

State of California
2025 – 2029 Federal Consolidated Plan



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Executive Summary

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

Introduction

The State of California's 2025-2029 Federal Consolidated Plan (Con Plan) is a United States Department of Housing and Urban Development (HUD) required plan that assesses the needs, analyzes the market conditions and identifies priorities and goals on behalf of the communities and population groups served by HUD annual funding programs administered by the Department of Housing and Community Development (HCD): Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), National Housing Trust Fund (NHTF), Emergency Solutions Grants (ESG), and Housing for Persons With AIDS (HOPWA), administered by the California Department of Public Health.

These state-administered federal funds are available, with exceptions (ESG and NHTF), only within cities and counties that do not receive funds for these programs directly from HUD. These cities and counties are known as "non-entitlement" jurisdictions or non-participating jurisdictions (PJs), depending on the program. Through community engagement efforts and intentional data collection and analysis, this Consolidated Plan particularly calls out the unique needs, challenges, and conditions of these communities to inform the Strategic Plan in which the state sets priorities and goals for using its federal funding the coming five years and the one year Annual Action Plan which outlines how the strategic plan priorities will be met in the first year of the Consolidated Plan five-year cycle.

The Con Plan follows a HUD prescribed format with pre-populated data tables and question prompts. The Con Plan references and includes data from various HCD produced reports and plans such as the 2022 Statewide Housing Plan and the various CDBG-DR Action Plans. This is in response to HUD directives to demonstrate coordination with state funding and policy to best leverage federal resources to meet local community needs.

The state may also receive future special HUD or other federal allocations such as federal disaster funding (CDBG-Disaster Recovery (CDBG-DR)). The Con Plan will be amended to include new funding sources when applicable. Sections SP-35 and AP-15 currently list all open and available CDBG-DR funds including approximately \$502 million allocated to the State of California on January 7, 2025, to respond to flooding in 2023 and severe storms, winter storms, and flooding in 2024. At the time of this writing, the fires in Southern California have been declared federal disaster DR 4856. No CDBG-DR funding source is available at this time and if it becomes available this

Consolidated Plan will be amended to account for these funds. In January 2025, the state received a \$3 million allocation of Rapid Unsheltered Survivor Housing (RUSH) funding to respond to the Southern California fires. Per instruction from HUD, these funds were included in an amendment to the 2024 Annual Action Plan accepted by HUD on February 20, 2025.

Information on funding provided and outcomes delivered for recovery assistance for natural disaster survivors is available for each federally declared natural disaster on a case-by-case basis. These reports are available from HCD's Disaster Recovery and Mitigation website at <https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation>.

The State of California shall comply with all federal law and regulation applicable to each grant program or grantee funded under this Consolidated Plan. The State of California shall not use grant funds to promote "gender ideology," as defined in Executive Order (E.O.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government.

A critical priority for HCD is to ensure all eligible persons receive needed services, and are served with dignity, respect, and compassion regardless of circumstance, ability, or identity.

HCD is also committed to supporting Native American Tribes (Tribes) in addressing housing and community development needs by making funds available, as eligibility allows, to both federally recognized and non-federally recognized Tribes and providing dedicated outreach and technical assistance. HCD recognizes that while Tribes may face many of the same obstacles as other under-resourced applicants, the unique status of Tribes requires additional, specific considerations in the design and implementation of programs and technical assistance. HCD is committed to learning about, considering, and honoring the history when building relationships with Tribes over time through respectful and accountable interactions. HCD's ongoing activities to support this relationship building are described in detail in this plan.

HCD would also like to acknowledge the support of Michael Baker International in the development of the Con Plan.

Summary of Objectives and Outcomes

HCD undertook a year of engagement and data collection and analysis to develop the Needs Assessment and Market Analysis included in the Con Plan.

The community engagement effort was robust and broadly-focused with an emphasis on hearing from community members and local partners across populations and geographies. Engagement included the following efforts:

- a series of in-person, hybrid and virtual workshops with communities up and down the state
- focus groups with workers in the San Joaquin Valley, affordable housing and local government leaders from the Eastern Sierra counties, community leaders working to resolve homelessness in Southern Humboldt County, and homelessness experts in Visalia
- informal interviews with disaster impacted small business owners and firefighters in Niland, Imperial County and with a non-profit leader serving Lake and Mendocino Counties
- interactive presentations and discussion forums at the San Joaquin Valley Housing Collaborative Affordable Housing Summit held in Visalia in September and at the HCD Tribal Housing Workshop held in Sacramento in November
- an online public survey receiving 228 responses
- an online applicant and grantee survey receiving 172 responses

The approach to the community engagement efforts was to cover geographies across mostly rural communities primarily served by DFFA programs. The goal was to hear about their specific needs and community visions as they related to Housing, Homelessness, Community Facilities and Economic Development so that their feedback could drive the Strategic Plan development and priority setting.

The results of the engagement efforts are woven into both the Needs Assessment and Market Analysis, along with HUD mandated data tables, as well as data that HCD requested Michael Baker collect that paint a picture of the specific challenges faced by non-entitlement communities.

The voices of members of California communities, supported with thorough data analysis, informed the Con Plan's federal funding priorities and strategies to address housing and community development needs over the next five years, using annual funding from HUD for the following programs:

Community Development Block Grant (CDBG): The CDBG program partners with eligible cities and counties to improve the lives of low- to moderate-income residents through the creation and expansion of community and economic development opportunities in support of livable and more resilient communities.

Emergency Solutions Grants (ESG): The ESG program provides grant funding to units of general-purpose local government and non-profit organizations to engage homeless

individuals and families living on the street and provide rapid rehousing, emergency shelter operations, street outreach, and homeless prevention activities.

HOME Investment Partnerships Program (HOME): The HOME program assists cities, counties, developers, including Native American Entities, and nonprofit Community Housing Development Organizations (CHDOs) in the creation and retention of affordable housing.

Housing Opportunities for Persons With AIDS (HOPWA): The HOPWA program, administered by California Department of Public Health Office of AIDS, provides housing assistance and supportive services that prevent or reduce homelessness for persons living with HIV (PLWH).

Housing Trust Fund or National Housing Trust Fund (NHTF): The NHTF program provides funding to increase and preserve the supply of affordable housing, with an emphasis on rental housing for extremely low-income households.

Priority Needs set for use of these funding sources during the five-year Con Plan funding cycle include the following:

- **Increase Supply and Preservation of Affordable Housing**

Eligible Activities: Development and rehabilitation of rental housing or homeownership units.

Basis for Priority: to respond to the shortage of housing of all types and a lack of affordable units for low-income populations who face rising housing costs. In particular, in non-entitlement areas, lack of affordable housing drives low-income people farther from services and to housing that is substandard.

Estimated Investment of HUD Annual Program Funds: \$400 M

- **Improve Access to Affordable Housing**

Eligible activities: Rental and homebuyer assistance programs including downpayment assistance, security and utility deposits, monthly rental assistance.

Basis for Priority: Housing cost burden impacts almost all low-income populations creating housing instability which is a primary contributor to homelessness.

Estimated Investment of HUD Annual Program Funds: \$42 M

- **Address the Homelessness Crisis**

Eligible Activities: Short to medium term rental assistance (one to twenty-four months rent), rental application fees, security and utility deposits, utility payments and moving costs; outreach activities and case management; provision of temporary shelter and transitional housing, supportive services such as childcare and employment training.

Basis for Priority: The state represents a large share of the nation's homeless population. Community feedback emphasized the importance of homeless services in their communities that are sometimes under-resourced due to their more rural nature.

Estimated Investment of HUD Annual Program Funds: \$76 M

- **Invest in Community and Public Infrastructure and Facilities**

Eligible Activities: Development, Improvement, Expansion and Rehabilitation of public facilities and infrastructure in low- and moderate-income geographies or for low-to-moderate income populations. Examples include waste-water treatment facilities and community centers.

Basis for Priority: Often lack of adequate infrastructure, water and wastewater in particular, hinder the development of housing in non-entitlement communities. Community members cited the need for improvements to streets, lighting and parks.

Estimated Investment of HUD Annual Program Funds: \$62 M

- **Provide Community-Based Public Services**

Eligible Activities: Public services such as food bank operations, senior services, after school care, emergency rental assistance programs.

Basis for Priority: These services are often inadequate or non-existent in non-entitlement communities and are needed to meet community needs.

Estimated Investment of HUD Annual Program Funds: \$28 M

- **Increase Economic Development Opportunities**

Eligible Activities: Business loans and grants to support job creation and retention and increase the number of neighborhood serving businesses.

Basis for Priority: Rural job markets have struggled to keep up with urban wages and market analysis indicates a need for resources and technical assistance for businesses in low and moderate-income communities to improve access to goods and services.

Estimated Investment of HUD Annual Program Funds: \$13 M

In addition to the identified priorities, HCD recognizes that across all priorities, that in the event of either a large scale or local scale disaster, there is a need for investments in housing, services, and infrastructure when other funds are not available. While not established as a distinct priority, disaster recovery, mitigation, and response is woven throughout the other six Con Plan priorities.

Further details on how the priority needs were derived are provided in PR-10, PR-15, and further detail on priorities and related goals and indicators are found in SP-25 and SP-45.

Outcomes for the HUD-funded programs will be tracked in the Consolidated Annual Performance Evaluation Report (CAPER) and HCD's Annual Report by households and housing units, individual beneficiaries, and neighborhoods, depending on the type of activity, funding, and applicable national objective. More information on the CAPER is provided below.

Evaluation of past performance

Each year HCD prepares and submits to HUD the CAPER which includes prior year outcomes for the CDBG, HOME, ESG, HOPWA, and NHTF Programs. During the first 4 years of the previous Consolidated Planning cycle (FY20 through FY24) the state met or exceeded many of the previous goal outcome indicators set in the 2020-2024 Con Plan, including the following:

Increase housing affordability: The state developed or substantially rehabilitated over 1,000 rental units and nearly 500 owner-occupied units; and provided homebuying assistance to over 300 households. Most of these units were located in non-entitlement jurisdictions, and funded with CDBG, NHTF and HOME programs.

Addressing and preventing homelessness: The state assisted over 13,950 households with tenant-based rental assistance (for homelessness prevention) and rapid re-housing rental assistance (for homeless households); over 70,000 persons in emergency shelters; and over 2,000 special needs households with persons with HIV or AIDS; using CDBG, ESG, HOME and HOPWA funding.

Increase economic development opportunities: The state assisted over 200 businesses and also created or retained over 650 jobs, using CDBG funding.

Maintain or improve public facilities and infrastructure: The state supported the development of numerous public facilities and infrastructure projects, benefitting the neighborhoods and communities of over 650,000 Californians. These public works were supported with CDBG funding.

Maintain or improve access to public services: The state supported public services benefitting the neighborhoods and communities of over 175,000 Californians. Funding for public services – provided in the CDBG program – supported enrichment opportunities for residents of an additional 96 affordable housing units.

The accomplishments for the entire Consolidated Planning cycle will be reported in the 2024-25 CAPER in the fall of 2025. The most recent CAPER is located at:

<https://www.hcd.ca.gov/policy-and-research/plans-and-reports>.

The state was also awarded funding to address the impacts of COVID-19. In 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act or the “CARES Act”. HCD received \$150 million in one-time CARES Act funding through the CDBG-CV program, \$320 million through the ESG-CV program, and \$4.5 billion through the Emergency Rental Assistance Program (ERAP). The State of California contributed another \$1.9 billion in state funds to the ERAP program. Funding for infrastructure, economic development, rental assistance, and addressing homelessness reached communities across the state to the benefit of over 570,000 persons and over 1,000 new interim and permanent housing units that were created or preserved.

The state also was awarded funding from HUD programs for a series of natural disasters that occurred during the 2020-2024 Con Plan cycle, including CDBG-DR funding for a series of wildfires and severe winter storms, that occurred between 2020-2021 and December 2022-January 2023. HCD also continued to administer CDBG-DR, CDBG – Mitigation (CDBG-MIT) and National Disaster Resilience Competition (NDRC) funding from prior years. Information on funding provided and outcomes delivered for recovery assistance for natural disaster survivors is available for each federally declared natural disaster on a case-by-case basis. These reports are available from HCD’s Disaster Recovery and Mitigation website at <https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation>. The state will continue to administer these disaster programs during the 2025-2029 Con Plan program years.

In addition to these substantial resources from HUD, the state continued to invest significant funding for affordable housing development, addressing and preventing homelessness, and housing assistance for low-income renter and homeowner households, through state bonds, General Fund allocations, federal tax credits, dedicated taxes and fees, and local support.

Guideline Authority:

To speed up the deployment of funds to subrecipients, maximize flexibility, and reduce the administrative burden on the subrecipients, HCD is moving forward with the implementation and development of guidelines for the HOME program to replace state regulations. HCD received guideline authority for ESG and HOME with the passing of Assembly Bill (AB) 1978 in 2022. Community partner engagement for the ESG guidelines took place in 2023-2024 and 2024-2025 for the HOME program. Feedback received was considered and implemented in the new ESG guidelines published and will be incorporated in the guidelines for the HOME program. CDBG also has guidelines

which went into effect in 2019 and NHTF's guidelines went into effect in 2023. See AP-25 Allocation Priorities for more details.

Summary of citizen participation process and consultation process

Prior to the release of the draft Con Plan, HCD held a series of in-person meetings statewide and a hybrid meeting with the public and representatives that included both for-profit and non-profit housing and service providers, consultants, local government and tribal representatives, various state agencies, and advocates. The meetings were structured to encourage in-depth discussions about challenges for housing development, infrastructure needs, and what public facilities and services are most needed. The state particularly encouraged input from those representing non-entitlement and rural communities. The full list of consultations is included in PR-10.

Additionally, HCD conducted focus groups and individual interviews with workers in agriculture, homelessness experts, small business owners, and community members. HCD also posted a survey soliciting public input on the state's housing and community resource needs on its website from September 24 to November 10, 2024. The public survey received 228 responses. A second survey, intended to solicit feedback from grantees or potential grantees, was also posted and distributed concurrently. The grantee survey received 172 total responses. Additional details are provided in PR-10 and PR-15.

HCD staff also presented on the Con Plan at various events across the state including HCD's 2024 Tribal Housing Finance Workshop in Sacramento, the San Joaquin Valley Housing Collaborative – Affordable Housing Summit in Visalia, and during ESG and CDBG grantee office hours. Additional details are provided in PR-10 and PR-15.

HCD held a public hearing and webinar on February 6, 2025, to solicit additional public feedback prior to releasing the draft Con Plan for public comment. A publicly noticed public comment period for the Con Plan was held between February 10 and March 12, 2025. Additional details on the public comment period are provided in PR-15.

Future Con Plan amendments will comply with the public participation requirements of the state's Citizen Participation Plan, which is posted on HCD's website. The state considers both written comments and comments received orally at Con Plan public hearings, as part of preparing the final versions of the Con Plan and Annual Action Plan. A summary of these comments, and a summary of any comments not accepted and the reasons they were not accepted, will be attached to the final plans.

Summary of public comments

The draft 2025-2029 Con Plan public comment period was held from February 10 to March 12, 2025. The HUD Reporting team received the following comments. These comments were not specific to the 2025-2029 Con Plan and were answered by the CDBG program team.

1. Request for HCD's CDBG Guidelines to align with 24 CFR 570.489 regarding grant payments, allowing grantees to be paid on invoice rather than following receipt of a check demonstrating payment.

The CDBG team responded to recognizing the burden that it can place on smaller jurisdictions to pay according to payment date and advised that on a case-by-case basis, payment upon receipt of invoice is considered. The CDBG team also encouraged grantees to look at applying for short term construction loans to address cash flow concerns and advised that the costs of these loans are allowable expenses under CDBG.

2. Concerns regarding the inability to conduct engineering, design costs, and environmental review as standalone planning activities, particularly for small jurisdictions.

Completion of environmental review records is an allowable planning activity. However federal regulation at 24 CFR 570.205 prevents use of planning dollars for the other listed activities. These costs can be incurred as pre-award costs and reimbursed once awarded for construction activity.

Summary of comments or views not accepted and the reasons for not accepting them

N/A All comments were accepted

Summary

The 2025-2029 Con Plan outlines California's five-year strategy for using federal funds to address housing, homelessness, and community development, with an emphasis on disaster resilience, and economic opportunity. The state will focus on affordable housing, homelessness response, infrastructure improvements, public services, and economic development. By aligning these funds with strategic priorities, the Con Plan aims to address California's most pressing challenges, track progress, and improve the quality of life for all. Through community engagement and public comments, this plan has derived the best mode of action moving forward to the program year 2029.

The Process

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	California Department of Housing and Community Development (HCD)
CDBG and CDBG-DR Administrator	CALIFORNIA	HCD – Division of Federal Financial Assistance (DFFA)
HOME and HOME-ARP Administrator	CALIFORNIA	HCD – Division of Federal Financial Assistance (DFFA)
ESG Administrator	CALIFORNIA	HCD – Division of Federal Financial Assistance (DFFA)
NHTF Administrator	CALIFORNIA	HCD – Division of Federal Financial Assistance (DFFA)
HOPWA Administrator	CALIFORNIA	Department of Public Health, Division (Office) of AIDS

Table 1 – Responsible Agencies

Narrative

The California Department of Housing and Community Development is the lead agency for federally funded Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), and National Housing Trust Fund (NHTF) programs operated on HUD's behalf in the State of California. HCD's Division of Federal Financial Assistance is the primary division responsible for administering the federal funding programs for non-entitlement and eligible jurisdictions statewide. In addition to these programs, HCD also oversees CDBG Disaster Recovery (CDBG-DR), disaster relief funds, when available and awarded to the State.

The California Department of Public Health Office of AIDS (CDPH/OA) administers statewide programs and activities that pertain to HIV/AIDS, and is statutorily responsible for coordinating all state programs, services, and activities relating to HIV. The state HOPWA program is situated in CDPH/OA to ensure that all HIV service programs,

including housing assistance, are coordinated at state and local levels. Both departments coordinate the development of the Con Plan.

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PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(l) and 91.315(l)

Introduction

HCD consulted with a variety of organizations and agencies in the process of developing the Con Plan. Focused meetings were held to gain input in identified areas, particularly housing, homelessness, economic development, public facilities and infrastructure, and public services. In addition, HCD solicited input from, and regularly engages with, Continuums of Care, local governments, developers, and agencies that provide assisted housing, health services, and social services; and that address the housing, health, social services, employment, and education needs of low-income, and homeless special needs populations. A full list of agencies and organizations that participated in consultation is provided below.

The Con Plan consultation process has built off of recent efforts to develop a more comprehensive and consistent ongoing division-wide consultation strategy. These efforts include, but are not limited to:

- Development of a DFFA division-wide consultation and engagement calendar.
- Establishing standards and best practices for community engagement.
- Coordination with the Housing Policy Development Division (HPD).
- Coordination of events around the Con Plan and HOME Reimagining to update HOME guidelines.
- Working in partnership with HPD and HCD's California Indian Assistance Program (CIAP) around Tribal engagement and technical assistance.
- Bi-weekly office hours, training and technical assistance workshops, and listening sessions for the various HUD programs that HCD administers.
- Coordinating with key external community partners on a regular basis.
- Building community engagement into the division's action plans.

Additional details on these and other ongoing engagement efforts are provided in more detail below.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies (91.215(I))

HCD and its parent agency the California Business, Consumer Services and Housing Agency (BCSH), regularly coordinate with public, private, and non-profit housing developers and providers and private and governmental health, mental health and service agencies.

HCD is a member of the California Interagency Council on Homelessness (Cal ICH), which is administered by BCSH. Other members include the California Health and Human Services Agency (CalHHS), the Department of Social Services (DSS), Department of Public Health (CDPH), and the Department of Health Care Services (DHCS), among others. Cal ICH is pursuing a vision for the state's work to prevent and end homelessness and HCD is a critical partner in this vision.

Throughout the process of program design, implementation, application, awards, and long-term monitoring, HCD has ongoing contact with housing developers and providers, local governments, tribal governments and tribal organizations, and health and services agencies. Feedback is sought through NOFA and application workshops, informal feedback, listening sessions, guideline development, and as a part of long-term monitoring, and regular meetings with local government grantees, housing, and service providers. Each program conducts workshops and collaborates with agencies like California Housing Finance Agency, (CalHFA), California Department of Veterans Affairs (CalVet), California Department of Social Services (CDSS), and local jurisdictions and developers.

HCD also participates in Department-wide efforts to leverage resources to address housing affordability and homelessness across programs. Safe and stable housing is a critical component of a comprehensive approach to healthcare. HCD has dedicated billions in state and federal funds to support permanent supportive housing and homelessness response services and facilities. Permanent supportive housing includes support services intended to help address the needs of persons and households who face mental and/or physical health challenges that impact their ability to remain housed. These support services are typically provided through non-profit partnerships with housing developers and providers.

HCD's Disaster Recovery (DR) team has established monthly meetings with other state agencies engaged in funding and/or similar policy work. The primary goal of these monthly meetings is to coordinate program implementation and leverage skills and capacity across various state agencies including the California Office of Emergency Services (CalOES), CalFire, and the Department of Water Resources (DWR). Agendas

for these meetings include review of specific project applications when more than one funding agency is engaged, as well as review and discussion of policies focused on housing, transportation, forest management, etc. Other examples include coordination of timelines and policies to allow communities to leverage funding from different grant sources. In addition, any new CDBG-DR allocations and Action Plans, as well as any amendments to existing CDBG-DR or CDBG-MIT Action Plans, are reviewed and discussed with these agencies. This allows HCD to develop programs that are fully aligned with other state housing and community development policies.

CDPH/OA solicits input from HIV/AIDS service agencies, other state departments (such as Corrections and Rehabilitation, Housing and Community Development (HCD), Mental Health Services, and Developmental Services) and local health departments, to inform program development and implementation. They also coordinate with other HIV programs and encourage collaboration amongst HIV service agencies to ensure that Person Living With HIV/AIDS (PLWH) have access to services critical for improving housing stability and overall health outcomes.

Additionally, CDPH/OA convenes the California Planning Group (CPG) which serves as an advisory body to identify the most effective housing services and best practices for integrating HIV health. The CPG assists in the development, implementation, and revision of California's Integrated HIV Surveillance, Prevention, and Care Plan (Integrated Plan). The current Integrated Plan responds to the National HIV/AIDS Strategy and includes housing goals and objectives related to improved access to HIV/AIDS care and treatment. CPG also informs CDPH/OA about local trends or emerging populations in the epidemic, and successes and challenges in accessing HIV care and prevention services in the community. The CPG includes representatives from local HIV/AIDS planning groups as well as consumers (including those who have experienced homelessness and housing instability), local health departments, and other statewide experts in the field.

State HOPWA project sponsors are required to conduct outreach to local “key points of entry” to increase their awareness of the HOPWA program, its services, and referral process. Key points of entry may include, but are not limited to, local health departments, federally qualified health centers, Ryan White HIV/AIDS Program (RWHAP) providers, Medi-Cal Waiver program providers, Continuum of Care (CoC) planning groups, and substance use treatment programs. This relationship-building provides HIV providers and agencies a direct link to housing services for their clients and facilitates HOPWA project sponsors ability to linking clients to other necessary services. More information on the state’s efforts can be found at the California Department of Public Health at: CDPH Director’s Office.

HCD also participates in the Health in All Policies (HiAP) Task Force, sponsored by the Strategic Growth Council. The Task Force meets regularly to discuss how policy, including housing policy, impacts community health and what policy changes need to be implemented to improve community access to health care and health-based resources. The Task Force was consulted in the development of this Con Plan.

Describe coordination with the Continuums of Care and efforts to address the needs of homeless persons and persons at risk of homelessness

HCD, and its parent agency, BCSH, coordinate with the various CoCs in the state through multiple venues, including through regional roundtables, such as The Northern California CoC Roundtable and the Southern California CoC Alliance. HCD also hosts office hours, webinars, and workshops with CoCs regarding funding opportunities, regulation changes, and general program management to help improve CoC performance and program utilization around the ESG program.

Cal ICH, within BCSH, pursues a vision to prevent and end homelessness through the Statewide Action Plan for Preventing and Ending Homelessness. The Plan was developed through input and collaboration with over 60 community entities, public agencies, nonprofits, and other experts. Cal ICH staff also oversee and implement partnerships with CoCs, federal agencies, city and county governments, non-profits, housing and services providers, and other stakeholders to advance shared and coordinated work to improve state-funded services and programs.

The Action Plan includes a strong commitment to accountability and performance measures. As such, Cal ICH launched the state's Homeless Data Integration System (HDIS) in Spring 2021 to securely collect, match, and de-duplicate records from local Homeless Management Information Systems (HMIS). HDIS allows the State of California to access and compile standardized homelessness data collected by individual CoCs to make data-driven policy decisions aimed at preventing and ending homelessness in California.

Homelessness has been a primary concern for the state for the last several years, and in addition to providing a significant amount of funding for affordable housing, the state also has invested a substantial amount of new state funding for homelessness services and facilities, predominantly through the CoCs. For example, the enacted FY24-25 state Budget includes \$1 billion in new funding for the [Homeless Housing, Assistance, and Prevention \(HHAP\) Program](#). These HHAP Round 5 awards are the first HHAP awards made since HCD took over administration of the program from Cal ICH on July 1, 2024. HCD and Cal ICH team members worked collaboratively on the transition since September 2023. These funding sources have been used to help supplement CoC operating costs, increase funding for shelters and transitional housing, support

Coordinated Entry Systems (CES), and provide direct housing assistance to people experiencing homelessness. State sources are used in leveraging the federal ESG funding that traditionally supports the CoCs and CES functions.

Additionally, a key finding from the recent tribal roundtables was the need to better understand homelessness in Indian Country. Because of this feedback, HCD recently partnered with the California Coalition for Rural Housing (CCRH) to host three webinars that dove deeper into California homelessness, what it looks like in Indian Country, and how Tribes can address the issue.

All state HOPWA project sponsors are encouraged to participate in local CoC planning groups to ensure representation of the HIV/AIDS community in the housing continuum. Most state HOPWA project sponsors participate in their local CoC planning group, including assisting with the homeless counts each year, which has improved their knowledge and collaborative efforts to provide housing and supportive services to PLWH in their community. By federal regulation, homeless service agencies that receive HOPWA funding must include HOPWA clients in the local Homeless Management Information System (HMIS). State HOPWA includes this requirement in the HOPWA-grant scope of work and assists project sponsors in accessing local HMIS, as needed. Project sponsors also screen new clients with a prior living situation of homelessness to determine their veteran status and determine if they meet HUD's definition of chronic homelessness.

Describe consultation with the Continuums of Care that serve the state in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies, and procedures for the administration of HMIS.

HCD consults with the CoCs through various avenues, as described above. Consultation for the Con Plan included focus groups with advocates, non-profit service providers, CoC administrators, CES administrators, and other homelessness experts to discuss how ESG funds are distributed and utilized across the state. Additional consultation for the plan included discussion of the Con Plan during ESG office hours and a grantee specific survey to identify needs and priorities.

ESG funds are allocated pursuant to the ESG Program Guidelines. Funds were previously allocated pursuant to state regulations. However, HCD was given guideline authority to align the program more closely with federal regulations, make improvements to allow for more flexibility and efficiency, and make the requirements clearer and more user-friendly for applicants, grantees, and HCD. The draft guidelines went through a 30-day public comment period in the summer of 2024 and were finalized in December 2024. Significant community partner consultation also occurred over a

one-year period including presentations to CoCs, listening sessions, and a survey. Feedback obtained from public outreach was incorporated into the proposed guidelines. ESG program staff have also used office hours and other methods to introduce the new guidelines to CoCs and other interested parties.

In FY25 and forward, ESG annual funding will be distributed based on a formula allocation and/or performance outcomes by accessing Homeless Management Information System (HMIS) data via the state Homeless Data Integration System (HDIS).

A description of the performance standards that measure outcomes of projects and activities are described in detail in section AP-30 Method of Distribution, under the ESG program section. HCD's ESG program has an HMIS Setup Guidance Policy and an HMIS Data Standards Manual. All projects funded by HCD via the ESG program are required to follow this guidance on an annual basis for the operation and administration of HMIS. HCD also regularly holds training on the proper administration of HMIS.

As mentioned above, HDIS was launched in 2021 to collect data from local HMIS. HDIS compiles data from all 44 CoCs, which will allow the state to better develop performance measures that will help state and local jurisdictions measure progress towards reducing homelessness.

Provide a concise summary of the state's activities to enhance coordination with local jurisdictions serving Colonias and organizations working within Colonias communities.

All the Colonias supported by the state's HUD funding are located in Imperial County (County). HCD works closely with the County and the various communities that have Colonias that meet the Colonias definition to ensure they have access to Colonias funding. The CDBG program allocates 5 percent of each annual entitlement award for the Colonias, and the method of distribution allows for that funding to be in addition to any jurisdiction limits identified in the NOFA.

The County administrators are excellent partners with HCD and encourage Colonias community leaders to participate in HCD events hosted in the County. The County also administers CDBG and other federal program awards on the behalf of Colonias communities without sufficient administrative capacity, and coordinates with HCD to ensure programs and projects are completed according to regulation. During development of the Con Plan, HCD also held a workshop in the Colonia of Niland in October 2024 to solicit direct feedback.

Describe Agencies, groups, organizations, and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

1	Agency/Group/Organization	California Housing and Finance Agency (CalHFA)
	Agency/Group/Organization Type	Housing Other government - state
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public and Assisted Housing, Homeless Needs Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination in affordable housing development, voucher administration, and housing applications.
2	Agency/Group/Organization	California Business, Consumer Services and Housing Agency
	Agency/Group/Organization Type	Housing Other government - state Business Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Homeless, Non-Housing Community Development Needs, Homeless facilities
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Increased collaboration in implementing state housing priorities policy goals.
3	Agency/Group/Organization	California Housing Partnership Corporation
	Agency/Group/Organization Type	Housing Non-profit
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Community Development, Cost of Housing, Affordable Housing

	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination to increase housing access and affordability in California.
4	Agency/Group/Organization	California Coalition for Rural Housing
	Agency/Group/Organization Type	Housing – Non Profit Organizations Serving Colonias
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Colonias Set-aside Strategy
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved availability of funding for affordable housing in CA Rural Communities.
5	Agency/Group/Organization	Disability Rights California
	Agency/Group/Organization Type	Housing Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Facilities and Services, Strategic Plan, Availability of affordable housing.
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Continued coordination on new and existing multifamily housing being federally and state compliant as well as funding for retrofitting and modifications.
6	Agency/Group/Organization	California Department of Public Health
	Agency/Group/Organization Type	Services-Health Other government - state
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Priority needs.

	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination with a focus on health and housing. Data sharing between service providers and housing agencies. Expanding permanent Supportive Housing.
7	Agency/Group/Organization	California Department of Health Care Services
	Agency/Group/Organization Type	Services-Health Other government - state
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Strategic Plan, HOPWA Goals
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination in tracking the change in financial cost to high-cost health users once they enter Permanent Supportive Housing.
8	Agency/Group/Organization	California Department of Health and Human Services Agency
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Health Other government - state
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Homelessness, Housing units, cost of housing
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improve coordination of federal funds to support services that assist low-income Californians.
9	Agency/Group/Organization	California Civil Rights Department
	Agency/Group/Organization Type	Service Other government - state
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Affordable housing.

	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination in ensuring that organizations that work with HCD are following state and federal housing laws.
10	Agency/Group/Organization	Fair Housing Advocates of Northern California
	Agency/Group/Organization Type	Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Affordable housing, Strategic Plan
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination on how to enforce federal and state law especially for developments/sponsors who have received HCD funding.
11	Agency/Group/Organization	Fair Housing Council of Central California
	Agency/Group/Organization Type	Non-Profit
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Affordable housing.
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination on how to enforce federal and state law especially for developments/sponsors who have received HCD funding.
12	Agency/Group/Organization	California Rural Legal Assistance
	Agency/Group/Organization Type	Service- Non-Profit
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Colonias Set-aside Strategy Strategic Plans, Homelessness

	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination on how to enforce federal and state law especially for developments/sponsors who have received HCD funding.
13	Agency/Group/Organization	California Department of Social Services
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-homeless Other government - state
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness, housing problems, housing cost burdens, homelessness, HOPWA goals.
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improved coordination on how to enforce federal and state law and promote the economic and social well-being of families, children, individuals, and communities.
14	Agency/Group/Organization	California Department of Aging
	Agency/Group/Organization Type	Services-Elderly Persons Other government - state
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness, Facilities and service, and housing cost burdens
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call.CDA coordinates with supportive agencies to support the needs of and develop strategies for housing. Anticipated outcome is to improve affordable housing and assist with social service needs.
15	Agency/Group/Organization	California Department of Developmental Services (DDS)
	Agency/Group/Organization Type	Services- Other government - state
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Homeless needs, Facilities and services, other needs and activities.

	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Assist with access to stable, affordable housing and affordable health services and mental health services. Improve funding for housing development, renovation, and rental subsidies. Increase collaboration with multi-family housing developers.
16	Agency/Group/Organization	Healthy Housing Foundation (HHF)
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS Non-Profit
	What section of the Plan was addressed by Consultation?	Market Analysis Needs Assessment-non-housing special needs, non-housing community development needs, HOPWA goals.
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improve coordination with HOPWA groups in addressing population needs. Healthy Housing Foundation provides decent housing units at an affordable cost to low-income people. HHF will offer priority placement to individuals with chronic health conditions, including HIV/AIDS.
17	Agency/Group/Organization	California Department of Public Health
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS Services-Health Other government - state
	What section of the Plan was addressed by Consultation?	Market Analysis Annual Action Plan-HOPWA goals.
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improve coordination with HOPWA group with housing assistance and supportive services designed to reduce or prevent homelessness for persons living with HIV (PLWH). Seek to increase the availability of decent, safe, and affordable housing for low-income PLWH.
18	Agency/Group/Organization	Governor's Office of Emergency Services
	Agency/Group/Organization Type	Agency - Emergency Management Other government - state

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Non-homeless Special Needs, Market Analysis-Hazard Mitigation.
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. and help with the state Disaster Recovery Program specifically dedicated to housing recovery. Permanent housing solutions and poverty alleviation.
	Agency/Group/Organization	California Department of Corrections and Rehabilitation
	Agency/Group/Organization Type	Services-Education Other government - state
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Homeless needs, Homeless facilities, Community Revitalization Strategies
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Working to increase funding in health care services such as medical, dental and mental health.
20	Agency/Group/Organization	Governor's Office of Business and Economic Development (GO-Biz)
	Agency/Group/Organization Type	Services-Employment Other government - state Business Leaders
	What section of the Plan was addressed by Consultation?	Market Analysis Needs Assessment-non-housing community development needs.
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improve coordination in support of small businesses. Provide resources to organizations for employment training, apprenticeship training, California veterans programs, joint venture programs.

21	Agency/Group/Organization	California Forward
	Agency/Group/Organization Type	Planning organization Business and Civic Leaders Non-Profit
	What section of the Plan was addressed by Consultation?	Challenges to Affordable Housing.
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Improve coordination with different regions in the state to create more affordable housing using CDBG funds. Increase local investments in upward mobility programs. Help to assist in hunger, housing issues and health for those who can't afford it.
22	Agency/Group/Organization	Rural Community Assistance Corporation
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers Non-Profit Serving Colonias Community Development Financial Institution
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Non-Homeless Special Needs Market Analysis Colonias Set-aside Strategy Broadband Needs of Housing
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Coordinate with nonprofit organizations to provide training, technical and financial assistance for rural and tribal communities.
23	Agency/Group/Organization	California Commission on Aging
	Agency/Group/Organization Type	Other government - state Business Leaders Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment

	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Collaborate on how elderly residents can best be met by HCD funded programs and projects.
24	Agency/Group/Organization	Leadership Council for Justice and Accountability
	Agency/Group/Organization Type	Housing Regional Organization Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct email, Phone call. Focus Group, HCD worked closely with LCJA during the Consolidated Plan engagement process. Increased focus of funding options in rural communities, particularly unincorporated communities with significant development needs.
25	Agency/Group/Organization	California Tax Credit Allocation Committee
	Agency/Group/Organization Type	Other government- state Housing
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Market Analysis
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call. HCD's Director serves on the CTCAC board and is actively engaged with them as a primary funding partner.
26	Agency/Group/Organization	California Human Development
	Agency/Group/Organization Type	Housing Regional Organization Other- Non-Profit Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment

	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call. Improved NOFA and program design to better serve workers and rural communities. Continued participation in future activities and expanded engagement in other areas of Northern California that CHD serves.
27	Agency/Group/Organization	Housing California
	Agency/Group/Organization Type	Housing Regional Organization Civic Leaders Other- Nonprofit
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Homeless Needs- Chronically homeless Market Analysis
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call HCD regularly engages with Housing California on key housing policy issues.
28	Agency/Group/Organization	California Partnership to End
	Agency/Group/Organization Type	Regional Organization
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Homelessness Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call. Improved access to and retention in programs and projects by survivors of DV.
29	Agency/Group/Organization	California Community Economic Development Association
	Agency/Group/Organization Type	Regional Organization Other- Non-profit
	What section of the Plan was addressed by Consultation?	Market Analysis Non-housing Community Development Strategy

	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call. Improved Economic Development programs.
30	Agency/Group/Organization	Rural LISC
	Agency/Group/Organization Type	Regional Organization Housing Civic Leaders Community Development Financial Institution
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-housing Community Development Strategy Market Analysis
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call HCD met with Rural LISC and discussed continuing to collaborate, particularly around tribal finance and rural infrastructure.
31	Agency/Group/Organization	Self-Help Enterprises
	Agency/Group/Organization Type	Housing Regional Organization
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Anti-poverty Strategy
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call, Focus Group. Improvements in program design to best serve small rural communities in the San Joaquin Valley
32	Agency/Group/Organization	California Department of Technology
	Agency/Group/Organization Type	Other government- state
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Other- Broadband Non-housing Community Development Strategy
	How was the Agency/Group/ Organization consulted and what are the anticipated outcomes of	Community Survey, Direct e-mail, Phone call HCD is a part of the statewide planning group with CDT that prepared a statewide digital plan in 2024.

	the consultation or areas for improved coordination?	
33	Agency/Group/Organization	California Department of Water Resources
	Agency/Group/Organization Type	Other government- state Other- Agency whose responsibility includes the management of flood prone areas, public land, or water resources
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call. Increased opportunities to leverage funding and loans to improve water infrastructure in rural communities.
34	Agency/Group/Organization	California Governor's Office
	Agency/Group/Organization Type	Other government- state
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Civic Leaders
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call, Ongoing meetings. Increased leveraging of funding resources across departments to improve outcomes for housing, and infrastructure.
35	Agency/Group/Organization	CAL FIRE
	Agency/Group/Organization Type	Other government- state Agency - Emergency Management
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Community Survey, Direct e-mail, Phone call, Ongoing meetings. Increased leveraging of funding opportunities and project planning to improve disaster strategies of mostly rural communities.

