

# NOTICE OF FUNDING AVAILABILITY

Community Development Block Grant Program

**Native American Allocation *for* 2006-07 and 2007-08**

July 2007



STATE OF CALIFORNIA

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Division of Financial Assistance  
Community Development Block Grant (CDBG) Program  
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## NOTICE OF FUNDING AVAILABILITY

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## INTRODUCTION

### 1. NOTICE OF FUNDING AVAILABILITY (NOFA)

The Department of Housing and Community Development (HCD) announces the availability of the following State Community Development Block Grant (CDBG) Program funds for the 2006-07 and 2007-08 funding cycles:

- 1) A total of \$3,000,000 for the Native American Allocation.

**This NOFA applies only to the CDBG Native American funding allocation.**

Typical activities funded under this allocation are: housing rehabilitation programs and projects; homebuyer assistance programs; housing acquisition projects; housing new construction projects; public works projects; community facility projects; and public service programs. There are separate funding notices for the Economic Development and Planning/Technical Assistance Allocations. Contact the Program Administrative Assistant for information about those NOFAs.

Authorizing legislation and regulations. The CDBG Program is authorized by the Housing and Community Development Act of 1974 (Act) as amended,<sup>1</sup> and Subpart I 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.

- Under the Native American Allocation, jurisdictions may apply for a maximum of \$1,000,000 per eligible Native American tribe/area. The amount applied for under the Native American Allocation does not count against any General and Economic Development Allocation limitations.

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

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

## 2. APPLICATION TIMELINES

a. Key dates:

NOFA release: July 30, 2007

Application release: July 30, 2007

**Applications due to HCD by 5:00 p.m.: October 10, 2007**

Compliance with CDBG Housing Element: October 22, 2007

Awards announced: November 8, 2007

- b. Application Deadline: October 10, 2007. **Applications must be received at the Department by 5:00 p.m. on the due date. Applications that are received after the due date will be returned even if mailed before the due date and have a postmark on or prior to the deadline date.**

**Note: Facsimile copies or PDF e-mail files will not be accepted.**

c. Number of copies:

1. One complete **original** set (***with original signatures in blue ink and original/certified authorizing resolutions***), and
2. One complete copy of the entire application (including attachments), and
3. Include the following in the front pocket of the original binder:
  - One additional copy of authorizing resolution(s).

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

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- e. Further information can be obtained by doing one of the following:
- Contact the CDBG Program Native American Liaison/Representative, Ben Delaney, at (916) 319-8136 or by e-mail at [bdelaney@hcd.ca.gov](mailto:bdelaney@hcd.ca.gov).
  - Contact the CDBG field representative assigned to your county. Please refer to Appendix B for the name and telephone number of the CDBG field representative assigned to each eligible jurisdiction.
  - Contact the CDBG Program Administrative Assistant at (916) 552-9398; FAX number (916) 327-8823.
  - E-mail the CDBG Program at [cdbg@hcd.ca.gov](mailto:cdbg@hcd.ca.gov).

## FUNDING GUIDELINES

### 3. FUNDING LIMITS

a. Maximum award limits.

Up to a maximum of \$1,000,000 per eligible Native American tribe/area under the Native American Allocation.

b. Limited number of awards.

In the 2005-06 funding cycle, the CDBG Program received two Native American Allocation applications. Both applications were funded in the 2005-06 funding cycle; however, consistent with the nature of the competitive application process, there is no assurance that all applications will be funded.

### 4. ELIGIBLE APPLICANTS

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

The applicant shall have resolved any audit findings or performance problems for prior State CDBG grants awarded under this program. The Department may waive this requirement when such problems or findings result in no obligation to return funds to the grantor, arrangements satisfactory to the grantor have been made for repayment or performance, or a formal action to resolve the matter has been taken.

Some jurisdictions may be held out from receiving funds if they have received a performance findings letter. Examples of performance findings are, but not limited to, having excessive program income on hand and not meeting milestones as stated in the grant agreement. If the applicant city/county has received such a letter or is unsure of the status, contact the CDBG field representative (see Appendix B) for further guidance. **The city/county is not eligible to apply if a letter from the Department clearing your holdout status prior to submittal of the application has not been received.**

**Native American Allocation -- Eligible Areas**

- Only cities/counties that are eligible for the state's CDBG Program may apply for Native American allocation funds **on behalf of** non-federally recognized Native American communities.
- The Native American community must have some concentration of Native Americans within an eligible city/county.
- The applicant city/county does not need to be the same as where the Native American community is located.

Note: In the event that a city/county applies on behalf of a Native American Community that is located within another eligible city/county, a Joint Powers Agreement between the applicant city/county and the local city/county will be required.

Eligible jurisdictions may apply for Native American allocation funds in addition to any other CDBG application submitted during a given program year without invoking the program funding caps. Jurisdictions are encouraged to include activities benefiting Native American communities in their application for CDBG funds.

Please refer to Appendix A for a listing of the eligible Native American areas.

**5. ELIGIBLE ACTIVITIES**

The major activity categories are:

- Housing New Construction
- Housing Acquisition
- Housing Rehabilitation
- Community Facilities
- Public Works
- Public Services

Please refer to Appendices C through H for information about these major activity categories.

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

**6. PROGRAM ADMINISTRATION COSTS**

a. General Administration Expenses.

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

b. Activity Delivery Expenses.

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

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

- Housing Rehabilitation: up to 19 percent
- Community facilities or public works  
invoking difficult labor standards\* up to 12 percent
- All other activities: up to 8 percent

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

For all categories, if the percentages exceed these amounts, applicants must provide an explanation and justification of the higher amounts. The Department will decide if the applicant shall receive an amount that exceeds the standard percentage.

