

State of California

2021-22 Annual Action Plan (AAP)

One Year Use of Federal Funds

Division of Federal Financial Assistance
Planning and Reporting Team
California Department of Housing and
Community Development (HCD)

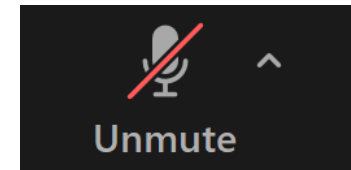
Virtual Public Hearing
April 16, 2021





Zoom Logistics

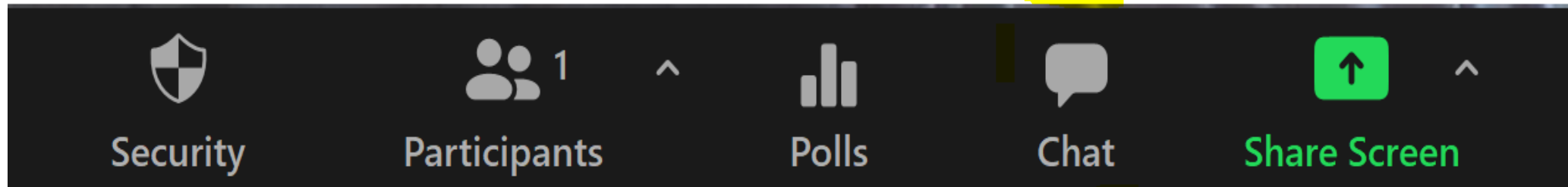
- All participant lines are muted upon entry
- If you are having audio difficulties:
 - “test speaker and microphone” option
 - Switch to phone audio
 - To dial in
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 - Meeting ID: 857 2346 7755
 - This virtual public hearing is being recorded. Slides and video will be posted next week.





How to comment or ask questions in chat

- Select “Chat” to enter questions or comments in chat box.
- We will take questions and comments during the presentation
- All comments will be saved as part of the public record.





Making comments verbally

- We will pause during the presentation to take verbal comments or questions.
- We ask that you keep your comments or questions related to the AAP brief so everyone has a chance to speak.
- We will take comments and questions via the “hand raise” function in Zoom. You will be prompted to unmute yourself.



Agenda

- Introductions
- Virtual public hearing goals
- AAP background
- Highlights
- 2021-22 AAP Overview
 - Consultation, Outreach and Citizen Participation
 - Expected Resources and Annual Goals, Allocations
 - Program Summary & Methods of Distribution CDBG, HOME, ESG, NHTF, HOPWA
 - Affordable Housing Goals, Homeless and Other Special Needs Activities
 - Barriers to Affordable Housing, Colonias Actions, Other Action, Program Specific Requirements



Introductions

2021-2022 AAP Team

Specialists and Managers

- Felicity Gasser
- Claudia Sharygin
- Jason Bradley
- Rukshana Begum

Planning and Reporting

- Dawn Magnusson
- Deanna Dennler
- Farid Barkzai
- Alexis Navarro
- Francisco Arnaiz



Virtual public hearing goals

- **Make the public familiar with the contents of the AAP**
(<https://hcd.ca.gov/policy-research/plans-reports/index.shtml> > Federal Plans and Reports > Consolidated Plan and Annual Action Plan)
- **Answer questions and receive public comments on the AAP**
- **Meet our State Citizen Participation Requirements (24 CFR 91.115) as outlined in our Citizen Participation Plan**
(<https://hcd.ca.gov/policy-research/plans-reports/index.shtml> > Federal Plans and Reports > Federal Citizen Participation Requirements)



Annual Action Plan (AAP) Background

- First of four annual updates to the 2020-24 Consolidated Plan (Con Plan)
- State's funding allocations from HUD for FY21 for
 - 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)
- HCD is the Lead Agency responsible for preparing
 - Consolidated Plan (5 year)
 - Annual Action Plan (1 year)
 - Consolidated Annual Performance Evaluation Report (1 year performance)



Annual Action Plan Background (cont.)

