

State of California 2015-2020 Consolidated Plan Substantial Amendment

Public Comment Draft

The following amendment language will be added to the 2015-2020 Consolidated Plan (ConPlan) to allow the state access to emergency funding intended to assist in making a timely response to the impacts of the COVID-19 pandemic. The full text of the existing plan may be found at <https://www.hcd.ca.gov/policy-research/plans-reports/docs/2015-2020-ConPlan-Sub-Amend.pdf>.

Executive Summary

ES-05 Executive Summary - 91.300(c), 91.320(b)

Introduction

On March 27, 2020 Congress passed the Coronavirus Aid, Relief, and Economic Security Act or the “CARES Act”. The Act identified additional funding for both the Emergency Solutions Grant (ESG) and the Community Development Block Grant (CDBG) to support preparation for and response to the community impacts of the COVID-19 pandemic. HUD’s distribution plan for the additional funding included multiple phases that would allow for quick access to funding necessary to address the immediate crisis resulting from the rising pandemic, as well as phases that would support post-pandemic community recovery. This Consolidated Plan includes planning for both phases. The CARES Act was passed after the public participation for this Consolidated Plan was substantially complete. CARES Act funding plans were presented for public comment as part of the public comment period of the Consolidated Plan.

This amendment to the State of California’s 2015-2020 Consolidated Plan outlines the State’s funding priorities and strategies to address COVID-19 related impacts, using funds from the following three programs funded through HUD:

- Emergency Solutions Grant CARES Act Stimulus (ESG-CV), and
- Community Development Block Grant CARES Act Stimulus (CDBG-CV).
- Housing Opportunities for Persons with AIDS CARES Act Stimulus (HOPWA-CV)

This Consolidated Plan amendment addresses the planning requirements for the additional funds as necessary for the Public Participation, Needs Assessment, Market Analysis, and Strategic Plan sections. The Action Plan component is included in the 2019-2020 Annual Action Plan Amendment that is available for public comment concurrently with this document.

Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The priorities for COVID-19 response are below.

- Addressing and preventing homelessness
- Increase economic development opportunities

- Maintain or improve public facilities and infrastructure
- Maintain or improve access to public services

Specific objectives related to each goal are discussed in Sections SP 45 and AP 20. The above goals include response to the COVID-19 pandemic, and implementation of CARES Act funds.

Outcomes for the HUD funded programs are tracked by businesses, households and housing units, individual beneficiaries, and neighborhoods or target areas, depending on the type of activity, funding, and applicable national objective.

Citizen Participation

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	CALIFORNIA	Dept. Housing and Community Development (HCD)
CDBG & CDBG-CV Administrator	CALIFORNIA (HCD)	Division of Financial Assistance
HOPWA and HOPWA-CV Administrator	CALIFORNIA (HCD)	Department of Public Health, Office of AIDS
ESG & ESG-CV Administrator	CALIFORNIA (HCD)	Division of Financial Assistance

Table 1 – Responsible Agencies

PR-10 Consultation - 91.110, 91.300(b); 91.315(l)

As part of the implementation of the new CARES Act, HUD provided some regulatory relief for the existing ESG funding by waiving the Fair Market Rent (FMR) restrictions for a limited time and by providing increased administration percentages, reduced match requirements and reduced use restrictions on the ESG-CV funds. These reduced restrictions, along with the urgency required to get the ESG-CV funds utilized necessitates a pend waiver of the state's ESG regulations, which will include the prescribed method of distribution, as well as the use requirements that were requested by CoCs and homelessness responders. The Department will be exploring the opportunity to transition from ESG regulations to more flexible guidelines to support adaptability and responsiveness to the ongoing impacts of the COVID-19 virus and the evolving needs to effectively reduce homelessness in the state.

To additionally support the CDBG-CV COVID-19 relief, HUD has waived the public services cap that limited public services to 15 percent of the total award for COVID-19 related services. Additional HUD waivers for Continuums of Care (CoCs) and HOPWA-CV funding has been issued with the intent of allowing funds to be used quickly and efficiently. These waivers can be found at the following link: <https://files.hudexchange.info/resources/documents/Availability-of-Waivers-of-CPD-Grant-Program-and-Consolidated-Plan-Requirements-to-Prevent-the-Spread-of-COVID-19-and-Mitigate-Economic-Impacts-Caused-by-COVID-19.pdf>

The Department is also seeking regulatory relief from state statutes and regulations that further restrict program eligibility and fund utilization for the CDBG-CV funds. These include pending waivers of the state statutes requiring set asides for housing, economic development, non-federally recognized tribes, and Colonias, as well as the 50 percent rule for expenditures and housing element law compliance requirements.

PR-15 Citizen Participation - 91.115, 91.300(c)

Summary of citizen participation process/efforts made to broaden citizen participation: Summarize citizen participation process and how it impacted goal setting.

