website. Other state and federal agencies shall be notified of the HPRP funding program under ARRA of 2009. Funding offered by other agencies in support of homelessness prevention will be encouraged through the application process.

2. Briefly describe how the grantee plans to collaborate with appropriate Continuum(s) of Care and mainstream resources regarding HPRP activities (limit 250 words).

Response: HCD participates with regional Homeless Roundtable efforts in assessing the needs of the homeless and devising systems and programs to minimize or eliminate homelessness in the State, as well as, preventing discharges to homelessness. Resource development and collaboration of services are crucial to addressing the problems and underlying reasons for homelessness. HCD is requiring all sub-grantees to work within their established Continuums of Care

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(CoC) or whichever communitywide organization is established to plan and address homelessness. Additionally, where Ten-Year Plans exist, sub-grantees will be required to show how their respective program fits into their Ten-Year Plan. The State of California and HCD and its sub-grantees have a long history of collaboration. HPRP activities are consistent with the State's Consolidated Plan and strategies. The State's EHAP-CD program utilizes the "Local emergency Shelter Strategies" developed by area Designated Local Boards. HCD's current sub-grantees presently work with housing providers, service providers, mainstream resource representatives, private citizens, government and other community members.

Collaboration will take place through a variety of methods including referrals, MOUs, telephone conversations, written communications and stakeholders meetings. HCD staff will coordinate closely with sub-grantees to identify and establish referral processes and link HPRP participants with mainstream opportunities such as employment, veteran services, TANF, Section 8, health care and other services. Coordination will include planning and processes for coordinating existing prevention and rapid re-housing activities in communities statewide. Collaborations between applicants and service providers will be reassured with the use of MOU's and service provider agreements.

3. Briefly describe how HPRP grant funds for financial assistance and housing relocation/stabilization services will be used in a manner that is consistent with the grantee's Consolidated Plan (limit 250 words).

Response: HCD's 2005-2009 Consolidated Plan identifies needs and strategies for assisting the homeless or persons at risk of homelessness to achieve housing stability through prevention and re-housing strategies. Serving the very low income and homeless population through HCD's existing Emergency Shelter Grant Program (ESG) within the HUD Non-Entitlement areas clearly assists with the need for "operating funds" for emergency shelters and transitional housing programs; and allows for the continuum of care to provide for the upward mobility of the homeless from shelter-to-transitional housing-to permanent supportive housing. Although "homeless prevention" activities are allowable under the federal ESG Program, the homeless prevention activities are limited due to funding levels given the State, as well as the limitations inherent due to the "match requirement". HPRP funds allow the State and its sub-grantees the opportunity to directly and greatly implement a collaborative effort in meeting the needs of the homeless and persons at risk of becoming homeless. Additionally the HPRP funding allows the State to serve not only the HUD Entitlement areas; it may additionally serve HUD Entitlement cities and counties that get HUD HPRP funding directly.

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The State's Consolidated Plan identifies the need to expand housing and provide stabilization and other case management services to help homeless persons access and sustain housing.

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E. Estimated Budget Summary

HUD requires the grantee to complete the following table so that participants in the citizen participation process may see the grantee’s preliminary estimated amounts for various HPRP activities. Enter the estimated budget amounts for each activity in the appropriate column and row. The grantee will be required to report actual amounts in subsequent reporting.

HPRP Estimated Budget Summary			
	Homelessness Prevention	Rapid Re-housing	Total Amount Budgeted
Financial Assistance ¹	\$ 15,118,738	\$ 12,895,394	\$ 28,014,132
Housing Relocation and Stabilization Services ²	\$ 8,804,443	\$ 978,271	\$ 9,782,714
Subtotal (add previous two rows)	\$ 23,923,181	\$ 13,873,665	\$ 37,796,846

Data Collection and Evaluation ³	\$ 4,446,687
Administration (up to 5% of allocation)	\$ 2,223,344
Total HPRP Amount Budgeted⁴	\$ 44,466,877

¹Financial assistance includes the following activities as detailed in the HPRP Notice: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, utility payments, moving cost assistance, and motel or hotel vouchers.

²Housing relocation and stabilization services include the following activities as detailed in the HPRP Notice: case management, outreach, housing search and placement, legal services, mediation, and credit repair.

³Data collection and evaluation includes costs associated with operating HUD-approved homeless management information systems for purposes of collecting unduplicated counts of homeless persons and analyzing patterns of use of HPRP funds.

⁴This amount must match the amount entered in the cell on the table in Section A titled “Amount Grantee is Requesting.”

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F. Authorized Signature

By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete, and accurate to the best of my knowledge. I also provide the required assurances and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

Title