Table 2 – Agencies, groups, organizations who participated in the process and Consultation

Identify any Agency Types not consulted and provide rationale for not consulting

All agency types were consulted.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuums of Care	NA	The general goal of all CoC's throughout the state and the second goal in the strategic plan are the same, addressing and preventing homelessness.
Final Statewide Housing Assessment	HCD	Evaluates current housing supply and plans for future housing needs, particularly affordable and permanently supportive housing
Action Plan for Preventing and Ending Homelessness	Cal ICH	Homelessness and homeless prevention needs and strategies
Health in All Policies Task Force Strategic Planning	HiAP Task Force (California Strategic Growth Council)	Implementation of Strategic plan goals with an emphasis on long-term health, for all.
California Master Plan for Aging	California Health and Human Services Agency	Support for housing, nutrition, and public services.
California Master Plan for Developmental Services	California Health and Human Services Agency	Connecting the developmental services system to housing.
2022 California's Water Supply Strategy	CA Natural Resources Agency, CA Environmental Protection Agency, CA Dept of Food and Agriculture	Water and storm-water infrastructure modernizations to protect water resources.
California Broadband for All 2020 Action Plan	California Broadband Council	Broadband and internet access gaps and needs state-wide, including low-income and rural areas.
Statewide Digital Plan	California Department of Technology	Broadband and internet access gaps and needs state-wide.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
2023 State of CA Hazard Mitigation Plan	California Governor's Office of Emergency Services	Hazard mitigation and resiliency planning for at-risk areas, including low-income and rural areas.
2020-2023 CA Unified Strategic Workforce Development Plan	California Workforce Development Board	Job-training and workforce development needs in rural communities.

Table – Other local / regional / federal planning efforts

Describe cooperation and coordination among the state and any units of general local government, in the implementation of the Consolidated Plan (91.315(I))

Local jurisdictions are key partners in the implementation of the federal programs administered by HCD. During development of the Con Plan, HCD held listening sessions and focus groups that included local government and agency staff. HCD also released a survey directed at grantees, including units of local government. Details of these engagement efforts are provided in ES-05, PR-10, and PR-15.

Ongoing coordination efforts include hosting regular program office hours, NOFA workshops and program training, completing surveys and supporting regular requests for feedback, participating in program redesign efforts, sharing survey links and public information through local government communication channels, participation in special working groups, and regular communication with program representatives at HCD. HCD also provides on-site or remote Technical Assistance, program monitoring, and attends governing body meetings or special meetings or events on request. Local governments are encouraged to participate in training events and workshops. Local government partners are often asked to provide comment on programmatic and policy materials, such as program operation guidelines and grant management tools. All of these efforts support the development and implementation of the Consolidated Plan.

Narrative (optional):

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 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 goal of HCD's citizen participation process is to assess community-level affordable housing, homelessness, community development, and economic development needs from members of the public, and to learn from the public what they think HCD should be doing to address their local needs. Accordingly, HCD conducted extensive outreach to the public in drafting the Consolidated Plan consistent with 24 CFR 91, "Using IDIS to Prepare the Consolidated Plan, Annual Action Plan, and CAPER/PER", and HCD's Citizen Participation Plan. HCD encouraged members of the public to participate in the development of the Plan, especially low and moderate-income persons, particularly those living in areas where CDBG and other HUD funds are proposed for use.

Between July and November 2024, HCD held in-person and hybrid focus group meetings as well as public engagement workshops in locations across the state (Sacramento, Fresno, Visalia, Eastern Sierras, Arcata, Niland, and Garberville). The Niland/Imperial Valley public meeting was scheduled to continue to broaden citizen participation in the state's Colonias as all Colonias are within Imperial County. Workshop questions were tailored towards the needs of Colonia residents and grantees. A hybrid meeting was also held in Sacramento on July 30, 2024, and a meeting with Eastern Sierra housing developers, local governments and the Continuum of Care board was held virtually in September. These locations were specifically chosen to ensure that residents of areas for CDBG, HOME, and other HUD programs could attend without requiring unreasonable travel expenses or by participating remotely. Spanish language interpretation was provided at each focus group and public engagement workshop. Translation and interpretation services in other languages were offered. Focus group sessions addressed housing, homelessness, non-housing community development, economic development, and public service needs. The focus groups were primarily designed for members of the public and both focus groups and public engagement sessions also included representatives from for-profit and non-profit housing development providers, service providers, consultants, other state and local agencies, local government, and advocates. Interviews were held with a non-profit leader serving Mendocino, Lake, and Shasta County, with local firefighters in Niland, and with a Niland business owner impacted by local fire and flooding.

HCD staff also presented on the Con Plan at various events including HCD's 2024 Tribal Finance Workshop, the San Joaquin Valley Housing Collaborative – Affordable Housing Summit, and during ESG and CDBG grantee office hours.

HCD also developed and circulated a survey to solicit public input on housing and community development needs. The survey was available online and was open for response between September 24 and November 10, 2024. To encourage widespread participation from members of the public, HCD published a press release advertising the survey, and distributed the survey announcement and link to its online mailing lists and partners. Survey responses were anonymous. A second survey intended to solicit feedback from grantees or potential grantees was also posted and opened concurrently. HCD worked with local community partners to publicize the survey and public engagement sessions and to recruit focus group participants among the communities served.

HCD held a publicly noticed public hearing and webinar on February 6, 2025, to solicit additional public feedback prior to releasing the draft Con Plan for public comment. The public comment period for the Con Plan was between February 10 and March 12, 2025. In accordance with the state's Citizen Participation Plan, in advance of the public comment period the state published a summary of the proposed (draft) Con Plan in at least one newspaper of general circulation, in both English and Spanish, and distributed this summary to interested parties via electronic mailing. The summary described the contents and purposes of the Con Plan and described how copies of the entire documents can be reviewed. Copies of the draft Con Plan are available on HCD's web site and available from HCD headquarters in print upon request. HCD considered all written and oral comments received at the public hearing in preparation of the final versions of the Con Plan. A summary of these comments and responses will be attached to the final Con Plan as Appendix C.

HCD compiled and analyzed responses from the surveys, focus groups, and public engagement presentations, and drafted briefs to summarize the results. The analysis is cited extensively in the Needs Assessment and Market Analysis and is used to inform the Strategic Plan. A summary of the public feedback is provided here:

- Community members and partners noted that income limitations, high housing prices, high cost-of-living, restrictions on housing program assistance, and an inability for applicants to meet housing program qualification requirements are significant obstacles to affordable housing.
- Community members and partners revealed that although many housing programs, such as housing rehabilitation programs, housing vouchers, rental assistance, and FTHB down payment assistance programs assist low-income

households, many low-income households do not qualify due to program funding availability, eligibility restrictions, and/or program restrictions.

- Community members and partners indicated a significant lack of housing options for all groups including both short-term and permanent housing.
- Community members and partners also noted a significant need for ADA improvements to curbs, ramps, and sidewalks, roadway improvements within low-income neighborhoods, adequate water supply and infrastructure for existing and future housing needs, water recycling infrastructure, senior center and community services facilities, homeless hygiene mobile services (i.e., bathroom/shower/laundry services), and the addition of more trees and outdoor community areas.
- Community members and partners reported needing improved job training and/or job placement programs. Respondents also reported on deteriorated commercial areas in their communities, with a need for investment and revitalization. Many participants reported needing improved employment opportunities in their communities.

CDPH/OA convenes the CPG to assist in the development, implementation, and revision of the new Ending the Epidemics Integrated Statewide Strategic Plan. The plan is organized into six social determinants of health (SDoH), one of which is housing. CPG also informs CDPH/OA about local trends or newly emerging populations in the epidemic, and successes and challenges in accessing HIV care and prevention services in the community. The CPG includes representatives from HIV service providers and local planning groups as well as consumers (including those who have experienced homelessness and housing instability), local health departments, and other statewide experts in the field.

CDPH/OA is also coordinating monitoring activities between the RWHAP and HOPWA program. The programs are conducting joint site visits for agencies that receive funding from both programs and hosting collaborative meetings between HOPWA and RWHAP agencies that serve the same counties. By coordinating these activities, CDPH/OA has been able to improve local collaboration between agencies and better leverage funds between the programs.

CDPH/OA will be replacing its centralized data system, with an anticipated launch in Spring of 2025. The new system, HIV Care Connection (HCC), will improve HOPWA project sponsors' ability to coordinate housing services with RWHAP and other HIV providers. Additionally, HCC will facilitate data collection between providers serving the same client.

HCD will continue to develop additional activities to support its efforts to broaden citizen participation, including strategies to proactively connect members of the public seeking affordable housing or homelessness assistance to local agencies that can assist them.

Summarize citizen participation process and efforts made to broaden citizen participation in Colonias.

Please see previous PR-15 section, as well as PR-10, regarding efforts made to broaden citizen participation in Colonias.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Internet Outreach, other- direct email, other- posted to public website	Potential program participants across all population groups Residents of Public and Assisted Housing Service Providers	Public survey was available from 9/25/24-11/10/24. We received 228 responses representing 48 counties.	See narrative, tables, and graphs for summary of comments received.	N/A	N/A
2	Internet Outreach, other- direct email, other- posted to public website	Potential program participants across all population groups Residents of Public and Assisted Housing Service Providers	Grantee survey was available from 9/25/2024-11/10/2024. We received 172 responses. The survey was intended for potential grantees, including but not limited to local jurisdictions and CoC's.	See narrative, tables and graphs for summary of comments received.	N/A	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Other – Public Engagement Workshops	Potential program participants across all population groups. Colonias residents Residents of Public and Assisted Housing Service Providers	Workshops were held in the following locations on the following dates Visalia July 23, 2024 Sacramento July 30, 2024 Arcata August 2, 2024 Visalia Affordable Housing Conference September 1, 2024 Colonias- Niland/Imperial County October 16, 2024 Sacramento Tribal workshop November 14, 2024.			

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Focus Groups	Potential Program Participants across all population groups Colonias residents Residents of Public and Assisted Housing Service Providers	Focus Groups were held in the following locations on the following dates: Southern Humboldt County August 1, 2024 Virtual – Eastern Sierras Communities August 5, 2024 & August 12, 2024 Fresno September 11, 2024 Visalia September 13, 2024	See narrative, for summary of comments received.	N/A	N/A
5	Internet Outreach, Direct Emails, other- Office hours	Continuums of Care	HCD holds monthly or bi-weekly CoC office hours. HCD received feedback regarding the Con Plan at the 10/23/24 office hours.	See narrative for summary of comments received.	N/A	N/A

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Hearing	Potential program participants across all population groups. Residents of Public and Assisted Housing Service Providers	Public comment period to be updated after completion.	Updated after completion	N/A	N/A

Table – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

The Needs Assessment portion of the Consolidated Plan provides a qualitative and quantitative analysis of data, supplemented with community meetings, interviews and surveys, to paint a detailed picture of the housing, homeless, and community development needs facing individuals, households, and communities in California. The needs identified in this section inform the state's Strategic Plan (beginning with SP-05 below), which outlines how HCD will use its HUD funds. The Consolidated Plan utilizes two primary data sources: data from the U.S. Census Bureau's American Community Survey (ACS) and custom tabulations of ACS data called the Comprehensive Housing Affordability Strategy (CHAS) data.

At the time HCD analyzed data for the Consolidated Plan, the most recently available CHAS data were the 2016–2020 five-year estimates, which limits the ability of the analysis to fully account for the impacts of COVID-19 on affordable housing in California. Understanding that housing needs and conditions have changed dramatically since 2019, HCD also analyzed ACS 2018–2022 five-year estimates, recent research, facilitated community meetings and consultation sessions, and distributed an online survey to gather more recent information on the needs facing Californians.

This plan covers the entire State of California, minus cities, counties, and other areas that have their own HUD entitlement, such as the City of Los Angeles or Sonoma County. The non-entitlement area covers counties and municipalities with under 50,000 people that are not under a County HUD entitlement area. A map of the non-entitlement area can be accessed [on the HUD website](#). Data specific to the non-entitlement area was not released by HUD. To more accurately analyze demographic, economic, and housing conditions in the California non-entitlement region, a custom geographic boundary was created, and American Community Survey data was downloaded for this area. The statewide data has been “clipped” to reflect only the non-entitlement areas of California. Not every dataset can be clipped to this boundary, and these are presented with statewide data.

The Needs Assessment identified the following major themes:

Housing Needs and Cost Burden

As detailed below, housing costs have increased over the past several years for both renter and homeowner housing units. For many, incomes have not increased as quickly; as a result, housing has become less affordable. The most common issues for renter and owner households are housing cost burden (spending more than 30 percent of income on housing costs) and severe housing cost burden (spending more than 50 percent of income on housing costs). Among lower-income renter and owner households, many experiencing housing cost burden are elderly households, which are defined as a household in which the head of household (or their spouse) is over age 62. Housing cost burden has been linked to an increased risk of homelessness.

Housing Problems

In 2019, 75 percent of all households earning less than 30 percent AMI experienced at least one of the four housing problems that are captured in Comprehensive Housing Affordability Strategy (CHAS) data provided by the U.S. Department of Housing and Urban Development, which include housing units lacking complete kitchen facilities, housing units lacking complete plumbing facilities, overcrowded households, and cost-burdened households. Twenty-seven percent of public survey respondents reported not feeling comfortable asking their property manager to repair or replace items in poor condition, with 15 percent experiencing poor or very poor plumbing and 14 percent experiencing poor or very poor bathroom fixtures.

Note: Some NA tables include a “Households with no or negative income” category. Income can be zero or negative due to self-employment or interest, dividends, and net rental income. Households with zero or negative income cannot have a cost burden and are therefore counted separately.

Homeless Needs

Community outreach indicated that certain populations, such as seniors, persons with disabilities and/or health or mental health issues, single parent families with young children, persons escaping domestic violence, and youth aging out of the foster care system are particularly susceptible to homelessness. The state’s analysis also found that many homeless individuals and households require additional supportive services.

HCD held community engagement sessions and focus groups where participants identified the following additional risk factors for homelessness that are more problematic in non-entitlement jurisdictions:

- Many correctional facilities are in rural areas. When inmates are released, they are at risk of becoming homeless in these areas if they have no other familial or public resources.
- Based on interviews and outreach, homelessness experts have noted that rural counties may have higher percentages of women experiencing homelessness due to a lack of resources to address domestic violence. Women who live in poverty and are experiencing DV are often forced to choose between abusive relationships and homelessness.
- Although housing costs in rural areas are lower, wages are significantly lower as well. Many rural residents are at risk of becoming homeless because they cannot make sufficient income to meet housing costs. Individuals who have minimal fixed incomes (such as from SSI), and those with sporadic and seasonal employment, such as workers in agriculture, are more likely to experience homelessness.
- For supportive service needs populations – particularly individuals with health problems or other issues– there is a lack of supportive services in rural areas. Often, there are few or no service providers that are geographically available. Individuals who need services and are unable to get them are more likely to develop problems that lead to homelessness.

Non-Homeless Special Needs

Through CHAS and ACS data, research indicated that about one third of the elderly population over the age of 65 has some type of special need. Research also found that over half of the veteran population in California are over 60 years of age. As the elderly population continues to increase and veteran population continues to age, special needs are on the rise in these populations. This increases the need to provide housing and supportive services especially for these populations. There is also a need for safe transitional housing spaces along with supportive services such as counseling, crisis intervention, job training, and income.

Non-Housing Community Development Needs

Community outreach and publicly available resources determined there is a need for public facility and infrastructure improvement throughout California, with an emphasis on public facilities and services in rural communities. Community members collectively noted a significant need for the following:

Public Facilities and Improvements: ADA improvements to public facilities, improvements to parks and recreation facilities, adequate water supply, improvements in pedestrian crossings, streets and lighting, and sidewalks.

Public Services: Health services, homeless and homelessness prevention services, food and clothing, and mental health services.

Colonias: Access to sidewalks, paved streets, water and wastewater improvements, employment opportunities, and safe affordable housing

NA-10 Housing Needs Assessment - 24 CFR 91.305 (a, b, c)

Summary of Housing Needs

Lower-income households in the state have been greatly impacted by high housing costs, which reduce economic opportunities. According to 2016-2020 American Community Survey (ACS) data, real incomes in California have increased at a slower rate than housing costs. In addition, [data from the Bureau of Labor Statistics](#) from October 2024 shows that rates of inflation and increases in prices have exacerbated wage stagnation. High interest rates set by the Federal Reserve have also made mortgages more expensive, increasing the cost of housing. This results in diminished buying power for households wishing to reside in the state.

As the 2016-2020 CHAS data on cost burden below shows, a large percentage of households at all income levels, but especially lower-income households, spend over 30 percent of their income on housing. When faced with a shortage of decent, affordable housing options, lower-income households often face a choice between deficient housing, cost burden, or both. These higher rates of cost burden indicate a need for affordable housing options at lower income thresholds. Thirty-nine percent of public survey respondents cited being unable to pay for housing while still having enough money to pay for other basic needs. CHAS data utilizes household-adjusted median family income (HAMFI) to measure income. During the community engagement and consultation process, the high cost of housing was also frequently cited as a central issue for California residents. There are a limited number of affordable housing units, and high demand for subsidized housing units means that waiting lists are very long. Issues with high housing costs extend to rural areas of California, where limited housing supply increases prices and limits economic development and where housing supply that is affordable to low income households is often in poor condition and distant from services and amenities such as grocery stores, schools and healthcare.

The table below compares population from 2009/2010 to the most recent year available for the whole state and for the non-entitlement areas of the state. These years were chosen as the base year because it is provided by HUD in the Consolidated Plan template.

Demographics	Base Year: 2009	Most Recent Year: 2020	% Change
Population	38,421,460	38,982,847	1%
Households	12,717,752	12,888,128	1%
Median Income	\$60,198	\$67,169	11.5%

Table 5a - Housing Needs Assessment Demographics (Entire State)

Data Source: Base Year: 2009 Census

Most Recent Year: American Community Survey 5-Year Estimates 2016-2020 (2020 ACS)

Demographics	Base Year: 2010	Most Recent Year: 2022	% Change
Population	2,894,031	3,146,648	8.7%
Households	996,212	1,078,965	8.3%
Median Income	\$48,383	\$68,775	42.1%

Table 5b - Housing Needs Assessment Demographics (Non-Entitlement Jurisdictions)

Data Source: Base Year: American Community Survey 5-Year Estimates 2006-2010 (2006-2010 ACS)

Most Recent Year: American Community Survey 5-Year Estimates 2018-2022 (2022 ACS)

Number of Households

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	1,961,545	1,615,680	2,083,825	1,235,265	5,991,815
Small Family Households	621,980	604,555	845,290	522,430	3,032,355
Percent of income group	31.7%	37.4%	40.6%	42.3%	50.6%
Large Family Households	199,160	236,690	318,850	177,795	658,135
Percent of income group	10.2%	14.6%	15.3%	14.4%	11.0%
Household contains at least one person 62-74 years of age	399,930	351,745	461,060	273,460	1,349,675
Percent of income group	20.4%	21.8%	22.1%	22.1%	22.5%
Household contains at least one person aged 75 or older	320,245	261,710	277,370	139,740	473,885
Percent of income group	16.3%	16.1%	13.3%	11.3%	7.9%
Households with one or more children 6 years old or younger	354,180	331,865	393,700	215,435	665,570
Percent of income group	18.0%	20.5%	18.9%	17.4%	11.1%

Table 6 - Total Households (Entire State)

Data Source: 2016-2020 CHAS Housing Needs Summary

Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	57,520	27,020	23,970	10,085	118,595	6,335	4,480	4,645	2,655	18,115
Percent of income group	4.0%	2.7%	2.2%	1.8%	2.9%	1.2%	0.7%	0.5%	0.4%	0.7%
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	90,460	72,390	58,940	21,980	243,770	5,315	9,975	17,890	9,140	42,320
Percent of income group	6.3%	7.2%	5.3%	3.8%	5.9%	1.0%	1.6%	1.8%	1.4%	1.5%
Overcrowded - With 1.01-1.5 people per room (and none of	125,090	120,910	112,185	44,180	402,365	13,610	26,615	49,225	30,465	119,915

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
the above problems)										
Percent of income group	8.8%	12.0%	10.1%	7.7%	9.8%	2.5%	4.4%	5.1%	4.6%	4.3%
Housing cost burden greater than 50% of income (and none of the above problems)	780,555	369,835	130,125	16,730	1,297,245	311,560	230,280	204,185	68,050	814,075
Percent of income group	54.8%	36.7%	11.7%	2.9%	31.5%	58.0%	37.8%	21.0%	10.3%	29.3%
Housing cost burden greater than 30% of income (and none of the above problems)	124,050	305,055	446,410	167,720	1,043,190	66,050	123,265	265,875	191,280	646,470
Percent of income group	8.7%	30.3%	40.1%	29.1%	25.3%	12.3%	20.3%	27.4%	29.0%	23.3%

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Zero/negative Income (and none of the above problems)	111,615	0	0	0	111,615	55,515	0	0	0	55,515
Percent of income group	7.8%	0.0%	0.0%	0.0%	2.7%	10.3%	0.0%	0.0%	0.0%	2.0%

Table 7 – Housing Problems Table (Entire State)
Data Source: 2016-2020 CHAS

Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	1,053,625	590,155	325,225	92,975	2,061,980	336,815	271,355	275,940	110,310	994,420
Percent of income group	74.0%	58.6%	29.2%	16.1%	50.1%	62.7%	44.6%	28.4%	16.7%	35.8%

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having none of four housing problems	259,445	416,860	787,150	482,765	1,946,220	144,530	337,310	695,510	549,215	1,726,565
Percent of income group	18.2%	41.4%	70.8%	83.9%	47.2%	26.9%	55.4%	71.6%	83.3%	62.2%
Household has negative income, but none of the other housing problems	111,615	0	0	0	111,615	55,515	0	0	0	55,515
Percent of income group	7.8%	0.0%	0.0%	0.0%	2.7%	10.3%	0.0%	0.0%	0.0%	2.0%

Table 8 – Housing Problems 2 (Entire State)
Data Source: 2016-2020 CHAS

Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	429,045	369,775	285,220	1,084,040	102,255	121,015	206,630	429,900
percent of cost burdened households	37.3%	43.8%	44.2%	41.1%	25.8%	31.9%	41.3%	33.7%
Large Related	151,020	132,670	74,875	358,565	29,305	52,270	80,620	162,195
percent of cost burdened households	13.1%	15.7%	11.6%	13.6%	7.4%	13.8%	16.1%	12.7%
Elderly	269,405	142,080	90,325	501,810	201,245	164,590	154,845	520,680
percent of cost burdened households	23.4%	16.8%	14.0%	19.0%	50.8%	43.4%	30.9%	40.8%
Other	299,560	200,600	195,375	695,535	63,015	41,500	58,545	163,060
percent of cost burdened households	26.1%	23.7%	30.3%	26.3%	15.9%	10.9%	11.7%	12.8%
Total need by income	1,149,030	845,125	645,795	2,639,950	395,820	379,375	500,640	1,275,835
percent of income group	80.7%	83.9%	58.1%	64.1%	73.7%	62.3%	51.5%	46.0%

Table 9 – Cost Burden > 30% (Entire State)

Data Source: 2016-2020 CHAS

Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	377,865	169,590	53,160	600,615	88,800	84,190	86,065	259,055
percent of cost burdened households	38.5%	40.6%	38.3%	39.1%	27.2%	34.6%	40.9%	33.2%
Large Related	126,375	46,460	8,900	181,735	25,585	30,180	21,255	77,020
percent of cost burdened households	12.9%	11.1%	6.4%	11.8%	7.8%	12.4%	10.1%	9.9%
Elderly	205,445	79,565	28,425	313,435	156,215	98,520	72,490	327,225
percent of cost burdened households	21.0%	19.0%	20.5%	20.4%	47.9%	40.5%	34.4%	41.9%
Other	270,510	122,595	48,270	441,375	55,725	30,355	30,730	116,810
percent of cost burdened households	27.6%	29.3%	34.8%	28.7%	17.1%	12.5%	14.6%	15.0%
Total need by income	980,195	418,210	138,755	1,537,160	326,325	243,245	210,540	780,110
percent of income group	68.8%	41.5%	12.5%	37.3%	60.8%	40.0%	21.7%	28.1%

Table 10 – Cost Burden > 50% (Entire State)

Data Source: 2016-2020 CHAS

Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	190,185	158,765	129,745	47,790	526,485	14,345	23,870	39,555	22,380	100,150
percent of crowded households	85.4%	80.2%	74.4%	70.9%	79.5%	74.2%	64.5%	58.5%	56.2%	61.2%
Multiple, unrelated family households	21,535	31,735	35,820	14,555	103,645	4,660	12,700	27,265	17,105	61,730
percent of crowded households	9.7%	16.0%	20.5%	21.6%	15.6%	24.1%	34.3%	40.3%	43.0%	37.7%
Other, non-family households	10,890	7,480	8,780	5,055	32,205	335	455	760	305	1,855
percent of crowded households	4.9%	3.8%	5.0%	7.5%	4.9%	1.7%	1.2%	1.1%	0.8%	1.1%
Total need by income	222,610	197,980	174,345	67,400	662,335	19,340	37,025	67,580	39,790	163,735
percent of income group	15.6%	19.7%	15.7%	11.7%	16.1%	3.6%	6.1%	7.0%	6.0%	5.9%

Table 11 – Crowding Information – 1/2 (Entire State)

Data Source: 2016-2020 CHAS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total Under 80% AMI	0-30% AMI	>30-50% AMI	>50-80% AMI	Total Under 80% AMI
Households with Children Aged 6 or Younger Present	285,645	235,970	243,325	764,940	49,855	78,160	156,225	284,240

Table 12 – Crowding Information – 2/2 (Entire State)

Data Source: 2016-2020 CHAS

Housing Problems	Number	Percent of Occupied Units
Total Housing Units	1,260,186	
Occupied Housing Units	1,049,867	
Median Selected Monthly Owner Costs (without mortgage)	\$596	
Median Selected Monthly Owner Costs (with mortgage)	\$1,986	
Median Gross Rent	\$1,228	
Lacking complete plumbing facilities	5,383	0.5%
Lacking complete kitchen facilities	8,349	0.8%
1.01 to 1.50 occupants per room (overcrowded)	37,900	3.6%
1.51 or more occupants per room (severely overcrowded)	16,698	1.6%
Monthly Owner Costs greater than 30% of household income	215,269	20.5%
Gross Rent greater than 30% of household income	165,182	15.7%

Table 13: Housing Problems (Non-Entitlement Region)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (2018-2022 ACS)

Housing Problems	Number	Percent of Occupied Units
Total Housing Units	14,424,442	-
Occupied Housing Units	13,315,822	-
Median Selected Monthly Owner Costs (without mortgage)	\$732	-
Median Selected Monthly Owner Costs (with mortgage)	\$2,759	-
Median Gross Rent	\$1,856	-
Lacking complete plumbing facilities	54,635	0.4%
Lacking complete kitchen facilities	151,202	0.4%
1.01 to 1.50 occupants per room (overcrowded)	684,239	5.1%
1.51 or more occupants per room (severely overcrowded)	414,112	3.1%
Monthly Owner Costs greater than 30% of household income	2,262,366	16.9%
Gross Rent greater than 30% of household income	165,182	22.9%

Table 14: Housing Problems (Entire State)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (2018-2022 ACS)

Describe the number and type of single person households in need of housing assistance

There were 1,513,940 low-and-moderate-income (LMI) single person households experiencing cost burden in 2020, as well as 556,465 LMI single-person households experiencing crowding. Notably, there has been a four percent decrease in single-person LMI households since the last Consolidated Plan Cycle. In addition, [HUD estimates that in 2020](#) there were 1,697,905 single-person renter households in California. Fifty-five percent of these individuals had incomes below \$40,000 while 62 percent were living in rental housing with at least one of the following problems: lacking complete plumbing facilities, lacking complete kitchen facilities, or gross rent as a percentage of household income is greater than 30 percent. It is also estimated that 34 percent of all single-person renter households are aged 62 or older, with 74 percent of these older individuals having incomes below \$40,000 and 69 percent experiencing at least one of the housing problems stated previously.

Household Size	Total Households	Percent
1-person	255,179	24%
2-person	366,017	35%
3-person	164,309	16%
4 or more persons	292,660	28%
Total Occupied Housing Units	1,049,867	100%

Table 15: Household Size (Non-Entitlement Jurisdictions)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (2018-2022 ACS)

Estimate the number and type of families in need of housing assistance who have special needs

	Number	Percent
Total Non-Institutionalized Population	2,992,351	
With a Disability	417,833	14.0%
with a vision difficulty	75,978	2.5%
with a hearing difficulty	128,829	4.3%
with a cognitive difficulty	155,090	5.2%
with an ambulatory difficulty	206,366	6.9%
with a self-care difficulty	27,848	0.9%

Table 16: Characteristics (Non-Entitlement Jurisdictions)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (2018-2022 ACS)

Note: populations often experience multiple difficulties in tandem, percentages will not add up to 100%

Number and type of families in need of housing assistance who are Special Needs

Understanding the broader socioeconomic challenges faced by persons with special needs gives us an idea of the number and type of families in need of housing assistance.

Working-aged people with special needs are much less likely to be employed. According to the [California Employment Development Department](#), the state's employment rate for the general population was 61 percent, but the employment rate for persons with special needs is much higher.

In 2023, the average Fair Market Rent (FMR) across all California counties was \$1,195 for a studio apartment. A monthly federal SSI payment in [2023](#) is approximately \$914. California does offer supplemental payments in addition to federal payments. With the cost of housing exceeding the monthly SSI payment for individuals, individuals who rely on SSI face extreme challenges accessing affordable housing across the state.

Furthermore, according to the State of California's [2024 Housing and Disability Advocacy Program \(HDAP\) Annual Report](#), HDAP grantees report significant challenges due to high demand for long-term housing support which tends to exceed the number of available housing vouchers for persons with special needs.

Finally, 61 percent of Consolidated Plan public survey respondents rated affordable housing for persons with special needs as extremely important to them and to their community. In addition, 51 percent of respondents cited a need for improved special needs services and 16 percent reported a lack of special needs services in their community despite exhibited need.

Number and type of families in need of housing assistance who are victims of domestic violence (DV), dating violence, sexual assault and stalking

Assessing the number of people who are impacted by domestic violence, dating violence, sexual assault, and stalking, and in need of housing assistance can be difficult due to limited data. However, according to the Federal Bureau of Investigation's [Uniform Crime Reporting \(UCR\) Program](#), residents in cities across the State of California reported 12,271 cases of rape and 80,720 cases of aggravated assault in 2019. The [California Department of Justice](#) also reported 161,123 total DV-related calls for assistance across California's counties in 2019, and 160,357 in 2023. The [Center for Disease Control \(CDC\)](#) reported a lifetime prevalence of any type of sexual violence, physical violence, and/or stalking by an intimate partner affecting 48.3 percent of women in California based on 2016/2017 annualized estimates. The estimated number of women victims is 7,174,000. For men, the rate was 44.2 percent with an estimated number of victims at 6,363,000.

Meanwhile, the State of California's [2024 Housing and Disability Advocacy Program \(HDAP\) Annual Report](#) shows that 23 percent of those accessing California's Homelessness Response System experience domestic violence. As reflected in Table 24 in Section NA-40 of this Plan, there were 34,445 victims of DV counted as accessing emergency shelter, transitional housing, or being unsheltered in 2023.

Furthermore, 43 percent of Consolidated Plan public survey respondents reported an increased need for domestic violence/abuse services, while 16 percent cited a complete lack of available domestic violence/abuse services despite an existing community need. Among grantee survey respondents, 75 percent reported a need for existing domestic violence/abuse services to be improved, and eight percent were did not know if these services existed in their communities. Only seven percent said that the services are sufficient. Zero respondents said "we don't have this and we don't need this," regarding domestic violence/abuse services.

Many incidents of intimate partner violence, sexual assault, and stalking may also go unreported to the police for [a variety of reasons](#), including fear of retaliation, economic dependence, social stigma, and more. Additionally, reported cases may involve repeated incidents with the same victim and perpetrator. Therefore, these data may not accurately reflect the true number of affected individuals and makes it difficult to thoroughly understand the housing needs of this population.

What are the most common housing problems?

Housing problems include housing units lacking complete kitchen facilities, housing units lacking complete plumbing facilities, overcrowded households, or cost-burden. Severe overcrowding is defined by HUD as having 1.5 or more occupants per room, while severe cost burden is defined as expending 50 percent or more of income on housing. The most common housing problem facing California residents is cost burden due to the high cost of housing. The number of renter households experiencing more than one of these severe issues increases with lower income levels. For homeowners, the majority of households experiencing one or more severe housing issues are extremely low-income (0-30% AMI) followed by lower-income households (50-80% AMI) across California and as identified by 2016-2020 HUD CHAS data:

- 63 percent of all LMI (0-80% AMI) households across California are cost-burdened, while 37 percent are severely cost-burdened. This includes:
 - o Cost burden of 71 percent of LMI renters, with 41 percent severely cost-burdened.
 - o Cost burden of 51 percent of LMI homeowners, with 31 percent severely cost-burdened.

- Across households earning between 0 to 100 percent AMI, 3,056,400 households have one or more of the four housing problems. This includes:
 - o 2,061,980 renter households. This reflects 48 percent of all renters earning between 0 to 100 percent AMI.
 - o 994,420 owner households. This reflects 31 percent of all owners earning between 0 to 100 percent AMI.
- Results from the state-wide public survey reflect similar trends with the issue of affordability impacting a significant number of Californians. Thirty-nine percent of survey respondents reported a lack of affordable housing access, with an inability to pay for housing while still having enough money to pay for other basic needs such as food, clothing, and gas. While the survey was designed to perceive a general overview of experiences, being unable to afford other costs after housing payments indicates a severe level of cost burden. In addition, 47 percent of public survey respondents cited an increased need for affordable housing services, while 30 percent relayed having no affordable housing services in their community despite an existing need.

In terms of physical housing problems, 15 percent of public survey respondents reported poor or very poor housing unit plumbing while 27 percent reported not feeling comfortable asking their property manager to repair or replace items in poor condition.

During the focus group and public engagement sessions for this Consolidated Plan, community members and partners shared that income limitations, high housing prices, restrictions on housing program assistance, and an inability for applicants to meet all housing program qualification requirements along with the high cost-of-living are significant obstacles to affordable housing. In addition, public comment shared that a lack of funding and competition for funding among non-entitlement communities restrict the amount of assistance a non-entitlement community can provide to its community members.

Are any populations/household types more affected than others by these problems?

Households with lower incomes and fewer assets are more significantly impacted by the high cost of housing. An analysis of impacts to different groups is provided in the next section, NA-15.

The state's populations at risk of housing insecurity, as defined by HUD, as well as by the state in [the 2022 Statewide Housing Plan](#), are groups that tend to have the lowest incomes and may experience acute obstacles to getting housing. Such groups include, but are not limited to, persons experiencing homelessness, seniors, persons with

special needs, workers in agriculture, and tribal populations. It is important to note that California's population may fit into multiple categories and thus experience multiple dimensions of risk of experiencing challenges to be housed.

Fifty-seven percent of Consolidated Plan public survey participants cited an increased need for senior services in their communities. The State of California's [Department of Aging](#) also identifies homelessness as a key outcome for California's aging population. According to the Department of Aging, the over-60 population throughout the state is projected to grow faster than other age groups. Trends show that the number of older adults (age 55 and over) who are accessing services while homeless has increased annually from 2017 to 2022, with 2022 being the latest available data year. Poverty, median rent, and housing cost burden were identified by the Department of Aging as potential drivers of homelessness for this age group. Without additional resources for the growing senior population, the Department of Aging projects a continued increase in homelessness amongst older adults.

During focus group and public engagement sessions, participants revealed there is a major housing need are all population groups including but not limited to transitional housing with supportive services and permanent housing. Participants also noted various issues with existing homeless housing services, including prohibiting pets and belongings, and shelter assistance restrictions.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

Key factors increasing the risk of homelessness, particularly for extremely low-income households, have been well documented through evidence-based studies. For example, a University of California San Francisco (UCSF) study published in June [2023](#) identified common triggers leading to homelessness for the study's population. These common triggers include, but are not limited to: high housing costs, rent burden, eviction with minimal notice, loss of rental subsidies, and little income or loss of income.

Additionally, a 2019 California Policy Lab (CPL) [report](#) found that for persons and families who self-identify as being at-risk of homelessness, the highest risk factors include:

- Being "doubled-up"
- Paying out of pocket costs to stay in a hotel but no longer being able to afford it

- Receiving an unlawful detainer lawsuit or eviction notice
- Current involvement with Adult Protective Services or Child Protective Services
- Head of household is under the age of 25
- Recently experiencing a major household event, such as the birth or death of a family member, separation, or divorce

Data analyzed on the characteristics of what leads to homelessness points to needing both cash-based assistance, such as one-time payment programs, along with case management and a connection to increased services. Forty-five percent of Con Plan public survey participants who are currently or previously homeless cited a need for one-time rent/utility assistance payments. Respondents also expressed a need for food and clothing as well as access to improved mental health/addiction services.

To prevent homelessness for those at-risk, [UCSF's study concludes the need for](#):

- Increased access to housing that is affordable to extremely low-income households.
- Expanded homeless prevention services, the strengthening of eviction protections, and increased transition services from institutionalized settings.
- Increased household income through employment support such as training and transportation.

Rapid Re-Housing is an interventional program that quickly moves unhoused individuals and families into housing and subsequently provides a short-term housing subsidy and housing-related services. According to HUD, [the program's populations](#) do not include those who experience chronic homelessness or households who need a therapeutic residential environment, such as those recovering from addiction. Therefore, households receiving assistance who meet these criteria will need additional supportive services during their program exit, such as permanent housing support and addiction recovery services.

HUD completed an evaluation of Rapid Re-Housing in which a return to homelessness following program exit was analyzed. Ten percent of families in [HUD's study](#) had documented rates of return to homelessness (both sheltered and unsheltered) within one year from program exit. Detailed analysis of characteristics was only available for a return to sheltered homelessness. Analysis showed that families with incomes at 30 percent or higher of the Median Family Income (MFI) were less likely to return to homelessness (sheltered), than other populations. This suggests that households with less than 30 percent MFI, may benefit from additional resources and services as they

near the exit of their Rapid Re-Housing program and the termination of their associated rental assistance.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

The State of California does not provide numerical estimates of the at-risk population, due to the uncertain nature of determining a quantitative cut-off for the subjective assessment of “imminent risk of homelessness.”

The population at risk of homelessness is defined in 24 CFR [91.5](#) as an individual or family who has an annual income below 30 percent of the area median family income, does not have sufficient resources or support networks, and who meets at least one of a number of additional criteria. HCD’s [HOME-American Rescue Plan Allocation Plan](#) examines the size and demographic composition of the renter population earning less than or equal to 30 percent of the area median income (AMI) and who have one or more severe housing problem. As shown in Table 8 of the Housing Needs Assessment, there are a little over one million California renter households earning between 0 to 30 percent AMI and who have one or more of the four severe housing problems (lacking kitchen or complete plumbing, severe overcrowding, and severe cost burden).

