State Community Development Block Grant Program
Economic Development Allocation

NOTICE OF FUNDING AVAILABILITY

CALIFORNIA COMMUNITY ECONOMIC ENTERPRISE FUND COMPONENT
Fiscal Year July 1, 2009 through June 30, 2010

STATE OF CALIFORNIA
Department of Housing and Community Development
Division of Financial Assistance
State Enterprise and Economic Development Section (SEEDS)
Community Development Block Grant Program (CDBG)

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STATE OF CALIFORNIA

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SECTION 1

1.1 NOTICE OF FUNDING AVAILABILITY (NOFA)

The Department of Housing and Community Development (Department) announces the availability of approximately **$2.8 million** in State Community Development Block Grant (CDBG) funding. Eligible CDBG jurisdictions may submit an application for a maximum grant of **$300,000** from the 2009-2010 California Community Economic Enterprise Fund (Enterprise Fund) Component of the Economic Development Allocation.

Please contact your State Economic Development Representative (see Appendix A) if you have any questions about the NOFA. You may also contact MeLisa Adams, Program Administrative Assistant at (916) 552-9362 or visit the State Enterprise and Economic Development Section (SEEDS) website at http://www.hcd.ca.gov/fa/cdbg for additional information.

NOTE: *The Department reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such action occurs, the Department will notify all interested parties.*

Authorizing Legislation and Regulations

The CDBG Program is authorized by the Housing and Community Development Act of 1974 as amended, and Subpart I of the Federal Community Development Block Grant Regulations. The requirements of the State Program are found in the State CDBG Regulations, Title 25 of the California Code of Regulations, Section 7050, et seq.

Application Key Dates

NOFA Release	June 12, 2009
Application Release	June 12, 2009
Final Filing Date	**August 21, 2009**
Housing Element Compliance Deadline	October 28, 2009
Award Announcement	November 9, 2009

Response to this NOFA is due no later than 5:00 p.m. on August 21, 2009. Postmarks will not be accepted. Applications received after the deadline submission will not be accepted. Response to this NOFA and required copies must be submitted by mail or personal delivery to the following address:

State Community Development Block Grant Program
California Department of Housing and Community Development
1800 Third Street, Room 330, Sacramento, CA 95811
Attn: 2009-2010 Enterprise Fund Application

Note: Any documentation submitted that has been marked "Confidential" or "proprietary will not be accepted. All documents submitted in response to the NOFA will become the property of the Department and will be regarded as public record under California Public Records Act under Government Code Section 6250 st. seq., and subject to review or release to the public.

Please call (916) 552-9362 to have the Program Administrative Assistant accept your application if you are hand delivering your application to HCD.

Number of Copies

The Applicant will submit one (1) original and two (2) copies. Each original and copy should be placed in a three-ringed binder and index tabs must separate all sections in the application. **All pages in the Application must be numbered**.

Enterprise Fund Application Information

Enterprise Fund applications can be obtained in the following ways:

1. Contact your State Economic Development Representative (see Appendix B).

2. Contact the Program Administrative Assistant at (916) 552-9363 or via e-mail at madams@hcd.ca.gov.

3. Download an electronic version of the application via the HCD website at http://www.hcd.ca.gov/fa/cdbg/funds/.

The Enterprise Fund NOFA, and Application and Supplemental Information contain all the required instructions, information and forms to complete an application for submission by the applicant.

Enterprise Fund Application Workshops

The Department may conduct information workshops starting in late June 2009 at several locations throughout the State. Applicants will be notified about workshop dates, times, and locations via the HCD website and e-mail. If you want to be placed on, or are unsure whether you are on, the CDBG mail list, please contact your Economic Development Representative or the Program Administrative Assistant.

These workshops will be held after the release of the NOFA. Each workshop will include a presentation covering application preparation and staff will be present to answer questions. Prior to attending an Enterprise Fund Application Workshop, eligible applicants should review this NOFA and the application materials. Applicants are advised to bring these materials to the workshop.

Uses of Funds

Under the Enterprise Fund Component, CDBG grants are competitively awarded to jurisdictions. Jurisdictions may use the funds to support the following programs:

1. Business Assistance Loans
2. Microenterprise Technical Assistance and Loans

Activities that are eligible for funding are listed in Section 2 under Eligible Activities on page 5. The Department reserves grant funds for use by the grantees with individual funding decisions being made by the jurisdictions consistent with their application and CDBG program guidelines. Individual project funding decisions are made by the jurisdiction.

1.2 IMPORTANT INFORMATION FOR ALL APPLICANTS TO READ

Applicants should carefully read the following information regarding CDBG program guidelines and requirements that may affect your application:

1. Maximum award limits under both the Economic Development and General/Native American components will be determined on a yearly basis and announced in each year's NOFA. The 2009-2010 Enterprise Fund has set a maximum award limit of $300,000 per application.

