

Substantial Amendment to the State of California's Community
Development Block Grant (CDBG) Program 2012-2013 Action Plan:

METHOD OF DISTRIBUTION

Under the authority of 24 CFR 91.505, California is submitting this Substantial Amendment to its 2012-2013 Action Plan pertaining to the State's CDBG Program Method of Distribution.

CITIZEN PARTICIPATION

This draft Substantial Amendment was available for comment from all interested parties for a 30-day period from **Tuesday, November 13, 2012 and end at 5:00 p.m. Monday, December 17, 2012**. For details see the Public Notices at the end of this document. The comments received during the comment period and the Department's responses are below. As well, a public hearing was held, where the Department was available to take written comments, on **Tuesday, December 4, 2012 from 9:00 a.m. – 1:00 p.m., 1800 Third Street, Room 470, Sacramento, California**. No comments were received during the public hearing.

Copies of the draft Substantial Amendment were made available for review at the Department, and copies of the Public Notice were e-mailed to CDBG Program contacts and interested parties. Both notices were available on the Department's website at <http://www.hcd.ca.gov/fa/cdbg/about.html> and also at public depository libraries as identified in the notice throughout the public comment period. HCD's website is at <http://www.hcd.ca.gov/> and the email address is cdbg@hcd.ca.gov.

PUBLIC COMMENT AND RESPONSE

Some comments have been edited for clarity and consistency. We have tried to minimize duplication among our responses, but for clarity and emphasis, some duplication remains.

Commenter – Sheri Nix, Consultant, 3Core

Comment: *In reading through the “Substantial Amendment to the State of California’s CDBG Program 2012-13 Action Plan – Methods of Distribution” I didn’t see the 50% Rule mentioned anywhere. Is it still the case that if a jurisdiction was awarded funding in 2012, 50% of it must be expended by the 2013 application due date in order to apply for new funds?*

Response: The Substantial Amendment is an amendment to the Program's Annual Plan, which is an update to the 5-Year Consolidated Plan. Recipients of HUD funds, including HCD, are required by HUD to submit a Consolidated Plan every 5-Years, and to update that 5-Year Plan every year in the Annual Plan Update. If we change the Annual Plan Update after it has been published, we have to submit those changes in a Substantial Amendment to the Annual Plan. The 50% Rule was already published in

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the Annual Plan and is not being changed, so it is still in effect for the 2013 CDBG NOFA.

Below is a link to the current Annual Plan.

[http://www.hcd.ca.gov/hpd/hrc/rep/fed/Annual_Plan_Update_2012-2013_\(FINAL\)_02-01-2012.pdf](http://www.hcd.ca.gov/hpd/hrc/rep/fed/Annual_Plan_Update_2012-2013_(FINAL)_02-01-2012.pdf)

Commenter – Paul Ashby, Consultant, Adams Ashby Group

Comment: In the scoring criteria section, under the category **readiness**, “experienced in-house staff and ready to start” is listed. I would like the Department to consider adding language that would include “experienced in house staff or a procured administrator and ready to start”. The way the bullet point is written in its current state, it gives the impression that only jurisdictions with “in-house” staff who are experienced would gain full points, thus limiting those jurisdictions who procure administrative subcontractors.

Response: The language does, indeed, only refer to jurisdictional in-house staff. This is because the Department's contract is with the jurisdiction only, not with any contractor/consultant. Since the jurisdiction is the applicant and is, therefore, contractually responsible for all compliance, the most competitive applications will be from jurisdictions that have internal staff for running and/or overseeing their CDBG activities.

Secondarily, while the Department encourages jurisdictions to make agreements with subrecipients and/or procure skilled contractors, the process is not included in the scoring criteria because the Department lacks the time and resources during rating and ranking to also review these important secondary agreements and procurement processes for compliance. This must be done during the clearing of special conditions.

Commenter – Terry Cox, Consultant, Cox Consulting

Comment 1: There are several references to “in house staff” for both administrative capacity, infrastructure and public facilities. Does this mean just jurisdictional staff or does it include contracted staff?

Response 1: “In-House Staff” means jurisdictional staff only. Since the Department's contract is with the jurisdiction and not with any subcontractor or consultant, the Department needs to know what internal resources will be operating or overseeing the CDBG activity.

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Comment 2: *On multi-family housing operator experience, there's a reference to an executed subrecipient agreement. Do you get 200 points if the subrecipient has 3 MFH CDBG projects since 07/08 or is it limited to 50 points? I had recently understood that there would be no more subrecipient agreements for projects anymore. How would this work?*

Response 2: The score sheet for multi-family housing projects is changed in only one place from the score sheet attached to the 2012-13 Annual Plan and the 2012 NOFA. The change actually makes it easier for a jurisdiction with no multi-family experience to get 50 points for an executed subrecipient agreement, by removing the requirement for an executed development agreement as well. Scoring for multi-family projects in terms of Operator Experience and the associated points, remain identical to the original Annual Plan and to the scoring in the 2012 NOFA.

However, the points awarded for Operator Experience refer only to the applicant jurisdiction's experience. If an applicant jurisdiction has done 3 or more multi-family CDBG projects since 07/08 and used a subrecipient, the applicant will get the points. If the *subrecipient* has done 3 or more multi-family CDBG projects since 07/08 for a *different* jurisdiction, it does not count toward the applicant jurisdiction's experience.

As in the 2012 NOFA and the Substantial Amendment, the 2013 NOFA will give the applicant jurisdiction 50 points for an executed subrecipient agreement with an experienced subrecipient for the applied-for multi-family project. However, these 50 points will not cause the applicant to be awarded more than 200 points if they already have points under Activity-Specific Operator Experience items "1a" through "1e".

Comment 3: *The in house staff only requirement is very concerning and a real departure from 30 years of CDBG practice.*

Comment 4: *The jurisdictional requirement for oversight has always been there and CDBG has always allowed jurisdictions to contract with non-profits or consultants to take advantage of their expertise.*

Comment 5: *And if the logic is that the contract is with the jurisdiction so only their experience counts, why is this not also true for ED, housing or public service activities? The fiduciary responsibility is the same.*

Responses 3-5: The ability for a jurisdiction to contract with non-profits or consultants to take advantage of their expertise remains unchanged from the 2012-13 Annual Plan and the 2012 NOFA, and was not changed by the Substantial Amendment.

The In-House Staff requirement is necessary to ensure that the entities responsible for using the funding are capable of and involved in managing the funding and contract compliance. The Department's monitoring visits over the last year have reinforced our belief that this is essential for a successful CDBG Program in California.

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A small jurisdiction will not be penalized for having one person on staff handling the proposed CDBG activity compared to a jurisdiction with 10 people, which is evident in the 2012 Funding List online. Readiness and capacity requirements are the same for small and large jurisdictions, and the Department's records show that performance and capacity are not dependent on staff size.

HCD views subrecipient and contractor agreements as part of oversight and procurement, and not application scoring. *The Department removed Environmental/NEPA issues from application scoring last year, and is in the process of doing the same with procurement. The Department does not want to score *who* was hired, rather *what* experience *the jurisdiction* has. Jurisdictions should not hire based on how well that hire would help the jurisdiction's application score. The ability of jurisdictions to oversee staff, subrecipients and/or procured staff is more important. The Department does not tell applicants or grantees who they should hire to operate their programs and/or projects, which has been a consistent policy since the inception of HCD's CDBG Program.

Further, the hiring of non-grantee staff is reviewed by the Department after the award has been made and cannot be fully reviewed during the ranking and rating process. Not only would this slow the process greatly, but it would require the Department to review subrecipient agreements and procurement packages of applicants that will not be funded. The Department's experience indicates that careful attention should be given to review of the subcontractor procurement process. To allow applicant points for procured non-profits and/or consultants before careful review, would limit the Department's ability to manage a significant part of the entire program effort, and could require an awarded jurisdiction to restart the process if problems were encountered, which meant it was not as "ready" as previously scored under Readiness.

Differences in scoring various CDBG activities are partly due to the substantial differences in the difficulty of managing different projects and programs. Project-specific activities, such as public improvements, public facilities and multi-family housing rehabilitation and/or acquisition, require a jurisdiction to have solid internal capacity to provide effective oversight, since the compliance requirements for projects are substantially greater than those for programs. Programmatic activities such as homeownership assistance and public services have fewer compliance requirements and are carried out under departmentally approved and jurisdictionally adopted program guidelines, so operation by outside contractors or subrecipients is less problematic.

In the case of multi-family housing projects, for example, State CDBG only awards funds to smaller local city and county governments, who then become the lender to the multi-family developers. Careful evaluation of the internal capacity of a small jurisdiction as a lender and grant administrator is essential.

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For the 2014 NOFA, as noted above, the Department's goal is to remove all procurement and 'Special Conditions' topics from scoring since they are not appropriate topics prior to awards. Through advisory group meetings and jurisdictional roundtable meetings in 2013, the Department will request feedback and input on how to pursue the goal of objective, data driven scoring. The timing of public comments on the Consolidated Plan and Annual Plan is helpful for this purpose, since the comment period opens just after the NOFA application process is complete and often just after awards have been made. By law, the State's CDBG Method of Distribution (which the NOFA implements) is always included in the Annual Plan Update and the 5-Year Consolidated Plan, so the associated comment periods provide all interested parties with a forum to address their concerns and make suggestions about the NOFA.

Comment 6: *This will seriously disadvantage small jurisdictions. Very few will be able to meet the experience requirements you are proposing and they will effectively be shut out of the process.*

Interestingly, HOME has gone in the opposite direction, at least for labor standards. They actively promote the use of consultants because of the lack of expertise on the jurisdictional level. Why is CDBG going in the other direction?

Response 6: Based on our monitoring findings, HCD disagrees with the suggestion that scoring in-house experience will disadvantage any jurisdictions based on size. The State CDBG Program is restricted to small cities and counties. Many jurisdictions have only 1, 2 or 3 staff working on the CDBG Program. In many cases, the program is effectively run by in-house staff who oversee numerous consultants, contractors and subrecipients. It is the in-house staff's diligent oversight that makes the program a success. Conversely, many jurisdictions with larger staffing have significant problems managing their contractors and their program, regardless of the experience of the consultant or subrecipient. In either case, as noted above, the Department's contract is with the jurisdiction only. Therefore, the Department needs to be aware of, and award points for, dedicated human resources overseeing the jurisdiction's CDBG activity. The most competitive applications will, therefore, be from jurisdictions with internal staff for running or overseeing their CDBG activities.

HCD acknowledges that local capacity requirements can be demanding. Federal funding, by nature, is robust with complex laws and regulations governing compliance and oversight. It is necessary for *all jurisdictions*, regardless of size and experience in utilizing federal funding, to continually and thoughtfully evaluate their ability to manage these extensive usage and compliance requirements.

HCD's HOME program moved to scoring only jurisdictional capacity in 2004. Because Labor Standards for new construction, which HOME does a great deal of, can be complex, the State's HOME program encourages subrecipients and non-profit Community Housing and Development Organizations (CHDOs) to procure Labor Standards (Davis-Bacon) experts if they are going to embark on large construction

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projects. However, HOME does not score the application higher if a Labor Standards expert has been hired prior to the application being submitted.

Comment 7: *The set-aside is very important to local jurisdictions. It allows them to do projects that are important to local communities but not competitive. Not everyone has PI to use for a waiver. It may complicate the rating process, but it builds support for CDBG that may come in handy as we go through future budget cuts.*

Response 7: The un-scored set-aside was removed for several reasons. By definition, it does not meet the State's intent to provide funding in areas of greatest need, and with the Department's Program Income Waiver Process, alternatives for non-competitive funding already exist. The Department continues to encourage jurisdictions to engage in activities that will provide program income, so they can continue their community and economic development work beyond just NOFA funding.

Moreover, it is difficult to manage more than one un-scored activity in the application and rating and ranking processes, as the Department found out last round. Because the funding allocated for each activity is based on aggregate applicant demand, every application with set-aside funding requested must have that requested amount added to the overall activity allocation amount prior to rating and ranking. But as applications are rated and ranked, amounts for set-aside funding must be backed out of the activity they were applied for, which changes the overall aggregate demand for that activity and, therefore, the amount of available funding for that activity. The back and forth of the allocations and their respective demand percentages took a great deal of time and labor during rating and ranking, because the same process has to be applied to the PTA funding requests as well. Since state statute requires that PTAs be un-scored, and citizen participation has continually reaffirmed the necessity of PTA funding, removing the un-scored set-aside is the prudent choice.

Comment 8: *I also think that the funding caps should be lowered. I think the overall cap should be \$1.5 million, community facilities should be \$1 million, public services \$400,000, enterprise fund should be \$400,000. From what I could see from the funding list, you have way fewer contracts with way fewer activities. It doesn't need to be cut back that much year after year for CDBG to be able to administer the program.*

Response 8: The funding caps are unchanged from the Annual Plan and the 2012 NOFA; and, thus, are not part of the Substantial Amendment.

