

# NOTICE OF FUNDING AVAILABILITY

Community Development Block Grant Program

**2008-09**

**General Allocation**

**January 2008**



STATE OF CALIFORNIA

Department of Housing and Community Development  
Division of Financial Assistance  
Community Development Block Grant (CDBG) Program  
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State of California  
Community Development Block Grant Program

**Funding Year: 2008-09**

**Funding Allocation: General Allocation**

January 2008

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## INTRODUCTION

### 1. AVAILABLE FUNDING

The Department of Housing and Community Development (Department) announces the availability of the following State Community Development Block Grant (CDBG) Program funds for the 2008-09 funding year:

1. Up to approximately \$30,000,000 for 2008-09 General Allocation contingent upon HUD's allocation to the Department and the availability of returned funds.

This Notice of Funding Availability (NOFA) applies to the CDBG General Allocation. Typical activities funded under these allocations include: housing rehabilitation programs and projects; homebuyer assistance programs; housing acquisition projects; housing new construction projects; public improvements projects; public facility projects; and public services programs.

**NOTE:** The **Application** is a separate document. If you are interested in applying for funds, obtain the Application from the CDBG Program. An Application can be obtained by doing any of the following:

- Fax or mail the *Request for Application* form (included at the end of this NOFA) to the CDBG Program Secretary. Use of the form is encouraged to assure accuracy of mailing information.
- Download the document from the CDBG website: [www.hcd.ca.gov/fa/cdbg/funds](http://www.hcd.ca.gov/fa/cdbg/funds)
- Attend any of the scheduled Application Workshops in January/February 2008 (see cover memorandum). Please note that CDBG recommends submitting the *Application Workshop RSVP* form (see cover memorandum) to ensure adequate seating is available.
- Call the CDBG Program Administrative Assistant at (916) 552-9398.

Please note that there are separate funding notices for the Colonias, Native American, Economic Development, and Planning/Technical Assistance Allocations. Interested individuals may contact the Program Administrative Assistant at (916) 552-9398 for information about those particular NOFAs.

## 2. AUTHORIZING LEGISLATION AND REGULATIONS

The CDBG Program is authorized by the Housing and Community Development Act of 1974 (Act) as amended<sup>1</sup>, and Subpart 1 of the Federal Community Development Block Grant regulations<sup>2</sup>. The requirements of the State CDBG Program are in Health and Safety Code, Section 50825 and Title 25 of the California Code of Regulations, Section 7050, et seq.

## 3. CHANGES FOR THIS YEAR

**The 2008-09 funding cycle and application process will be significantly different than the previous funding rounds.** Changes are highlighted below. For more detailed information on these changes, applicants may contact a CDBG program representative (see Appendix A) and/or attend an Application Workshop that will be conducted in several locations around the state in January/February 2008.

### Program Changes:

- For this NOFA, the maximum amount awarded per application will be increased to \$1.5 million for the General Allocation.
- Each application will be limited to either of the following:
  - ❖ a maximum of one type of program activity for up to \$500,000; or
  - ❖ a maximum of two types of program activities for up to \$1,000,000 (limit of \$500,000 per program); or
  - ❖ a maximum of one project for up to \$1,000,000; or
  - ❖ a maximum of one program and one project for up to \$1,500,000 (limit of \$500,000 for the program and \$1,000,000 for the project).
- The 10% set-aside<sup>3</sup> is limited to no more than one activity per application.
- State bonus points are available under this NOFA for programs/projects that commit to a minimum standard for energy efficiency, programs/projects that benefit a minimum of 51% Native American population, public improvement projects, programs/projects which facilitate farmworker housing and/or health services, and for capacity building.

**Notes:** In order to be eligible for funding the application must include a program and/or project that will be started in the 2008-09 funding year. In addition, any awarded **programs/projects that do not clear special conditions within 90 days of contract execution date may be terminated/disencumbered.**

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<sup>1</sup> Title I of the Housing and Community Development Act of 1974 as amended. 42 U.S.C. 5301 et seq., Federal Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

<sup>2</sup> Title 24 Code of Federal Regulations (CFR), Part 570, Subpart I.

<sup>3</sup> March 8, 2000 Management Memorandum.

#### 4. APPLICATION TIMELINES

a. Key dates:

NOFA release:	January 22, 2008
Application release:	January 29, 2008
Application Workshops:	January 31, 2008 Through February 20, 2008
Applications due to HCD by 5:00 p.m.:	April 3, 2008
CDBG Compliance of Housing Element:	May 1, 2008
Awards announced:	May 29, 2008

b. Application Deadline: April 3, 2008. **Applications must be received at the Department by 5:00 p.m. on the due date. Applications that are received after the due date will be returned even if mailed before the due date and have a postmark on or prior to the deadline date.**

c. Number of copies:

- One complete **original** set (with **all original signatures** and **original/certified authorizing resolutions**; and
- One complete copy of the entire application (including attachments); and
- Include one additional copy of the authorizing resolutions in the front pocket of the original application binder.

d. Mail or Deliver to: Department of Housing and Community Development  
Division of Financial Assistance  
Community Development Block Grant (CDBG) Program  
1800 Third Street, Suite 330  
Sacramento, CA 95811  
  
(916) 552-9398

e. For further information:

Please contact a CDBG field representative or the CDBG Program Administrative Assistant at (916) 552-9398 or by e-mail at [cdbg@hcd.ca.gov](mailto:cdbg@hcd.ca.gov). Please refer to Appendix A for the name and telephone number of the CDBG field representative assigned to each eligible jurisdiction.

## 5. APPLICATION WORKSHOPS

The Department will present a one-day application workshop in several locations around the state. The workshops will include a brief overview of the State Program, a discussion of the application evaluation criteria for eligible activities and general information regarding the major federal overlay requirements that may affect funded activities.

Eligible applicants attending a workshop are encouraged to review this NOFA prior to attending. Applicants should come prepared with a list of relevant questions regarding their project and proposed application. Information about the workshop dates, times, and locations is included in the cover memorandum.

Note: Applicants that anticipate attending one of the scheduled workshops are encouraged to send an *Application Workshop RSVP* form (see cover memorandum) to the CDBG Program. This will help ensure that adequate seating is available for all participants.

## FUNDING GUIDELINES

### 6. FUNDING LIMITS

#### a. Maximum award limits.

- Up to a maximum of \$500,000 for each eligible type of program activity (housing rehabilitation, housing acquisition, public services, and homebuyer assistance) with a maximum of two types of program activities (\$1,000,000).
- Up to a maximum of \$1,000,000 for one eligible project (public improvements, public facilities, and housing new construction).
- Up to a maximum of \$1,500,000 for a combination of one eligible program (up to \$500,000) AND one eligible project (up to \$1,000,000).

The maximum award amount per eligible applicant is \$1.5 million.

#### b. Limited number of awards.

Applications for funding will be competitively rated and ranked. Funding will be awarded to applicants that score the highest overall, until the available funding is exhausted. Consistent with the nature of a competitive application process, there is no assurance that all applications will be funded.