2. Eligible applicants are CDBG jurisdictions (see Appendix B) who have not been notified by the State CDBG Program that they are ineligible to participate or are being "held-out" due to performance findings that have not been cleared/resolved by the jurisdiction for the year 2009. Jurisdictions should contact their CDBG Economic Development Representative if there are any questions regarding your eligibility or "hold-out" status.

3. Applicants may use CDBG funds to create a Façade Improvement Program under their Microenterprise Assistance Program. The purpose of the Façade Improvement Program is to allow eligible microenterprise businesses to use CDBG funds to improve the appearance of the exterior façade where the business is located. The goal of the resulting building façade improvements is to create a positive downtown business environment.

   Under this program a microenterprise business, with the consent of the property owner, may borrow CDBG funds to make exterior improvements to that part of a commercial building where the primary entrance to the business is located. Examples of exterior improvements that are eligible under this program include the following: painting the exterior façade, replacement/refurbishing of doors, windows, decorative stone, awnings, signage, and lighting. CDBG funds may not be used for improvements to the interior of the business or improvements to landscaping, sidewalks, or walkways. Also, improvements that fall under the American with Disabilities Act (ADA) is not an eligible use of funds. CDBG jurisdictions are responsible for developing guidelines defining what types of exterior façade improvements are eligible for funding and should contact the State CDBG Representative for questions.

   Applicants who wish to conduct a Façade Improvement Program will need to update their Microenterprise Program Guidelines and include a copy of the updated guidelines in their 2009-2010 Enterprise Fund Application. Applicants shall provide a description of the Façade Improvement Program that includes the program's structure, management and staffing; public noticing and reporting requirements; procedures for approving, documenting, closing, and servicing a façade loan transaction; and procedures for establishing and maintaining files for recordkeeping.

4. All applicants are required to submit a current local economic development plan (Plan) that will be used to evaluate, and rate and rank each applicant's application. <u>A Plan must have been locally adopted and is considered current if it is not older than 5 years old.</u>

   If a Plan is 5 years or older, the applicant must submit the most current Plan as well as a detailed narrative. The narrative must address (1) the specific need for CDBG funding that includes a description quantifying the current local economic conditions necessitating CDBG funds, and (2) quantify how CDBG funds will be used to support local economic development programs leading to the creation and/or expansion of businesses and jobs in the community.

5. Microenterprise Assistance Programs may only assist Targeted Income Group (TIG) clients with CDBG funds.

6. Jurisdictions must submit all business loans including microenterprise loans to the State for approval before funds may be disbursed by the jurisdiction. Jurisdictions making loans from a Program Income Revolving Loan Account must also submit their loans to the State for approval before funds may be disbursed.

7. Housing Element status will be confirmed with the Housing Policy Division. Jurisdictions not in compliance at that time will not be eligible to be awarded funds.

8. Under the Business Assistance activity, full back-up documentation of employee income is no longer required. Self Certifications are sufficient when prepared by the employee.

9. Each business provided assistance under the Business Assistance Activity must demonstrate that the assistance provided meets minimum federal public benefit standards. One job must be created or retained for every $35,000 of CDBG assistance. "Gap financing" is no longer a requirement for business loans.

10. Applicants are subject to various HUD overlay requirements. These include but are not limited to: citizen participation, environmental review, and procurement of services. Please refer to the application and the most recent CDBG Grant Management Manual for information on national objectives and HUD overlay requirements.

11. To participate in any CDBG program, the Department will require that all applicants/jurisdictions confirm they are not on the Federal Debarred List. The easiest way to check if your organization is not on a Federal Debarred list is to follow the following steps:

    - Go to the epls website: www.epls.gov
    - On the left hand side of the screen, click on Multiple Names
    - A message about searching will pop up. Check the box and close out the window.
    - In CAPS, enter the jurisdiction name with the word "AND" in between "CITY". For example, for the City of Los Banos, you would enter, '**CITY AND LOS BANOS'.** (Note: do not type CITY OF LOS BANOS, but 'CITY AND LOS BANOS').
    - Print out the message stating that "Your search returned no results" and include a printout in your application and in your CDBG file.

12. The federal government now requires businesses and organizations to provide a Dun & Bradstreet (D&B) Data Universal Numbering System (DUNS) number as part of their grant applications and proposals. The easiest way to get a DUNS number is to follow the following steps:

    - HUD recommends using the telephone request line to obtain a DUNS number. The following are basic steps to begin this process beginning with a telephone call. The telephone call to obtain a DUNS number takes approximately five to ten minutes, and a DUNS number will be assigned at the conclusion of the phone call. To call D&B, use the toll-free number for federal grant applicants: 1-866-705-5711.
    - For using the internet, jurisdiction's, businesses or organizations can register for a DUNS number at the D&B's website found at:

      (https://eupdate.dnb.com/requestoptions.asp). While at this site, go to the "Get Starting, Get a D-U-N-S Number" column on the left-hand side of the webpage and enter entity name, City, and State, which will take you to a second webpage. On this second page, go to the bottom right-hand corner and choose "Get a DUNS Number – Price: NO CHARGE" to proceed.