Over the previous three years, with the commenter's important input as an advisory committee member, and with roundtable discussions throughout the State, the present limits were agreed to for two NOFA funding cycles. The upcoming NOFA will be the second of the two. As a participant in these discussions, you may remember combining multiple NOFAs and grantee contracts into one was part of the Department's strategy for managing a significant decrease in State CDBG staffing, and to address the resultant intractable workload issues. As well, in an effort to address potential adjustment issues to this change for jurisdictions, and to address the 50% Rule now in

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State regulation, the Department, in consultation with our advisory committee and jurisdictions during roundtable meetings, planned to award up to 300% of its anticipated funding across two NOFA cycles. The 2012 NOFA included 100% of our 2011-12 allocation and 50% of our anticipated 2012-13 allocation. The 2013 NOFA includes the final 50% of the 2012-13 allocation and 100% of our anticipated 2013-14 allocation. This gives jurisdictions two opportunities to be awarded up to \$2,000,000. To allow the first round this opportunity and then reduce maximums in the second round would be unfair. Thus, the funding levels for eligible activities in the 2013 NOFA are identical to those in the 2012 NOFA. The Department will, however, in consultation with our advisory committee members and roundtable events, re-evaluate the per-activity funding levels and overall application maximums for the 2014 NOFA. This will be done assuming that the 2014 NOFA is funded with a single HUD allocation, and that that the Department's allocation from HUD will remain at the present lower levels. The Department supports reducing activity/maximum funding limits, if future NOFA funding levels are, indeed, what we anticipate.

These funding limits were included in our Method of Distribution in the 2011-12 Substantial Amendment and the 2012-13 Annual Plan, with no comments until now. Lowering the maximums in this round would be unfair to jurisdictions that chose to wait until the second round of 150% funding availability.

Comment 9: *How do I get copies of other comments?*

Response: All comments received and the associated responses are included in this document. As required, they will also be included with the final Substantial Amendment submitted to HUD. HCD will also post the Final Substantial Amendment on the HCD website.

Commenter – David Nelson, Consultant, David Nelson Consulting

A. Regarding Business Assistance and Microenterprise Market Analysis

Comment A-1: *Is this pretty much the same methodology as last year and will CDBG be providing links to acceptable research resources, like last year?*

Response: The Market Analysis methodology has not changed from the 2012 NOFA to the 2013 NOFA, and thus is not part of the Substantial Amendment. CDBG is requesting that applicants use the same methodology and research resources to complete the Market Analysis as used in the previous year. The same 2012 links to acceptable research resources will be provided.

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The only change to the scoring for Economic Development Enterprise Fund activities is that the score sheet language includes language originally found in the 2012 Enterprise Fund Application Instructions on how to develop the Market Analysis. There is no change in what is to be submitted and how applications will be scored

Examples from the Market Analysis component of the 2013 NOFA in which the language is identical between the Business Assistance Instructions and Scoring Details documents are as follows:

Letter A, under #2 – Scoring Details document reads: *'Understanding of Market Conditions / Opportunities by Market Segment'* while the Business Assistance Instructions reads, letter a) *'Understanding Market Conditions – Identifying/Analyzing Market Opportunities by Segment.'*

1st bullet under #1 in Scoring Details document reads: *'Comparative analysis number of establishments by employment / size / class, over previous 3 years'* while the 1st bullet under #1) in the Business Assistance instructions reads *'Comparative analysis with previous 3 years'*

2nd bullet, under #1 in Scoring Details document reads: *'Determination of number of business by industry category – use NAICD code level breakdown'* while the 2nd bullet under #1 in the Business Assistance Instructions reads: *'Determination of number of businesses by industry category using 2 digit North American Industry Classification System (NAICS) code level breakdown'*

Comment A-2: *It would be helpful to simplify this section somehow...have "fill in the blanks" with specific data vs. narratives.*

Response: The Department will consider all Substantial Amendment-related suggestions for changing the 2013 NOFA and application. However, the Method of Distribution for Enterprise Fund activities is unchanged from the Annual Plan and the 2012 NOFA; and, thus, is not part of the Substantial Amendment. Recommendations for changing the Enterprise Fund application materials will be evaluated for the 2014 NOFA.

For the 2014 NOFA and beyond, the Department is making the application process simpler and more transparent. The Department requests all interested parties to submit ideas and suggestions for alternative scoring methods and criteria during the upcoming roundtables in January and February (see Appendix B: [NOFA](#) and Application Workshop/Roundtable/Webinar Schedule and Registration), and the 2013-14 Annual Plan process (April/May).

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Comment A-3: *Add local unemployment rate since this may be the best (only?) indicator of start-up micros or Business Assistance. My experience in working with micro workshops, about 1/2 of the people were unemployed, trying to re-invent themselves. This sentiment has been echoed several times by locals anecdotally.*

Response: The Method of Distribution for Enterprise Fund activities is unchanged from the Annual Plan and the 2012 NOFA; thus, it is not part of the Substantial Amendment.

However, the Department does use local unemployment rates. Historically, we used Employment Development Department (EDD) monthly unemployment figures for application scoring, which show county-wide data. However, the Department agrees that EDD data is not suitable for small cities; so, for the 2013 NOFA, the Department is instead using the county unemployment data from the American Community Survey (ACS) 5-year data. This is a rolling 5-year average in each jurisdiction. This year the Department was only able to get the data at the county level, but for the 2014 NOFA the Department will work with the Department of Finance to compile the ACS unemployment data for all CDBG non-entitlement cities and counties.

B. Regarding Business Assistance and Microenterprise Identifying /Analyzing Lending Opportunities

Comment B-1: *The text states: "Identifying all (other) private and public lending sources. Require a summary table of all the different types of lending, with the loan particulars indicated (i.e., Credit unions, banks, other community development lenders). There doesn't seem to be a need to provide an exhaustive list of lenders and their terms, etc.*

Response: The Department will consider all Substantial Amendment-related suggestions for changing the 2013 NOFA and application. However, the Method of Distribution for Enterprise Fund activities is unchanged from the Annual Plan and the 2012 NOFA, and thus is not part of the Substantial Amendment. Recommendations for Enterprise Fund application materials will be evaluated for the 2014 NOFA.

For the 2014 NOFA and beyond, the Department is making the application process simpler and more transparent. The Department requests all interested parties to submit ideas and suggestions for alternative scoring methods and criteria during the upcoming roundtable events in January and February (see Appendix B: [NOFA](#) and Application Workshop/Roundtable/Webinar Schedule and Registration), and the 2013-14 Annual Plan process (April/May).

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Comment B-2: *"Determine and confirm that financing program will fill the financing gaps in the market." Delete this requirement, as it is unnecessary, and it is addressed in underwriting. By definition, CDBG lending fills the gap in lending left by traditional/community development lending. Practically speaking, if a loan applicant can find loans funds elsewhere in the community, they most definitely will.*

Response: Please see the response to the comment immediately above.

C. Regarding Business Assistance and Microenterprise Demand Projections and Conclusions

Comment C-1: *Replace "validate" with "project." No one can validate anything in the future, especially in business.*

Response: Please see the response to the two comments immediately above.

D. Poverty

Comment D-1: *Add federal poverty rate to the Business Assistance criteria, as is the case in Micro. The National Objective is still to benefit the LM person via job creation, who is under the federal poverty levels.*

Response: The Method of Distribution for Enterprise Fund activities is unchanged from the Annual Plan and the 2012 NOFA, and thus is not part of the Substantial Amendment. However, Poverty is a scoring criterion under Need. It is listed below the Market Analysis on both the Business Assistance Score Sheet and the Microenterprise Score Sheet.

E. Past Performance

Comment E-1: *In addition to expenditures, add # loans taken to local loan committee w/in past 3 years and # loans approved by CDBG in past 3 years. **Reason:** Micro loans and smaller loans can take just as long as the medium sized loans, but have a small dollar amount. This effort/capacity/accomplishment should be recognized.*

Response: The Method of Distribution for Enterprise Fund activities is unchanged from the Annual Plan and the 2012 NOFA; thus, it is not part of the Substantial Amendment.

The Department agrees with this comment; however, it requires a regulation change. Therefore, it will be addressed in the 2014 NOFA.

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F. Enterprise Fund: Readiness-Program Description

Comment F-1: *Add 3 year marketing plan, limited to 3 pages. Include list of stakeholders and their roles, and specific tasks to be accomplished. Add timeline for 4th page. If you don't market consistently, you won't get loans, regardless of how large your business community is (see above Market Analysis). Do not require unnecessary letters of commitment/support. I've found that most entities are very eager to work with CDBG lending/training.*

Response: The Department will consider all Substantial Amendment-related suggestions for changing the 2013 NOFA and application. However, the Method of Distribution for Enterprise Fund activities is unchanged from the Annual Plan and the 2012 NOFA; and, thus, is not part of the Substantial Amendment.

For the 2014 NOFA and beyond, the Department is working to make the application process simpler and more transparent. The Department requests all interested parties to submit ideas and suggestions for alternative scoring methods and criteria during the upcoming roundtable events in January and February (see Appendix B: [NOFA](#) and Application Workshop/Roundtable/Webinar Schedule and Registration), and the 2013-14 Annual Plan process (April/May). The Department sincerely appreciates all comments, ideas and suggestions submitted.

Comment F-2: *Address how you bring an applicant from the "lookiloo stage" to presentation before the local LAB. What are the resources used to help train the applicant in business plans, projections, marketing analysis, etc.?*

Response: Please see the response to the comment immediately above.

G. Microenterprise-Specific

Comment G-2: *Require training component. CDBG recommended this to me several years ago...best advice ever! Training acts as a form of marketing, and it helps to create a positive business expanding/starting environment.*

Response: Neither the Method of Distribution nor the program operation of Enterprise Fund activities have been changed from the Annual Plan and the 2012 NOFA, and are not part of the Substantial Amendment.

Moreover, since there was more than enough Enterprise Fund money to award all the eligible applications the Enterprise Funding they requested, the Department did not need to score any of the applications. And, while the Department was pleased to be able to award all eligible applicants this funding, it prevented the CDBG Program from being able evaluate the present Enterprise Fund scoring methods. Thus, since the scoring method could not be evaluated, the Department did not make any changes to it.

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Recommendations on Microenterprise Program policies to make the activity more successful will be discussed in consultation with our advisory committee members and roundtable events for the 2014 NOFA. The CDBG Economic Development staff have discussed microenterprise technical assistance and training as an available and complementary activity within the Microenterprise Program under future NOFAs.

Commenter: Charlaine Mazzei, Consultant, Charlaine Mazzei Grants & Consulting

Comment 1: Elimination of Un-Scored Set-Aside: *I would like to express disagreement with the elimination of the set-aside activity without additional changes to the application limits for public service activities, and additional flexibility for low-scoring projects in otherwise high- need areas. As HCD is aware, the set-aside activity provides substantial benefit to local governments to fund projects that would not otherwise be competitive enough to score well against other jurisdictions. While it is laudable that HCD desires to insure that all funds go to the highest need activities, the long tradition of offering a set-aside option acknowledges that a competitive scoring process does not always accomplish this perfectly.*

Response: To avoid duplicative responses, please see responses to Terry Cox, above. Ms. Cox made the same comment.

The Department has been engaged in a two-year process to overhaul the State's CDBG Program to improve programmatic and administrative efficiency, which includes for the 2012 NOFA and the 2013 NOFA the release of 150% of funding across the two program years, which required the Department to increase all activity funding maximums. Some participants believe the un-scored set-aside was intended as an acknowledgement of scoring inadequacies, but that is not the case. The Department pursues the best practices for the staff and funding available, and it is difficult to manage more than one un-scored activity in the application, rating and ranking processes, as discussed in the response to Ms. Cox. Since state statute requires that PTAs be un-scored, and our citizen participation processes have continually reaffirmed the necessity of PTA funding, removing the un-scored set-aside is the prudent choice.

Comment 2: *Under the new SuperNOFA structure, the set-aside also serves an important purpose in allowing additional funding to be directed toward activities above the limits of individual activity funding. In the case of the jurisdictions with whom I work, the set-aside is most often directed toward public services, for which the current \$500,000 funding limit is inadequate. Despite significant increases in the funding limits for all other activities, the \$500,000 (or less) limit on public services has been in place in one form or another for at least a decade. Taking away the option of using set-aside funds to increase the available funds for these vital services should be accompanied by a corresponding increase in the amount available under the remaining activity funding limits, especially public services. Allowing jurisdictions to use program income for these purposes does not provide adequate funding support in most cases.*

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Response: The maximum award amounts remain unchanged from the Annual Plan and the 2012 NOFA, and are not part of the Substantial Amendment.

The maximum award for the Public Service activity was lower prior to the 2012 CDBG NOFA, at \$300,000.

