

APPENDIX A: CDBG ELIGIBILITY and HOUSING ELEMENT COMPLIANCE

In order to receive CDBG funds, a successful applicant must submit and adopt 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 of Housing and Community Development's (Department) website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/he_time.htm .
- **The deadline for meeting this requirement for the current CDBG general and colonias NOFA is June 26, 2009.** No extensions will be granted beyond this date. The Department will not award funds to any applicant who does not meet the housing element requirements by June 26, 2009.
- Please be aware that 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 (see Health and Safety Code Section 50830). There are certain exceptions to this exclusion, including having a housing element found to be in substantial compliance by the Department.
- The Department encourages jurisdictions to contact and work closely with HPD and CDBG staff in meeting all the statutory deadlines and eligibility requirements.
- For technical assistance with the housing element updates and compliance status, contact Paul McDougall, HPD Manager, at pmcdougall@hcd.ca.gov or by phone at (916) 322-7995. For technical assistance with CDBG eligibility requirements, contact Anda Draghici, CDBG General Program Manager, at adraghici@hcd.ca.gov, or by phone at (916) 319-8064.

The Department no longer will accept a self-certification of housing element compliance. Rather, the Department's Housing Policy Development Division (HPD) will make this determination as of the deadline date.

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APPENDIX B: DETERMINING NATIONAL OBJECTIVE AND BENEFICIARIES

CDBG NATIONAL OBJECTIVE

According to 24 CFR Section 570.483, in order to be eligible for funding, every CDBG activity must meet one of the three national objectives of the program. Additional information on national objectives is available on HUD's website at www.hud.gov. The national objectives are:

1. Benefiting low- and moderate-income persons; or
2. Preventing or eliminating slums or blight; or
3. 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.

Most activities funded under the State CDBG program will meet the national objective of benefiting low- and moderate-income persons, also known as the "Targeted Income Group" (TIG).

All proposed activities must have a minimum TIG benefit of 51 percent in order to be eligible for funding. Applications that include activities with higher TIG benefit will be more competitive during the rating and ranking process.

Targeted Income Group, which includes "Lowest Targeted Income Group (LTIG)," is based on county income limits provided annually by HCD. Targeted Income Group households have incomes that are 80 percent or less of the adjusted area median family income; Lowest Targeted Income Group households have incomes that are at 50 percent or less of the adjusted area median family income.

Each application must contain a discussion of how the proposed project will principally benefit the targeted income group. Failure to adequately demonstrate that the proposed activity will provide such benefit may result in denial of the funds.

BENEFICIARIES

For the general allocation, beneficiaries may be tracked by number of people, housing units or households, depending on the type of activity.

1. Presumed Benefit (Limited Clientele)

HUD has determined that some beneficiaries are generally presumed to be principally low- and moderate-income persons. Activities that exclusively serve a group of persons in any one, or a combination, of the following categories may be presumed to be TIG:

APPENDIX B: DETERMINING NATIONAL OBJECTIVE AND BENEFICIARIES

- A. Beneficiaries with Presumed 100 percent TIG Benefit:
- Severely disabled adults – (Low TIG)
 - Illiterate adults – (Low TIG)
 - Persons living with AIDS – (Low TIG)
 - Battered spouses – (Low TIG)
 - Abused children – (Extremely Low TIG)
 - Migrant farmworkers – (Low TIG)
 - Homeless persons – (Extremely Low TIG)
- B. Beneficiaries with Presumed 51 percent TIG benefit:
- Seniors (over 62 years old) – (TIG) if assistance is to acquire, construct, convert and/or rehabilitate a senior center or to pay for providing center-based senior services.
 - Seniors – (Low TIG) if assistance is for other services (not center-based).
 - If an activity serves a combination of these groups, estimate the number under each group and report those numbers under the appropriate income levels.
 - For activities that will benefit seniors, to demonstrate TIG benefit of over 51 percent, the application must include an income survey.

2. Targeted Income Group (TIG) Determination

- A. Each application must provide information on the proposed beneficiaries for each activity, including the Set-Aside activity.
- B. Beneficiaries whose incomes are 80 percent or less of the county median income are determined to be TIG.
- C. HUD charts showing county median incomes can be found at:
http://www.hcd.ca.gov/hpd/hrc/rep/state/cdbq_home09.pdf
- D. Each proposed activity must show the intended beneficiaries by income category, as noted below:

81 percent and Above (Non-TIG) -A-	Between 51 percent - 80 percent (TIG) -B-	Between 31 percent - 50 percent (LTIG) -C-	Below 30 percent (Extremely LTIG) -D-	TOTALS -E-

Note: An activity cannot solely benefit the 51 percent - 80 percent Target Income Group.

APPENDIX B: DETERMINING NATIONAL OBJECTIVE AND BENEFICIARIES

- A. Non-TIG. Enter the proposed number of beneficiaries with incomes 81 percent and above (non-TIG) of the county median income. If CDBG funds will be used on a project where non-TIG will benefit, then show those non-TIG numbers on this chart. If non-TIG will not benefit from a CDBG activity, enter a zero in column A.
- B. TIG. Enter the proposed number of beneficiaries with incomes between 51 percent and 80 percent of the county median income.
- C. Low TIG (LTIG). Enter the proposed number of beneficiaries with incomes between 30 and 50 percent of the county median income.

Applicants may not enter a zero in this column. Proposed activities may not exclude benefit to the LTIG group.

- D. Extremely Low TIG (Extremely LTIG). Enter the proposed number of beneficiaries with incomes less than 30 percent of the county median income.
- E. Totals. Enter the total number of beneficiaries.