- “The action plan submitted by the jurisdiction will be considered as the application for the CDBG, HOME, ESG, and HOPWA formula grant programs. (24 CFR 91.515)”
- Based on the Con 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

- HCD focus on Racial Equity and Tribal support
 - Ensure all eligible persons receive equitable access to services, 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 non-federally recognized Native American Tribes and providing dedicated outreach and technical assistance.



Highlights (programmatic changes)

- HOME & NHTF: FY20-21 and 21-22 allocation will be made available in a combined Notice of Funding Availability (NOFA)
- NHTF NOFA will be competitive unless there is a business need to utilize the OTC method to obligate each year's allocation.
- Program Income: CDBG PI only application in eCivis. PI not obligated in an eligible activity by June 30, 2022 will be subject to recapture
- FY 2021 CDBG allocation from HUD reflects voluntary grant reduction of \$2,764,690
- HOPWA: Office of Aids (OA) has adopted allocation formula that mirrors federal allocation formula



2021-2022 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 with 31 state departments and agencies
- Outreach to local jurisdictions, CoCs and other eligible applicants
- Outreach via direct e-mail and Internet survey
- Lack of affordable housing and difficulties in creating affordable housing cited as primary housing issues
- COVID-19 emerged as the top barrier to economic development



Expected Resources (use of funds)

- CDBG- Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services
- HOME- Acquisition, Homebuyer assistance and rehab, Multifamily rental rehab, New construction, TBRA
- ESG- Conversion and Rehab for transitional housing, Financial Assistance, Overnight shelter, Rapid-Rehousing, Transitional housing
- NHTF- Multi-family rental new construction, increase supply of affordable housing, develop Housing for a Healthy California
- HOPWA- Permanent housing in facilities, Permanent housing placement, Short term or transitional housing facilities, STRMU Supportive Services, TBRA



Expected Resources (use of funds.)

| Program | Annual Allocation | Program Income | Prior Year Resources | Total (Expected avail FY21) | Expected Remainder of Con Plan |
|----------------|--------------------------|-----------------------|-----------------------------|------------------------------------|---------------------------------------|
| CDBG | \$29,464,950 | \$5,000,000 | \$20,000,000 | \$54,464,950 | \$105,000,000 |
| HOME | \$42,560,831 | \$6,000,000 | \$6,000,000 | \$54,560,831 | \$139,000,000 |



Expected Resources (use of funds..)

| Program | Annual Allocation | Program Income | Prior Year Resources | Total (Expected Avail FY21) | Expected Remainder of Con Plan |
|----------------|--------------------------|-----------------------|-----------------------------|------------------------------------|---------------------------------------|
| ESG | \$12,634,701 | -- | -- | \$12,634,701 | \$37,365,000 |
| NHTF | \$126,579,067 | -- | -- | \$126,579,067 | \$150,000,000 |



Expected Resources (use of funds...)

| Program | Annual Allocation | Program Income | Prior Year Resources | Total (Expected Avail FY21) | Expected Remainder of Con Plan |
|----------------|--------------------------|-----------------------|-----------------------------|------------------------------------|---------------------------------------|
| HOPWA | \$4,466,591 | -- | \$922,459 | \$5,389,050 | \$13,399,773 |



Annual Goal #1

| Goal | Category | Needs Addressed | Funding | Goal Outcome Indicator |
|---|---------------------------|--|--|---|
| <p>Increase housing affordability</p> <p>Address the high cost of housing among extremely low-, low-, and moderate-income households by making available and preserving more affordable housing options.</p> | <p>Affordable Housing</p> | <p>Improved access to affordable housing</p> | <p>CDBG: \$12,812,732</p> <p>HOME: \$50,304,747</p> <p>HTF: \$126,579,067</p> | <p>Rental units constructed: 400 household housing units (HHU)</p> <p>Rental units rehabilitated: 90 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 | Category | Needs Addressed | Funding | Goal Outcome Indicator |
|---|----------|--|--|--|
| <p>Addressing and preventing homelessness</p> <p>Addressing indiv. and families experiencing homelessness by aiding households experiencing homelessness and those at imminent risk of becoming homeless</p> | Homeless | Homelessness prevention and assistance | <p>CDBG: \$2,946,495</p> <p>HOME: \$4,256,083</p> <p>ESG: \$12,634,701</p> <p>HOPWA: \$5,389,050</p> | <p>Tenant-based rental assistance/Rapid Rehousing: 2,450 HA</p> <p>Homeless Person Overnight Shelter: 4,500 Persons assisted</p> <p>Overnight/ES/Transitional Housing Beds Added: 300 beds</p> <p>Homelessness Prevention: 300 Persons assisted</p> <p>Housing for Homeless Added: 100 HHU</p> <p>HIV/AIDS Housing Operations: 920 HHU</p> |