Again, as noted above, funding levels were part of the two year process that reflected a great deal of public input, and the regulation changes state that the percentage of funding per activity will be equal to the percentage of demand for that activity. This concept went through numerous public discussions, and no one commented that it was unfair or an undue burden on the jurisdictions. If eight percent of the awarded funds went for public service activities, it's because eight percent of the funding requested in the applications was for public services. (In fact, the 2012 NOFA gave it a touch under \$5 million, bringing the percentage to just over ten percent.)

The CDBG Program must comply with a number of federal and State statutes and regulations regarding levels of funding of various eligible activities. In order to comply with the statutory and regulatory requirements of funding economic development activities (30%), housing and housing-related activities (51%), general administration and planning activities (maximum 20%), all these required parameters must be taken into account prior to calculating application demand. Additionally, as noted in more detail below, Public Services funding must also stay under the federal limit of 15%, including local program income expenditures. The commenter mentions historic ratios, yet State regulations require us to base award levels on demand levels, not historic trends. Many jurisdictions that historically were shut out of funding now stand a better chance with our new process and scoring methods.

Public Services have always been restricted due to federal statute [42 USC 5305(a)(8)] to 15% of total funding, including program income expenditures. Program income may or may not be included in the NOFA award calculations since with the Department's Program Income Waiver process, at any time during the program year a jurisdiction may request approval to fund any eligible activity, including Public Services.

Increasing funding above current levels is not feasible given federal and state funding limits, including the federal cap.

Comment 3: *Planning & Technical Assistance Grants: The language, "All PTA applications must document that the PTA work-product will meet a National Objective" should be clarified. By their nature, planning activities only result in a benefit if the planned activity is implemented. Implementation of planning activities depends on circumstances outside of the control of the planning activity itself, such as a determination that the project is feasible, availability of implementation funding, regulatory approvals, etc. Therefore, the requirement that a PTA work product meet a National Objective on its own is nearly impossible to insure. The language should be clarified to read, "All PTA applications must document that, if implemented, the project for which planning activities are to occur would meet a National Objective."*

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Response: Given federal guidance on PTAs, and in the 2013 CDBG NOFA, the Department believes that "if implemented" is implied in the Substantial Amendment language: "...must document that the PTA work-product *will* meet a National Objective". Our understanding is that "will meet" implies that the work is not done yet, but when it is, it must meet a National Objective. If a PTA study proves that a target area is not 51% low/mod, the study is not eligible for PTA funding. In this case, the PTA activity itself must meet the National Objective since the purpose of the PTA is to confirm and document future activity eligibility.

Comment 4: *Grant Management Manual, Chapter 11, OMB Circular A-133 Single Audit Report:* *Although this is not part of the substantial amendment, I am taking this opportunity to comment on the changes to chapter 11 of the grant management manual, as no other opportunity has been allowed. The changes to this chapter have not appeared in any regulation or plan amendment subject to public comment.*

In the chapter 11 revision, HCD defines its interpretation of compliance with OMB Circular A-133 as meeting State Controller's Office (SCO) submission requirements. Given recent history, it is unclear why HCD continues to insist on this interpretation of OMB A-133 compliance as it is highly likely to result in further disputes, legal challenges, and delays to distribution of funds.

HCD has been informed that the SCO does not agree with, nor can its processes reasonably be expected to support, HCD's reliance on them for verifying jurisdictional compliance with OMB Circular A-133 for the purpose of determining threshold applicant eligibility. When the very state agency on which HCD intends to rely states that such reliance is misplaced, it is unclear how it can be justified.

The SCO's processes and the requirement to follow them do not appear in OMB Circular A-133 itself, or in state or federal CDBG regulations. Any attempt by HCD to enforce its reliance on the SCO is likely to result in a legal challenge for enforcement of underground regulations.

In past years, HCD has accepted evidence of satisfactory submission of A-133 audits to the Federal Audit Clearinghouse as documentation of A-133 compliance. HCD has not made a compelling argument for the need to change this longstanding policy. To the contrary, it appears that the only purpose for attempting to rely on SCO processes is to make it more difficult for jurisdictions to meet threshold requirements, and thus save HCD the work of rating and ranking applications. This certainly appears inconsistent with HCD's stated purpose of insuring that funding reaches those most in need.

Response: The Method of Distribution in terms of applicant eligibility is unchanged from the Annual Plan and the 2012 NOFA; thus, it is not part of the Substantial Amendment.

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The Grant Management Manual (GMM) is and has always been guidance that simply explains regulatory and statutory requirements. GMM Chapter 11 complies with State CDBG rules, the Office of Management and Budget (OMB) and the State Administrative Manual (SAM). Because the GMM is only explanation of existing regulation and statute, no public participation is required for editing.

Specifically, the process in Chapter 11 of the GMM is under authority granted in State CDBG Regulations at Title 25, Article 2, §7060(4); federal requirements in OMB Circular A-133 Part C .320(a) and .320(e)(1); and state law as listed in SAM Section 20070(2). To paraphrase, the State Regulations state that, to be eligible, all jurisdictions must comply with OMB A-133. OMB A-133 Part C .320(a) says all subrecipients of federal funding must submit one copy of their complete A-133 package to their federal pass-through entity, with the timing of submission to the entity being the same as for submission to the federal clearinghouse. SAM 20070(2) states that the State Controller's Office (SCO) is the designated federal pass-through entity for the State of California. Since the Federal Clearinghouse does not directly communicate with the State CDBG Program, and since SCO is, by law, the pass-through entity, the Department is required by law to rely on the SCO's determination regarding jurisdictional A-133 compliance.

Further, as noted in a letter to the Department from Carolyn Baez, Chief, Financial Audits Bureau, Division of Audits, State Controller's Office, dated November 12, 2012, it is incumbent upon the Department to apply sanctions for A-133 non-compliance.

Chief Baez's letter states:

"OMB Circular A-133 specifies that single audit reporting packages are due nine-months after the entity's fiscal year-end. The June 30, 2011 reports were due to the SCO on March 31, 2012.

"OMB Circular A-133 requires funding agencies to take appropriate actions using sanctions when a recipient does not comply with single audit requirements. These sanctions include:

- *Withholding a percentage of federal awards until the audit is completed satisfactorily;*
- *Withholding or disallowing overhead costs;*
- *Suspending federal awards until the audit is conducted; or*
- *Terminating the federal award. "*

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The Department, in making A-133 compliance an eligibility criterion, did so to improve consistency through the HOME and CDBG Programs. All CDBG jurisdictions, without exception, are also HOME jurisdictions. HOME has successfully required A-133 compliance in this identical manner for the past eight years, and the SCO has worked with HOME to ensure efficacy of the policy. Given previous meetings with the SCO and Chief Baez' letter, the Department assumes the SCO will continue to work with us on this matter.

Commenter: *Mary Sawicki, Calaveras Works and Human Services Agency, Calaveras County*

Comment: *In reviewing the draft in planning and preparation we were both surprised and concerned that the point system favored jurisdictions with previous CDBG history (up to 200 points), while first time contracts such as ourselves and other small rural entities can only obtain up to 50 points. We consider this particular set of criteria unfair to government entities that have good solid worthy projects that need consideration. Given the increased competition for less available funds it places first time projects at a true disadvantage.*

We highly suggest you remove this unnecessary barrier and let proposed projects stand on their own merit without this unnecessary rating item.

Response: To avoid duplicative responses, please see responses to Terry Cox, above. Ms. Cox made the same comment.

Commenter: *Carol J. Ornelas, CEO, Visionary Home Builders of California, Inc.*

Comment: *It is VHB's opinion that the Scoring is unfair to smaller jurisdictions that are equal in need but unequal in financial capacity and past performance. By the very nature of their size, smaller jurisdictions do not have the resources to do multiple projects and are unable to sustain staffing levels sufficient to support the organizational capacity for the General Administration and oversight of CDBG funded activities; however, this does not mean that the need for affordable housing does not exist within these communities.*

VHB understands that competition is fierce. But to enact rules that essentially preclude smaller jurisdictions from consideration seems to be counterproductive to the objectives and ideals of the program creators, and unfair to the people of these communities. If the leaders within these communities have the vision and foresight to partner with organizations possessing the required experience and capacity, they should be allowed to compete, and have a chance to empower their community.

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Response: To avoid duplicative responses, please see responses to Terry Cox, above. Ms. Cox made the same comment.

Commenter: *Denise Fletcher, Consultant, Self-Help Enterprises*

A. Un-Scored Set-Aside

Comment A: *If the 2013 NOFA were to continue the Un-Scored Set-Aside activity award as it was set up in the 2012 NOFA, no additional burden would be placed on administration. Jurisdictions may only apply for either a PTA grant or Set-Aside activity and the Set-Aside activity will only be awarded to a jurisdiction who also has a scored activity awarded. Therefore, the Un-Scored Set-Aside activity would not create additional review at the time of application submittal, nor would it create an additional contract.*

The Amendment states "funding should go where it is most needed" and often times the Un-Scored Set-Aside activity can mean the difference between a small jurisdiction funding much needed sidewalk repairs or a Code Enforcement officer or going without altogether. Although the Amendment stresses the use of Program Income funds for these types of activities, it is important to note that many jurisdictions are not receiving Program Income like they used to. Families are staying in their homes for longer periods of time or families may be going through foreclosure or short sale processes that do not allow the jurisdictions to recapture any of their original investment. Program Income is not a reliable source of funds for these much needed projects and services.

Response: Please see the Department's response to Terry Cox, above. Ms. Cox made the same comment.

B. Scoring - Regarding the Applicant Capacity/Past Performance Score Sheet

- In-House organizational capacity for General Administration & oversight of CDBG funded activities.

Comment B: *We agree that each jurisdiction needs to take responsibility for the oversight of its CDBG funded activities; however, this can often be done by a minimal number of staff (often only one or two). We would like to ensure that jurisdictions will not be penalized for having a properly procured housing consultant (or other contracted entity) perform the General Administration of the grant.*

Response: There is no penalty for contracting a consultant for projects; however, there are only minimal points awarded for it currently.

For further response, to avoid duplicative responses, please see responses to Terry Cox, above. Ms. Cox made the same comment.

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C. Scoring - Regarding the Homeownership Assistance Program Score Sheet

- Activity-Specific Operator Experience – “(Per Department’s PI Reports and Grant Files)”

Comment C-1: We request CDBG further clarify what the Department will be looking for to substantiate the continuation of an existing program during the last fiscal year or the last 4 years. PI Reports and Grant Files does not explain what the Department will accept, nor what quantity the Department will consider sufficient.

Response: For both housing programs, we will verify if any loans or grants were made within the last 12 months or within the last 4 years. If funds were used from the jurisdiction’s RLA, the jurisdiction’s Program Income Report will show if funds were expended on a loan (revolving monies) for the activity. Other documentation in the file may include: 1) loan approval memos from the jurisdiction’s loan committee; 2) copy of promissory note indicating CDBG funds were used and corresponding copy of recorded deed of trust; or, 3) something similar that can prove that a loan was actually made and that it used CDBG funds. If current grant funds were used, a funds request that details a rehabilitation or assistance loan will be sufficient proof of an active program. For the 2013 NOFA, the files the Department will be looking at will most likely be from the 2010 STBG grant group. If loans haven’t been made from those grant funds, the program cannot be deemed active.

- Waiting List – “Pre-Screened Applicants – Not Pre-Qualified”

Comment C-2: We recommend this category be removed from the scoring sheet and the points be redistributed or eliminated. The waiting list is not an accurate reflection of Program Readiness. Applicants who are in the pre-screen phase at the time the annual NOFA is released often drop out of the Program or are funded by other sources by the time an awarded application receives approval for grant start-up. Additionally, pre-screening applicants in jurisdictions that have no other funding sources unnecessarily raises the applicants’ hopes, especially if that jurisdiction is not awarded.

Response: This scoring item was part of the two year CDBG regulation change process completed prior to the 2012 NOFA. Any change to the Pre-Screened Applicant criteria requires a regulation change process.

For the 2014 NOFA and beyond, the Department is making the application process simpler and more transparent. Recommendations on scoring criteria will be evaluated in consultation with our advisory committee members and roundtable events for the 2014 NOFA. The Department requests all interested parties to submit ideas and suggestions for alternative scoring methods and criteria during the upcoming roundtable events in January and February (see Appendix B: [NOFA](#) and Application Workshop/Roundtable/Webinar Schedule and Registration), and the 2013-14 Annual Plan process (April/May). The Department sincerely appreciates all comments, ideas and suggestions submitted.