### 7. ELIGIBLE APPLICANTS

**HOLD-OUT THRESHOLD FACTOR: Applicants please take note of the following threshold factor.** In order to be able to submit an application for funding, an applicant must meet the conditions as follows:

- **The applicant shall have resolved any audit findings or performance problems for prior State CDBG grants awarded under this program.** The Department may waive this requirement when such problems or findings result in no obligation to return funds to the grantor, arrangements satisfactory to the grantor have been made for repayment or performance, or a formal action to resolve the matter has been taken.
- Some jurisdictions may be held out from receiving funds if they have received a performance findings letter. Examples of performance findings are, but not limited to, having excessive program income on hand and not submitting required reports as stated in the grant agreement. If the applicant city/county has received such a letter or is unsure of the status, contact the CDBG field representative (see Appendix A) for further guidance. **The city/county is not eligible to apply if a letter from the Department clearing their holdout status prior to submittal of the application has not been received.**

**General Allocation -- Eligible Cities and Counties**

In general, incorporated cities under 50,000 in population and counties with an unincorporated area population of under 200,000 persons are eligible to participate in the State CDBG Program. Eligible cities and counties may apply for funds under each Program component. The following exceptions apply:

- a. If a city under 50,000 population has entered into a three-year urban county Cooperation Agreement, that city cannot participate in the State CDBG Program until the expiration of the Agreement.
- b. If a city under 50,000 population has been declared the central city of a Standard Metropolitan Statistical Area, it cannot participate because it is entitled to receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD).

See Appendix A for a listing of the eligible cities and counties for the General Allocation. This Appendix also provides the poverty index for each jurisdiction.

**8. ELIGIBLE ACTIVITIES**

The major activity categories are:

- Housing Rehabilitation
  - Housing Acquisition/Real Property Acquisition
  - Public Services
- } *Programs*
- Public Facilities
  - Public Improvements
  - Housing New Construction
- } *Projects*

Please refer to Appendix B for information about these major activity categories.

Additional activities: Under certain limited circumstances, additional activities may be eligible. Applicants should contact CDBG Program staff to clarify the eligibility of proposed activities.

## 9. MEETING A NATIONAL OBJECTIVE

In order to be eligible for funding, every CDBG-funded activity must meet one of the three national objectives of the program. The national objectives include:

- Benefiting low- and moderate-income persons;
- Preventing or eliminating slums or blight; or
- Meeting other community development needs having a particular urgency because of existing conditions that pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

Note: Most activities funded under the CDBG General Allocation will meet the national objective of benefiting low- and moderate-income persons.

## 10. PROGRAM ADMINISTRATIVE COSTS

### a. General Administration Expenses.

Grantees are allowed up to 7.5 percent of the total grant amount for reasonable general administration expenses related to carrying out the CDBG Program. General administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting, and evaluation.

### b. Activity Delivery Expenses.

A portion of the grant award may be used to pay for the actual costs associated with the delivery of the proposed activity. Activity delivery includes costs associated with staff and overhead directly involved with carrying out the activity.

Activity delivery costs vary, depending on the activity category. As a general guideline, the cost of activity delivery has been:

- Housing Rehabilitation: up to 19 percent
- Public facilities or public improvements up to 8 percent  
(if complex labor standards are justified\*) up to 12 percent
- All other activities: up to 8 percent

\* Complex labor standards means multiple subcontractors and/or numerous trades.



**APPLICATION REVIEW AND SCORING**

**11. EVALUATION CRITERIA AND SCORING POINTS**

Applications are rated according to criteria in the State Program Regulations, Sections 7078.1 through 7078.7. Applications are given quantitative ratings and ranked against each other. In rating joint applications, information for the combined needs of all participating localities is used to evaluate applications. The maximum possible score is 1,000 points. Points are divided among seven scoring groups.

<b>Evaluation Criterion and Description</b>	<b>Maximum Points</b>
<p><b>Poverty Index:</b></p> <p>Applicants are compared in terms of the percentage of their population (individuals) with incomes below the poverty level. This measure is taken within a designated target area where the activity is proposed for a target area. The applicant with the highest poverty rate will receive 100 points under this category. All others will receive points on a prorated basis. Jurisdictions must use 2000 census data to obtain poverty data for the appropriate target area(s) that are proposed in the application. Poverty data may be obtained from the following website:  <a href="http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&amp;_lang=en&amp;_ts=">http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&amp;_lang=en&amp;_ts=</a></p> <p>Use Summary File 3 datasets.</p>	100 Points
<p><b>Targeted Income Group (TIG) Benefit:</b></p> <p>Activities proposed for funding are allocated points based on the percentage of beneficiaries who earn 80 percent or less of the county's median income, adjusted by household size. Multifamily rental projects may receive full points for 51 percent TIG benefit. Housing rehabilitation and homebuyer assistance activities must benefit 100 percent TIG. All other activities will begin earning points for TIG benefit <u>above</u> 51 percent.</p>	300 Points
<p><b>Need for Activity:</b></p> <p>Points are assigned based on the application's documented community need for the proposed program and the extent to which the proposed activity will address the identified need. See Appendix B for need indicators for each type of activity.</p>	200 Points

Evaluation Criterion and Description	Maximum Points
<p><b>Prior Performance Operating CDBG Grants:</b></p> <p>Applicants are rated on their performance in administering prior (2004, 2005, 2006, and 2007) CDBG General allocation grants.</p> <p>Performance factors include: timeliness of grant expenditures, expenditures of committed leverage; timeliness of reporting and close-out submittals; timeliness of resolving any outstanding monitoring or audit findings; and, the amount of program income on hand. Points will be awarded to applicants whose expenditures exceeded the milestones stated in the contract and/or who have demonstrated timeliness in clearing special conditions or starting the project.</p> <p><u>New Applicants:</u> Applicants who have <u>not</u> had a grant during the funding year 2004, 2005, 2006, and 2007 will receive 130 <b>standard</b> points under “Performance.”</p>	<p>150 Points</p> <p>(130 standard points plus 20 above standard points)</p>
<p><b>Capacity:</b></p> <p>Applicants with grants for the funding years 2004, 2005, 2006, and 2007 are evaluated on their ability to administer the activities proposed for CDBG funding based on their experience on past grants.</p> <p>New applicants will be evaluated on documentation of:</p> <ul style="list-style-type: none"> <li>➤ adequate in-house staff capability and experience (resumes and clear description of duties); and/or</li> <li>➤ executed copy of a contract between the applicant and a program operator with the capacity and experience to administer the CDBG activity (proper procurement complying with CDBG regulations must be documented); and/or</li> <li>➤ a letter of interest to enter into a contract from a program operator with the capacity and experience to administer the CDBG activity (proper solicitation/procurement complying with CDBG regulations must be documented).</li> </ul> <p>Of the available 150 points in this category, up to 100 points will be awarded for the demonstrated capacity to administer the proposed CDBG activity. Up to 50 points will be awarded to applicants who competitively demonstrate the project’s <u>readiness to proceed</u>.</p>	<p>150 Points</p> <p>(100 points for capacity and 50 points for demonstrated readiness to proceed)</p>

Evaluation Criterion and Description	Maximum Points
<p><b>Leverage:</b> Points are awarded based on documented commitments of additional (non-federal or state) funding for the proposed activity.</p>	50 Points
<p><b>State Objectives:</b> Bonus points are awarded to applications addressing an identified State Objective. See the following section for a description of State Objectives.</p>	50 Points
<b>TOTAL POINTS AVAILABLE</b>	<b>1,000 Points</b>

**State Objectives:** For the 2008-09 program year, State Objective bonus points will be available as follows:

- Energy Efficiency Proposals:** Up to 50 points will be added for activities that commit to using the established minimum level of energy efficiency standards. Examples of energy efficiency standards include, but not limited to, installing Energy Star ceiling fans and appliances, installing non-combustible roofing materials, using engineered lumber, providing effective air sealing, etc.
- Native American partnership Proposals:** Up to 50 points will be awarded for activities that propose a partnership with eligible non-federally recognized tribes/areas in which, at a minimum, 51 percent of the beneficiaries are Native American tribal members.
- Infrastructure Proposals:** Up to 25 points will be awarded for public improvements and new construction projects providing public infrastructure in support of housing.

