

# NOTICE OF FUNDING AVAILABILITY

Community Development Block Grant Program

**Allocation Years:**

2009-10

2008-09 & 2009-10

**Allocation Type:**

General Allocation

Colonias Allocation

April 2009



STATE OF CALIFORNIA

Department of Housing and Community Development  
Division of Financial Assistance  
Community Development Block Grant (CDBG) Program  
1800 Third Street, Room 330  
Sacramento, CA 95811

Telephone: (916) 552-9398

Fax: (916) 319-8488

Website: <http://www.hcd.ca.gov/fa/cdbg/funds/>

CDBG General Program e-mail address: [cdbg@hcd.ca.gov](mailto:cdbg@hcd.ca.gov)

Page Intentionally Left Blank

**STATE OF CALIFORNIA**

**Arnold Schwarzenegger, Governor**

Business, Transportation and Housing Agency

**Dale E. Bonner, Secretary**

Department of Housing and Community Development

**Lynn L. Jacobs, Director**

Division of Financial Assistance

**Chris Westlake, Deputy Director**

Community and Economic Development Section

**Frank Luera, Acting Section Chief**

Community Development Block Grant Program  
General/Native American/Colonias Allocations

**Anda Draghici, Program Manager**

Program Staff

Diane Moroni  
Joann Gonzales  
John Burke  
JoAnn Nash  
Linda Boyle  
Robert Jones  
Stoyan Elitzin



# NOTICE OF FUNDING AVAILABILITY

State of California  
Community Development Block Grant Program

<u>Allocation Years:</u>	<u>Allocation Type:</u>
2009-10	General Allocation
2008-09 & 2009-10	Colonias Allocation

April 2009

## TABLE OF CONTENTS

<u>INTRODUCTION</u>	Page Number
1. Available Funding	1
2. Authorizing Legislation and Regulations	2
3. Changes for this Year	2
4. Application Timelines	3
5. Application Workshops	4
 <u>FUNDING GUIDELINES</u>	
6. Funding Limits	5
7. Eligible Applicants	5
8. Eligible Activities	7
9. Meeting a National Objective	8
10. Program Administrative Costs	8
 <u>APPLICATION REVIEW AND SCORING</u>	
11. Evaluation Criteria and Scoring Points	10-12
 <u>AWARD ANNOUNCEMENTS AND PROCESSING</u>	
12. Award Announcements	14
13. Award Processing and Term of Agreement	14
14. Grant Management Workshops	15

## CDBG PROGRAM REQUIREMENTS

15. State and Federal Requirements	16
16. Public Hearings	18
17. Public Records Act	18
18. Procurement	18
19. Federal Debarment and Suspension	19

## APPENDICES

See Page 20 for Index

## 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:

1. Up to approximately \$15 million for the 2009-10 General Allocation contingent upon the U.S. Department of Housing and Urban Development's (HUD) allocation to the Department.
2. Up to approximately \$4 million for the 2008-09 and 2009-10 Colonias Allocation contingent upon HUD's allocation to the Department.

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

**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.*

The **Application** is a separate document. 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 (see cover memorandum). Please note that CDBG recommends submitting the *Application Workshop RSVP* form to ensure adequate seating is available.
- Contact the CDBG Program Administrative Assistant at (916) 552-9398.

Please note that there are separate funding notices for the 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 (HCDA) 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 2009-10 funding cycle and application process will be significantly different from 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 April 2009.

### Program Changes:

- For this NOFA, the maximum amount awarded per application will be decreased to \$800,000 for the General Allocation.
- Each application will be limited to one of the following scenarios:
  - ✓ Up to a maximum of \$400,000 for one of the following programs: housing rehabilitation, OR public services, OR homeownership assistance.
  - ✓ Up to a maximum of \$600,000 for a housing combination program consisting of a housing rehabilitation program AND a homeownership assistance program. This option allows grantees to transfer funds easily between the two activities as needed with written approval from the Department.
  - ✓ Up to a maximum of \$800,000 for two programs, of which one is a housing program (housing rehabilitation OR homeownership assistance), AND the other one is a public service program (up to five public service activities), each program with a limit of up to \$400,000.
  - ✓ Up to a maximum of \$800,000 for up to two eligible projects (public improvements, public improvements in support of housing new construction, public facilities, multi-family rehabilitation, real property acquisition and housing new construction).
  - ✓ Up to a maximum of \$800,000 for a combination of one eligible program (up to \$400,000) AND one eligible project, or a combination of the housing combo (up to \$600,000) AND one eligible project.

<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.

- The 10 percent set-aside<sup>3</sup> is limited to only ONE activity per application. This activity will not be rated and ranked. However, the application must include **all** documents related to the type of activity proposed.

Notes:

- Any awarded programs/projects that do not clear special conditions within 90 days of the contract execution date may be terminated/disencumbered.
- The former First-Time Homebuyer Program is now called “Homeownership Assistance” Program to reconcile with HUD’s terminology.
- An application can receive a maximum of 1,000 points.

**4. APPLICATION TIMELINES**

a. Key dates:

NOFA and Application release:	April 30, 2009
Application Workshops:	May 8-June 5, 2009
Applications due to HCD by 5 p.m.:	July 14, 2009
HCD Compliance of Housing Element:	June 26, 2009
Awards Announced	October 2009

- b. Application Deadline: July 14, 2009. **Applications must be received in the Department by 5 p.m. on the due date.** Applications that are received after the due date will be returned even if mailed before the due date with 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, Room 330  
Sacramento, CA 95811  
  
(916) 552-9398

---

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

e. For further information:

Please contact a CDBG Representative or the CDBG Administrative Assistant at (916) 552-9398. Please refer to Appendix A for the name and telephone number of the CDBG Representative assigned to each eligible jurisdiction.

## 5. APPLICATION WORKSHOPS

The Department will present a one-day application workshop in several locations (to be determined) 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 will be made available soon.

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.