**APPLICATION REVIEW AND SCORING**

**7. EVALUATION CRITERIA AND SCORING POINTS**

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

<b>Evaluation Criterion and Description</b>	<b>Maximum Points</b>
<p><b>Poverty Index:</b> Applicants are compared in terms of the percentage of their population with incomes below the poverty level. This measure is taken within a designated target area where the activity is proposed for a target area. 2000 census data are used.</p>	100 Points
<p><b>Targeted Income Group (TIG) Benefit:</b> Activities proposed for funding are allocated points based on the percentage of beneficiaries who earn 80 percent or less of the county's median income, adjusted by household size. Multifamily rental projects may receive full points for 51 percent TIG benefit. Housing rehabilitation and homebuyer assistance activities must benefit 100 percent TIG. All other activities will begin earning points at 51 percent TIG benefit.</p>	300 Points
<p><b>Need for Activity:</b> Points are assigned based on the application's documented community need for the proposed program and the extent to which the proposed activity will address the identified need. See Appendices C through H for need indicators for each type of activity.</p>	200 Points

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<b>Evaluation Criterion and Description</b>	<b>Maximum Points</b>
<p><b>Prior Performance Operating CDBG Grants:</b> Applicants are rated on their performance in administering prior (2001, 2002, 2003, and 2004) CDBG Native American Allocation grants. In addition, performance will also be based on 2005 Native American grants that are performing ahead of schedule.</p> <p>Performance factors include: timeliness of grant expenditures, expenditures of committed leverage; timeliness of reporting and close-out submittals; timeliness of resolving any outstanding monitoring or audit findings; and, the amount of program income on hand. Points will be awarded to applicants whose expenditures exceeded the milestones stated in the contract and/or who have demonstrated timeliness in clearing special conditions or starting the project.</p> <p><u>New Applicants:</u> Applicants who have <u>not</u> had a Native American grant during the funding year 2001, 2002, 2003, 2004, and 2005 will receive full <b>standard</b> points under "Performance."</p>	150 Points
<p><b>Capacity:</b> Applicants with grants for the funding years 2001, 2002, 2003, 2004, and 2005 are evaluated on their ability to administer the activities proposed for CDBG funding based on their experience on past grants.</p> <p>New applicants will be evaluated on documentation of adequate in-house staff capability and experience or a letter of interest from a program operator with the capacity and experience to administer the CDBG activity.</p> <p>Of the available 150 points in this category, up to 100 points will be awarded for the demonstrated capacity to administer the proposed CDBG activity. Up to 50 points will be awarded to applicants who competitively demonstrate the project's readiness to proceed.</p>	150 Points
<p><b>Leverage:</b> Points are awarded based on documented commitments of additional (non-federal or state) funding for the proposed activity.</p>	50 Points

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Evaluation Criterion and Description	Maximum Points
<b>State Objectives:</b> Bonus points are awarded to applications addressing an identified State Objective. See the following section for a description of State Objectives.	50 Points
<b>TOTAL POINTS AVAILABLE</b>	<b>1,000 Points</b>

**State Objectives:** For the 2006-07 and 2007-08 program years, State Objective bonus points will be available as follows:

- **Infrastructure Proposals:** Up to 50 points will be awarded for public works and new construction projects providing public infrastructure in support of housing.

**8. APPLICATION TRAINING WORKSHOPS**

The Department will not conduct formal application training workshops; however, jurisdictions that have an interest in applying for Native American Allocation funding can receive telephone or on-site technical assistance from CDBG staff. To receive technical assistance, interested applicants may contact the following CDBG staff:

- Ben Delany, Native American Liaison      (916) 319-8136      [bdelaney@hcd.ca.gov](mailto:bdelaney@hcd.ca.gov)
- Leticia Cortez, CDBG Specialist      (916) 552-9357      [lcortez@hcd.ca.gov](mailto:lcortez@hcd.ca.gov)
- CDBG Program      (916) 552-9398      [cdbg@hcd.ca.gov](mailto:cdbg@hcd.ca.gov)

**AWARD ANNOUNCEMENTS AND PROCESSING**

**9. AWARD ANNOUNCEMENTS**

Awards will be announced on November 8, 2007. All applicants will be notified by mail as to the outcome of their application.

**NOTE: As a condition of receiving an award, each jurisdiction's housing element must be adopted pursuant to Government Code Section 65585, determined by the Department prior to October 22, 2007. Self-certifications will no longer be allowed. No extensions will be granted beyond this date. The Department will not award funds to any applicant who does not meet these requirements prior to October 22, 2007.**

**10. AWARD PROCESSING**

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

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

Costs for program-related activities may be incurred prior to execution of the Agreement only with written approval from the Department upon satisfactory completion of any required special conditions and environmental clearance. Information about processing times and authorization requirements will be provided in the Standard Agreement.

**11. GRANT MANAGEMENT WORKSHOPS AND PROGRAM MONITORING**

All funded applicants will be invited to attend any one of the Grant Management Workshops that will be conducted during September/October 2007. 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 2006-07 CDBG Grant Management Manual, which is available at the Department's website or a CD can be requested by contacting the CDBG Program.

Please note: The 2007-08 CDBG Grant Management Manual is expected to be available in September 2007.