- **Farmworker Housing/Health Services:** Up to 25 points will be awarded to proposals which facilitate the development and/or operation of migrant or permanent farm worker housing or proposals which facilitate the provision of health services in combination with farm worker housing. To receive these points, a minimum of 90 percent of the beneficiaries of the proposed activity must be farmworkers.
- **Capacity Building:**  
Up to 25 points will be awarded to jurisdictions that applied for CDBG funding but fell below the funding cut-off in the 2006 General Allocation competition. The activity applied for during this funding cycle does not have to be the same as the 2006 proposed activity.  
Up to 35 points will be awarded to applicants who applied at least two times in the last four years (2004 to 2007) in the General Allocation and who were not funded either time.

*Reference: CCR, Title 25, Section 7078.7*

## AWARD ANNOUNCEMENTS AND PROCESSING

### 12. AWARD ANNOUNCEMENTS

Awards will be announced on May 29, 2008. All applicants will be notified by mail as to the outcome of their application.

**NOTE: As a condition of receiving an award, each jurisdiction's housing element must be adopted pursuant to Government Code Section 65585, as determined by the Department prior to May 1, 2008. Self-certifications will no longer be allowed. No extensions will be granted beyond this date. The Department will not award funds to any applicant who does not meet these requirements prior to May 1, 2008.**

### 13. AWARD PROCESSING

All funded applications will be processed through a State Standard Agreement (Agreement). The Agreement will contain information about the terms and special conditions of the award. Special conditions must be met within 90 days of the Agreement's execution. If the conditions are not met, the Department may terminate the Agreement.

Applicants are permitted to incur general administration costs upon receiving their award letter with written approval from the Department. Grantees MUST obtain special conditions and environmental clearance prior to starting a CDBG funded activity. This requirement applies to both CDBG and non-CDBG funding. Any program or project activity that is started prior to obtaining clearance may cause it to be ineligible and for grant funds to be disencumbered. Only general administration costs may be incurred until special conditions are met.

### 14. GRANT MANAGEMENT WORKSHOPS

All funded applicants will be invited to attend any one of the Grant Management Workshops that will be conducted after grant award. At these workshops, CDBG staff will provide information about the day-to-day management of the grant and the various federal overlay requirements as well as reporting and fiscal requirements. For current information, refer to the 2008 CDBG Grant Management Manual, which is available at the Department's website or a CD can be requested by contacting the CDBG Program.

Please note: The CDBG Grant Management Manual is updated annually. Grantees should check with CDBG staff periodically to ensure that the most recent version of the manual is being used.



## CDBG PROGRAM REQUIREMENTS

### 15. STATE REQUIREMENTS

The CDBG Program is a federally funded program that is administered in California's small cities and counties by the Department. Within state statute and regulations, the Department has established the following program requirements:

#### A. Targeted Income Group (TIG) Benefit

All activities funded through the CDBG General Allocation Program shall principally benefit the Targeted Income Group (TIG) persons or households. As such, at least 51 percent of the beneficiaries of an eligible activity shall be TIG (unless it is direct assistance, such as housing rehabilitation programs, whose beneficiaries must be 100 percent TIG). Targeted Income Group, which includes "Lowest Targeted Income Group (LTIG)," is based on current county income limits provided annually by the Department. TIG is defined as beneficiaries having incomes that are 80 percent or less of the adjusted area median household income. LTIG beneficiaries have incomes that are at 50 percent or less of the adjusted area median household income.

Each application must contain documentation of how the proposed activity will principally benefit the targeted income group. Different activities can have TIG benefit documented in a variety of ways; therefore, refer to the activity appendix in this NOFA for the proposed activity regarding how to provide the proper documentation. Failure to adequately document the level of TIG benefit for the proposed activity may result in denial of the funds.

#### B. Housing

At least 51 percent of the State CDBG allocation must be used to provide or improve housing opportunities for the TIG. Construction of public improvements directly related to providing or improving housing opportunities for the TIG will meet this requirement.

C. CDBG Compliance of Housing Element

During the initial stage of application review, CDBG will not reject an application based on either the content of the housing element or the Department's findings on the element, except as may otherwise be provided in Section 50830 of the Health and Safety Code. If there is a question about the CDBG compliance status of the jurisdiction's housing element, call Paul McDougall of the Housing Policy Development Division at (916) 322-7995, prior to submitting an application to verify the status of the housing element.

The requirements for awarding of grant funds are in Section 7056(b) (1) of the Program's regulations. Housing element compliance requirements are in the Government Code, Title 7, Division 1, Chapter 3, Article 10.6, beginning with Section 65580.

D. Growth Control

Pursuant to Health and Safety Code Section 50830, no city or county is eligible to receive CDBG funds if the city or county has adopted a general plan, ordinance, or other measure that directly limits, by number, the building permits that may be issued for residential construction or the building lots that may be developed for residential purposes. If there is a question about a local policy that may meet this criteria, call Paul McDougall of the Housing Policy Development Division at (916) 322-7995, prior to submitting an application, to find out if the local housing restrictions qualify. However, this provision shall not be applicable to:

1. An ordinance adopted by a city or county that does any of the following:
  - a. Imposes a moratorium to protect the public health and safety on residential construction for a specified period of time if, under the terms of the ordinance, the moratorium will cease when the public health and safety is no longer jeopardized by the construction;
  - b. Creates agricultural preserves under Chapter 7 (commencing with Section 51200) of Part 2 of Division 1 of Title 5 of the Government Code;  
or
  - c. Was adopted pursuant to a specific requirement of a state or multi-state board, agency, department, or commission; or

- d. A city or county that has an adopted housing element that the Housing Policy Development Division has found to be in compliance with State Housing Element Law (Article 10.6 of the Government Code) at the time the city or county applies for funds under the State CDBG Program, unless a final court order has found that such housing element is not in compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

E. Performance Criteria

The CDBG Program staff will review and evaluate performance with prior grants to ensure that the jurisdiction has demonstrated compliance with CDBG requirements. In addition, the jurisdiction's capacity to administer the proposed activity(ies) will be reviewed and evaluated as a separate component of the application scoring.

F. Serious Need

The Program staff will review and evaluate the need for all activities to ensure that the funding addresses the most serious community development needs.

**16. PUBLIC HEARINGS**

CDBG regulations (Title 24 CFR, Part 570.486 (5)) require that a minimum of two public hearings (program design and application submittal) be held before the jurisdiction submits an application to the Department. The Department recommends that the hearings be noticed at a minimum of 10 days prior to the hearing date. The program design hearing should be held at least 30 days prior to the application submittal hearing. The application submittal hearing must be held before the local governing body and prior to the application being submitted to the Department. See Appendices C and D for sample public notices for program design and application submittal hearings. The CDBG Program staff will monitor all funded applications for this requirement, including appropriate documentation to evidence citizen participation.

**17. PUBLIC RECORDS ACT**

Applications and grant agreements are public information and are available for review upon request. Applicants are advised that information submitted to the Department may be made available to the public under the Public Records Act unless an exemption under this Act applies to the information submitted and the applicant establishes a valid claim of confidentiality under such exemption.

## **18. RELOCATION AND ANTI-DISPLACEMENT REQUIREMENTS**

The federal regulations relating to relocation and anti-displacement require grantees receiving any CDBG funds, regardless if the activity will cause displacement or not, to certify that they have made public and adopted a proper anti-displacement and relocation plan. An acceptable plan and certification form will be required as a special condition for funding.

Jurisdictions that receive federal funds in the form of a CDBG grant are required to inform all potentially affected persons, prior to submitting an application for CDBG assistance, of the possibility for relocation as a result of the federally funded project. Potentially affected person must also be informed of their rights to relocation assistance in the event relocation is triggered by the funded activity. This noticing requirement can be performed using a properly completed General Information Notice (GIN). The GIN can be found in the U.S. Department of Housing and Urban Development's (HUD) relocation handbook 1378.