<b>FUNDING GUIDELINES</b>
---------------------------

**6. FUNDING LIMITS**a. Maximum award limits.

- Maximum total award limit will be \$800,000.
- Up to a maximum of \$400,000 for one of the following programs: housing rehabilitation, OR public services, OR homeownership assistance.
- Up to a maximum of \$600,000 for a housing combination program consisting of a housing rehabilitation program AND a homeownership assistance program. This option allows grantees to transfer funds easily between the two activities as needed with written approval from the Department.
- Up to a maximum of \$800,000 for two programs, of which one is a housing program (housing rehabilitation OR homeownership assistance), AND the other one is a public service program (up to five public service activities), each program with a limit of up to \$400,000.
- Up to a maximum of \$800,000 for up to two eligible projects (public improvements, public improvements in support of housing new construction, public facilities, multi-family rehabilitation, real property acquisition and housing new construction).
- Up to a maximum of \$800,000 for a combination of one eligible program (up to \$400,000) AND one eligible project, or a combination of the housing combo (up to \$600,000) AND one eligible project.

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:** In order to be eligible to submit an application for funding, an applicant shall have resolved any audit findings or performance problems for prior State CDBG grants awarded under this program.

Jurisdictions are not eligible to receive CDBG funds if they have received a performance findings letter. Examples of performance findings are, but not limited to, having excessive program income on hand, not submitting required reports as stated in the grant agreement, and having unresolved audit findings. If the applicant has received such a letter or is unsure of its status, the applicant should contact the CDBG Representative (see Appendix A).

The city/county is eligible to apply if it has received a letter from the Department clearing its holdout status prior to submittal of the application. The Department may waive this requirement when such problems or findings result in no obligation to return funds to the Department, arrangements satisfactory to the Department have been made for repayment or performance, or a formal action to resolve the matter has been taken.

### **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 in 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 in 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 HUD.
- c. If a jurisdiction is presently debarred, proposed for debarment, suspended, or declared ineligible pursuant to Title 24 CFR, Part 24, the jurisdiction cannot participate in the CDBG Program.

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.

### **Colonias Allocation -- Eligible Applicants**

All cities and counties eligible under the State CDBG (non-entitlement) Program, which contain Colonias as defined by the National Affordable Housing Act of 1990, are eligible applicants for these funds. For the purposes of this legislation, a "colonia" is any identifiable community that:

1. is located within 150 miles of the border between the United States and Mexico, **except** within any standard metropolitan statistical area that has a population exceeding 1,000,000; and
2. is designated by the State or county in which it is located as colonia; and
3. is determined to be a colonia on the basis of objective criteria, including the lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and
4. was in existence and generally recognized as a colonia before the enactment of the National Affordable Housing Act of 1990.

The availability of Colonias Allocation funds pursuant to this NOFA is limited to eligible jurisdictions that propose activities within designated Colonias. Eligible jurisdictions may apply for these funds in addition to any other CDBG application submitted during a given program year without invoking the program funding caps.

See Appendix B for a listing of the eligible cities and counties for the Colonias Allocation.

## **8. ELIGIBLE ACTIVITIES**

Pursuant to the Housing and Community Development Act of 1974 (HCDA Section 105(a)), CDBG funds may be used for the following activities:

### **Programs**

Housing Related:

- Housing Rehabilitation
- Homeownership Assistance
- Combination of Housing Rehabilitation & Homeownership Assistance

Public Services Related:

- 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

### **Projects**

- Public Facilities
- Rehabilitation of Multi-Family Projects
- Public Improvements
- Public Improvements in Support of Housing New Construction
- Housing New Construction (Very Limited)
- Real Property Acquisition

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

**9. MEETING A NATIONAL OBJECTIVE**

According to 24 CFR Section 570.483, 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 are:

- Benefiting low- and moderate-income persons; or
- 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 (LMI) persons.

**10. PROGRAM ADMINISTRATIVE COSTS**

a. General Administrative Expenses.

Grantees are allowed up to 7.5 percent of the total grant amount for reasonable general administrative expenses related to carrying out the CDBG Program. General administrative 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.

**Note:** Activity delivery costs are calculated as a percentage of the total activity amount.

**Example:** For a \$300,000 Homeownership Assistance Program with activity delivery costs of 8 percent, activity delivery would be calculated as follows:

$\$300,000 \times 0.08 = \$24,000$  (activity delivery)

**APPLICATION REVIEW AND SCORING**

**11. EVALUATION CRITERIA AND SCORING POINTS**

Applications are rated according to criteria in the California Code of Regulations, Title 24, Sections 7078.1 through 7078.7. Applications are assigned quantitative ratings and are 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. The minimum score needed to be eligible for funding is 650 points. Points are divided among seven general scoring groups.

Evaluation Criterion and Description	Maximum Points
<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 the entire jurisdiction, or within a designated target area depending on the activity location. 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 jurisdiction-wide or for the appropriate target area(s) that are proposed in the application. Please refer to Appendix A for Census poverty data on a jurisdiction-wide basis. Poverty data may also 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> (Use Summary File 3 datasets)</p>	<p>100 Points</p>
<p><b>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. Housing rehabilitation and homeownership assistance programs must be income-restricted, i.e., must benefit 100 percent TIG. All other activities will begin earning points for TIG benefit <u>above</u> 51 percent based on HUD’s formula. Please refer to Appendix A for Census TIG data on a jurisdiction-wide basis. For target-area TIG data, please refer to: <a href="http://www.hud.gov/offices/cpd/systems/census/ca/#lowmod">http://www.hud.gov/offices/cpd/systems/census/ca/#lowmod</a>. TIG benefit may also be documented with a properly-conducted income survey, as described in Appendix F.</p>	<p>300 Points</p>
<p><b>Need for Activity:</b></p>	