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

Housing cost burden has been linked to an increased risk of homelessness. A study [completed by the Pew Charitable Trusts](#) examined data from 2017 and 2022 and compared it to rents across urban areas nationwide. In six metro areas that experienced a rapid increase in homelessness, including the California cities of Sacramento and Fresno, rents increased faster than the national average. Conversely, the same period saw declines in homelessness in areas with low rent growth. Pew points out that homelessness spiked in areas with little increase in housing supply, such as Fresno at 2.7 percent.

CPL has done extensive research exploring homelessness prevention programs and their effectiveness. A large component of this work involves studying predictive models and evidence-based screening tools that have the capability of identifying risk factors for homelessness. In Los Angeles, a screening questionnaire called the was analyzed [by CPL](#), with findings suggesting the most important risk factors in predicting homelessness for people who self-identify as being at-risk. In terms of housing characteristics, these included receiving an eviction notice, paying out of pocket to stay in a hotel but no longer being able to afford the unit, and being doubled-up (i.e., staying

with family or friends) and subsequently being told to vacate the unit. In the latter of these cases, the housing situation is definitively unstable to begin with.

A common theme amongst the risk factors identified by CPL involves housing situations that can change at any minute due to external factors. For example, a rental lease has a set monthly cost as opposed to staying at a hotel where the cost of the room could increase at any time. Simultaneously, when staying with family or friends, the lease or mortgage owner could at any point in time ask the guest to leave for a variety of reasons.

In terms of eviction, the [Household Pulse Survey](#), published monthly by the U.S. Census Bureau, shows that California had the second highest likelihood of eviction or foreclosure nationally for the period of August 20 to September 16, 2024. Trailing only behind Texas, 355,838 Californians were deemed very likely or somewhat likely to be evicted or foreclosed within the following two months. From a nationwide total, 8.4 percent of adults in the United States who were likely to be evicted by November 2024 were California residents. Nearly one in four grantee survey respondents were unsure if foreclosure prevention assistance exists.

Discussion

The analyses conducted throughout the Housing and Homeless Needs Assessment consistently identify cost burden and lack of available and affordable units as significant housing issues affecting a substantial number of households. Strategies to mitigate cost burden and lack of housing include making rents more affordable and expanding the overall stock of affordable housing. These measures can benefit low- and moderate-income individuals and families and help prevent both initial and recurrent instances of homelessness among the extremely low-income population. Additionally, enhancing services, such as providing comprehensive support and resources to these populations, will further aid in preventing homelessness by addressing underlying issues that facilitate the entry into homelessness.

NA-15 Greater Need: Housing Problems - 91.305 (b)(2)

Assess the need of any group that has greater needs in comparison to the needs of that category of need as a whole.

Introduction

This section provides a look at the needs of any group that has greater need in comparison to the needs of that category (housing problems) as a whole. A greater need is identified when the percentage of individuals in a specific need category from a particular group is at least 10 percentage points higher than the percentage of individuals in that category overall. This section includes four tables that capture the number of housing problems. Each table provides data for a different income level (0–30 percent, 30–50 percent, 50–80 percent, and 80–100 percent AMI). The next section at NA-20 discusses percentages of proportionality, while cost burden is discussed in section NA-25.

The four housing problems include:

- Lack of complete kitchen facilities
- Lack of complete plumbing facilities
- More than one person per room
- Cost burden exceeding 30 percent of monthly gross income

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,580,391	213,668	167,143
Percent of total	80.6%	10.9%	8.5%
White	554,186	91,515	74,825
Percent of group	39.8%	6.6%	53.7%
Black / African American	169,800	21,733	16,824
Percent of group	81.5%	10.4%	8.1%
Asian	194,075	38,280	32,612
Percent of group	73.2%	14.4%	12.3%
American Indian, Alaska Native	7,810	1,926	1,121
Percent of group	96.2%	2.4%	1.4%
Pacific Islander	4,747	516	457
Percent of group	98.0%	1.1%	0.9%
Hispanic	607,881	54,441	36,704
Percent of group	87.0%	7.8%	5.3%

Table 17 - Disproportionally Greater Need 0 - 30% AMI (Entire State)

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,289,536	325,646	0
Percent of total	79.8%	20.2%	
White	453,305	160,218	0
Percent of group	73.9%	26.1%	
Black / African American	94,957	19,264	0
Percent of group	83.1%	16.9%	
Asian	134,141	38,508	0
Percent of group	77.7%	22.3%	
American Indian, Alaska Native	5,020	2,244	0
Percent of group	69.1%	30.9%	
Pacific Islander	4,085	518	0
Percent of group	88.7%	11.3%	
Hispanic	569,339	99,173	0
Percent of group	85.2%	14.8%	

Table 18 - Disproportionally Greater Need 30 - 50% AMI (Entire State)

Data Source: 2016-2020 CHAS

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,313,313	770,047	0
Percent of total	63.0%	37.0%	
White	514,266	348,503	0
Percent of group	59.6%	40.4%	
Black / African American	147,514	44,990	0
Percent of group	65.8%	34.2%	
Asian	147,514	81,680	0
Percent of group	64.4%	35.6%	
American Indian, Alaska Native	4,801	3,929	0
Percent of group	55.0%	45.0%	
Pacific Islander	5,385	2,398	0
Percent of group	69.2%	30.8%	
Hispanic	524,008	273,491	0
Percent of group	65.7%	34.3%	

Table 19 - Disproportionally Greater Need 50 - 80% AMI (Entire State)

Data Source: 2016-2020 CHAS

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems*	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	562,158	672,765	0
Percent of total	45.5%	54.5%	
White	257,297	314,854	0
Percent of group	45.0%	55.0%	
Black / African American	32,091	40,531	0
Percent of group	44.2%	55.8%	
Asian	76,202	77,753	0
Percent of group	49.5%	50.5%	
American Indian, Alaska Native	1,603	2,767	0
Percent of group	36.7%	63.3%	
Pacific Islander	1,725	2,158	0
Percent of group	44.4%	55.6%	
Hispanic	179,507	219,110	0
Percent of group	45.0%	55.0%	

Table 20 - Disproportionally Greater Need 80 - 100% AMI (Entire State)

Data Source: 2016-2020 CHAS

Discussion

Greater need is defined as 10 or more percentage points higher than the respective “jurisdiction as whole” category as a baseline. Greater needs do not vary by more than 10 percentage points as shown in the data above, however, housing problems are more common at lower income levels. At the lowest income level (0 percent-30 percent AMI), over 80 percent of households face housing problems.

As income levels rise to the 30-50 percent AMI range, the prevalence of housing problems remains high at 80 percent, indicating that modest income increases are not enough to overcome obstacles to adequate or affordable housing.

In the 50-80 percent AMI bracket, the percentage of households with housing problems decreases though availability continues to be an issue.

At the 80-100 percent AMI--the income bands many essential workers such as teachers, nurses, police, and fire workers are in—about half of households still struggle with housing problems. This shows that housing costs are an issue for a sizeable number of middle-income households as well.

NA-20 Greater Need: Severe Housing Problems – 91.305(b)(2)

Assess the need of groups that have greater needs in comparison to the needs of that category of need as a whole.

Introduction

This section assesses whether specific groups have greater severe housing needs than the general population. A greater need is defined as a severe housing problem 10 percentage points higher in one group than the population as a whole, holding income constant. For example, if 30 percent of a particular group making 0-30 percent AMI experience overcrowding, compared to 20 percent of all households making 0-30 percent AMI, there is a greater experience of this problem for that group. This section has four tables that capture the number of housing problems. Each table provides data for a different income level (0–30 percent, 30–50 percent, 50–80 percent, and 80–100 percent AMI). Because CHAS data pertains to the entire State of California, this data does not describe the non-entitlement region specifically. However, since CHAS data is the only source to provide housing problems by area median income (AMI), it is included in this plan.

Severe housing problems are defined below as:

- More than 1.5 persons per room
- Monthly owner costs that exceed 50 percent of monthly gross income
- Lacks complete kitchen facilities
- Lacks complete plumbing facilities

0%-30% of Area Median Income

Severe Housing Problems	Has one or more of four housing problems*	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,390,217	403,824	167,143
Percentage of total	70.9%	20.6%	8.5%
White	483,315	162,398	74,825
Percentage of group	67.1%	22.5%	10.4%
Black / African American	146,815	44,729	16,824
Percentage of group	70.5%	21.5%	8.1%
Asian	163,460	68,847	32,612
Percentage of group	61.7%	26.0%	12.3%
American Indian, Alaska Native	6,632	3,084	1,121
Percentage of group	61.2%	28.5%	10.3%
Pacific Islander	4,070	1,179	457
Percentage of group	71.3%	20.7%	8.0%
Hispanic	548,295	114,076	36,704
Percentage of group	78.4%	16.3%	5.3%

Table 21 – Severe Housing Problems 0 - 30% AMI (Entire State)

Data Source: 2016-2020 CHAS

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems*	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	861,288	753,932	0
Percentage of total	53.3%	46.7%	
White	300,911	312,754	0
Percentage of group	49.0%	51.0%	
Black / African American	59,796	54,394	0
Percentage of group	52.4%	47.6%	
Asian	94,605	78,045	0
Percentage of group	54.8%	45.2%	
American Indian, Alaska Native	2,960	4,252	0
Percentage of group	41.0%	59.0%	
Pacific Islander	2,815	1,782	0
Percentage of group	61.2%	38.8%	
Hispanic	380,849	287,593	0
Percentage of group	57.0%	43.0%	

Table 22 – Severe Housing Problems 30 - 50% AMI (Entire State)

Data Source: 2016-2020 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities
2. Lacks complete plumbing facilities
3. More than 1.5 persons per room
4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems*	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	601,112	1,482,184	0
Percentage of total	28.9%	71.1%	
White	219,115	643,743	0
Percentage of group	25.4%	74.6%	
Black / African American	29,119	102,437	0
Percentage of group	22.1%	77.9%	
Asian	72,956	156,224	0
Percentage of group	31.8%	68.2%	
American Indian, Alaska Native	2,087	6,656	0
Percentage of group	23.9%	76.1%	
Pacific Islander	2,317	5,481	0
Percentage of group	29.7%	70.3%	
Hispanic	262,855	534,562	0
Percentage of group	33.0%	67.0%	

Table 23 – Severe Housing Problems 50 - 80% AMI (Entire State)

Data Source: 2016-2020 CHAS

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems*	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	203,206	1,031,622	0
Percentage of total	16.5%	83.5%	
White	72,037	500,260	0
Percentage of group	12.6%	87.4%	
Black / African American	8,534	64,133	0
Percentage of group	11.7%	88.3%	
Asian	30,384	123,597	0
Percentage of group	19.7%	80.3%	
American Indian, Alaska Native	529	3,847	0
Percentage of group	12.1%	87.9%	
Pacific Islander	781	3,132	0
Percentage of group	20.0%	80.0%	
Hispanic	86,897	311,796	0
Percentage of group	21.8%	78.2%	

Table 24 – Severe Housing Problems 80 - 100% AMI (Entire State)
Data Source: 2016-2020 CHAS

Discussion

The data presented above is broken into categories to determine if need is proportionate. Greater need is defined as 10 or more percentage points higher than the respective “jurisdiction as whole” category as a baseline. No groups met this criterion at any income level. There are two groups that have more than 7 percent more households with one or more severe housing problems than the jurisdiction as a whole. The two groups are Hispanic households that earn 0-30 percent AMI and Pacific Islander households that earn 30-50 percent AMI. There are 78.4 percent of Hispanic households that earn 0-30 percent AMI with at least one severe housing problem, compared to 70.9 percent households in the jurisdiction as a whole (7.5 percent difference). There are 61.2 percent of Pacific Islander households that earn 30-50 percent AMI with at least one severe housing problem, compared to 53.3 percent households in the jurisdiction as a whole (7.9 percent difference).

NA-25 Greater Need: Housing Cost Burdens – 91.305 (b)(2)

Assess the need of any group that has greater need in comparison to the needs of that category of need as a whole.

Introduction

For this section of this report, greater need is defined as existing when members of a specific group at a certain income level experience an issue 10 percentage points more than the income level as a whole.

The table below displays cost burden information for the jurisdiction and each group, including no cost burden (less than 30 percent), cost burden (30 to 50 percent), severe cost burden (more than 50 percent), and no/negative income.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	7,542,790	2,663,959	2,497,121	181,310
% of group	59%	21%	19%	1%
White	3,995,900	1,150,277	1,054,662	78,977
% of group	64%	18%	17%	1%
Black / African American	363,783	186,014	222,640	17,708
% of group	46%	24%	28%	2%
Asian	1,052,219	326,546	297,072	36,153
% of group	61%	19%	17%	2%
American Indian, Alaska Native	29,061	9,528	10,248	1,196
% of group	58%	19%	20%	2%
Pacific Islander	20,150	9,168	7,115	517

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
% of group	55%	25%	19%	1%
Hispanic	1,907,876	917,655	839,557	41,623
% of group	51%	25%	23%	1%

Table 24a – Greater Need: Housing Cost Burdens AMI (Entire State)
Data Source: 2016-2020 CHAS

Discussion

Based on data presented above, no groups experienced housing cost burden levels at a need inconsistent with other population groups as compared to the jurisdiction as a whole. To be considered cost-burdened, groups cost-burdened at less than or equal to 30 percent (<=30%) would need to make up 69 percent of their respective “jurisdiction as a whole” category. Groups cost-burdened at 30 to 50 percent (30-50%) would need to make up 31 percent of their respective “jurisdiction as a whole” category. Finally, groups cost-burdened at 50 percent or more (>50%) would need to make up 29 percent of their respective “jurisdiction as a whole” category. This is illustrated in Table 23b below.

Housing Cost Burden	<=30%	30-50%	>50%
Jurisdiction as a whole (%)	59%	21%	19%
% needed to indicate cost burden	69%	31%	29%

Table 24b – Housing Cost Burden –Needs
Data Source: 2016-2020 CHAS

NA-30 Greater Need: Discussion – 91.305 (b)(2)

Are there any Income categories in which a group has greater need than the needs of that income category as a whole?

The tables above illustrate the distribution of housing cost burdens across income levels. They are used to identify whether any groups are adversely affected compared to the overall population in the jurisdiction.

0-30% AMI Category: At the state level, no specific group experiences a housing problem that is 10 percent or more above the overall rate for this income category. White households, who represent 64 percent of this group, come closest but still fall short of the threshold. Therefore, no group within this income bracket demonstrates a greater need.

30-50% AMI Category: Like the 0-30 percent AMI category, no group within the 30-50 percent AMI range has a greater need.

50-80% AMI Category: In this category, the pattern remains consistent, with no group experiencing a cost burden at a rate 10 percent higher than the overall population. The housing cost burden within each group does not exceed the necessary threshold to be considered affected.**80-100% AMI Category:** No group exhibits a housing cost burden that would qualify as greater compared to the overall population within this income range. The cost burden distribution remains even across all groups.

If they have needs not identified above, what are those needs? Are any of those groups located in specific areas or neighborhoods in your community?

California is an extremely large and populous state with a varied population. A general analysis of statewide trends and related mapping shows broad disbursement of all groups as reflected in maps generated from the HUD Mapper tool.

NA-40 Homeless Needs Assessment – 91.305(c)

Introduction

This Homeless Needs Assessment utilizes several data sources:

- HDIS data
- 2023 statewide Point-in-Time Count Data (PIT)
- 2023 CAPER data
- Data from a literature review of policy and research papers on homelessness in California
- Because each source defines homelessness differently and uses different statistical samples, each dataset has differing numbers and parameters.

Each of the 44 CoCs collects data about the people it serves through its programs, such as emergency shelter, homelessness prevention services, street outreach services, permanent housing interventions and a range of other activities. This data is entered into a Homeless Management Information System (HMIS) according to a set of common standards published by HUD and their federal partners. The CoC's also submit their data to the Homelessness Data Integration System (HDIS), a statewide data warehouse. This system compiles and processes data from all 44 California CoC's. Data can be queried through Sage, a web-based reporting system used by recipients of funding through HUD's Office of Special Needs Assistance Programs (SNAPS)

The PIT Count showed that in 2023, California had 155,916 homeless individuals of which 117,424 are unsheltered persons. However, homeless individuals are still only counted in this data if they access services and are recorded. The CoCs collectively serve between 10,000 and 15,000 persons a year, based on analysis of the last five IDIS-CAPER reports. The data from IDIS does not pull this data properly, so supplemental tables showing HMIS Reporting data from 2023, the most recent year available, is used in this section to supplement the IDIS data.

HCD's analysis found the following general findings about the homeless population in California:

- Homelessness affects both urban and rural parts of the state.
- Many homeless individuals and households require additional supportive services.
- Data on homelessness does not necessarily capture the larger portion of the population that is at risk of homelessness, which is a much larger demographic group than people currently experiencing homelessness.

- Most homeless individuals in California are from California, contradicting a popular belief that the state is a “destination” for the homeless.

Additional discussion on at risk of homelessness is provided in NA-10.

HCD’s ESG program uses the definitions of homelessness found in 24 CFR 91.5 or 24 CFR 576.2, [which is linked here](#). HCD also uses the HUD definition of “at risk of homelessness” [found in 24 CFR 91.5](#).

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Data on persons experiencing homelessness is available from [HDIS](#) and contains detailed demographic information. In 2023, the most recent full year data exists for, there were 338,055 people who accessed the homeless response system in California’s CoCs. Although the exact situation of each individual was somewhat different, each person who accessed the system was experiencing some level of homelessness.

Of the 338,055 people, 65 percent were in adults-only households, 34 percent were people in families with children, and 9 percent were unaccompanied youth included in individual and family groups

It is important to note that HDIS data is for the entire State of California. Because CoC boundaries do not necessarily correlate to the California Non-Entitlement geography, it is not possible to fully disentangle the data for California Non-Entitlement areas only. Much of the homeless population exists in separate entitlement areas. For example, while there were 338,055 persons who accessed the homeless response system, 99,625 of them were in Los Angeles County. The data is also different from the PIT Count data, which is pulled by HUD for this plan and represents all the homeless persons counted on a single night.

Population	Estimate the # of Persons Experiencing Homelessness on a Given Night		Estimate the # Becoming Homeless Each Year	Estimate the # Exiting Homelessness Each Year	Estimate the # of Days Persons Experience Homelessness
	Sheltered	Unsheltered	Data not available	Data not available	Data not available
Population	57,976	123,423	Data not available	Data not available	Data not available

Population	Estimate the # of Persons Experiencing Homelessness on a Given Night		Estimate the # Becoming Homeless Each Year	Estimate the # Exiting Homelessness Each Year	Estimate the # of Days Persons Experience Homelessness
Persons in Households with Adult(s) and Child(ren)	6,208	1,780	Data not available	Data not available	Data not available
Persons in Households with Only Children	214	366	Data not available	Data not available	Data not available
Persons in Households with Only Adults	37,155	108,305	Data not available	Data not available	Data not available
Chronically Homeless Individuals	16,521	54,629	Data not available	Data not available	Data not available
Chronically Homeless Families	720	435	Data not available	Data not available	Data not available
Veterans	3,153	7,436	Data not available	Data not available	Data not available
Unaccompanied Youth	3,239	6,934	Data not available	Data not available	Data not available
Persons with HIV	1,082	2,271	Data not available	Data not available	Data not available

***Data Source:** [HUD 2023 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations](#)

Table 25a – Homelessness Characteristics

Note: Data is not provided or available for the number of becoming homeless each year, exiting homelessness each year, and number of days persons experience homelessness.

Nature and Extent of Homelessness: (Optional)

Population Group	Emergency Shelter	Transitional Housing	Unsheltered	Total
Severely Mentally Ill	10,772	2,314	32,136	45,222
Chronic Substance Abuse	6,509	1,838	34,700	43,047
Veterans	1,308	1,845	7,436	10,589
HIV/AIDS	735	347	2,271	3,353
Victims of Domestic Violence	5,551	1,340	27,554	34,445
Unaccompanied Youth	1,895	1,344	6,934	10,173
Parenting Youth	416	261	369	1,046
Children of Parenting Youth	595	309	269	1,173

Table 25b – Homelessness Characteristics

Data Source: [HUD 2023 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations](#)

Households Experiencing Homelessness	Emergency Shelter	Transitional Housing & Safe Haven	Unsheltered	Total Homeless Households
Households without children	30,115	7,040	108,305	145,460
Households with at least one adult and one child	4,688	1,520	1,780	7,988
Households with only children	193	21	366	580
Total Homeless Households	34,996	8,581	110,451	154,028

Table 25c – Summary by Household Type Reported

Data Source: [HUD 2023 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations](#)

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

Although there were no statistics available separately for veterans living in families, there were an estimated 10,589 California veterans experiencing homelessness in 2023 [based on CoC data](#).

	Total	Without Children	With Children and Adults	With Only Children	Unknown Household Type
Adults	13,708	11,891	1,811	0	5
Children	2,831	0	2,763	68	0
Client Doesn't Know/Prefers Not to Answer	53	0	0	0	53
Data Not Collected	223	0	2	0	221
Total	16,815	11,891	4,576	69	279
For PSH & RRH – the total persons served who moved into housing	1,894	1,463	430	1	0

Table 26 – Number of Persons Served (Non-Entitlement Jurisdictions)

Data Source: 2023 CAPER, aggregated from SAGE

Note: “Unknown Household Type” refers to households where family type cannot be determined or was not recorded.

	Total	Without Children	With Children and Adults	With Only Children	Unknown Household Type
Total Households	13,763	11,950	1,758	44	11
For PSH & RRH – the total households served who moved into housing	1,094	917	177	0	0

Table 27 – Number of Households Served (Non-Entitlement Jurisdictions)

Data Source: 2023 CAPER, aggregated from SAGE

Describe the Nature and Extent of Homelessness by Group.

It is important to note that HDIS models slightly differently than the ACS and HUD, which affects total tabulations. For example, HDIS data counts persons in every group

with which they identified, while ACS data puts people who report as multiple races in a separate “Two or More Groups” category. Since each of a person’s responses are counted in HDIS, the total number of responses shown in the data are greater than the total number of clients.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Overall, 29 percent of Consolidated Plan public survey respondents reported currently or previously experiencing homelessness. Of these participants:

- 32 percent cited an increased need for permanent housing
- 31 percent cited an increased need for addiction/mental health services
- 13 percent cited a need for improved one-time rent/utility assistance
- 13 percent cited an increased need for emergency shelter services
- Six percent cited an increased need for transitional housing.

Respondents were also asked what they need but do not have:

- 46 percent cited one-time rent/utility assistance
- 28 percent cited permanent housing; 27 percent cited transitional housing
- 25 percent cited emergency shelter access
- 13 percent cited addiction/mental health services.

Participants who were currently or previously experiencing homelessness also relayed a significant need for food and clothing.

During focus group and public engagement sessions, community members noted that there is a significant lack of shelter and housing options for homeless individuals and special population groups (e.g., single parent families and individuals with health and mental health challenges), supportive services for all homeless population groups , homeless (regression) prevention assistance (i.e., GED/diploma, job training and job placement, etc.), and that there are significant obstacles to providing housing and assistance to homeless population (i.e., lack of community support to assist the homeless/NIMBYism, lack of local government support, lack of funding and/or sufficient funding, etc.).

According to input from community members across the state, homeless services require a more comprehensive approach to address and prevent homelessness that begins from the initial contact and integration of homeless persons into a recovery system that concludes with homeless persons becoming housed and employed. Comprehensive homelessness services should include at a minimum, street-level outreach, education on available services, medical and mental health treatment, mental health counseling, substance use treatment and substance use counseling (if applicable), case management, transitional housing (preferably with onsite supportive

services), continued education/job training, job placement, and permanent housing with continued case management to prevent repeated homelessness.

In addition, Consolidated Plan public survey participants who are either currently or previously homeless indicated needs for emergency shelters, transitional housing, permanent housing, one-time rental/utility payment assistance, and mental health/addiction services. Fifty-two percent of all survey participants indicated a need for improved services and shelter for homeless people in their communities, while 28 percent indicated having none of these services available in their communities despite an existing need. Only 3 percent of respondents cited satisfaction with the level of services and shelter for homeless people available. The services for individuals facing homelessness that the most grantee survey respondents agreed could be improved were mental health/addiction services.

Data from the 2023 UCSF study shows that a lack of affordable, available housing is a top cause for homelessness. The 2023 UCSF study also found that most homeless individuals are either not fully aware of the suite of supportive services available to them or chose not to utilize them. In the survey, only 36 percent of the participants sought help from a government agency or non-profit organization. Most sought help from friends or family. This means that the homeless population may need help accessing services that already exist. Participants also believed financial support could have prevented their homelessness.

In [the 2023 UCSF study](#), survey participants reported poor health and many health challenges. For example, 45 percent of participants reported their health as poor or fair, and 60 percent reported a chronic disease. More than one third of all participants (34%) reported a limitation in an activity of daily living, and 22 percent reported a mobility limitation. One quarter (26%) of females age 18-44 years had been pregnant during their current episode of homelessness, and 8 percent reported a current pregnancy.

According to the California Statewide Study of Homelessness (CASPEH) done by the Benioff Homelessness and Housing Initiative at the University of California, San Francisco, the vast majority of people that are homeless in California are from California. https://homelessness.ucsf.edu/sites/default/files/2023-06/CASPEH_Report_62023.pdf. The study found that nine out of ten homeless individuals lost their last housing in California. The study also found that 7 percent of participants lived in the same county as their last housing and that both unsheltered and sheltered homeless individuals tended to stay in the same region. Data from HDIS shows that over a three-year timespan, very few people experienced homelessness in more than one California CoC. Of the people who did access services in multiple jurisdictions, most did so in adjacent or neighboring CoCs.

Additional details on the nature and extent of the homeless population are included in the previous sections and tables. This information is supplemented with survey data, engagement feedback, and research studies.

Discussion

Participants in community engagement sessions and focus groups identified additional risk factors for homelessness that are more problematic in non-entitlement jurisdictions:

- Many correctional facilities are located in rural areas. When inmates are released, they are at risk of entering homelessness in these areas if they have no other familial or public resources.
- For special needs populations – particularly individuals with physical and mental health problems; and the elderly – there is a lack of supportive services in rural areas. Often, there are few or no service providers that are geographically accessible. Individuals who need services and are unable to access them are more likely to develop problems that lead to homelessness.
- Based on local member interviews and outreach, homelessness experts have noted that rural counties may have higher percentages of women experiencing homelessness due to a lack of resources to address domestic violence. Women who live in poverty and are experiencing domestic violence are often forced to choose between abusive relationships and homelessness.

Although housing costs in rural areas are lower, wages are significantly lower as well. Many rural residents are at risk of entering homelessness because they cannot make sufficient income to meet housing costs. Individuals who have minimal fixed incomes (such as from SSI), and those with sporadic and seasonal employment, such as farmworkers, are more likely to experience homelessness.

NA-45 Non-Homeless Special Needs Assessment – 91.305 (b, d)

Introduction

HUD identifies a broad range of individuals and households as having special needs. These households and residents, because of their special characteristics and needs, often have greater difficulty finding decent, affordable, and accessible housing in high opportunity areas across the state.

CDPH/OA administers HOPWA, which is the dedicated HUD funding source for assisting People Living With HIV (PLWH) with housing, care, and support services, which is why this Consolidated Plan focuses more on PLWH than other special needs populations.

The tables below provide data on the HOPWA Program. Note: The Consolidated Plan template automatically generates “HOPWA Data” (HOPWA Table/Current HOPWA formula use) and “HIV Housing Need (HOPWA Grantees Only)” tables. HUD then imports data for the “HOPWA Data” table from the CDC. However, this table is no longer automatically populated. Data for the “HIV Housing Need (HOPWA Grantees Only)” table comes from the CAPER. However, this data is also no longer collected in the CAPER. Therefore, HCD has created a new table and manually pulled data from the current CAPER to supplement the missing data.

The HOPWA Table 30 below is left blank because HIV surveillance data is imported from CDC directly. The data reported in the HOPWA Table 31 is also left blank because the HUD CAPER has not collected unmet need numbers from project sponsors since 2018.

HOPWA

Current HOPWA formula use:	
Cumulative cases of AIDS reported	
Area incidence of AIDS	
Number of new cases prior year (3 years of data)	
Rate per population	
Rate per population (3 years of data)	

HUD generated table - Data no longer available.

Current HIV surveillance data:	
Number of Persons living with HIV (PLWH)	
Area Prevalence (PLWH per population)	
Number of new HIV cases reported last year	

Table 2 – HOPWA Data

Data Source: CDC HIV Surveillance

HIV Housing Need (HOPWA Grantees Only)

Type of HOPWA Assistance	Estimates of Unmet Need
Data table is blank because HUD has not collected information on unmet need since 2018.	
Tenant based rental assistance	0
Short-term Rent, Mortgage, and Utility	0
Facility Based Housing (Permanent, short-term, or transitional)	0

Table 31 – HIV Housing Need

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

HOPWA Number of Households Served

Number of Households Served Through:	One-Year Goal	Actual
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	750	487
Tenant-based rental assistance	52	32
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	150	53
Total	952	572

Table 32 – HOPWA Number of Households Served

Data Source: California Department of Housing and Community Development FY 2022-2023 CAPER

Composition of Households Assisted by HOPWA Program

Group	HOPWA Program	Percent	Percent of Non-Entitlement Population
White	745	84.6%	58.6%
Black or African American	97	11%	3.3%
Asian	17	1.9%	7.1%
American Indian or American Native	16	1.8%	1.3%
Native Hawaiian or Other Pacific Islander	6	0.7%	0.3%
Other Group			15.0%
Two or more Group			14.4%
Group- Total	881	100%	100.0%
Hispanic	431	49.0%	40.8%
Not Hispanic	450	51.0%	59.2%
Group - Total	881	100%	100.0%

Table 33 –Composition of Households Assisted by HOPWA

Data Source: California Department of Housing and Community Development FY 2022-2023 CAPER; American Community Survey 5-Year Estimates 2018-2022 (2018-2022 ACS)

Note: The total population includes the categories “Other Group” and “Two or More Groups,” which was not captured in the HOPWA data.

Describe the characteristics of special needs populations in your community:

Characteristics for persons with disabilities are provided in the tables below. Characteristics for domestic violence survivors and the homeless population are provided in previous sections.

Elderly: The HUD CHAS data dictionary defines elderly households as having 1 or 2 persons, with either person aged 62 years or older. These encompass both family (related) and non-family (unrelated) households. The California Department of Aging defines “frail elderly” as those individuals 65 years of age or over who are dependent on others for activities of daily living, often living in institutional care, not independently mobile, and who may require regular prescribed drug therapy.

Based on the 2017 – 2021 ACS, 14.1 percent of Californians, a total of or more than 5.5 million people, were over the age of 65. With a growing elderly population, there is an increasing need to provide housing and services to accommodate them, especially people with disabilities, living in poverty, or considered “frail elderly.”

Veterans: California is home to the largest veteran population in the nation. Veterans are overrepresented in the homeless population and veteran status is associated with a higher risk of homelessness. In addition, over half of California’s veteran population is over 60 years of age. Additional details on the characteristics of the veteran population are provided in previous sections.

PLWH/HOPWA: CDPH/OA HIV Reporting System surveillance data from December 2022 indicates that there were 12,848 people living with HIV/AIDS in areas not in an Eligible Metropolitan Statistical Area (non-EMSA) in 2022 (including those in prison). For the State of California as a whole, living with HIV cases are highly representative of other public health issues.

Household Area Median Income (AMI) data (2024) indicate that for the households who received HOPWA assistance: 45 percent had incomes at or below 30 percent AMI (extremely low), 16 percent were at 31-50 percent of AMI (very low), and 36 percent were at 51-80 percent of AMI (low) which demonstrates low-income rates among PLWH and high housing need.

Household Area Median Income (AMI) data (2022) indicate that for the households who received HOPWA assistance: 45 percent had incomes at or below 30 percent AMI (extremely low), 16 percent were at 31-50 percent of AMI (very low), and 36 percent were at 51-80 percent of AMI (low) which demonstrates low-income rates among PLWH and high housing need.

While California accounts for only 12 percent of the U.S. population, it has 30 percent of the people experiencing homelessness. The percentage is increasing. The [2023 PIT count](#) released in December estimated that more than 180,000 people were

experiencing homelessness in our state—up 6 percent from the previous count (Public Policy Institute of California, 2024). California's average monthly rent is about 50 percent higher than the rest of the country.

PLWH are at even greater risk of homelessness. In 2021, AIDSVu cited that 17 percent of PLWH reported experiencing homelessness or unstable housing. The number of PLWH counted as homeless in the U.S. in 2019 was half (50.4%) the number of PLWH counted in 2005. In contrast, the number of PLWH counted as homeless in California in 2019 was one and a half times (155.0%) of the persons counted in 2005 (Colletti, Policy Insights, 2020). More than 35 percent of grantee survey respondents were unsure if assistance or services existed for HIV-positive members of their communities.

Special needs populations may also experience substance use or addiction issues. These populations have special health needs and may experience difficulties in the housing market.

While this list is certainly not exhaustive of the populations in California who have special needs, it includes a broad range of individuals and families that face greater challenges in finding affordable housing in the state.

What are the housing and supportive service needs of these populations and how are these needs determined?

As shown in NA-05, special needs populations tend to have lower incomes and need affordable, available housing. These populations may also need a wide variety of supportive services such as specialized health care in close proximity to where they live.

Elderly Californians have a variety of different needs depending on the individual and their needs as they age. Documented service needs include personal care, medication management, meal support, available and affordable geriatric healthcare, safety, socialization and, in some cases, money management. The California Master Plan for Aging identified affordable housing, health, caregiving, social opportunities, and cost of living as key issues to address in the future. Public engagement noted that social isolation and loneliness have increased amongst elderly Californians since the COVID-19 pandemic.

The data points above support the fact that supportive housing is needed to accommodate this population. In addition to supportive housing, elderly persons also need other options for affordable housing, as they are often on fixed incomes and cannot afford rising rents.

Survivors of Domestic and Sexual Violence and other forms of abuse have unique special needs due to trauma. In these cases, there are needs for safe transitional

housing spaces, wraparound service support including crisis intervention, counseling, safety planning, emergency transportation, court and restraining order support, job training, and income to name a few of the most important services for the victims and their children.

Veterans: Veterans are aging and have many of the same needs as other elderly populations, as well as a need for housing suitable for this population and services designed to prevent homelessness such as rapid rehousing, utility assistance, financial assistance and counseling, and connection to veteran's resources.

People with special needs: Many individuals live on a small, fixed income, limiting their ability to pay for housing. Individuals need affordable, conveniently located housing that has been (or can be) specially adapted and includes on- or offsite support services, including inpatient/outpatient day-treatment programs. As the data below shows, over four million Californians live with a special need, the largest population of any state.

Special Need Type by Age Group, California, 2022

	Total	With a Disability	Percent with a Disability
Total Civilian Noninstitutionalized Population	38,874,540	4,275,158	11.0%
Population under 65	33,113,048	2,342,954	7.1%
With a hearing difficulty	-	403,849	2.0%
With a vision difficulty	-	458,878	2.3%
With a cognitive difficulty	-	1,149,297	7.3%
With an ambulatory difficulty	-	864,424	3.9%
With a self-care difficulty	-	440,190	16.4%
With an independent living difficulty	-	768,428	3.2%
Population 65 and older	5,761,492	1,932,204	33.54%
With a hearing difficulty	-	740,704	12.9%
With a vision difficulty	-	348,670	6.1%
With a cognitive difficulty	-	531,971	9.2%

	Total	With a Disability	Percent with a Disability
With an ambulatory difficulty	-	1,254,423	21.8%
With a self-care difficulty	-	546,313	9.5%
With an independent living difficulty	-	944,288	16.4%

Table 34 – Disability Type by Age Group (Entire State)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Special Need by Type, California, 2023

Special Need Type	Number of Persons	Percent of Total Population
Hearing difficulty	1,144,553	2.9%
Vision difficulty	807,548	2.1%
Cognitive difficulty	1,681,268	4.6%
Ambulatory difficulty	2,118,847	5.8%
Self-care difficulty	986,503	2.7%
Independent living difficulty	1,712,716	5.7%

Table 35 – Disability by Type (Entire State)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Disability by Age Group (Entitlement/Non-entitlement Areas), California

	California Entitlement Areas	California Entitlement Areas ⁱ	California Non- Entitlement Areas	California Non- Entitlement Areas ⁱⁱ
Age of People with Disabilities	Number of Persons	Percent of Total Population	Number of Persons	Percent of Total Population
Age 5-17 with Disabilities	244,509	0.8%	26,576	1.0%
Age 18-64 with Disabilities	1,750,037	5.4%	207,024	7.7%
Age 65+ with Disabilities	1,532,967	4.7%	168,687	6.3%

Table 36 – Disability by Age Group (Entitlement v. Non-Entitlement Jurisdictions)

Data Source: HUD Mapping Tool - Table 7-2, Version AFFHT0006, Released 2020

PLWH/HOPWA:

Among the 40 counties assisted with CDPH/OA HOPWA funds, most are rural with very limited affordable housing and housing resources. California does not have any counties with a market rent affordable to households at or below 30 percent of Area Median Income (AMI) and most clients need a monthly rent subsidy or subsidized housing. The Housing Choice Voucher Program (HCV) or other rent subsidies are scarce, with many counties having a wait list of over five years for an HCV. In addition, clients requesting short-term rent, mortgage, and utility (STRMU) assistance often have multiple obstacles to obtaining mainstream rental subsidies such as being categorically ineligible, poor credit history, criminal record, mental health issues, substance use, etc.

With an approximate \$5 million annual HOPWA grant and 40 counties to serve, it is not possible to provide tenant based rental assistance (TBRA) to every household in need. Although STRMU is not meant to be a permanent rental subsidy, it often prevents these households from becoming homeless during the program year but is not sufficient to resolve the crisis that created the housing emergency. The amount of funding available for STRMU equates to about one to two month's rent per client per year. For these reasons, the housing stability rate for persons who receive STRMU is lower than other types of housing assistance. Due to the limited resources and options, most clients need additional STRMU to maintain their current housing.

CDPH/OA HOPWA determines unmet housing and supportive service needs of PLWH through collaboration with the Ryan White HIV/AIDS Program (RWHAP) Part B at both the state and local level. CDPH/OA HOPWA project sponsors are encouraged to

participate in the development of local HIV/AIDS needs assessment and service delivery plans that identify unmet housing needs.

CDPH/OA HOPWA also encourages project sponsors to participate in local Continuum of Care (CoC) planning groups to ensure representation of the HIV community and to utilize the local HMIS when applicable by regulation.

HOPWA funding has remained relatively stable over the past few years. CDPH/OA's goal is to allocate funds using a method that equitably distributes funds based on the level of need in each jurisdiction. The CDPH/OA allocation formula utilizes three data points: HIV prevalence (living cases), poverty levels, and Fair Market Rent (FMR). This is to ensure that counties with the most need and highest cost burden receive the funds.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

Described above.

