

State of California 2022-2023 Annual Action Plan (AAP) One Year Use of Federal Funds

April 18, 2022 1-2:30PM

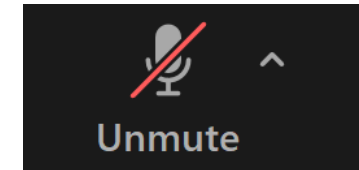


Division of Federal Financial Assistance
California Department of Housing and Community
Development



Housekeeping

- All participant lines are muted upon entry
- Use “Raise Hand” feature
- Use Chat
- Comments on plan will be saved as public record
- Will pause for questions and comments
- Call in option
- Meeting will be recorded
- Closed Captioning can be enabled
- Recording and slides will be posted





Presenters

HCD Federal Reporting

- Francisco Arnaiz
- Farid Barkzai
- Alexis Navarro
- Claudia Sharygin

HCD Programs

- Felicity Gasser – CDBG Program
- Connie Mallavia – ESG Program
- Jay Cortese – HOME Program
- Willa Darley Chapin – NHTF Program



Agenda

- Public hearing goals
- AAP background
- 2022-23 AAP Overview
- Expected Resources
- Annual Action Plan Goals
- Program Summaries and MODs
- Affordable Housing Goals
- Homelessness and Other Special Needs Activities
- Barriers to Affordable Housing



Public hearing goals

- Familiarize the public and stakeholders with what is in the AAP
 - Expected resources (what we will receive in HUD funding for FY22)
 - Activities that may be undertaken by program
 - Estimated benefit to persons of low- and moderate-income
- Answer questions and receive comments
- Meet our State Citizen Participation Requirements



AAP Background

- Second of four annual updates to the 2020-24 Consolidated Plan (Con Plan)
- The AAP is our application for funding to HUD for the FY22 allocation
- HUD programs covered
 - **Community Development Block Grant (CDBG)**
 - **HOME Investment Partnerships Program (HOME)**
 - **National Housing Trust Fund (NHTF)**
 - **Emergency Solutions Grants (ESG)**
 - **Housing Opportunities for Persons with AIDS (HOPWA)**
- *HOME-ARP will be incorporated into our FY21 AAP as a Substantial Amendment



AAP Background (cont.)

- Based on the Consolidated Plan's needs assessment and the feedback from this AAP's stakeholder outreach, this AAP maintains the same priority goals:
 - Increase housing affordability
 - Addressing and preventing homelessness
 - Economic Development
 - Maintain or improve public facilities and infrastructure
 - Maintain or improve access to public services
 - Recovery assistance for natural disaster survivors



Highlights - Racial Equity & Tribal Support

- HCD focus on Racial Equity and Tribal support
 - Ensure all eligible persons receive services in a way that is designed to achieve equitable outcomes, and are served with dignity, respect, and compassion regardless of circumstance, ability, or identity, including Black, Indigenous and other people of color – who are disproportionately impacted by COVID-19, poverty, housing segregation and discrimination and homelessness.
 - The Department is committed to supporting Tribes in addressing housing and community development needs by setting aside funds for both federally recognized and unrecognized Native American Tribes and providing dedicated outreach and technical assistance.



Racial Equity & Tribal Support Progress

- HCD focus on Racial Equity and Tribal support
 - HCD staff and management received training on delivering equitable outcomes within programs
 - HCD engaged consultants focused on equity to apply an equity lens to funding applications, and its CDBG Grants Management Manual.
- Tribal Engagement
 - Listening Sessions, Consultation, and Technical Assistance
 - CDBG-CV, HOME, HOME-ARP, NHTF, ESG-CV
 - Funding
 - \$3.8 Million set-aside from CDBG-CV
 - \$8.7 in applications (19 applications for 21 projects)
 - \$8.5 awarded (19 applications awarded)
- All DFFA staff attended training on working with Tribes



2022-2023 AAP Overview

- **AP-10 & -12:** Consultation, Outreach and Citizen Participation
- **AP-15, -20, -25:** Expected Resources and Annual Goals, Allocations
- **AP-30:** Program Summary & Methods of Distribution - CDBG, HOME, ESG, NHTF, HOPWA
- **AP-55, -65:** Affordable Housing Goals, Homeless and Other Special Needs Activities
- **AP-75, -85:** Barriers to Affordable Housing, Colonias Actions, Other Actions
- **Appendix A & B:** HOPWA Plan & Program Income for CDBG