<p>Points are assigned based on the application’s documented community need for the proposed activity and the extent to which the proposed activity will address the identified need. See Appendix C for need indicators for each type of activity.</p>	<p>200 Points</p>
<p><b>Prior Performance Operating CDBG Grants:</b></p> <p>Applicants are rated on their performance in administering prior (2005, 2006, 2007, and 2008) CDBG General allocation grants.</p> <p>Per Title 25 CCR 7078.4, performance factors include: timeliness of grant expenditures based on actual percentages, timeliness in expending committed leverage on expired grants; timeliness of reporting, including Single Audit Reports, and close-out submittals; timeliness of resolving any outstanding monitoring or audit findings. Note: The hold-out status for the last four funding years will be used for evaluating performance related to timeliness in reporting.</p> <p>Bonus 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 any of the program years 2005, 2006, 2007, and 2008 will receive 130 standard points under “Performance”, but will not receive bonus points.</p>	<p>150 Points</p> <p>(130 standard points plus 20 above standard points)</p>
<p><b>Capacity:</b></p> <p>Applicants who received grants for the funding years 2005, 2006, 2007, and 2008 will be deemed to have some capacity to administer the activity and will receive up to 100 points.</p> <p>Applicants who did not receive grants in 2005, 2006, 2007 and 2008 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 for each staff involved) – full points; 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 (executed contract – full points; draft contract – half points)</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.</li> </ul> <p>Title 25, CCR Section 7078.5</p>	<p>100 Points</p>

<p><b>Readiness:</b> Applicants will be rated on their <u>readiness to proceed</u>. Readiness is evaluated in conjunction with each activity’s special conditions. An applicant will receive full points if the condition is fully met and 0 points if partially met.</p> <p>Examples:</p> <p>Environmental Review: correct forms &amp; all forms submitted – full points; incorrect or incomplete forms – 0 points.</p>	<p>50 Points</p>
<p><b>Leverage:</b></p> <p>Points are awarded based on documented commitments – governing body Resolutions or third-party letters of additional (non-federal or state) funding for the proposed activity.</p> <p>Local Leverage Commitment: 25 points Private Leverage Commitment: 25 points The applicant pool sets the standard. Title 25, CCR Section 7078.6</p>	<p>50 Points</p>
<p><b>State Objectives:</b></p> <p>Bonus points are awarded to applications addressing an identified State Objective. See the following section for a description of State Objectives. Title 25, CCR Section 7078.7</p>	<p>50 Points</p>
<p><b>TOTAL POINTS AVAILABLE</b></p>	<p><b>1,000 Points</b></p>

**State Objectives:** State Objective bonus points will be awarded as follows:

- Energy Efficiency Proposals:** Up to 25 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.

**Note:** Only units that have received an Energy Star certification from a HERS rater can be reported as Energy Star compliant. The certification process/inspection involves measuring energy characteristics, such as insulation levels, window efficiency, heating and cooling system efficiency etc., as well as diagnostic testing.

- 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 projects and infrastructure in support of housing.
- **Farmworker Housing/Health Services:** Up to 25 points will be awarded to proposals that facilitate the development and/or operation of migrant or permanent farm worker housing or proposals that facilitate the provision of health services in combination with farm worker housing. To receive these points, the application must demonstrate and document that a minimum of 90 percent of the beneficiaries of the proposed activity are 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 2008 General Allocation competition. The activity applied for during this funding cycle does not have to be the same as the 2008 proposed activity.  
  
Up to 35 points will be awarded to applicants who applied at least two times in the last four years (2005 to 2008) 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

It is anticipated that awards will be announced in September 2009 or as soon as the awards list is approved. 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 and submitted to the Department pursuant to Government Code Section 65585, as determined by the Department prior to June 26, 2009. Self-certifications will not 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 June 26, 2009. The applicant may contact Paul McDougall of the Housing Policy Development (HPD) Division at (916) 322-7995 to verify the status of its housing element.

**NOTE:** Unsuccessful applicants will have the opportunity to discuss, upon request, their score in exit interviews to be conducted within 60 days from the award announcement date.

### 13. AWARD PROCESSING AND TERM OF AGREEMENT

#### A. Award Processing

All funded applications will be processed through, and incorporated by reference in, 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 date. If the conditions are not met, the Department may terminate the Agreement.

Applicants are permitted to incur general administrative costs upon receiving their award letter with prior written approval from the Department. Grantees **MUST** obtain written special conditions and environmental clearance from CDBG prior to starting to incur costs for 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 administrative costs may be incurred until special conditions are met.**

B. Term of Agreement

The agreement shall expire no later than **36 months** from the award date.

**14. GRANT MANAGEMENT WORKSHOPS**

Based on funding availability, the State CDBG may offer 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 CDBG Grant Management Manual, which can be accessed via: <http://www.hcd.ca.gov/fa/cdbg/manual/>.

**CDBG PROGRAM REQUIREMENTS****15. STATE and FEDERAL REQUIREMENTS**

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

**A. TIG Benefit**

All activities funded through the CDBG General Allocation Program shall principally benefit the TIG persons or households. As such, at least 51 percent of the beneficiaries of an eligible activity shall be TIG, with the exception of housing rehabilitation and homeownership assistance programs, whose beneficiaries must be 100 percent TIG. TIG, which includes "Lowest TIG (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. Information on income limits is available on HCD's website at: <http://www.hcd.ca.gov/fa/cdbg/funds>.

For target-area TIG benefit information by Census Tracts/Block Groups, visit: <http://www.hud.gov/offices/cpd/systems/census/ca/#lowmod> then click on FY 07.

Each application must contain documentation of how the proposed activity will principally benefit the TIG. Different activities can have TIG benefit documented in a variety of ways; therefore, refer to Appendix C 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**

Pursuant to 25 CCR Section 7052, at least 51 percent of the State CDBG allocation must be used to provide or improve housing opportunities for the TIG. Public improvements directly related to providing or improving housing opportunities for the TIG will meet this requirement.