The public comment period for this Consolidated Plan amendment is five days, as per HUD's waiver, to expedite the CARES Act funding to address the immediate needs facing communities impacted by the COVID-19 Pandemic. The draft 2015-2020 Consolidated Plan Amendment is available for comment from all interested parties from **April 16, 2020**, through **April 22, 2020**. Public webinars will be held according to public participation requirements. Webinar details will be provided on HCD's website, in addition to the public and legal notices, and disseminated in a listserv message.

The needs in this chapter were derived from preliminary data from the impacts of COVID-19 which indicate a worsening of existing needs. Public services, including nutrition support and health care, housing assistance, particularly for households suffering loss of income, support for persons experiencing homelessness, and economic development support for businesses impacted by forced closure are key programmatic needs that have been identified in the CARES Act.

Submitting Public Comment

Please submit written comments to ConsolidatedPlan@hcd.ca.gov.

Comments may also be mailed to:

Department of Housing and Community Development
Federal Branch Suite 200
2020 W. El Camino Ave
Sacramento CA, 95833

Needs Assessment and Market Analysis

NA-05 Overview

Needs Assessment Overview

The needs previously identified in this Consolidated Plan focused on housing, homelessness prevention and response, economic development, public services, and public facilities and infrastructure. The COVID-19 pandemic has only exacerbated needs already existing in our communities. However, some needs have been reprioritized.

The ongoing shut-down of businesses has resulted in record unemployment, which severely impacts areas with a higher cost of living and areas already impacted by higher poverty rates. Small businesses have been especially impacted as many do not have the working capital to weather months of mandated shut-down while maintaining payrolls and employment benefits. The need for business support is increasing as the shut-down continues.

As a result of shortages in some areas, combined with loss of income for many households, there has been substantial increase in demand for assistance through public services, especially food banks, meal delivery services, and healthcare-related services. The rapid increase in demand has left many service providers under-staffed and under-resourced and has added substantial cost. The increased demand is expected to be sustained beyond the shut-down as households will take time to regain employment and economic stability.

Homelessness response and homelessness prevention has also risen in priority. Many households have been unable to pay rent since the shut-down and shelter-in-place orders were issued in early March 2020. While there are moratoriums on evictions, housing costs are still a major concern, particularly for lower-income households who may be at risk of homelessness once the moratorium is lifted. Homelessness prevention must be a community priority to prevent increase in homelessness as housing protections are lifted. Persons already experiencing homelessness are also at increased risk of infection and death due to COVID-19. Congregate shelters are not a viable housing solution in a pandemic, and persons experiencing homelessness need access to safe shelter to prevent infection and spread of the disease.

Public facilities that support healthcare or that provide safe housing for persons experiencing homelessness also are prioritized. The demand on the healthcare facilities for increased capacity has already been experienced in urban areas of the nation, and smaller and rural communities risk having their limited healthcare facilities over capacity during the viral surge. Both temporary and permanent capacity building for healthcare and homeless facilities are priorities.

MA-15 Cost of Housing – 91.310(a)

Discussion

As part of the CARES Act, HUD waived certain FMR limits for the ESG-CV funding. This waiver would impact both the existing ESG allocations as well as the ESG-CV funding. The waiver is

intended to help address the wide variances in housing costs, not just between urban and rural areas, but nation-wide. This waiver will be critical in ensuring that the funding can be used as intended to help people in the timeframe required to make a timely response to community needs. Additional waivers of the public services cap for the CDBG-CV and 2020 CDBG allocation were provided along with waivers for HOPWA-CV and CoC homelessness response funding. The program specific waivers are included in the program methods of distribution in the AP-30 chapter of the 2019-2020 Annual Action Plan Substantial Amendment that is currently out for public comment.

MA-65 Hazard Mitigation

Disease Outbreaks

As of April 12, 2020, the state of California reported 22,348 confirmed cases of the COVID-19 novel coronavirus, with 687 death tolls. Low- and moderate-income communities are more vulnerable to disease outbreaks than higher-income communities because of their limited access to health care providers, and the fact that being a member of a vulnerable population is associated with being immunocompromised and more vulnerable to infectious disease. California’s governor has requested emergency action from the state Legislature to make funding available for the public response to the outbreak. While the eventual impact of the COVID-19 outbreak is unclear at this stage, it serves as a warning that these events may increase in frequency and severity in coming years.