Applicants engaging in project-specific activities that may or will cause the relocation and displacement of persons must also provide a project-specific relocation plan. This plan must outline how they will manage the relocation and displacement activities for the project and estimate what relocation benefits will be required. When operating a single-family rehabilitation or acquisition program, which could cause temporary relocation of persons, the applicant must also provide a locally adopted temporary relocation plan that outlines relocation benefits for owner occupants and tenants.

## **19. PROCUREMENT**

All grantees must comply with federal procurement requirements. The Department will monitor the procurement processes for goods and services to ensure compliance with these federal requirements including equal opportunity provisions.

## **20. FEDERAL DEBARMENT AND SUSPENSION**

Pursuant to Title 24 Code of Federal Regulations, Part 24, all CDBG grantees are required to verify that any/all persons, contractors, consultants, businesses, sub-recipients, etc. that are conducting business with the grantee (including the city/county) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntary excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction. Grantees must check the Excluded Parties Listing System at (website: [www.epls.gov](http://www.epls.gov)), print a copy of the screen results, and maintain this evidence of the search results.

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**APPENDIX A**

**Eligible CDBG Jurisdictions with TIG and Poverty Percentages**

<b><u>JURISDICTION</u></b>	<b><u>TIG %<sup>1</sup></u></b>	<b><u>POVERTY %</u></b>	<b><u>GENERAL REPRESENTATIVE</u></b>	<b><u>TELEPHONE</u></b>
<b>Alpine County</b>	<b>42.8</b>	<b>19.5</b>	Sharon Hoshiyama	(916) 319-8100
<b>Amador County</b>	<b>39.1</b>	<b>9.2</b>	Sharon Hoshiyama	(916) 319-8100
Amador	47.8	22.9		
Ione	45.8	11.0		
Jackson	44.2	8.3		
Plymouth	49.2	10.4		
Sutter Creek	35.5	7.8		
<b>Butte County</b>	<b>43.9</b>	<b>19.8</b>	John Burke	(916) 319-8109
Biggs	45.6	17.5		
Gridley	56.1	23.3		
Oroville	62.1	33.1		
<b>Calaveras County</b>	<b>38.0</b>	<b>11.8</b>	Harry Faris	(916) 319-8444
Angels	45.0	13.0		
<b>Colusa County</b>	<b>43.2</b>	<b>16.1</b>	Joann Gonzales	(916) 323-1454
Colusa	37.4	17.2		
Williams	51.0	19.2		
<b>Del Norte County</b>	<b>49.0</b>	<b>20.2</b>	Linda Boyle	(916) 319-8065
Crescent	63.5	34.6		

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**Eligible CDBG Jurisdictions with TIG and Poverty Percentages**

<b><u>JURISDICTION</u></b>	<b><u>TIG %<sup>1</sup></u></b>	<b><u>POVERTY %</u></b>	<b><u>GENERAL REPRESENTATIVE</u></b>	<b><u>TELEPHONE</u></b>
<b>El Dorado County</b>	<b>34.3</b>	<b>7.1</b>	Harry Faris	(916) 319-8444
Placerville	50.4	12.1		
South Lake Tahoe	56.1	12.5		
<b>Fresno County<sup>2</sup></b>			Linda Boyle	(916) 319-8065
Firebaugh	62.6	22.5		
Huron	72.2	39.4		
Orange Cove	74.0	44.5		
Parlier	73.1	36.0		
San Joaquin	73.9	34.6		
<b>Glenn County</b>	<b>48.1</b>	<b>18.1</b>	Joann Gonzales	(916) 323-1454
Orland	55.8	19.0		
Willows	52.4	24.6		
<b>Humboldt County</b>	<b>45.5</b>	<b>19.5</b>	Linda Boyle	(916) 319-8065
Arcata	55	32.2		
Blue Lake	45.4	11.1		
Eureka	54.0	23.7		
Ferndale	30.1	7.1		
Fortuna	45.2	17.4		
Rio Dell	48.1	23.1		
Trinidad	30.8	8.8		

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**Eligible CDBG Jurisdictions with TIG and Poverty Percentages**

<u>JURISDICTION</u>	<u>TIG %<sup>1</sup></u>	<u>POVERTY %</u>	<u>GENERAL REPRESENTATIVE</u>	<u>TELEPHONE</u>
<b>Imperial County</b>	<b>51.7</b>	<b>22.6</b>	Leticia Cortez	(916) 552-9357
Brawley	51.7	26.6		
Calexico	59.3	25.7		
Calipatria	54.2	24.2		
Holtville	45.8	18.2		
Imperial	27.9	11.6		
Westmorland	60.8	27.2		
<b>Inyo County</b>	<b>42.0</b>	<b>12.6</b>	Sharon Hoshiyama	(916) 319-8100
Bishop	53.5	16.3		
<b>Kern County</b>	<b>60.3</b>	<b>20.8</b>	Linda Boyle	(916) 319-8065
Delano	61.8	28.2		
McFarland	70.1	35.2		
Taft	42.4	17.5		
Wasco	58.2	27.5		
<b>Kings County</b>	<b>48.9</b>	<b>19.5</b>	Diane Moroni	(916) 552-9349
Avenal	61.8	30.7		
Corcoran	54.9	26.9		
Lemoore	38.1	13.4		
<b>Lake County</b>	<b>49.3</b>	<b>17.6</b>	Joann Gonzales	(916) 323-1454
Clearlake	67.6	28.6		
Lakeport	44.8	15.7		
<b>Lassen County</b>	<b>41.1</b>	<b>14.0</b>	Stoyan Elitzin	(916) 319-9398
Susanville	39.3	14.3		

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**Eligible CDBG Jurisdictions with TIG and Poverty Percentages**

<b><u>JURISDICTION</u></b>	<b><u>TIG %<sup>1</sup></u></b>	<b><u>POVERTY %</u></b>	<b><u>GENERAL REPRESENTATIVE</u></b>	<b><u>TELEPHONE</u></b>
<b>Los Angeles County<sup>2</sup></b>			Leticia Cortez	(916) 552-9357
Artesia	40.2	11.5		
Avalon	42	10.4		
Hidden Hills	6.5	3.5		
Industry	43.7	14.5		
Palos Verdes Estates	8.3	2.2		
Vernon	16.0	0.0		
<b>Madera County</b>	<b>39.9</b>	<b>21.4</b>	Sharon Hoshiyama	(916) 319-8100
Chowchilla	48.9	19.2		
<b>Mariposa County</b>	<b>39.1</b>	<b>14.8</b>	Sharon Hoshiyama	(916) 319-8100
<b>Mendocino County</b>	<b>41.2</b>	<b>15.9</b>	Robert Jones	(916) 323-1475
Fort Bragg	51.4	20.4		
Point Arena	56.6	26.0		
Ukiah	46.5	18.1		
Willits	50.1	14.5		
<b>Merced County</b>	<b>43.9</b>	<b>21.7</b>	John Burke	(916) 319-8109
Atwater	43.5	18.7		
Dos Palos	50.8	22.8		
Gustine	40.4	16.9		
Livingston	55.1	25.2		
Los Banos	35.3	12.1		
<b>Modoc County</b>	<b>49.6</b>	<b>21.5</b>	Stoyan Elitzin	(916) 552-9398
Alturas	54.6	27.1		

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**Eligible CDBG Jurisdictions with TIG and Poverty Percentages**