## PROGRAM REQUIREMENTS

### 12. STATE REQUIREMENTS

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

a. Targeted Income Group (TIG) Benefit

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

Each application must contain a discussion of how the proposed activity will principally benefit the targeted income group. Failure to adequately document the level of TIG benefit for the proposed activity, if the activity is brought to completion, will result in denial of the funds. Different activities can have TIG benefit documented in a variety of ways, so read the activity appendix in this NOFA for your proposed activity regarding how to provide the proper documentation. **Exception:** 10 percent set-aside activities may address either low income benefit or slums and blight. This is a recent change so check with your CDBG Program representative to confirm how this national objective is to be documented.

b. Native American Allocation

An amount equal to a minimum of 1.25 percent or greater of the total state program funds is to be granted to eligible cities and counties to be used in identifiable geographic areas with concentrations (at least 51 percent) of Native American Indians not recognized as an Indian tribe by the Housing and Community Development Act of 1974. Contact your CDBG Program representative (see Appendix B) for guidance regarding how to document this status.

c. Housing

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

d. CDBG 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 is a question about the CDBG compliance status of your housing element, call Paul McDougall of the Housing Policy Development Division at (916) 322-7995, prior to submitting an application to verify the status of your housing element.

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

e. Growth Control

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

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

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

f. Performance Criteria

The Program staff will review and evaluate performance with prior grants to ensure that the jurisdiction has demonstrated capacity to administer the proposed activity(ies).

g. Serious Need

The Program staff will review and evaluate the need for all activities to ensure that the most serious community development needs in the state are funded.

**13. PUBLIC HEARINGS**

CDBG regulations (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 hearings should be noticed at least 10 days prior to the hearing date. The program design hearing should be held at least 30 days prior to the application submittal hearing. The application submittal hearing must be held before the local governing body and prior to the application being submitted to the Department. See Appendix I for sample public notices for project design and application submittal hearings. The CDBG Program staff will monitor all funded applications for this requirement, including the commitment shown to citizen participation.

**14. 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 State Public Records Act unless an exemption under this Act applies to the information submitted and the applicant establishes a valid claim of confidentiality under such exemption.

**15. RELOCATION AND ANTI-DISPLACEMENT REQUIREMENTS**

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

There are requirements in addition to publicly adopting and certifying compliance with an anti-displacement and relocation plan. 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. Jurisdictions that receive federal funds in the form of a CDBG grant are required to inform all potential persons, **prior to submitting an application for CDBG assistance**, of the potential for relocation as a result of the federally-funded project and of the potential recipients' rights to relocation assistance in the event relocation is triggered by the funded activity using a properly completed General Information Notice (GIN) as found in the U.S. Department of Housing and Urban Development's (HUD) relocation handbook 1378. 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.

**16. PROCUREMENT**

The Department will monitor for procurement of goods and services and will ensure equal opportunity provisions have been included in all procurement procedures.

**17. FEDERAL DEBARMENT AND SUSPENSION**

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

## APPENDICES

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## APPENDIX A

### ELIGIBLE NATIVE AMERICAN AREAS

TERMINATED RANCHERIAS: The following terminated Rancherias are eligible for the Native American Allocation:

Inyo County:	Indian Ranch
Nevada County:	Nevada City
Placer County:	Colfax
Plumas County:	Taylorville
Siskiyou County:	Ruffeys
Tulare County:	Strathmore
Yolo County:	Cache Creek
Yuba County:	Strawberry Valley

OTHER AREAS: The following areas have never been federally recognized but are areas primarily occupied by Native Americans and are eligible for the Native American Allocation.

Southern Sierra Miwuk Nation  
Ahmah Mutsun Ohlone  
Antelope Valley Indian Community  
Big Meadows Lodge Tribe  
Calaveras County Band of Miwok  
Carmel Mission Band  
Choinumni Tribe  
Chuckchansi Tribe  
Coastal Band of Chumash Indians  
Colfax Todds Valley Consolidated Tribes  
Dunlap Band of Mono Indians  
Hayfork Band of Nor-Rel-Muk Wintu Indians  
Honey Lake Maidu (AKA Wadatjuta)  
Hownonquet Community Association  
Independence 14 (Miranda Allotment)  
Indian Canyon Coastanoan Tribe  
Konkow Valley Band of Maidu  
Kawaiisu Tribe  
Maidu Nation  
Mono Lake Indian Community  
Muwekma Ohlone Tribe  
North Fork Band of Mono Indians  
Northern Maidu Tribe

## ELIGIBLE NATIVE AMERICAN AREAS (continued)

Northern Paiute Tribe of Honey Lake  
Ohlone/Coastanoan Muwekma Tribe  
Plumas County Indians, Inc.  
Salinan Nation  
San Luis Rey Band of Mission Indians  
Shasta Nation  
South Fork Hupa  
Tehachapi Tribe of the Tejon Reservation  
Tolowa Nation  
Tsnungwe Council  
United Maidu Nation  
Washoe/Paiute of Antelope Valley  
Winnemem Band of Wintun  
Wintu Indians of Central Valley  
Wintu Tribe of Northern California/ Toyon Wintu Center  
Wukchumni Tribe  
Yokayo Tribe

**Please Note:** This list is not exclusive of other tribal groups that may qualify for the CDBG Native American Allocation.