1.3 APPLICATION REVIEW PROCESS

Each application will be first reviewed for "completeness" (Refer to Section 1 of the Application for a checklist of required items). In order for an application to be considered "complete", it must contain all the required information described in the application. Complete applications will then be "rated and ranked" according to the criteria described on page 11, Application Evaluation, Criteria and Scoring. Incomplete applications will not be rated or ranked and applicants will be informed with a written explanation of the deficiencies within 30 days.

Award Decision

The CDBG Program will submit its recommendation for funding to the Director of the Department based on the applications that were "rated and ranked". The Director's final funding decision is made approximately 80 days from the final application filing date.

Awards Processing

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

Applicants are not permitted to incur any grant-related costs prior to the approval date stamped on the Agreement or without the Department's written approval. Information about processing times and authorization requirements will be provided at the time the Agreement is sent to the grantee.

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SECTION 2

2.1 ELIGIBLE APPLICANTS

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

1. If a city under 50,000 in population has entered into a three-year urban county Cooperation Agreement with the U.S. Department of Housing and Urban Development (HUD), that city is not eligible to participate in the State CDBG Program until the expiration of the agreement.

2. If a city under 50,000 in population has been declared the central city of a Standard Metropolitan Statistical Area, it is not eligible to participate because it is entitled to receive CDBG funds directly from HUD.

An application must meet the following conditions to be accepted for funding consideration:

1. The applicant shall have resolved any audit findings or performance problems for prior State CDBG grants. The Department may waive this requirement when:

    - Such problems or findings result in no obligation to return funds to the State;
    - Arrangements satisfactory to the State have been made for repayment of ineligible expenses or resolution of performance issues; or
    - A formal action to resolve the matter has been taken.

    Some jurisdictions may be held out from receiving funds if there are unresolved findings from monitoring of prior CDBG grants. If you are unsure of your status, contact your Economic Development Representative for guidance.

2.2 ELIGIBLE ACTIVITIES

The following are typical eligible activities that may be funded from a jurisdiction's grant award:

<u>Business Assistance</u>:

1. Construction loans (business/developer);
2. Land acquisition loans (business/developer);

3. Loans for privately owned on-site improvements (business/developer);
4. Loans for business start-ups (business);
5. Equipment purchase loans (business/developer);
6. Working capital loans (business/developer); and
7. Grants for public infrastructure and/or off-site improvements.

Microenterprise Assistance:

1. Technical assistance and training;
2. Microenterprise loans;
3. Façade Improvement Program; and
4. General support such as transportation and day care.

Other funding activities may also be eligible. Please contact your Economic Development Representative prior to submitting an application for an activity not listed above.

2.3 PROGRAM REQUIREMENTS

Each Activity Must Meet At Least One of Three National Objectives

1. **Benefit to the Targeted Income Group (TIG).** This objective can be met in one of two ways:

    - Income Self-Certifications (for Business Assistance activities):
      At least 51% of the jobs created or retained under a Business Assistance grant must be filled by members of the TIG. The Targeted Income Group, which includes "Lowest Targeted Income Group (LTIG)," is based on a county's median income limit adjusted for family size, which is provided annually by HUD. TIG is 80% and below of the adjusted county median family income. LTIG is 50% and below of the adjusted county median family income.
    - Income Self-Certifications with third party documentation verifying family income as TIG (required for microenterprise activities):
      Every participant in a CDBG-funded Microenterprise Assistance Activity must be identified per the HUD income guidelines described above as a member of the Targeted Income Group prior to receiving any service through the program.

2. **Aid in the prevention or elimination of slums or blight.** In general, this national objective is met if the CDBG-assisted activity will directly remedy a slum or blighted condition that is within a designated area that meets a definition of a slum, blighted, or deteriorated area under State or local law. The project being funded must remedy an existing condition of blight or prevent further blight conditions that have been identified in a redevelopment plan as a blighted or

slum condition. Under specific criteria, this objective can also be met on a spot basis. The grantee must request assistance under this national objective consult from the State CDBG Program to determine if the specific project can meet this objective.

3. **Meet a community development need having a particular urgency.** A CDBG-assisted activity will meet this national objective if the jurisdiction certifies that the activity is necessary to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community, are of recent origin and for which the jurisdiction is unable to finance without an additional injection of funds. A condition will be considered to be of recent origin if it developed or became critical within 18 months of the certification by the jurisdiction. The grantee must request assistance under this national objective consult from the State CDBG Program to determine if the specific project can meet this objective.

   Note: Applicants must contact their Economic Development Representative in advance of submitting an application that meets a national objective other than benefit to TIG. An application which is designed to address the Slums and Blight or Urgency national objective is eligible to apply for Business Assistance funds only. Microenterprise Assistance funds must always meet the 100% TIG benefit national objective.