### C. CDBG Compliance of Housing Element

In order to receive CDBG funds, a successful applicant must adopt and submit its housing element according to Government Code (GC) Sections 65585 and 65588 (see California Code of Regulations, Title 25, section 7056(b)). The Housing Element Updates Schedule (GC Section 65588) is available on the Department's website at: [http://www.hcd.ca.gov/hpd/hrc/plan/he/he\\_time.htm](http://www.hcd.ca.gov/hpd/hrc/plan/he/he_time.htm). The Department will not award funds to any applicant that does not meet the housing element requirements prior to the deadline. Also, please be aware that the Department no longer accepts a self-certification of housing element compliance.

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 are questions about the CDBG compliance status of the jurisdiction's housing element, call Paul McDougall of the HPD Division at (916) 322-7995, prior to submitting an application to verify the status of the housing element.

### 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 HPD 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. Adopted a housing element that the HPD 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.

## 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 ten days prior to the hearing date. It is recommended that the program design hearing 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 D and E 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.

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.

## 18. PROCUREMENT

Pursuant to 24 CFR Section 570.489, 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. Additional information is available in the Grant Management Manual, Chapter 8, accessible at: <http://www.hcd.ca.gov/fa/cdbg/manual/>.

**19. FEDERAL DEBARMENT AND SUSPENSION**

Pursuant to 24 CFR, Part 5, all CDBG grantees are required to verify that they themselves and their principals, or any/all persons, contractors, consultants, businesses, sub-recipients, etc., that are conducting business with the grantee are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction. Applicants must check the Excluded Parties Listing System at [www.epls.gov](http://www.epls.gov), print and maintain evidence of the search results. In the event that the search results indicate a prior or current debarment or suspension of the applicant, include the printout in the application.

The Department will not award any CDBG funds to applicants that are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from federally assisted programs.

<b>APPENDICES</b>
-------------------

	<u>Page Number</u>
Appendix A: Eligible CDBG Jurisdictions with TIG and Poverty Percentages	21
Appendix B: Eligible Colonias/Jurisdictions	29
Appendix C: Eligible Activities	
Important Considerations	30
Homeownership Assistance and/or Real Property Acquisition	33
Housing Rehabilitation	35
Combination of Housing Rehabilitation & Homeownership Assistance Program (The Housing Combo)	37
Public Facilities	38
Public Improvements	40
Public Improvements <u>in support of</u> Housing New Construction	41
Public Services	42
Housing New Construction	44
Appendix D: Sample Notice for the Public Hearing Held at the Program Design Phase	46
Appendix E: Sample Notice for Public Hearing Held at the Application Submittal Phase	48
Appendix F: Conducting an Income Survey	49
Request for CDBG Application	56



**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>	JoAnn Nash	(916) 552-9358
<b>Amador County</b>	<b>39.1</b>	<b>9.2</b>	Robert Jones	(916) 323-1475
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>	Stoyan Elitzin	(916) 445-2141
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>	John Burke	(916) 319-8109
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 City	63.5	34.6		

<sup>1</sup> This figure represents the percentage of Targeted Income Group (TIG) in the jurisdiction based on HUD's Low/Mod Data.

**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>	Joann Gonzales	(916) 323-1454
Placerville	50.4	12.1		
South Lake Tahoe	56.1	12.5		
<b>Fresno County<sup>2</sup></b>			John Burke	(916) 319-8109
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		

<sup>1</sup> This figure represents the percentage of Targeted Income Group (TIG) in the jurisdiction based on HUD's Low/Mod Data.

<sup>2</sup> Although cities listed under this county are CDBG eligible jurisdictions, the county itself is not eligible.

**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>Imperial County</b>	<b>51.7</b>	<b>22.6</b>	Linda Boyle	(916) 319-8065
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>	Robert Jones	(916) 323-1475
Bishop	53.5	16.3		
<b>Kern County</b>	<b>60.3</b>	<b>20.8</b>	John Burke	(916) 319-8109
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) 445-2141
Susanville	39.3	14.3		

<sup>1</sup> This figure represents the percentage of Targeted Income Group (TIG) in the jurisdiction based on HUD's Low/Mod Data.

**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>			Joann Gonzales	(916) 323-1454
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>	JoAnn Nash	(916) 552-9358
Chowchilla	48.9	19.2		
<b>Mariposa County</b>	<b>39.1</b>	<b>14.8</b>	Robert Jones	(916) 323-1475
<b>Mendocino County</b>	<b>41.2</b>	<b>15.9</b>	Linda Boyle	(916) 319-8065
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>	Robert Jones	(916) 323-1475
Alturas	54.6	27.1		

<sup>1</sup> This figure represents the percentage of Targeted Income Group (TIG) in the jurisdiction based on HUD's Low/Mod Data.

<sup>2</sup> Although cities listed under this county are CDBG eligible jurisdictions, the county itself is not eligible.

**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>	Robert Jones	(916) 323-1475
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>	JoAnn Nash	(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		

<sup>1</sup> This figure represents the percentage of Targeted Income Group (TIG) in the jurisdiction based on HUD's Low/Mod Data.

<sup>2</sup> Although cities listed under this county are CDBG eligible jurisdictions, the county itself is not eligible.

**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>Placer County</b>	<b>30.0</b>	<b>5.8</b>	Diane Moroni	(916) 552-9349
Auburn	33.6	6.0		
Colfax	52.0	12.0		
Lincoln	45.0	12.4		
Loomis town	32.2	3.4		
<b>Plumas County</b>	<b>41.5</b>	<b>13.1</b>	Robert Jones	(916) 323-1475
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		
Wildomar	TBD	8.2		
<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>			John Burke	(916) 319-8109
Morro Bay	49.9	13.0		
Paso Robles	TBD	TBD		
Pismo Beach	37.1	9.0		
<b>Santa Barbara County<sup>2</sup></b>			John Burke	(916) 319-8109
Guadalupe	68.2	25.0		

<sup>1</sup> This figure represents the percentage of Targeted Income Group (TIG) in the jurisdiction based on HUD's Low/Mod Data.