If the PJ will establish a preference for a HOME TBRA activity for persons with a specific category of disabilities (e.g., persons with HIV/AIDS or chronic mental illness), describe their unmet need for housing and services needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2) (ii))

N/A: the California non-entitlement area does not have a public housing authority or coordinate TBRA.

Discussion:

CDPH/OA HOPWA allocates funds to all 40 non-EMSA counties based on reported HIV cases, and low-income PLWH are encouraged to apply for housing and supportive service assistance. The CDPH/OA HOPWA allocation is not sufficient to establish TBRA programs in every community; however, STRMU and other housing and support services are provided to reduce the risk of homelessness for all eligible clients. State HOPWA project sponsors must collaborate with other housing and service agencies to assist clients with long-term housing and care needs.

HIV service providers report that HOPWA often serves as a safety net for households that are ineligible for mainstream housing and supportive service programs.

NA-50 Non-Housing Community Development Needs - 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

The need for public facilities in California's non-entitlement communities is as varied as the communities that comprise the state. Public facilities, including community centers, parks and recreation facilities, libraries, childcare centers, health clinics, public safety facilities and equipment, and nonprofit facilities are needed. In many communities, these are important gathering points and provide essential services that can serve a variety of community needs. This is particularly true in rural parts of the state, where these facilities can also offer internet and communication services to households with limited broadband access.

How were these needs determined?

Public facility needs were determined by reviewing publicly available resources and past use of funds and funding requests, and through consultations with community partners, surveys, focus groups, and public meetings and hearings.

Describe the jurisdiction's need for Public Improvements:

Some HUD Programs, primarily CDBG, allow the use of grant funds for a wide range of public improvement activities that benefit LMI and special needs populations and communities. The highest overall priority needs are water and sewer, storm drains and flood drainage, streets, sidewalks and related improvements, and parks.

Below is a summary of the top four needs identified by the Con Plan public survey:

- Improved pedestrian crossings – 57%
- Improved streets – 56%
- Improved sidewalks – 55%
- Improved sewer/storm drainage – 52%

From the grantee perspective, the infrastructure that most respondents agreed on was a need for improvements to streets, parks, street lighting and sidewalks.

How were these needs determined?

Public improvement needs were determined by reviewing publicly available resources and past use of funds and funding requests, and through consultations with community partners, community members, surveys, focus groups, and public meetings and hearings.

Describe the jurisdiction's need for Public Services:

Some HUD Programs allow the use of grant funds for a wide range of public service activities that benefit LMI and special needs populations. Public service activities can include, but are not limited to, transportation, health services, employment training,, food banks, and services for senior citizens. The highest priority needs are health services, homeless and homelessness prevention services, food and clothing, and mental health services. The top responses from the Con Plan public survey include:

- Improved health services – 63%
- Improved drug/alcohol counseling/treatment - 54%
- Improved services and shelter for the unhoused population – 52%
- Improved access to counseling/emotional support – 47%
- Improved access to food or meals for persons with special needs – 44%

Some survey respondents additionally cited that these public services do not exist in their communities despite an existing need. More than 80 percent of grantee survey respondents agreed that existing homeless services need improvement. Also, 79 percent of respondents reported needing improved food/nutrition programs and 78 percent reported needing improved health services.

How were these needs determined?

Public services needs were determined by reviewing publicly available resources and past use of funds and funding requests, and through consultations with community members and partners, surveys, focus groups, and public meetings and hearings.

Based on the needs analysis above, describe the state's needs in Colonias

Colonias in California often lack or have inconsistent access to sidewalks, paved streets, and public water and wastewater services. They also face overcrowding, lack of standard housing, limited electricity, lack of air conditioning, poor access to municipal services, and limited employment opportunities. These factors are some of the primary obstacles to community improvement in Colonias. Border counties such as Imperial County have also conducted [Infrastructure and Housing Needs Assessments](#) of their Colonias to assess these needs. These housing assessments indicate a significant need for housing rehabilitation or replacement, but encourages Colonias communities to apply for water, wastewater improvements or housing rehabilitation funding that can significantly address infrastructure or housing rehabilitation needs. Manufactured homes also make up a significant portion of the housing stock in Colonias. Many manufactured homes and communities are in disrepair and lack adequate infrastructure. Please also see MA-50 and SP-75 for additional discussion on the needs of Colonias.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

One of the most critical needs in California's housing market is increasing the availability of housing affordable to low- and moderate-income households. Over the past two decades, housing production has been insufficient, creating a significant imbalance between supply and demand that has driven up housing costs. Although California's median household income remains above the national average, housing costs for renters and homeowners are substantially higher than the national median. The shortage of affordable housing is attributed to several longstanding issues, including:

- High land prices.
- Restrictive land use policies, lengthy development processes, and other legal constraints to new construction.
- High development costs due to fees, construction requirements, and a shortage of construction labor.
- Limited resources for developing or converting existing housing into subsidized units.
- Insufficient infrastructure and public services to support housing, particularly in rural areas.
- A lack of resources for households to modify existing homes to accommodate changing needs.
- Community opposition to new development, especially affordable housing projects.
- Disaster impacts and risks.

Participants in the community engagement efforts also indicate that income limitations, high housing prices, high cost-of-living, restrictions on housing program assistance, and an inability for applicants to meet housing program qualification requirements are significant obstacles to affordable housing. Eighty-two percent of public survey respondents ranked affordable rental housing as extremely important to them and to their community, while 39 percent reported that no affordable housing is available to them or their family. Zero grantees surveyed believe that demand for affordable housing has decreased over the past 12 months.

Addressing this shortage is crucial, as it underpins many other challenges in California's housing market, including high-cost burdens among low- and moderate-income households, homelessness, and limited access to economic opportunities. The shortage of affordable units leads directly to housing instability, with a significant portion of low-

and moderate-income renters experiencing severe cost burdens, spending more than 30 percent of their income on housing, and many spending over half.

This financial strain often forces households to sacrifice other essentials, such as healthcare, retirement savings, and adequate living conditions, increasing the risk of homelessness. California's homelessness crisis is particularly severe, with the state representing a large share of the nation's homeless population.

Many individuals and families at risk of homelessness require resources to remain stably housed, while those already experiencing homelessness need support to secure and maintain housing. The shortage of affordable housing units for extremely low- and low-income households is the most significant factor contributing to this crisis, alongside a lack of supportive services, insufficient housing subsidies, and limited economic opportunities.

During focus group and public engagement sessions, community members and partners noted a significant lack of shelter and housing options for homeless individuals of varying populations including, but not limited to, special population groups a significant lack of supportive services for all homeless population groups (i.e., medical and mental health treatment, substance use treatment, mental health and substance use counseling, and case management, etc.), a significant lack of homeless (regression) prevention assistance (i.e., GED/diploma, job training and job placement, etc.), and that there are significant obstacles to providing housing and assistance to homeless populations (i.e., lack of community support to assist the homeless/NIMBYism, lack of local government support, lack of funding and/or sufficient funding, etc.).

According to input from community members across the state, to address homelessness requires a more comprehensive approach that begins from the initial contact and integration of homeless persons into a recovery system and concludes with homeless persons becoming housed and employed. Comprehensive homelessness services or wrap around services to address and prevent homeless should include at a minimum, street-level outreach, education on available services, medical and mental health treatment, mental health counseling, substance use treatment and substance use counseling (if applicable), case management, transitional housing (preferably with onsite supportive services), continued education/job training, job placement, and permanent housing with continued case management to prevent repeated homelessness.

In addressing these challenges, the focus of economic development, especially in high-poverty areas, should be on creating environments where businesses can generate high-quality jobs and local workers are equipped with the necessary education and skills. This includes aligning workforce and education programs with employer needs, making these programs accessible to all Californians, particularly those facing

employment issues, and supporting public infrastructure and services that enable companies and workers to thrive. With California persistently having one of the highest unemployment rates in the United States, maintaining affordability in a struggling employment landscape also becomes a challenge.

MA-10 Number of Housing Units – 91.310(a)

Introduction

California's housing supply continuously falls short of increasing demand, with rigid local land use restrictions and high costs hindering new development. According to HCD's [Statewide Housing Plan published in 2022](#), the COVID-19 pandemic only exacerbated the discrepancy between supply and demand. A high percentage of Californians live in overcrowded housing units, and the state's population has stagnated partially due to a lack of new housing development that can accommodate growing needs at affordable price points.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	8,131,716	58%
1-unit, attached structure	978,110	7%
2-4 units	1,119,089	8%
5-19 units	1,586,551	11%
20 or more units	1,647,167	12%
Mobile home, boat, RV, van, etc.	533,666	4%
Total	13,996,299	100%

Table 37a – Residential Properties by Unit Number (Entire state)

Data Source: American Community Survey 5-Year Estimates 2016-2020 (ACS 2016-2020)

Property Type	Number	%
1-unit detached structure	974,203	77.3%
1-unit, attached structure	34,022	2.7%
2 units	22,684	1.8%

Property Type	Number	%
3-4 units	41,149	3.3%
5-9 units	37,081	2.9%
10-19 units	23,171	1.8%
20 or more units	38,350	3.0%
Mobile home	114,724	9.1%
Boat, RV, van, etc.	3,961	0.3%
Total	1,260,186	100.0%

Table 37b – Residential Properties by Unit Number (Non-Entitlement Jurisdictions)
Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	43,767	1%	432,672	7%
1 bedroom	174,381	2%	1,530,229	26%
2 bedrooms	1,283,583	18%	2,233,522	38%
3 or more bedrooms	5,522,584	79%	1,667,390	28%
Total	7,024,315	100%	5,863,813	99%

Table 38a – Unit Size by Tenure (Entire state)

Data Source: American Community Survey 5-Year Estimates 2016-2020 (ACS 2016-2020)

	Owners		Renters	
	Number	%	Number	%
No bedroom	5,064	0.7%	14,614	4.3%
1 bedroom	18,951	2.7%	56,893	16.8%
2 bedrooms	133,107	18.7%	122,395	36.2%
3 bedrooms	350,841	49.3%	110,415	32.7%
4 bedrooms	158,602	22.3%	27,857	8.2%
5 or more bedrooms	45,563	6.4%	5,565	1.6%
Total	712,128	100%	337,739	100%

Table 38b – Unit Size by Tenure (Non-Entitlement Jurisdictions)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The California Housing Partnership's (CHPC) Preservation Database includes data on units supported by federal, state, and local housing assistance programs. CHPC estimates that there are currently 554,121 assisted units across the state. These units are subsidized through a variety of programs, with the majority (76 percent) assisted through the Low-Income Housing Tax Credit (LIHTC) program. The LIHTC program is restricted to households earning less than 60 percent AML.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

Affordable rental units can be lost for a number of reasons, including the expiration of HUD contracts, property owners deciding to sell, or the leading reason: for-profit entities targeting affordable properties to convert to market rate. The prior loss and conversion risk of both federally funded and state-subsidized affordable rental properties are assessed in CHPC's annual "California's Affordable Rental Homes At-Risk" report. The latest report published in April of 2024 estimates that California has lost 19,249 affordable rental homes between 1999 and 2023. In addition, there are 33,910 affordable rental homes that are at risk of losing affordability in the next 10 years.

In addition to the loss of affordable home units listed above, the state has also lost naturally occurring affordable homes, meaning homes in the marketplace that are priced at affordable levels without any market restrictions or subsidies. Based on [an April 2024 report by the California Housing Partnership](#), California lost 163,095 affordable multifamily rental homes. These are defined as apartment buildings with five or more units (which is the state's definition of multifamily housing) where at least half of the apartments have rents affordable to households earning 80 percent of the median income for that zip code. Around 42 percent of these were lost between 2020 and 2021, correlating with the onset of the COVID-19 pandemic. Currently, an estimated 222,190 of the total affordable homes in California are at high or very high risk of losing their affordability status in the near future. The majority of these units are located in the Bay Area and Southern California.

Does the availability of housing units meet the needs of the population?

According to the [2022 Statewide Housing Plan](#), current housing production is insufficient to meet housing goals. The [Regional Housing Needs Allocation \(RHNA\)](#) for the sixth cycle housing element planning period (2019 to 2032) consists of 2,500,571 total units. In 2020, permitted units were 65 percent below the RHNA of over 300,000 new units, with low and very low-income units falling short by 86 percent. As of 2023,

only 10 percent of the RHNA goal was complete, with a total of 238,217 permits attained. However, development has fallen shortest in the very low-income category with only 2.8 percent of the RHNA attained. As reflected in the Needs Assessment, those earning the lowest income (0 to 30 percent AMI) are the most cost-burdened population and are most in need of housing that is affordable relative to their income. Nearly 7 percent of the low-income RHNA and 5 percent of the moderate income RHNA has been attained.

In addition, the state's 2024-25 Budget states that in 2023, residential permits declined by 2.9 percent with the biggest decline among multi-family units. Community partners interviewed for this plan noted that housing is easier to develop where land is less expensive and regulations are more permissive, but that these areas also have fewer economic opportunities. As a result, new housing is often distant from existing jobs and public transit networks. Inland areas, that tend to see most of the new housing development, are home to populations that need more affordable housing, not the market-rate units which continue to pop up in their communities.

Supporting this narrative is the fact that 39 percent of public survey participants reported not having access to affordable housing and being unable to cover the cost of other basic needs after the cost of their housing, while 82 percent of respondents rated affordable rental housing as extremely important.

Describe the need for specific types of housing:

Participants in our housing needs focus groups and community engagement workshops held across the state report that low- and moderate-income members of their communities have embraced a variety of housing options – accessory dwelling units, tiny homes, manufactured homes, mobile homes and RVs, shared housing, multi-generational housing, and various combinations of all these. These California community members would like affordable housing programs to be more flexible in how funds can be used and how a unit is defined.

The [Statewide Housing Plan](#) reflects the need for a greater variety of housing types with an estimated need of over one million above moderate-income units, approximately 420,000 moderate-income units, 385,000 units of low-income housing, and nearly 650,000 very low-income units. Jurisdictions across the state need a wider range of housing beyond the traditional detached single-family dwelling to accommodate all residents.

Over the past 15 years, municipalities with large homeless populations in California and throughout the country have passed ordinances limiting where people can live in nontraditional housing options such as RVs and mobile homes, according to the National Law Center on Homelessness and Poverty. These laws and land use

restrictions create obstacles to nontraditional forms of housing. Focus groups and community partners interviewed for this plan had mixed feelings about these restrictions. While some participants were supportive of efforts to de-incentivize living in structures that are not a traditional house or apartment, many pointed to the proliferation of nontraditional housing as an indicator that traditional housing is unaffordable and a symptom of California's housing shortage.

Workers in the agricultural industry tend to have special housing needs due to limited income and the unstable nature of agricultural employment. Typically, [these households exhibit](#) high rates of poverty, extreme overcrowding, low homeownership rates, and live in poor housing conditions as compared to other populations. In San Mateo County, an [Agricultural Workforce Housing Needs Assessment](#) revealed a local need for more affordable units, repair of housing in poor condition, a larger variety of housing types, and an increase in third-party housing.

Discussion

Input from focus group and public engagement sessions community members revealed there is a variety of housing needs.

Much of California's housing stock constantly faces the threat of severe natural disasters. Wildfires across California pose a significant threat to both infrastructure and life. According to the [2020-2021 CDBG-DR Action Plan](#), one 2017 wildfire destroyed over 1,000 residences in Southern California. Later, the 2020 wildfire season resulted in 9,000 fires that burned through 4 percent of land throughout the state. 2020's disastrous wildfire season was followed by additional historic disaster in 2021 with 8,800 fires burning roughly 2.5 million acres of land. An increase in intensity of wildfires reflects a growing wildfire risk, with trends showing no sign of slowing down. In January 2025 more than 16,000 homes and structures were destroyed in the Palisades and Eton fires in the Los Angeles area.

The state also experienced a series of natural disasters beginning in December 2022 and lasting through March 2023 that had unprecedented impacts on the housing market and on the safety of affected residents. A severe winter storm caused intense flooding, mudslides, and landslides that damaged many homes partially or completely. The state's 2023 [CDBG-DR Action Plan](#) estimates that about 5,102 residences reported some type of flooding, and 63.2 percent of those had a recorded high-water mark. FEMA estimates that there was over \$39 million in damage caused.

On January 7, 2025, the US Department of Housing and Urban Development (HUD) announced an allocation of \$416 million in federal Community Development Block Grant – Disaster Recovery program (CDBG-DR) for disasters (flooding) that occurred in 2023 (DR 4699 and DR 4707) and 2024 (DR 4758) across California. The Department is working with HUD to plan for the administration of these funds that will aid in the long-

term recovery and resiliency efforts to eligible jurisdictions. HUD published a Federal Register Notice (FRN) on January 16, 2025, naming the jurisdictions eligible for this funding. This information in conjunction with analyses of damage data, and public engagement contributed to the Action Planning process. An Action Plan was submitted to HUD on April 18 and included a mandatory, 30-day public comment period, which was held from March 14, 2025 to April 14, 2025.

In addition to the allocations above, on May 19, 2025, HUD announced a second "PLUS-UP" allocation of \$85,349,000 for flooding that occurred in 2023 (DR 4683) for which the State of California previously received a partial allocation of \$115 million on August 25, 2024, (FRN Released Nov 27, 2023), bringing the total amount to \$200,371,000. This second FRN requires the PLUS UP funding to comply with Universal Notice requirements, so as part of the Action Plan Amendment, HCD reconcile the original DR-4683 Action Plan with the updated requirements. Eligible jurisdictions include Merced, Santa Cruz, San Joaquin, San Louis Obispo, and Ventura. The applicability date of this PLUS UP Notice is May 27, 2025, so the Action Plan amendment is due to HUD by August 25, 2025.

California's also has a large unmet need for new homes and the rehabilitation of existing homes and related infrastructure throughout tribal communities in California. Much of the existing stock of housing is in substandard condition, particularly older homes and mobilehomes, and water and wastewater systems are inadequate. A study published by the Rural Community Assistance Corporation (RCAC) and the California Coalition for Rural Housing (CCRH) focuses on the housing needs of Native Americans living in tribal areas in California and recommends expanding state-level resources to better meet these needs.

As previously mentioned, the study found that many Native households live in single-family homes or mobilehomes, with more than a third of families living in overcrowded conditions. Over 60 percent of these homes were built more than three decades ago, and nearly one fifth need major physical improvements. Many drinking water and wastewater systems in tribal areas are at or beyond capacity, and many households rely on individual septic systems, which inhibits new housing development.

Tribal Nations in California rely heavily on federal resources, which are chronically underfunded. The California Coalition for Rural Housing (CCRH) and the Rural Community Assistance Corporation (RCAC) recommend that state housing programs be reformed to allow California Tribes and tribal housing entities to participate and to accommodate issues of sovereignty and land ownership. The study also proposes the state provide additional resources and programs to help build tribal capacity.

MA-15 Cost of Housing – 91.310(a)

Introduction

California has one of the least affordable housing markets in the nation. For example:

- Housing units are about twice as expensive as typical housing units in the United States, according to the California Legislative Analyst's Office (LAO)'s [California Affordability Tracker](#), Third Quarter 2024.
- Seventy-four percent of Californians view housing affordability as a major issue and one in three report they have seriously considered moving out of state due to the high cost of housing, according to a statewide [survey](#) conducted by the nonpartisan Public Policy Institute of California in February of 2023.
- Median rent in California has increased 37 percent since 2000 while median renter household income has only increased 7 percent (adjusted for inflation) according to [CHPC's 2024 Affordable Housing Needs Report](#).
- As of May 2024, California had the highest median home value in the nation of \$861,100 compared to the national average of \$440,000, according to Redfin data.
- The top 10 least-affordable owner-occupied housing markets are in California, according to 2023 data from the National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI).
- Thirty-nine percent of public survey respondents reported being unable to pay for housing while still having enough money to spend on other basic needs.

The lack of affordability in California's housing market can be attributed to the fact that median incomes have not kept pace with the rise in housing costs. The Affordable Housing Needs Report points out that in 2024, renters need to earn 2.8 times the minimum wage average in the State of California to afford the average asking price for rent.

Cost of Housing

	Base Year: 2009	Most Recent Year: 2020	% Change
Median Home Value	385,500	443,400	15%
Median Contract Rent	1,149	1,227	7%

Table 37a – Cost of Housing (Entire State)

Data Source: Base Year: 2000 Census

Most Recent Year: American Community Survey 5-Year Estimates 2016-2020 (ACS 2016-2020)

	Base Year: 2010	Most Recent Year: 2022	% Change
Median Home Value	302,258	385,357	27.5%
Median Gross Rent	855	1,228	43.6%

Table 39b – Cost of Housing (Non-Entitlement Jurisdictions)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Rent Paid	Number	%
Less than \$500	581,862	9.9%
\$500-999	1,537,394	26.2%
\$1,000-1,499	1,769,631	30.2%
\$1,500-1,999	1,074,741	18.3%
\$2,000 or more	900,185	15.4%
Total Units Paying Rent	5,863,813	100.0%

Table 40a – Rent Paid (Entire State)

Data Source: American Community Survey 5-Year Estimates 2016-2020 (ACS 2016-2020)

Rent Paid	Number	%
Less than \$500	22,124	7.0%
\$500-999	78,044	24.8%
\$1,000-1,499	94,768	30.1%
\$1,500-1,999	58,110	18.5%
\$2,000-2,999	35,044	11.1%
\$3,000 or more	14,346	4.6%
Total Units Paying Rent	12,498	4.0%

Table 40b – Rent Paid (Non-Entitlement Jurisdictions)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Housing Affordability

Number of Units affordable to Households earning	Renter	Owner
30% HAMFI	297,980	No Data
50% HAMFI	824,365	229,810
80% HAMFI	2,745,010	653,575
100% HAMFI	No Data	1,121,795
Total	3,867,355	2,005,180

Table 41 – Housing Affordability

Data Source: 2016-2020 CHAS

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	\$1,652	\$1,853	\$2,308	\$3,199	\$3,643
High HOME Rent	\$1,411	\$1,513	\$1,818	\$2,092	\$2,314
Low HOME Rent	\$1,101	\$1,180	\$1,416	\$1,635	\$1,825

Table 42 – Monthly Rent

Data Source: HUD FMR and HOME Rents, Vallejo-Fairfield MSA (closest income to statewide median income)

Statewide Fair Market Rents (FMR)

Below is a table summarizing HUD's 2024 FMRs by unit size.

FY2024 California FMR Local Area Summary							
Locality Name	Metropolitan Area Name	Efficiency	One-Bed-room	Two-Bed-room	Three-Bed-room	Four-Bed-room	FMR Percentile
Alameda County	Oakland-Fremont, CA HUD Metro FMR Area	1,825	2,131	2,590	3,342	3,954	40
Alpine County	Alpine County, CA	911	1,005	1,321	1,862	2,168	0
Amador County	Amador County, CA	1,128	1,135	1,347	1,898	2,286	40
Butte County	Chico, CA MSA	1,049	1,091	1,428	2,012	2,423	40
Calaveras County	Calaveras County, CA	1,049	1,055	1,309	1,845	2,135	40
Colusa County	Colusa County, CA	823	829	1,089	1,519	1,525	40
Contra Costa County	Oakland-Fremont, CA HUD Metro FMR Area	1,825	2,131	2,590	3,342	3,954	40
Del Norte County	Del Norte County, CA	791	970	1,147	1,616	1,946	40
El Dorado County	Sacramento-Roseville-Arden-Arcade, CA HUD Metro FMR Area	1,543	1,666	2,072	2,884	3,321	40
Fresno County	Fresno, CA MSA	1,149	1,157	14,43	2,033	2,330	40
Glenn County	Glenn County, CA	771	866	1,138	1,484	1,846	40
Humboldt County	Humboldt County, CA	950	1,032	1,352	1,905	2,294	40
Imperial County	El Centro, CA MSA	872	1,001	1,286	1,771	2,138	40
Inyo County	Inyo County, CA	924	1,079	1,363	1,648	2,237	40
Kern County	Bakersfield, CA MSA	960	967	1,258	1,773	2,135	40
Kings County	Hanford-Corcoran, CA MSA	1,080	1,087	1,371	1,932	2,310	40
Lake County	Lake County, CA	928	964	1,267	1,785	2,150	40
Lassen County	Lassen County, CA	760	853	1,121	1,580	1,789	40

FY2024 California FMR Local Area Summary							
Locality Name	Metropolitan Area Name	Efficiency	One-Bed-room	Two-Bed-room	Three-Bed-room	Four-Bed-room	FMR Percentile
Los Angeles County	Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area	1,777	2,006	2,544	3,263	3,600	40
Madera County	Madera, CA MSA	1,083	1,090	1,432	1,998	2,208	40
Marin County	San Francisco, CA HUD Metro FMR Area	2,292	2,818	3,359	4,112	4,473	40
Mariposa County	Mariposa County, CA	891	1,010	1,218	1,716	2,067	40
Mendocino County	Mendocino County, CA	1,119	1,132	1,488	2,097	2,525	40
Merced County	Merced, CA MSA	994	1,159	1,420	1,995	2,410	40
Modoc County	Modoc County, CA	660	802	958	1,158	1,572	40
Mono County	Mono County, CA	1,000	1,292	1,450	2,043	2,380	40
Monterey County	Salinas, CA MSA	2,340	2,367	2,879	3,990	4,400	40
Napa County	Napa, CA MSA	1,819	2,043	2,684	3,634	3,915	40
Nevada County	Nevada County, CA	1,209	1,217	1,596	2,249	2,708	40
Orange County	Santa Ana-Anaheim-Irvine, CA HUD Metro FMR Area	2,200	2,344	2,783	3,769	4,467	40
Placer County	Sacramento-Roseville Arden-Arcade, CA HUD Metro FMR Area	1,543	1,666	2,072	2,884	3,321	40
Plumas County	Plumas County, CA	803	887	1,165	1,642	1,867	40
Riverside County	Riverside-San Bernardino-Ontario, CA MSA	1,517	1,611	2,010	2,707	3,304	40
Sacramento County	Sacramento-Roseville-Arden-Arcade, CA HUD Metro FMR Area	1,543	1,666	2,072	2,884	3,321	40
San Benito County	San Benito County, CA HUD Metro FMR Area	1,707	1,917	2,519	3,550	4,121	40
San Bernardino County	Riverside-San Bernardino-Ontario, CA MSA	1,517	1,611	2,010	2,707	3,304	40
San Diego County	San Diego-Carlsbad, CA MSA	2,062	2,248	2,833	3,819	4638	40

FY2024 California FMR Local Area Summary							
Locality Name	Metropolitan Area Name	Efficiency	One-Bed-room	Two-Bed-room	Three-Bed-room	Four-Bed-room	FMR Percentile
San Francisco County	San Francisco, CA HUD Metro FMR Area	2,292	2,818	3,359	4,112	4,473	40
San Joaquin County	Stockton-Lodi, CA MSA	1,122	1,245	1,607	2,265	2,727	40
San Luis Obispo County	San Luis Obispo-Paso Robles-Arroyo Grande, CA MSA	1,541	1,731	2,274	3,045	3,465	40
San Mateo County	San Francisco, CA HUD Metro FMR Area	2,292	2,818	3,359	4,112	4,473	40
Santa Barbara County	Santa Maria-Santa Barbara, CA MSA	2,330	2,651	2,994	3,996	4,528	40
Santa Clara County	San Jose-Sunnyvale-Santa Clara, CA HUD Metro FMR Area	2,383	2,694	3,132	4,011	4,425	40
Santa Cruz County	Santa Cruz-Watsonville, CA MSA	2,849	3,085	4,054	5,000	5,504	40
Shasta County	Redding, CA MSA	1,014	1,132	1,487	2,095	2,523	40
Sierra County	Sierra County, CA	911	1,005	1,321	1,862	2,168	40
Siskiyou County	Siskiyou County, CA	838	843	1,089	1,535	1,620	40
Solano County	Vallejo-Fairfield, CA MSA	1,652	1,853	2,308	3,199	3,643	40
Sonoma County	Santa Rosa, CA MSA	1,611	1,809	2,377	3,228	3,425	40
Stanislaus County	Modesto, CA MSA	1,143	1,188	1,528	2,153	2,536	40
Sutter County	Yuba City, CA MSA	1,125	1,132	1,461	2,059	2,479	40
Tehama County	Tehama County, CA	844	948	1,245	1,695	2,010	40
Trinity County	Trinity County, CA	710	784	1,030	1,451	1,657	40
Tulare County	Visalia-Porterville, CA MSA	977	989	1,299	1,809	2,065	40
Tuolumne County	Tuolumne County, CA	919	1,032	1,356	1,795	2,301	40

FY2024 California FMR Local Area Summary							
Locality Name	Metropolitan Area Name	Efficiency	One-Bed-room	Two-Bed-room	Three-Bed-room	Four-Bed-room	FMR Percentile
Ventura County	Oxnard-Thousand Oaks-Ventura, CA MSA	1,725	2,011	2,414	3,310	3,867	40
Yolo County	Yolo, CA HUD Metro FMR Area	1,497	1,507	1,980	2,717	3,169	40
Yuba County	Yuba City, CA MSA	1,125	1,132	1,461	2,059	2,479	40

Table 42 – Monthly Rent

Data Source: HUD FMR for Local Area Rents, 2024 ([Source: HUD](#))

Per the Code of Federal Regulations, Fair Market Rents (FMRs) are estimates of rent plus the cost of utilities, except telephone. FMRs are housing market-wide estimates of rents that provide opportunities to rent standard quality housing throughout the geographic area in which rental housing units are in competition. The level at which FMRs are expressed as a percentile point fall within the rent distribution of standard quality rental housing units in the FMR area. FMRs are set at the 40th percentile rent, the dollar amount below which the rent for 40 percent of standard quality rental housing units fall within the FMR area. The 40th percentile rent is drawn from the distribution of rents of all units within the FMR area that are occupied by recent movers. Adjustments are made to exclude public housing units and substandard units. Generally, HUD will set the FMRs at the 40th percentile rent, but no lower than 90 percent of the previous year's FMR for the FMR area.

In addition, certain areas now have Small Area Fair Market Rents (SAFMR), which break fair market rent down by zip code. This policy decision was implemented by HUD in a [2016 Final Rule](#), with the intention of deconcentrating the use of housing choice vouchers. Data on specific SAFMRs can be found on [HUD's Office of Policy Development and Research website](#).

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

HUD does not provide statewide estimates for fair market rent rates. The table above shows HUD Fair Market Rents (FMR), High HOME Rents, and Low HOME Rents for the Vallejo-Fairfield Metropolitan Statistical Area, where the 2024 median household income of \$113,200 is closest to the statewide median household income of \$111,300. While market rents are higher in some places and lower than others, this provides an approximate benchmark for the large and varied California market.

According to Zillow, the median rent for all bedrooms and all property types in California is \$2,850, compared to the fair market rent of \$2,308 for a two-bedroom apartment in the median-income Metropolitan Area in the state (Vallejo-Fairfield MSA). The High HOME rent rate for a two-bedroom in that area is \$1,818 while the Low HOME rent rate is \$1,416. As is reflected by the data, it can be very difficult for lower-income households to find affordable units, causing lots of competition and exacerbating the housing crisis.

HOME Low (30% of 50% AMI) and High (30% of 65% AMI) rent limits are capped at the FMR, which is essential to ensuring affordability. However, HCD HOME staff report that the biggest challenge regarding the FMRs is with the HOME TBRA program. Typically, PHAs' payment standards (between 90-110% of FMR or SAFMR) are used for TBRA program rent standards, which means under the certificate model, tenants can only use TBRA for units with gross rent (rent + tenant paid utilities) at or below that amount. Under the voucher model, assistance can be used for units with higher gross rents, with the tenant paying the difference – however, tenants may not pay more than 40 percent of their income for rent and utilities. This can make it extremely challenging for households to use their TBRA assistance.

Is there sufficient housing for households at all income levels?

There is not sufficient housing at any income level, but housing stock availability is particularly low at levels of 80 percent AMI and below. Despite ongoing efforts, California still faces significant challenges in providing sufficient housing for households at all income levels. According to the [California Affordable Housing Needs Report of 2024](#), 78 percent of extremely low-income renters, 52 percent of low-income renters, and 6 percent of moderate-income renters spend more than 50 percent of their income on rent, effectively making them severely cost-burdened. This issue does not just impact renters, with 2016-2020 CHAS data reflecting that approximately 30 percent of all homeowners spend over 30 percent of their income on mortgage payments. Additional data on housing availability and permits can be accessed on HCD's Annual Progress Reports Data Dashboard, [linked here](#).

How is affordability of housing likely to change considering changes to home values and/or rents?

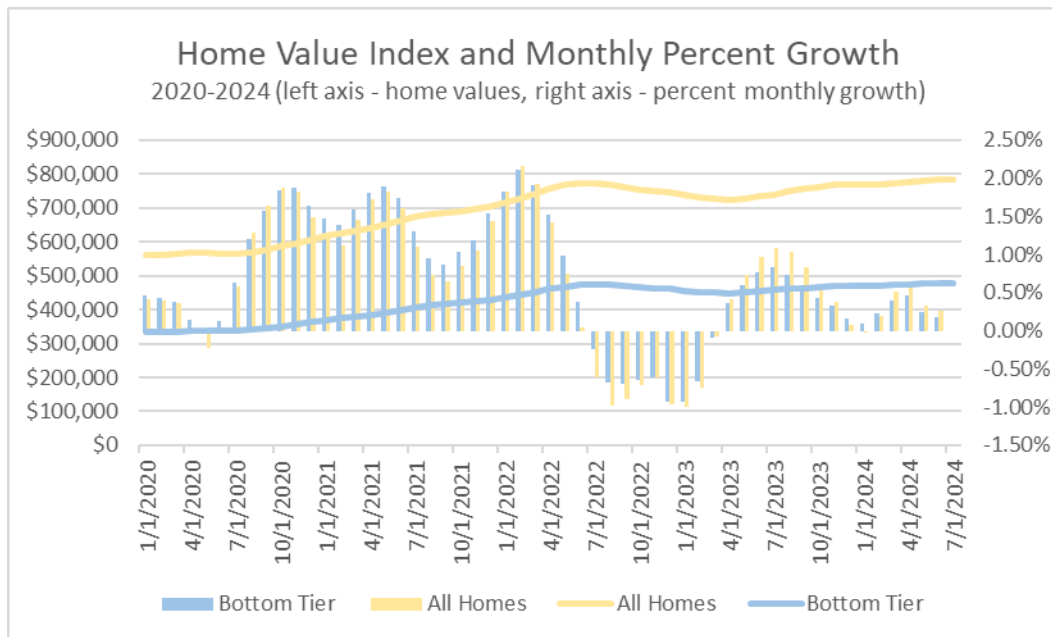
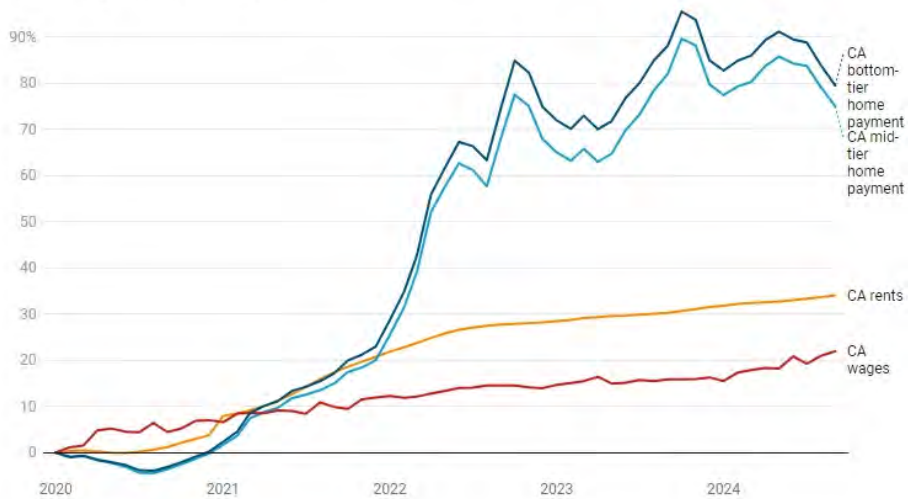


Figure 11 Home Value Index
Data Source: Zillow Home Value Index (Zillow Research)

Based on data obtained from Zillow research, the price of homes in California has seen a steady increase over the past four years. According to the California Legislature's Nonpartisan Fiscal and Policy Advisor (October 2024), monthly home payments have grown much more than either wages or rents, while costs can vary dramatically by location, especially for homebuyers. Meanwhile, there has been substantial rent growth in many counties, except for the Bay Area. This reflects a trend of significant decline in affordability for homes amongst moderate and low-income households, a trend that will likely continue and worsen in the future. When asked about affordable homes for sale in California, 69.9 percent of grantee survey respondents said that “we don’t have this, and we need this.”

Monthly Home Payments Have Grown Much More Than Wages and Rents

Cumulative growth since January 2020



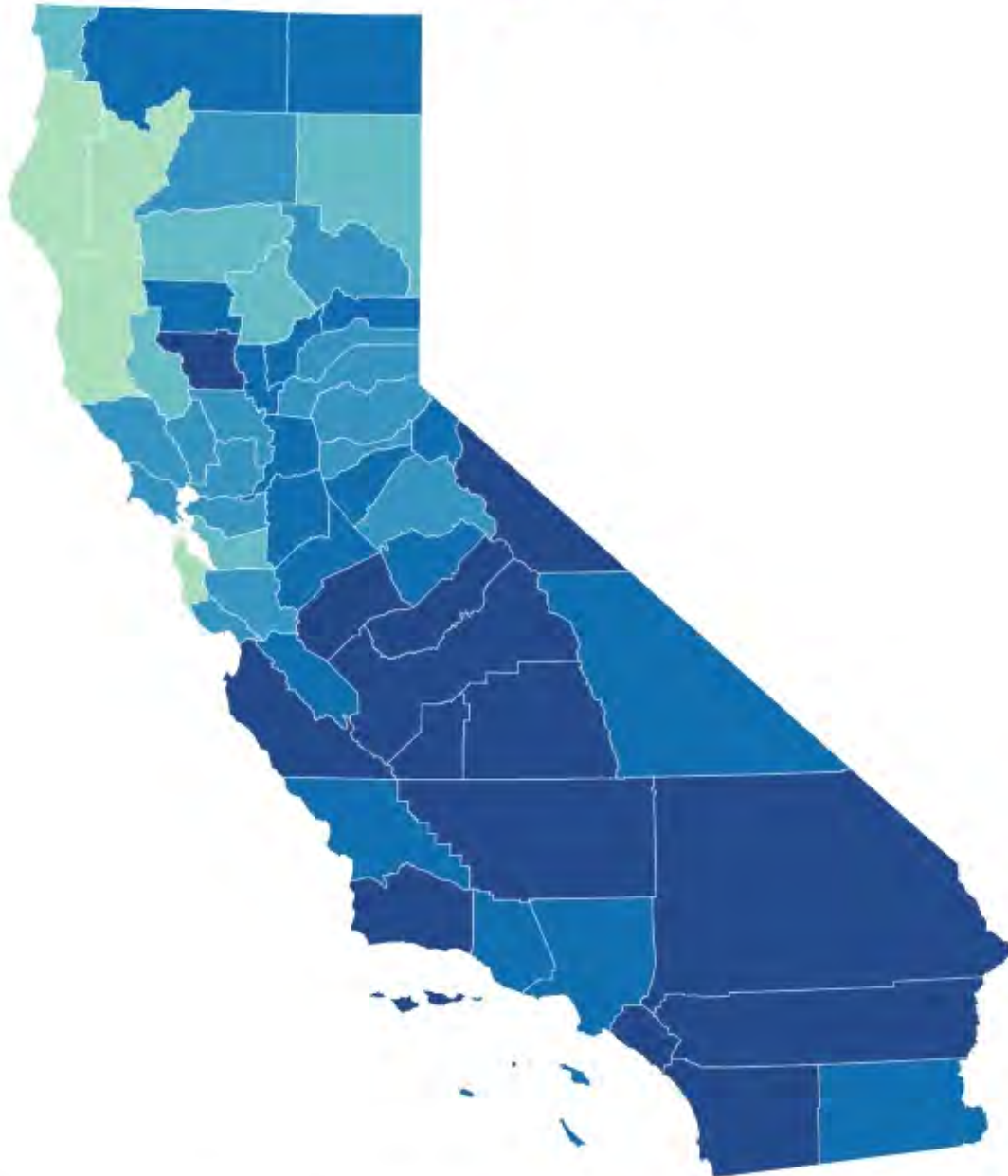
Rents and home value data from Zillow, based on LAO calculations; wages are average hourly earnings for private employees in California (Current Employment Statistics, Moody's adjusted)

Chart: LAO • Source: Zillow, Bureau of Labor Statistics • Get the data • Created with Datawrapper

Homebuying Cost Growth Over Last 4 Years Generally Higher in Southern California Than Northern California

Cumulative growth in monthly payment for newly purchased bottom-tier home since January 2020

< 39% 39%–53% 53%–67% 67%–81% 81%–95% ≥ 95%



Map: LAO • Source: LAO calculations based on Zillow data • [Get the data](#) • Created with [Datawrapper](#)

Map: LAO • Source: Zillow • [Get the data](#) • Created with [Datawrapper](#)

OMB Control No: 2506-0117 (exp. 09/30/2021)

Lower-income households are, on average, more cost burdened than their moderate-income counterparts.