3. **Methods for Determining Area TIG Benefit**

- A. 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. This information is available by selecting "FY 08" at <http://www.hud.gov/offices/cpd/systems/census/ca/#lowmod>
- B. Alternatively, the applicant can use a household income survey to document the TIG benefit for proposed activity. See Appendix B for survey instructions and a sample survey form. Applicants must ensure that the methodology used to conduct any survey is legitimate.

Income surveys that rely on a sample of the population, but do not clearly describe and document the random sampling methodology was used, will not be accepted and the Department may use jurisdiction-wide HUD Low/Mod data 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 a CDBG Program Representative to ensure the source is acceptable, prior to submittal of an application.

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APPENDIX C: DETERMINING SERVICE AREA

CDBG-funded activities may be carried out to benefit an entire jurisdiction, or just a specific area of the jurisdiction, including a combination of incorporated and unincorporated areas. The service area will establish how the proposed Targeted Income Group (TIG) beneficiaries are determined.

For each activity, indicate whether the proposed activity will be jurisdiction-wide or confined to a target area.

JURISDICTION-WIDE

- If a project or program is “jurisdiction-wide”, this means that every person/household in the jurisdiction has an opportunity to benefit from a CDBG-funded activity.
- When addressing a 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 persons/households.
- To determine the percent of TIG for jurisdiction-wide activities, refer to the TIG percentages noted in Appendix A of the NOFA.

HUD’s Low-Mod tables or a valid Income Survey must be used to determine TIG Percentages. Do not use U.S. Census data.

TARGET AREA(S)

- A Target Area is a specific portion of a jurisdiction that will benefit from the activity.
- A Target Area may include incorporated and unincorporated areas.
- A Target Area must be primarily residential in nature to be eligible for funding under the General Allocation.
- Target Areas must have at least 51 percent of its people/households documented as TIG.
- Select the smallest unit of census data that encompasses the proposed target area. If the target area is completely within a Census Block Group, identify the Block Group(s). If the target area crosses boundary lines for more than one Census Block Group, identify all applicable Census Block Groups.
- To determine the percent of TIG persons/households in a Target Area, either:
 - Using HUD’s income charts, locate the Census Tract/Block Groups for the Target Area:
 - Add up the total number of TIG persons in the Target Area and divide by the total population in the Target Area to arrive at the Target Area TIG percentage.
 - If an Income Survey was performed for the Target Area:
 - Indicate the results of the survey
- For target areas, a **readable** map must be provided showing the exact area being served. Each target area will require a separate set of tables with the proper data.
- Most maps can be obtained by visiting the American Fact Finder website at:
www.factfinder.census.gov/servlet/thematicmapframesetservlet

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APPENDIX D: DETERMINING THE APPROPRIATE LEVEL OF ENVIRONMENTAL REVIEW(S)

- National Environmental Policy Act (NEPA) review requirements apply to **all** CDBG funded activities, including “10% set-Aside” activities and projects funded with program income.
- The environmental review must identify and address the physical, social, and economic impacts of the entire proposed activity. The environmental review process must consider the ultimate effect of a proposed project, including the potential effects of both the CDBG and related project activities. For example, if CDBG funds are being used to extend a water line to a site for a new residential development or manufacturing plant, then the ultimate effect of the project is not only the new water line, but also the new residential development or plant. Therefore, the environmental review must address the impacts of both the CDBG-funded water line as well as the development of the new residential units or plant. The scope of an environmental review encompasses this definition of a project.
- Environmental review is a critical component of the Readiness and Special Conditions for each activity. It documents compliance with NEPA and the California Environmental Quality Act (CEQA). Although CDBG staff does not monitor for compliance with CEQA, each grantee should also ensure that it has complied with CEQA requirements.
- Each level of review requires different types of documentation. Below is a summary of the required forms for each level of review and a list of typical activities associated with the review(s).
- **All** activities start with an Environmental Finding Form and a Form 58.6. The review path is determined after these forms are completed.

GLOSSARY:

NEPA - National Environmental Policy Act

CEQA - California Environmental Quality Act

CHRIS – California Historic Resources Information System

SHPO – State Historic Properties Office

NOI – Notice of Intent

RROF – Request Release of Funds

FONSI – Finding of No Significant Impact

ERR – Environmental Review Record – this is the entire file containing all documents and findings pertaining to the environmental review.

If you need assistance in determining the appropriate level of review for each proposed activity, please refer to the attached charts. Additional information can be found in the revised CDBG Grant Management Manual, Chapter 3, accessible at:

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

APPENDIX D: DETERMINING THE APPROPRIATE LEVEL OF ENVIRONMENTAL REVIEW(S)

EXEMPT (§ 58.34)

1. Required Forms:
 - Environmental Finding Form
 - Form 58.6

2. Typical Activities:
 - General Administrative.
 - Payment of costs for eligible public services that will not have a physical impact or result in any physical changes.
 - Inspections and testing of properties for hazards and defects.
 - Engineering and design.
 - Technical assistance and training.
 - Activities that are Categorically Excluded and subject to 58.5, but have converted to Exempt.

CATEGORICALLY EXCLUDED NOT SUBJECT TO §58.5 (§58.35b)

1. Required Forms:
 - Environmental Finding Form
 - Form 58.6

2. Typical Activities:
 - Economic Development activities.
 - Payment of CDBG eligible operating costs.
 - Payment of CDBG eligible supportive service costs, including but not limited to, health care, housing counseling services, day care or nutritional services.
 - Homeownership Assistance programs.
 - Affordable housing predevelopment costs.
 - Payments of assessments to TIG households where the project **is not** dependent on CDBG funding.