<sup>2</sup> Although cities listed under this county are CDBG eligible jurisdictions, the county itself is not eligible.

**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>	John Burke	(916) 319-8109
Capitola	44.1	7.0		
Scotts Valley	26.9	2.5		
<b>Shasta County</b>	<b>42.4</b>	<b>15.4</b>	JoAnn Nash	(916) 552-9358
Anderson	59.3	28.3		
Shasta Lake	53.3	20.1		
<b>Sierra County</b>	<b>38.1</b>	<b>11.3</b>	JoAnn Nash	(916) 552-9358
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		

<sup>1</sup> This figure represents the percentage of Targeted Income Group (TIG) in the jurisdiction based on HUD's Low/Mod Data.

**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>	JoAnn Nash	(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>	Diane Moroni	(916) 552-9349
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		

<sup>1</sup> This figure represents the percentage of Targeted Income Group (TIG) in the jurisdiction based on HUD's Low/Mod Data.

<sup>2</sup> Although cities listed under this county are CDBG eligible jurisdictions, the county itself is not eligible.

**APPENDIX B**

**ELIGIBLE COLONIAS/JURISDICTIONS  
 California CDBG Program**

<b><u>Colonia Name</u></b>	<b><u>Jurisdiction</u></b>
Brawley County Water District Colonia	City of Brawley
Kloke Tract Colonia	City of Calexico
C.N. Perry Colonia	City of Calexico
El Dorado Colonia	City of El Centro
East Colonia	City of Imperial
South Colonia	City of Imperial
Bombay Beach Colonia	County of Imperial
Heber Colonia	County of Imperial
Niland Colonia	County of Imperial
Ocotillo Colonia	County of Imperial
Palo Verde Colonia	County of Imperial
Poe Colonia	County of Imperial
Salton Sea Beach Colonia	County of Imperial
Seeley Colonia	County of Imperial
Winterhaven Colonia	County of Imperial



## APPENDIX C

### ELIGIBLE ACTIVITIES

#### A. IMPORTANT CONSIDERATIONS

1. Site Acquisition Costs: Applicants are not required to have site control at the time of application (option to purchase). However, site control can bring readiness points if done properly and will be a special condition of a grant award to be met within the first 90 days of contract execution. Jurisdictions will not be able to use CDBG funds for acquisition costs (for example, bridge loans) incurred prior to the date the State contract is executed and all special conditions have been met. (See Item 6 on the following page.)
2. Project Completion: All activities must be completed prior to the expiration date of the CDBG Standard 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, but it can bring readiness points. 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. Relocation and 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 persons 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 HUD)relocation handbook 1378 at: <http://www.hud.gov/offices/adm/hudclips/handbooks/cpdh/1378.0/>
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 housing rehabilitation project of more than eight units, the entire construction contract is subject to federal prevailing wage rates. Refer to Chapter 5 of the CDBG Grant Management Manual at: <http://www.hcd.ca.gov/fa/cdbg/manual/>.
- 6.

**NEPA Choice Limiting Actions:** Pursuant to 24 CFR, Part 58.2, if CDBG funds will be expended on the purchase of real property or construction work on a site, the applicant **must not** 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 or lease agreement for purchase of land (however, an option to purchase or lease is acceptable) or executing a construction contract prior to State CDBG release of funds.

A grantee or any participant in the development process may not commit CDBG funds on an activity or project until CDBG has approved the Request for Release of Funds and Certification.

7. **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.

*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.*

**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, available at <http://www.hud.gov/offices/cpd/systems/census/ca/#lowmod> then selecting FY 07. Alternatively, the applicant can use a household income survey to document the TIG benefit for proposed activity. See Appendix F for survey instructions and sample survey form. Applicants must ensure that the survey methodology used to conduct any surveys is legitimate and random.

Income surveys that do not clearly describe and document the random sampling methodology will not be accepted and census data may be used to determine TIG benefit. If the applicant is proposing to use some other source of information to document TIG benefit, it is recommended that the applicant contact its CDBG program representative to ensure it is acceptable, prior to submittal of the application.

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

**Limited clientele:**

Severely disabled adults – (Low TIG)  
Illiterate adults – (Low TIG)  
Persons living with AIDS – (Low TIG)  
Battered spouses – (Low TIG)

Abused children – (Very Low TIG)  
Migrant farm workers – (Low TIG)  
Homeless persons – (Very Low TIG)

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

Seniors (over 62 years old)

For activities that will benefit seniors, to demonstrate TIG benefit of over 51 percent the application must include an income survey.

**Note:** Each application must provide information on the proposed beneficiaries for each activity, including for the Set-Aside activity.

8. **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. All documentation submitted to support an extraordinary local circumstance must be recent, up to date and specific to the jurisdiction or target area. 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.

**Note:** An income survey does not constitute supplemental information to HUD's Low/Mod Census Data.



**HOMEOWNERSHIP ASSISTANCE and/or**  
**REAL PROPERTY ACQUISITION**

**A. ELIGIBLE ACTIVITIES**

1. Homeownership Assistance **Programs** that provide direct assistance to TIG homebuyers for the acquisition of existing or new units; *Reference: Title 24 CFR, Part 570.201(n);*
2. Real Property Acquisition **Projects**: The purchase of real property which will result in compliance with one of the national objectives (primarily, low to moderate TIG benefit). Eligible activities include the following:
  - a. 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);and*
  - b. Resident-purchase of mobile home parks. *Reference: Title 24 CFR, Part 570.201(n)*
  - c. The acquisition of land for use as a park serving primarily a residential neighborhood that is predominantly low- to moderate-income.
  - d. 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.)
  - e. The acquisition of real property (including, air rights, water rights, easements, rights-of-way, and other interests therein) which is:
    - i. Blighted, deteriorated, deteriorating, undeveloped or inappropriately developed from the standpoint of sound community development and growth;
    - ii. Appropriate for rehabilitation or conservation activities;
    - iii. To be used for the provisions of public works, facilities, and activities eligible for assistance under this title; or
    - iv. 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 homeownership assistance 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 demonstrated need for the proposed use of the property. Depending on the nature of the proposed use, the scoring of this activity will be ranked against the other applications with similar activities.