<b><u>JURISDICTION</u></b>	<b><u>TIG %<sup>1</sup></u></b>	<b><u>POVERTY %</u></b>	<b><u>GENERAL REPRESENTATIVE</u></b>	<b><u>TELEPHONE</u></b>
<b>Mono County</b>	<b>38.1</b>	<b>11.5</b>	Sharon Hoshiyama	(916) 319-8100
Mammoth Lakes Town	39.5	14.4		
<b>Monterey County</b>	<b>39.7</b>	<b>13.5</b>	Diane Moroni	(916) 552-9349
Carmel-by-the-Sea	26.7	6.6		
Del Rey Oaks	19.8	5.0		
Gonzales	55.0	20.2		
Greenfield	67.8	21.6		
King	63.3	20.8		
Marina	44.0	13.1		
Pacific Grove	29.7	5.4		
Sand	63.7	27.9		
Soledad	58.1	18.4		
<b>Napa County</b>	<b>37.6</b>	<b>8.3</b>	Jo Ann Jacobs	(916) 552-9358
American Canyon	39.8	8.8		
Calistoga	58.1	8.0		
St. Helena	38.0	6.4		
Yountville	41.5	7.3		
<b>Nevada County</b>	<b>38.4</b>	<b>8.1</b>	Joann Gonzales	(916) 323-1454
Grass Valley	62.5	14.9		
Nevada	45.9	7.9		
Truckee town	27.6	4.6		
<b>Orange County<sup>2</sup></b>			Joann Gonzales	(916) 323-1454
San Juan Capistrano	40.3	10.7		

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**Eligible CDBG Jurisdictions with TIG and Poverty Percentages**

<u>JURISDICTION</u>	<u>TIG %<sup>1</sup></u>	<u>POVERTY %</u>	<u>GENERAL REPRESENTATIVE</u>	<u>TELEPHONE</u>
<b>Placer County</b>	<b>30.0</b>	<b>5.8</b>	Sharon Hoshiyama	(916) 319-8100
Auburn	33.6	6.0		
Colfax	52.0	12.0		
Lincoln	45.0	12.4		
Loomis town	32.2	3.4		
Rocklin	23.7	4.5		
<b>Plumas County</b>	<b>41.5</b>	<b>13.1</b>	Harry Faris	(916) 319-8444
Portola	53.7	20.3		
<b>Riverside County<sup>2</sup></b>			Joann Gonzales	(916) 323-1454
Calimesa	44.0	12.2		
Coachella	70.8	28.9		
Indian Wells	17.0	3.4		
Rancho Mirage	26.0	5.9		
<b>San Benito County</b>	<b>41.4</b>	<b>10.0</b>	Diane Moroni	(916) 552-9349
Hollister	43.3	9.5		
San Juan Bautista	53.7	15.5		
<b>San Luis Obispo County<sup>2</sup></b>			Harry Faris	(916) 319-8444
Morro Bay	49.9	13.0		
Pismo Beach	37.1	9.0		
<b>Santa Barbara County<sup>2</sup></b>			John Burke	(916) 319-8109
Guadalupe	68.2	25.0		

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**Eligible CDBG Jurisdictions with TIG and Poverty Percentages**

<b><u>JURISDICTION</u></b>	<b><u>TIG %<sup>1</sup></u></b>	<b><u>POVERTY %</u></b>	<b><u>GENERAL REPRESENTATIVE</u></b>	<b><u>TELEPHONE</u></b>
<b>Santa Cruz County</b>	<b>36.6</b>	<b>11.9</b>	Harry Faris	(916) 319-8444
Capitola	44.1	7.0		
Scotts Valley	26.9	2.5		
<b>Shasta County</b>	<b>42.4</b>	<b>15.4</b>	Stoyan Elitzin	(916) 552-9398
Anderson	59.3	28.3		
Shasta Lake	53.3	20.1		
<b>Sierra County</b>	<b>38.1</b>	<b>11.3</b>	Harry Faris	(916) 319-8444
Loyalton	42.2	18.1		
<b>Siskiyou County</b>	<b>47.1</b>	<b>18.6</b>	Stoyan Elitzin	(916) 552-9398
Dorris	67.8	19.1		
Dunsmuir	61.3	19.3		
Etna	52.9	19.7		
Fort Jones	56.2	26.0		
Montague	59.9	24.2		
Mount Shasta	46.5	19.4		
Tulelake	60.3	34.6		
Weed	56.4	23.9		
Yreka	48.0	21.2		
<b>Solano County</b>	<b>34.5</b>	<b>8.3</b>	Robert Jones	(916) 323-1475
Benicia	26.1	4.3		
Dixon	41.6	8.1		
Rio Vista	45.7	10.2		
Suisun	33.4	6.5		

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**Eligible CDBG Jurisdictions with TIG and Poverty Percentages**

<b><u>JURISDICTION</u></b>	<b><u>TIG %<sup>1</sup></u></b>	<b><u>POVERTY %</u></b>	<b><u>GENERAL REPRESENTATIVE</u></b>	<b><u>TELEPHONE</u></b>
<b>Stanislaus County<sup>2</sup></b>			John Burke	(916) 319-8109
Hughson	43.9	19.1		
Riverbank	35.6	12.3		
<b>Sutter County</b>	<b>34</b>	<b>15.5</b>	Robert Jones	(916) 323-1475
Live Oak	57.6	30.2		
<b>Tehama County</b>	<b>47.4</b>	<b>17.3</b>	Joann Gonzales	(916) 323-1454
Corning	53.7	26.3		
Red Bluff	54.4	21.1		
Tehama	50.2	16.6		
<b>Trinity County</b>	<b>48.9</b>	<b>18.7</b>	Robert Jones	(916) 323-1475
<b>Tulare County</b>	<b>56.7</b>	<b>23.9</b>	Jo Ann Jacobs	(916) 552-9358
Dinuba	55.6	26.2		
Exeter	47.4	19.4		
Farmersville	63.0	30.7		
Lindsay	67.2	39.9		
Woodlake	69.5	36.8		
<b>Tuolumne County</b>	<b>37.6</b>	<b>11.4</b>	Harry Faris	(916) 319-8444
Sonora	50.6	16.9		
<b>Yolo County</b>	<b>53.3</b>	<b>18.4</b>	Diane Moroni	(916) 552-9349
West Sacramento	60.2	22.3		
Winters	40.2	5.0		
<b>Yuba County</b>	<b>51.6</b>	<b>20.8</b>	John Burke	(916) 319-8109
Marysville	52.3	18.9		
Wheatland	45.5	19.8		

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## APPENDIX B

### ELIGIBLE ACTIVITIES

#### A. **IMPORTANT CONSIDERATIONS – all activities**

1. Site Acquisition Costs: Applicants are not required to have site control at the time of application (option to purchase). However, site control will be a special condition of a grant award and will need to be obtained within the first 90 days of the grant. Jurisdictions will not be able to use CDBG funds to repay any acquisition costs (for example, bridge loans) incurred prior to the date the state contract is executed and all special conditions have been met.
2. Project Completion: All activities must be completed prior to the expiration date of the CDBG Grant Agreement, regardless of any other funding sources in the project.
3. Other Financing: Applicants are not required to have other project financing committed at the time of application. However, the commitment of other financing will be a specified condition of releasing any CDBG project funds. For assessment district formation, applicants must demonstrate that the assessment has passed by a vote of the local residents.
4. Displacement: Pursuant to Title 24 CFR, Part 570.606, grantees must ensure that all reasonable steps have been taken to minimize the displacement of persons as a result of activities assisted with CDBG funds. Jurisdictions that receive federal funds in the form of a CDBG grant are required to inform all potentially affected persons, prior to submitting an application for CDBG assistance, of the possibility for relocation as a result of the federally funded project. Potentially affected person must also be informed of their rights to relocation assistance in the event relocation is triggered by the funded activity. This noticing requirement can be performed using a properly completed General Information Notice (GIN). The GIN can be found in the U.S. Department of Housing and Urban Development's (HUD) relocation handbook 1378.
5. Federal and State Prevailing Wage Rates: If CDBG funds are used to pay for any construction costs (in excess of \$2,000), or for a project of more than eight rental units, the entire construction contract is subject to federal prevailing wage rates. Refer to Chapter 5 of the CDBG Grant Management Manual.