If **any** additional activities are taking place, such as rehabilitation or new construction, or if the project is associated with the expansion of existing operations, the project **does** have to meet a higher environmental clearance level, **even if CDBG funds are not paying for the additional activities.**

APPENDIX D: DETERMINING THE APPROPRIATE LEVEL OF ENVIRONMENTAL REVIEW(S)

CATEGORICALLY EXCLUDED SUBJECT TO §58.5 (§58.35A)

A. Statutory Worksheet with No Secondary Findings

1. Required Forms:

- Environmental Finding Form
- Form 58.6
- Statutory Worksheet (project site) with letter from either CHRIS or SHPO

2. Typical Activities:

- Payment of assessments for TIG households, where the project **is** dependent on CDBG funding, **and** with a less than 20 percent increase in system capacity.
- Public Improvements and Public Facility projects with **less than** a 20 percent change in size or capacity.
- Residential rehabilitation with one to four units
- Multifamily residential rehabilitation

B. Statutory Worksheet with Secondary Findings

1. Required Forms:

- Environmental Finding Form
- Form 58.6
- Statutory Worksheet (project site) with letter from SHPO/CHRIS
- Notice of Intent to Request Release of Funds (NOI/RROF) - 7-day public notice period (submit proof of publication)
- Request for Release of Funds and Certification (RROF and Cert.) – 15-day objection period

2. Typical Activities:

- Same as Statutory Worksheet with No Secondary Findings (above).

C. Tiered Review for Housing Rehabilitation Programs

1. To obtain environmental clearance for the program **at the beginning** of the grant, submit the following Required Forms:

- Environmental Finding Form
- Form 58.6
- Rehabilitation Environmental Review (RER) **excluding** Appendix A
- SHPO letter
- NOI/RROF – 7 day public notice period (submit proof of publication)
- RROF and Cert. – 15-day objection period.

2. For each housing rehabilitation project, complete Appendix A of the RER but do not submit to CDBG

D.

APPENDIX D: DETERMINING THE APPROPRIATE LEVEL OF ENVIRONMENTAL REVIEW(S)

Environmental Assessment (§58.36)

1. Required Forms:
 - Environmental Finding Form
 - Form 58.6
 - Environmental Assessment (EA) with letter from either CHRIS or SHPO
 - Combined Notice (FONSI and NOI/RROF)/15-day public notice period
 - RROF and Certification/ 15-day objection period

2. Typical Activities:
 - New construction
 - Rehabilitation of a public facility or public improvement with more than 20 percent increase in the size or capacity
 - Conversion of land use

E. Environmental Impact Statement (EIS) Determination (§58.37)

1. Required Forms:
 - Notice of Intent to Prepare an EIS Draft and Final EIS
 - Record of Decision

2. Typical Activities:
 - Activities resulting in significant impact on the human environment.
 - Typically larger/regional projects.

APPENDIX D: DETERMINING THE APPROPRIATE LEVEL OF ENVIRONMENTAL REVIEW(S)

Level of Environmental Review¹

Exempt 58.34	Categorically Excluded NOT subject to 58.5
TYPE OF ACTIVITIES	
<ul style="list-style-type: none"> ➤ Administrative and management activities. ➤ Environmental and other studies. ➤ Resource identification. ➤ Information and financial services. ➤ Public services, i.e. employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation, welfare, recreational needs. ➤ Inspections and testing for hazards or defects. ➤ Purchase insurance or tools. ➤ Engineering or design costs. ➤ Technical assistance and training. ➤ Temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities to control or arrest the effects from disasters or imminent threats to public safety, including those resulting from physical deterioration. ➤ Payments of principal and interest on loans or obligations guaranteed by HUD. 	<ul style="list-style-type: none"> ➤ Tenant-based rental assistance. ➤ Supportive services such as health care, housing services, permanent housing placement, day care, nutritional services, short-term payments for rent, mortgage, or utilities, assistance in gaining access to government benefits. ➤ Operating costs including maintenance, furnishings, security, equipment, operation, supplies, utilities, staff training and recruitment. ➤ Economic development activities including equipment purchase, inventory financing, interest subsidy, operating costs, and other expenses not associated with construction or expansion. ➤ Activities to assist homeownership of existing dwelling units or units under construction, including closing costs and down payment assistance to homebuyers, interest buy downs or other activities which do not have a physical impact. ➤ Affordable housing pre-development costs: legal consulting, developer and other site-option costs, project financing, administrative costs for loan commitments, zoning approvals and other activities which do not have a physical impact. ➤ Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under Part 58, if: approval is by the same Responsible Entity, and re-evaluation is not required, per 58.47.