Consultation, Outreach and Public Participation

- Consultation outreach via Internet survey
- Survey focused on 3 areas:
 - Affordable housing needs and barriers to accessing affordable housing
 - Economic development needs and barriers to local development
 - HCD's program design, implementation and effectiveness
- Summary of survey results and groups consulted will be entered into AAP before submission to HUD

Expected Resources





Expected Resources

Program	Annual Allocation	Program Income	Prior Year Resources	Total (Expected avail FY22)	Expected Remainder of Con Plan
CDBG	\$30,000,000	\$5,000,000	\$15,000,000	\$50,000,000	\$75,000,000
HOME	\$43,000,000	\$6,000,000	\$6,000,000	\$55,000,000	\$96,000,000



Expected Resources

Program	Annual Allocation	Program Income	Prior Year Resources	Total (Expected Avail FY22)	Expected Remainder of Con Plan
ESG	\$12,600,000	--	--	\$12,600,000	\$24,765,000
NHTF	\$135,000,000	--	--	\$135,000,000	\$270,000,000



Expected Resources

Program	Annual Allocation	Program Income	Prior Year Resources	Total (Expected Avail FY22)	Expected Remainder of Con Plan
HOPWA	\$4,466,591	--	\$1,258,813	\$5,725,404	\$8,933,182



Questions or comments

- Please type your questions in the Zoom chat box or raise your hand

Annual Action Plan Goals





Annual Goal #1

Goal Name	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator
<p>Increase housing affordability</p>	<p>Affordable Housing</p>	<p>Improved access to affordable housing</p>	<p>CDBG: \$13,000,000</p> <p>HOME: \$50,700,000</p> <p>HTF: \$135,000,000</p>	<p>Rental units constructed: 428 household housing units (HHU)</p> <p>Rental units rehabilitated: 96 HHU</p> <p>Homeowner housing added: 50 HHU</p> <p>Homeowner housing rehabilitated: 50 HHU</p> <p>Direct financial assistance to homebuyers: 50 households assisted (HA)</p> <p>Tenant-based rental assistance: 50 HA</p>



Annual Goal #2

Goal Name	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator
Addressing and preventing homelessness	Homeless	Homelessness prevention and assistance	CDBG: \$3,000,000 HOME: \$4,300,000 ESG: \$12,600,000 HOPWA: \$5,725,404	Tenant-based rental assistance/Rapid Rehousing: 2,450 HA Homeless Person Overnight Shelter: 4,500 Persons assisted Homelessness Prevention: 300 Persons assisted Housing for Homeless Added: 100 HHU HIV/AIDS Housing Operations: 952 HA



Annual Goal #3

Goal Name	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator
<p>Maintain or improve public facilities and infrastructure</p>	<p>Non-Housing Community Development</p>	<p>Neighborhood stability and sustainability</p>	<p>CDBG: \$19,000,000</p>	<p>Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 7,100 Persons Assisted</p> <p>Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 100 Households Assisted</p>



Annual Goal #4

Goal Name	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator
Maintain or improve public facilities and infrastructure	Non-Housing Community Development	Community-based public services	CDBG: \$4,500,000	Public service activities other than Low/Moderate Income Housing Benefit: 1,500 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 100 Households Assisted



Annual Goal #5

Goal Name	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator
Economic Development	Non-Housing Community Development	Economic Development	CDBG: \$9,000,000	Jobs created/retained: 160 Jobs Businesses assisted: 10



Annual Goal #6

Goal Name	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator
Recovery assistance for natural disaster survivors	Affordable Housing Non-Housing Community Development	Disaster recovery and climate resilience		Visit this link for HCD's Disaster Recovery web page for information regarding CDBG-DR Action Plans for 2017 and 2018. https://www.hcd.ca.gov/community-development/disaster-recovery-programs.shtml

Allocation Priorities





Allocation Priorities

	Increase housing affordability (%)	Addressing & preventing homelessness (%)	Economic Development (%)	Public fac. & infrastructure (%)	Access to public services (%)	Recovery assistance (%)	Colonias Set-Aside (%)	Total (%)
Other CDBG-DR miti.	0	0	0	0	0	100	0	100%
Other CDBG-DR unmet need	0	0	0	0	0	100	0	100%
Other NDR	0	0	0	0	0	100	0	100%