Annual Goal #3

| Goal | Category | Needs Addressed | Funding | Goal Outcome Indicator |
|--|--|--|--------------------------------------|---|
| <p>Maintain or improve public facilities and infrastructure</p> <p>Provide support for public facilities and infrastructure, particularly in rural areas, with the goal of supporting low- and moderate-income households</p> | <p>Non-Housing Community Development</p> | <p>Neighborhood stability and sustainability</p> | <p>CDBG: \$23,973,248</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 | Category | Needs Addressed | Funding | Goal Outcome Indicator |
|--|--|--|-------------------------------------|---|
| <p>Maintain or improve access to public services</p> <p>Provide support for public services, particularly in rural areas, with the goal of supporting low- and moderate-income households in these communities.</p> | <p>Non-Housing Community Development</p> | <p>Community-based public services</p> | <p>CDBG: \$4,419,742</p> | <p>Public service activities other than Low/Moderate Income Housing Benefit: 1,500 Persons Assisted</p> <p>Public service activities for Low/Moderate Income Housing Benefit: 100 Households Assisted</p> |



Annual Goal #5

| Goal | Category | Needs Addressed | Funding | Goal Outcome Indicator |
|--|--|-----------------------------|-------------------------------------|--|
| <p>Economic Development Provide an economic catalyst to areas in need of economic development, particularly in rural areas, with the goal of increasing economic opportunities and outcomes for low- and moderate-income individuals.</p> | <p>Non-Housing Community Development</p> | <p>Economic Development</p> | <p>CDBG: \$8,839,485</p> | <p>Jobs created/retained: 160 Jobs Businesses assisted: 10</p> |



Annual Goal #6

| Goal | Category | Needs Addressed | Funding | Goal Outcome Indicator |
|--|---|---|----------|--|
| <p>Recovery assistance for natural disaster survivors</p> <p>Activities to support disaster recover for local jurisdictions and people impacted by 2017 and 2018 natural disasters.</p> | <p>Affordable Housing Non-Housing Community Development</p> | <p>Disaster recovery and climate resilience</p> | <p>-</p> | <p>Visit this link for HCD's Disaster Recovery web page for information regarding CDBG-DR Action Plans for 2017 and 2018.</p> <p>https://www.hcd.ca.gov/community-development/disaster-recovery-programs.shtml</p> |



Allocation Priorities

| Program | Increase the supply of affordable rental housing (%) | Expand homeowner improve existing housing (%) | Provide homeless assistance prevention (%) | Increase economic development opportunities (%) | Maintain or increase public services (%) | Maintain or increase public facilities (%) | Colonias Set-Aside (%) | Total (%) |
|---------|--|---|--|---|--|--|------------------------|-----------|
| CDBG | 30% | 5% | 10% | 30% | 15% | 5% | 5% | 100% |
| HOME | 55% | 35% | 10% | 0% | 0% | 0% | 0% | 100% |
| NHTF | 100% | 0% | 0% | 0% | 0% | 0% | 0% | 100% |
| ESG | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |
| HOPWA | 0% | 0% | 100% | 0% | 0% | 0% | 0% | 100% |



Questions or comments

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

Program Summaries & Methods of Distribution





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 Method of Distribution

- **Eligible applicants:** CDBG non-entitlement jurisdictions
- **Competitive distribution:**
 - Housing Assistance Programs
 - Non-Housing Programs (Public Services and Public Facilities)
 - Economic Development Programs
- **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



ESG Method of Distribution

- **Eligible applicants:** Local governments and nonprofit service providers
- **Continuum of Care Allocation:** formula based on point-in-time homelessness count, poverty rate, housing cost burden
- **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 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
 - 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 for-sale markets.
- **Serves:** Californians of modest means who need affordable homes.