¹ Adapted from chart prepared by Anchorage Office of Native American Programs, HUD

APPENDIX D: DETERMINING THE APPROPRIATE LEVEL OF ENVIRONMENTAL REVIEW(S)

Level of Environmental Review

Categorically Excluded AND subject to 58.5 (“A” checked for <u>all</u> items in the “Status” column)	Categorically Excluded AND subject to 58.5 (“B” checked for <u>one or more</u> items in the “Status” column)
TYPE OF ACTIVITIES	
<ul style="list-style-type: none"> ➤ Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings), when the facilities and improvements are already in place and will be retained in the same use without change in size or capacity of more than 20 percent: <ul style="list-style-type: none"> ○ Replacement of water or sewer lines; ○ Reconstruction of curbs & sidewalks; and ○ Repaving of streets. ➤ Special Projects directed toward the removal of material and architectural barriers that restrict the mobility of and accessibility to the elderly and handicapped. ➤ Single Family Housing Rehabilitation: <ul style="list-style-type: none"> ○ Unit density is not increased beyond 4 units; ○ Project does not involve change in land use from residential to non-residential; and ○ The footprint of the building is not increased in a floodplain or a wetland. ➤ Multifamily Housing Rehabilitation: <ul style="list-style-type: none"> ○ Unity density change is not more than 20 percent; ○ Project does not involve change in land use from residential to non-residential; and ○ Cost of rehabilitation is less than 75 percent of the estimated cost of replacement after rehabilitation. ➤ Non-Residential Structures: <ul style="list-style-type: none"> ○ Facilities and improvements were in place and will not be changed in size or capacity by more than 20 percent; and ○ Activity does not involve change in land use from non-residential to residential, commercial to industrial, or one industrial use to another. ➤ Individual action (e.g. disposition, new construction, demolitions, acquisition) on a 1 to 4 unit dwelling; or individual action on 5 or more units scattered on sites more than 2000 feet apart and not more than 4 units per site. ➤ Acquisition (including leasing) or disposition of, or equity loans on an existing structure or acquisition (including leasing) of vacant land provided that the structure of land acquired or disposed of will be retained for the same use. ➤ Combinations of the above activities. 	

NEPA Environmental Assessment

- Activities not exempt or categorically excluded.
- Generally, new construction of 5 or more homes.
- Conversion from one type of land use to another.

APPENDIX E: COST CATEGORIES FOR CDBG ACTIVITIES

GENERAL ADMINISTRATIVE COSTS

- To support a CDBG program at the local level, jurisdictions have to perform supporting functions that are necessary and appropriate in implementing and administering a CDBG award.
- These costs are reimbursable under General Administrative (GA) costs.
- General Administrative costs may be allocated on a direct basis or an indirect basis.
- Costs that are always considered “administrative” include:
 - General management, oversight and coordination of the program including, but not limited to, providing information about the overall CDBG program, preparing budgets, reports and other documents.
 - Indirect costs, per OMB A-87 (F)(1) , are those costs incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the specific cost objected benefited.
 - As a general guideline, the GA cost allowed is 7.5 percent of the total award. An additional 2.5 percent may be used if the grantee has committed that in the form of local leverage for GA.

ACTIVITY DELIVERY COSTS

- Activity Delivery costs are **direct costs** incurred in carrying out a specific project or program.
- The amount of activity delivery costs charged to the State CDBG grant is limited to a percent of the total activity budget.
- Grantees are allowed to use a portion of the grant award to pay for the actual costs associated with the delivery of each proposed activity. Activity delivery includes costs associated with staff and overhead **directly** involved with carrying the **specific** activity.
- Activity delivery costs vary, depending on the activity category. As a general guideline, the cost of activity delivery has been a percentage of the amount awarded for the activity as follows:
 - Housing Rehabilitation..... *up to 19 percent*
 - Public Facilities or Public Improvements..... *up to 8 percent*
Note: If complex labor standards are involved (multiple subcontractors and/or numerous trades), then up to 12 percent may be requested.
 - All other activities..... *up to 8 percent*
- Costs that would be associated with “activity delivery” include:
 - Application processing and specific program/project marketing,
 - Direct costs of salaries and expenses for staff working directly on a specific program/project.
 - Environmental reviews.
 - Labor standards compliance.

APPENDIX E: COST CATEGORIES FOR CDBG ACTIVITIES

Some costs can be charged either to a specific project (Activity Delivery/Activity), or to administrative (General Administrative) costs. Please refer to the Cost Categories Table on the following page.

Activity Costs are directly related to the program/project and include:

- Materials, labor, etc.

OMB CIRCULARS

Information on how to allocate administrative costs can be found in the OMB Circulars A-21, A-87, A-110 and A-122, as appropriate. Copies of the Circulars are available at:
<http://www.whitehouse.gov/omb/circulars/index.html>

APPENDIX E: COST CATEGORIES FOR CDBG ACTIVITIES

Cost Categories Table

Costs	General Administration	Activity Delivery	Activity
Advertisements		X	
Appropriate Fees		X	X
Attend Workshops (HCD)	X		
Bidders Conferences		X	
Construction			X
Engineering Draw/Design		X	
Environmental Studies	X	X	
Fiscal Reporting	X		
General Coordination	X		
Indirect Costs (<i>see Instructions</i>)	X		
Insurance Premiums	X	X	
Labor Standards		X	X
Land Surveying		X	
Loan Processing		X	
Meetings with Banks	X	X	
Meetings with Homeowners/Homebuyers		X	
Personnel Costs	X	X	
Predevelopment Costs	X		
Procurement	X	X	
Program Reporting to CDBG	X		
Project Inspections		X	
Relocation Costs		X	X
Work Write-ups		X	

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APPENDIX F: STATE OBJECTIVES

STATE OBJECTIVES (Maximum of 50 points for all activities in the application.)

Per CCR, Title 25, Section 7078.7, the Department may award an application up to 50 points for addressing one or more state objectives as identified in the annual CDBG NOFA.

The Department's selection of state objectives is based on one or more of the following:

- Emergent circumstances such as natural disaster or economic dislocation.
- Imbalance among the types of activities funded in prior years' awards.
- Imbalance in the geographic distribution of funds in prior years' awards.
- Imbalance in the population service in prior years' awards.
- Federal funding priorities as publicly announced by HUD.
- Housing and community development needs or objectives identified in the annual Consolidated Plan.