During community focus group and public engagement sessions, participants noted that the lack of existing affordable housing and lack of incentives for developers to construct additional affordable housing has made accessing affordable housing more difficult for renters and buyers. In addition, areas such as the Central Valley are experiencing an influx of transplants from metropolitan areas such as the Bay Area who are buying housing inventory which increases the market rate. As such, the lack of affordable housing, lack of new affordable housing development, and increasing housing demand have made homeownership for low-income households infeasible.

Please also refer to the Needs Assessment, NA-25 section of this report for more information on cost burden and housing costs in California.

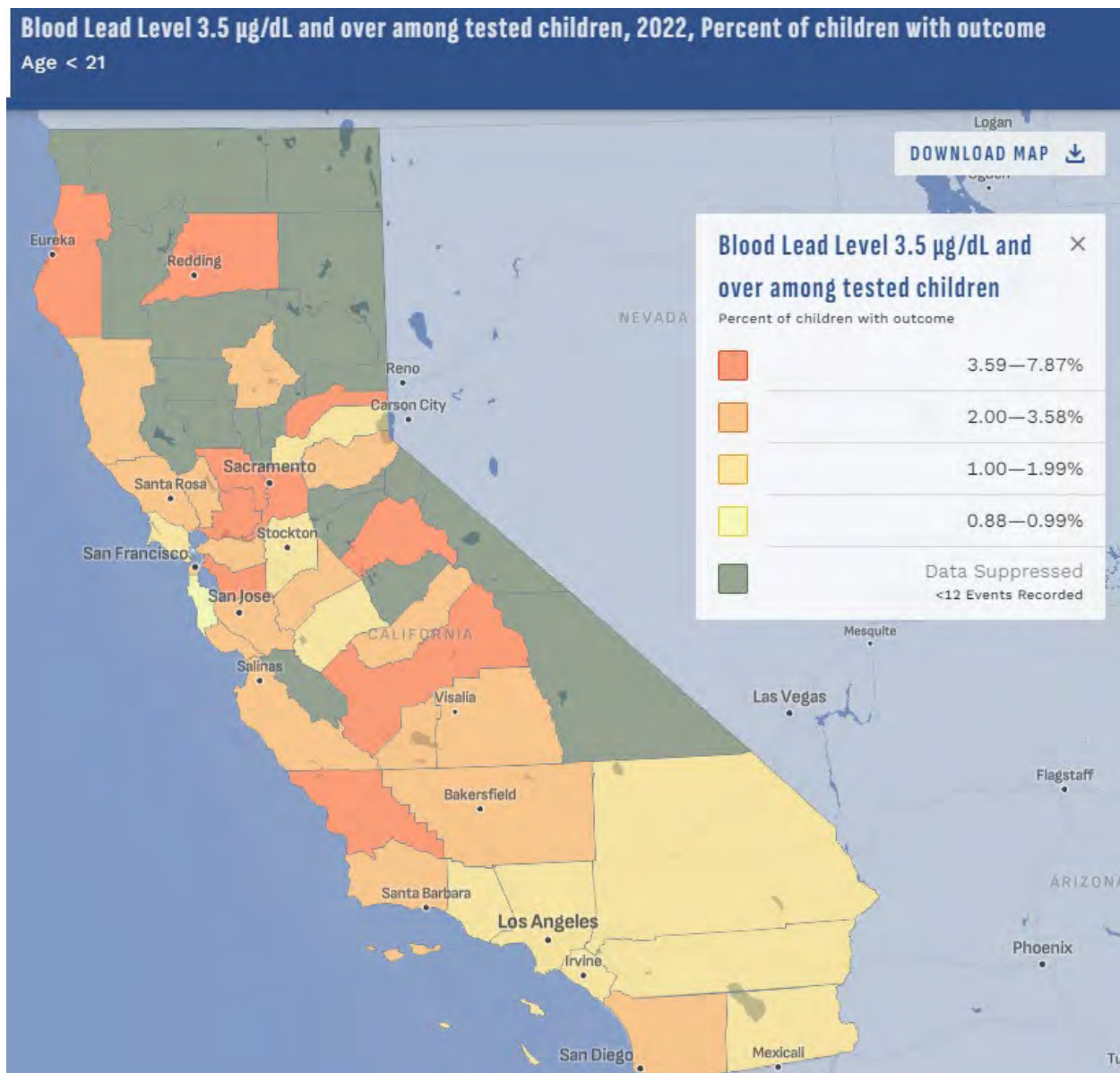
MA-20 Condition of Housing – 91.310(a)

Introduction:

This section describes the significant characteristics of the existing housing supply, including age and condition, the number of vacant and abandoned units, and the risk posed by lead-based paint.

According to 2016-2020 CHAS data, about one percent of California's 13,103,115 households report lacking complete plumbing or kitchen facilities and the issue of substandard housing conditions is more common amongst renters than homeowners, as is overcrowding. Among state-wide Con Plan survey respondents, 15 percent of survey respondents reported poor or very poor plumbing in their housing units.

About 58 percent of owner-occupied housing units and 63 percent of renter-occupied housing units in the state were built before 1980. Housing built before 1980 poses an increased risk for containing lead-based paint, soil, or dust in the housing unit. [Based on data from the United Health Foundation](#), 16.8 percent of California's housing stock has the potential of elevated lead risk due to its age, ranking 29th in the United States. Additional data on childhood lead poisoning from Tracking California, a public health organization, [can be accessed at this link](#). A map of childhood lead poisoning is below:



Childhood Lead Poisoning Test Results, 2024. Source: [Tracking California](#)

In addition, housing built before 1980 was not required to meet Americans with Disabilities Act (ADA) standards or universal design features. While data on features in private housing units is not available, features such as bathroom grab bars, ramps, or other features are less common in older homes. These statistics also include manufactured and mobilehomes, which community members and partners indicated can have above-average maintenance and structural issues.

Describe the jurisdiction's definition of "standard condition" and "substandard condition but suitable for rehabilitation":

Standard Condition: A dwelling unit that meets all applicable building codes and is in good repair, without any significant defects or hazards that would compromise the health and safety of its occupants.

Substandard Condition but Suitable for Rehabilitation: A dwelling unit that does not meet all applicable building codes and has significant defects or hazards, however, the necessary repairs can be made to bring it up to standard condition without requiring more than 75 percent of the dwelling's replacement cost.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	2,278,386	32%	2,876,160	49%
With two selected Conditions	96,079	1%	494,342	8%
With three selected Conditions	3,550	0%	22,932	0%
With four selected Conditions	253	0%	2,001	0%
No selected Conditions	4,646,047	66%	2,468,378	42%
Total	7,024,315	99%	5,863,813	99%

Table 43 - Condition of Units

Data Source: American Community Survey 5-Year Estimates 2016-2020 (ACS 2016-2020)

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	1,058,437	15%	682,852	12%
1980-1999	1,860,069	26%	1,510,936	26%
1950-1979	3,117,117	44%	2,690,361	46%
Before 1950	988,692	14%	979,664	17%
Total	7,024,315	99%	5,863,813	100%

Table 44a – Year Unit Built (Entire State)
Data Source: 2016-2020 CHAS

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	202,129	28.4%	66,804	19.8%
1990-1999	232,111	32.6	105,163	31.1%
1950-1979	219,188	30.7%	124,439	36.9%
Before 1950	58,700	8.2	41,333	12.2%
Total	712,128	99.9%	337,739	100%

Table 44b – Year Unit Built (Non-Entitlement Jurisdictions)
Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	4,105,809	58%	3,670,025	63%
Housing Units Built Before 1980 with children present	954,510	14%	464,850	8%

Table 45 – Risk of Lead-Based Paint

Data Source: American Community Survey 5-Year Estimates 2016-2020 (ACS 2016-2020); 2016-2020 CHAS

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	HUD generated table. Data has not been tracked since 2009 so table is blank.	0	0
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 46a - Vacant Units (Entire State)

Data Source: 2005-2009 CHAS

	Estimate
Total Housing Units	1,260,186
Total Vacant Units	210,319
Median Homeowner Vacancy Rate	1.66%
Median Renter Vacancy Rate	4.16%

Table 46b – Vacant Units (Non-Entitlement Jurisdictions)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Need for Owner and Rental Rehabilitation

Aging housing stock and the impacts from natural disasters increase the need for both owner and rental rehabilitation throughout California. Table 43a shows the year units in the state were built. Among owner-occupied units, 58 percent were built before 1980. The percentage of renter-occupied units built before 1980 is even greater at 63 percent. Only 15 percent of owner-occupied units and 12 percent of renter-occupied units were built in 2000 or later. Non-entitlement areas have a faster-growing elderly population and are also more likely to experience flooding and wildfires due to their geographic location, creating a need for resilience-focused rehabilitation to ensure safety against natural disasters.

Additionally, applications to HCD's HUD-funded programs indicate a need for owner and rental rehabilitation. For example, CDBG's most recent NOFA awards in 2022 included nearly \$4 million in funding to eight communities across the state for housing rehabilitation programs. The HOME program also recently awarded \$1.6 million to four communities for owner-occupied rehabilitation programs.

Due to the impacts on housing from the 2017, 2018, 2020 and 2021 disasters, HCD also established owner-occupied reconstruction/rehabilitation and mitigation retrofit programs, which collectively, are branded as the ReCoverCA Housing Programs. The ReCoverCA Housing programs allow low and median income (LMI) homeowners and landlords who rent their single-family rental properties to LMI tenants to apply directly through HCD to rebuild their disaster damaged homes or apply for mitigation retrofits to prevent future damage. Through 2023, ReCoverCA had already issued 101 awards.

When asked to rank affordable housing projects and services, 55 percent of Con Plan public survey respondents cited homeowner housing rehabilitation as extremely important, and 23 percent cited it as somewhat important, demonstrating public need. Similarly, the rehabilitation of apartment buildings was cited as extremely important by 48 percent of respondents and somewhat important by 27 percent.

Estimated Number of Housing Units Occupied by Low- or Moderate-Income Families with LBP Hazards

Based on American Community Survey data for non-entitlement areas, there are an estimated 443,660 housing units built before 1979. Of this number, 165,772 are renter-occupied and 277,888 are owner-occupied. These housing units are at increased risk of lead-based paint. Lead-based paint, commonly used in homes constructed before 1978, can pose significant health hazards if not properly maintained or remediated, leading to the release of hazardous dust and chips. Young children are especially at risk, facing serious health issues like developmental delays, learning disabilities, and behavioral problems when exposed to lead.

When asked to rank projects and services in the state-wide Con Plan public survey, 34 percent of respondents ranked lead-based paint testing and abatement as extremely important while 31 percent ranked it as somewhat important. More than one-third of grantee survey respondents said that they are unaware if lead-based paint is a problem in their community.

CDPH also maintains blood lead level (BLL) data by jurisdiction, [which can be found at this website](#). In FY 2020-2021, the year referenced in CDPH's 2024 Biennial Report, there were 269 new children meeting full case criteria for elevated lead levels. Of those 269 new childhood lead cases, 175 (65.1 percent) received full case management services (both home visit and on-site environmental investigation) and 168 unique properties went through an environmental investigation. Additional policy recommendations and analysis can be found in CDPH's 2024 report [California's Progress in Preventing and Managing Childhood Lead Exposure](#).

HCD also visualizes the distribution of geospatial risk factors for lead exposure throughout the state. Areas in the darkest blue are defined as having at least five of the following eight geospatial indicators: high percent of pre-1978 housing; proximity to a current or historic lead emitting facility, highway, smelter, small-craft airport, railroad, or speedway; or service by a water district with at least one known lead user service line or fitting. The statewide map is displayed below:

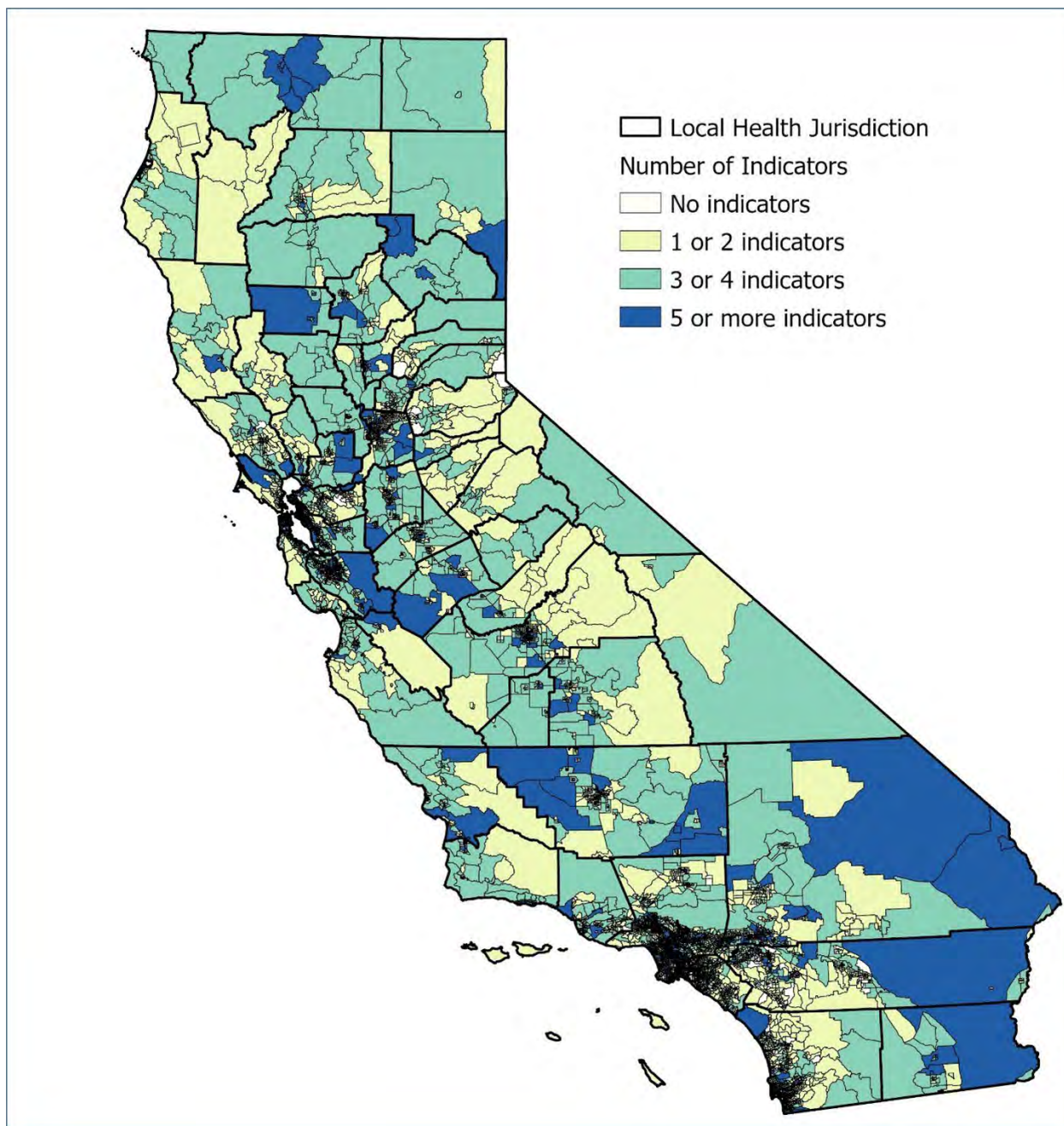


Figure X: California census tracts by number of geospatial indicators of risk for childhood lead exposure: pre-1978 housing; proximity to a current or historic lead emitting facility, state highway, smelter, small-craft airport, railroad, and speedway; and served by at least one known lead water user service line or fitting. ([Source: HCD](#))

The eight indicators are only indicative of the potential for soil contamination, water contamination, and lead-based paint. Non-housing sources such as home remedies, imported spices, and jewelry are important sources of lead exposure that are not included in these maps.

Discussion:

California's housing stock is in need of reinvestment, particularly in rural, non-entitlement areas. Rehabilitation efforts are necessary to help ensure that all Californians, regardless of income, have access to safe and decent housing. Community partners and members interviewed in the non-entitlement area repeatedly note the high cost of poor-quality housing. Participants discussed mobile homes, which can provide affordable housing options, particularly in rural areas of the state. Mobile homes vary in quality, and participants interviewed noted that they can often be in poor condition.

Housing as a Corporate Investment: Housing used for investment purposes and kept vacant is a growing issue of concern for Californians. Private investors leaving units vacant while they wait for prices to increase has the potential to reduce the number of available housing units. San Francisco City became the first city to pass a housing vacancy tax, [approved by voters in 2022](#). This tax would apply to owners of residential units in buildings with three or more units that are vacant for more than 182 days of the year, consecutive or non-consecutive. A group of property owners immediately filed a lawsuit against the City, claiming that this tax impedes their constitutional rights, and HCD will monitor the results of this litigation. Other cities in California are considering implementing similar taxes to mitigate the issue of unit vacancies.

MA-25 Public and Assisted Housing – (Optional)

Introduction:

States are not required to report on the condition of public housing units statewide or in non-entitlement jurisdictions. However, data are made available from HUD's "[Picture of Subsidized Households, 2009-2023](#)" to provide more information on the total stock of HUD subsidized housing available to low and extremely low-income households in the state.

It is important to note that "Picture of Subsidized Households" does not cover other housing subsidy programs, such as those of the U.S. Department of Agriculture's Rural Housing Service, unless they also receive subsidies referenced above. Other programs such as Indian Housing, HOME and housing developed utilizing public-private partnerships or receiving CDBG funds are also excluded.

Totals Number of Units

N/A: States are not required to report on the condition of public housing units statewide or in non-entitlement jurisdictions.

Describe the supply of public housing developments:

N/A: States are not required to report on the condition of public housing units statewide or in non-entitlement jurisdictions.

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

N/A: States are not required to report on the condition of public housing units statewide or in non-entitlement jurisdictions.

Describe the Restoration and Revitalization Needs of public housing units in the jurisdiction:

N/A: States are not required to report on the condition of public housing units statewide or in non-entitlement jurisdictions.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

N/A: States are not required to report on the condition of public housing units statewide or in non-entitlement jurisdictions.

Discussion:

MA-30 Homeless Facilities – 91.310(b)

Introduction

Homelessness is a major issue in California, with 154,028 homeless households and 181,399 homeless individuals in 2023 according to the HUD Continuum of Care Homeless Assistance Programs Report. Of the total homeless individuals in 2023, 10,589 were veterans, 10,173 were unaccompanied youth, and 71,150 were individuals experiencing chronic homelessness.

The Continuum of Care Homeless Assistance Programs Report includes data on emergency shelter beds, transitional housing beds and current and new permanent supportive housing beds funded by HUD Continuum of Care funding. The table below shows facilities and services available to address the needs of individuals and families in California experiencing homelessness. The table does not include permanent supportive housing under development because the report does not include this information.

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year-Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	17,610	1,727	6,614	19,454	No longer tracked by the Continuum of Care.
Households with Only Adults	36,886	N/A	9,040	55,611	
Chronically Homeless Households	-	N/A	N/A	24,461	
Veterans	480	N/A	2,249	23,155	
Unaccompanied Youth	294	N/A	22	35	

Table 46 - Facilities Targeted to Homeless Persons

Data Source: 2023 HUD Continuum of Care Homeless Assistance Program Report

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

There are many statewide and local agencies and organizations across California that provide mainstream services that complement services used by individuals and families experiencing homelessness. At the state level there are many examples of these programs and services including, but not limited to:

- Social safety net: federal and state income and food benefits, subsidized healthcare, unemployment, and insurance programs such as CalWorks, CalFresh, WIC, CalAIM, SSI/SSDI, and Covered California
- Early childhood: Childcare, preschool, and Head Start programs, free school lunches for all
- Community-based healthcare, including mental health and substance use disorder treatment
- Education, workforce training, and employment services
- Workforce support and unemployment benefits
- Reentry programs for foster youth and the justice-involved
- Disaster housing and support services through HCD, FEMA, and CDSS
- Coordinated service delivery approaches, to efficiently connect individuals to all the benefits and services available to them

The Consolidated Plan SP-70 (Anti-Poverty Strategy) provides additional details and examples of mainstream programs and services that complement services used by homeless persons.

California also has a statewide 211 information and referral service that connects people to health and human services in their community.

There are also Community Action Agencies, which are non-profit private and public organizations established under the Economic Opportunity Act of 1964 to fight America's war on poverty. These agencies, funded through the Community Services Block Grant program, assist people to help themselves in achieving self-sufficiency. Some of the services that may be provided include childcare, education, energy assistance, emergency assistance, financial and legal services, food programs, health services, housing services, prevention programs, self-reliance programs, and youth services.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

The State of California administers many programs that fund services and facilities to meet the needs of individuals and families experiencing homelessness. The majority of these programs provide funding to local jurisdictions, regional partnerships (e.g., CoCs), and non-profit organizations, which, in turn, develop, manage, and provide services, facilities, and housing for persons experiencing homelessness. The state's 44 CoCs are HCD's source for information on activities to address and prevent homelessness in specific jurisdictions.

Examples of programs funded/administered at the state level include:

Programs administered by HCD:

Emergency Solutions Grants (ESG): The ESG program distributes federally allocated funding from HUD to CoCs. Grants can be used to (1) engage homeless individuals and families living on the street, (2) rapidly re-house homeless individuals and families, (3) help operate and provide essential services in emergency shelters for homeless individuals and families (including required intake data collection), and (4) prevent individuals and families from becoming homeless.

No Place Like Home Program (NPLH): NPLH provides subsidized loans to counties to acquire, design, construct, rehabilitate, or preserve permanent supportive housing for persons who are experiencing homelessness/chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.

Veterans Housing and Homelessness Prevention (VHHP): VHHP funding can be used for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families. At least 50 percent of the funds awarded shall serve veteran households with extremely low incomes.

Youth Transitional Housing Program (THP): Authorized by California SB 80 (2019), THP provides \$8 million in one-time funding to counties' child welfare services agencies to help young adults aged 18 to 25 years find and maintain housing, with priority given to those formerly in the foster care or probation systems.

Pet Assistance and Support Program (PAS): California SB 109 (2019), Section 16, authorizes approximately \$5 million in Pet Assistance and Support Program funds for qualified homeless shelters to provide shelter, food, and basic veterinary services for

pets owned by individuals experiencing homelessness, along with staffing and liability insurance related to providing those services.

Homeless Housing, Assistance, and Prevention (HHAP): Administered by the California Department of Housing and Community Development, HHAP has awarded \$2.4 billion in state funding since 2020 to CoCs, large cities, and counties for activities similar to those funded under the ESG program. HHAP makes available grant allocations to cities, counties, and CoCs with flexible funding to prevent and end homelessness in their region.

Tribal Homeless Housing, Assistance, and Prevention (Tribal HHAP) Grants Program: Tribal HHAP provides flexible funding to California Federally Recognized Tribes for a variety of unique, culturally responsive interventions to prevent and address homelessness in their communities.

Encampment Resolution Funding (ERF) Program: Competitive grant program available to assist local jurisdictions to provide services and supports to people experiencing homelessness in encampments that results in meaningful paths to safe and stable housing. Eligible applicants include counties, Continuums of Care (CoCs), and cities of any size.

Family Homelessness Challenge (FHC) Grants and Technical Assistance Program: The Family Homelessness Challenge Grants provide competitive grants and technical assistance to local jurisdictions to promote rapid innovation and expand promising practices to create scalable solutions that can be shared across the state to address and ultimately end family homelessness.

Homekey+: This program, capitalized by \$2.2 billion in funding allocated from the passage of Proposition 1, will expand on the success of the Homekey Program to help support the development of permanent supportive housing for veterans and individuals at risk of or experiencing homelessness and with mental health or substance use challenges. For more information on the Homekey+ program, including eligible applicants and uses for funding, [see the new program factsheet](#).

Homekey Tribal: Funding available under the 2023 Homekey Tribal NOFA provides a funding option for Tribal Entities to develop multifamily rental housing developments, including rehabilitation of existing housing, new construction of apartments, townhomes, or single-family rental homes, including manufactured housing, or conversion of non-residential space to residential housing. Projects developed using Homekey Tribal funding shall provide permanent housing for people and households experiencing homelessness or at risk of homelessness, and who are impacted by or at increased risk due to the COVID-19 pandemic. For more information, [see the Tribal Program website](#).

Programs administered by other state departments and agencies:

Housing Opportunities for Persons with AIDS (HOPWA): Administered by the California Department of Public Health, HOPWA funds housing assistance and supportive services designed to reduce or prevent homelessness for persons living with HIV (PLWH).

CalWORKs Homeless Assistance: Administered by the California Department of Social Services (CDSS), CalWORKs HA aims to help CalWORKs families meet the reasonable costs of securing housing. The program serves households eligible for CalWORKs who are experiencing or at risk of homelessness. CalWORKs HA can provide payments for temporary shelter for up to 16 consecutive calendar days, as well as payments to secure or maintain housing, including a security deposit and last month's rent, or up to two months of rent arrearages.

CalWORKs Housing Support (HSP): Also administered by CDSS, this program is intended to foster housing stability for families experiencing homelessness. HSP assists homeless CalWORKs families in obtaining permanent housing, and can provide temporary shelter, help with moving costs, short to medium term rental assistance and wraparound case management.

Bringing Families Home (BFH): CDSS's Bringing Families Home program is intended to help reduce the number of families in the child welfare system experiencing homelessness, increase family reunification, and prevent foster care placements. BFH serves homeless families involved with the child welfare system and is designed to offer housing support for families to successfully reunify.

Housing Advocacy Program (HDAP): CDSS's HDAP program assists individuals with disabilities who are experiencing homelessness apply for benefit programs, while also providing housing support. HDAP requires that participating counties offer outreach, case management, benefits advocacy, and housing support to all program participants.

The Home Safe Program: CDSS's Home Safe Program is intended to support the safety and housing stability of individuals involved in Adult Protective Services (APS) who are experiencing, or at imminent risk of experiencing, homelessness due to elder or dependent adult abuse, neglect, self-neglect, or financial exploitation.

Project Roomkey – Phase 1: Administered by the Governor's Office and CDSS, Phase 1 of Project Roomkey provided rapid-response funding to counties during the COVID-19 pandemic. The funding was used to lease unoccupied hotel and motel rooms to address the need for non-congregate shelter, quarantine individuals infected with or exposed to COVID-19 and experiencing homelessness and reduce the demand for emergency room and hospital facilities. According to the California Department of Social Services, over 62,000 individuals were served through the program. There is no new funding at this time.

Education for Homeless Children and Youth: Administered by the California Department of Education, the Education for Homeless Children and Youth Program provides funding to school districts to (1) facilitate the enrollment, attendance, and success in school of homeless children and youth; and (2) ensure homeless children and youth have equal access to the same free, appropriate, public education as provided to all other students.

Behavioral Health Bridge Housing Program (BHBH): Through the BHBH Program, DHCS provides funding to county behavioral health agencies and Tribal entities to operate bridge housing settings to address the immediate housing needs of people experiencing homelessness who have serious behavioral health conditions, including serious mental illness (SMI) and/or substance use disorder (SUD).

Behavioral Health Continuum Infrastructure Program (BHCIP): DHCS was authorized through 2021 legislation to establish BHCIP and award funds to construct, acquire, and expand properties and invest in mobile crisis infrastructure related to behavioral health. DHCS has been releasing these funds through multiple grant rounds serving various gaps in the state's behavioral health facility infrastructure.

Tribal Housing Capacity Development Project (THCDP): Through CA Rural Housing, this program provides free technical assistance, training, and other capacity development assistance to federally recognized Indian Tribes to enable them to better plan and implement housing projects and programs – individually and jointly. THCDP is funded through a USDA Rural Community Development Initiative (RCDI), banking partners, and non-profit affordable housing developers. Through THCDP, CCRH, and in partnership with our partners Northern Circle Indian Housing Authority (NCIHA) and Rural Community Assistance Corporation, Yocha Dehe Wintun Nations has assisted Tribes secure new grants, plan and implement new housing projects, form partnerships and develop staff and council skills and knowledge.

MA-35 Special Needs Facilities and Services – 91.310(c)

Introduction

California offers a variety of programs and services for individuals and households comprising special needs populations including, but not limited to, elderly, persons with disabilities, and persons with HIV/AIDS and their families. These programs are available through multiple state agencies, but mostly housed within the California Department of Developmental Services, and the California Department of Public Health (CDPH) – Office of AIDS and its parent agency – the California Health and Human Services Agency (CalHHS). CDPH/OA administers HOPWA and serves 40 of California’s 58 counties. The remaining 18 counties are served by CoC’s. Each of these separate divisions has publicly available plans and information about the variety of facilities and services they maintain to meet the state’s needs. CalHHS oversees 17 departments and offices. These offices provide a wide range of services in the areas of mental, social, and health care and services for Californians, including elderly, persons with disabilities, youth and people experiencing homelessness.

The following section outlines the various facilities and services to assist persons who are not homeless but require supportive housing and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing. Jurisdictions that receive HOPWA funding must also describe the availability of housing for HOPWA-eligible individuals and their families. In the table below is the available HOPWA Assistance during the 2023-2024 Program Year:

HOPWA Assistance Baseline Table

Type of HOWPA Assistance	Number of Units Designated or Available for People with HIV/AIDS and their families
TBRA	28
PH in facilities	0
STRMU	544
ST or TH facilities	5
PH placement	27

Table 47 – HOPWA Assistance Baseline
Data Source: State HOPWA Data

To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

Persons with Disabilities: CalHHS has programs for individuals with disabilities throughout the state with a focus on individualized care and benefits programs designed to meet the specific needs of each person. From assisted living and personal care homes to individual support plans for community services and medical assistance, CalHHS seeks to meet the needs of individuals with disabilities throughout the community.

Persons with HIV/AIDS: HOPWA, funded by HUD, is administered by CDPH. HOPWA funds housing assistance and supportive services designed to reduce or prevent homelessness for persons living with HIV/AIDS (PLWHA). HOPWA also funds agencies that provide transitional housing facilities for homeless PLWHA. In addition, project sponsors provide hotel/motel voucher assistance (Emergency Shelter) to clients while they assist them in locating more stable housing. All project sponsors work with homeless PLWHA to link them to homeless services within their communities.

PLWHA entering HCP or CDPH/OA HOPWA HIV service programs, including those exiting from an institution, are screened for housing needs at intake and receive supportive services from a case manager, which includes a comprehensive housing plan and linkage to healthcare and support. In FY 2023-24, the CDHP/OA HOPWA program provided 683 PLWHA housing subsidy assistance, including TBRA, STRMU, PHP, and facility-based housing (e.g., hotel/motel). These clients received case management and many also received other supportive services, including meals/nutritional services, transportation, etc., either through HOPWA or RWHAP. Project sponsors have reported several obstacles that limit their ability to provide housing assistance to PLWHA, including lack of affordable housing and housing availability, mental health issues, substance use issues, poor credit and/or rental history, criminal record history, natural disasters, and W-9 tax requirements for landlords.

Persons At-risk of Homelessness: For persons at risk of homelessness, the National Housing Trust Fund Program (NHTF) provides funding via grants and/or deferred-payment or forgivable loans to create rental housing for extremely low-income households, including families experiencing homelessness.

For youth exiting foster care or juvenile justice systems, HCD's Transitional Age Youth (TAY) Program encompasses three programs to prevent homelessness and secure and maintain housing for young adults aged 18 to 24 years, with priority given to those currently or formerly in the foster care or probation systems. The importance of these

programs was emphasized in the ESG CoC consultation on October 23, 2024 through HCD's Housing Navigation and Maintenance Program (HNMP), the Transitional Housing Program (THP), and the Transitional Housing Plus Program (THP-Plus). THP-Plus is a transitional housing program for young adults who exited foster care (including those supervised by Juvenile Probation) on or after their 18th birthday. This program offers housing and supportive services for 36 cumulative months or until the age of 25, whichever comes first.

HCD, in partnership with other state and local agencies, successfully developed the No Place Like Home Program (NPLH) program during Fiscal Year 2016-2017 (FY16). NPLH provides funding to counties to develop permanent supportive housing for seriously mentally ill Californians who are homeless, chronically homeless, or at-risk of chronic homelessness. The program is funded by state bond proceeds authorized by California's Mental Health Services Act, which was approved by voters in November 2018. NPLH is still active, although there are no current funding opportunities.

Counties receiving NPLH awards must provide mental health services and coordinate the provision of or referral to other services that NPLH tenants may need, including health, social services, employment, and education. NPLH's Round 4 NOFA awarded approximately \$582 million in September 2022. Approximately \$284 million was awarded to affordable housing developers through competitive applications and non-competitive allocations, and an additional approximately \$298 million was awarded to counties through an alternative process. All funds are disbursed, but construction remains in progress.

The ESG program funds Rapid Rehousing (RRH) and Homelessness Prevention (HP) programs, which provide short and medium-term rental assistance and supportive services to homeless individuals, families, and those at risk of homelessness, to access and maintain affordable, suitable housing. In FY22, RRH programs assisted 4,096 persons where 2,779 of those people served moved into permanent housing. In FY22, homelessness prevention programs served 189 persons.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

State agencies such as CDPH, CDCR, local CoC's, and other local service providers undertake outreach and coordinated investment planning to ensure those in greatest need and at greatest risk of homelessness following discharge from publicly funded institutions are aware of available resources to assist them. The COVID-19 pandemic prompted state agencies to enhance interagency partnerships and collaboration to better serve those returning from publicly funded institutions. This has contributed to a comprehensive array of services, programs, funding, and community resources to support individuals and families. In addition, ESG grantees have used homelessness

prevention funds to house those persons that meet program requirements who were recently released from institutions including prisons, jails, hospitals, and mental health facilities. A description of key programs for ensuring this demographic can obtain appropriate supportive housing follows:

For veterans who require supportive housing services, HCD began the **Veterans Housing and Homelessness Prevention (VHHP)** program in 2014. The VHHP program incentivizes the development of affordable multifamily supportive housing for veterans and their families. These multi-family developments provide supportive services for veterans who are least likely to access and maintain housing on their own.

HCD also implemented the HOME-ARP program, which allocated \$131 million through various NOFAs to support developers, nonprofit service providers, and Tribal Entities in addressing homelessness and assisting qualifying populations. This funding includes opportunities for affordable housing development under the HOME-ARP Rental Housing NOFA, as well as initiatives for supportive services through the Housing Plus Support Program (HPSP) NOFA. These efforts aim to benefit individuals and families currently homeless or at risk, aligning with the program's mission to provide essential support and stability. Additional information about the HOME-ARP program and its projects [can be found on HCD's website](#).

PLWHA entering RWHAP or CDPH/OA HOPWA HIV service programs, including those exiting from an institution, are screened for housing needs at intake and receive supportive services from a case manager, which include a comprehensive housing plan and linkage to healthcare and support. Some state HOPWA project sponsors own or operate transitional supportive housing for PLWHA, including PLWHA exiting institutions.

CDPH/OA HOPWA does not provide vouchers for or have dedicated supportive housing for persons exiting mental and physical health institutions. However, all PLWHA entering a HOPWA or RWHAP program, including those exiting a mental or physical health institution, are screened for housing and service needs, and linked to available housing and service agencies.

CDCR also offers post-release housing with supportive services programs.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

This section summarizes the actions that the grantee will undertake to serve special needs populations, which links to the one-year goal of Addressing and Preventing Homelessness.

During the next year, HOPWA project sponsors will continue activities to address the housing and supportive needs for PLWHA, both people experiencing homelessness and those not homeless, such as TBRA, STRMU, PHP, hotel/motel voucher assistance, HIS, and supportive services. Almost all CDPH/OA HOPWA project sponsors provide case management to clients and cover topics to assist in improving self-sufficiency such as budgeting, being a good tenant, raising credit scores, avoiding scams, etc.

For additional details, please also see previous sections in MA-35, as well as MA-30, SP-55 and SP-60 for actions that the State and HCD will undertake to serve special needs populations.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

N/A: This requirement is for entitlement/consortia grantees.