Each Business Assistance Activity Must Also Provide Public Benefit

The public benefit requirement is met through the creation or retention of full-time (1750 hours per year) and/or four (4) part-time aggregated jobs yielding a full-time equivalent (FTE), such that the activity does not exceed a $35,000/job ratio.

Housing Element Compliance

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 you do not know the status of your housing element, call Paul McDougall at (916) 322-7995 to verify compliance.

The housing element requirements for award 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.

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SECTION 3

3.1 APPLICATION EVALUATION CRITERIA AND POINT SCORING

An acceptable Application contains one of the following: Business Assistance Program, Microenterprise Assistance Program, or a combined application that includes both a Business Assistance Program and Microenterprise Assistance Program. A combined Application will be scored using a weighted average calculation under rating and ranking.

Each application will be evaluated and scored, assigned a numerical score, and then ranked against all the other applications that have been scored. A maximum score of 100 points is assigned according to the following criteria. Points are allocated as follows:

EVALUATION CRITERION	POINTS
Need for Program:	**30 Total Points**
Relative Poverty Index	15 Points
Relative Unemployment Index	10 Points
Adverse Economic Event	5 Points
Local Program Capacity:	**50 Total Points**
Performance on Past CDBG ED Grants	20 Points
Relative Strength of Basis Program design	10 Points
Relative Experience of Program Operators	10 Points
Other Local Organizational Support	10 Points
Program Effectiveness:	**20 Total Points**
Commitment of Other (non-state, non-federal) Funding Sources	10 Points
Extent to Which Program Complements Local or Regional Economic Development Plan	10 Points
MAXIMUM TOTAL POINTS	**100 Points**

3.2 GENERAL ADMINISTRATION COSTS

Grantees are limited to 7.5% of the total grant amount for General Administration expenses. In addition, grantees are allowed up to 15% of the Activity Budget for Activity Delivery costs (application amount less the general administration amount).

3.3 PUBLIC HEARINGS

CDBG Regulations require that two public hearings be held before the jurisdiction submits an application to HCD. The first hearing must be held during the program design stage. The second hearing must be held before the application is sent to HCD. See Appendix C for more information about the public hearing requirements and process.

3.4 STATEMENT OF ASSURANCES

Applicable Laws and Regulations and/or Applicant Certification

Federal and State statutes, regulations, and Executive Orders apply to the CDBG program. Some pertain to all local CDBG activities such as audits and procurement standards. Others are specific to certain activities, such as relocation law and labor standards. By State regulation, 25 California Code of Regulations Section 7070 (c) (3), applicants must submit a certification signed by the Chief Executive Officer. This certification must provide assurances that the jurisdiction and all sub-recipients will comply with all State and federal requirements.

The Statement of Assurances must be signed by the jurisdiction's Chief Executive Officer, regardless of any signatory designation in the governing body's resolution authorizing submission of the application.

Responsibility for Compliance

Grantees are responsible for complying with State, Federal, and applicable local laws and regulations that apply to the expenditure of State CDBG funds.

3.5 PUBLIC RECORDS ACT

Applications and grant agreements are public information and are available for review by the public. Applicants are advised that information submitted to the State may have to be made available to the public under the State 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.

APPENDICES

Appendix A. State CDBG Economic Development Contact Information

Appendix B. Eligible Jurisdictions with Poverty Data and CDBG Economic Development Staff Assignments

Notes:

1. Figures for County entities are for unincorporated areas only.
2. Data source: 2000 Census
3. Indicates counties that participate in the HUD CDBG Entitlement Program, and are not eligible to compete for funding under the State CDBG Small Cities Program. Only the cities listed under the asterisked counties are eligible to compete for State CDBG funding.

Appendix C. Public Hearing Requirements and Process

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APPENDIX A

STATE CDBG ECONOMIC DEVELOPMENT CONTACT INFORMATION

Mimi Bettencourt, Economic Development Program Manager
Telephone: (916) 319-8400
Email: mbettencourt@hcd.ca.gov

MeLisa Adams, CDBG Program Administrative Assistant
Telephone: (916) 552-9398 or 552-9362
Email: madams@hcd.ca.gov

Jim Miwa, Economic Development Representative
Telephone: (916) 319-8483
Email: jmiwa@hcd.ca.gov

John Almanza, Economic Development Representative
Telephone: (916) 323-1450
Email: jalmanza@hcd.ca.gov

Jon Diedesch, Economic Development Representative
Telephone: (916) 319-8402
Email: jdiedesch@hcd.ca.gov

Patrick Talbott, Economic Development Representative
Telephone: (916) 552-9361
Email: ptalbott@hcd.ca.gov

Robert Lim, Economic Development Fiscal Officer
Telephone: (916) 552-9359
Email: rlim@hcd.ca.gov

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APPENDIX B

Eligible Jurisdictions with Poverty Data, CDBG Economic Development Representatives, and Telephone Numbers