## APPENDIX B

### Eligible CDBG Jurisdictions with TIG and Poverty Percentages

<u>JURISDICTION</u>	<u>TIG %<sup>1</sup></u>	<u>POVERTY %</u>	<u>GENERAL REPRESENTATIVE</u>	<u>TELEPHONE</u>
<b>Alpine County</b>	<b>42.8</b>	<b>19.5</b>	Sharon Hoshiyama	(916) 319-8100
<b>Amador County</b>	<b>39.1</b>	<b>9.2</b>	Sharon Hoshiyama	(916) 319-8100
Amador	47.8	22.9		
lone	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>	Diane Moroni	(916) 552-9349
Biggs	45.6	17.5		
Gridley	56.1	23.3		
Oroville	62.1	33.1		
<b>Calaveras County</b>	<b>38.0</b>	<b>11.8</b>	Harry Faris	(916) 319-8444
Angels	45.0	13.0		
<b>Colusa County</b>	<b>43.2</b>	<b>16.1</b>	Conant Radcliffe	(916) 552-9354
Colusa	37.4	17.2		
Williams	51.0	19.2		
<b>Del Norte County</b>	<b>49.0</b>	<b>20.2</b>	Linda Boyle	(916) 319-8065
Crescent	63.5	34.6		
<b>El Dorado County</b>	<b>34.3</b>	<b>7.1</b>	Harry Faris	(916) 319-8444
Placerville	50.4	12.1		
South Lake Tahoe	56.1	12.5		

<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

<u>JURISDICTION</u>	<u>TIG %<sup>1</sup></u>	<u>POVERTY %</u>	<u>GENERAL REPRESENTATIVE</u>	<u>TELEPHONE</u>
<b>Fresno County<sup>2</sup></b>			Linda Boyle	(916) 319-8065
Firebaugh	62.6	22.5		
Huron	72.2	39.4		
Orange Cove	74.0	44.5		
Parlier	73.1	36.0		
San Joaquin	73.9	34.6		
<b>Glenn County</b>	<b>48.1</b>	<b>18.1</b>	Conant Radcliffe	(916) 552-9354
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		
<b>Imperial County</b>	<b>51.7</b>	<b>22.6</b>	Leticia Cortez	(916) 552-9357
Brawley	51.7	26.6		
Calexico	59.3	25.7		
Calipatria	54.2	24.2		
Holtville	45.8	18.2		
Imperial	27.9	11.6		
Westmorland	60.8	27.2		
<b>Inyo County</b>	<b>42.0</b>	<b>12.6</b>	Sharon Hoshiyama	(916) 319-8100
Bishop	53.5	16.3		

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<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>Kern County</b>	<b>60.3</b>	<b>20.8</b>	Linda Boyle	(916) 319-8065
Delano	61.8	28.2		
McFarland	70.1	35.2		
Taft	42.4	17.5		
Wasco	58.2	27.5		
<b>Kings County</b>	<b>48.9</b>	<b>19.5</b>	Diane Moroni	(916) 552-9349
Avenal	61.8	30.7		
Corcoran	54.9	26.9		
Lemoore	38.1	13.4		
<b>Lake County</b>	<b>49.3</b>	<b>17.6</b>	Diane Moroni	(916) 552-9349
Clearlake	67.6	28.6		
Lakeport	44.8	15.7		
<b>Lassen County</b>	<b>41.1</b>	<b>14.0</b>	Jo Ann Jacobs	(916) 552-9358
Susanville	39.3	14.3		
<b>Los Angeles County<sup>2</sup></b>			Leticia Cortez	(916) 552-9357
Artesia	40.2	11.5		
Avalon	42	10.4		
Hidden Hills	6.5	3.5		
Industry	43.7	14.5		
Palos Verdes Estates	8.3	2.2		
Vernon	16.0	0.0		
<b>Madera County</b>	<b>39.9</b>	<b>21.4</b>	Sharon Hoshiyama	(916) 319-8100
Chowchilla	48.9	19.2		
<b>Mariposa County</b>	<b>39.1</b>	<b>14.8</b>	Sharon Hoshiyama	(916) 319-8100

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

<u>JURISDICTION</u>	<u>TIG %<sup>1</sup></u>	<u>POVERTY %</u>	<u>GENERAL REPRESENTATIVE</u>	<u>TELEPHONE</u>
<b>Mendocino County</b>	<b>41.2</b>	<b>15.9</b>	Leticia Cortez	(916) 552-9357
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>	Diane Moroni	(916) 552-9349
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>	Jo Ann Jacobs	(916) 552-9358
Alturas	54.6	27.1		
<b>Mono County</b>	<b>38.1</b>	<b>11.5</b>	Sharon Hoshiyama	(916) 319-8100
Mammoth Lakes Town	39.5	14.4		
<b>Monterey County</b>	<b>39.7</b>	<b>13.5</b>	Diane Moroni	(916) 552-9349
Carmel-by-the-Sea	26.7	6.6		
Del Rey Oaks	19.8	5.0		
Gonzales	55.0	20.2		
Greenfield	67.8	21.6		
King	63.3	20.8		
Marina	44.0	13.1		
Pacific Grove	29.7	5.4		
Sand	63.7	27.9		
Soledad	58.1	18.4		

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

<b><u>JURISDICTION</u></b>	<b><u>TIG %<sup>1</sup></u></b>	<b><u>POVERTY %</u></b>	<b><u>GENERAL REPRESENTATIVE</u></b>	<b><u>TELEPHONE</u></b>
<b>Napa County</b>	<b>37.6</b>	<b>8.3</b>	Jo Ann Jacobs	(916) 552-9358
American Canyon	39.8	8.8		
Calistoga	58.1	8.0		
St. Helena	38.0	6.4		
Yountville	41.5	7.3		
<b>Nevada County</b>	<b>38.4</b>	<b>8.1</b>	Leticia Cortez	(916) 552-9357
Grass Valley	62.5	14.9		
Nevada	45.9	7.9		
Truckee town	27.6	4.6		
<b>Orange County<sup>2</sup></b>			Leticia Cortez	(916) 552-9357
San Juan Capistrano	40.3	10.7		
<b>Placer County</b>	<b>30.0</b>	<b>5.8</b>	Sharon Hoshiyama	(916) 319-8100
Auburn	33.6	6.0		
Colfax	52.0	12.0		
Lincoln	45.0	12.4		
Loomis town	32.2	3.4		
Rocklin	23.7	4.5		
<b>Plumas County</b>	<b>41.5</b>	<b>13.1</b>	Harry Faris	(916) 319-8444
Portola	53.7	20.3		
<b>Riverside County<sup>2</sup></b>			Leticia Cortez	(916) 552-9357
Calimesa	44.0	12.2		
Coachella	70.8	28.9		
Indian Wells	17.0	3.4		
Rancho Mirage	26.0	5.9		