MA-40 Obstacles to Affordable Housing – 91.310(d)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

California's Statewide Housing Plan provides an extensive analysis of the land use, planning, and other policies limiting the development of affordable housing. While some statewide laws present obstacles, California local governments have primary control over land use and housing related decisions and can enact policies that discourage affordable housing development. These policy challenges impact each stage of the planning and development process, and are described in greater detail below:

- **Overly Restrictive Local General Plans and Housing Elements:** Each local government is required to submit a General Plan, made up of seven elements including the housing element, every five to eight years. The housing element identifies housing needs and sites with appropriate development standards to address those needs. When jurisdictions do not abide by their Housing Element Law, it is possible that fewer sites are available for development.
- **Restrictive federal and state Laws:** Federal and state laws, specifically those pertaining to environmental and land use, play a crucial role in shaping affordable housing development in California. One such law is the California Environmental Quality Act (CEQA). While CEQA aims to protect the environment, it can create lengthy review processes and is often used as a tool to delay affordable housing projects. Recent reforms, however, have introduced exemptions for certain affordable housing projects to streamline development. That type of streamlining is not reflected in environmental regulations which mandate environmental assessment and public participation of the development process. This can cause both additional costs and time depending on the study requirements and delay.
- **Restrictive Zoning Ordinances:** It is common for California jurisdictions to zone much of their residential land for single-family use which prevents different types of affordable housing from being constructed such as multi-family or higher density housing.
- **High Local Fees, Exactions, and Development Standards:** Developers often face substantial fees for permits, impact fees, and other exactions. In addition, the costs associated with obtaining the necessary permits for construction can be substantial.
- **Cumbersome Local Development Approvals:** Lengthy approval processes, discretionary reviews, and environmental assessments can extend project timelines, sometimes by years, and add financial burdens. Additionally, restrictive zoning laws and community opposition often limit the types and densities of

housing that can be built. Some jurisdictions even require voter approval for changes to land use policy for a single project.

- **Complex State and Local Building Codes:** Building codes mandate high standards for materials, design, and construction methods to ensure safety and quality, but they also can add financial burden to projects. The compliance process is often complex and time-consuming, requiring developers to hire specialists and navigate frequent updates to the codes. Additionally, the variation in building codes across different municipalities adds another layer of complexity, making it difficult for developers to plan and execute affordable housing projects efficiently.
- **Lack of Affordable Housing Financing, and Lengthy and Complex Processes:** Developers often need to secure multiple funding sources, such as commercial mortgages, federal Low-Income Housing Tax Credits (LIHTC), and state tax credits, which can be a complex and time-consuming process. Additionally, regulatory obstacles and inefficiencies in the system further increase costs and delays.
- **Insufficient Funding:** Many of the policies listed above can increase the cost of developing affordable housing. However, there are many other external factors, such as supply and pricing, as well as other policies that can increase the cost of development. State and federal funding has not been able to keep up with rising costs, resulting in delays in building and fewer units being built.
- **High Insurance Costs:** The cost of insurance for both new construction and existing housing increases the overall cost of housing. These costs increase the total cost of both developing housing, owning a home, or, for rental properties, the amount a landlord must charge in rent to make a typical profit margin. This increases the price of housing, reducing affordability.

MA-45 Non-Housing Community Development Assets -91.315(f)

Introduction

This section provides a summary of the priority non-housing community development needs as it pertains to the state's workforce and business needs. California is committed to developing a workforce system that enables economic growth and promotes shared prosperity for employers and employees, especially those with obstacles to employment, by investing in industry partnerships, job quality, and meaningful skills attainment. California has dedicated a significant amount of time and resources toward strengthening the alignment in its workforce and education programs by creating and implementing interagency partnerships between many different state agencies. These interagency partnerships bridge connections for respective regional and local entities to initiate conversations, synchronize service provisions and delivery, and leverage available resources. The state also continues to make investments to upgrade and modernize information technology systems to improve the operation and employee experience for worker health and safety programs, unemployment, and paid family leave.

Business By Sector

Economic Development Market Analysis

The breakdown of California's worker composition is presented in the table below:

Business by Sector	# of Workers	Share of Workers %
Agriculture, Mining, Oil & Gas Extraction	394,290	2.1%
Arts, Entertainment, Accommodations	1,894,858	10.2%
Construction	1,190,537	6.4%
Education and Health Care Services	3,960,265	21.2%
Finance, Insurance, and Real Estate	1,118,253	6.0%
Information	542,674	2.9%
Manufacturing	1,676,497	9.0%

Business by Sector	# of Workers	Share of Workers %
Other Services	952,302	5.1%
Professional, Scientific, Management Services	2,581,266	13.8%
Public Administration	850,479	4.6%
Retail Trade	1,942,421	10.4%
Transportation and Warehousing	1,028,818	5.5%
Wholesale Trade	514,234	2.8%
Total	18,646,890	

Table 48 - Business Activity

Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Labor Force

	Number
Total Population in the Civilian Labor Force	1,296,772
Civilian Employed Population 16 years and over	1,199,240
Unemployment Rate	7.43
Unemployment Rate for Ages 16-24	16.86
Unemployment Rate for Ages 25-65	4.50

Table 49a - Labor Force (Non-Entitlement Jurisdiction)

Data Source: HUD

Occupations by Sector

Occupations by Sector	Number
Management, business and financial	266,061
Farming, fisheries, and forestry occupations	48,791
Service	134,766
Sales and office	239,167
Construction, extraction, maintenance, and repair	175,988
Production, transportation, and material moving	72,875

Table 50a – Occupations by Sector (Non-Entitlement Jurisdiction)

Data Source: HUD

Occupations by Sector	Number of Workers	Percent
Civilian employed population 16 years and over	1,265,278	
Agriculture, forestry, fishing and hunting, and mining	82,785	6.5%
Construction	104,368	8.2%
Manufacturing	94,572	7.5%
Wholesale trade	29,790	2.4%
Retail trade	137,137	10.8%
Transportation and warehousing, and utilities	69,999	5.5%
Information	16,337	1.3%
Finance and insurance, and real estate and rental and leasing	57,955	4.6%
Professional, scientific, and management, and administrative and waste management services	125,484	9.9%
Educational services, and health care and social assistance	267,607	21.2%
Arts, entertainment, and recreation, and accommodation and food services	127,995	10.1%
Other services, except public administration	58,382	4.6%
Public administration	92,867	7.3%

Table 50b – Occupations by Sector (Non-Entitlement Jurisdictions)

Data Source: HUD

Travel Time

Travel Time	Number	Percent
< 30 Minutes	702,726	65%
30-59 Minutes	259,271	24%
60 or More Minutes	112,042	10%
Total	1,074,039	100%

Table 51a – Travel Time (Non-Entitlement Jurisdiction)

Data Source: HUD

Education Attainment:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	131,557	17,343	106,412
High school graduate (includes equivalency)	219,315	18,349	126,153
Some college or Associate degree	344,103	20,946	142,705
Bachelor's degree or higher	268,759	9,717	61,453

Table 52 – Educational Attainment by Employment Status (Non-Entitlement Jurisdiction)

Data Source: HUD

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	3,335	18,034	33,045	74,967	49,691
9th to 12th grade, no diploma	29,852	35,856	33,880	59,721	34,148
High school graduate, GED, or alternative	90,609	106,832	85,217	173,108	114,924
Some college, no degree	106,458	101,935	82,385	189,379	132,027
Associate degree	15,999	34,559	32,678	70,206	51,007
Bachelor's degree	13,403	57,284	58,565	117,361	87,944
Graduate or professional degree	1,067	16,277	26,959	65,122	63,071

Table 53 – Educational Attainment by Age (Non-Entitlement Jurisdiction)

Data Source: HUD

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	47,974	203,596	412,734	1,031,397	720,269
9th to 12th grade, no diploma	335,123	376,562	419,631	755,930	366,419
High school graduate, GED, or alternative	1,164,734	1,294,134	1,019,907	1,968,735	1,148,609
Some college, no degree	1,553,713	1,387,358	996,427	2,028,387	1,154,348
Associate degree	195,727	479,310	398,359	800,413	445,745
Bachelor's degree	397,275	1,599,556	1,195,157	1,946,641	1,023,473
Graduate or professional degree	29,693	791,688	791,688	1,247,327	785,634

Table 53b – Educational Attainment by Age (Entire State)

Data Source: American Community Survey 5-Year Estimates 2016-2020 (ACS 2016-2020)

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	25,253
High school graduate (includes equivalency)	32,560
Some college or Associate degree	32,560
Bachelor's degree	40,683
Graduate or professional degree	91,622

Table 54 – Median Earnings in the Past 12 Months

Data Source: American Community Survey 5-Year

Educational Attainment – Non-Entitlement Jurisdictions

Educational Attainment	Number	Percent
Population 25 Years and Older	28,628,797	
Less than high school graduate	2,340,205	8.2%
High school graduate	5,478,085	19.1%
Some college, no degree	5,398,222	18.9%
Associate degree	2,130,943	7.4%
Bachelor's degree	5,917,628	20.7%
Graduate or professional degree	3,679,034	12.9%

Table 55 – Educational Attainment (Entire State)

Data Source: American Community Survey 5-Year Estimates 2018-2022 (ACS 2018-2022)

Based on the Business Activity table above, what are the major employment sectors within the state?

The top five employment sectors in California include:

- Education and Health Care Services (21.2%)
- Professional, Scientific, and Management Services sector (13.8%)
- Retail (10.4%)
- Arts, Entertainment, and Accommodations (10.2%)
- Manufacturing (9.0%)

These sectors make up over 60 percent of total employment. The concentration of employment in these sectors underscores the need for a highly educated and skilled workforce, particularly in health care, professional services, and manufacturing. Businesses in these sectors require workers with specialized knowledge and technical skills, which highlights the importance of continuous education and training programs.

Describe the workforce and infrastructure needs of business in the state.

California's workforce and infrastructure needs are complex and multifaceted, requiring coordinated efforts between businesses, educational institutions, and government agencies. By addressing the gaps in education, transportation, housing, and technology, the state can create a more robust and resilient workforce capable of sustaining economic growth across all sectors.

Forty-one percent of Con Plan public survey participants reported that improved job training and/or placement programs are needed, while 27 percent indicated not having access to these services despite an existing need for them in their communities. In terms of job creation itself, 38 percent of participants reported “we have this, but it could be better.” Respondents also reported on deteriorated commercial areas in their communities, with 25 percent citing a need for better revitalization of these areas and 30 percent citing a complete lack of revitalization despite present deterioration. Additionally, 75 percent of grantee survey participants reported needing improved employment opportunities in their communities.

The total non-entitlement area's civilian labor force is 1,296,772 persons. Of this population, 1,199,240 people are employed. As of the current CHAS data set, the overall unemployment rate stood at 7.43 percent, with a distinct difference between age groups—16.86 percent for those aged 16-24 and 4.50 percent for those aged 25-65. This contrasts with current state labor market data showing an unemployment rate of 5.3 percent as of August 2024. However, unemployment rates for some rural populations are higher than the state average.

Management, business, and financial occupations have the highest median income among sectors, reflecting the value of high-skill jobs in driving economic growth. Conversely, service and production, transportation, and material moving occupations, while employing a considerable number of people, tend to offer lower median incomes, indicating a potential area for workforce development and wage improvement initiatives.

A sizable portion of the labor force has attained some level of higher education, with 27.8 percent holding a bachelor's degree or higher, which is crucial for sectors such as Professional, Scientific, and Management Services, and Education and Health Care Services. However, there remains a notable portion of the population with less than a high school diploma (131,557), which can limit employment opportunities and economic mobility.

The correlation between educational attainment and median earnings further emphasizes the need for accessible education and training. Those with a graduate or professional degree have the highest median earnings, while those with less than a high school diploma earn significantly less. This income difference underscores the importance of educational programs that can bridge the gap for lower-educated individuals, providing them with the skills necessary to access higher-paying jobs.

Sixty-five percent of the workforce travel time has a commute of less than 30 minutes, while 24 percent travel between 30 and 59 minutes, and 10 percent have a commute of 60 minutes or more. High housing costs can cause workers to live further from where they work. In California's rural and suburban areas, high transportation costs often negate the relatively more affordable housing. This highlights the critical need for efficient transportation infrastructure to support the workforce, as well as the importance of having housing near jobs to reduce commute times. Enhancing public transportation, reducing traffic congestion, and improving road networks are essential to reducing commute times and improving worker productivity.

Describe any major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

According to the California Workforce Development Board Unified Strategic Workforce Development Plan, (SWDP) California is poised to undergo several major changes that are expected to have significant economic impacts. These changes stem from both public and private sector investments and initiatives aimed at addressing emerging challenges and opportunities in the state's economy. The key areas of focus include the growth of healthcare and construction sectors, and the enhancement of workforce development through apprenticeship programs and educational reforms.

1. Infrastructure Investments

- **Expansion of Energy:** The California Public Utilities Commission (CPUC) has signed agreements with the California Workforce Development Board (CWDB) to ensure that energy investments result in high-quality jobs.
- **Workforce Needs:** The new economy will require a workforce equipped with skills in energy technologies, energy management, and infrastructure development. This creates a demand for specialized training programs and apprenticeships focused on energy jobs, which are essential for filling the anticipated gaps in the labor market.

2. Healthcare Sector Growth

- Increased Demand for Healthcare Professionals: The ongoing expansion of the healthcare sector, driven by an aging population is expected to continue generating job opportunities. The SWDP highlights the need for workforce development programs that prepare individuals for careers in healthcare, particularly in nursing, medical technology, and home healthcare services.
- Workforce Development: To meet the growing demand, there is a critical need for expanded education and training programs in healthcare. These programs must focus on both entry-level and advanced positions, ensuring that the workforce can meet the needs of a rapidly expanding sector.

3. Construction and Infrastructure Development

- Affordable Housing Initiatives: California continues to grapple with a housing affordability crisis. Public and private investments in affordable housing are expected to continue to spur job growth in the construction sector. The expansion of housing projects will require a significant number of skilled construction workers, which underscores the importance of training programs tailored to this industry.
- Apprenticeships in Construction: The state's goal to expand apprenticeships, including in construction trades, is a critical component of workforce development. These programs are designed to address the shortage of skilled labor and ensure that workers have the necessary skills to support large-scale infrastructure projects.

4. Educational Reforms and Apprenticeship Expansion

- Apprenticeship Programs: The ambitious plan to increase the number of apprentices in California to 500,000 by 2029 is central to the state's strategy to bridge the skills gap across various industries. This includes traditional sectors like construction and emerging fields such as IT and

renewable energy. The expansion of apprenticeship programs is expected to create new pathways for Californians to enter high-paying careers without necessarily requiring a four-year college degree.

- **Educational Reforms:** Governor Newsom's recent initiatives, including the development of a Master Plan on Career Education, aim to better align educational outcomes with labor market needs. These reforms focus on providing students and workers with practical, hands-on learning experiences that prepare them for the realities of the modern workforce.

Additionally, a major initiative being undertaken by the California Energy Commission is the creation of the [Lithium Valley Commission](#). This initiative aims to develop lithium—an essential component of EV batteries and other high-tech products, from geothermal brine in the Salton Sea, near the location of multiple R/ECAPs. However, these changes will also create substantial needs in workforce development, business support, and infrastructure enhancement.

The planned investments and initiatives across California's energy, healthcare, and construction sectors, along with a strong emphasis on apprenticeships and educational reforms, are expected to drive significant economic growth. Addressing these needs through training programs, expanded apprenticeship opportunities, and improved educational alignment will be crucial for ensuring that California's workforce is prepared to meet the demands of its evolving economy.

How do the skills and education of the current workforce correspond to employment opportunities in the state?

By analyzing the educational attainment data and sectoral employment distribution, we can assess how well the workforce aligns with the demands of the state's economy. The skills and education of California's workforce are reasonably well-aligned with the state's employment opportunities, particularly in high-growth sectors like healthcare and professional services. However, there are challenges, especially in addressing the needs of younger workers, ensuring adequate preparation for middle-skill jobs, and adapting to technological advancements. To fully capitalize on employment opportunities, ongoing investment in education, training, and workforce development is essential.

Statewide, 27.89 percent of the workforce have attained a bachelor's degree or higher. This group is well-positioned to meet the needs of high-skill sectors, such as Professional, Scientific, and Management Services and Education and Health Care Services. These sectors continue to expand, driven by demographic trends and technological advancements, suggesting that the existing workforce is reasonably well-prepared to fill these roles.

35.71 percent hold some college education or an associate degree. This education level is crucial for technical and semi-professional roles within sectors such as Manufacturing, Construction, and Information Technology. Workers with these credentials are likely to meet the demands of these industries, especially in roles requiring specific technical expertise or vocational training.

A considerable portion of the workforce has a high school diploma or less. Specifically, 22.76 percent are high school graduates, and 131,557 individuals have less than a high school diploma. These individuals are primarily suited for entry-level positions or roles that do not require advanced education, such as those in Retail Trade, Arts, Entertainment, Accommodations, and Agriculture, Mining, Oil & Gas Extraction.

Workers with technical education (some college or associate degrees) are critical for the manufacturing and construction sectors. However, ongoing advancements in technology and the increasing complexity of manufacturing processes may create a skills gap in the future, necessitating continuous workforce development and upskilling initiatives.

The unemployment rate for individuals aged 16-24 is notably high at 16.86 percent. This suggests a disconnect between the education system and the labor market, particularly for younger workers. More vocational training, apprenticeships, and early career development programs could help bridge this gap, providing young workers with the skills they need to secure stable employment.

While there is a substantial portion of the workforce with some college education or an associate degree, there may still be a shortage of workers for middle-skill jobs—positions that require more than a high school diploma but less than a four-year degree. Strengthening community college programs and industry partnerships can help fill this gap, ensuring that workers have the necessary skills for these crucial roles.

As sectors like Information Technology and Professional Services continue to grow and evolve, there is a continuous need for workers with up-to-date technical skills. Lifelong learning and continuous education are essential to keep the workforce competitive and capable of adapting to new technologies.

It is important to note that, according to California's 2024-2027 Unified Strategic Workforce Development Plan, while state level labor market data can provide helpful insight into employer needs and potential workforce skill gaps at a macro level, due to the sheer complexity of California's economy, skills gap assessments are most accurate and reflective of the variation across the state when conducted at the regional level. For this reason, Local Workforce Boards are required to engage with other core program partners and employers within their RPUs to conduct a regional analysis of economic conditions as a part of the WIOA Regional Planning process.

Describe current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan.

California's Statewide Workforce Development Plan (SWDP) for 2024-2027 outlines three primary policy objectives that guide workforce training initiatives at both the state and local levels. These goals are aligned with Governor Gavin Newsom's broader strategy to prepare Californians for high-paying careers and to address the evolving needs of the state's economy.

1. Fostering Demand-Driven Skills Attainment

The SWDP emphasizes the need for workforce and education programs to align with the state's industry sector demands, ensuring that employers have access to a skilled workforce capable of competing in the global economy. One of the key methods highlighted is the expansion of apprenticeship programs, which are seen as crucial for connecting workers to high-quality jobs, particularly in emerging and high-demand sectors like energy, healthcare, and advanced manufacturing. Governor Newsom's administration has set an ambitious goal to expand the state's apprenticeship system to serve 500,000 apprentices by 2029, focusing on both traditional trades and new industries.

2. Enabling Upward Mobility for All Californians

The plan underscores the importance of making workforce and education programs accessible to all Californians. The SWDP includes [initiatives to remove obstacles to state employment](#), including reassessing the necessity of college degrees for certain jobs, thereby opening more options for individuals who may not have formal educational qualifications but possess relevant skills and experience.

3. Aligning, Coordinating, and Integrating Programs and Services

To maximize the impact of workforce development initiatives, the SWDP stresses the importance of efficient use of resources and better alignment of workforce services across different state agencies. Recent efforts include a proposal to unify the California Workforce Development Board with other state workforce entities to streamline services and improve outcomes. Additionally, collaborations like the one between the California Public Utilities Commission (CPUC) and the CWDB are focused on ensuring that investments in energy and transportation infrastructure translate into high-quality jobs.

These objectives are designed to not only support California's economic growth but also ensure that all Californians can participate in and benefit from the state's dynamic economy. By fostering skill development, promoting upward mobility, and enhancing

program coordination, California is positioning itself to meet the workforce challenges of the future.

Describe any other state efforts to support economic growth.

Pursuant to California Health and Safety Code 50825, the state Legislature has affirmed state policy that each eligible city or county contribute to meeting the state's housing goals and need to halt the flow of jobs out of California by working to retain and expand existing businesses and attract new businesses that provide jobs to low- and moderate-income persons and families, and that funds allocated pursuant to this chapter be distributed accordingly. It is state policy that CDBG program funding be prioritized for the most effective activities to provide that taxpayer contributions are efficiently deployed to foster housing and economic development. All funded eligible activities shall be consistent with the state's Consolidated Plan and any annual update to the Consolidated Plan. Accordingly, state legislation requires that CDBG funding be set aside for economic development projects and programs.

California also launched the Jobs First Regional Investment Initiative (RII) in 2022, led by California's Labor and Workforce Development Agency (LWDA). The RII is a \$600 million initiative that calls on 13 regions across the state to drive economic growth and job creation in economically distressed regions. It focuses on workforce development, providing training in growing sectors like energy, technology, and advanced manufacturing. By fostering partnerships between public and private sectors, the initiative seeks to reduce regional differences, enhance skills, and support business expansion, particularly in rural areas. It also prioritizes development, creating long-term improvement for communities across California.

Additional details on California's economic growth plans and strategies can be found on [the California Governor's Office Business and Economic Development website](#).

Numerous programs, incentives, and strategic plans contribute to a coordinated effort to grow California's economy at the state level. Plans include strategies for workforce development, housing, land use and development, broadband, health and social services, and many other policy areas that are symbiotic with the goals of this Consolidated Plan.

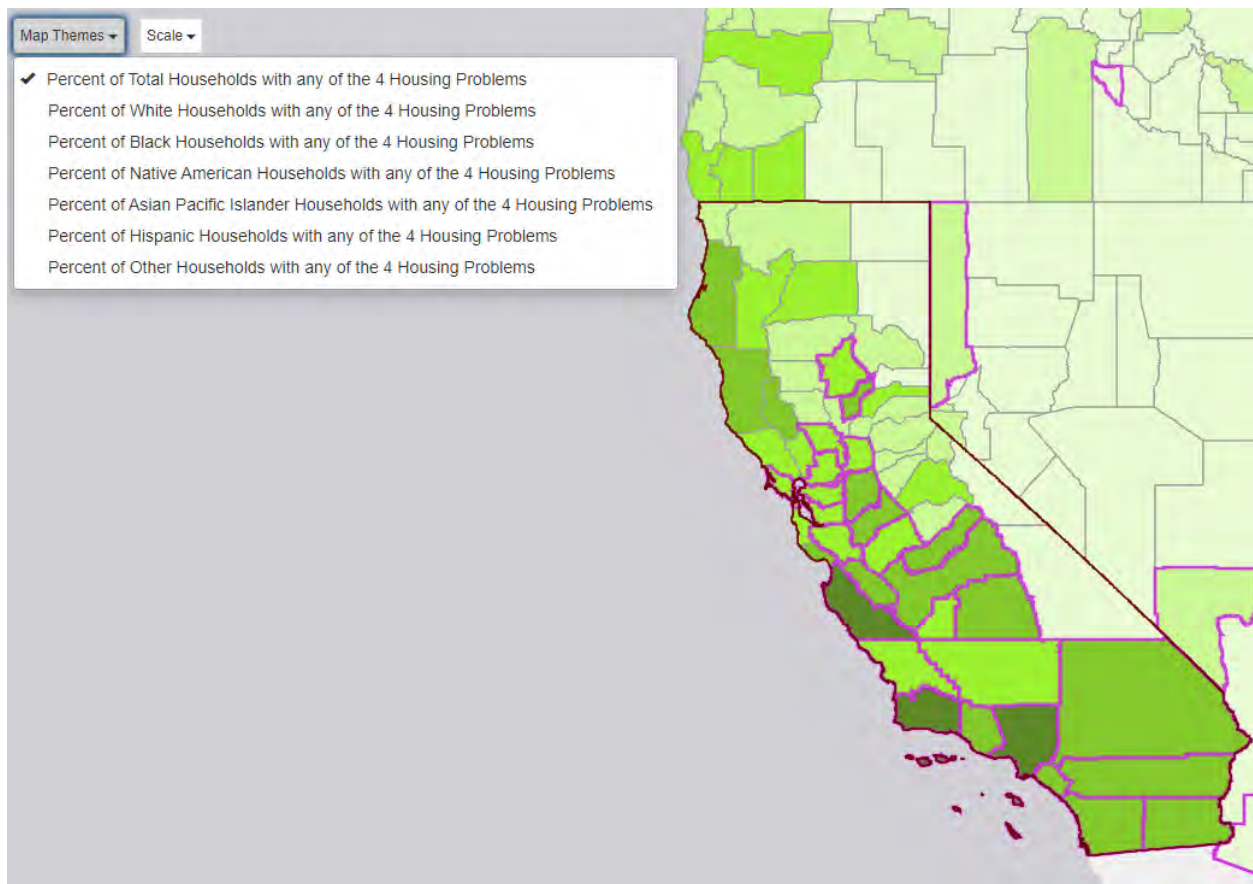
Discussion

Please refer to the summary section, "MA-50 Needs and Market Analysis Discussion," below.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

Based on data obtained using [HUD's Mapping Tool](#), California has higher percentages of households experiencing housing problems than its neighboring states of Arizona, Nevada, and Oregon. Within the state, housing problems are highest in Los Angeles County, Santa Barbara County, and Monterey County. There are also clusters of counties in the Central Valley and Inland Empire with above-average rates of housing problems. HUD's mapper does not give legends or keys, but the map below represents quintiles (20% increments), with darker colors indicating higher proportions of households with housing problems.



The most common housing problem among California households is cost burden, followed by overcrowding. While there is no common definition of “concentrated areas of households with multiple housing problems,” housing problems are associated with other household characteristics that are more likely in communities that are divided by income. The Needs Assessment of this Consolidated Plan documents that cost burden increases as household income decreases.

Are there any areas in the jurisdiction where specific groups or low-income families are concentrated? (include a definition of "concentration")

This Consolidated Plan uses HUD's census tract-based definition of concentrated areas of poverty (R/ECAPs). The definition involves a concentration threshold and a poverty test. The map below is pulled from [HUD's R/ECAP mapping tool](#) and shows census tracts that fit this definition.



There are 479 R/ECAPs throughout California, including in major cities where the tracts are too small to see on a statewide map. There are clusters of R/ECAPs in non-entitlement areas of the state, including in the San Joaquin Valley, Coachella Valley, and Inland Empire. The cities of Stockton/Modesto, Fresno/Visalia, Bakersfield, and San Bernardino also have R/ECAPs. Because California is a large state, individual

tracts are difficult to see on a single map. Readers interested in specific areas of the state can use the link above to access the interactive R/ECAP viewer from HUD.

What are the characteristics of the market in these areas/neighborhoods?

For many communities in R/ECAP areas across California, areas with high levels of residential poverty status often lead to differing conditions between population groups. R/ECAP tracts have different characteristics between urban and rural areas of California. Urban R/ECAPs tend to have higher housing costs and closer proximity to jobs and transit, while rural R/ECAPs have lower housing costs but less access to jobs, transportation, and other community resources associated with high resource neighborhoods.

Are there any community assets in these areas/neighborhoods?

Yes—each region with R/ECAPs has unique community assets. This includes public community facilities and community centers, libraries, cultural centers, and community programs.

Are there other strategic opportunities in any of these areas?

The San Joaquin Valley Region provides significant output in California's agricultural sector. The eight counties identified above in this region were among the top 10 agricultural producers, as measured by crop value, in the state in 2014. Other industries present in the region, such as fossil fuel energy extraction and prison construction/operation, increased employment during previous decades but may face limited growth in the future as California's economy and regulatory environment moves away from these needs.

The state administers several programs that encourage the development of housing in areas of high resources (job- and transit-rich areas), invest in economic development in lower resource areas, and bring commercial uses to established residential neighborhoods to promote walkability and lower vehicle miles traveled. The AHSC Program, Infill Infrastructure Grant Program, Regional Early Action Planning Grants of 2021 (REAP 2.0), and the Transit-Oriented Development Housing Program are some of the state programs that make transformative investments in infrastructure, transportation, and housing.

Both the HOME and CDBG programs develop Community Need Scores for eligible communities. Scores vary by program but are generally based on publicly available data from the ACS to measure poverty, housing, overcrowding, rental vacancy, and economic development needs. These statistics are used to rank all eligible Non-Entitlement Jurisdictions and the rankings are translated into numeric scores. The score

summarizes the severity of a community's need for a specific activity relative to other communities.

Based on the needs analysis above, describe the state's needs in Colonias

Each Colonia has unique characteristics with some having more needs than others. Based on public engagement and feedback sessions, community members of the Colonias expressed there is a significant need of homeownership assistance, rental assistance, and housing rehabilitation funding while only some require street lighting, water, sewer, and other infrastructure funding.

Specific input from public engagement sessions with community members in the Colonia of Niland, CA, located in Imperial County, revealed that the lack of economic growth, lack of affordable housing, lack of public infrastructure, and lack of public and social services are challenges to improving the community's quality of life and economic growth and prosperity. Residents expressed that while other nearby towns have senior services (e.g. Brawley), rental assistance programs (e.g. El Centro), middle schools and high schools (e.g., Calipatria), and parks and shopping centers (e.g., Calipatria, Westmorland, and Calexico), Niland does not. In addition, lack of street lighting in Niland has impacted public safety and enabled criminal activity in an area already impacted by abandoned housing, blighted neighborhoods, homelessness, and drug use and abuse. Further, Niland lacks adequate public transportation options, and needs a new post office after damage from a 2022 fire closed the former facility.

Additional ongoing issues include:

- Many property owners owe more on their existing loans than their property is worth and do not want any more loans.
- Some existing and abandoned properties are further deteriorated by lack of owner upkeep and/or squatters causing further blight, nuisance, and/or safety concerns.
- The Colonia communities have varying levels of capacity and often are unable to compete for available funding.

See additional details on Colonias in NA-50 and SP-75.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

Approximately 96 percent of Californians have access to wired or fixed wireless broadband capable of at least 25 MBPS download and 3 MBPS upload. This makes California a leading state in overall broadband access. However, millions of Californians still lack adequate broadband service or the devices and skills to use it. Half of the grantee survey respondents said that their communities do not have adequate broadband access. Furthermore, internet availability varies substantially by county. In rural Modoc County, for example, only 18.8 percent of households have access to broadband. Other counties in the Sierra Nevada mountains and rugged, heavily forested northwestern portions of California have less access to broadband wiring than other parts of the state. Lack of reachability in rural or mountainous areas is further reflected in responses to the Consolidated Plan public survey, with respondents reporting issues with access in such areas.

Broadband access also varies throughout the state. According to a representative sample of Californians surveyed by telephone for the 2023 [Statewide Digital Survey](#), 9 percent of the population cannot connect to the internet at home. Availability is a factor for many residents especially low and moderate income residents.

Broadband for All is California's commitment to closing the digital divide. Broadband for All is the state's overarching program to close the digital divide and acknowledges that broadband access, adoption, and training are essential. The state's broadband initiatives include middle- and last-mile projects and programs, broadband access mapping, connections to resources for low-income individuals and families, State Digital Plan, and the California Broadband Council which was established in 2010 to promote broadband deployment throughout the state.

The California Department of Technology (CDT) produced the Digital Plan to address the digital divide. Three goals have been defined to measure success:

1. All Californians have high-performance broadband available at home, schools, libraries, and businesses.
2. All Californians have access to affordable broadband and necessary devices.
3. All Californians can access training and support to enable digital capability.

Digital investments are intended to go towards the populations, who face the most issues related to digital availability.

The state has also created the California Affordable Connectivity Program (ACP) to provide low and moderate-income households with inexpensive, reliable internet access. Georeferenced data and maps can be found on the ACP [GIS portal](#). Out of the approximately 5.8 million households eligible for the program, which is 45 percent of all California households, estimates have put the total number of eligible enrolled users between 30–50 percent. Enrollment is lowest in the rural, mountainous eastern areas of California bordering Nevada.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

There are numerous broadband internet service providers serving California's vast geography. While some areas have only one internet service provider, these areas generally have very low density. In 2018, the California Public Utilities Commission Communications Division reported that 33.5 percent of households have only one or no provider options for wireline and fixed broadband at a speed of 25/3 Mbps. Increased competition can lead to lower prices and better service. According to BroadbandNow.com, 36.8 percent of California residents do not have the option to purchase broadband for \$60 or less per month.

Providers may be discouraged from building infrastructure in rural and tribal communities due to the high cost of initial investment and less profitability. Other challenges for rural areas include difficulty installing fiber lines as well as trees and varying elevation that block signals. The following programs have been implemented to expand competition and broadband access in California:

- California Advanced Services Fund (CASF) Rural and Urban Regional Broadband Consortia Account
- Middle-Mile Broadband Initiative (MMBI)
- Broadband Loan Loss Reserve Fund
- CPUC's Federal Funding Account

The Governor's broadband task force reached out to internet service providers such as Cox, Charter, and Comcast, which extended low-cost plans to low-income children and families to assist with distance learning. Several internet service providers expanded their affordable offerings and enacted more beneficial policies on service termination, fees, and data caps.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with weather changes.

The state is likely to experience a wide range of natural hazards associated with weather change. According to California's Fourth Weather Change Assessment, the state's risk of a variety of natural hazards will increase from previous years, such as temperature rise, heat waves, summer dryness, droughts, precipitation, wildfires, flooding, and sea-levels rising will increase. According to the California Office of Emergency Services, weather change will decrease snowfall and marine layer clouds, while nine of the top 20 largest wildfires by acres burned have happened since 2020.

The United States Environmental Protection Agency ([EPA](#)) further substantiates these changes in California, highlighting especially decreasing snowpack, decreasing water availability, rising sea levels and increasing number and severity of wildfires.

Of the 58 counties in California, 52 listed weather change-related hazards as High-Risk in their Local Hazard Mitigation Plans as of 2023. The table below shows the top six counties in the state at risk of experiencing the three primary natural hazard risks associated with weather change in California:

Natural Hazard	Top 6 At-Risk Counties in CA
Heat Wave	Tulare, Fresno, Sacramento, Merced, Madera, Riverside
Wildfire	San Diego, Riverside, San Bernardino, Los Angeles, Ventura, Orange
Drought	Santa Barbara, Yolo, Sutter, Napa, Colusa, Butte

Top Counties at Risk for Hazards

On December 20, 2022, the Community Disaster Resilience Zones Act became federal law. This Act required FEMA to assess natural hazard risk and identify census tracts that are most at risk. These most at-risk census tracts are called Community Disaster Resilience Zones. Nationwide, 483 zones were identified in September 2023, 51, of which approximately 10 percent are located in California.



Community Disaster Resilience Zones in California

Data Source:

<https://experience.arcgis.com/experience/3fd0639ba0403e9414d05654449d32/page/Home/>

California has a Very High-Risk Index Rating for drought, earthquakes, heat waves, landslides, riverine flooding, and wildfires.

- California contains 38 zones with a Very High Risk Index Score for earthquakes across 12 counties.
- There are eight counties with a total of 12 zones at Very High risk of drought
- Seven zones across six counties are at Very High risk of riverine flooding.
- Four zones are at Very High risk of heat waves within three counties.

- There are 12 zones at Very High risk of wildfire between Riverside, San Bernardino, and San Diego counties.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

According to [FEMA](#), the State of California has a Very High Expected Annual Loss Score of 100. The Expected Annual Loss (EAL) score represents the risk of economic loss in dollars resulting from natural hazards each year. While the State of California is at Very High Risk of consequence from hazards, low- and moderate-income households have fewer financial resources than households making median income or higher to plan for or respond to natural disasters. Despite the Very High Risk, more than one in four grantee survey respondents are unaware of natural disaster recovery services in their communities.

Extreme heat can cause illnesses, and those who lack access to homes with cooling or health care are at a greater risk of experiencing these. Groups such as the unemployed, low-income, and homeless populations are at risk because they have less access to safe locations to escape extreme [heat](#). Wildfires impact housing by increasing costs and displacing people affected, both of which can lead to a rise in homelessness.

Drought can lead to increased costs of groceries because of reduced food production. This can increase hardship for low-income households who are already experiencing food insecurity to afford both food and housing, health care, or other essential needs.

Insurance for natural disasters is also contributing to the rising cost of housing

Strategic Plan

SP-05 Overview

Strategic Plan Overview

This Strategic Plan discusses the state's priority needs, five-year goals, anticipated resources, and projected outcomes for the CDBG, HOME, ESG, HOPWA and NHTF program funding. This section also includes references to the CDBG-DR program and expectations for disaster related efforts over the next five years. CDBG-DR has its own discrete action plans, and this section will refer to those plans when appropriate.

The Strategic Plan also discusses the state's current efforts and five-year strategy for increasing affordable housing production, mitigating challenges to affordable housing, alleviating the condition of homelessness and poverty, as well as the strategy for improving the overall condition of existing housing stock across the state, for tribal entities and in the Colonias. The plan also describes how HCD federal funding will invest in public facilities and infrastructure improvements in the state, including in the Colonias.

In 2024, HCD published [*California's Housing Future 2040*](#). The report lays out policy considerations and a legislative strategy for improving affordability in California. The Strategic Plan of this Consolidated Plan draws heavily upon this vision, which ties statewide housing need to specific policy recommendations and allocation strategies.

SP-10 Geographic Priorities – 91.315(a)(1)

Geographic Area

Table4 - Geographic Priority Areas

The state does not officially identify specific geographic priority areas outside of Colonias.

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the Eligible Metropolitan Statistical Areas for HOPWA)

Pursuant to federal law, the state primarily allocates federal funding to communities that do not receive funds directly from HUD. The exceptions being ESG, NHTF, and CDBG-DR which can distribute funds within entitlement jurisdictions in certain cases. In some cases, programs do have geographic priorities set by state or federal law/policy to ensure more access to programs. For example, as HCD's Tribal Affairs team continues to engage with tribal entities, the team has learned from Tribes and Tribally Designated Housing Authorities (TDHEs) the importance of safeguarding funding and mitigating challenges to obtaining resources for Tribes/TDHEs. As a result, HCD has been setting aside some program funding and providing customized technical assistance specifically for Tribes/TDHEs.

Additionally, some programs require compliance with Housing Element Law to be eligible or receive extra points and some also utilize priority need threshold scoring consisting of various demographic or economic factors (e.g. poverty rates, median income) which prioritizes and incentivizes communities most in need. Examples include:

- **CDBG:** 5 percent (5%) of funds are allocated to Colonias to address infrastructure and housing challenges. 1.25 percent (1.25%) of funds are set aside for non-federally recognized tribal entities.
- **HOME:** 50 percent of the state-administered HOME funds are set aside for rural areas, helping to support housing issues in these communities. HOME also uses funds to federally declared disaster and tribal areas in past NOFAs.
- **HTF:** HCD makes NHTF program funding available to projects in all jurisdictions of California. In previous NOFA's there has been a distribution of 20 percent (20%) of NHTF funds available to Rural Areas, 10 percent (10%) of NHTF funds available to Native American Entities, and 20 percent (20%) of NHTF funds available to federally declared disaster areas. The remaining amount of NHTF funds available are used in a general pool of funds. For future NHTF allocations, HCD will publish NOFAs and/or Project Solicitations with allocations to protect the existing NHTF investments made from previous annual allocations and avoid having to return any funds to HUD due to not being able to meet the two-year

commitment and five-year expenditure deadlines, HCD will have an OTC pool of funds for projects previously awarded from FY21 NHTF/Housing for a Healthy California (HHC) funds that need additional gap financing due to cost increases and lack of securing anticipated funding sources when applying and awarding FY21 NHTF/HHC funds. Additionally, HCD may direct funding to eligible multifamily rental projects outside of a NOFA and/or Project Solicitation process to ensure HCD meets HUD's commitment and expenditure deadlines and avoids having to return NHTF funds to HUD. In the event a Recipient forfeits and/or cancels an award, any unused NHTF Program funds will be reallocated to existing NHTF projects needing additional funding by HCD.