JURISDICTION[1]	PERSONS IN POVERTY[2]	FIELD REPRESENTATIVE	TELEPHONE
ALPINE COUNTY[1]	**19.5**	**John Almanza**	**(916) 323-1450**
AMADOR COUNTY	**9.2**	**Patrick Talbott**	**(916) 552-9361**
Amador City	22.9		
Ione	11.0		
Jackson	8.3		
Plymouth	10.4		
Sutter Creek	7.8		
BUTTE COUNTY	**19.8**	**Patrick Talbott**	**(916) 552-9361**
Biggs	17.5		
Gridley	23.3		
Oroville	33.1		
CALAVERAS COUNTY	**11.8**	**Jon Diedesch**	**(916) 319-8402**
Angels Camp	13.0		
COLUSA COUNTY	**16.1**	**Jon Diedesch**	**(916) 319-8402**
Colusa	17.2		
Williams	19.2		
DEL NORTE COUNTY	**20.2**	**Patrick Talbott**	**(916) 552-9361**
Crescent City	34.6		
EL DORADO COUNTY	**7.1**	**Jim Miwa**	**(916) 319-8483**
Placerville	12.1		
South Lake Tahoe	12.5		
FRESNO[3]		**Patrick Talbott**	**(916) 552-9361**
Firebaugh	22.5		
Fowler	21.5		
Huron	39.4		
Orange Cove	44.5		
Parlier	36.0		
San Joaquin	34.6		

GLENN COUNTY	**18.1**	**Patrick Talbott**	**(916) 552-9361**
Orland	19.0		
Willows	24.6		
HUMBOLDT COUNTY	**19.5**	**Patrick Talbott**	**(916) 552-9361**
Arcata	32.2		
Blue Lake	11.1		
Eureka	23.7		
Ferndale	7.1		
Fortuna	17.4		
Rio Dell	23.1		
Trinidad	8.8		
IMPERIAL COUNTY	**22.6**	**Jon Diedesch**	**(916) 319-8402**
Brawley	26.6		
Calexico	25.7		
Calipatria	24.2		
Holtville	18.2		
Imperial	11.6		
Westmorland	27.2		
INYO COUNTY	**12.6**	**John Almanza**	**(916) 323-1450**
Bishop	16.3		
KERN COUNTY[3]	**20.8**	**Jim Miwa**	**(916) 319-8483**
Delano	28.2		
McFarland	35.2		
Maricopa	21.3		
Taft	17.5		
Wasco	27.5		
KINGS COUNTY	**19.5**	**Patrick Talbott**	**(916) 552-9361**
Avenal	30.7		
Corcoran	26.9		
Lemoore	13.4		
LAKE COUNTY	**17.6**	**John Almanza**	**(916) 323-1450**
Clearlake	28.6		
Lakeport	15.7		
LASSEN COUNTY	**14.0**	**Patrick Talbott**	**(916) 552-9361**
Susanville	14.3		

LOS ANGELES COUNTY[3]		**Jim Miwa**	**(916) 319-8483**
Artesia	11.5		
Avalon	10.4		
Hidden Hills	3.5		
Industry	14.5		
Palos Verde Estates	2.2		
Vernon	0		
MADERA COUNTY	**21.4**	**John Almanza**	**(916) 323-1450**
Chowchilla	19.2		
MARIPOSA COUNTY	**14.8**	**Jon Diedesch**	**(916) 319-8402**
MENDOCINO COUNTY	**15.9**	**John Almanza**	**(916) 323-1450**
Fort Bragg	20.4		
Point Arena	26.0		
Ukiah	18.1		
Willits	14.5		
MERCED COUNTY	**21.7**	**John Almanza**	**(916) 323-1450**
Atwater	18.7		
Dos Palos	22.8		
Gustine	16.9		
Livingston	25.2		
Los Banos	12.1		
MODOC COUNTY	**21.5**	**John Almanza**	**(916) 323-1450**
Alturas	27.1		
MONO COUNTY	**11.5**	**John Almanza**	**(916) 323-1450**
Mammoth Lakes	14.4		
MONTEREY COUNTY	**13.5**	**Jim Miwa**	**(916) 319-8483**
Carmel	6.5		
Del Rey Oaks	5.0		
Gonzales	20.2		
Greenfield	21.6		
King City	20.8		
Marina	13.1		
Pacific Grove	5.4		