The Department has identified five (5) state objectives:

1. Energy Efficiency
2. Infrastructure
3. Native American Partnerships
4. Farmworker Housing/Health Services
5. Capacity Building

Does an application activity qualify for one (or more) of the State Objectives listed below? If so, note such in the State Objectives section of each activity.

Important Notice: *Failure to comply with any State Objective requirements may result in the applicant having to return CDBG funds.*

1. **Energy Efficiency Proposals:** Up to 50 points will be awarded for activities that commit to using the established minimum level of green building standards. At a minimum, the applicant must commit to doing the following (where applicable to the program/project):

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.

Note: Applicants that commit to fulfilling the Energy Efficiency State Objective will be required to maintain evidence that all required energy efficiency criteria were met. Such evidence may include purchase order information from contractors, maintaining detailed work write-ups that include all criteria, pictures, inspections, etc.

APPENDIX F: STATE OBJECTIVES

Site:
Use plant and tree species that require low water use in sufficient quantities.
Install irrigation system using only low-flow drip, bubblers, or low-flow sprinklers.
Materials and Resources:
Use engineered lumber - <ul style="list-style-type: none"> a. Beams and Headers b. Wood I-Joists or web trusses for floors and ceilings
Use Oriented Strand Board (OSB) for floor, wall, and roof sheathing.
Provide effective air sealing – <ul style="list-style-type: none"> a. Seal sole plates. b. Seal exterior penetrations at plumbing, electrical, and other penetrations. c. Seal top plate penetrations at plumbing, electrical, cable, and other penetrations. d. Weatherstrip doors and attic access openings. e. Seal penetrations in interior equipment closets and rooms. f. Seal around bathtub drain penetrations in raised floors.
Install and flash windows in compliance with window installation protocols.
Exterior Doors – <ul style="list-style-type: none"> a. Insulated or solid core. b. Flush, paint or stain grade shall be metal clad or have hardwood faces. c. Factory primed on six sides with a one year warranty.
Select durable non-combustible roofing materials which carry a three-year contractor installation guarantee – <ul style="list-style-type: none"> a. 20-year manufacturer’s warranty; or b. 30-year manufacturer’s warranty.
Energy Efficiency:
Install ENERGY STAR® Ceiling Fans in living areas and all bedrooms; install a whole house fan with insulated louvers; or install an economizer.
Install ENERGY STAR® Appliances (where applicable)
Install gas storage water heater with an Energy Factor (EF) of 0.62 or greater and a capacity of at least 30 gallons for one- and two-bedroom units and 40 gallons for three-bedroom units or larger.
Water Efficiency:
Use water-saving fixtures or flow restrictors. <ul style="list-style-type: none"> a. Kitchen and Service Areas < 2 gallons per minute (gpm). b. Bathroom Sinks < or = 1.5 gallons per minute (gpm). c. Showers and Bathtubs < or = 2.5 gallons per minute (gpm).
Indoor Environmental Quality:
Use Low-VOC paint and stain. <ul style="list-style-type: none"> a. Flat interior wall/ceiling paints & stains < 50gpl VOCs. b. Non-flat wall/ceiling paints & stains < 150gpl VOCs
Provide window coverings – <ul style="list-style-type: none"> a. Drapes or blinds may be fire retardant.

APPENDIX F: STATE OBJECTIVES

Floor coverings –

- a. Light and medium traffic areas shall have vinyl or linoleum at least 3/32" in thickness.
- b. Heavy traffic areas shall have vinyl or linoleum at least 1/8" in thickness.
- c. Carpet shall comply with U.S. Department of Housing and Urban Development/Federal Housing Administration UM 44C, or alternatively, cork, bamboo, linoleum, or hardwood floors shall be provided in all other floor areas.

2. **Infrastructure Proposals:** Up to 25 points will be awarded for public improvements and infrastructure in support of housing projects.
3. **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. (The activity description must clearly indicate how this State Objective will be implemented.)
4. **Farmworker Housing/Health Services:** Up to 25 points will be awarded to proposals which facilitate the development and/or operation of migrant or permanent farmworker housing or proposals which facilitate the provision of health services in combination with farmworker housing. To receive these points, a minimum of 90 percent of the beneficiaries of the proposed activity must be farmworkers. (The activity description must clearly indicate how this State Objective will be implemented.)
5. **Capacity Building (choose only one per application):** 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 five years (2005 to 2008) in the General Allocation and who were not funded either time.

In the Application Summary Forms, identify the two years that a CDBG General Allocation application was submitted and not funded.

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APPENDIX G: LEVERAGE

For all activities included in the application, in the Sources and Uses Charts, clearly identify the Use of Funds, Source of Funds, Funding Type, Dollar Amount Committed, Commitment Date, and Page Number in the Application where the local resolution is located. (The original application **must** contain an original or certified original resolution.)

Although the CDBG Program does not count State/federal funding sources as leverage, it is important to identify those funds so that the Department can accurately report on these resources.

LEVERAGE

General Info

All leverage commitments must be documented by a letter of commitment from the appropriate person, company, and/or agency.

Such letters must be on company letterhead (if applicable), clearly indicate the dollar amount committed, how this dollar figure was calculated (if applicable), and the activity for which the commitment is being offered.

Failure to submit the required letters of commitment in the application will result in that leverage source not being counted.

All leverage must be expended during the term of the CDBG contract.