- **ESG:** Adjustments allow for un-obligated funding to be reallocated to areas affected by disasters, which often include rural areas like Colonias.
- **HOPWA:** California Department of Public Health Office of AIDS (CDPH/OA) HOPWA provides funds to HIV, housing, and homeless service providers in the 40 non-EMSAs that do not receive funds directly from HUD. By excluding HUD-funded Eligible Metropolitan Statistical Areas (EMSA), the CDPH/OA HOPWA annual allocation is available to assist Persons Living with HIV (PLWH) in the unfunded regions of California. The Housing Opportunity Through Modernization Act (HOTMA), Public Law 114-201 takes into account HIV surveillance data, poverty and FMR rents. This ensures a more equitable distribution of funds, particularly for areas that may not directly receive HUD funds. The CDPH/OA HOPWA allocation mirrors the HOTMA formula in that distribution of funds for CDPH/OA HOPWA project sponsors is based on surveillance of HIV cases, FMR, and Federal Poverty Levels.

To promote the use of HOPWA funds for housing assistance activities, CDHP/OA has limited supportive services activities to 20 percent of a CDPH/OA HOPWA project sponsor's allocation unless a waiver from the project sponsor is submitted and approved by CDPH/OA.

SP-25 Priority Needs – 91.315(a)(2)

Priority Needs

Table 56 – Priority Needs Summary

1	Priority Need Name	Increase Supply and Preservation of Affordable Housing
	Priority Level	High
	Population	Extremely low, low, moderate income persons and families
	Geographic Areas Affected	Statewide in eligible state service areas
	Associated Goals	Increase Supply of Affordable Housing, Preservation of Existing Affordable Housing
	Description	Development of new rental housing or homeownership opportunities or rehabilitation of units to increase the supply of housing and preserve viability and affordability of existing housing stock.
	Basis for Relative Priority	As previously established in the needs analysis, there is a shortage of housing of all types and a lack of affordable units for low-income populations. This need is evident from California's loss of affordable units and lagging production, and the imbalance between supply and demand. These factors continue to increase housing costs amid stagnant wages, rising inflation, and high mortgage interest rates. The high incidence of cost burden and severe cost burden among LMI households and feedback from community member surveys, focus groups, and consultations further highlight the issue.
2	Priority Need Name	Improve Access to Affordable Housing
	Priority Level	High
	Population	Extremely low to low. People experiencing homelessness. Families with children, including large families. Persons with mental disabilities, persons with physical disabilities, veterans. Persons with HIV/AIDS. Victims of domestic violence.
	Geographic Areas Affected	Statewide in eligible state service areas (and populations)
	Associated Goals	Improve Access to Affordable Housing

	Description	Rental and homebuyer assistance programs operated by grantees and subrecipients for eligible populations, including down payment assistance, security and utility deposits, monthly rental assistance.
	Basis for Relative Priority	The Needs Assessment establishes that cost burden is a housing problem affecting almost all low-income populations. The Market Analysis demonstrates that renters overall do not have access to enough affordable rental housing units. High housing costs, relative to incomes, particularly for extremely low- and low-income renter households, are a key predictor of housing instability. Insufficient affordable housing availability is a primary contributor to homelessness, with households unable to keep up with rents. Limited resources aimed at uplifting populations or at-risk of homelessness, along with the unhoused population itself, increases the risk of homelessness and chronic homelessness.
3	Priority Need Name	Address the Homelessness Crisis
	Priority Level	High
	Population	Extremely low to low-income populations. Rural populations. Persons at risk of homelessness. Chronically homeless persons. Families with children, and special needs with co-occurring disorders. Veterans. Persons with HIV/AIDS. Unaccompanied youth. Victims of domestic violence. Elderly and frail elderly.
	Geographic Areas Affected	Statewide in eligible state service areas (and populations).
	Associated Goals	Prevent Homelessness, Address Homelessness
	Description	Address the increasing number of individuals and families experiencing homelessness by providing assistance to households currently experiencing homelessness and those at risk of homelessness. Includes short to medium term rental assistance. May include providing one to twenty-four months' rent, rental application fees, security and utility deposits, utility payments, moving costs. Includes outreach activities and case management, including evaluations, counseling, service coordination, assistance in obtaining eligible benefits, information, and referral, developing an individualized housing plan. May include housing search and placement, stability case management, mediation with landlord, and credit repair.

		Provision of temporary shelter or transitional housing assistance and operations. Emergency shelters include those that provide overnight accommodation, as well as shelters that also provide space for daytime accommodation and activities. Transitional housing offers housing designed as a bridge between shelter and permanent housing exit. Services can include case management, childcare, education services, employment training/assistance, outpatient health services, substance abuse or harm reduction services, transportation, and services for special needs populations.
	Basis for Relative Priority	California is currently experiencing a historic homelessness crisis. The most common reason for homelessness is a lack of affordable housing. High housing costs relative to incomes, especially for extremely low to low-income households, are a key predictor of housing instability. In addition, lack of access to housing affordable to the household is a primary contributing factor to homelessness. Cost burden is felt among all California low to moderate income populations, including rural populations. Homelessness Prevention and Rapid Rehousing can prevent an individual or household from falling into homelessness. Grantee survey respondents overall ranked being a person who chronically experiences homelessness as the characteristic most negatively impacting ability to benefit from community resources. Concurrently, public survey respondents ranked improved homeless services as one of their top community/special needs priorities. Supportive services, outreach, shelter, rental assistance, transitional housing, and supportive housing are needed to alleviate California's homelessness crisis.
4	Priority Need Name	Invest in Community and Public Infrastructure and Facilities
	Priority Level	High
	Population	Extremely low, low, moderate income, persons with mental disabilities, persons with physical disabilities, elderly, families with children.
	Geographic Areas Affected	Statewide in state eligible areas.
	Associated Goals	Provide Community-Based Public Services
	Description	Provide support for public facilities and infrastructure, particularly in rural areas, with the goal of supporting low and moderate-income households in these communities.

	Basis for Relative Priority	The need for improved infrastructure and facilities that allow for increases in California's housing and deeply affordable housing is evident from a variety of perspectives – including the lack of development over past decades, the loss of units due to natural disasters or development stagnation due to lack of infrastructure funding to support street, sidewalk, water, and sewer improvements that would directly support development, rehabilitation, or redevelopment of housing. Deferred maintenance has resulted in unstable or insufficient public infrastructure throughout many areas in the state. During the Con Plan engagement process, community members from rural areas cited the need for water and sewer improvements, storm drains and flood drainage, streets, sidewalks, and related improvements such as street lighting, and parks. Following these highest priority needs are broadband infrastructure, and historic preservation. These resources are crucial to protecting communities and their housing stock, with infrastructure susceptible to increased incidents and intensity of natural disasters. Increasing natural disasters exacerbate these needs and impose new criteria to meet the needs to better harden infrastructure. Rural areas throughout California have a range of needs, including community centers, parks and recreational facilities, libraries, childcare centers, health clinics, public safety facilities and equipment, and nonprofit facilities. Public facilities can offer access to the internet for households in need and can serve as shelter and outreach in the event of disasters. The improvement of public facilities and infrastructure throughout the state is critical to ensure that community needs are met. In particular, California's rural, non-entitlement areas require improvements in substandard or missing infrastructure, public facilities, and other resources. Access to high-speed broadband service is not equally distributed throughout the state, and improving rural broadband is critical for economic development in the more rural parts of California.
5	Priority Need Name	Provide Community-Based Public Services
	Priority Level	High
	Population	Extremely low, low, moderate-income persons, chronic homelessness, families with children, veterans, victims of domestic violence, persons with HIV/AIDS, unaccompanied youth, elderly and frail elderly, persons with mental disabilities, persons with physical disabilities.

	Geographic Areas Affected	Statewide in eligible state service areas
	Associated Goals	Maintain or improve access to public services
	Description	Provide support for public services, particularly in rural areas, with the goal of supporting low and moderate-income households and special needs populations in these communities.
	Basis for Relative Priority	Non-entitlement and rural areas face many challenges in the provision of public services to their populations. Many communities lack service providers, or adequate space needed to deliver said services their communities. Community input during the development of this Plan identified public services, such as health, homelessness and homelessness prevention services, healthy food and clothing, and mental health as highly needed in their communities. Public service availability and needs are highly variable and specific to each community and their constituent populations. Public service funding is particularly challenging for rural and non-entitlement jurisdictions. Economic factors influence funding levels, and often where the public need for services is greatest, the resources to fund these services are insufficient. Low-income populations rely heavily on public services for necessities, such as food and shelter. Lack of these basic needs being met can lead to housing and mental health crises – often seen in rural under resourced locations, including some tribal communities. Building capacity through increased resources can help service providers expand service areas, a process that is essential to maintain community stability and protect at-risk populations.
6	Priority Need Name	Increase Economic Development Opportunities
	Priority Level	High
	Population	Extremely low, low, moderate-income persons
	Geographic Areas Affected	Statewide in state eligible areas
	Associated Goals	Increase Economic Development Opportunities
	Description	Economic development includes investment in businesses and projects in support of job creation and retention activities primarily benefiting low-to-moderate income persons in order to encourage community revitalization, and the provision of neighborhood serving

		businesses to improve access to jobs, goods and services, and build the local economy.
	Basis for Relative Priority	Economic growth across the state has been concentrated in urban areas. Rural job markets have struggled to keep up with urban wages and have shown themselves to be more susceptible to market fluctuations which can lead to cycles of “boom and bust.” Traditional rural industries, such as timber and agriculture, have increasingly been subject to market consolidation by large corporations, putting pressure on small business and reducing access to employment options. Economic development activities that can support small businesses, provide long term economic stability and security and which can reduce the gap between wages and housing cost can build strong communities and reduce housing instability. There is a need for resources and technical assistance for businesses in low and moderate-income communities, particularly in rural areas which may need investment in order to encourage neighborhood serving businesses in the area both to improve access to goods and services, as well as to build the local economy. In addition, with the state poised to undergo several major changes with economic impacts throughout the next several years, supporting the workforce with job readiness can alleviate poverty and improve the labor market.

Narrative (Optional)

Priority needs are the needs that will be addressed by the goals outlined in the Strategic Plan. This section includes rationale for establishing the allocation priorities based on need. The rationale should flow logically from the analysis in the Needs Assessment and Market Analysis. It is important to note that state and federal regulations and allocation amounts may restrict or limit the use of funds to certain activities. This is taken into account when developing relative priority needs, goals, and allocation priorities.

During focus group and public engagement sessions conducted for this Consolidated Plan, community members and partners noted a significant housing need for senior and low-income households as well as a variety of housing needs to assist the homeless, including but not limited to transitional housing with supportive services (i.e., substance use treatment, mental health and substance use counseling, and case management, etc.) and permanent housing. Community members also expressed a need for housing repair and/or rehabilitation assistance for low-income homeowners – especially seniors, and a need for rental assistance programs due to the high-costs-of living coupled with high rental and housing costs.

To specifically address needs of people experiencing homelessness, members and partners expressed the need for various housing and programming (i.e., for special populations) that include wraparound services, including but not limited to medical and mental health treatment, substance use treatment, mental health and substance use counseling, case management, and homeless prevention/regression assistance.

Other priority needs identified in our data analysis, as well as in community member consultations and public outreach, include investing in community infrastructure and facilities both to foster healthy communities, but also to provide better access to special needs populations, and to serve the community in times of need, such as access to broadband or temporary shelter during disaster events. Community based public services also rank high in priority needs for special needs populations.

In addition, community members and partners noted the need for more public services including but not limited to programs to assist seniors, people with disabilities and children, and significant broadband need for site-wide Wi-Fi access within rental housing units.

Community members and partners expressed the need for low-income business assistance (i.e., operational costs, wages, repairs, etc.). An issue expressed from the members during focus group and public engagement sessions was a need for more engagement with population groups most in need of assistance and services, including outreach related to economic development opportunities to support the success of low-income businesses.

SP-30 Influence of Market Conditions – 91.315(b)

Influence of Market Conditions

California's housing market presents unique challenges, particularly for low-income renters and special needs populations. The high incidence of cost-burdened households—where renters spend more than 30 percent of their income on housing—is a critical issue. Four out of five low-income renters in the state face this burden, with nearly 70 percent of extremely low-income renters severely cost burdened, paying more than half of their income toward housing costs. This has significant consequences, including reduced access to essential services, overcrowded living conditions, and an increased risk of homelessness.

Special needs populations, such as the elderly, individuals with disabilities, and those recovering from mental health or substance use disorders, are particularly at risk due to limited income and rising costs in assisted living and community care facilities. The lag in Social Security and SSI/DI payments exacerbates their financial hardship.

Additionally, the state faces a critical shortage of affordable housing units, largely due to high land prices, restrictive land use policies, and rising construction costs. This shortage particularly affects those seeking moderately priced rentals, making it difficult for voucher holders to find housing. Rehabilitation of existing properties is also a pressing need, especially in areas affected by natural disasters or with aging populations, such as non-entitlement jurisdictions.

The preservation of affordable housing is another significant concern, as thousands of units are at risk of conversion to market-rate housing due to expiring rental assistance contracts and regulatory agreements. Without intervention, the loss of these units would further strain California's already inadequate affordable housing supply.

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	The majority of low-income renters in California need rental assistance to cover gaps between the rent and what they can afford. The incidence of cost burden is particularly severe in California. Over half of extremely low and low-income households are cost burdened, spending more than 30 percent of their total income on housing costs. This leads to households sacrificing resources in other areas. The relationship between housing costs and the risk of homelessness accelerates once households are cost burdened.

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
TBRA for Non-Homeless Special Needs	Availability of community housing for those who are at the lowest income levels (0-30% AMI) and are very likely to be severely cost burdened. Increasing rents while increases in Social Security and SSI/DI payments lag behind, can cause extreme financial hardship for individuals in these groups. Community partners report that TBRA recipients are often unable to use their vouchers due to difficulty finding a unit.
New Unit Production	California has had lower housing production levels than needed to accommodate population growth over the past fifteen + years. This has resulted in a lack of supply, which increases the price of housing. Higher housing costs can contribute to cost burden and other housing problems, particularly for households making under 80% AMI. The inadequate supply of housing units that are affordable and available for low and moderate-income families is due to a combination of longstanding factors, including: • High land prices • Land use policies, lengthy development processes, and other legal and procedural obstacles to new construction; and • Fees, construction requirements, and a lack of construction labor, contributing to high development costs.
Rehabilitation	There is a high need for rehabilitation of owner-occupied and rental properties serving low and moderate-income households in California. These needs are caused by several factors, including age of properties and income available for rehabilitation; the need for rehabilitation and reconstruction of properties damaged in natural disasters; and a need to address properties that need to be modified to meet the needs of an aging population. In recent years, these needs have been more acute in non-entitlement areas of the state, where increases in the cost of rehabilitation have outpaced increases in rural incomes. These areas are also where the most significant fires and floods have occurred. These areas, along with the urban-wildland interface areas are also where fires and floods are expected to continue to occur. Added to this, non-entitlement areas are also gaining elderly Californians at a faster rate than the state overall.
Acquisition, including preservation	The California Housing Partnership estimates that 33,910 units are currently at risk of conversion due to HUD project-based rental assistance contracts and mortgages, LIHTC regulatory agreements, and USDA mortgages that are expiring or maturing. This figure does not include projects funded by the state whose loan agreements are expiring. Due to the high cost of operating multifamily housing (especially supportive housing) and the large financial upside to converting projects to market rate, funding is needed to preserve affordable housing projects.

Table 56 5 – Influence of Market Conditions

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

Introduction

HCD receives funds for these programs on an annual basis through the federal budget/appropriations process to address the identified different needs across the state as determined by the goals and allocation priorities of this Consolidated Plan. The anticipated resources for the first year of the Con Plan, FY 2025-2026, and the remaining four years of the five-year Con Plan cycle are provided in the table below. These numbers align with AP-15, and both include administration costs. They also align with SP-45, AP-20, and AP-35/38, but do not include administration costs.

The numbers are based on an average of previous annual allocations and will be updated once HCD receives updated allocation information from HUD. Annual programs, with the exception of NHTF, are allocated through the federal budget/appropriation process and tend to be relatively stable. However, the ongoing NHTF allocation is based on assessments to Fannie Mae/Freddie Mac loans rather than through the federal budget/appropriation process. Federal interest rates can impact the number of assessments (higher rates can mean fewer people buying, resulting in fewer loans). For example, recent interest rate hikes resulted in a sharp reduction in NHTF allocations. These allocations can go back up in the future if interest rates are reduced.

The Program Income (PI) estimates are based on PI generated by state-held loan portfolios and from locally held state recipient loan portfolios during FY 2023. Total CDBG State Program Income (PI) available for FY23 was \$18,000,000. HOME Program Income and Recaptured funds received in FY23 was \$10,007,118 received by HOME state recipients and \$742,913 received by HCD.

CDPH/OA receives federal and state funds to administer several programs that provide HIV services to persons living with HIV/AIDS or those at risk for acquiring HIV. CDPH receives HOPWA funds on an annual basis through the federal budget/appropriations process.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available for Remainder of Con Plan \$	Narrative Description
			Annual Allocation \$	Program Income: \$	Prior Year Resources \$	Total \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	29,748,591	18,000,000	2,000,000	49,748,591	125,336,000	2025 HUD Award Allocation, Available PI Balance, Estimate of Prior Year CDBG Resources
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	37,693,108.71	750,000	0	38,443,108.71	154,988,536.24	2025 HUD Award Allocation, Available PI Balance, Estimate of Prior Year HOME Resources
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement	5,265,574	0	0	5,265,574	20,395,676	2025 HUD Award Allocation

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available for Remainder of Con Plan \$	Narrative Description
			Annual Allocation \$	Program Income: \$	Prior Year Resources \$	Total \$		
		Short term or transitional housing facilities STRMU Supportive services TBRA						
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	12,277,614	0	2,500,000	14,777,614	49,625,668	2025 HUD Award Allocation plus Prior Years Resources.
ESG RUSH	public federal	Street Outreach Emergency Shelter, Rapid Re-Housing, Homelessness Prevention, Admin, HMIS Activities				\$3,000,000	\$3,000,000	A set-aside of ESG funds in the amount of \$3,000,000 was awarded to HCD under ESG RUSH funds via contract to eligible subrecipients in

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available for Remainder of Con Plan \$	Narrative Description
			Annual Allocation \$	Program Income: \$	Prior Year Resources \$	Total \$		
								the disaster declared areas under DR-4856, for performance of eligible activities as defined in the RUSH Notice: FR-6315-N-01
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	23,448,689.68	0	0	23,448,689.68	167,620,184	2025 HUD Allocation
CDBG-DR 2017 Unmet Needs	Public Federal	Owner Occupied Rehab; Multifamily Housing; Homebuyer Assistance	0	0	10,000,000	10,000,000	\$0	B-18-DP-06-0001 B-19-DP-06-0001

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available for Remainder of Con Plan \$	Narrative Description
			Annual Allocation \$	Program Income: \$	Prior Year Resources \$	Total \$		
CDBG-DR 2018 Unmet Needs	Public Federal	Multifamily Rental New Construction, Multifamily Rental Rehabilitation, Other, Infrastructure	0	0	476,314.34	476,314.34	\$0	B-19-DV-06-0001 B-19-DV-06-0002
CDBG-DR Mitigation	Public Federal	Public Services and Planning, Various Resilient Infrastructure	\$0	\$0	\$0	\$0	\$0	B-18-DP-06-0002 B-19-DT-06-0001
CDBG-NDR	Public Federal	Biomass Facility, Community Resilience Center, Forest, and Watershed Health	\$0	\$0	\$3,563,723	\$3,563,723	\$0	2013 HUD Award: B-13-DS-06-0001
CDBG-DR Unmet Needs	Public Federal	Multifamily Housing, Infrastructure, Owner-Occupied Rehabilitation	\$0	\$0	\$187,000,000	\$187,000,000	\$0	2020 HUD Award: B-21-DZ-06-0001 B-21-DF-06-0001 B-22-DF-06-0001

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available for Remainder of Con Plan \$	Narrative Description
			Annual Allocation \$	Program Income: \$	Prior Year Resources \$	Total \$		
CDBG-DR 2023 Unmet Needs	Public Federal	Multifamily Rental New Construction, Manufactured Housing Unit Replacement & Elevation Community Resiliency Centers	85,349,000	0	97,797,455	183,146,455	0	B-23-DG-06-0001 *2024 (See note)
CDBG-DR 2024	Public Federal	TBD	416,597,000	0	0	416,597,000	0	*2024 (See note)

Table 576 - Anticipated Resources

*2024 anticipated HUD allocation based on a January 7, 2025 announcement and universal notice published by HUD. The associated funds are an estimate of what will be available during the 2025-2029 Consolidated Plan. The community engagement efforts and Action Plan development are underway. The Consolidated Plan will be amended to account for these funds when information becomes available.

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied:

These programs often only partially fund different eligible projects and activities, particularly for larger housing and infrastructure projects. Proposals to use federal funds with private, state, and local funds can improve the feasibility of programs and projects since available funds are limited and often insufficient to fund large projects and programs on their own. This leveraged funding approach with other partners is critical. As housing costs continue to rise, developers, communities, and service providers must be creative and develop and maintain partnerships and access to other resources in order to successfully complete proposed projects.

For larger housing projects, HCD works to coordinate across divisions and with other funding agencies on timing of NOFAs. Localities are encouraged to provide local resources and obtain private support whenever feasible. Local contributions typically consist of in-kind staff services, grant administration, gas tax funds, public works funds, and permit and other fee waivers. Private contributions can include mortgage loans, grants from private agencies, in-kind staff time, participants time, and discounts on services from title, pest, and appraisal companies. Banks participate in providing conventional, public entity, and/or Community Reinvestment Act (CRA) loans to support development of affordable rental units. Banks are also active in providing mortgages that partner with first-time homebuyer assistance in conjunction with state and federal programs. In addition to conventional lending and HUD entitlement funds, resources leveraged currently include the following:

- State housing tax credits
- Federal housing tax credits
- Private bank loans
- Local funds
- Federal Home Loan Bank Affordable Housing Program
- Other federal funding such as USDA and EPA
- Other state funding such as Department of Water Resources and Caltrans
- State housing funds e.g., Homekey, Multi-family Housing Program 19 percent

CDBG - Match required for administrative costs after the first \$100,000. Funds available are often insufficient to fully support most Community Development or Economic Development projects and programs, so CDBG is generally used as gap financing in conjunction with other federal, state and local funds. CDBG is used in conjunction with other grant funding to local governments.

HOME - 25 percent Match Requirement. HCD uses HCD state funds and other state and local resource contributions to housing pursuant to the HOME matching requirements at 24 CFR 92.220.

ESG - 100 percent Match Requirement. HCD encourages the use of state homeless funds, such as from the California Homeless Housing, Assistance and Prevention (HHAP) Grant Program to help meet the match requirement. HCD has worked with the state government to develop flexible funding sources to address homelessness. Match requirements do not apply to ESG RUSH program funds.

NHTF - No match required.

HOPWA: There is no federal match requirement for State HOPWA, however, State HOPWA project sponsors report leveraged funds. On an annual basis, CDPH/OA allocates funding through the HIV Care Program (RWHAP Part B) for HIV/AIDS care and treatment services to California counties. Based on prior year data, CDPH/OA anticipates approximately \$3.5 million in annual leveraged funds by HOPWA project sponsors, including RWHAP Part B and other federal, state, local, and private resources for the provision of HIV/AIDS housing and services to HOPWA clients based on the FY 2023-2024 CAPER. Other leveraged resources include:

- HIV Care Program (HCP), which is funded through the Health Resources and Services Administration's (HRSA) Ryan White AIDS/HIV Program (Part B), provides primary medical care and essential support services for PLWH who are low-income and uninsured or underinsured.
- The AIDS Drug Assistance Program (ADAP), also funded through HRSA, helps ensure that eligible PLWH who are uninsured or underinsured have access to HIV-related medication, by paying their prescription costs. ADAP can also pay for health insurance premiums, employer-based insurance premiums, Part D and Medigap insurance premiums, and medical out-of-pocket costs for eligible ADAP clients.
- Ryan White Part B, funded through HRSA, seeks to reduce health issues by providing outreach to link people living with HIV to medical care and treatment.
- The Medi-Cal Waiver Program, funded through the Centers for Medicare and Medicaid, provides comprehensive case management and direct care services to PLWH as an alternative to a nursing facility or hospitalization.

If appropriate, describe publicly owned land or property located within the state that may be used to address the needs identified in the plan:

The lack of affordable housing across California is a matter of vital statewide importance and the state is working to expand housing opportunities through leveraging its publicly owned land. The Department of General Services (DGS) and HCD have followed Governor Newsom's Executive Order N-06-19 to identify and prioritize excess state-owned property and aggressively pursue innovative, cost-effective housing projects. DGS compiled an inventory of over 44,000 state-owned parcels and identified the sites most suitable for development. A two-part screening tool, including housing need and economic feasibility measures, was developed and applied to prioritize these parcels.

Discussion

No additional discussion.

SP-40 Institutional Delivery Structure – 91.315(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Structure Table

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
CALIFORNIA	Government	Economic Development, Homelessness, Non-homeless special needs, Ownership, Planning, Rental assistance, Neighborhood improvements, Public facilities, and Public services	State
California Department of Public Health	Government	Ownership Rental	State

ETable 58 7 - Institutional Delivery Structure

Assess Strengths and Gaps in the Institutional Delivery System.

The primary strength of the institutional delivery structure in California is the wide array of entities, both public and private, that receive HCD funding to provide housing and services. However, based on community partner feedback there is a lack of local-level capacity, coordination, and interagency collaboration to effectively administer and manage HUD-funded programs, specifically within areas that include Colonias.

Based on feedback from community members across the state, while local Continuums of Care have done much to coordinate homeless services, such a complex issue requires a comprehensive approach to address and prevent homelessness that begins from the initial contact and integration of homeless persons into a recovery system that concludes with homeless persons becoming housed and employed. Comprehensive homelessness services should include at a minimum, street-level outreach, education on available services, medical and mental health treatment, mental health counseling, substance use treatment and substance use counseling (if applicable), case management, transitional housing (preferably with onsite supportive services),

continued education/job training, job placement, and permanent housing with continued case management to prevent repeated homelessness.

CDPH/OA HOPWA has well-established partnerships with its 20 project sponsors via grants dated through June 30, 2028. Project sponsors provide housing assistance and supportive service programs to PLWH throughout 40 non-Eligible Metropolitan Statistical Areas (EMSAs) counties. Every project sponsor provides direct client services and coordination with other local HIV service programs to ensure seamless continuity of care for HOPWA PLWH.

In the case of loss of a project sponsor, CDPH/OA solicits project sponsors through a Request for Award (RFA) process that allows equal access to all grassroots, faith-based, community-based organizations, and governmental housing and health agencies in that jurisdiction. Project sponsors that subcontract with other agencies must also use a selection process that provides full access to all grassroots, faith-based, and community-based organizations.

CDPH/OA HOPWA is also housed in the same branch as the HIV Care Program (HCP). Therefore, a coordinated delivery system of HIV services and housing services is more easily achieved. However, the allowable HOPWA grant administration cap of 3 percent only funds one full-time HOPWA staff position, which has impacted grantee oversight, prevented State HOPWA from expanding HIV housing activities, and delayed HIV/AIDS housing-related planning and integration activities. Some project sponsors have reduced their level of participation in the HOPWA program, due in part to the low sponsor administration cap of 7 percent.

As fundraising, private donations, grants, and other sources of funding have declined, nonprofit HIV service and housing organizations are experiencing financial crises and reduced capacity to provide services. Several CDPH/OA HOPWA projects sponsors have experienced organizational change and/or downsizing over the past few years due to decreased funding available through public and private resources. Although the project sponsors continue to provide housing and supportive services to PLWH with the greatest need in their communities, there have been challenges in meeting HOPWA performance goals and administrative deadlines.

Assess the strengths and gaps in the institutional delivery system working within the Colonias.

Input from community members and partners located within Imperial County, where Colonias are located, shared there is a lack of local-level capacity, coordination, and interagency collaboration to effectively administer and manage HUD-funded programs, in part, due to insufficient funding to cover administrative costs and capacity. As such, local governments within Imperial County require additional staffing, and interagency

and government support to not only administer and manage HUD-funded programs effectively but also to reach populations and provide services and assistance to the populations with the highest needs within their jurisdictions. Additionally, many residents of the Colonias are not aware of existing programs or are not able to participate due to jurisdictional restrictions, lack of infrastructure, economic constraints, transportation issues, and lack of local services.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X		X
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
Street Outreach Services			
Law Enforcement	X	X	X
Mobile Clinics	X	X	X
Other Street Outreach Services	X	X	X
Supportive Services			
Alcohol & Drug Abuse	X	X	X
Childcare	X	X	X
Education	X	X	X
Employment and Employment Training	X	X	X
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X

Other			
Basic Telephone Services	X	X	X

Table 59 8 - Homeless Prevention Services Summary

Describe the extent to which services targeted to homeless person and persons with HIV and mainstream services, such as health, mental health and employment services are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) and persons with HIV within the jurisdiction:

HOPWA: Approximately 80 percent of the annual State CDPH/OA HOPWA grant is allocated for homeless and homelessness prevention services for PLWH, including the chronically homeless, families with children, and veterans. Homeless and homelessness services include TBRA, STRMU, PHP, facility-based housing operational subsidies, hotel/motel voucher assistance, and housing information services. In addition, supportive services such as case management, employment assistance training, life skills management, transportation, and meals/ nutrition services are funded. Specific homeless services provided to PLWHA vary by CDPH/OA HOPWA project sponsor depending on funding availability and community needs.

The CDPH/OA HOPWA program actively works to connect HOPWA project sponsors (organizations receiving HOPWA funds to provide housing assistance to PLWHA) with healthcare providers, homeless service agencies, and other mainstream support systems through its HOPWA funding application process and through ongoing technical assistance, to ensure PLWHA who are homeless or at risk of homelessness are able to access a comprehensive range of services.

CDPH/OA HOPWA must ensure that its project sponsors provide all clients that are receiving HOPWA housing assistance with access to supportive services, whether funded through HOPWA or other resources such as HCP. Project sponsors are responsible for developing a comprehensive housing plan for all clients receiving any housing service. CDPH/OA HOPWA project sponsors may use HOPWA funds to ensure PLWH receive case management services or other supportive or mainstream services such as mental health, meals/nutrition, substance use treatment, resource identification, life skills, employment assistance services, and transportation services; however, only as payor of last resort CDPH/OA HOPWA project sponsors are encouraged to link clients to other local agencies if additional mainstream services are needed.

There are geographical challenges to accessing HIV care and treatment in rural areas of California. Due to the lack of affordable housing in urban areas, clients move to rural

areas where they face increased difficulty in obtaining specialized HIV medical care, social support networks, access to transportation, as well as appropriate and affordable housing.

Other Programs: State homelessness response and prevention funds are going to be increasingly used for Rapid Rehousing programs and crisis response services; therefore, while many communities offer supportive services for homeless people, more funded programs may be providing these in housing funded with Rapid Rehousing assistance, rather than in shelter or transitional housing, with supportive services funded through non-ESG sources.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above.

HOPWA: At the local level, most HOPWA project sponsors are either an HCP service provider or have established a partnership with HCP service providers to ensure PLWHA are screened at initial intake and linked to the appropriate agencies for healthcare, housing, and other services. At the state level, CDPH/OA has initiated collaborative measures between the HIV/AIDS Prevention and Care Branches to improve timeliness in identifying newly diagnosed clients and linking to health care, and services. CDPH/OA has initiated measures to improve data collection to identify PLWHA who are out-of-care or newly diagnosed, including those who are homeless. Project sponsors leverage funds from various federal, state, local, and private sources, including the RWHAP Part B funding, for housing assistance, supportive services, and other non-housing support. CDPH/OA administers the RWHAP (Part B), which provides HIV care services statewide, including the 40 HOPWA-eligible counties.

HOPWA project sponsors actively participate in their local CoC planning groups or homeless task forces/coalitions to ensure the HIV community is represented and effectively served. All project sponsors provide either case management services directly or collaborate with RWHAP or MCWP providers to provide case management to PLWHA. Additionally, 13 of the 20 Project sponsors are also HIV Care Program providers, which allows a seamless approach to the delivery of housing and care services. These services, when used in conjunction with HOPWA services, assist in preventing homelessness and addressing emergency housing needs.

CDPH/OA has HOPWA grants with eight county health departments, 11 community-based nonprofit organizations, and one housing authority to carry out HOPWA housing and supportive service activities.

At the state level, CDPH/OA continues to improve program data systems to identify trends, and issues, and to improve program implementation. State HOPWA and HCP

collaborate to minimize duplication of services and to ensure resources are used more effectively. The new HIV Care Connect (HCC) system will go live in the Spring of 2025 and replace the AIDS Regional Information and Evaluation System (ARIES).

Other Programs: Specific gaps in services vary by county, with non-entitlement areas and rural areas in particular having fewer health, education, employment, and transportation services available to assist their low-income populations generally, and especially households experiencing temporary or chronic homelessness. This may impact a jurisdiction's ability to provide permanent supportive housing, or service-enriched Rapid Rehousing.

As previously stated, community members across the state expressed the need for more comprehensive homeless services and approaches to address and prevent homelessness that at a minimum begins with street-level outreach, education on available services, medical and mental health treatment, mental health counseling, substance use treatment and substance use counseling (if applicable), case management, transitional housing (preferably with onsite supportive services), continued education/job training, job placement, and permanent housing with continued case management to prevent repeated homelessness.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs.

HCD will continue to collaborate with CDPH/OA, which administers the RWHAP Part B funding. In addition, the CDPH/OA also collaborates with the Centers for Disease Control and Prevention's (CDC) National Medical Monitoring Project, which collects data on, and provides information about the behaviors, clinical outcomes, quality of care, and viral suppression among people diagnosed with HIV.

CDPH/OA will continue to monitor HOPWA project sponsors for compliance with HOPWA program requirements via on-site compliance monitoring and desk review of progress reports, client and service data, and invoice back-up detail documentation. Project sponsors will be provided with a post-visit finding report and will be required to submit corrective action plans to address any deficiencies. In addition, the CDPH/OA is integrating HCP and HOPWA grant oversight and compliance activities to streamline internal systems, maximize existing staff, and ensure coordination of HIV/AIDS services.

Through the VHHP, AHSC, and Section 811 PRA programs, HCD will continue to work with other state departments to assist housing providers serving homeless and other low-income households to access supportive services offered or funded through these

agencies to address gaps in services communities. Please refer to the California Housing Finance Agency website for more information on the Section 811 PRA program: <https://www.calhfa.ca.gov/multifamily/section811/index.htm>.

SP-45 Goals – 91.315(a)(4)

Goals Summary Information

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase Supply of Affordable Housing	Development of new rental and homeownership housing opportunities to increase the supply of affordable housing	2025	2029	Affordable Housing	Statewide	Increased Supply and Preservation of Affordable Housing	CDBG \$27,075,697.62 HOME \$139,270,784.36 HTF \$154,765,788.3	Rental Units Constructed: 1,332 Household Housing Units (HOME, CDBG, HTF) Homeowner Housing Added: 355 Household Housing Units (CDBG, HOME)
2	Preserve Existing Affordable Housing	Rehabilitation of existing units in order to preserve viability and affordability of existing housing stock.	2025	2029	Affordable Housing	Statewide	Increased Supply and Preservation of Affordable Housing	CDBG \$22,297,633.34 HOME \$23,211,797.39 HTF \$17,196,198.70	Rental Units Rehabilitated: 430 Household Housing Units (CDBG, HOME, HTF) Homeowner Housing Rehabilitated: 466 Household Housing Units (CDBG, HOME)

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Improve Access to Affordable Housing	Rental and homebuyer assistance programs operated by grantees and subrecipients for eligible populations, including security and utility deposits, monthly rental assistance.	2025	2029	Affordable Housing	Statewide	Improved Access to Affordable Housing	CDBG \$11,148,816.67 HOME \$30,949,063.19	Direct Financial Assistance to Homebuyers: 502 Households Assisted (CDBG, HOME) Tenant-Based Rental Assistance: 950 Households Assisted (HOME)
4	Prevent Homelessness	Address the needs of those at risk of homelessness through prevention activities. Includes HOPWA-tenant-based rental assistance and homeless prevention activities through the ESG and HOPWA programs.	2025	2029	Homeless	Statewide	Addressing the Homelessness Crisis	HOPWA \$719,752.31 ESG \$2,893,978.45 ESG RUSH \$138,750	Homelessness Prevention 4,115 Persons Assisted (ESG, HOPWA)
5	Address Homelessness	Address the increasing number of individuals and families experiencing homelessness by	2025	2029	Homeless	Statewide	Addressing the Homelessness Crisis	HOPWA \$23,271,991.51 ESG	Tenant-Based Rental Assistance / Rapid Rehousing:

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
		providing assistance to households currently experiencing homelessness. Includes shelter and street outreach activities.						\$54,985,590.55 ESG RUSH \$2,636,250	13,830 Households Assisted (ESG, HOPWA) Homeless Person Overnight Shelter: 39,550 Persons Assisted (ESG, ESG RUSH, HOPWA) Homeless Person Street Outreach 35,500 Persons Assisted (ESG) HIV/AIDS Housing Operations: 210 HHU (HOPWA) Public Service Activities other than Low/Moderate-Income Housing Benefit:

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
									5,000 Persons Assisted (HOPWA)
6	Invest in Community and Public Infrastructure and Facilities	Provide support for public facilities and infrastructure, particularly in rural areas, with the goal of supporting low and moderate-income households in these communities.	2025	2029	Non-Housing Community Development	Statewide	Investment in Community and Public Infrastructure and Facilities	CDBG \$63,707,523.82	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 215,000 Persons Assisted (CDBG) Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 100 Households Assisted (CDBG) Includes 5% Colonias (\$8,323,255)

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Provide Community-Based Public Services	Provide support for public services, particularly in rural areas, with the goal of supporting low and moderate-income households and special needs populations in these communities.	2025	2029	Non-Housing Community Development	Statewide	Community-Based public services	CDBG \$22,297,633.34	Public service activities other than Low/Moderate Income Housing Benefit: 104,000 Persons Assisted (CDBG)
8	Increase Economic Development Opportunities	Economic development includes investment in businesses and projects in support of job creation and retention activities primarily benefitting low-to-moderate income persons in order to encourage community revitalization, and the provision of neighborhood serving businesses to improve access to jobs, goods and services, and grow the local economy.	2025	2029	Non-Housing Community Development	Statewide	Increased economic development opportunities	CDBG \$12,741,504.76	Jobs Created/ Retained: 200 Jobs (CDBG) Businesses Assisted: 175 Businesses Assisted (CDBG)

Table 60 – Goals Summary

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

Over this next five-year Consolidated Planning period, the state estimates the following:

- Rental Housing: construction of approximately 1,330 rental units and rehabilitation of approximately 490 rental units through CDBG, HOME, and NHTF.
- Homeownership: construction of approximately 240 owner-occupied units and rehabilitation of approximately 460 owner-occupied units through CDBG and HOME.
- Direct financial assistance to homebuyers: assist approximately 500 households through CDBG and HOME.
- Tenant-Based Rental Assistance/Rapid Rehousing: assist nearly 200 households through HOME.