Sand City	27.9		
Soledad	18.4		
NAPA COUNTY	**8.3**	**John Almanza**	**(916) 323-1450**
American Canyon	8.8		
Calistoga	8.0		
St. Helena	6.4		
Yountville	7.3		
NEVADA COUNTY	**8.1**	**Jon Diedesch**	**(916) 319-8402**
Grass Valley	14.9		
Nevada City	7.9		
Truckee	4.6		
ORANGE COUNTY[3]		**Jim Miwa**	**(916) 319-8483**
San Juan Capistrano	10.7		
PLACER COUNTY	**5.8**	**John Almanza**	**(916) 323-1450**
Auburn	6.0		
Colfax	12.0		
Lincoln	12.4		
Loomis	3.4		
Rocklin	4.5		
PLUMAS COUNTY	**13.1**	**Jon Diedesch**	**(916) 319-8402**
Portola	20.3		
RIVERSIDE COUNTY[3]		**Jon Diedesch**	**(916) 319-8402**
Calimesa	12.2		
Coachella	28.9		
Indian Wells	3.4		
Rancho Mirage	5.9		
SAN BENITO COUNTY	**10.0**	**Jim Miwa**	**(916) 319-8483**
Hollister	9.5		
SAN LUIS OBISPO COUNTY[3]		**John Almanza**	**(916) 323-1450**
Morro Bay	13.0		
Pismo Beach	9.0		

SANTA BARBARA COUNTY		**John Almanza**	**(916) 323-1450**
Guadalupe	25.0		
Solvang	6.7		
SANTA CRUZ COUNTY	**11.9**	**Jim Miwa**	**(916) 319-8483**
Capitola	7.0		
Scotts Valley	2.5		
SHASTA COUNTY	**15.4**	**Patrick Talbott**	**(916) 552-9361**
Anderson	28.3		
Shasta Lake	20.1		
SIERRA COUNTY	**11.3**	**Jon Diedesch**	**(916) 319-8402**
Loyalton	18.1		
SISKIYOU COUNTY	**18.6**	**Jim Miwa**	**(916) 319-8483**
Dorris	19.1		
Dunsmuir	19.3		
Etna	19.7		
Fort Jones	26.0		
Montague	24.2		
Mount Shasta	19.4		
Tulelake	34.6		
Weed	23.9		
Yreka	21.2		
SOLANO COUNTY	**8.3**	**John Almanza**	**(916) 323-1450**
Benicia	4.3		
Dixon	8.1		
Rio Vista	10.2		
Suisun City	6.5		
STANISLAUS COUNTY[3]		**John Almanza**	**(916) 323-1450**
Hughson	19.1		
Riverbank	12.3		
SUTTER COUNTY	**15.5**	**Jon Diedesch**	**(916) 319-8402**
Live Oak	30.2		
TEHAMA COUNTY	**17.3**	**Patrick Talbott**	**(916) 552-9361**

Corning	26.3		
Red Bluff	21.1		
Tehama	16.6		
TRINITY COUNTY	**18.7**	**Patrick Talbott**	**(916) 552-9361**
TULARE COUNTY	**23.9**	**Jon Diedesch**	**(916) 319-8402**
Dinuba	26.2		
Exeter	19.4		
Farmersville	30.7		
Lindsay	39.9		
Woodlake	36.8		
TUOLUMNE COUNTY	**11.4**	**Jon Diedesch**	**(916) 319-8402**
Sonora	16.9		
YOLO COUNTY	**18.4**	**Patrick Talbott**	**(916) 552-9361**
West Sacramento	22.3		
Winters	5.0		
YUBA COUNTY	**20.8**	**Jon Diedesch**	**(916) 319-8402**
Marysville	18.9		
Wheatland	19.8		

Notes:

1. *Figures for County entities are for unincorporated areas only.*
2. *Data source: 2000 Census*
3. *Indicates counties that participate in the HUD CDBG Entitlement Program, and are "not eligible" to compete for funding under the State CDBG Small Cities Program. Only the cities listed in these counties are eligible to compete for State CDBG funding.*

APPENDIX C

PUBLIC HEARINGS REQUIREMENT

About Public Hearings

Purpose: To inform citizens of the jurisdiction's of an opportunity to apply for federal funding.

To obtain citizen input on what Community Development Block Grant (CDBG) economic development activities should be included in the funding proposal to the Department.

Action Needed: Public notices; public hearings; public meeting documentation is required to be submitted with the Application.

Citizen Participation

The Applicant should provide an opportunity to participate to all persons who may be affected by the proposed activities, especially Targeted Income Group (TIG) persons.

Public Hearings

A public hearing is a public meeting that has been publicly noticed in a local newspaper of general circulation, or noticed in a fashion that otherwise follows local procedures for formal noticing of public hearings. The only public hearing that must be held before the local governing body is the hearing prior to submitting an application for funding to the Department of Housing and Community Development (Department). Any designated employee or agent of the city or county who is knowledgeable about the program may conduct all other public hearings. Hearings are required at the following stages of an Enterprise Fund grant:

Prior to Receiving a State CDBG Grant

1. A "project design" phase public hearing must be held no later than 12 months prior to Notice of Funding Availability (NOFA) release. The hearing should be held at least 30 days prior to the application submittal hearing date to allow adequate time for meaningful public comment. The public hearing notice should be published 10 days prior to the meeting. See Chapter 18 of current State CDBG Grant Management Manual for noticing requirements.