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- Capacity Building Points

Comment C-3: *We applaud the Department's use of State Objectives Points for awarding points to applicants who submitted eligible applications in the previous year but who were not funded.*

- Homeownership Assistance (HA) State Objectives Points

Comment C-4: *We disagree with the use of State Objectives points for awarding points to applicants who apply for HA funds only. Applying for HA only rather than the HA/HR combo does not help the Department to reduce the number of contracts. It also reduces the flexibility of the jurisdiction to move funds between line items depending on the housing needs of the jurisdiction throughout the term of the grant.*

Response: The use of Homeownership Assistance State Objective points is a result of the State's Analysis of Impediments to Fair Housing (AI). The AI showed that CDBG was not proportionally funding homeownership opportunities for low- and moderate-income minority households, compared with white existing homeowner rehabilitation activities. The Department is committed to mitigation of the disparity and, as a step in that direction, State Objective points for a jurisdiction showing commitment in homeownership have been added to scoring. With California real estate currently at low prices, and minority ownership still lagging behind the general population, the Department sees this as an opportunity to encourage homebuyer assistance.

D. Scoring - Regarding the Housing Rehabilitation Program Score Sheet

- Activity-Specific Operator Experience – "(Per Department's PI Reports and Grant Files)"

Comment D-1: *We request CDBG further clarify what the Department will be looking for to substantiate the continuation of an existing program during the last fiscal year or the last 4 years. PI Reports and Grant Files does not explain what the Department will accept, nor what quantity the Department will consider sufficient.*

Response: Please see the response to this comment under **Regarding the Homeownership Assistance Program Score Sheet**, directly above

- Program Guidelines

Comment D-2: *The Homeownership Assistance score sheet added a clarifying asterisk stating, "If Homeownership Assistance Guidelines already approved and adopted, simply submit copy of approval and adoption docs". We recommend this clarifying asterisk be added to the Housing Rehabilitation score sheet for consistency.*

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Response: The asterisk was left off in error and will be added to the score sheet. The intent is simply to obtain documentation confirming the approval and adoption of guidelines for programs. The applications for both Homeownership Assistance and Homeownership Rehabilitation indicate this as well.

- Waiting List – “Pre-Screened Applicants – Not Pre-Qualified”

Comment D-3: *We recommend this category be removed from the scoring sheet and the points be redistributed or eliminated. The waiting list is not an accurate reflection of Program Readiness. Applicants who are in the pre-screen phase at the time the annual NOFA is released often drop out of the Program or are funded by other sources by the time an awarded application receives approval for grant start-up. Additionally, pre-screening applicants in jurisdictions that have no other funding sources unnecessarily raises the applicants' hopes, especially if that jurisdiction is not awarded.*

Response: Please see the response to this comment under **Regarding the Homeownership Assistance Program Score Sheet**

- Capacity Building Points

Comment D-4: *We applaud the Department's use of State Objectives Points for awarding points to applicants who submitted eligible applications in the previous year but who were not funded.*

E. Regarding Public Services

- Employment Training resulting in the creation of jobs.

Comment: *We disagree with the use of State Objectives points for awarding points to applicants who say they will conduct employment training resulting in the creation of jobs as a part of their Public Service activity. The requirement is two-fold: 1) conduct employment training and 2) create jobs as a result of the training. We believe this will extremely difficult for the Department to track and will result in placing an administrative burden on CDBG staff. Additionally, will those jurisdictions who are awarded the activity funds because of the 50 bonus points but fail to follow through on the training AND creation of jobs be required to pay back the activity funds? If not, this would have created an unfair advantage to a jurisdiction who did not receive the bonus points and missed the funding cut-off. If so, this would create a hardship for the jurisdiction forced to pay back the funds after the fact. Either way, it is not a good situation.*

Response: The Department is aware that jobs cannot be tracked, and does not intend to do so; however, the service of employment training, which will benefit low/mod individuals, is a move toward employment and jobs, which the Department believes is a necessary and prudent direction.

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Commenter: *John Duckett, City Manager, Shasta Lake City*

A. 2012/2013 Substantial Amendment Changes

Comment A-1: *Points and Rating and Ranking Published on HCD website - HCD's current practice of not publishing final application points in the public record makes it difficult for the public to see how their projects scored against other projects. With the Governor's goal of making California government more transparent this practice is inconsistent with transparency in government. Most major funders, and we consider CDBG a major funder, publish the final points on their website once decisions are made. With the revised point system outlined in this amendment, it seems CDBG would easily be able to make this information available to the public. We request that points are made available when awards are announced.*

Response: The Department will consider all Substantial Amendment-related suggestions for changing the 2013 NOFA and application. However, Departmental policies regarding the release of jurisdictional scoring information are unchanged from the 2012 NOFA, and all prior NOFAs; and are, therefore, not part of the Substantial Amendment. Specific recommendations for changes to the CDBG award process will be evaluated for the 2014 NOFA.

Additionally, publishing applicant scores (both awarded and non-awarded) has not been a Department practice in the past, and the Department is especially concerned about publishing scores for non-awarded jurisdictions. The determination to publish this level of detail is beyond the CDBG Program's authority, and would require a higher level Departmental policy change. As well, the discussion of releasing this information is beyond the scope of the Annual Plan/Substantial Amendment process, which is the purpose of this comment period. The Substantial Amendment is to modify the CDBG Method of Distribution and does not encompass methods of communicating application results.

Comment A-2: *Scoring Criteria (OOR/FTHB) - Under Readiness, you specify points for Program Guidelines being approved by HCD prior to application submittal. At what point is this done? The practice of submitting program guidelines with the application is the norm, however under this criteria, it seems jurisdictions that have never operated at CDBG OOR/FTHB program will be penalized, even though they may have been operating a similar program under HOME/RDA. This criterion will need more review, as HCD will need to have a process of outreach to new OOR/FTHB programs and timely approve guidelines.*

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Response: CDBG does not operate "OOR/FTHB" programs; those are HOME programs. CDBG's Housing Rehabilitation Programs have no owner-occupied requirement, and CDBG Homeowner Assistance may or may not encompass a first-time homebuyer component. The score sheets for these two programs are unchanged from the previous year; and, therefore, are not part of the Substantial Amendment. Specific recommendations for changes to the CDBG scoring process will be evaluated for the 2014 NOFA.

When a jurisdiction considers applying for a new program, we urge the jurisdiction to discuss it with their CDBG Representative. The Rep can assist with guideline development (including providing sample guidelines), approval and adoption. All of which can be done prior to the Application Due Date.

Comment A-3: *Public Improvements Readiness - Project Approval Status, you specify points for Preliminary Design & Engineer Plans, signed and stamped; Engineer Cost Estimate, signed and stamped; & Engineer's timeline, signed and stamped. This is a concern for our small jurisdiction with limited resources to pay for this type of cost up front for a project, which may or may not be funded. These activities you are describing are usually covered under a CDBG activity. We are asking CDBG to review this section, and possibly allow a Contractor's estimate to suffice, as this is usually not a significant cost, if at all.*

Response: Points in this category are for 'readiness to start work'. A contractor's estimate normally doesn't include the engineer's required plans and specifications, and may not be an indication of readiness to start work. Additionally, the Department would suggest that the use of a procured contractor prior to clearance of NEPA could be considered Choice Limiting; and, thus, rendering the project ineligible for federal funding.

Comment A-4: *We feel we need to remind CDBG that most of your clients are small disadvantaged communities, who cannot bear the cost of these unnecessary expenses.*

Response: Please see our response to this comment by Terry Cox.

Comment A-5: *Overall Comment - When California took on the responsibility of the Small Cities Program, the intent was to provide funding for those communities that are not eligible for entitlement funding. While we, and other small communities, understand that we must compete for these funds, it is impossible to see why HCD feels that small communities must be forced to supply information and meet requirements that exceed those required by HUD. We ask that CDBG address alignment of the proposed regulations with HUD laws and regulations.*

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We request that this be accomplished by providing the technical language used by HUD for each of the regulations that are being promulgated. The Office of Administrative Law should address this as a transparency issue and to insure that HCD has not inadvertently exceeded the authority granted by HUD in allocating these funds.

Response: The Department is unaware of any requirement which exceeds HUD requirements for information provided. The Department is not currently changing any regulations. The Office of Administrative Law is governed by the Administrative Procedures Act (APA) and ensures that authorities exist for any changes the Department proposes. All of the "technical language" was publically noticed and available for comment as required by the APA.

B. Comment on CDBG Changes (Previously Approved) not Outlined in this Substantial Amendment:

Comment B-1: *Grant Management Manual, Chapter II, OMB Circular A-133 Single Audit Report* - In the chapter II revision, HCD defines its interpretation of compliance with OMB Circular A-133 as meeting State Controller's Office (SCO) submission requirements. Given recent history, it is unclear why HCD continues to insist on this interpretation of OMB A-133 compliance as it is highly likely to result in further disputes, legal challenges, and delays to distribution of funds.

HCD has been informed that the SCO does not agree with, nor can its processes reasonably be expected to support, HCD's reliance on them for verifying jurisdictional compliance with OMB Circular A-133 for the purpose of determining threshold applicant eligibility (see attached letter). When the very state agency on which HCD intends to rely states that such reliance is misplaced, it is unclear how it can be justified.

The SCO's processes, and the requirement to follow them, do not appear in OMB Circular A-133 itself, or in state or federal CDBG regulations. Any attempt by HCD to enforce its reliance on the SCO is likely to result in a legal challenge for enforcement of underground regulations. In past years, HCD has accepted evidence of satisfactory submission of A-133 audits to the Federal Audit Clearinghouse as documentation of A-133 compliance. The SCO process of accepting filings is not concurrent, nor dependent, upon HCD timelines. HCD would be better served insuring that communities which have actual financial deficiencies identified by SCO are not funded. HCD has not made a compelling argument for the need to change this longstanding policy.

To the contrary, it appears that the only purpose for attempting to rely on SCO processes is to make it more difficult for jurisdictions to meet threshold requirements, and thus save HCD the work of rating and ranking applications.

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Response: Please see our response above to Charlene Mazzei's similar comment.

Comment B-2: *Native American Allocation - The 2012 CDBG SuperNOFA limited the eligible activities for the Native American Allocation to activities that include those involving housing or housing-related activities ONLY. As a jurisdiction that works closely with its Native American Community and a recipient of two CDBG Grant Awards for a Public Facility, we see this new criteria as being too constricted and completely not serving the population as a whole, but only a few individual households. We understand the State Regulation identifies a 51% Non-Recognized Population in a Geographic Area, and CDBG recent interpretation of this requirement, is for an area to be populated with 51% Non-Recognized Native American. We have determined in previous meetings with CDBG and supported by the California Native American Heritage Commission, which this requirement is completely meritless, and simply will not work. In particular, when HCD applies this criteria to non-recognized tribes which do not have recognized tribal land yet, the regulation ignores these tribes historical situation.*

We would request the CDBG Program provide outreach and significant technical assistance to these Non Recognized Native American Communities via the California Native American Heritage Commission to simply provide the needs assessment, take this information, and revise the State Regulations to accommodate identified needs. The CDBG Program should be intended to serve the communities, by publishing NOFA's for all ELIGIBLE CDBG ACTIVITIES for General, ED, and Native American Allocations.

Response: As you state, this topic is unrelated to the Substantial Amendment. However, while Native American set-aside funding is authorized by California statute, the governing statutes state that the Native American set-aside can only be spent on "housing and housing related" activities. These California laws are:

California Health and Safety Code: 50831.

One and one-fourth percent of the funds made available to the department under the program shall be utilized by the department to make grants to cities and counties who apply to the department for those funds on behalf of Indian tribes that do not fall within the meaning of Indian tribe, as defined by paragraph (17) of subsection (a) of Section 5302 of Title 42 of the United States Code. Those funds shall be utilized by those Indian tribes for the same purposes as those specified in Section 50828.

California Health and Safety Code: 50828.

Not less than 51 percent of the funds made available to the department pursuant to the program shall be utilized by the department to make grants to eligible cities or counties for the purpose of providing or improving housing opportunities for persons and families of low or moderate income or for purposes directly related to the provision or

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improvement of housing opportunities for persons and families of low or moderate income, including, but not limited to, the construction of infrastructure.

CDBG funding cannot, per the Civil Rights Act, assist persons of a specific race. The Native American set-aside was designed to assist specific housing and infrastructure needs for Native American tribal communities for which funding was removed when the federal government implemented its process for 'federally recognizing' tribes. Outside of the tribal area funding, under CDBG any person or household at or below 80% of county median income, adjusted for family size, is eligible to apply for any CDBG housing program a jurisdiction operates. No person or household may be included or excluded based on race. As well, any jurisdiction applying for CDBG funding may apply for public facility projects in any low- and moderate-income area in their jurisdiction. All low/moderate-income persons or households may be assisted.

The following commenters sent letters to HCD's Director, Linn Warren, containing the same questions. Their comments and the Department's responses are consolidated for brevity below.