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

<b><u>JURISDICTION</u></b>	<b><u>TIG %<sup>1</sup></u></b>	<b><u>POVERTY %</u></b>	<b><u>GENERAL REPRESENTATIVE</u></b>	<b><u>TELEPHONE</u></b>
<b>San Benito County</b>	<b>41.4</b>	<b>10.0</b>	Diane Moroni	(916) 552-9349
Hollister	43.3	9.5		
San Juan Bautista	53.7	15.5		
<b>San Luis Obispo County<sup>2</sup></b>			Harry Faris	(916) 319-8444
Morro Bay	49.9	13.0		
Pismo Beach	37.1	9.0		
<b>Santa Barbara County<sup>2</sup></b>			Harry Faris	(916) 319-8444
Guadalupe	68.2	25.0		
<b>Santa Cruz County</b>	<b>36.6</b>	<b>11.9</b>	Harry Faris	(916) 319-8444
Capitola	44.1	7.0		
Scotts Valley	26.9	2.5		
<b>Shasta County</b>	<b>42.4</b>	<b>15.4</b>	Conant Radcliffe	(916) 552-9354
Anderson	59.3	28.3		
Shasta Lake	53.3	20.1		
<b>Sierra County</b>	<b>38.1</b>	<b>11.3</b>	Harry Faris	(916) 319-8444
Loyalton	42.2	18.1		

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

<b><u>JURISDICTION</u></b>	<b><u>TIG %<sup>1</sup></u></b>	<b><u>POVERTY %</u></b>	<b><u>GENERAL REPRESENTATIVE</u></b>	<b><u>TELEPHONE</u></b>
<b>Siskiyou County</b>	<b>47.1</b>	<b>18.6</b>	Conant Radcliffe	(916) 552-9354
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>	Diane Moroni	(916) 552-9349
Benicia	26.1	4.3		
Dixon	41.6	8.1		
Rio Vista	45.7	10.2		
Suisun	33.4	6.5		
<b>Stanislaus County</b>	<b>37.3</b>	<b>16.0</b>	Harry Faris	(916) 319-8444
Hughson	43.9	19.1		
Riverbank	35.6	12.3		
<b>Sutter County</b>	<b>34</b>	<b>15.5</b>	Jo Ann Jacobs	(916) 552-9358
Live Oak	57.6	30.2		
<b>Tehama County</b>	<b>47.4</b>	<b>17.3</b>	Diane Moroni	(916) 552-9349
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>	Harry Faris	(916) 319-8444

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## Eligible CDBG Jurisdictions with TIG and Poverty Percentages

<u>JURISDICTION</u>	<u>TIG %<sup>1</sup></u>	<u>POVERTY %</u>	<u>GENERAL REPRESENTATIVE</u>	<u>TELEPHONE</u>
<b>Tulare County</b>	<b>56.7</b>	<b>23.9</b>	Jo Ann Jacobs	(916) 552-9358
Dinuba	55.6	26.2		
Exeter	47.4	19.4		
Farmersville	63.0	30.7		
Lindsay	67.2	39.9		
Woodlake	69.5	36.8		
<b>Tuolumne County</b>	<b>37.6</b>	<b>11.4</b>	Harry Faris	(916) 319-8444
Sonora	50.6	16.9		
<b>Yolo County</b>	<b>53.3</b>	<b>18.4</b>	Diane Moroni	(916) 552-9349
West Sacramento	60.2	22.3		
Winters	40.2	5.0		
<b>Yuba County</b>	<b>51.6</b>	<b>20.8</b>	Harry Faris	(916) 319-8444
Marysville	52.3	18.9		
Wheatland	45.5	19.8		

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## APPENDIX C

### ELIGIBLE ACTIVITIES: HOUSING NEW CONSTRUCTION

#### A. ELIGIBLE USES

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

##### a. Activity Costs:

- (1) Acquisition of sites by the recipient or other public or private nonprofit entity *Reference: 24 CFR 570.201(a);*
- (2) Clearance of sites *Reference: 24 CFR 570.201(d);*
- (3) 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: 24 CFR 570.201(c);*
- (4) 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: 24 CFR 570.201(c);* and
- (5) Actual construction costs or site improvements under limited circumstances (see 2., below) *References: 24 CFR 570.201 (c) and Section 105 (a)(15) of Title 1 of the HCD Act of 1974; and*

##### b. Soft Costs:

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

Note: These soft costs can be paid for as a part of the cost of the new construction itself if they are incurred in support of new housing construction activities in accordance with A.2., below; otherwise, they are considered administrative costs.