Sources

- If the leverage is committed by an entity that receives State or federal funding, explain the source of the leverage funds.
- If the contributed funds were derived from a State or federal source but have lost their identity as such, submit documentation to this effect to have the funds counted as leverage.
- If the applicant is a city and the county in which that city is located makes a contribution to this application, the county funds will be counted as a local leverage contribution, as long as the source of the county contribution is not State or federal funds.
- Program income will not be accepted as leverage.
- Local Redevelopment Agency funds are an acceptable local contribution. HOWEVER, in order to these funds to be considered as leverage, the applicant must attach a separate RDA resolution (original or certified original).

APPENDIX G: LEVERAGE

Activity

All leverage must be directly linked to a specific CDBG activity for which funds are being sought.

- For example, the commitment of operating subsidies or supportive services will not count as leverage if CDBG funds are being sought for the development of a rental housing new construction project because they are not directly related to the development of the housing.
- The CDBG Program will not accept construction and take-out financing for a project. The applicant must specify which of these commitments are to be considered towards leverage.
- For housing acquisition and housing rehabilitation programs, leverage will be evaluated on a per unit basis. If the applicant is proposing housing rehabilitation and/or housing acquisition activities, the number units to be assisted must be indicated.
- If the proposed activity is an increase in existing service(s), leverage contributions associated with the increase will be counted for assigning a score for leverage.

Type of Leverage

- **Local funds:** Only local funding authorized **by resolution** from a local governing body will be counted as leverage and assigned points.
- **Real property:** For real property, if site control and property value are well documented, the CDBG Program will count the entire value of real property as leverage in a housing new construction project.

For establishing the value of real property, the following may be used:

- Appraisals which **are less than one year old** (this is the preferred documentation for establishing the value of real property);
- A Purchase Agreement signed by all involved parties;
- The County Tax Assessor's value may be used, as documented on a property tax bill or equivalent document.
- **In-kind contributions:**
 - Jurisdictions may choose to contribute some form of in-kind services. This could be staff time or the value of other administrative services. When using in-kind contributions, applicants must specify the dollar value and indicate if the contributions are for general administration (GA) activities and/or activity delivery (AD) costs. **Applicants must ensure that these specific contributions are clearly identified in the local resolution.** (See Introduction section of Application for information on percentage limits for GA and AD.)
 - Private in-kind contributions.

APPENDIX G: LEVERAGE

- **Fee waivers:** If the local contribution includes fee waivers, show the cost of the fees being waived on this chart.
- **Fee deferrals:** If the local contribution includes fee deferrals, the leverage value of the deferrals will be based on the net present value, for the period of the deferral. Please attach the fee deferral calculations, if applicable
- **Infrastructure improvements:** If the jurisdiction proposes infrastructure improvements as a local contribution, this work must be related to the proposed CDBG activity. For example, if a jurisdiction proposes to use redevelopment agency revenues to fund infrastructure improvements in the jurisdiction, points will only be awarded if these improvements are done in conjunction with the CDBG-funded activity.
 - Points will **not** be awarded if the CDBG activity is in one section of a jurisdiction and infrastructure improvements are being done in another part of the community. In the section of this application where applicants describe the proposed activity, it must be clearly detailed as to how this local complementary activity is related to the CDBG activity.
- **Highway Users Taxes (gas taxes):** If the jurisdiction proposes to use gas taxes in support of a housing new construction activity, the identified gas tax amount must be restricted to either: 1) the street(s) on which CDBG-assisted units will be located, or 2) work reasonably required as a condition of project development approval.
- **Funds from private organizations (including non-profits):** If a non-governmental organization is contributing funds and the source of those funds is State or federal funding, the contribution will **not** be counted. Applicants must clearly indicate the source of such contributions and submit the required letters of commitment in the application.
- **Sweat equity contributions:** Sweat equity is based on hours worked and will be valued at \$10 per hour.

Formula: ____ Hours x \$10 per hour = \$ _____ = Total Sweat Equity

Note: In order to receive leverage credit for sweat equity, applicants must comply with all lead-based paint regulations. For housing rehabilitation and homebuyer acquisition activities, property owners **must fulfill one** of the following:

- Take a one-day, HUD-approved work safe class; or
 - Perform activities that do not trigger lead-based paint regulations; or
 - Work on a home completed after January 1, 1978.
- The leverage **value of developer fee deferrals** will be based on net present value for the period of the deferral, at the approximate cost of funds. Please attach all applicable calculations.

APPENDIX G: LEVERAGE

- **Volunteer labor and/or donated materials:** If the jurisdiction shows volunteer labor and/or donated materials as a private leverage contribution, documentation must be maintained in the applicant's files for monitoring purposes. A letter or other documentation that clearly shows how the value of the labor and materials was calculated must be submitted with the application. Statements such as "based on past experience" for labor calculations are not adequate. If documentation of dollar value for labor is not submitted with the application, CDBG will assign a value of \$10 per hour.
- **Contributions to a project from a program administrator** may be a conflict of interest. Please contact the appropriate CDBG Representative to discuss this issue if the applicant is anticipating contracting out for program administration and a contribution from a potential program administrator is anticipated.
- **Contributions towards** payment of salaries and purchase of new supplies, equipment, inventory, or operating expenses for the grant term may be counted as leverage.
 - On the funding sources chart, when claiming leverage credit for salaries, inventory, and operating expenses, leverage must be expended during the grant term. In the application, applicants must clearly state the time period for which the leverage is claimed. For example, United Way - Shelter Coordinator Salary (one year), or Safeway - increase in donated food (two years).
- Other **potential private leverage** sources include, but are not limited to: the Federal Home Loan Bank Board Affordable Housing Program (AHP), conventional lenders, donated material, and foundation grants.

