

# **State of California 2020-2024 Federal Consolidated Plan 2021-2022 Annual Action Plan Second Amendment**



**Gavin Newsom, Governor  
State of California**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director  
California Department of Housing and Community Development**

Division of Federal Financial Assistance  
2020 W. El Camino Avenue, Suite 200  
Sacramento, CA 95833

Website: <https://www.hcd.ca.gov/>

Consolidated Plan email: [ConsolidatedPlan@hcd.ca.gov](mailto:ConsolidatedPlan@hcd.ca.gov)

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# State of California

## 2021-2022 Annual Action Plan

### Second Amendment

The purpose of this amendment is to:

1. ***Allow the state the option to establish preferences in the National Housing Trust Fund (NHTF) program (AP-90)***
2. ***Allow the state to establish a tribal set-aside in the HOME Investments Partnership Program (HOME) (AP-30)***

***The full text of the original 2021-2022 AAP and all amendments may be found at <https://www.hcd.ca.gov/policy-research/plans-reports/index.shtml#conplan>***

#### **AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)**

##### **Introduction**

The 2021-2022 Annual Action Plan (AAP) is being amended to allow the State the option to provide the preferences outlined in AP-90 of the AAP under the NHTF program. Furthermore, the method of distribution (AP-30) for the HOME program is being amended to allow a tribal set aside in the Notice of Funding Availability (NOFA). Language being changed in this amendment is indicated by strikeout while new language being added is underlined.

#### **AP-30 Methods of Distribution – 91.320(d)&(k)**

##### **HOME Program**

**Describe how resources will be allocated among funding categories.**

Pursuant to state HOME Regulations, a minimum of 40 percent will be allocated to program-activity applications (FTHB, OOR, and/or TBRA activities), and five percent will be allocated to FTHB projects. Fifty-five percent of funds are typically available for rental project new construction or rehabilitation projects, based upon applicant demand in a given NOFA cycle. Should the state decide to waive, suspend, or eliminate the state HOME Regulations, new program guidelines would be adopted and used to determine how resources are allocated among funding categories. The Department will establish a tribal set-aside in the NOFA for tribal applicants. The purpose of this set-aside is to ensure that tribal communities have meaningful access to all housing funding programs throughout the state. The state has a duty to equitably distribute its HOME allocation to address the housing needs of all California communities. To ensure equitable access to these critical resources, tribal communities will compete directly through the set-aside. It is

anticipated that this funding will be used for new construction of multifamily rental housing, rehabilitating sub-standard housing located on tribal trust land, first time homebuyer assistance, and rental assistance for tribal community members. As the set-aside is newly developed, there has been little previous tribal community participation, so it is difficult to anticipate future outcomes at this time; however, there has been extensive interest.

## **AP-90 Program Specific Requirements – 91.320(k) (1,2,3)**

### **National Housing Trust Fund (NHTF) Reference 24 CFR 91.320(k)(5)**

**Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.” Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.**

~~While the NHTF program funding is being used for the state HHC program, the preference given to a segment of the extremely low- or very low-income population is to individuals-experiencing homelessness or chronic homelessness, and high-cost health care users.~~

While NHTF program funding is being used for the state Housing for a Healthy California (HHC) Article I Program, projects must serve the HHC Target Population as defined in the HHC Guidelines: people experiencing homelessness or chronic homelessness, receiving or eligible for Medi-Cal benefits, and are high-cost health users.

In addition, HHC projects funded with NHTF dollars may (but are not required to) limit occupancy or provide preference to the following populations:

- Seniors
- People with disabilities (including people with mental illness)
- Victims of domestic violence
- Veterans
- Tribal members

However, any limitation or preference must not violate the nondiscrimination requirements in the NHTF interim rule at 24 CFR 93.350, and the applicant must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project. Preferences and/or limitations may not be given to students.