2. Prior to submittal of an application for funding, a second public hearing must be noticed 10 days prior to the meeting.

Hearings During a State CDBG Contract

The grantee will be required to conduct additional public hearings during the grant for the following reasons:

1. To commit additional Program Income (PI) to a grant activity.

2. If project implementation activities occur under the grant then a Grantee Performance Report needs to be submitted as part of grant close out.

3. Prior to submitting the Final Product of the grant activity and the closeout package, a copy of this notice must be submitted to the Department in order to close out the grant.

4. See citizen's participation requirements in the CDBG Grant Management Manual (GMM), Chapter 18.

Pre-Application Hearing

It is important to fully disclose the following information to the public at the public hearings held prior to submitting the application to the Department. See attached samples and notices of public participation on pages 29 and 31. Copies of the notices must be included in the application.

1. **At project design phase**: At least one public hearing must be held during the time when the applicant is deciding which local project(s) or activities to apply for funding. All residents, especially of the areas where funds will be used, should be encouraged to participate. At this hearing, the following information must be offered:

    - An explanation of the CDBG program
    - An opportunity for attendees to ask questions and suggest possible uses of funds
    - Information about the amount of funding available, the range of possible activities that may be undertaken with CDBG funds, and the opportunities for citizen involvement as the program progresses.
    - Discussion of the National Objective of benefit to Targeted Income Group (TIG) persons or other National Objective
    - Information about plans to minimize displacement that may occur as a result of grant funding
    - Information that any assessments resulting from a CDBG-funded TIG project will not be paid by members of the lowest TIG and whether TIG households who benefit from the project must pay any assessments
    - An invitation for written comments and how to submit such comments

- Information about the availability of technical assistance to groups representing TIG persons that request such assistance in developing proposals.

2. **Prior to submitting an application for funding:** After the application has been prepared, and before it is submitted to the Department, the jurisdiction must hold a second hearing. At this time, the same information in the first six items listed above should be covered. In addition, the jurisdiction should:

    - Fully describe the proposed activities in the application
    - Provide information about the amount of funding that is being requested
    - Describe where each activity will be carried out and how it will meet the National Objective of benefit to TIG persons or other national objective
    - Provide information on the estimated time schedule to accomplish the activity
    - Provide opportunity for attendees to comment on the program (subject to the applicant's normal rules governing public hearings).
    - State the amount of cash match required and the source of the cash match.

Noticing Requirements

All hearings should be noticed as widely as possible and held at a time and place convenient to the public, with accommodations made for persons with disabilities. Where a significant number (25 percent or more of local population) of non-English persons can reasonably be expected to participate, the notice must be in the appropriate language(s) and provision should be made for interpreters at the hearing. Hearing must be noticed 10 days prior to being conducted (unless local policies have different requirements) and the design and application public hearings should be at least 30 days apart. Lastly, the two public hearings should be within 12 months of the application submittal. Public notices should always contain the following information:

1. The time and place of the hearing;
2. The availability of a public information file about the CDBG program; and
3. An invitation to submit written comments and guidance on where to send such comments.

In addition, to the information above, specific public hearings require specific information in the public notice.

1. At the **project design stage,** the Public Notice is required to contain information about:

    - The amount of CDBG funds available; and
    - The kinds of activities that are eligible for funding.

2. At the **application submittal phase**, the Public Notice is required to contain information about:

    - The application's dollar amount;
    - The activities being proposed, including both General and Economic Development activities as applicable; and
    - A relocation plan, if residents will be relocated as a result of the proposed activity.

3. When any changes are made or actions are taken **during the term of the grant** that have not already been disclosed to the public, the notice should include:

    - Information about the action being taken.

4. Before submitting the Final Product of a Planning and Technical Assistance (PTA) activity and the closeout package **at the end of the State CDBG contract term,** the notice should include:

    - A notice that the accomplishments under the grant will be disclosed.

5. See citizen's participation requirements in the CDBG Grant Management Manual (GMM), Chapter 18.

Record Keeping

The applicant/grantee should keep a record of all public hearings. The record should contain copies of the Public Notices, minutes of the hearings documenting that the contents of the Notice were discussed at the hearing, and a list of attendees. We recommend reading the contents of the notice into the minutes to ensure that all items are discussed. Attendees are not required to sign a sign-in sheet, but the file should show that a list was made available for sign-in at the start of the hearing. If attendees were present but did not sign or if no one attended, the file should so indicate.

Decisions Regarding Application Content/Grievances and Complaints

The local governing body has the sole discretion of deciding the contents of an application for funding. Any allegations made by any resident of the community that the procedural or legal requirements of the program are being violated should be thoroughly investigated. Any written complaints and grievances must receive a written response within 15 days where practicable.

Sample Notices

Sample Public Notices for use at the grant design stage and the application submittal stage are provided on page 29 and 31. Copies of the affidavits of publication (or if posted then copies must be certified by city/county clerk) must be included in the application.