APPENDIX H: CENSUS TABLES AND CALCULATIONS

2000 U.S. Census data may be used to quantify a portion of an applicant's need for an activity compared to other applicants. Different Census data sets are used for different types of activities.

This appendix describes how applicants must calculate figures for each applicable Census table to be included in the application. Applicants must show the calculation on each census table. Failure to do so may result in no points being given under that particular category.

The census tables used to document an applicant's need are as follows:

U.S. Census 2000 Summary File 1, Table DP-1

- Homeowner and Rental Vacancy Rate
 - Homeownership Acquisition
 - Public Improvements in support of Housing New Construction (PIHNC)
 - Housing New Construction
- Homeownership Rate
 - Homeownership Assistance

U.S. Census 2000 Summary File 3, Table DP-4

- Age of Housing Stock
 - Housing Rehabilitation
- Overcrowding
 - Homeownership Assistance
 - Public Improvements in support of Housing New Construction (PIHNC)
 - Housing New Construction
 - Housing Rehabilitation
- Renter Overpayment
 - Homeownership Assistance
 - Public Improvements in support of Housing New Construction (PIHNC)
 - Housing New Construction

These tables can be obtained through the 2000 Census Summary File 3, Tables DP-1 and DP-4 which are located online at: http://factfinder.census.gov/home/saff/main.html?_lang=en.

Counties- See Special County instructions

Instructions - Cities:

1. To obtain Census information, go to the web address above. In the left-hand column, select Data Sets and then Decennial Census.
2. Scroll down and select the appropriate Census Summary File:
 - Census 2000 Summary File 1 (SF1) 100-Percent Data, or
 - Census 2000 Summary File 4 (SF4) – Sample Data

APPENDIX H: CENSUS TABLES AND CALCULATIONS

3. From the dropdown list that appears, select List all tables.
4. When window opens up:
 - If *Census 2000 Summary File 1 (SF1) 100-Percent Data*, was previously selected, then choose: *DP-1. Profile of General Demographic Characteristics: 2000*, and click NEXT.
 - If *Census 2000 Summary File 4 (SF4) – Sample Data*, was previously selected, then choose: *DP-4. Profile of Selected Housing Characteristics: 2000*, and click NEXT.
5. Under *Select a geographic type*, choose Place and under *Select a state* select California.
6. Under *Select one or more geographic areas and click 'Add'*, select the name of the applicant city.
7. Click the Add button. This will place the selected City under *Current geography selections*.
8. Click on Show Result.
9. Print results and include in application package along with the calculations.

Instructions – Counties:

Counties are reminded that County-wide Census Tables also include the data for the cities within a county. All city data must be mathematically removed from County-wide data in order to accurately depict the portion of a county that will benefit from an application.

1. County applicants with a CDBG program that include all jurisdictions within the County, follow Steps # 1 – 4 for Cities, then continue as follows:
 - Under *Select a geographic type*, choose County and under *Select a state* select California.
 - Under *Select one or more geographic areas and click 'Add'*, select the name of the applicant county.
 - Click the Add button. This will place the selected County under *Current geography selections*.
 - Click on Show Result.

APPENDIX H: CENSUS TABLES AND CALCULATIONS

2. A county applicant's program that **does not** include all jurisdictions within the County (local jurisdictions apply independently, directly to the State CDBG program or are entitlement jurisdictions) will need to extract independent jurisdictions from the Census county totals.

These Counties should follow Steps # 1 – 4 for Cities, then continue as follows:

- To determine the population for the County go to the above web address. In the left-hand column, select Data Sets and then Decennial Census.
- Scroll down and select Census 2000 Summary File 4 (SF4) – Sample Data
- From the dropdown list, select List all tables
- When window opens up choose, *DP-4 Profile of Selected Housing Characteristics: 2000*, click NEXT.
- Under Select a geographic type, choose County, and under *Select a state*, select California.
- Click the Add button. This will place the selected City under *Current geography selections*.

The following sections describe how to calculate the Census-based need indicators to be included in the CDBG application. Applicants must show their calculations on each census table, with final percentages rounded to two decimal places.

The calculations and tables must be included in the application.

CALCULATIONS USING CENSUS DATA (2000 DP-1; Summary File 1)

HOMEOWNER and RENTAL VACANCY RATE

DP-1: Profile of General Demographic Characteristics: 2000		
Data Set: Census 2000 Summary File 1 (SF 1) - Sample Data		
HOUSING OCCUPANCY	Number	Percent
Total housing units	55,912	100.0
Occupied housing units	51,238	91.6
Homeowner vacancy rate (percent)	1.7	(X)
Rental vacancy rate (percent)	4.7	(X)

To determine the percent of vacancy among owner-occupied and renter-occupied units:

1. Use the homeowner vacancy rate percent provided by the Table: 1.70 percent

2. Use the rental vacancy rate percent provided by the Table: 4.70 percent

APPENDIX H: CENSUS TABLES AND CALCULATIONS

HOMEOWNERSHIP RATE (Housing Tenure)

DP-1: Profile of General Demographic Characteristics: 2000		
Data Set: Census 2000 Summary File 1 (SF 1) - Sample Data		
HOUSING TENURE	Number	Percent
Occupied housing units	51,238	100.0
Owner-occupied housing units	29,534	57.6
Renter-occupied housing units	21,704	42.4

To determine the homeownership rate:

1. Take the owner-occupied housing units, 29,534
2. Divide the above total by the number of total occupied housing units, 51,238
 $29,534 / 51,238 = 57.64$ percent
3. The Homeownership Rate = 57.64 percent