6. **NEPA Choice Limiting Actions:** If CDBG funds will be expended on the purchase of real property or construction work on a site, the applicant must make a choice limiting action, as defined under the National Environmental Policy Act (NEPA), prior to obtaining release of CDBG funds for each proposed activity. Choice limiting actions include executing a sales contract for purchase of land (however, an option to purchase is acceptable) or executing a construction contract prior to State CDBG release of funds.
  
7. **Targeted Income Group (TIG) Benefit:** For public facility, public improvement, and public service activities, the Department will award full points for applicants demonstrating 90 percent or more TIG benefit. When addressing a neighborhood or community-wide health and safety problem, benefit is generally provided to all the residents of a geographic area or all users of the public facility/service. Typically, only a portion of the beneficiaries of such an activity are TIG households, unless the target area is extremely depressed. Lowered benefit will not necessarily prevent an application from being funded.

For housing rehabilitation, first-time homebuyer assistance, and housing new construction activities, the applicant must obtain 100 percent TIG benefit (income restricted).

*Note: Assessments may be paid by CDBG only if the unit is owned and occupied by a TIG household; therefore, these activities have 100 percent TIG benefit.*

**Beneficiaries with Presumed 100 percent TIG Benefit:**

**Limited clientele:** Abused children  
Homeless persons  
Illiterate adults  
Persons living with AIDS  
Battered spouses  
Migrant farm workers  
Severely disabled adults

**Beneficiaries with Presumed 51 percent TIG benefit:**

Seniors (over 65 years old)

8. Methods for Determining Area TIG Benefit: Applicants may use 2000 HUD low- and moderate-income data by census tract and census block group to document low income benefit of the area where the services will be provided. See Appendix B, 2007 income limits, in the 2008 application, for a link to the HUD website with this information. If this data is not available for the proposed area of benefit, the applicant can use a household income survey to document the TIG benefit for proposed activity. See Appendix A in the 2008 application for sample survey form and methodology. If the applicant proposing to use some other source of information to document TIG benefit, it is recommended that the applicant contact the CDBG program representative to ensure it is acceptable prior to submittal of the application.
  
9. Supplemental Information: If the applicant has extraordinary local circumstances related to housing stock conditions that are not documented by the local housing element or census data sources, the applicant may provide supplemental information in brief narrative format (attaching support documentation). For example, a recently conducted housing survey which has not been incorporated into a housing element but supplements the census data would be sufficient. Documentation of a recent disaster that created a higher need for the proposed program would be acceptable. Also, if the applicant is proposing to work in a specific target area, the Department will accept 2000 census data at the Census Block Group level for the target area(s).



**HOUSING ACQUISITION and/or  
REAL PROPERTY ACQUISITION**

**A. ELIGIBLE ACTIVITIES**

Housing Acquisition: The purchase of existing permanent housing, including the costs of any rehabilitation, to be occupied by owners or renters, including the following activities:

1. Acquisition of existing rental housing, the majority of units of which are occupied. This includes acquisition of rental housing projects with at-risk project-based subsidies, by the recipient or other public or private nonprofit entity; *References: Title 24 CFR, Part 570.201(a) and Title 24 CFR, Part 570.208(a)(3);*
2. Homebuyer assistance programs that provide direct assistance to targeted income group homebuyers for the acquisition of existing or new units; *Reference: Title 24 CFR, Part 570.201(n); and*
3. Resident-purchase of mobile home parks. *Reference: Title 24 CFR, Part 570.201(n)*

Real Property Acquisition: The purchase of real property which will result in complying with one of the national objectives (primarily, low to moderate targeted income group benefit). Eligible activities include the following:

4. The acquisition of land for use as a park serving primarily a residential neighborhood that is predominantly low to moderate income.
5. The acquisition of a building that will be converted into an eligible public/private facility that serves a minimum of 51 percent low to moderate income. (For example, a homeless shelter, a food kitchen, center for disabled persons, a wellness clinic, etc.)
6. The acquisition of real property (including, air rights, water rights, easements, rights-of-way, and other interests therein) which is:
  - a. Blighted, deteriorated, deteriorating, undeveloped or inappropriately developed from the standpoint of sound community development and growth;
  - b. Appropriate for rehabilitation or conservation activities;
  - c. To be used for the provisions of public works, facilities, and activities eligible for assistance under this title; or
  - d. To be used for other eligible public purposes.

*Reference: Section 105(a)(1) of the Housing and Community Development Act of 1974.*

## **B. COMMUNITY NEED SCORING**

The Department will assess the need for the housing acquisition activity based on the following indicators:

- Jurisdiction's rental unit vacancy rate from the 2000 census (or a local survey) or the homeownership rate from the 2000 census, as applicable for the type of project proposed;
- Percentage of renters who are overpaying based on the 2000 census; and
- Percentage of overcrowding based on the 2000 census.

The Department will assess the need for the real property acquisition activity based on the following indicators:

- Jurisdiction's rental unit vacancy rate from the 2000 census (or a local survey) or the homeownership rate from the 2000 census, as applicable for the type of project proposed;
- Percentage of renters who are overpaying based on the 2000 census, as applicable to type of project proposed;
- Percentage of overcrowding based on the 2000 census, as applicable to the type of project proposed; and
- The demonstrated need for the proposed activity, based on the documentation that is submitted.

## **HOUSING REHABILITATION**

### **A. ELIGIBLE ACTIVITIES**

CDBG funds may be used for the following activities:

1. Financing of the costs of repairs and general property improvements to owner- and renter-occupied units, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system).
2. Demolition and reconstruction of dwelling units (under certain circumstances).
3. Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds if such financing is determined by the grantee to be necessary or appropriate to achieve the locality's community development objectives.
4. Water or sewer laterals when located on private property. The work is typically done by a licensed contractor, but the program will allow the use of sweat equity or an owner acting as the contractor, with certain provisions.
5. Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, wall and attic insulation, and conversion/modification/replacement of heating and cooling equipment, including the use of solar energy equipment.
6. Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and the repair of water leaks.
7. Initial homeowner warranty premiums when rehabilitation is carried out with CDBG funds.
8. Hazard insurance premiums when rehabilitation is carried out with CDBG funds, except where assistance is provided in the form of a grant.
9. Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973 and for which the rehabilitation is carried out with CDBG funds.
10. Conversion of commercial properties into housing units.
11. Conversion of a non-residential structure (closed school building, closed military facility, etc.) to residential (adaptive reuse).

*Reference: Title 24 CFR, Part 570.202*

### **B. PROHIBITED ACTIVITIES**

Rehabilitation does **not** include;

- Rehabilitation of a secondary housing unit attached to a primary unit;
- Installation of luxury items, such as a swimming pool;
- Costs of equipment, furnishings, or other personal property not as integral structural fixture, such as:
  - a window air conditioner; or
  - a washer or dryer (but a stove or refrigerator is allowed); or
- Labor costs for homeowners to rehabilitate their own property.