## **HOUSING REHABILITATION**

### **A. ELIGIBLE 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.
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. INELIGIBLE ACTIVITIES**

- Creation 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, washer or dryer, etc.
- Labor costs for owners to rehabilitate their own property.

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

The Department will assess the following need indicators:

- Percentage of housing stock built pre-1970 based on 2000 census data;
- Percentage of overcrowding based on 2000 census data;
- Percentage of units needing rehabilitation based on the housing stock survey 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 is supported by documentation.

**COMBINATION OF HOUSING REHABILITATION &  
HOMEOWNERSHIP ASSISTANCE PROGRAM  
(THE HOUSING COMBO)**

**A. ELIGIBLE ACTIVITIES**

This activity combines the Housing Rehabilitation and Homeownership Assistance Programs. It provides greater flexibility by allowing grantees to transfer CDBG funds between the two programs without having to execute a formal contract amendment. Grantees will need to inform the Department in writing each time funds are moved, and written approval for transfer between the two programs will be required.

For details on eligible and ineligible activities, please refer to the Housing Rehabilitation and Homeownership Assistance sections.

**B. TIG BENEFIT**

This combined program is direct assistance and is restricted to 100 percent TIG beneficiaries. All beneficiaries must be income qualified prior to receiving assistance.

**C. COMMUNITY NEED SCORING**

The Department will use the same need indicators as those for the individual programs. These two sets of needs scores will be blended together to determine a final need score.

**Note:** In order to be considered for a housing combination program, the application must demonstrate the need for both housing rehabilitation and homeownership assistance and include all required documentation.



## **PUBLIC FACILITIES**

### **A. ELIGIBLE ACTIVITIES**

- 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 temporary 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.

#### **Notes:**

1. Costs for design features, which promote the energy efficiency of the proposed public facility activity may be included.
2. If a public facility contains multiple uses, including eligible and ineligible uses, it could still receive CDBG assistance if:
  - The portion of the building, which will house the eligible uses, will occupy a designated and specific area.
  - The applicant can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multi-use building.
  - Time-sharing of eligible and non-eligible uses for the space will not be accepted.

### **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 under the 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.

**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 address the problem.

Applicants must provide supporting documentation that could include, but not be limited to, letters of support, waiting list information, third-party documentation and data from government agencies. In rating and ranking the proposed activities, the Department will assign points based on the relative severity of problems among all applications.

**D. 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*

## **PUBLIC IMPROVEMENTS**

### **A. ELIGIBLE ACTIVITIES**

The costs of acquisition, construction, or installation of a public improvements project and site or others, 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, a Cease-and-Desist Order; 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 ACTIVITIES**

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:

1. 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);*
2. 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)*

**B. COMMUNITY NEED SCORING**

Depending on the tenure of the new housing units, the need indicators can include:

- 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.

**C. OTHER CONSIDERATIONS**

1. 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.
2. If any off-site improvements are proposed, the applicant must submit documentation supporting the condition of project approval.



## **PUBLIC SERVICES**

### **A. ELIGIBLE ACTIVITIES (HCDA, Section 105(a)(8))**

CDBG funds may be used to provide public services including labor, supplies, materials, and other costs. Funding operating and maintenance costs 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 been provided before, or has been discontinued for 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 plus program income 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 documentation demonstrating:

- The severity of the problem being addressed;
- There is an unmet demand or need for the proposed service;
- 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 ACTIVITIES

Pursuant to 24 CFR, Part 570.207, the construction of new permanent housing structures is **ineligible** for CDBG assistance, except under the following limited circumstances:

- 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).*
- When carried out by a Community-Based Development Organization (CBDO) pursuant to 24 CFR, Part 570.204(a).

**Note:** Generally, CDBG funds activities in support of new housing construction projects are eligible under Public Improvements in Support of Housing New Construction.

### B. COMMUNITY NEED SCORING

If the project qualifies as last resort housing, the applicant will receive full points under the Need Category.

If the project will be carried out by a CBDO, the Department will use the following need indicators:

- Need for new units, based on the jurisdiction's vacancy rate for the tenancy type proposed, taken from the 2000 census;
- 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.

## C. OTHER CONSIDERATIONS

1. 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.

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

## APPENDIX D

***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/County of \_\_\_\_\_ will conduct a public hearing by the City Council/County on Wednesday, January 21, 2009, at 6:00 p.m. at the City Hall Conference Room, \_\_\_\_\_ Street, to discuss the Fiscal Year 2009-10 Community Development Block Grant (CDBG) Program for the (indicate General or Colonias) 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 or Planning and Technical Assistance allocations of the CDBG Program.

The major activity categories are Homeownership Assistance, Housing Rehabilitation, Public Facilities, Public Services, and Public Improvements 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 Community Development/Housing Department on behalf of the City/County of (\_\_\_\_\_) anticipates applying for the maximum grant amounts as stated in the Notice of Funding Availability (NOFA).

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 County/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 E**

***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 days 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/County of \_\_\_\_\_ will conduct a public hearing by the City Council/County on Wednesday, March 25, 2009, at 6:00 p.m. at the City Hall Conference Room, \_\_\_\_\_ Street to discuss the Fiscal Year 2009-10 Community Development Block Grant (CDBG) (indicate General or Colonias) Allocation application and to solicit citizen input.

The Community Development/Housing Department on behalf of the City/County of \_\_\_\_\_ is applying for a grant amount of up to \$ (list application amount) under the (indicate General or Colonias) 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/County 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 F**

**CONDUCTING AN INCOME SURVEY**

This document provides guidance to jurisdictions who anticipate conducting income surveys to determine TIG benefit for HUD programs, according to 24 CFR 570.483 (b) (1) (i). For additional information on income surveys, please access HUD’s Office of Community Planning and Development at

<http://www.hud.gov/offices/cpd/lawsregs/notices/2005/05-06.doc>

Jurisdictions may consider hiring a professional demographer to conduct surveys of large areas. Surveys should be as statistically reliable as the U.S. Census.