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SAMPLE
NOTICE OF PUBLIC HEARING FOR DESIGN PHASE

Notice of Public Hearing for Discussion of Possible State CDBG Applications

NOTICE IS HEREBY GIVEN that a public hearing will be held on _____, ____ __, 2008 at 7:00 p.m., by the city/county of_____ Chambers, Room _____ _____ Street, _____, CA, _____ in order to discuss possible applications for funding under the next fiscal year's State Community Development Block Grant (CDBG) Program and to solicit citizen input on possible activities to be included in these applications.

The General and Economic Development Allocations of the State CDBG program publish Notices of Funding Availability (NOFAs) each program year (July 1 to June 30). Eligible cities and counties may submit applications for CDBG funds under these NOFAs. The maximum amount of funding available is described in the NOFA. Typically, up to $500,000 is available under the General Allocation NOFA each year. Typically, up to $500,000 is available under the Economic Development Enterprise Allocation each year. Also, the Economic Development Over-the-Counter Allocation can award up to $2,500,000 per year. Each year Planning and Technical Assistance Grants up to $70,000 under the General Component and $70,000 from the Economic Development Component are awarded on a "first come first served basis". The Department issues two small NOFAs each year under the Native American and Colonia's Allocations. The Native American Allocation is only for areas where concentrations of low income Native Americans live, who are not part of a federally recognized Indian tribe or Rancheria. The Colonia's funding is only for designated communities within 150 miles of the United States - Mexico border.

Eligible activities under the above allocations and NOFAs consist of: housing - new construction projects; housing acquisition and housing rehabilitation programs; community facility and public work projects; public service programs and planning studies. Economic development programs and projects are also eligible along with planning activities. Eligible activities paid for with State CDBG funds must meet one or more of the three national objectives listed in CDBG federal statutes as follows: benefit to low income households or persons; elimination of slums and blight; or meeting urgent community development need (a need from a state or federally declared disaster).

The city/county of _____ anticipates submitting applications under one or more of the State CDBG NOFAs published during the next program year. Applications are anticipated under the General and Economic Development Components as well as the Planning and Technical Assistance Components. A separate public hearing will be held to discuss and approve each proposed application prior to submittal to the State.

The purpose of this public hearing will be to give citizens an opportunity to make their comments known regarding what types of eligible activities the city/county should be

applying for under the State CDBG program. If you are unable to attend the public hearing, you may direct written comments to the city/county of _____, city/county _____, at the address listed above or P.O. Box ____, or you may telephone (___) ____-____. In addition, information 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. Notification _____hours prior to the meeting will enable the City/County to make reasonable accommodations to assure accessibility at the meeting.

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

SAMPLE
NOTICE OF PUBLIC HEARING FOR APPLICATION SUBMITTAL

NOTICE IS HEREBY GIVEN that the city/county of _____will conduct a public hearing by the city council/county board on_____, 2008, at 8:00 p.m. at the city/county council/board room, _____ Street, to the discuss the Fiscal Year 2008-09 Community Development Block Grant (CDBG) Planning and Technical Assistance (General Allocation and/or Economic Development) application and to solicit citizen input.

The _____department on behalf of the city/county of _____ is applying for the maximum grant amount of $70,000 under the Planning and Technical Assistance Grant (General Allocation and Economic Development) for the eligible activities: _____.

The purpose of the public hearing will be to give citizens an opportunity to make their comments known. If you are unable to attend the public hearing, you may direct written comments to the city/county of _____, _____department, _____ Street, _____, CA _____ or you may telephone Mr./Ms._____ at ( ) _____ with questions or comments. In addition, a CDBG public information file may be obtained at the above address between the hours of 8:00 a.m. and 5:00 p.m. on weekdays to find out more information about the CDBG program.

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. Notification _____hours prior to the meeting will enable the City/County to make reasonable accommodations to assure accessibility at the meeting.

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, familiar status (children), or handicap.

Published _____, 2008

PUBLIC INFORMATION FILE REQUIREMENTS

Applications and grant agreements are public information and are available for review by the public. Applicants are advised that information submitted to the Department may have to be made available to the public under the State 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.

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REQUEST FOR 2009-2010 CDBG ENTERPRISE FUND APPLICATION PACKAGE

Mail, fax or e-mail request form to:

MeLisa Adams, 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) 327-8822
E-mail: madams@hcd.ca.gov

Check one of the following to receive an Enterprise Fund Application:

❑ Paper copy by mail
❑ Compact disk (CD)
❑ Electronic copy by e-mail. My e-mail address is:

Contact Information

Name:	
Organization:	
Address:	
City	
State:	
Postal Code:	
Telephone:	
Fax:	
E-mail:	

Note: If you returned this form and do not receive an Application and Supplemental Information within two weeks, please contact the CDBG Program Administrative Assistant mentioned above.

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