CALCULATIONS USING CENSUS DATA (2000 DP-4 Summary File 3)

AGE OF HOUSING STOCK

DP-4: Profile of Selected Housing Characteristics: 2000		
Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data		
Subject	Number	Percent
Total housing units	55,912	100.0
YEAR STRUCTURE BUILT		
1999 to March 2000	644	1.2
1995 to 1998	2,890	5.2
1990 to 1994	4,511	8.1
1980 to 1989	6,687	12.0
1970 to 1979	9,622	17.2
1960 to 1969	8,006	14.3
1940 to 1959	14,483	25.9
1939 or earlier	9,069	16.2

To determine the percent of housing units built prior to 1970:

1. Add up the units *built prior to 1970*:
 $8,006 + 14,483 + 9,069 = 31,558$
2. Divide the above total by the number of total housing units, 55,912
 $31,558 / 55,912 = 56.44$ percent
3. Age of housing stock built pre-1970 = 56.44 percent

OVERCROWDING

DP-4: Profile of Selected Housing Characteristics: 2000		
Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data		
OCCUPANTS PER ROOM	Number	Percent
Occupied housing units	51,238	100.0
1.0 or less	48,714	95.1
1.01 to 1.50	1,426	2.8
1.51 or more	1,098	2.1

To determine the percent of overcrowded housing units (more than 1.0 occupants per room):

1. Add up the units *with 1.01 or more* occupants per room:
 $1,426 + 1,098 = 2,524$
2. Divide the above total by the number of occupied housing units:
 $2,524 / 51,238 = 4.93$ percent
3. Overcrowding = 4.93 percent

APPENDIX H: CENSUS TABLES AND CALCULATIONS

RENTER OVERPAYMENT

DP-4: Profile of Selected Housing Characteristics: 2000		
Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data		
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999	Number	Percent
Less than 15 percent	8,453	37.3
15 to 19 percent	3,269	14.4
20 to 24 percent	3,106	13.7
25 to 29 percent	2,077	9.2
30 to 34 percent	1,515	6.7
35 percent or more	4,023	17.7
Not computed	230	1.0

To determine the percent of renters overpayment (25 percent or greater):

1. Add up the total households paying less than 25 percent:

$$8,453 + 3,269 + 3,106 = 14,828$$

2. Add up the total households paying 25 percent or more:

$$2,077 + 1,515 + 4,023 = 7,615$$

DO NOT INCLUDE "NOT COMPUTED"

3. Add the above totals together to arrive at the total renter households counted for this item:

$$14,828 + 7,615 = 34,081$$

4. Divide the total households paying 25 percent or more by the total renter households counted:

$$7,615 / 34,081 = 4.93 \text{ percent}$$

5. Renter Overpayment = 22.34 percent

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APPENDIX I: SAMPLE RESOLUTION OF THE GOVERNING BODY

RESOLUTION NO.____

A RESOLUTION APPROVING A 2009/2010 APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE GENERAL/COLONIA ALLOCATION OF THE STATE CDBG PROGRAM

BE IT RESOLVED by the City Council/County Board of Supervisors of the City/County of _____ as follows:

SECTION 1:

The City Council/County Board of Supervisors has reviewed and hereby approves an application for up to \$_____ for the following activities:

(List all activity titles showing funding breakdown)

Example (activity totals should include activity delivery dollars):

General Program Administration	\$37,500
Housing Rehabilitation- Single Unit Residential	\$462,500
Public Improvements-HNC-Street Improvements	\$950,000
Set-Aside – Public Facilities and Improvements	\$50,000

SECTION 2:

The City/ County has determined that federal Citizen Participation requirements were met during the development of this application.

SECTION 3:

The City/County hereby approves the use of Local Leverage Funding Sources (listed below) in the amount of \$_____ to be used as the City's/County's leverage for this application.

(List all funding sources identified in application on Local Leverage Funding Sources chart)

Example:

In-kind Staff	12,500
Gas Tax	10,000
Fee Waivers	3,000

NOTE: When local leverage is provided by the Redevelopment Agency, a separate resolution must be provided in accordance with Citizen Participation requirements.

SECTION 4:

The City/County hereby approves the commitment of Program Income in the amount of \$_____ during the grant term to the following activities:

Example (based on \$400,000 program income commitment):

Housing Rehabilitation	\$100,000
Public Improvements-HNC-Street Improvements	\$100,000
Set-Aside – Public Facilities and Improvements	\$200,000

APPENDIX I: SAMPLE RESOLUTION OF THE GOVERNING BODY

SECTION 5:

The (title of designated official[s]) _____ is hereby authorized and directed to sign this application and act on the City's/County's behalf in all matters pertaining to this application.

SECTION 6:

If the application is approved, the (title of designated official[s]) _____ is authorized to enter into and sign the grant agreement and any subsequent amendments with the State of California for the purposes of this grant.

SECTION 7:

If the application is approved, the (title of designated official[s]) _____ is authorized to sign Funds Requests and other required reporting forms.

PASSED AND ADOPTED at a regular meeting of the City Council/County Board of Supervisors of the City/County of _____ held on _____ by the following vote:

AYES:

NOES:

ABSENT:

Name and Title
City Council/Board of Supervisors

STATE OF CALIFORNIA

City/County of _____

I, _____, City/County Clerk of the City/County of _____, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council/Board of Supervisors on this ____ day of _____, 20____.

Name, City/County Clerk of the City/County of _____, State of California

By: _____
Name, Title