Craig Pedro, County Administrator, County of Tuolumne
Chuck Iley, County Administrative Office, Amador County Board of Supervisors
Mary Sawicki, Director, Calaveras Works and Human Services Agency
Jeff Gardener, City Manager, City of Plymouth
Michael McHatten, City Administrator, City of Angels
Eugene Palazzo, City Manager, City of Crescent City

✓ *The Removal Of The Un-Scored Set-aside - Up To \$100k In Non-Competitive Funding That Was Awarded If Other Activities In The Application Were Awarded*

Response: The un-scored set-aside was removed for several reasons. This set-aside does not, by definition, meet the State's intent to provide funding to areas of greatest need, and with the Department's Program Income Waiver Process, alternatives for non-competitive funding already exist. The Department encourages jurisdictions to engage in activities that will provide ongoing program income, so they can continue their community and economic development work beyond just NOFA funding. Doing so will ensure they are not solely dependent on NOFA funding.

It is difficult to manage more than one un-scored activity in the rating and ranking process, as the Department found out last round. Because the funding for each activity is set based on aggregate applicant demand, every application with set-aside funding requested must have that requested amount added to the overall activity allocation amount prior to rating and ranking. This process sets the allocation levels. But then, as applications are rated and ranked, amounts for set-aside funding must be backed out of

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the activity they were applied to, which changes the aggregate demand for that activity and therefore the funding for that activity. This back and forth of the allocation amounts and their respective demand percentages took a great deal of time and labor during rating and ranking, because the same process has to be applied to the PTA requests as well. Since state statute requires that PTAs be un-scored and citizen participation has continually reaffirmed the necessity of PTA funding, removing the un-scored set-aside is the prudent choice.

✓ **Project Scoring For 2013 Being On "In-House Experience" Rather Than "Consultant/Contractor Experience"**

Comments:

- A. *Applications for projects (Multi-Family Housing, Public Infrastructure and Public Facilities) used to be scored on the listed experience (resume) of the contractor/subrecipient. Now, scoring is done on the jurisdictions experience in completing these types of projects.*
- B. *This scoring is not being applied to programs.*
- C. *Smaller jurisdictions will be at a disadvantage with this criterion.*
- D. *This is a departure from how CDBG has been operated for the last 30 years.*

Response: The in-house staff requirement is necessary to ensure that the entities contractually responsible for the funding are ready and able to manage and oversee its use. The Department's monitoring visits over the last year have indicated that this is essential to a successful CDBG Program in California.

Subrecipient and contractor agreements are part of oversight and procurement, which are integral to clearing contract special conditions, but not to scoring. We have removed Environmental/NEPA issues from scoring and are doing the same with procurement. The Department does not want to score *who* was procured, but rather *what* experience *the jurisdiction* has. Jurisdictions should not hire a Subrecipient/contractor based how well that entity would help the jurisdiction's application score. Again, based on our monitoring experience, the ability of jurisdictions to oversee staff, subrecipients and/or procured staff is more important to evaluate and score. The Department does not tell applicants or grantees who they should hire, which has been a consistent policy since the inception of the CDBG Program.

The federally required process to procure non-grantee staff has to be reviewed by the Department at time of award, and cannot be fully reviewed during ranking and rating. Not only would this slow the process greatly, but it would require the Department to review subrecipient agreement and procurement packages of applicants that will not be funded. By encouraging (via scoring) that the procurement process be completed prior to application submission, the Department is encouraging the process to be done before

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our review and approval. Removing scoring for non-profits and/or consultants ensures that the Department can review the procurement process after awards. To allow applicant points for procured non-profits and/or consultants could require an awarded jurisdiction to restart the process, which would then mean they were not "ready" as previously scored under Readiness.

Differences in scoring various activities are partly due to the differences between projects and programs. Project-specific activities, such as public improvements, public facilities and multi-family housing rehabilitation, require a jurisdiction to have real internal capacity to manage, since compliance requirements for projects are substantially greater than for programs. Programs such as homeownership assistance and public services have fewer compliance requirements, so operation by outside contractors or subrecipients is less problematic.

This is especially true for multi-family housing projects. State CDBG can only award funds to smaller local city and county governments, who then become the lender to the multi-family developers. Internal capacity at the jurisdiction as a lender of federal funding is essential. The Department must ensure that all grant funds are managed appropriately and in compliance will federal and State regulations and statutes.

From a scoring perspective, a small jurisdiction is not penalized for having one person on staff handling the proposed CDBG activity, verses a jurisdiction with 10 people, which is evident in the 2012 Funding List online. Records showing past performance and capacity in the jurisdiction will coincide with their readiness scores to provide a complete activity score.

The Department acknowledges that local capacity requirements are extensive. Federal funding, by nature, is inundated with complex laws and regulations governing compliance and oversight. It is prudent for *all jurisdictions*, regardless of size and experience in utilizing federal funding, to thoroughly evaluate their ability to manage these extensive usage and compliance requirements.

For the 2014 NOFA, the Department's goal is to remove all procurement and 'Special Conditions' topics from scoring. We will continue to seek feedback and input on how to effectively reach the goal of objective, data driven scoring. The timing of Annual Plan/5-Year Consolidated Plan public comments is helpful for this purpose since the comment period opens just after the NOFA application process is complete and, possibly, after awards have been made. Since by law the State's CDBG Method of Distribution is always included in the Annual Plan Update and the 5-Year Consolidated Plan, the associated comment periods provide all interested parties the forum to address their concerns and make suggestions about all matters regarding the NOFA.

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✓ **No Statistics Released**

Response: The Department will consider all Substantial Amendment related suggestions for changing the 2013 NOFA and application. However, Departmental policies regarding the release of jurisdictional scoring information are unchanged from the 2012 NOFA; and are, therefore, not part of the Substantial Amendment. Recommendations for changes to the award process will be evaluated for the 2014 NOFA.

Additionally, publishing applicant scores (both awarded and non-awarded) has not been a Department practice in the past, and the Department is especially concerned about publishing scores for non-awarded jurisdictions. The determination to publish this level of detail is beyond the CDBG Program's authority, and would require a higher level Departmental policy change. As well, the discussion of releasing this information is beyond the scope of the Annual Plan/Substantial Amendment process, which is the purpose of this comment period. The Substantial Amendment is to modify the CDBG Method of Distribution and does not encompass methods of communicating application results.

HCD's CDBG and HOME programs do not share information about the scores of other jurisdictions. However, the Department believes that more in-depth statistics could be compiled and discussed during feedback sessions next year. NOFA statistics that do not reflect the full two year cycle would be inaccurate and misleading in evaluating the distribution method.

All jurisdictions that were partially funded or not funded received a personal call from a CDBG manager, and could request an exit interview. Nearly every jurisdiction that requested an exit interview has had one.

✓ **No Opportunities To Comment**

Response: The 2012-13 Annual Plan was open for 30 day public comment from March 26, 2012 through April 24, 2012, with three public hearings around the state. This information went to our interested parties list via the ListServ email tool. All interested parties were able to comment on the 2012 NOFA process, because the CDBG Method of Distribution (MOD) discussed in this Annual Plan was actually the details of the 2012 NOFA. We realize that the Annual Plan is issued prior to CDBG knowing what changes we will make to our MOD (NOFA), so we state that a Substantial Amendment later in the year is likely. In this Annual Plan, we said we would add State Objective Points to the scoring, which requires a Substantial Amendment.

On November 8th, via ListServ, we opened the Substantial Amendment, with the CDBG MOD changes, for public comment. That period closed Monday December 17th at 5:00pm.

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✓ **Funding Levels Too High:**

Response: The funding caps are unchanged from the Annual Plan and the 2012 NOFA; and, thus, are not part of the Substantial Amendment.

The current limits for two NOFA funding cycles were agreed to over the previous three years during advisory committee meetings along with roundtable discussions held throughout the State. The upcoming NOFA will be the second of the two. Combining multiple NOFAs into one per year, with one contract per jurisdiction for all activities, was a necessary part of the Department's strategy for managing a significant decrease in State CDBG staffing. In order to ease adjustment to this change for jurisdictions, and to address the 50% Rule now in State regulation, the Department, in consultation with our advisory committee and jurisdictions during roundtable meetings, planned to award up to 300% of its anticipated funding across the two NOFA cycles. The 2012 NOFA included 100% of our 2011-12 allocation and 50% of our anticipated 2012-13 allocation.

The 2013 NOFA includes the final 50% of the 2012-13 allocation and 100% of our anticipated 2013-14 allocation. This gives jurisdictions two opportunities to obtain up to \$2,000,000 in funding. To allow the first round this opportunity and then reduce maximums in the second round would be unreasonable and unfair. Funding levels in the 2013 NOFA are identical to those in the 2012 NOFA. The Department will, however, in consultation with our advisory committee members and roundtable attendees, re-evaluate the per-activity funding levels and overall application maximums for the 2014 NOFA. This will be done assuming the 2014 NOFA will be funded with a single HUD allocation at the present lower levels. The Department supports reducing activity/maximum funding limits if future NOFA funding levels are, indeed, what is presently anticipated.

These funding limits have been included in our Method of Distribution in both the 2011-12 Substantial Amendment and the 2012-13 Annual Plan, with no comments until now. Lowering the maximum funding levels in this round would be unfair to those jurisdictions that chose to wait until the second round of 150% funding allocation availability. Changing the funding levels prior to the 2014 NOFA would create a significant imbalance between the two years.

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Community development and economic development needs vary widely across the state. Given the extreme diversity in the available infrastructure and housing, age of housing stock and overall range in population, the need for community development and economic development funding is high. Because of the limited availability of resources and the extent of community and economic development needs, the Department continues to develop and improve the methods used to address priority needs and to distribute CDBG Program funds to eligible entities for the activities expected to be

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carried out during the program year. Thus, as noted in the 2012-2013 Annual Action Plan, the State's CDBG Program would be refining its updated MOD with a Substantial Amendment prior to the 2013 NOFA release in early January, 2013.

The updates to the MOD are as follows:

1. Program Income (PI) Committed in an Application

If PI is to be committed to an activity application under the NOFA, the resolution authorizing the application must include the program income being committed, which will allow the PI to be included in the application scoring and subsequently added to the contract. The contract is the document that provides authority to expend the PI through the contract. If the PI is not included in the resolution, it cannot be scored and added to the contract; and, thus, cannot be expended on the activity even if the activity funding is awarded.

PI can be added to an awarded and open grant activity at a later date; however, this process is evaluated by the Department on a case by case basis.

2. Non-Entitlement Funds Being Used in Entitlement Areas

In May 2012, HUD published the CDBG Final Rule that adopted changes to existing CDBG federal regulation. Among the changes made, the Final Rule updates 24 CFR 570.486(c) which discusses spending non-entitlement funds in entitlement areas. The new language allows the funds to be spent but requires the entitlement area make a proportionate contribution to the funding. The Final Rule language is included in its entirety below, and supersedes the State's Management Memo 11-05.

24CFR 570.486(c): "*Activities located in Entitlement jurisdictions. Any activity carried out by a recipient of State CDBG Program funds in entitlement jurisdictions must significantly benefit residents of the jurisdiction of the grant recipient, and the State CDBG recipient must determine that the activity is meeting its needs in accordance with section 106(d)(2)(D) of the Act. For an activity to significantly benefit residents of the recipient jurisdiction, the CDBG funds expended by the unit of general local government must not be unreasonably disproportionate to the benefits to its residents. In addition, the grant cannot be used to provide a significant benefit to the entitlement jurisdiction unless the entitlement grantee provides a meaningful contribution to the project.*"

Any activity application that includes work/benefit to entitlement communities must have evidence within the application that it meets 24CFR 570.486(c) or the activity will be determined to be ineligible.

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The evidence/documentation provided must make clear that the entitlement jurisdiction is contributing the proper proportion of funding needed to meet the requirements of the regulation. This must include accounting methodology for determining the applicant's share of the cost versus the entitlement community's. If, from the evidence provided in the application, the Department is unable to determine that the entitlement jurisdiction is contributing the level of funding required by 24CFR570.486(c), the activity will be deemed ineligible.

3. Un-scored Set-Aside

Starting with this NOFA, (2013 NOFA), the Department will discontinue the Un-Scored Set-Aside activity award. The Department has determined that since PTA grants cannot be scored (per state statute) having two un-scored activities is administratively difficult. Additionally, with limited funding, the Department believes funding should go where it is most needed, which is determined by the established scoring criteria.

Note: *Jurisdictions may still fund small-cost projects through the non-competitive Program Income Waiver process, which provides for review and possible of approval of project and program funding with the jurisdiction's program income on-hand*

4. Activity Eligibility Review

While all grantees are aware of the basic application eligibility review the Department conducts prior to scoring an application (non-entitlement jurisdictions only, A-133 compliance, Housing Element, etc.), once an applicant (jurisdiction) has been determined to be eligible, *but prior to the scoring of individual activities, the Department will review each activity in the application to confirm that they are eligible under HCDA (the Act) and will meet a National Objective, and if required, public benefit standards.* Any activity in an application found to not meet the required National Objective and, if needed, public benefit requirements, will be deemed ineligible and will not be scored.