**REQUIREMENTS:**

- **THE DEPARTMENT WILL ONLY ACCEPT INCOME SURVEYS THAT DESCRIBE IN DETAIL THE METHODOLOGY USED TO CONDUCT THE SURVEY AND HOW RANDOM SAMPLING WAS ACHIEVED.**
- **THE DEPARTMENT WILL ONLY ACCEPT INCOME SURVEYS THAT WERE COMPLETED WITHIN 60 MONTHS OF THE DATE THE APPLICATION IS RECEIVED.**

	<b>Table of Contents</b>	<b>Page</b>
I.	Planning the Survey and Service Area	2
II.	Information about Random Sampling	2
III.	Adequate Sample Size	3
IV.	Conducting the Survey	4
V.	Documenting the Survey Results	5
VI.	Sample Survey Form Instructions	6
	Sample Survey Form	7

## **I. Planning the Survey**

The planning stage should include:

- Determining area to be surveyed, including the size of the universe or population and the minimum number of responses required.
- Determining income limits for your County for each household size. Updated information is available at: [www.hcd.ca.gov/fa/cdbg/funds](http://www.hcd.ca.gov/fa/cdbg/funds) then click on Income Limits.
- Determining appropriate survey method (mail, door-to-door or telephone) and identify how this method will achieve random sampling.
- Creating a survey form, including the appropriate TIG income limits for each household size (sample form attached).

### **Service Area**

**Note: The service area must be primarily residential in nature.**

The service area for the activity must be determined prior to commencing the survey. The service area need not be coterminous with Census Tracts or other officially recognized boundaries; it is critical that the service area be the entire area served by the activity (see 24 CFR 570.483 (b)(1)(i)). The responsibility for outlining the area served by the activity rests with each jurisdiction or grantee. A service area can include all or parts of several units of general local government and may contain both incorporated and unincorporated areas. Income data from HUD may be usable for a portion of the service area while an income survey may be used for the remaining portion of the service area, provided that each source independently meets the 51 percent Low-Mod Income requirement.

## **II. Information about Random Sampling**

The Department will accept sampling statistics that represent the population as a whole if the applicant uses a methodologically sound survey. Conversely, the Department may, after reviewing the submitted data, determine that the methodology was statistically unsound. In such cases, the Department may assign a score of zero for TIG benefit, or may use other generally recognized data such as HUD's Low-Mod Income data.

## 1. Coded Questionnaires

A simple method of coding is to place a number on the questionnaires or return envelopes. When the questionnaire is received, a list of returned numbers is kept. If the response rate is not high enough so that follow-up contacts are needed, the addresses of numbers for which no response has been received can be looked up and additional questionnaires sent out. Information on drawing random numbers is available at [www.randomizer.org](http://www.randomizer.org) or [www.random.org](http://www.random.org).

## 2. Random Sampling

The guiding rule for sampling households or beneficiaries from the larger population is the avoidance of sampling bias. That is, sampling should not systematically exclude certain types of respondents. For example, surveys conducted mid-week during the day may exclude working households and provide inaccurate statistics about the larger population. If the survey methodology contains a sampling bias, larger sampling sizes will not solve the problem because certain portions of the population will continue to be systematically excluded from the sampling.

As a general rule, each individual within the population should have an equal chance of being surveyed. Beware of using data sources that contain only certain portions of your beneficiary population. For example, some utility billing lists may contain only property owners, while the beneficiaries will be both owners and renters. Tax rolls can be used for door-to-door surveys to provide a list of addresses in the universe, but should be adjusted for apartment buildings. City indexes and 911 maps are often helpful sources of data. After identifying the universe, the surveyor must conduct a random drawing of a number of addresses that exceeds the minimum required for that universe. **Within your application to the Department, describe the sampling methodology and how it achieves a randomly-selected sampling.**

## III. Adequate Sample Size

The required sampling size is determined by the size of the universe or the service area. The following table should be used to determine how many households a surveyor needs to interview to develop a survey of acceptable accuracy. For example, if you had a small water district of only 50 households, you would have to get responses from all 50 households. If the district had 500 households, you would have to get responses from 250. If the district had 5,000 households, you would have to get responses from 400.

### Required Sample Sizes for Universes

<u>Number of Households in the Universe</u>	<u>Minimum # of Responses</u>
1 - 50	All
51 - 55	50
56 - 63	55

64 - 70	60
71 - 77	65
78 - 87	70
88 - 99	80
100 - 115	90
116 - 138	100
139 - 153	110
154 - 180	125
181 - 238	150
239 - 308	175
309 - 398	200
399 - 650	250
651 - 1,200	300
1,201 - 2,700	350
2,701 or more	400

Commercial sites, vacant lots and abandoned/vacant homes should be excluded from the survey.

**Non-Respondents**

Even the best prepared surveyor will typically encounter non-respondents – the resident may not be home, refuse to be interviewed, or will provide an incomplete form. Non-response rates greater than 20% may affect the validity of the survey. **If the surveyor decides to use replacements, they must be selected through the same random process as the original group.**

Over sampling is a good way to avoid the issue of non-respondents. As a general rule, when dealing with a universe of over 100 households, over sampling should be 10 percent of the required responses; for a universe of over 400 households over sampling should be 20 percent of the required responses, etc.