## **C. COMMUNITY NEED SCORING**

The Department will use several need indicators:

- Age of housing stock (pre-1970) based on 2000 census data;
- Percentage of overcrowding based on 2000 census data;
- Percentage of units needing rehabilitation based on data in the jurisdiction's adopted housing element. If proposing activities in a target area, a local survey of the target area is acceptable if the data is more recent than the housing element data and less than five years old, and provides supporting documentation of the need.

## **PUBLIC FACILITIES**

### **A. ELIGIBLE ACTIVITIES**

- Eligible Activities: This activity generally refers to the acquisition, rehabilitation, or new construction of buildings and grounds used for public purposes such as training, health services, education, recreation, nutrition, shelter, day care, temporary housing, and fire protection.
- Temporary Housing: To be eligible as a public facility, housing related activities must be designed for use in providing shelter for persons having special needs. Such shelters would include, but not be limited to, nursing homes, convalescent homes, shelters for victims of domestic violence, shelters and transitional facilities for the homeless, halfway houses for runaway children or drug offenders or parolees, group homes for the developmentally disabled and seasonal housing for migrant farm workers.

Costs for design features which promote the energy efficiency of the proposed public facility activity may be included.

### **B. INELIGIBLE ACTIVITIES**

- Buildings used for the general operation of local government are not eligible as public facilities, except that the removal of architectural barriers from such buildings is an eligible activity.
- The costs of maintaining or operating a public facility are not eligible as a public facility activity but may be eligible as a public service activity.
- Refinancing loans on existing public facility buildings is not an eligible use of CDBG funds unless the refinancing takes place in conjunction with the rehabilitation of the building.
- Permanent housing is not eligible.

### **C. OTHER CONSIDERATIONS**

Use Limitation Agreement: For property acquired or improved in whole or in part using CDBG funds in excess of \$25,000, a use limitation agreement will be required to be in effect for at least five years after the closeout of the CDBG contract. *Reference: Title 24 CFR, Part 570.505(a)*

Section 504 Compliance: Obtain certificate of compliance from the architect documenting that the facility meets Section 504 accessibility requirements. *Reference: Section 504 of the Rehabilitation Act of 1973*

**D. COMMUNITY NEED SCORING**

The Department will assess the need for these activities based on:

- the severity of the problem being addressed, and
- the extent to which the proposed action will address the problem.

The most competitive applications will address a serious threat to the health, safety or well-being of the proposed beneficiaries. Such documentation could include, but not be limited to, waiting list information and data from government agencies. In rating and ranking these proposed activities, the Department will assign points based on the relative severity of problems among all applications.

## **PUBLIC IMPROVEMENTS**

### **A. ELIGIBLE ACTIVITIES**

Eligible activities: Eligible activities include the costs of acquisition, construction, or installation of a public improvements project and site or other improvements, including water and sewer facilities, flooding and drainage facilities, utilities, and flood control.

### **B. COMMUNITY NEED SCORING**

The Department will assess need for these activities based on:

- the severity of the health and safety problem to be addressed; and
- the likelihood that the funds requested will substantially reduce or eliminate the problem.

Applicants with third-party documentation supporting the need may be more competitive. Such documentation could include but not be limited to: having a cease and desist order on the community; ranking order on other agencies' future funding lists; and orders from government agencies. In rating and ranking these proposed activities, the Department will assign points based on the relative severity of problems among all applications. The most competitive applications will include documentation that funding for long-term operation and maintenance of the system has been provided for through a structured rate schedule.



**PUBLIC IMPROVEMENTS in support of  
Housing New Construction**

**A. ELIGIBLE USES**

1. Support Costs: CDBG funds can be used for public improvements in support of housing new construction projects. The following are eligible uses of CDBG funds in conjunction with the actual construction of new permanent housing:
  - a. Site improvements to publicly-owned land to enable the property to be used for the new construction of housing, provided the improvements are undertaken while the property is still in public ownership.  
*Reference: Title 24 CFR, Part 570.201(c);*
  - b. Off-site improvements such as utilities, streets, curbs and gutters, sidewalks, parks, and recreation facilities, only where specifically required as condition of project approval. *Reference: Title 24 CFR, Part 570.201(c)*
3. Project Completion: For public improvements in support of housing new construction, the construction of all housing units must be completed and the housing must be occupied (regardless of any other funding sources in the project) prior to the expiration of the CDBG Grant Agreement. Note: Current CDBG policy allows for grant agreements to be for 60 months for this type of activity in order to allow for TIG benefit; however, all CDBG funds must be expended within the first 30 months of the contract.

**B. COMMUNITY NEED SCORING**

The Department uses several need indicators, as follows:

- Need for new units, based on the jurisdiction's vacancy rate for the tenancy type proposed, taken from the 2000 census or a local survey;
- Percentage of renters who are overpaying based on the 2000 census;
- Rate of overcrowding based on the 2000 census;
- Project demand, based on a *project-specific* waiting list or market study; and
- Need for new low- and very low-income units, based on the Regional Housing Needs Allocation (RHNA), as a percentage of the current number of units in the jurisdiction.



## **PUBLIC SERVICES**

### **A. ELIGIBLE ACTIVITIES**

Eligible Activities: Under this category, CDBG funds may be used to provide public services including labor, supplies, materials, and other costs. Funding operating and maintenance cost in the facility providing the service is allowed under this category. Public services include, but are not limited to:

- child care
- health care
- crime prevention
- job training
- recreation programs
- education programs
- fair housing counseling
- credit counseling services
- public safety services
- services for senior citizens
- services for homeless persons
- drug and alcohol abuse counseling and testing
- transportation services
- nutrition services
- energy conservation counseling and testing
- emergency assistance payments

### **B. RESTRICTIONS ON THE USE OF CDBG FUNDS FOR PUBLIC SERVICES ACTIVITIES**

Federal regulations restrict the use of CDBG funds for public services by the following:

1. The service must be new in that it has not provided or has been discontinued more than 12 months prior to the date the final filing date of the application. Public services currently funded with CDBG grant funds are not subject to this rule and are considered eligible activities; or
2. The proposed service must be a quantifiable increase in the level of service over the past 12 months. (Unless an otherwise imminent decrease in level is found not to be caused by local governmental action.)

3. Additionally, the State CDBG allocation for public services cannot exceed 15 percent of the total award to the state in that year (determined by the Department).
4. CDBG funds may not be used to provide on-going grants or non-emergency aid (more than three months) to individuals for their food, clothing, rent, utilities, or other income payments.

### **C. COMMUNITY NEED SCORING**

The Department will assess the need for these activities based on:

- the severity of the problem being addressed; and
- the extent to which the proposed action will solve the problem.

The most competitive applications will address a serious threat to the health, safety or well-being of the proposed beneficiaries. Applications with quantitative third-party documentation of the problem may be more competitive. Such documentation could include, but not be limited to, waiting list information and data from government agencies. In rating and ranking these proposed activities, the Department will assign points based on the relative severity of problems among all applications.