This process will be conducted on an activity basis and applicants may be ineligible for funding of one activity but eligible on their other activities. Only the eligible activities will be scored.

5. State Objectives

The 2012-2013 Annual Action Plan Update states that beginning with the 2013 NOFA, the Department may apply State Objective points to some or all activities. While the Annual Plan language gave possible examples of types of State Objective points, it also stated, "Thus the total available points for all activities in

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2011-2012 funding year will be 900. All subsequent funding years are anticipated to have a total point scale of 1,000.”

The Department wishes to clarify that activity scores will range between 900 and 1,000 depending on whether an activity has State Objective points available or not, and whether there are 25, 50 or the full 100 points being offered.

6. Planning and Technical Assistance Grants

While the MOD for PTAs is not changing the Department wishes to make clear the following:

- A. All PTAs applications must document that the PTA work-product will meet a National Objective.
- B. If awarded, the work-product produced by the PTA award must:
 - 1) Be consistent with the work product applied for in the PTA application, and,
 - 2) Be submitted to the Department at time of grant closeout.
- C. If the work product is not consistent with the work-product approved in the original application and noted in the contract; does not meet a National Objective; or is not submitted at the time of grant closeout, the activity may be deemed ineligible and the funding shall be returned to the Department.

7. Scoring

The scoring process remains as stated in the 2012-2013 Annual Action Plan Update, and the point levels and point categories are unchanged. However the actual score sheet language under each point category has been clarified so the applicant is clear about what the scoring requirements are. Please see the score sheets below.

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APPLICANT CAPACITY/PAST PERFORMANCE SCORE SHEET

The score sheet below is used for each Applicant. The majority of the information below will be based on Departmental records. The Department will review the applicable reports and information to award these points. The total possible is up to 200 points.

ACTIVITY CRITERIA	APPLICANT CAPACITY / PAST PERFORMANCE	POINTS
APPLICANT CAPACITY/ PAST PERFORMANCE <i>(200 Points)</i>	1. Timely Clearance of Special Conditions <i>(-15 points , for each grant not fully cleared in 90 days).</i>	Up to: 60
	2. In-House Organizational Capacity for General Administration & Oversight of CDBG funded activities.	40
	3. Reporting Points <i>(-10 points, for each missing report, except Closeout Docs are -20 points, as of date of release of NOFA):</i> a) Annual FAR; b) Semi-Annual/Annual Grantee Expenditure and Accomplishments Report; c) Semi-Annual/Annual Program Income Report; d) Semi-Annual Wage Compliance Report; e) Section 3 Annual Report; and, f) Closeout Documentation.	70
	4. Cooperation/Compliance in clearing Audit or Monitoring Findings.	30
TOTAL POINTS		200

ACTIVITY SPECIFIC SCORING SHEETS

The maximum possible score is up to 950 points for each activity other than Public Infrastructure, Public Infrastructure In Support of New Housing Construction, and Public Services, where the maximum point award is up to 1,000. See charts on following pages.

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ECONOMIC DEVELOPMENT – ENTERPRISE FUND – *Business Assistance*

A maximum score of 950 points is assigned according to the following criteria. Points are allocated as noted in the chart below:

ACTIVITY CRITERIA	ENTERPRISE FUND – BUSINESS ASSISTANCE	POINTS
<p><i>NEED/BENEFIT</i> (400 Points)</p>	<p><u>NEED:</u></p> <ol style="list-style-type: none"> 1. Unemployment 2. Market Analysis <ol style="list-style-type: none"> a) <u>Understanding of Market Conditions / Opportunities by Market Segment</u> <ul style="list-style-type: none"> o Level of most recent business activity: <ul style="list-style-type: none"> ▪ Comparative analysis number of establishments by employment/size/class over previous 3 years. ▪ Determination of number of businesses by industry category – use NAICS code level breakdown. ▪ Analysis of business segment (identified via NAICS) changes over previous 3 years. ▪ List of Local Businesses Surveyed to determine demand. b) <u>Identifying/Analyzing Lending Opportunities and Competitors</u> <ul style="list-style-type: none"> o Identifying all (other) private and public lending sources serving the market area to determine: <ul style="list-style-type: none"> ▪ Types of lending products offered. ▪ Types of businesses inquiring/obtaining financing. ▪ Types of businesses not meeting lender requirements. ▪ Minimum and maximum loan amounts. ▪ Typical loan terms & interest rates. ▪ Allowable uses of funds. ▪ Collateral requirements. ▪ Level of equity contribution required for loan-to-value (LTV). o Determine and confirm that financing program will fill the financing gaps in the market. c) <u>Demand Projections</u> <ul style="list-style-type: none"> o Based on level of business activity/competitive environment: <ul style="list-style-type: none"> ▪ Determine how many loans will be made annually over the grant term. ▪ Determine and validate average size of loans. ▪ Develop and loan program marketing strategy/plan. ▪ Determine and validate number of inquiries that may be generated. ▪ Determine and validate number applications generated from the inquiries. ▪ Determine and validate number of applications likely to be approved. d) <u>Conclusions</u> <ul style="list-style-type: none"> o Based on the Demand Projections above, determine and validate the grant funding being requested. 	<p>100</p> <p>250</p>

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	<ul style="list-style-type: none"> o Third party documentation and references. <p>BENEFIT: Poverty (Jurisdiction-Wide only) <i>(Applicant pool sets range of points for Poverty)</i></p>	50
READINESS <i>(300 Points)</i>	<p>1. Program Description that includes the following:</p> <ul style="list-style-type: none"> a) Program organization and activity flow charts. b) Task Matrix. c) Description of organization and structure of the activity. 	25
	<p>2. Program Operator's Status is one of the following:</p> <ul style="list-style-type: none"> a) Applicant has executed subrecipient agreement(s) for all subrecipient(s) and procured consultants per HUD procurement guidelines (Chapter 8 of the CDBG GMM). b) Grantee will be using in-house staff for the activity either solely or in conjunction with subrecipient/consultant. Grantee has executed subrecipient agreement(s) and/or consultant contract(s). c) Grantee does not have approved contracts and/or agreements and will be procuring services for this activity. 	75
	<p>3. Program Operator Qualifications include the following:</p> <ul style="list-style-type: none"> a) Complete duty statements of all job positions. b) Complete resumes of all individuals performing work under the activity (include relevant experience with emphasis on any CDBG RLA, grant management, marketing, and CDBG financial underwriting training and experience). c) Identify individual(s) performing ED financial underwriting for BA loans. d) Provide certificates of training that substantiate ED financial expertise or CDBG specialization. 	200
APPLICANT CAPACITY/PAST PERFORMANCE <i>(200 Points)</i>	The score from the Applicant Capacity/Past Performance Score Sheet will be added here.	Up to: 200
STATE OBJECTIVES <i>(50 Points)</i>	1. Capacity Building Points: Awarded for applications from the previous year that were eligible and met a National Objective, but were 'below the available funding cut off line'.	50
TOTAL POINTS		950

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ECONOMIC DEVELOPMENT – ENTERPRISE FUND – *Microenterprise*

A maximum score of 950 points is assigned according to the following criteria. Points are allocated as noted in the chart below:

ACTIVITY CRITERIA	ENTERPRISE FUND – MICROENTERPRISE	POINTS
<p><i>NEED/BENEFIT</i> (400 Points)</p>	<p>NEED:</p> <ol style="list-style-type: none"> 1. Unemployment 2. Market Analysis <ol style="list-style-type: none"> a) <u>Understanding of Market Conditions / Opportunities by Market Segment</u> <ul style="list-style-type: none"> o Level of most recent business activity: <ul style="list-style-type: none"> ▪ Comparative analysis number of establishments by employment/size/class over previous 3 years. ▪ Determination of number of business by industry category – use NAICS code level breakdown. ▪ Analysis of business segment (identified via NAICS) changes over previous 3 years. ▪ List of Local Business Surveyed to determine demand. b) <u>Identifying/Analyzing Lending Opportunities and Competitors</u> <ul style="list-style-type: none"> o Identifying all (other) private and public lending sources serving the market area to determine: <ul style="list-style-type: none"> ▪ Types of lending products offered. ▪ Types of businesses inquiring/obtaining financing. ▪ Types of businesses not meeting lender requirements. ▪ Minimum and maximum loan amounts. ▪ Typical loan terms & interest rates. ▪ Allowable uses of funds. ▪ Collateral requirements. ▪ Level of equity contribution required for loan-to-value (LTV). o Determine and confirm that financing program will fill the financing gaps in the market. c) <u>Demand Projections</u> <ul style="list-style-type: none"> o Based on level of business activity/competitive environment: <ul style="list-style-type: none"> ▪ Determine how many loans will be made annually over the grant term. ▪ Determine and validate average size of loans. ▪ Develop and loan program marketing strategy/plan. ▪ Determine and validate number of inquiries that may be generated. ▪ Determine and validate number applications generated from the inquiries. ▪ Determine and validate number of applications likely to be approved. d) <u>Conclusions</u> 	<p>100 250</p>

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	<ul style="list-style-type: none"> ○ Based on the Demand Projections above, determine and validate the grant funding being requested. ○ Third party documentation and references. <p><u>BENEFIT: Poverty (Jurisdiction-Wide only)</u> <i>(Applicant pool sets range of points for Poverty)</i></p>	50
READINESS <i>(300 Points)</i>	<p>1. Program Description that includes the following:</p> <ul style="list-style-type: none"> a. Program organization and activity flow charts. b. Task Matrix. c. Description of organization and structure of the activity. 	25
	<p>2. Program Operator's Status is one of the following:</p> <ul style="list-style-type: none"> a. Applicant has an executed subrecipient agreement(s) for all subrecipients and procured consultants per HUD procurement guidelines (Chapter 8 of the CDBG GMM). b. Grantee will be using in-house staff for the activity either solely or in conjunction with subrecipient/consultant. Grantee has executed subrecipient agreement(s) and/or consultant contract(s). c. Grantee does not have executed subrecipient agreement(s) or contract(s) with consultant(s)s and will be procuring services for this activity. 	75
	<p>3. Program Operator Qualifications include the following:</p> <ul style="list-style-type: none"> a. Complete duty statements of all job positions. b. Complete resumes of all individuals performing work under the activity (include relevant experience with emphasis on any CDBG RLA, grant management, income qualification, marketing, and CDBG financial underwriting training and experience). c. Identify individual(s) performing financial underwriting for ME loans. d. Provide certificates of training that substantiate ED financial expertise or CDBG specialization. 	200
APPLICANT CAPACITY/ PAST PERFORMANCE <i>(200 Points)</i>	The score from the Applicant Capacity/Past Performance Score Sheet will be added here.	<u>Up to:</u> 200
STATE OBJECTIVES <i>(50 Points)</i>	<p>1. Capacity Building Points – Awarded for applications from the previous year that were eligible and met a National Objective, but were 'below the available funding cut off line'.</p>	50
TOTAL POINTS		950

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COMMUNITY DEVELOPMENT

The maximum possible score is up to 950 points for each activity other than Public Infrastructure, Public Infrastructure In Support of New Housing Construction, and Public Services, where the maximum point award is up to 1,000. See charts on following pages.