2. Construction Costs: CDBG funds may be used for on-site construction costs of new housing only under the following limited circumstances:
  - a. Construction of “last resort housing” when a jurisdiction is providing a displaced person with a comparable replacement dwelling unit, and this can only be accomplished by new construction. Last resort housing provisions are set forth in federal regulations 24 CFR Part 42, Subpart I. A plan documenting all efforts to relocate individuals must be submitted with the application if last resort housing or displacement is part of a new construction proposal *Reference: 24 CFR 570.207(b)(3)(i); or*
  - b. Housing construction, which is part of a “neighborhood revitalization project” *Reference 24 CFR 570.204(a)(1)*, carried out by a “Community Based Development Organization” *Reference: 24 CFR 570.204(c); or*
  - c. A housing construction project which is assistance to a neighborhood-based nonprofit organization, local development corporation, or nonprofit organization serving the development needs of a community in a non-entitlement area. *Reference: Section 105(a)(15) of Title 1 of the HCD Act of 1974; or*
  - d. A housing construction project that has received funding through a Housing Development Grant (a HODAG) *Reference: 24 CFR 570.201(m)*.
3. Other Activities: The following eligible uses of CDBG funds are evaluated as housing new construction activities:
  - a. Acquisition of permanent rental housing, the majority of which is unoccupied, including any rehabilitation *Reference: 24 CFR 570.201(a); and*
  - b. Conversion of a non-residential structure to residential (adaptive reuse) is not generally considered to constitute new construction and is eligible under Housing Rehabilitation. However, if the conversion involves construction that goes beyond the envelope of the non-residential structure, the project may be a New Construction activity. If this is the case, please consult with your CDBG Representative. *Reference: 24 CFR 570.202(e)*.

## B. PROHIBITED ACTIVITIES

With the exception of activities 2.a. through d., above, the construction of new housing with state CDBG funds is generally not eligible. The basis for this is in HUD Regulations (24 CFR Part 570.207(b) (3)): "Block grants may not be used for the construction of new permanent residential structures or any program to subsidize or finance new construction." Generally, CDBG money is used in support of new housing construction projects.

## C. ADDITIONAL CONSIDERATIONS

1. Site Acquisition Costs: Applicants are not required to have site control at the time of application (option to purchase). However, site control will be a special condition of a grant award and will need to be obtained within the first 90 days of the grant. Jurisdictions will not be able to use CDBG funds to repay any acquisition costs (for example, bridge loans) incurred prior to the date the state contract is executed and all special conditions have been met.
2. Project Completion: Construction of the housing must be completed and the housing must be occupied prior to 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 spent within the first 30 months of the contract.**
3. Other Financing: Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of releasing any project funds. All project financing must be committed 90 days prior to the date construction will begin, as stated in the original application.
4. Displacement: Federal law requires that displacement due to CDBG activities be minimized as much as possible. Applicants must design their housing programs with this objective in mind. If any temporary or permanent displacement may happen as the result of investment of CDBG funds, persons who may be affected must be given the proper General Information Notice (GIN) relocation notice prior to submitting the application. As part of the application, relocation activities must be addressed as they relate to completing the proposed activity.
5. Davis-Bacon and State Prevailing Wage Rates: If CDBG funds are used to pay for any new construction costs, in a project of more than eight units, then the entire construction contract is subject to Davis-Bacon and state prevailing wage rates.
6. NEPA Choice Limiting Actions: If CDBG funds are used to purchase or perform construction work on a site, the applicant must ensure that a choice limiting action, as defined under the National Environmental Policy Act (NEPA), does not occur prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a sales contract for purchase of land (an option to purchase is acceptable) or executing a construction contract prior to state release of funds.

## D. COMMUNITY NEED SCORING

The Department uses several need indicators, as follows:

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

### Supplemental Information:

If the applicant has extraordinary local circumstances related to housing conditions that are not documented by the census data, the applicant may provide supplemental information in brief narrative format with any back up information in an appendix. For example, a recently conducted housing survey, which supplements the census data would be sufficient. Documentation of a recent disaster that created an urgent need for the proposed program would be acceptable.

## APPENDIX D

### ELIGIBLE ACTIVITIES: HOUSING ACQUISITION

#### A. ELIGIBLE ACTIVITIES

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

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

#### B. ADDITIONAL CONSIDERATIONS

1. Displacement: Federal law requires that displacement due to CDBG activities be minimized as much as possible. Applicants should design their housing programs with this objective in mind. If any temporary or permanent displacement occurs as the result of investment of CDBG funds, persons affected must be given the General Information Notice (GIN) relocation notice prior to submitting the application. As part of the application, relocation activities must be addressed as they relate to completing the proposed activity. Homebuyer assistance programs typically exclude assistance for tenant occupied units so permanent displacement is avoided.
2. Davis-Bacon and State Prevailing Wage Rates: If CDBG funds are used to pay for any construction (rehabilitation) costs, in a project of more than eight units, then the entire construction contract is subject to Davis-Bacon and state prevailing wage rates.
3. NEPA Choice Limiting Actions: If CDBG funds are used to purchase or perform construction work on a site, the applicant must ensure that a choice limiting action, as defined under the National Environmental Policy Act (NEPA), does not occur prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a sales contract for purchase of land (an option to purchase is acceptable) or executing a construction contract prior to state release of funds.

4. Other Financing: Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of release of project funds.

#### C. COMMUNITY NEED SCORING

The Department will assess the need for this 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.

#### Supplemental Information:

If the applicant has extraordinary local circumstances related to housing conditions that are not documented by the census data, the applicant may provide supplemental information in brief narrative format with any back up information in an appendix. For example, a recently conducted housing survey, which supplements the census data would be sufficient. Documentation of a recent disaster that created an urgent need for the proposed program would be acceptable.