Questions or comments

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Program Summaries & Methods of Distribution





Program Methods of Distribution

CDBG

Competitive

OTC

Colonias

Tribal

ESG

CoC Alloc

BoS Comp

NonComp

HOME

Competitive
/OTC

CHDO

Tribal

NHTF

Competitive
/OTC

Rural

Tribal



Activities undertaken by Program

- CDBG – Community and Economic Development
- HOME – Affordable Housing
- ESG - Houselessness assistance and prevention
- NHTF - Affordable Housing for extremely low-income households
- HOPWA - Housing assistance and supportive services to prevent or reduce homelessness for persons living with HIV



CDBG Program Summary

- **Purpose:** Increase housing opportunities, expand economic opportunities, and lift up communities through a variety of activities, including public improvements, planning and technical assistance, and economic development.
- **Serves:** HCD serves smaller cities and counties, mostly rural, that do not receive funds directly from HUD, with a focus on benefiting Californians with low and moderate incomes.



CDBG Methods of Distribution

- **Eligible applicants:** CDBG non-entitlement jurisdictions
- **Competitive distribution:**
 - Housing Assistance Programs
 - Non-Housing Programs (Public Services and Public Facilities)
 - Economic Development Programs
 - Colonias set-aside and non-recognized Tribal set-aside
- **Over-The-Counter distribution:**
 - Economic Development Capital Projects



ESG Program Summary

- **Purpose:** Provides funds for a variety of activities to address homelessness as authorized under the federal Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009
- **Serves:** Homeless individuals and families living on the street or in shelters, individuals and families at risk of becoming homeless
- **Eligible applicants:** Local governments and nonprofit service providers



ESG Method of Distribution

- **ESG Annual Allocation:** formula based on point-in-time homelessness count, poverty rate, housing cost burden
 - **Continuum of Care Allocation (CoC):** To be eligible to participate in the Continuum of Care Allocation, the Continuum of Care shall recommend an Administrative Entity that meets the following criteria:
 - Is a Unit of General Purpose local government that has administered ESG funds for an Entitlement Area during at least one of the past five years.
 - Has no unresolved ESG monitoring findings with HUD or the Department that the Department determines poses a substantial risk to the Department if the Administrative Entity is approved; and
 - Demonstrates the ability and willingness to perform the functions of an Administrative Entity pursuant to federal and State ESG requirements.
 - **Balance of State Allocation:**
 - CoC may select providers to receive a portion of these funds *non-competitively* for Rapid Rehousing
 - Remainder of Balance of State allocation is awarded competitively within 3 regional allocations (Northern, Bay Area, Central/Imperial Valley)



ESG Method of Distribution (cont.)

- **Eligible Activities:**
 - Homelessness Prevention
 - Street Outreach
 - Emergency Shelters
 - Rapid Re-Housing Assistance
 - Homeless Management Information System (HMIS)
 - Admin
- Method of Distribution subject to change in future AAPs contingent on adoption of State ESG Guidelines



HOME Program Summary

- **Purpose:** Increase supply of housing affordable to Californians priced out of the rental and purchase markets, and rehabilitate or reconstruct substandard homes.
- **Serves:** Californians of modest means who need an affordable place to live.
- **Eligible applicants:** HOME non-entitlement/affiliated jurisdictions, developers, CHDOs, and Tribal entities.
- **Eligible program and project locations:** State HOME-eligible jurisdictions.



HOME Method of Distribution

All HOME funding awarded competitively (unless supply exceeds demand)

- **Project Activities:**
 - Rental New Construction/Rehabilitation
 - First-Time Homebuyer New Construction (subdivisions)
- **Program Activities:**
 - First-Time Homebuyer Assistance (to individuals)
 - Owner-Occupied Rehabilitation
 - Tenant-Based Rental Assistance
- HOME accepting applications in only eCivis for the first time in its 2020-2021 NOFA
- HOME allowing Tribal entities to apply for both Program Activities and Project Activities for the first time in its 2020-2021 NOFA, with a 20% Tribal set-aside for each of these two



National Housing Trust Fund (NHTF) Program Summary

- **Purpose:** To increase and preserve the supply of affordable housing for Californians with the lowest incomes.
- **Serves:** Extremely low-income households at or below 30 percent of the Area Median Income (AMI) with a specific focus on Permanent Supportive Housing for people experiencing homelessness, to the extent the pipeline exists.
- **Funded by:** Annual allocation funded by an assessment on loans made by Fannie Mae and Freddie Mac.