## **HOUSING NEW CONSTRUCTION**

### **A. ELIGIBLE USES**

1. **Support Costs:** CDBG funds can be used for actual construction costs in certain specific cases (see 2. below). The following are eligible uses of CDBG funds in conjunction with the actual construction of new permanent housing:

a. Activity Costs:

1. Acquisition of sites by the recipient or other public or private nonprofit entity; *Reference: Title 24 CFR, Part 570.201(a);*
2. Clearance of sites; *Reference: Title 24 CFR, Part 570.201(d);*
3. Actual construction costs or site improvements under limited circumstances (see 2., below). *References: Title 24 CFR, Part 570.201 (c) and Section 105 (a)(15) of Title 1 of the HCD Act of 1974; and*

b. Soft Costs:

1. Site and utility plans, narrative descriptions of the proposed construction, preliminary cost estimates, urban design documentation, and “sketch drawings,” but excluding architectural, engineering, and other details ordinarily required for construction purposes; *Reference: Title 24 CFR, Part 570.206(g)(2);*
2. Applications for funding; *Reference: Title 24 CFR, Part 570.206(g)(3); and*
3. Application processing fees for specified programs; *Reference: Title 24 CFR, Part 570.206(g) (4).*

**Note:** Soft costs can be funded as a part of the new construction cost if in support of new housing development.

2. **Construction Costs:** CDBG funds may be used for on-site construction costs of new housing only under the following limited circumstance:

- a. Construction of last resort housing when a jurisdiction is providing a displaced person with a comparable replacement dwelling unit and this can only be accomplished by new construction. Last resort housing provisions are set forth in federal regulations Title 24 CFR, Part 42, Subpart I. Documenting efforts to relocate individuals must be submitted with the application if last resort housing or displacement is part of a new construction proposal; *Reference: Title 24 CFR, Part 570.207(b)(3)(i); or*

3. Project Completion: Construction of all housing units must be completed and the housing must be occupied prior to the expiration of the CDBG Grant Agreement. Note: Current CDBG policy allows for grant agreements to be for 60 months for this type of activity in order to allow for TIG benefit; however, all CDBG funds must be expended within the first 30 months of the contract.
4. Other Activities: The following eligible use of CDBG funds is evaluated as a housing new construction activity:
  - a. Acquisition of permanent rental housing, the majority of which is unoccupied, including any rehabilitation. *Reference: Title 24 CFR, Part 570.201(a);*

Note: Conversion of a non-residential structure to residential (adaptive reuse) is not generally considered to constitute a new construction activity and is eligible under Housing Rehabilitation.

## **B. PROHIBITED ACTIVITIES**

With the exception of activity described in 2.a. above, the construction of new housing with State CDBG funds is generally not an eligible activity. HUD Regulations (Title 24 CFR, Part 570.207(b) (3)) state the following: "Block grants may not be used for the construction of new permanent residential structures or any program to subsidize or finance new construction." Generally, CDBG funds activities in support of new housing construction projects, which are eligible under Public Improvements.

## **C. COMMUNITY NEED SCORING**

The Department uses several need indicators, as follows:

- Need for new units, based on the jurisdiction's vacancy rate for the tenancy type proposed, taken from the 2000 census or a local survey;
- Percentage of renters who are overpaying based on the 2000 census;
- Rate of overcrowding based on the 2000 census;
- Project demand, based on a *project-specific* waiting list or market study; and
- Need for new low- and very low-income units, based on the Regional Housing Needs Allocation (RHNA), as a percentage of the current number of units in the jurisdiction.

## APPENDIX C

***In order to encourage meaningful citizen participation, it is recommended that the Program Design Hearing Notice be published at least 10 days prior to the hearing. It is also recommended to conduct the Program Design hearing at least 30 days prior to the Application Submittal hearing.***

### **SAMPLE NOTICE FOR THE PUBLIC HEARING HELD AT THE PROGRAM DESIGN PHASE**

#### **NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City of \_\_\_\_\_ will conduct a public hearing by the City Council on Monday, January 21, 2008, at 6:00 p.m. at the City Hall Conference Room, \_\_\_\_\_ Street, to discuss the Fiscal Year 2008-09 Community Development Block Grant (CDBG) Program for the General allocation and to solicit citizen input.

Maximum award limits for each CDBG allocation are specified in the Notice of Funding Availability (NOFA).

The dollar amount of General, Colonias, and Native American allocation funds available varies each year, and a grant from these allocations does not count toward any yearly caps under the Economic Development and Planning and Technical Assistance allocations of the CDBG Program.

The major activity categories are Housing-New Construction, Housing-Acquisition, Housing-Rehabilitation, Public Facilities, Public Services, Public Improvements, and Planning (for Colonias only) Activities. Projects funded with CDBG General, Native American, and/or Colonias Allocations must meet the National Objective of Benefit to Targeted Income Group (TIG) persons. The Economic Development Allocation can meet any of the three National Objectives, Benefit to Targeted Income Group (TIG) persons, elimination of slums and light, and meeting urgent community development needs.

The Community Development/Housing Department on behalf of the City of \_\_\_\_\_ anticipates applying for the maximum grant amounts as stated in each Notice of Funding Availability (NOFA) for the General, Colonias, Native American and Economic Development Components as well as the maximum grant amounts for the General and Economic Development Planning and Technical Assistance Components.

The purpose of the public hearing will be to provide citizens an opportunity to comment/recommend activities for preparation of a CDBG application. If you are unable to attend the public hearing, you may direct written comments to the City of \_\_\_\_\_, Community Development/Housing Department, \_\_\_\_\_ Street, \_\_\_\_\_, CA 9\_\_\_\_\_ or you may telephone \_\_\_\_\_. In addition, a public information file is available for review at the above address between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment/disability, or have a need for an interpreter, please contact \_\_\_\_\_ at \_\_\_\_\_ to arrange for those accommodations to be made.

The city/county promotes fair housing and makes all programs available to low- and moderate-income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.

## APPENDIX D

***In order to encourage meaningful citizen participation, it is recommended that the Application Submittal Hearing Notice be published at least 10 days prior to the hearing. It is also recommended that the Application Submittal hearing take place at least 30 after the Program Design hearing.***

### **SAMPLE NOTICE FOR PUBLIC HEARING HELD AT THE APPLICATION SUBMITTAL PHASE**

#### **NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City of \_\_\_\_\_ will conduct a public hearing by the City Council on Monday, March 10, 2008, at 6:00 p.m. at the City Hall Conference Room, \_\_\_\_\_ Street to discuss the Fiscal Year 2008-09 Community Development Block Grant (CDBG) General Allocation application and to solicit citizen input.

The Community Development/Housing Department on behalf of the City of \_\_\_\_\_ is applying for a grant amount of up to \$ (list application amount) under the General Allocation for (identify all activities in the application) to be performed within the (identify target areas).

The purpose of the public hearing is to provide citizens an opportunity to comment on the proposed activity(ies). If you are unable to attend the public hearing, you may direct written comments to the City of \_\_\_\_\_, Community Development/Housing Department, \_\_\_\_\_ Street, \_\_\_\_\_, CA 9\_\_\_\_\_ or you may telephone \_\_\_\_\_. In addition, a public information file is available for review at the above address between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment/disability, or have a need for an interpreter, please contact \_\_\_\_\_ at \_\_\_\_\_ to arrange for those accommodations to be made.

The city/county promotes fair housing and makes all programs available to low and moderate income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.



**STATE CDBG PROGRAM**  
**Request for Application *for***  
**2008-2009 General Allocation**

**Mail, fax or e-mail this Request Form to:**

Lynne Sekas, Program Administrative Assistant  
State Community Development Block Grant Program  
California Department of Housing and Community Development  
1800 Third Street, Suite 330  
Sacramento, CA 95811

FAX: (916) 327-8823      E-mail: lsekas@hcd.ca.gov

___	YES. Please send the <b>2008-09 CDBG General Application as follows:</b>	
___	___	Mail a paper copy.
___	___	Mail a compact disk copy
___	___	E-Mail an electronic copy: My E-Mail address is: _____

<b>Name:</b>	
<b>Organization:</b>	
<b>Address:</b>	
<b>City/State/Zip Code</b>	
<b>Telephone:</b>	
<b>FAX #:</b>	

**NOTE:** If you return this form and do not receive the requested form of Application within two weeks, please contact the CDBG Program Administrative Assistant at (916) 552-9363 or e-mail the CDBG Program at lsekas@hcd.ca.gov.