## APPENDIX E

### ELIGIBLE ACTIVITIES: HOUSING REHABILITATION

#### A. ELIGIBLE ACTIVITIES

CDBG funds may be used to finance 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). Under certain circumstances, rehabilitation can also include the demolition and reconstruction of dwelling units. Water or sewer laterals are considered rehabilitation when they are located on private property. The work is typically done by a licensed contractor, but the program will allow the use of sweat equity or an owner acting as the contractor. Applicants may also convert commercial properties into housing units.

Conversion of a non-residential structure to residential (adaptive reuse) is eligible under Housing Rehabilitation. However, if the conversion involves construction that goes beyond the envelope of the non-residential structure, the project may be a New Construction activity. If this is the case, please consult with your CDBG Representative. *Reference: 24 CFR 570.202(e).*

#### B. PROHIBITED ACTIVITIES

Rehabilitation does **not** include;

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

#### C. ADDITIONAL CONSIDERATIONS

1. Displacement: Federal law requires that displacement due to CDBG activities be minimized as much as possible. Typically, displacement is limited to temporary relocation for rehabilitation programs. Applicants must have a Department-approved temporary relocation plan.
2. Davis-Bacon and State Prevailing Wage Rates: If CDBG funds are used to pay for any construction (rehabilitation) costs, in a project of more than eight rental units, the entire construction contract is subject to Davis-Bacon and state prevailing wage rates.

3. NEPA Choice Limiting Actions: If CDBG funds pay for construction work on a site, the applicant must ensure that a choice limiting action, as defined under the National Environmental Policy Act (NEPA), does not occur prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a construction contract for a project prior to State release of CDBG funds.
4. Other Financing: Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of releasing any project funds.

#### D. COMMUNITY NEED SCORING

The Department will use several need indicators:

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

#### Supplemental Information:

If the applicant has extraordinary local circumstances related to housing stock condition that are not documented by the local housing element or census data sources, the applicant may provide supplemental information in brief narrative format with any back up information. For example, a recently conducted housing survey which has not been incorporated into a housing element yet or which supplements the census data would be sufficient. Documentation of a recent disaster that created a higher need for the proposed program would be acceptable. Also, if the applicant is proposing to work in a specific target area, the Department will accept 2000 census data at the Census Block Group level for the target area(s).

## APPENDIX F

### ELIGIBLE ACTIVITIES: COMMUNITY FACILITIES

#### A. ELIGIBLE ACTIVITIES

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

Targeted Income Group (TIG) Benefit: The Department will award full points for applicants demonstrating 90 percent or more TIG benefit. When addressing a neighborhood or community-wide health and safety problem, benefit is generally provided to all the residents of a geographic area or all users of the community 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, but any activity with less than 90 percent benefit to TIG households is likely to be at a competitive disadvantage against other activities.

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 community facility will provide services. See Appendix B, 2007 income limits, in the 2007 application, for a link to the HUD web site with this information. If this data is not available for your area of benefit, then the applicant can use a household income survey to document the TIG benefit for a community facilities activity. See Appendix A in the 2007 application for sample survey form and methodology. If you are proposing to use some other source of information to document TIG benefit, contact your state program representative to ensure it is acceptable prior to submittal of the application.

Community Facility Beneficiaries with Presumed 100 percent TIG Benefit:

**Limited clientele:** Abused children  
Homeless persons  
Illiterate adults  
Persons living with AIDS  
Battered spouses  
Migrant farm workers  
Severely disabled adults (per census definition)  
***Seniors (over 65 years old) Scores as only 51 percent TIG***

B. INELIGIBLE ACTIVITIES

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

C. ADDITIONAL CONSIDERATIONS FOR COMMUNITY FACILITIES

1. Acquisition Costs: Applicants are not required to have site control at the time of application (lease agreement or option to purchase). However, site control will be a special condition of a grant award and will need to be obtained within the first 90 days of the grant. Jurisdictions will not be able to use CDBG funds to repay any acquisition costs (for example, bridge loans) incurred prior to the date the state contract is executed and all special conditions have been met.
2. Other Financing: Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of releasing any project funds.
3. Davis-Bacon and State Prevailing Wage Rates: If CDBG funds are used to pay for any construction costs, the entire construction contract is subject to Davis-Bacon and state prevailing wage rates.
4. Use Limitation Agreement: A use limitation agreement will be required, to be in effect until five years after expiration of the CDBG contract.

5. Section 504 Compliance: Obtain certificate of compliance from the architect documenting that the facility meets Section 504 accessibility requirements.
6. Displacement: Federal law requires that displacement due to CDBG activities be minimized as much as possible. Applicants must design their housing programs with this objective in mind. If any temporary or permanent displacement may happen as the result of investment of CDBG funds, persons who may be affected must be given the General Information Notice (GIN) relocation notice prior to submitting the application. As part of the application, relocation activities must be addressed as they relate to completing the proposed activity.
7. NEPA Choice Limiting Actions: If CDBG funds pay for purchase of real property or construction work on a site, the applicant must ensure that a choice limiting action, as defined under the National Environmental Policy Act (NEPA), does not occur prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a sales contract for purchase of land (an option to purchase is acceptable) or executing a construction contract using CDBG funds.

#### D. COMMUNITY NEED SCORING

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

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

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

## APPENDIX G

### ELIGIBLE ACTIVITIES: PUBLIC WORKS

#### A. ELIGIBLE ACTIVITIES

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

Targeted Income Group (TIG) Benefit: The Department will award full points for applicants demonstrating 90 percent or more TIG benefit. When addressing a neighborhood or community-wide public works problem, benefit is generally provided to all the occupants of a geographic area or all users of the 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, but any activity with less than 90 percent benefit to TIG households is likely to be at a competitive disadvantage with other activities.