HOME Method of Distribution

Eligible applicants: HOME non-entitlement jurisdictions, developers, and CHDOs

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



National Housing Trust Fund (NHTF) Program Summary

- **Purpose:** To build, preserve, rehabilitate and operate decent, safe, affordable housing.
- **Serves:** Extremely low-income persons at or below 30 percent of the Area Median Income (AMI) with specific focus on the homeless population and the need for supportive services.
- **Funded by:** Annual allocation funded by Fannie Mae and Freddie Mac.



NHTF Method of Distribution

- **Eligible Applicants:** ANY organization, agency or other entity that is an owner and/or developer:
 - Public Housing Agency
 - For-Profit
 - Non-Profit
- **Eligible uses:**
 - Loans for Acquisition, New Construction and Rehabilitation
 - Grants for Capital Operating Subsidy Reserves (COSR)
- **Project Type:**
 - Permanent Supportive Housing for California's homeless population



NHTF – Outlook 2021

- **\$150M+ to be made available in the 2nd Quarter 2021**
 - NHTF funding is made available through the Housing for a Healthy California Program
- **Potential Program Modifications**
 - Analyzing subsidy limits
 - Increase the program's contribution to the project development costs
 - The ability to accept applications more than once a year
 - Prioritize projects ready for construction within one year of award
 - NHTF funds have a strict use or lose policy

For more Program Information

E-mail: HHCNOFA@hcd.ca.gov

HCD Website: <https://www.hcd.ca.gov/grants-funding/active-funding/hhc.shtml>



HOPWA Program Summary

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

[HOPWA Program](https://www.cdph.ca.gov/Programs/CID/DOA/Pages/OA_care_hopwa.aspx)

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



Affordable Housing Goals

- One Year Goals for the Number of Households to be Supported
 - Homeless 2,550
 - Non-Homeless 690
 - Special Needs 920
 - **Total 4,160**

- Rental Assistance 3,420
- The Production of New Units 550
- Rehab of Existing Units 140
- Acquisition of Existing Units 50
- **Total 4,160**



Affordable Housing Goals - HOPWA

| One-year goals for the number of households to be provided housing through the use of Housing Opportunities for Persons with AIDS (HOPWA) for: | Number of Households |
|---|-----------------------------|
| Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family | 725 |
| Tenant-based rental assistance | 50 |
| Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated | 0 |
| Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds | 145 |
| Total | 920 |



Homeless and Other Special Needs Activities

- Action Plan for Preventing and Ending Homelessness in California - HCD to take key role
 - Lead agency: Homeless Coordinating and Financing Council (HCFC)
 - Working Groups on
 1. State Funding & Programs
 2. Racial Equity
 3. Tailoring Strategies for Youth & Young Adults
 4. Employment Opportunities & Outcomes
- Administration of the State ESG Program
- State funded programs – VHHP, NPLH, HHC, PAS, THP



Barriers to Affordable Housing

Actions to remove or reduce the impact of barriers related to land use/zoning, development requirements/building code, and other policies

- 2020 Analysis of Impediments to Fair Housing: identified local resistance and exclusionary land use policies that constrain residential access to opportunity
- 2017 Housing Legislation: set of measures providing incentives for local jurisdictions to approve affordable housing development
- Local Early Action Planning Grant (LEAP)
- Regional Early Action Planning Grant (REAP)



Colonias Actions

- The state invests 5 percent of its annual CDBG allocation for activities in Colonias.
- The State uses the same method of distribution as are used in its regular programs but targets a portion of funds for the State's Colonias.



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
 - Facilitating and maintaining affordable housing
 - Reducing lead-based paint hazards
 - 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 bring change in our communities and neighborhoods across the State, and furthers our mission of a California for All.

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