ACTIVITY CRITERIA	HOMEOWNERSHIP ASSISTANCE (HA)	POINTS
<p>NEED (400 Points)</p> <p><i>Note: For Housing Combo: 50% of scores for both Housing Rehab & Homeownership Asst. will be totaled for final score. No weighted average based on amount of funding requested.</i></p>	<p>NEED: (250 out of 400 points)</p> <ol style="list-style-type: none"> 1. Overcrowding 2. Homeownership Rate <p>BENEFIT: (150 out of 400 points)</p> <ol style="list-style-type: none"> 1. Low-Mod Percentage (Jurisdiction-Wide only) 2. Poverty Percentage (Jurisdiction-Wide only) <p><i>(Applicant pool sets range of points for Overcrowding, Homeownership Rate, Low-Mod and Poverty.)</i></p>	<p>Up to: 125 125</p> <p>100 50</p>
<p>READINESS (300 Points)</p> <p><i>*If Homeownership Assistance Guidelines already approved and adopted, simply submit copy of approval and adoption docs</i></p> <p><i>**Pre-Screened Applicants – Not "Pre-Qualified"</i></p>	<ol style="list-style-type: none"> 1. Activity-Specific Operator Experience: <ol style="list-style-type: none"> a) Continuation of Existing Program, active during the last fiscal year = 150 points <i>(Per Department's PI Reports and Grant Files)</i> b) Active in last 4 years but not the last 12 months = 100 points <i>(Per Department's PI Reports and Grant Files)</i> c) No active Housing program = 0 points 2. Program Guidelines Approved by HCD and Adopted by the Applicant Jurisdiction*. 3. Waiting List of Pre-Screened** Applicants: Submit up to 5 most recent signed, pre-screened applications with SSN redacted. 	<p>Up to: 150</p> <p>100 50</p>
<p>APPLICANT CAPACITY/PAST PERFORMANCE (200 Points)</p>	<p>The score from the Applicant Capacity/Past Performance Score Sheet will be added here.</p>	<p>Up to: 200</p>
<p>STATE OBJECTIVES (100 Points)</p>	<ol style="list-style-type: none"> 1. Capacity Building Points: Awarded for applications from the previous year that were eligible and met a National Objective, but were 'below the available funding cut off line'. 2. Homeownership Assistance: Awarded for applications for HA program activity that is NOT part of a combo. The points will not be awarded if HA and HR are both applied for. 	<p>50</p> <p>50</p>
TOTAL POINTS		1,000

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ACTIVITY CRITERIA	HOUSING REHABILITATION PROGRAM (HR) (1 – 4 UNITS)	POINTS
<p>NEED (400 Points)</p> <p><i>Note: For Housing Combo: 50% of scores for both Home Rehabilitation and Homeownership Assistance will be totaled for final score. No weighted average based on amount of funding requested.</i></p>	<p>NEED: (250 out of 400 points)</p> <ol style="list-style-type: none"> 1. Overcrowding 2. Age of Housing <p>BENEFIT: (150 out of 400 points)</p> <ol style="list-style-type: none"> 1. Low-Mod Percentage (Jurisdiction-Wide only) 2. Poverty Percentage (Jurisdiction-Wide only) <p><i>(Applicant pool sets range of points for Overcrowding, Age of Housing, Low-Mod & Poverty.)</i></p>	<p><u>Up to:</u> 125 125</p> <p>100 50</p>
<p>READINESS (300 Points)</p> <p><i>*If Homeownership Rehabilitation Guidelines already approved and adopted, simply submit copy of approval and adoption docs</i></p> <p><i>*Pre-Screened Applicants – not "Pre-Qualified"</i></p>	<ol style="list-style-type: none"> 3. Activity-Specific Operator Experience: <ol style="list-style-type: none"> a. Continuation of Existing Program, active during the last fiscal year = 150 points <i>(Per Department's PI Reports and Grant Files)</i> b. Active in last 4 years but not the last 12 months = 100 points <i>(Per Department's PI Reports and Grant Files)</i> c. No active Housing Program = 0 points 4. Program Guidelines Approved by HCD and Adopted by the Applicant Jurisdiction.* 5. Waiting List of Pre-Screened* Applicants: Submit up to 5 most recent signed, pre-screened applications with SSN redacted. 	<p><u>Up to:</u> 150</p> <p>100 50</p>
<p>APPLICANT CAPACITY/PAST PERFORMANCE (200 Points)</p>	<p>The score from the Applicant Capacity/Past Performance Score Sheet will be added here.</p>	<p><u>Up to:</u> 200</p>
<p>STATE OBJECTIVES (50 Points)</p>	<p>Capacity Building Points: Awarded for applications from the previous year that were eligible and met a National Objective, but were 'below the available funding cut off line'.</p>	<p>50</p>
TOTAL POINTS		950

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ACTIVITY CRITERIA	MULTI-FAMILY HOUSING PROJECT – ACQUISITION (INCLUDING ACQUISITION OF VACANT LAND FOR MFH), REHABILITATION OR ACQUISITION WITH REHABILITATION	POINT S
<p>NEED (400 Points)</p> <p>Note: Multi-Family Housing (MFH) Projects may not be included in a Housing Combo program. MFH Activities may include no more than one project.</p>	<p>NEED: (250 out of 400 points)</p> <ol style="list-style-type: none"> 1. Overcrowding 2. Rental Vacancy Rate <p>BENEFIT: (150 out of 400 points)</p> <ol style="list-style-type: none"> 1. Low/Mod Percentage (Jurisdiction-Wide only) 2. Poverty Percentage (Jurisdiction-Wide only) <p>(Applicant pool sets range of points for Low/Mod, Poverty and Need criteria)</p>	<p>125 125</p> <p>100 50</p>
<p>READINESS (300 Points)</p>	<ol style="list-style-type: none"> 1. Activity-Specific Operator Experience: <ol style="list-style-type: none"> a. Jurisdiction has completed and/or had oversight of <u>3 or more similar MFH projects with CDBG or HOME funding since Program Year 2007-08 = 200 points</u> b. Jurisdiction has completed and/or had oversight of <u>1 or 2 similar MFH projects with CDBG/HOME funding since Program Year 2007-08 = 150 points</u> c. Jurisdiction has completed and/or had oversight of <u>3 or more similar MFH projects without CDBG/HOME funding since Program Year 2007-08 = 100 points.</u> d. Jurisdiction has completed <u>1 or 2 similar MFH projects without CDBG/HOME funding within last 5-Years = 50 points</u> e. Jurisdiction has not completed any MFH since Program Year 2007-08 = 0 points <p>Note: Any jurisdiction that has an executed Subrecipient Agreement with a subrecipient with CDBG/HOME MFH experience since Program Year 2007-08 will get 50 points, up to the Readiness maximum of 200 points.</p> 2. All Funding In Place: All funding committed which will allow full occupancy and meeting of the National Objective. 3. Site Control 	<p><u>Up To:</u> 200</p> <p><u>Up to:</u> 75</p> <p>25</p>
<p>APPLICANT CAPACITY/PAST PERFORMANCE (200 Points)</p>	<p>The score from the <u>Applicant Capacity/Past Performance Score Sheet</u> will be added here.</p>	<p><u>Up to:</u> 200</p>
<p>STATE OBJECTIVES (50 Points)</p>	<p>Capacity Building Points: Awarded for applications from the previous year that were eligible and met a National Objective, but were 'below the available funding cut off line'.</p>	<p>50</p>
<p>TOTAL POINTS</p>		<p>950</p>

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ACTIVITY CRITERIA	PUBLIC IMPROVEMENTS (PI) (INCLUDES ACQUISITION OF VACANT LAND FOR PUBLIC IMPROVEMENTS)	POINTS
<p>NEED/BENEFIT (400 Points)</p> <p>Note: JW = Jurisdiction-Wide SA = Service Area *Sliding scale like previous years. C & D or Boil Water Order gets full points. See "Scoring Guidelines for Public Improvements." **JW or SA depending on if SA necessary to prove activity eligibility. See Application.</p>	<p>NEED: (250 out of 400 points) 1. PI: Seriousness of Health & Safety Threat*</p> <p>BENEFIT: (150 out of 400 points) 1. Low-Mod Percentage** 2. Poverty Percentage (Jurisdiction-Wide only for both) <i>(Applicant pool sets range of points for Low-Mod & Poverty)</i></p>	<p><u>Up to:</u> 250</p> <p><u>Up to:</u> 75 75</p>
<p>READINESS (300 Points)</p>	<p>1. Experienced In-House Staff & Ready to Start: a) Previously completed <u>CDBG-funded non-housing-related construction/rehabilitation projects</u> since Program Year 2007-08 <i>(Contract numbers must be provided)</i> (50 points for each project, up to 100 points) b) Previously completed <u>CDBG-funded housing-related construction/rehabilitation projects</u> since Program Year 2007-08 <i>(Contract numbers must be provided)</i> (25 points for each project up to 100 points) c) Previously completed <u>federally-funded, other than CDBG, non-housing-related construction/rehabilitation projects</u> since Program Year 2007-08 <i>(Contract numbers must be provided)</i> (25 points per project, up to 100 points)</p> <p>2. Project Approval Status: A. Preliminary Design & Engineer Plans, signed and stamped (50 points) B. Engineer's Cost Estimate, signed and stamped by the Engineer (25 points) C. Engineer's Timeline, signed and stamped by the Engineer (25 points)</p> <p>3. Funding in Place: All funding committed which will allow entire project completion/full occupancy and meeting of the National Objective.</p> <p>4. Site Control of Land for Project</p>	<p><u>Up to:</u> 100</p> <p><u>Up to:</u> 100</p> <p>75</p> <p>25</p>
<p>APPLICANT CAPACITY/PAST PERFORMANCE (200 Points)</p>	<p>The score from the Applicant Capacity/Past Performance Score Sheet will be added here.</p>	<p><u>Up to:</u> 200</p>
<p>STATE OBJECTIVES (100 Points)</p>	<p>1. Capacity Building Points: Awarded for applications from the previous year that were eligible and met a National Objective, but were 'below the available funding cut off line'. 2. Public Infrastructure Projects to Improve and/or Provide Potable Water</p>	<p>50</p> <p>50</p>
TOTAL POINTS		1,000

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METHOD OF DISTRIBUTION

ACTIVITY CRITERIA	PUBLIC IMPROVEMENTS IN-SUPPORT-OF HOUSING NEW CONSTRUCTION (PIHNC) (INCLUDES ACQUISITION OF VACANT LAND FOR PIHNC)	POINTS
<p>NEED/BENEFIT (400 Points)</p> <p>Note: JW = Jurisdiction-Wide</p>	<p>NEED: (250 out of 400 points)</p> <ol style="list-style-type: none"> 1. Condition of Approval for PI HNC 2. Renter Overpayment (25 points) 3. Vacancy rate (25 points) 4. Overcrowding (25 points) 5. COG data (RHNA) (25 points) <p>BENEFIT: (150 out of 400 points)</p> <ol style="list-style-type: none"> 3. Low-Mod Percentage (Jurisdiction-Wide only for PIHNC) 4. Poverty Percentage (Jurisdiction-Wide only) <p><i>(Applicant pool sets range of points for Low-Mod & Poverty)</i></p>	<p><u>Up to:</u> 150</p> <p>100</p> <p><u>Up to:</u> 75</p> <p>75</p>
<p>READINESS (300 Points)</p>	<ol style="list-style-type: none"> 2. Experienced In-House Staff & Ready to Start: Previously completed CDBG-funded non-housing-related construction/ rehabilitation projects since Program Year 2007-08. <i>(Contract numbers must be provided)</i> (50 points for each project, up to 100 points) <ol style="list-style-type: none"> a) Previously completed CDBG-funded housing-related construction/ rehabilitation projects since Program Year 2007-08. <i>(Contract numbers must be provided)</i> (25 points for each project up to 100 points) b) Previously completed federally funded, other than CDBG, non-housing-related construction/ rehabilitation projects since Program Year 2007-08. <i>(Contract numbers must be provided)</i> (25 points per project, up to 100 points) 3. Project Approval Status: <ol style="list-style-type: none"> A. Preliminary Design & Engineer Plans, signed and stamped (50 points) B. Engineer's Cost Estimate, signed and stamped by the Engineer (25 points) C. Engineer's Timeline, signed and stamped by the Engineer (25 points) 3. Funding in Place: All funding committed which will allow entire project completion/full occupancy and meeting of the National Objective. 4. Site Control of Land for Project 	<p><u>Up to:</u> 100</p> <p><u>Up to:</u> 100</p> <p>75</p> <p>25</p>
<p>APPLICANT CAPACITY/PAST PERFORMANCE (200 Points)</p>	<p>The score from the Applicant Capacity/Past Performance Score Sheet will be added here.</p>	<p><u>Up to:</u> 200</p>
<p>STATE OBJECTIVES (100 Points)</p>	<ol style="list-style-type: none"> 3. Capacity Building Points: Awarded for applications from the previous year that were eligible and met a National Objective, but were 'below the available funding cut off line'. 4. Public Infrastructure projects to improve and/or provide potable water. 	<p>50</p> <p>50</p>
TOTAL POINTS		1,000

Substantial Amendment to the State of California's Community
Development Block Grant (CDBG) Program 2012-2013 Action Plan:

METHOD OF DISTRIBUTION

ACTIVITY CRITERIA	PUBLIC FACILITIES (INCLUDES ACQUISITION OF VACANT LAND FOR PUBLIC FACILITIES)	POINTS
<p>NEED/BENEFIT (400 Points)</p> <p><i>*JW or SA depending on type of Public Facility (and Public Services offered). See Application.</i></p>	<p>NEED: (300 out of 400 points)</p> <p>1. Severity of Problem:</p> <p>a) Necessity of Service (75 points)</p> <p>b) Condition of the Building (50 points)</p> <p style="padding-left: 20px;">I. Third Party Documentation confirm Red Tag/condemned (50 points)</p> <p style="padding-left: 20px;">II. Documented Need for Rehabilitation (25 points)</p> <p style="padding-left: 20px;">III. New construction of a facility (25 points)</p> <p>2. Extent of Solution (percentage of problem solved):</p> <p>a) If solved via the Public Service (75 points)</p> <p>b) If solved via the building repair or construction (50 points)</p> <p>3. Third-Party Documentation</p> <p>BENEFIT: (100 out of 400 points)</p> <p>1. Low-Mod Percentage (Jurisdiction-Wide or Service Area*)</p> <p>2. Poverty Percentage (Jurisdiction-Wide only)</p> <p><i>(Applicant pool sets range of points for Low-Mod & Poverty)</i></p>	<p><u>Up to:</u> 125</p> <p><u>Up to:</u> 125</p> <p>50</p> <p>50</p> <p>50</p>
<p>READINESS (300 Points)</p>	<p>1. Experienced In-House Staff & Ready to Start:</p> <p>a) Previously completed <u>CDBG-funded non-housing-related construction/rehabilitation projects</u> since Program Year 2007-08. <i>(Contract numbers must be provided)</i> (50 points per project, up to 100 points)</p> <p>b) Previously completed <u>CDBG-funded housing-related construction/rehabilitation projects</u> since Program Year 2007-08. <i>(Contract numbers must be provided)</i> (25 points per project, up to 100 points)</p> <p>c) Previously completed <u>federally-funded, other than CDBG, non-housing-related construction/rehabilitation projects</u> since Program Year 2007-08. <i>((Contract numbers must be provided)</i> (25 points per project, up to 100 points)</p> <p>d) Previously completed <u>federally-funded, other than CDBG, housing-related construction/rehabilitation projects</u> since Program Year 2007-08. <i>(Contract numbers must be provided)</i> (25 points per project, up to 100 points)</p> <p>2. Project Approval Status:</p> <p>a) Engineer's Preliminary Design & Plans signed and stamped by the Engineer (50 points)</p> <p>b) Engineer's Cost Estimate, signed and stamped by the Engineer (25 points)</p> <p>c) Engineer's Timeline, signed and stamped by the Engineer (25 points)</p> <p>3. Funding in Place: All funding committed which will allow complete construction, provision of public services, and meeting of the National Objective.</p> <p>4. Site Control of Land for Project</p>	<p><u>Up to:</u> 100</p> <p><u>Up to:</u> 100</p> <p>75</p> <p>25</p>

Substantial Amendment to the State of California's Community
Development Block Grant (CDBG) Program 2012-2013 Action Plan:

METHOD OF DISTRIBUTION

APPLICANT CAPACITY/PAST PERFORMANCE (200 Points)	The score from the Applicant Capacity/Past Performance Score Sheet will be added here.	Up to: 200
STATE OBJECTIVES (50 Points)	Capacity Building Points: Awarded for applications from the previous year that were eligible and met a National Objective, but were 'below the available funding cut off line'.	50
TOTAL POINTS		950

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Substantial Amendment to the State of California's Community
Development Block Grant (CDBG) Program 2012-2013 Action Plan:

METHOD OF DISTRIBUTION

ACTIVITY CRITERIA	PUBLIC SERVICES	POINTS
<p>NEED/BENEFIT (400 Points)</p> <p><i>*JW or SA depending on type of Public Services offered. See Application.</i></p>	<p>NEED: (300 out of 400 points)</p> <ol style="list-style-type: none"> 1. Severity of Problem 125 2. Extent of Solution (Percentage of problem solved) 125 3. 3rd Party Documentation 50 <p>BENEFIT: (100 out of 400 points)</p> <ol style="list-style-type: none"> 1. Low-Mod Percentage (Jurisdiction-Wide or Service Area*) 50 2. Poverty Percentage (Jurisdiction-Wide only) 50 <p><i>(Applicant pool sets range of points for Low-Mod & Poverty)</i></p>	
<p>READINESS (300 Points)</p>	<ol style="list-style-type: none"> 1. Operator Experience/Program Readiness: <ol style="list-style-type: none"> a. Existing CDBG Service in process now with executed Subrecipient Agreement for the service being applied for; or, Existing CDBG Service with In-House staff experience in the service being applied for = 175 points b. New CDBG Service with executed Subrecipient Agreement or, New CDBG Service with In-House staff experience in the service being applied for = 125 points c. Existing CDBG Service with <u>no</u> Subrecipient Agreement or In-House staff with experience in a different service than the one being applied for = 75 points d. New CDBG Service with <u>no</u> Subrecipient Agreement or In-House staff with experience in a different service than the one being applied for = 50 points 2. Site Control of Facility for Service; or, 3. Means to Conduct the Service (such as, the vehicle to use for a meals-on-wheels program) 125 	<p>Up to: 175</p>
<p>APPLICANT CAPACITY/PAST PERFORMANCE (200 Points)</p>	<p>The score from the Applicant Capacity/Past Performance Score Sheet will be added here.</p>	<p>Up to: 200</p>
<p>STATE OBJECTIVES (100 Points)</p>	<ol style="list-style-type: none"> 1. Capacity Building Points: Awarded for applications from the previous year that were eligible and met a National Objective, but were 'below the available funding cut off line'. 2. Employment Training resulting in the creation of jobs. 50 	<p>50</p>
TOTAL POINTS		1,000

Substantial Amendment to the State of California's Community Development Block Grant (CDBG) Program 2012-2013 Action Plan:

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION, AND HOUSING AGENCY

EDMUND G. BROWN JR., Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF FINANCIAL ASSISTANCE

Community Development Block Grant (CDBG) Program

1800 Third Street, Suite 390

P. O. Box 952054

Sacramento, CA 94252-2054

(916) 552-9398

FAX (916) 319-8488 or (916) 327-0579

www.hcd.ca.gov



FOR IMMEDIATE POSTING

DRAFT SUBSTANTIAL AMENDMENT TO THE 2012/2013 ANNUAL ACTION PLAN OF THE STATE OF CALIFORNIA'S FIVE YEAR CONSOLIDATED PLAN (2010 – 2015) PERTAINING TO THE METHOD OF DISTRIBUTION FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

PUBLIC COMMENT PERIOD ANNOUNCEMENT

The State of California, Department of Housing and Community Development (Department), is soliciting public review and comment to the Draft Substantial Amendment of the 2012/2013 Annual Action Plan for the State of California's Consolidated Plan FY 2010-2015 (Substantial Amendment). The Substantial Amendment is a result of changes made to the State's Method of Distribution of its Community Development Block Grant Program (CDBG) funding. The U. S. Department of Housing and Urban Development (HUD) is authorized to administer the CDBG funds. In accordance with the State's Public Participation Plan for its Consolidated Plan, the Substantial Amendment must be published for no less than 30 calendar days for public comment before it is submitted to HUD.

The State of California's Method of Distribution required changes to improve programmatic flexibility, efficacy and efficiency.

The public comment period will begin Tuesday, November 13, 2012 and end at 5:00 p.m. Monday, December 17, 2012. The Draft Substantial Amendment of the 2012/2013 Annual Action Plan for the State of California's Consolidated Plan FY 2010-2015 will be available for public review on the Department's website: [CDBG Public Notices](#), or at the Department's Community Development Block Grant Program in Suite 390, at planning departments of counties with at least one non-entitlement jurisdiction, and at the following depository libraries:

- California State Library, Government Publications (Sacramento)
- California State University, Meriam Library (Chico)
- California State University, Library- Government (Long Beach)
- Free Library, Government Publications (Fresno County)
- Public Library, Serials Division (Los Angeles)
- Public Library (Oakland)
- Public Library, Science & Industry Department (San Diego)

Substantial Amendment to the State of California's
Community Development Block Grant (CDBG) Program 2012-2013 Action Plan:

- Public Library, Government Documents Dept (SF)
- Stanford University Libraries, Green Library, Government Docs
- University of California, Government Documents Library (Berkeley)
- University of California, Shields Library, Government Documents (Davis)
- University of California, Research Library (LA)
- University of California, Government Documents (San Diego/La Jolla)
- University of California, Government Publications (Santa Barbara)

In addition, a public hearing will be held where the Department will take written comments:

Tuesday, December 4, 2012 from 9:00 a.m. – 1:00 p.m.
1800 Third Street, Room 470
Sacramento, California

All written comments can be submitted via facsimile (916) 327-0579, electronic mail cdbg@hcd.ca.gov, or mailed to the following address:

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

If you have questions or are in need of translators or special services, please contact the Department's Community Block Grant Program at (916) 552-9398. Please advise the Department within five working days prior to the scheduled hearing in order to facilitate a request for translator or special service needs. This proposal has been determined EXEMPT from CEQA (Public Resources Code Section 21080.10(b)) and CATEGORICALLY EXCLUDED from NEPA (Title 24 Code of Federal Regulations 50.20(o)(2)).

Substantial Amendment to the State of California's Community Development Block Grant (CDBG) Program 2012-2013 Action Plan:

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION, AND HOUSING AGENCY

EDMUND G. BROWN JR., Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF FINANCIAL ASSISTANCE

Community Development Block Grant (CDBG) Program

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Sacramento, CA 94252-2054

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PARA PUBLICACIÓN INMEDIATA

ENMIENDA SUBSTANCIAL DEL BOSQUEJO AL PLAN DE ACCIÓN 2012/2013 ANUAL DEL ESTADO DE CALIFORNIA' S CINCO - EL AÑO CONSOLIDÓ EL PLAN (2010 - 2015) REFERENTE AL MÉTODO DE DISTRIBUCIÓN PARA EL PROGRAMA DE GRANT DEL BLOQUE DEL DESARROLLO DE LA COMUNIDAD (CDBG)

AVISO PÚBLICO DEL PERÍODO DEL COMENTARIO

El estado de California, departamento de la cubierta y del desarrollo de la comunidad (departamento), está solicitando la revisión y el comentario públicos a la enmienda substancial del bosquejo del plan de acción 2012/2013 anual para el estado del plan consolidado FY 2010-2015 (enmienda substancial) de California. La enmienda substancial es un resultado de los cambios realizados al método del estado de distribución de su financiamiento del programa de Grant del bloque del desarrollo de la comunidad (CDBG). El U. S. El departamento del desarrollo de cubierta y urbano (HUD) se autoriza a administrar los fondos de CDBG. De acuerdo con el plan público de la participación del estado para su plan consolidado, la enmienda substancial se debe publicar por ningunos menos de 30 días de calendario para el comentario público antes de que se someta a HUD.

El Estado de California Método de Distribución requiere cambios para mejorar la flexibilidad programática la eficacia y la eficiencia.

El período de comentarios públicos comenzará Martes, 13 de Noviembre 2012 y finalizará a las 5:00 de la tarde por Lunes 17 de Diciembre de 2012. La enmienda substancial del bosquejo del plan de acción 2012/2013 anual para el estado del plan consolidado FY 2010-2015 de California estará disponible para la revisión pública en el Web site del departamento: [CDBG Public Notices](#), o en el programa de Grant del bloque del desarrollo de la comunidad del departamento en la habitación 390, en los departamentos del planeamiento de condados con por lo menos una jurisdicción del no-derecho, y en las bibliotecas siguientes:

- La Biblioteca del estado de California, la Universidad de estado de California de las publicaciones del Gobierno (Sacramento)
- La Universidad de estado de California de la Biblioteca de Merriam (Chico)

Substantial Amendment to the State of California's
Community Development Block Grant (CDBG) Program 2012-2013 Action Plan:

- Free Library, Publicaciones del Gobierno (Long Beach)
- La Biblioteca pública, Publicaciones del Gobierno (Condado de Fresno)
- La Biblioteca Pública, División de Publicaciones Seriadas (Los Angeles)
- La Biblioteca pública (Oakland)
- La Biblioteca pública, Departamento de Ciencia y Industria (San Diego)
- La Biblioteca pública, Documentos del Gobierno (San Francisco)
- Bibliotecas de la Universidad de Stanford, Biblioteca verde, Documentos del Gobierno
- La Universidad de California, Departamento documentos del Gobierno (Berkeley)
- La Universidad de California, Biblioteca Shields, Documentos del Gobierno (Davis)
- La Universidad de California, Biblioteca de Investigación (Los Angeles)
- La Universidad de California, Los Documentos de Gobierno (San Diego/La Jolla)
- La Universidad de California, Publicaciones del Gobierno (Santa Barbara)

Además, una audiencia pública se llevará a cabo en el Departamento tomará sus comentarios por escrito:

Martes, el 4 de Diciembre de 2012 por 9:00 en la mañana - 1:00 en la tarde
1800 Third Street, Room 470
Sacramento, California 95811

Todos los comentarios escritos se pueden someter vía el facsímil (916) 327-0579, el correo electrónico cdbg@hcd.ca.gov, o enviar a la dirección siguiente:

Department of Housing and Community Development
Division of Financial Assistance. P.O. Box 952054
Sacramento, California 94252-2054
Atención de: Susan Naramore

Si usted tiene preguntas o está necesitando los traductores o los servicios especiales, entre en contacto con por favor el programa de Grant del bloque de la comunidad del departamento en (916) 552-9398. Aconseje por favor el departamento dentro de cinco días laborables antes de la audiencia programar para facilitar un pedido el traductor o necesidades especiales de los servicio. Esta oferta ha sido EXENTA determinado de CEQA (los recursos públicos cifran la sección 21080.10 (b)) y CATEGÓRICAMENTE EXCLUIDO de NEPA (código del título 24 de las regulaciones federales 50.20 (o) (2)).