NHTF Method of Distribution

- **Eligible Applicants/Recipients:** Organizations, agencies, or other entities that are owners and/or developers, including:
 - Public Housing Agencies
 - For-Profit Entities
 - Non-Profit Entities
- **Eligible Uses:**
 - Loans for Acquisition and New Construction (and related eligible soft costs)
 - Rehabilitation will be eligible once HCD's NHTF Rehabilitation Standards are implemented
- **Project Type:**
 - Multifamily Rental Housing, targeted at ELI households (30% AMI)
 - Permanent Supportive Housing for people experiencing homelessness, to the extent the pipeline exists



NHTF – Outlook 2022

- **FY22 NHTF NOFA to be released in August 2022**
 - California's allocation is estimated at \$135 million
 - NHTF will be a standalone program, funds will no longer be made available through the Housing for a Healthy California (HHC) Program
- **Program Changes:**
 - Capitalized Operating Subsidy Reserve (COSR) Grants are no longer eligible, pending guidance from HUD re eligible operating costs
 - Per unit subsidy limits increased last year to better align with actual costs of building affordable housing in California
 - Disbursements may be made at the time of construction closing and during the construction period, in addition to permanent closing

For more Program Information

E-mail: NHTFNOFA@hcd.ca.gov

HCD Website: <https://www.hcd.ca.gov/national-housing-trust-fund>



HOPWA Program Summary

- **Purpose:** The Housing Opportunities for Persons With AIDS (HOPWA) program provides housing assistance and supportive services to prevent or reduce homelessness for persons living with HIV/AIDS (PLWH).
- **Serves:** Persons living with HIV/AIDS who are experiencing homelessness or who are at-risk of homelessness.



HOPWA Method of Distribution

- California Department of Public Health, Office of AIDS (CDPH/OA) administers the HOPWA program.
 - **Eligible applicants:** State HOPWA serves counties that do not qualify to receive HOPWA grant funds directly from HUD.
 - **Eligible uses:** TBRA, STRMU, Facility Based Housing, Permanent Housing Placement Assistance, Housing Information Services, and Supportive Services.
 - **Target population:** Persons living with HIV/AIDS (PLWH) who are experiencing homelessness or who are at-risk of homelessness.

https://www.cdph.ca.gov/Programs/CID/DOA/Pages/OA_care_hopwa.aspx



Questions or comments

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Affordable Housing Goals

One Year Goals for the Number of Households to be Supported

- Households experiencing homelessness: 2,550
- Households with PLWHA: 952
- Other households: 724

Total 4,226

Type of Affordable Housing Assistance

- Rental Assistance: 3,452
- New Construction: 578
- Rehabilitation of Existing Units: 146
- Acquisition/conversion of Existing Units: 50

Total 4,226



Homelessness and Other Special Needs Activities

- Action Plan for Preventing and Ending Homelessness in California – continued implementation
- Cal ICH's Homeless Data Integration System – enabling a data-driven approach to program design
- Federally-funded programs – ESG, HOPWA, HTF, HOME-ARP
- State-funded programs – Homekey, VHHP, NPLH, PAS, THP



Barriers to Affordable Housing

How will the State address public policies (local and statewide) that serve as barriers to affordable housing?

CA HCD Statewide Housing Plan (just released!)



[Statewide Housing Plan](#)

[Read the Digital Plan](#)

[Download the Plan](#)

[Housing Data Resources](#)

A Home for Every Californian

[Read the Digital Statewide Housing Plan](#)



AP-85 Other Actions

- HCD plans to address many areas of need through its federally-funded and State-funded programs:
 - Addressing obstacles to meeting underserved needs
 - Preserving affordable housing
 - Reducing the number of poverty-level families
 - Developing HCD and stakeholders' institutional structure
 - Improving coordination between public and private housing and social service agencies



Questions and Comments?

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Thank you!

Thank you for your participation. Your feedback helps us in our efforts to promote safe, affordable homes and vibrant, inclusive, sustainable communities for all Californians.

For more information, or to send a comment or question, please email consolidatedplan@hcd.ca.gov.