Strategic Plan

SP-25 Priority Needs – 91.315(a)(2)

Priority Needs

Sort Order 7	Name COVID-19 Pandemic Response (CARES Act)	Priority Level High
Description: Provide emergency response for persons vulnerable to health risks posed by the COVID-19 pandemic. Provide economic development support to areas impacted by shelter-in place business closures and economic recession.		
Target Areas Affected	Population <i>Income Level:</i> Extremely Low, Low <i>Non-homeless Special Needs:</i> Elderly, Frail Elderly, Persons with Mental Disabilities, Persons with Physical Disabilities, Persons with Developmental Disabilities, Persons with Alcohol or Other Addictions, Persons with HIV/AIDS and their Families, Victims of Domestic Violence	Associated Goals Addressing and preventing homelessness Economic Development Maintain or improve access to public services Maintain or improve access to public facilities

	<p><i>Homeless:</i> Rural, Chronic Homelessness, Individuals, Families with Children, Mentally Ill, Chronic Substance Abuse, Veterans, Persons with HIV/AIDS, Victims of Domestic Violence, Unaccompanied Youth</p>	
<p>Describe the basis for the relative priority:</p> <p>In March of 2020 the Coronavirus pandemic began to impact U.S. communities and projections indicated that elderly, persons with underlying health conditions, and persons without access to housing were at particular risk of infection and death. Communities across the nation, including the State of California, initiated Shelter in Place Orders that encouraged non-essential workers to shelter in their homes, and that shut down all non-essential businesses. Impacts from the pandemic are expected to spread from health risks from homelessness, needs for additional housing to support persons experiencing homelessness in providing non-congregate shelters to prevent the spread of COVID-19. Additionally, the Shelter-in-Place Orders resulted in mass business shut-downs during the term of the order. The shutdowns impacted non-essential services and resulted in record unemployment. Essential businesses need assistance in preserving jobs during the shelter-in-place order. Businesses that have shut down will need support in re-opening and ramping back up into full operations, including both job retention and job creation efforts.</p>		

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c) (1,2)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation	Program Income	Prior Year Resources	Total		
ESG-CV	Public Federal	Financial Assistance, Overnight shelter, Rapid-Rehousing, Transitional housing	\$43,990,603			\$43,990,603	0	One time award of funds – March 2020
CDBG-CV	Public Federal	Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services	\$19,331,744			\$19,331,744	0	One time award of funds – March 2020
HOPWA-CV	Public Federal	Permanent housing in facilities, Permanent housing placement, Short term or transitional housing facilities, STRMU Supportive Services, TBRA	\$578,909			\$578,909		One time award of funds – March 2020

SP-45 Goals Summary – 91.315(a)(4)

Goals Table

The Coronavirus pandemic has magnified the need for the State of California to meet its existing goals rather than creating new goals.

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator	Total
3	Provide homeless assistance and prevention services	2020	2020	Homeless	Homeless assistance and prevention services	ESG-CV \$43,990,603 HOPWA-CV \$578,909	Tenant-based rental assistance/ Rapid Rehousing (Households Assisted)	TBD
							Homeless Person Overnight Shelter (Persons Assisted)	TBD
							HIV/AIDS Housing Operations (Household Housing Unit)	TBD

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator	Total
							Homelessness Prevention (Persons Assisted)	TBD
							Household Housing Unit Other	TBD
4	Increase economic development opportunities	2020	2020	Non-Housing Community Development	Economic Development Opportunities	CDBG-CV - TBD	Jobs created/retained (Jobs)	TBD
							Businesses Assisted (Businesses Assisted)	TBD
5	Maintain or increase public services	2020	2020	Non-Housing Community Development	Public Services	CDBG-CV - TBD	Public service activities supporting response to COVID-19 (Persons Assisted)	TBD

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator	Total
6	Maintain or increase public facilities	2020	2020	Non-Housing Community Development	Public Facilities	CDBG-CV - TBD	Public Facility activities supporting healthcare capacity and housing for persons experiencing homelessness	TBD

SP-60 Homelessness Strategy – 91.315(d)

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

As part of the CARES Act, HUD has temporarily waived FMR limits for the ESG-CV funding. This waiver impacts both the existing ESG allocations as well as the ESG-CV funding. The waiver is intended to help address the wide variances in housing costs, not just between urban and rural areas, but nation-wide. This waiver will be critical in ensuring that the funding can be used as intended to help people in the timeframe required to make a timely response to community needs.

HUD has proposed additional regulatory relief as part of the CARES Act by providing increased administration percentages, reduced match requirements, and reduced use restrictions on the ESG-CV funds. These reduced restrictions, along with the urgency required to get the ESG-CV funds utilized, necessitate a waiver of the state's ESG regulations, which included the prescribed method of distribution as well as use requirements that had frustrated CoCs and homelessness responders. The Department will be exploring the opportunity to transition from ESG regulations to more flexible guidelines to support adaptability and responsiveness to the ongoing impacts of the COVID-19 virus and evolving needs to effectively reduce homelessness in the state.

Annual Action Plan

The 2019-2020 Annual Action Plan Substantial Amendment, available for concurrent public comment, includes the specific planning requirements for the CARES Act funds, including the method of distribution for all three funding sources. The 2019-2020 Annual Action Plan Substantial Amendment can be found at the following link: <https://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>