**Note:** When applying for CDBG PTA grants, there is one exception to this table when dealing with a universe of 50 or less. The reason for this is that the CDBG eligibility threshold is that at least 51 percent of the beneficiaries must be TIG. In such a case, as soon as the jurisdiction has answers from a sufficient number of respondent households to indicate that the required TIG percentage of 51 percent is present, it could consider the information sufficient for area benefit documentation purposes. Using the example of the water district with 50 households, if a jurisdiction wanted to demonstrate CDBG eligibility for a planning grant, as soon as the jurisdiction had 26 TIG respondents, it could stop the survey, as the area benefit has reached the threshold of at least 51 percent TIG (26/50 = 52%).

#### IV. Conducting the Survey

The survey process should include a way to identify specific households who responded to the questionnaire while ensuring the respondents' confidentiality. For example, respondents may be particularly sensitive to the question of household income, or if a respondent's address is requested on the questionnaire, many persons may not answer the income questions or may not complete the questionnaire at all. Consequently, in order to promote a high response rate, the questionnaire should not include identifying information, such as the person's name or address. Confidentiality must always be emphasized to the respondents.

Several acceptable survey methods that preserve the anonymity of the respondent are:

1. **Door-to-Door Interviews** - the surveyor may hand deliver the questionnaire to the respondent and conduct the survey orally. It is crucial that the interviewer works during different times of the day and on weekends to avoid excluding certain groups. Door-to-door interviews are a reliable method of data collection and tend to receive a high response rate. However, they are most expensive and the responses may be influenced by the interviewer's presence and characteristics.
2. **Mail Questionnaires** – the survey form must be accompanied by a letter of explanation and a self-addressed stamped envelope. Upon receipt of the completed questionnaire, the address can be checked off the address list and the envelope and questionnaire can be separated. Mail surveys are generally less expensive to conduct and can avoid the issue of sampling bias by surveying the entire universe. The main disadvantage of mail surveys is they can have a low return rate. If the applicant uses this method, a statement ensuring respondent confidentiality should be included.
3. **Telephone Interviews** – the surveyor must ensure that the respondent is someone competent and knowledgeable about the household's size and income. There are many disadvantages to this method, including that it will exclude households that do not have a telephone or have unlisted numbers; less candid answers; distrustful of surveyor's identity, non-English speakers, etc.

#### **Publicity**

To promote citizen participation, it may be worthwhile to arrange advance notice regarding the survey, including date, reason and method of survey. As with all aspects of the survey, any publication must be worded so that it does not bias the results.

## V. Documenting the Survey Results

It is important that the results of the survey be documented for future reference or for auditing purposes. Documentation should consist of:

1. Separate All Identifying Information from the Questionnaires. When the survey is complete, the respondents' identifying information (name, address, telephone number) must be separated from the questionnaires and retained.
2. Keep the Completed Surveys. This provides evidence that the survey was actually conducted.

## VI. Sample Survey Form

On the following pages is a sample questionnaire to assist the applicant in using a method of surveying that allows for validation and, at the same time, preserves the confidentiality of the respondent. Applicants may include other questions designed to elicit information that they determine is important. However, experience has shown that overly detailed surveys may adversely affect the response rate.

The questions are designed to provide data regarding household size, income, and housing tenure. Household size and income are of particular significance in determining if a household is in the TIG.

The reason for collecting income data is for the applicant to make a determination of how many persons surveyed fall into the categories of TIG and above TIG or Non-TIG. The numbers provided in the chart under question #2 should be the current income limits based on household size. **Surveyors should consult the HCD web site and use the current income limits for their County in their questionnaire** (see [www.hcd.ca.gov/fa/cdbg/funds](http://www.hcd.ca.gov/fa/cdbg/funds)).

### **TIGs**

The survey should provide a breakdown of the respondents' TIGs, which are defined as follows:

TIG – 50% to 80% of Adjusted Median Household Income

Low TIG (LTIG) – 0% to 50% of Adjusted Median Household Income

Non-TIG - 81% and above of Adjusted Median Household Income.

**SAMPLE INCOME SURVEY FORM**

Dear Resident,

The City/County of \_\_\_\_\_ is conducting a survey to gather essential information to support an application for grant funding from the California Department of Housing & Community Development. The grant funds can provide vital services that could benefit the entire community, including public infrastructure, community facilities, decent housing, etc. We would appreciate if you fill out the form as accurately as possible. **Please note that a high response rate is needed for this survey to be valid.**

**All information included on this questionnaire is confidential.** Confidentiality is protected by not including names on any of the forms. No identifying information will be kept and the questionnaires will be tallied as a group.

1. How many persons live in your household? \_\_\_\_\_

(HOUSEHOLD is defined as all persons who occupy a housing unit. This could be any group of related or unrelated persons who share living arrangements.)

2. On a separate sheet of paper, make a determination of your household income. Use the total household income in the last 12 months or the income claimed in the most recent federal income tax filing. Include gross wages before deductions, public assistance, unemployment benefits, social security, pensions, alimony, child support, net income from owning or operating a farm or business, or any other source of income received regularly.

Please check the income range that applies to your household:

**(Sample Numbers Only – The surveyor should insert the applicable numbers based on the County income limits for each household size)**

- |                           |                           |                           |
|---------------------------|---------------------------|---------------------------|
| _____ \$15,000 - \$16,999 | _____ \$23,000 - \$24,999 | _____ \$31,000 - \$32,999 |
| _____ \$17,000 - \$18,999 | _____ \$25,000 - \$26,999 | _____ \$33,000 - \$34,999 |
| _____ \$19,000 - \$20,999 | _____ \$27,000 - \$28,999 | _____ \$35,000 - \$36,999 |
| _____ \$21,000 - \$22,999 | _____ \$29,000 - \$30,999 | _____ \$37,000 - \$38,999 |

3. Are you an Owner-occupant \_\_\_\_\_ or a Renter \_\_\_\_\_?

Thank you on behalf of the entire community! Please return this form to the surveyor or place it in the return envelope and mail it back.



**STATE CDBG PROGRAM**

**Request for Application for**

**Allocation Years:**  
**2009-10**  
**2008-09 & 2009-10**

**Allocation Type:**  
**General Allocation**  
**Colonias 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>CDBG 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.