*Note: Assessments may be paid by CDBG only if the unit is owned and occupied by a TIG household so these activities are 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 community facility will provide services. See Appendix B, 2007 income limits, in the 2007 application, for a link to the HUD web site with this information. If this data is not available for your area of benefit, then the applicant can use a household income survey to document the TIG benefit for a community facilities activity. See Appendix A in the 2007 application for sample survey form and methodology. If you are proposing to use some other source of information to document TIG benefit, contact your state program representative to ensure it is acceptable prior to submittal of the application.

#### B. OTHER CONSIDERATIONS

1. Site Acquisition Costs: Jurisdictions will not be able to use CDBG funds to repay any acquisition costs (for example, bridge loans) incurred prior to the date the state contract is executed and all special conditions have been met.
2. Other Financing: Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of releasing any project funds. For assessment district formation, applicants must show that the assessment has passed by a vote of the local residents.

3. Davis-Bacon and State Prevailing Wage Rates: If CDBG funds are used to pay for any construction costs or property assessments, the entire construction contract is subject to Davis-Bacon and state prevailing wage rates.
4. NEPA Choice Limiting Actions: If CDBG funds pay for purchase of real property or construction work on a site, the applicant must ensure that a choice limiting action, as defined under the National Environmental Policy Act (NEPA), does not occur prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a sales contract for purchase of land (an option to purchase is acceptable) or executing a construction contract prior to state release of funds.

### C. 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 strong third-party documentation will be more competitive. Such documentation could include but not be limited to: having a cease and desist order on the community; ranking on other agencies' 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.

## APPENDIX H

### ELIGIBLE ACTIVITIES: PUBLIC SERVICES

#### A. ELIGIBLE ACTIVITIES

Eligible Activities: Under this category, CDBG funds may be used to provide public services including labor, supplies, materials, and other costs. Paying the cost of operating and maintaining that portion of a facility in which the service is located also falls under this category. Public services include, but are not limited to:

- child care
- health care
- job training
- recreation programs
- education
- public safety
- services for senior citizens
- services for homeless persons
- drug and alcohol abuse counseling and testing
- transportation services
- nutrition services

Targeted Income Group (TIG) Benefit: The Department will award full points for applicants demonstrating 90 percent or more TIG benefit. When addressing a neighborhood or community-wide health and safety problem, benefit is generally provided to all the residents of a geographic area or all users of the 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, but any activity with less than 90 percent benefit to TIG households is likely to be at a competitive disadvantage against other activities.

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 community facility will provide services. See Appendix B, 2007 income limits, in the 2007 application, for a link to the HUD web site with this information. If this data is not available for your area of benefit, then the applicant can use a household income survey to document the TIG benefit for a community facilities activity. See Appendix A in the 2007 application for sample survey form and methodology. If you are proposing to use some other source of information to document TIG benefit, contact your state program representative to ensure it is acceptable prior to submittal of the application.

Public Service Beneficiaries with Presumed 100 percent TIG Benefit:

**Limited clientele:** Abused children  
Homeless persons  
Illiterate adults  
Persons living with AIDS  
Battered spouses  
Migrant farm workers  
Severely disabled adults (Per census definition)  
***Seniors (over 65 years old) Scores as only 51 percent TIG***

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

Federal regulations establish these restrictions on the use of CDBG funds for public services:

1. The service must be new in that it has never been provided or has been discontinued more than 12 months prior to the date the application is filed with the Department. Public services currently funded with CDBG grant funds are eligible activities; or
2. The 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 be caused by local governmental action.
3. Additionally, the state CDBG allocation for public services cannot exceed 15 percent of the total award to the state in that year.
4. CDBG funds may **not** be used to provide on-going grants or non-emergency aid (more than three months) to individuals for their food, clothing, rent, utilities, or other income payments.

C. COMMUNITY NEED SCORING

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

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

The most competitive applications will address a serious threat to the health, safety or well-being of the proposed beneficiaries. Applicants with strong quantitative third-party documentation of the problem will 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.

## APPENDIX I

***(Notice should be published at least 10 days prior to the hearing. Project design hearing should be at least 30 days prior to the project submittal hearing.)***

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

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

NOTICE IS HEREBY GIVEN that the City of \_\_\_\_\_ will conduct a public hearing by the City Council on Monday, July 9, 2007, at 6:00 p.m. at the City Hall Conference Room, \_\_\_\_\_ Street, to discuss the Fiscal Year 2006-07 and 2007-08 Community Development Block Grant (CDBG) Program, Native American allocation, and to solicit citizen input.

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

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

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

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

The purpose of the public hearing will be to give citizens an opportunity to make their comments known. If you are unable to attend the public hearing, you may direct written comments to the City 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, 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.

**(Publish at least 10 days prior to hearing)**

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

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City of \_\_\_\_\_ will conduct a public hearing by the City Council on Thursday, August 9, 2007, at 6:00 p.m. at the City Hall Conference Room, \_\_\_\_\_ Street to discuss the Fiscal Year 2006-07 and 2007-08 Community Development Block Grant Native American application and to solicit citizen input.

The Community Development/Housing Department on behalf of the City of \_\_\_\_\_ is applying for a grant amount of up to \$1,000,000 under the (Native American) Allocation for (identify all activities) in the application) to be performed within the (identify Native American tribes/areas).

The purpose of the public hearing will be to give citizens an opportunity to make their comments known. If you are unable to attend the public hearing, you may direct written comments to the City 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, 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.