SP-50 Public Housing– 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

HCD does not manage PHA's or administer public housing funds, as each have their own charter with HUD. However, HCD maintains partnerships with PHA's throughout the state by:

- Maintaining communications with designated PHA jurisdictions to coordinate effective use of state HOME funds, including increasing the number of accessible units.
- Ensuring adequate representation by PHAs on HCD training, CoC Steering Committees, and other high-impact coordination efforts.
- Coordinating with PHA's to address the needs of public housing.

Activities to Increase Resident Involvement

Because local PHAs must adhere to this requirement, the state has no input.

Is the public housing agency designated as troubled under 24 CFR part 902?

N/A.

Plan to remove the 'troubled' designation

If HUD identifies a troubled public housing agency, the state will explore options to assist that agency through the most appropriate option available, determined on a case-by-case basis.

SP-55 Strategic Plan Obstacles to Affordable Housing – 91.315(h)

Challenges to Affordable Housing

Challenges to affordable housing are detailed in MA-40. During focus groups and public engagement sessions, community participants noted that income limitations, high housing prices, high cost-of-living, restrictions on housing program assistance, and an inability for applicants to meet housing program qualification requirements are significant challenges to affordable housing. In addition, members shared that a lack of funding and competition for funding among non-entitlement communities restrict the amount of assistance a non-entitlement community can provide to its community members. Over 80 percent of the grantees who were surveyed agreed that the following issues are a big challenges to affordable housing in California:

- Homebuyers cannot afford new owner-occupied housing
- Cost of development
- Complexity of funding
- Renters cannot afford new rental housing

The Needs Assessment and Market Analysis sections of this Consolidated Plan corroborate community stakeholder feedback in demonstrating that challenges to affordable housing still impact a large percentage of households in California. For example, 39 percent of public survey participants indicated being unable to pay for housing while still having enough money for other basic needs. As discussed in section MA-40, various public policies—such as taxes impacting land and properties, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment—can have adverse impacts on the supply of affordable housing options in a community. Such policies are typically within the purview of county and municipal government and can limit new housing construction, price lower-income households out of a community, and reduce amenities and resources. Although states cede much land use authority to local governments, states across the country have enacted policies to promote the supply and availability of housing.

[California's 2022 Statewide Housing Assessment](#) also provides an extensive analysis of the land use, planning, and other policies limiting the development of affordable housing. While some statewide laws present challenges, California local governments have primary control over land use and housing related decisions and can enact policies that discourage affordable housing development. These policies can directly prevent affordable housing from being built. More importantly, they can discourage new housing development for households of all income levels due to a lack of certainty of where and which housing is economically and politically feasible to build, and how long

the whole process will take. This exacerbates the shortage of affordable housing for everyone.

Strategy to Remove or Ameliorate the Challenges to Affordable Housing

Recommendations and actions steps have been developed to remove or ameliorate these challenges. The strategies and suite of funding programs identified in this Consolidated Plan are also intended to align with the recommendations. Progress will be provided in future CAPERs.

HCD continues to implement state-level requirements in affordable housing development and regional housing planning. State legislation approved during the 2020-24 Consolidated Planning cycle ([AB 686](#), [AB 1304](#), and [AB 2667](#)) require that jurisdictions work to remove hurdles in their housing and community development planning. AB 1304 requires that the housing element must include an analysis of neighborhood characteristics, and should analyze outcomes and needs at both a local and regional scale. AB 2667 requires this analysis to be included in the public comment draft of the housing element. This legislation, which takes effect in 2025, also requires HCD to develop and implement a standardized format for this analysis that includes specific timelines for implementation, responsible agencies, action areas and budgetary commitments.

Recipients of NHTF and HOME program funds from HCD must comply with HUD's NHTF and HOME regulations and HCD's NHTF Guidelines and State HOME Regulations must develop policies and plans consistent with federal laws and regulations as well as state laws and program guidelines and regulations.

HCD is working with Tribes by eliminating the requirement for a limited waiver of sovereign immunity (LWSI) for most programs. Instead, a menu of alternative risk mitigation strategies has been introduced to address remedies for potential noncompliance or poor performance for the programs. Other key accommodations for tribal participation in federal housing programs include exemptions from certain property standards on Native American lands and the use of Tribal Admissions and Occupancy Standards (TAOS)

The CAPER includes updates on progress and California and HCD are committed to continuing to work to increase the supply of affordable housing.

SP-60 Homelessness Strategy – 91.315(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Street outreach serves an essential role in providing human-centered services to engage people experiencing unsheltered homelessness and connect them with appropriate resources. The state's Action Plan for [Preventing and Ending Homelessness](#) prioritizes outreach efforts for engaging persons experiencing homelessness, especially those who are unsheltered, assessing their needs, and connecting them to shelter and services.

The State does not engage in direct outreach as California's 44 Continuums of Care (CoCs) are charged with promoting and implementing evidence-based solutions and emerging practices to prevent and end homelessness. The CoC's work begins with outreach efforts which help to shelter homeless people who are currently unsheltered and then connect them to housing. CoCs outreach efforts are supported by the state with federal and state resources, including ESG funding from HUD which is passed through HCD to CoCs.

Outreach is conducted to individuals and families experiencing homelessness, with extra attention placed in areas where shelter is scarce, and unsheltered people may be staying in less visible locations. Outreach actions include examining the situation of those who remain chronically unsheltered. During outreach, service providers assess whether the individual remains unsheltered due to a lack of available beds, a lack of available housing, or inadequate assistance offered. These services take individualized, trauma-informed steps to assist unsheltered people into shelter or housing that is acceptable to them and meets their specific needs. These efforts also support people who remain unsheltered to implement safe sanitation, hygiene, and harm reduction practices. These actions are coordinated across the CoC system, and across all levels of government. This includes emergency management and operations, cash assistance programs, healthcare, homelessness services and housing, food and nutrition, and others.

Addressing the emergency shelter and transitional housing needs of homeless persons

Increasing the number of unhoused Californians successfully placed from street outreach and into emergency or transitional shelters is a key performance measure of the [Action Plan for Preventing and Ending Homelessness](#). Addressing Homelessness is also a primary objective of the 2022 [Statewide Housing Plan](#).

The state aims to place unsheltered homeless persons into shelters before connecting them to much-needed resources to stabilize their situation. As specified in MA-30 (Homeless Facilities), in 2023 there were 55,270 emergency shelter beds statewide and 17,925 transitional housing beds. In an effort to increase the number of beds available statewide, Caltrans and ICH are working together to promote and educate local jurisdictions and their community partners on opportunities available to lease state-owned land for the provision of emergency shelters or interim housing programs. ESG grants are also continuing to provide funding assistance to emergency shelters throughout the state, ensuring that the number of beds available is maintained.

HCD also continues to administer many programs that support the emergency and transitional housing needs of the homeless population. The ESG program funds several Emergency Shelter (ES) programs, which provide shelter and essential services to homeless individuals and families while they seek affordable and suitable permanent housing. Essential services include, but are not limited to, case management, education, job training, childcare, and mental and medical health services. Shelter operations costs include maintenance, rent, security, equipment, utilities, and food.

Other state agencies also have programs that address the emergency shelter and transitional housing needs of homeless persons including, but not limited to:

- The California Department of Rehabilitation (DOR) has developed collaborative working relationships throughout the state with county coordinated entry programs, agencies providing emergency shelter and transitional housing, and other community-based organizations to receive referrals and provide DOR services.
- California Office of Emergency Services (Cal OES) administered six grant programs, with approximately 165 subrecipients, with the primary purpose of providing shelter and housing services to victims of crime, providing more than 45,750 nights of shelter and more than 194,000 nights of transitional housing, and providing emergency shelter and housing assistance to more than 5,200 youth, and stabilization planning to more than 5,400 youth.
- In FY 22-23, Caltrans actively engaged with the Division of Right of Way and Land Surveys to promote the department's emergency shelter leases. Together, along with the Department of General Services and local governments, Caltrans was able to stand up emergency shelters in San Jose, San Diego, Sacramento, and Los Angeles. In total, the department has helped execute 13 operational leases statewide.
- CDSS and other agencies also fund a number of programs that are designed to support program participants through their quick and safe transition to permanent housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Through the Action Plan for Preventing and Ending Homelessness in California, Cal ICH – the state’s interagency council on homelessness – pursues a vision for the state’s work to prevent and end homelessness that features:

- Increased leadership from the state for identifying and supporting both short-term interventions and long-term solutions.
- Purposeful, action-oriented coordination and alignment across state agencies and programs; and
- Stronger, collaborative partnerships with public and private partners in communities.

California’s primary strategy for facilitating the transition to permanent housing for individuals and families experiencing homelessness is to treat the root cause of the issue, which is a lack of affordable housing. The state continues to advance policy solutions and historic investments to address homelessness and housing needs. Bolstering resources for people who are exiting emergency and transitional housing and preparing to enter permanent housing is also critical to shorten the length of transition, ensure stability and maintenance of housing, and prevent re-entry into homelessness.

Currently, the Department of Rehabilitation (DOR) and Cal ICH are [working together](#) to further support individuals and families who are in emergency shelters or interim housing programs so that their transition into permanent housing is more stable and maintained. These initiatives include connecting people increasing independent living skills and further connecting people to employment resources to increase incomes.

HCD’s ESG program funds Rapid Re-Housing (RR) and Homelessness Prevention (HP) activities, which provide short- and medium-term rental assistance and supportive services to individuals and families experiencing homelessness (RR) and those at risk of homelessness (HP), so that they can access and maintain affordable, suitable permanent housing. In FY25, HCD anticipates that approximately 40-50 percent of its awards will go towards RR and HP projects.

NHTF provides funding to affordable housing developers to preserve, rehabilitate, and construct multifamily rental developments, primarily for extremely low-income households who are homeless or at risk of entering homelessness. Currently, 100

percent of the funds for rental housing must benefit extremely low-income households. If the total national allocation of NHTF exceeds \$1 billion, up to 25 percent of the funds may benefit very low-income households, however to date, that threshold has not been met.

HOME and HOPWA TBRA are also used to provide stable affordable housing for people experiencing homelessness and prevent homelessness for rent-burdened households at risk of homelessness. In addition, many multifamily rental projects that HCD HOME funds assist are meet the needs of extremely low-income households that are homeless or at risk of homelessness.

The HOME-ARP program also provides affordable permanent housing opportunities to individuals and families experiencing homelessness or who are at risk of homelessness. HCD's HOME-ARP allocation of approximately \$155 million will be used to fund the development of affordable rental housing in non-entitlement areas (\$110 million) and housing plus supportive services programs (\$27 million).

For additional HCD programs please see MA-35. Other state Programs and Efforts include, but are not limited to:

CSS implemented the Guaranteed Income Pilot focused on populations, including pregnant women and youth aging out of foster care, facing key life transitions that puts them at higher risk for adverse outcomes.

Cal ICH released multiple rounds of awards through the Encampment Resolution Funding (ERF) Program, addressing both the needs of people experiencing unsheltered homelessness and the impact of encampments on communities and providing nearly \$250 million in funding awards to more than 30 communities.

DHCS implemented the new Behavioral Health Bridge Housing (BHBH) Program, through which 53 counties are receiving over \$900 million in funding to address the immediate housing and treatment needs of people experiencing unsheltered homelessness with serious behavioral health conditions by providing time-limited operational supports in various bridge housing settings.

Help low-income individuals and families avoid becoming homeless

Common triggers and risk factors for homelessness are provided in detail in NA-10. High housing costs, cost burden, and loss of subsidy or risk of eviction, are some of the main factors that create instability and increase the risk of homelessness. A primary objective of the Action Plan for Preventing and Ending Homelessness is reducing entries into homelessness as people exit and/or receive services through state-funded programs and systems and enhancing communities' capacity to provide homelessness prevention and diversion services and assistance.

For individuals and households facing critical time risks, collaboration across service providers is also crucial. The California Policy Lab's risk factor analysis found that [engagement with multiple service agencies in Los Angeles County was a strong predictor of individuals' entry into homelessness](#). Effective homelessness services systems identify and engage partner systems (e.g., county welfare offices, child protective services, justice systems and correctional facilities, health care systems and residential care facilities) to coordinate with and strengthen their homelessness prevention activities.

With high housing costs as a critical factor leading to homelessness, California's homelessness strategy directly addresses the shortage of affordable housing by layering funding from federal, state, local, and private sources to create and preserve affordable units, to provide ongoing rental assistance, and to provide aid to households to help them enter new housing (e.g., help finding affordable units, security deposit assistance). Local service providers also provide financial assistance, eviction prevention, and other problem-solving services, to households at imminent risk of losing their housing.

As previously detailed, ESG also funds homeless prevention activities and HOME funds TBRA. HOPWA also directly addresses the housing needs for low-income PLWH who are homeless or are at-risk of experiencing homelessness through various housing and supportive services. These may include PHP, TBRA, housing information and referral services (HIS), hotel/motel vouchers, case management, meal assistance, and/or transportation vouchers. At initial intake appointments, CDPH/OA HOPWA project sponsors prepare client service plans, and refer-clients to other agencies that provide additional services not offered by the HOPWA project sponsor. Specific housing and supportive services available to PLWH varies by county and depends on funding availability and service need.

Other State Agencies that implement prevention programs include DHCS, CWDB, CDCR, CDA, DOR, among others. Recent efforts by other state agencies include:

- The launch of DHCS's PATH Round 2 program which provides support for CDCR, County Social Services Department, County Correctional Facilities, and County Probation Facilities to develop and implement new processes in support of the Inmate Pre-Release Application Mandate.
- CDCR strengthened the pre-release process such that the Division of Adult Parole Operations (DAPO) Community Transition Program now provides housing referrals to the Specialized Treatment for Optimized Programming (STOP) network, who then secures community-based housing options, as appropriate.
- CWDB's Prison to Employment (P2E) 2.0 program launched near the end of FY 22-23 and WWDB is working with external evaluators, to ensure adequate data collection and the eventual rigorous analysis of that data.

Additional collaboration, policy, and programmatic efforts and outcomes are listed in the BCSH 2022 Action Plan for Preventing and Ending Homelessness under Action Area 5 – Preventing Californians from Experiencing the Crisis of Homelessness.

SP-65 Lead-based Paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards:

California Department of Public Health (CDPH) Childhood Lead Poisoning Prevention Branch manages programs, research, and data [collection](#) to identify and control lead-based paint hazards in eligible privately-owned housing for rental or owner occupants. CDPH has successfully managed Lead-Based Paint Hazard Control Programs (LBPHC) benefiting low-income families through effective program design and implementation, and through cost-effective and fiscally responsible business practices. CDPH involves its network of Community-Based Organizations (CBOs) in the delivery of lead hazard control services to low-income households. The CBOs have a long history of serving low-income families because they are locally based and offer a wide range of community service programs. LBPHC is designed to work in conjunction with the California Department of Public Health, Childhood Lead Poisoning Branch, the federally funded Low-Income Home Energy Assistance Program (LIHEAP) weatherization program, the Department of Energy Weatherization Assistance Program (DOE WAP), local health agencies, and affordable housing programs such as CDBG and HOME.

The Childhood Lead Poisoning Prevention Branch (CLPPB) recently prepared guidance to assist local health jurisdictions (LHJs) on how best to assist California property owners to lower lead abatement costs. This guidance includes strategies for creating lead hazard control plans, options in program development, a comprehensive list of statewide residential lead abatement funding sources from both public and non-profit groups, and allocation amounts for each entitlement in the State of California. This guide was circulated to HCD staff and is sent to local representatives for technical assistance.

HCD also addresses lead-based paint hazards by mandating compliance with federal regulations. HCD mandates that all subrecipients of federal funding for housing purposes (rehab, new construction, shelter, etc.) must comply with federal Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 48214846) regulations. All subrecipients sign a Statement of Assurances with the submission of their application that states they will adhere to the Act's requirements when applicable. Subrecipients are also required to comply with the EPA's Renovation, Repair and Painting Rule as enacted in 2008. Adherence to this requirement is monitored for the CDBG and HOME programs, as well as with ESG when funding is being used for shelter renovations or conversions.

In 2023, HCD updated its [HOME Investment Partnerships \(HOME\) and National Housing Trust Fund \(NHTF\) Combined Multifamily Rehabilitation Standards](#). These standards include Environmental Protection Agency (EPA) regulations including the RRP regulations for Lead-Based Paint (40 CFR Part 745), Lead Safe Housing Rule

(LSHR), 24 CFR Part 35, Occupational Safety and Health Administration (OSHA) - Lead, Construction Industry, 29 CFR Part 1926.62, and Cal/OSHA - Lead in Construction Standard at 8 CCR Section 1532.

CDPH also recently responded to [HUD's Request for Information regarding lead hazard control allocation](#). In its response, HCD emphasized the importance of utilizing demographic and housing criteria to allocate LBP abatement resources, including rural communities, incorporating local and state data on lead poisoning into its allocation process, factoring in the number of accredited LBP hazard contractors in an entitlement area, and other process improvements. This feedback to HUD will improve the program delivery structure of LBP hazard abatement initiatives nationwide, including in the State of California.

How are the actions listed above related to the extent of lead poisoning and hazards?

Data shared during stakeholder consultation meetings with CDPH for this plan show that California contains more housing units built before 1978 than any other state in the country. Housing built before 1978 is one of the main sources of lead hazards and lead poisoning. Older housing with lead hazards is more prevalent in low-income areas and rural areas.

Con Plan public survey results shows that LBP testing and abatement is important to Californians, with 34 percent of respondents ranking the service as “extremely important” and 31 percent ranking it as “somewhat important.” Additional feedback indicates that the most challenging areas in California to work in are rural areas due to a lack of local government capacity to implement programming. CDPH is working collaboratively with rural jurisdictions, adding additional grant cycles, and providing technical assistance to local staff. As such, the above actions taken by state agencies such as CDPH and HCD address abating lead hazards in older housing, including LBP.

How are the actions listed above integrated into housing policies and procedures?

For projects receiving CDBG, HOME, or ESG funding from HCD as subrecipients, HCD's policies and procedures require detailed inspection and testing standards for lead hazards, which must be completed by certified professionals prior to the determination of the scope for housing rehabilitation. Specifically, the Scope and Cost Review must be provided to the party conducting the lead-based paint report, and the Project Proponent or Development Owner must implement the mitigation recommendations of the testing report. A plan must also be put in place for the scheduling of the work, including any necessary relocation. Lead hazard reduction, control, abatement measures and clearance inspections must be done by certified professionals. Lead abatement work must accomplish the following:

- Provide qualified contractors to perform work.
- Provide adequate monitoring of work; and
- Ensure that all identified lead-based paint hazards are eliminated, and that the unit is physically clear of lead dust above allowable amounts.

The following requirements apply to federally funded rehabilitation and are required by HCD:

Rehab where the costs range from \$1,000 to \$4,999:

Provisions of the Protect Your Family from Lead in Your Home Pamphlet found at www.epa.gov/lead.

- Paint testing.
- Repair surfaces disturbed during rehabilitation.
- Use lead-safe work practices.
- Clearance of the work site.

Rehab where the costs range from \$5,000 to \$24,999:

- Provisions of the Protect Your Family from Lead in Your Home Pamphlet found at www.epa.gov/lead.
- Paint testing and risk assessment.
- Interim controls.
- Use lead-safe work practices.
- Clearance of the unit.

Rehab where the work exceeds \$25,000:

- Provisions of the Protect Your Family from Lead in Your Home Pamphlet found at www.epa.gov/lead.
- Paint testing and risk assessment.
- Abatement (interim controls on exterior surfaces not disturbed by rehab).
- Use lead-safe work practices.
- Clearance of the unit.

Implementing these housing policies and procedures help increase access to quality housing while minimizing risks from lead poisoning and hazards.

CBOs continue to collaborate with their local housing departments, provide education about LBPHC services, identify lead-hazard at-risk units, participate in community events, and meet with local businesses, housing advocacy groups and neighborhood groups to build the public's understanding on lead-based paint hazards. Housing programs funded with HUD funds must include LBP procedures in their housing program guidelines and must evaluate LBP on applicable units and projects.

SP-70 Anti-Poverty Strategy – 91.315(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

California's poverty rate is the highest in the country with nearly 20 percent of Californians living in poverty in 2023, according to a recent [California Budget & Policy Center](#). The growing number of households facing rising housing costs and cost burdens is a contributing factor to the state's high poverty rate and homelessness crisis.

The California Department of Community Services and Development (CSD) administers numerous statewide programs aimed at reducing the number of poverty-level families. These include, but are not limited to, Community Services Block Grant (CSBG), Low Income Home Energy Assistance Program (LIHEAP), Low-Income Weatherization Program (LIWP), and the California Earned Income Tax Credit (CalEITC). A full list of programs can be accessed on [the California Department of Community Services and Development website](#).

The state utilizes CSBG as a state-administered anti-poverty block grant. California's CSBG funds a network of certified CSBG-eligible entities, including non-profits, community action agencies, and local governments. These entities provide a range of services aimed at addressing the causes and conditions of poverty. CSBG-eligible entities improve local services by linking low-income Californians to available resources through direct services, and by establishing formal and informal agreements through contractual relationships with subcontractors and referrals to community partners.

CSBG eligible entities apply and evaluate community assessment data to identify gaps in services and opportunities. They then develop strategies to resolve the identified gaps and enhance current programs. As such, the practice of cross-referring clients is common, as staff participates on local area commissions and share information about respective services and gaps in services.

HCD's CDBG-funded rehabilitation, economic development and public services activities aim to reduce the number of poverty-level families by providing employment opportunities, bolstering economic development in communities with fewer resources, and providing critical public services and home repairs to offset costs for families.

CDBG's economic development activities have job creation/retention requirements when HCD provides direct funding to for-profit businesses that are not a microenterprise business. Those jobs must be open to low- and moderate-income individuals, with a minimum of 51 percent of the available jobs going to low- to moderate-income individuals. To meet this requirement, HCD encourages CDBG jurisdictions to collaborate with local organizations that are providing job training to provide referrals for job applicants. Jurisdictions may also formally require business-assistance loan

recipients to use job training program referrals. In this way, persons receiving unemployment benefits and/or in job training programs have access to jobs created from CDBG funding.

ESG and HOPWA provide funding for Rental Assistance, Rapid Re-Housing, and Homelessness Prevention, all of which reduce the number of poverty-level families by providing stable, affordable, quality housing. By helping individuals to remain in stable housing and avoid homelessness, these activities can prevent these persons from losing their jobs, disrupting their children's education, and facing health risks. Case management services funded by ESG and HOPWA help poverty-level households connect to education and employment opportunities and assist them in increasing their income. HOPWA provides multiple types of supportive services, including meals and nutritional services, mental health, and transportation services.

HCD's affordable housing programs, including HOME and NHTF, aim to mitigate the effects of poverty and provide individuals and families with safe and affordable housing as a platform for improving their economic, educational, and social outcomes. The departmental priority on increasing housing options also is intended to encourage affordable housing developers to develop projects in areas that have been identified as likely to support this economic upward mobility.

Input from public engagement sessions with stakeholders revealed that programs such as housing rehabilitation programs that assist low-income households with household repairs are crucial to low-income households as such households would otherwise not be able to afford household repairs, including rehabilitation activities involving health and safety repairs. Public survey results revealed a similar trend, with homeowner housing rehabilitation ranked as extremely important by 55 percent of respondents.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

California recognizes that affordable housing is a key component in poverty-reduction strategies. Many state housing programs seek to reduce the housing cost burden on families who are considered extremely low income, many of whom have incomes at or below the poverty level, by developing housing units at 30 percent of Area Median Income (AMI) or below, and/or by providing rent or operating subsidies that will assist families at this income level to afford housing. HTF, VHHP, NPLH, CalWORKs Housing Support Program, and the Section 811 Project Rental Assistance (PRA) programs specifically target households at 30 percent of AMI or below. Other affordable housing programs including those in the Multifamily Finance Super NOFA, HOME, AHSC, and 9 percent and 4 percent tax credit programs provide application rating points and/or additional dollars for subsidizing units to individuals and families at 30 percent of AMI or below.

HCD also coordinates with other state agencies to improve access to broadband internet in affordable housing, particularly in rural communities. Access to high-speed internet is crucial for developing businesses and obtaining jobs in growth industries that provide adequate wages. HCD is represented in the Digital Statewide Planning Group and is responsible for recommending a single standard for broadband speed and performance across state infrastructure grant programs in the state's Broadband Action Plan. HCD's Multifamily Finance Super NOFA provides additional points in scoring for projects that improve broadband access for residents, and for units which offer broadband service.

Some state housing programs provide scoring incentives for developments located in census tracts that are classified as "high or highest opportunity", according to the opportunity mapping index developed by the state and the CTCAC. High-opportunity neighborhoods provide a healthy, well-resourced environment with access to jobs and transportation – neighborhoods whose characteristics are linked to children's well-being and pathways to exit poverty. The Qualified Allocation Plan (QAP), developed by the state to govern the allocation of Low-Income Housing Tax Credits, prioritizes developments that are sited in stable communities—areas of lower poverty and access to place-based opportunities in transportation, education, and employment—and those that are in revitalizing communities—areas that have higher poverty rates but are paired with a concerted community revitalization plan.

For CDBG and HOME, the method of distribution for competitive programs includes community need scores which increase the chances of funding for those jurisdictions in the state that suffer from higher levels of poverty. Although other competitive factors on a combined basis carry more weight (e.g., health and safety needs, project feasibility), these points assist communities when, other factors being equal, their level of poverty is greater than others. The housing and services described in this section are an integral part of the state's anti-poverty strategy.

SP-75 Colonias Strategy

Describe the state's homeless strategy within Colonias.

California's strategy for addressing homelessness in Colonias focuses on a combination of housing construction and rehabilitation and providing shelter, housing assistance and supportive services. HCD invests funding in Imperial County where all 15 Colonias are located. For example, HCD invested nearly \$500,000 through the TAY Program, which encompasses three programs to prevent homelessness and secure and maintain housing for young adults aged 18 to 24 years. HCD also invested \$376,000 in ESG funding in Imperial County for rapid re-housing, emergency shelter, street outreach, and homeless prevention activities.

Additionally, programs like *Homeless Housing, Assistance, and Prevention (HHAP)* aim to reduce homelessness by providing resources for emergency shelters, rapid rehousing, and outreach programs. HCD has awarded \$11.5 million in HHAP funding to Imperial County and its CoC.

Describe the challenges to affordable housing in Colonias.

Colonias face several key challenges to affordable housing:

- **Infrastructure Deficiencies:** Many Colonias lack basic infrastructure and utilities such as water, sewer systems, and paved roads, which drives up the cost of housing development.
- **Poor Housing Conditions:** Much of the housing stock is in poor condition and a large portion of the housing stock is made up of mobilehomes. Abandoned housing is also a common problem in the Colonias. The percent of occupied units lacking complete plumbing is also higher in Colonias compared to the state average.
- **Low Economic Resources:** High poverty rates among residents limit access to affordable housing options.
- **Regulatory and Zoning Challenges:** Rural areas are often subject to restrictive zoning laws and land-use regulations that do not prioritize affordable housing developments.
- **Lack of Investment and Limited Access to Funding:** Due to their rural location, Colonias may have less access to state and federal funding compared to more urban areas ([Turner Center](#))([Governor of California](#)).

Please also see NA-50, MA-50, and SP-40 for more details on Colonias housing needs.

Describe the state's strategy for addressing obstacles to affordable housing (including substandard housing) in Colonias.

HCD supports Colonias with a focus on providing state and federal funding to preserve and expand housing opportunities and to address community development needs. The State of California has implemented several strategies to address the obstacles to affordable housing in Colonias. These include:

Infrastructure and Housing Funding: HCD provides a variety of resources to support housing in Imperial County and its Colonias including California Housing Accelerator, Infill Infrastructure Grant Program (IIG), Permanent Local Housing Allocation (PLHA) funding, as well as CDBG and HOME funding.

Streamlined Development Processes: The state has passed legislation to simplify zoning and reduce red tape, especially in rural areas, to speed up affordable housing construction.

Financial Incentives for Developers: California offers incentives for developers to build affordable housing, including low-interest loans and tax credits ([Turner Center](#)) ([Governor of California](#)).

Describe the state's goals/programs/policies for reducing the number of poverty level families in Colonias.

California's goal for reducing poverty-level families in Colonias is to improve access to affordable housing, healthcare, and employment opportunities. Programs like *CalWORKs* and *California's Earned Income Tax Credit (CalEITC)* are used for helping low-income families, including those in rural areas, increase their household income. Additionally, the state is investing in workforce development programs that provide skills training and job placement assistance ([Turner Center](#)) ([Governor of California](#)).

The Blue-Ribbon Commission on Lithium Extraction, known as the Lithium Valley Commission, has also made several recommendations to support the needs of residents including, but not limited to, establish a southeast California economic zone, establish a business service center, invest in repairs and improvements for critical infrastructure and housing, and provide capacity building funds for Tribes and community members. Progress on these recommendations can be found on the [California Energy Commission's website](#).

Describe how the state's goals/programs/policies for producing and preserving affordable housing in the Colonias will be coordinated with other programs and services.

California coordinates its housing goals with other services through interagency collaboration. *The California Interagency Council on Homelessness (Cal ICH)* works

alongside the *California Department of Social Services* to integrate housing with supportive services such as mental health care, job training, and substance use treatment. Additionally, infrastructure improvements, healthcare access, and educational programs are woven into housing initiatives to provide a more comprehensive solution for Colonias, ensuring that affordable housing projects are long-lasting and that residents have the resources they need to thrive ([Turner Center](#)) ([Public Policy Institute of California](#)) ([Governor of California](#)).

HCD is also actively seeking out new sources of funding to support the housing needs of Colonias. For example, HCD recently applied to HUD's Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program. PRICE is a competitive grant for the preservation and revitalization of manufactured housing and eligible manufactured housing communities. If awarded, this program will be housed within the division and under CDBG guidelines. A Colonia funding target is proposed for this grant application.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including the comprehensive planning requirements

HCD has developed a monitoring plan for each program to ensure compliance with the provisions of the respective governing acts, regulations, contracts, and cross-cutting and fiscal requirements.

HCD's monitoring objectives in all programs are:

CDBG: HCD's commitment to the Strategic Plan includes oversight and monitoring to ensure compliance with federal and state requirements of the CDBG program. Project monitoring is a five-step process.

1. The monitoring process begins with scrutiny of applications to determine project feasibility, eligibility under federal and state regulations and the applicant's capacity to successfully implement the proposed project.
2. If funds are awarded, the subrecipient agreement (Standard Agreement) includes milestones to track progress and identify projects that may be encountering difficulty. Grantees that fall behind contract milestones are contacted and a plan is developed to overcome obstacles to successful performance.
3. Progress is monitored by requiring grantees to submit quarterly drawdowns and progress reports through the eCivis Grants Management System (GMS).
4. HCD conducts an annual risk assessment to determine which grantees, projects or activities are at highest risk of noncompliance. The risk assessment analyzes grantee performance in areas such as timely expenditure of funds, adherence to the terms of previous grants, management of program income, complexity of environmental review or labor standards issues and length of time since the last on-site monitoring visit. The risk assessment informs the development of a schedule of on-site monitoring visits and/or remote monitoring. If deficiencies are identified, HCD provides technical assistance to increase grantee capacity and help the grantee return to compliance.
5. At the end of the grant term, HCD follows grant closeout procedures to ensure that subrecipient obligations are fulfilled, National Objective is achieved, and any ongoing asset management is assured.

ESG: The ESG program monitors subgrantee performance primarily through onsite and desk monitoring of financial expenditures to ensure that requests for ESG funds comply with the HUD ESG expenditure guide. Other federal requirements are also monitored

including, but not limited to; Program Policy and Procedures, Written Standards requirements and participation in HMIS.

The ESG team conducts Annual Monitoring, which includes the following protocol:

1. Performing a Risk Assessment to determine if the subrecipient's project and activity are high, medium, or low risk.
2. Performing a comprehensive, extensive review of the subrecipients' ESG program, and their subrecipients. This includes administrative, financial, operational, and contractual monitoring.
3. ESG staff will also determine if an on-site visit is necessary for monitoring. ESG staff will send a notification letter detailing the specifics of the monitoring visit. On-site visits for certain aspects of compliance-such as facility verifications, equipment inventory, review of client files and accounting records that cannot be monitored by other activities of the grant process will be conducted as scheduling allows.
4. Subrecipients shall monitor the activities selected and awarded by them to Service Providers to ensure compliance with federal and state ESG requirements. An onsite monitoring visit of selected Service Providers shall occur whenever determined necessary by the Subrecipient, but at least once during the grant period.
5. As requested by the Department, the Subrecipient shall submit to the Department all ESG monitoring documentation necessary to ensure that the Subrecipient and its Service Providers are in continued compliance with all ESG requirements. Such documentation requirements and the submission deadline(s) shall be provided by the Department when the information is requested from the Subrecipient.
6. The Subrecipient and its Service Providers shall timely cooperate with the Department and shall make available to the Department all information, documents, and records reasonably requested. Copies of these items will also be made available to the Department upon their request. Service Providers shall provide the Department the reasonable right of access to the Site during normal business hours for the purpose of assuring compliance with this Agreement and evaluating the Service Provider's performance.

The ESG team also conducts Mini Monitoring, which includes the following protocol:

1. Mini Monitoring is the first step of monitoring subrecipients each year. Mini Monitoring is an in-depth financial review of each Request For Funds (RFF) submitted by subrecipients during the calendar year. Mini Monitoring may be

performed for any program activities including Homelessness Prevention, Rapid Re-Housing, Emergency Shelter, Street Outreach, and HMIS.

2. Mini Monitoring involves a detailed line-item review of all invoices submitted to HCD for payment. Subrecipients are required to submit back-up documentation (i.e., client files, payroll records, HMIS records, etc.) as requested by ESG staff.
3. The role of Mini Monitoring (as part of the Annual Monitoring Process) is to identify any possible non-compliance issues early in the grant cycle.

HOME: Staff perform four primary types of monitoring for its funded activities.

1. Close-out monitoring is done for all funded activities to assess overall compliance with the requirements of the HOME Regulations and Standard Agreement when closing out the HUD grant. The remaining HOME monitoring process can be found in the public review draft PDF attached.
2. Program Activities grant management monitoring, which begins with an annual risk assessment, an annual monitoring plan to identify what areas of compliance the monitoring will concentrate on, and a site visit to the grantees selected where feasible, or else a remote monitoring, to view completed project files and examine other records (e.g., General Admin drawdown support).
3. Progress is monitored by requiring grantees to submit quarterly progress reports for Program Activities contracts, and monthly status reports, for Project Activity contracts.
4. Developer and CHDO Project Long-Term Monitoring is performed by the state's asset management section. These include both rental projects and homebuyer projects developed by non-profit and for-profit developers and CHDOs. For these projects, the Department holds the Note and Deed of Trust and Regulatory agreements. Asset Management monitoring of rental projects involves assessing ongoing compliance with all HOME federal and state requirements, and inspecting the physical and financial condition of the project. This assessment includes the annual review of project rents, operating budgets, and financial statements ensuring compliance with project rents and operating requirements pursuant to the Department's Uniform Multifamily Regulations and 24 CFR 92.252. Site visits are scheduled annually, semi-annually or every three years (based on the number of HOME assisted units in the project) to review resident files for compliance and pursuant to the requirements set forth in 24 CFR 92.504. HCD also monitors the individual home-buyer assistance loans for continued owner-occupancy, and payment of taxes and insurance.
5. State Recipient Long-Term Monitoring is an assessment of performance of the above monitoring activities by local jurisdictions. HOME state recipients are the

lenders for rental and homebuyer new construction and rehabilitation projects where they have applied directly to the state for HOME funds, rather than a developer or CHDO being the recipient of the funds. An office review consists of an Annual Monitoring Report questionnaire and Project Compliance Report, which asks about project financial condition and compliance with other federal HOME requirements, a copy of the project's utility allowance schedule (form HUD52667); a copy of the state Recipient's last long term monitoring Summary Letter and Clearance Letter to the project's owner/manager, and a copy of Physical Conditions report, etc. NHTF: HCD's commitment to the Strategic Plan includes oversight and monitoring to ensure compliance with federal and state requirements of the NHTF program. Project monitoring is a 10-step process.

1. The monitoring process begins with the adopted NHTF Guidelines (Guidelines), as may be amended from time to time. The Guidelines detail the requirements of Eligible Recipients (Applicants); Eligible Uses; Terms and Limits of the NHTF Program Funds; Project Requirements; Underwriting; Management and Maintenance; Application and Award Process; Application Minimum Requirements; Selection Criteria (rating, ranking, and eligibility for funding); Legal Documents; Project Set-up and Disbursement of Funds; Reporting and Recordkeeping; Annual Operating Budget and Schedule of Rental Income; Project Deadlines; Sales, Transfers, Encumbrances, and Loan Payoff; Program Income and Repayments; and Cancellation and Defaults.
2. Additionally, the NHTF Unit has Process and Procedures, job aids and recorded training videos for staff to utilize as they experience the entire project life cycle process beginning with application review, preliminary award, routing the written commitment (Standard Agreement), construction and permanent loan closings, transition of projects for long-term monitoring by the HCD's Asset Management and Compliance (AMC) Branch, and AMC's monitoring policies and procedures.
3. HCD conducts a semi-annual risk assessment to determine which grantees, projects or activities are at highest risk of noncompliance. The risk assessment analyzes the Recipient's performance in areas, such as timely expenditure of funds, adherence to the terms of previous funding awards from NHTF or other HCD funding programs.
4. Prior to the close of construction financing, the NHTF staff analyze due diligence material based on a construction loan closing checklist that includes, but is not limited to, organizational documents, site control, written financial commitments for construction and permanent financing, environmental, relocation plan approvals, insurance during the construction

period, permits, plans and specifications, construction loan documents from HCD and other construction lenders, and more. An extensive due diligence list and information monitored is available upon request.

5. The Standard Agreement incorporates the federal and state requirements of the NHTF program, funding terms and performance milestones, including the HUD expenditure deadline. The month following execution of the Standard Agreement, the Recipient submits a monthly activity report to the NHTF Program to monitor against the performance milestones until the project converts to permanent financing, which is typically a 36- to 42-month process after the close of construction financing.
 - a. When a significant performance milestone is delayed (i.e., construction completion), Program staff coordinate with the Recipient to provide technical assistance and flexibility in the timeline where possible. In the event there is a regulation issue (i.e., meeting an expenditure deadline), HCD staff coordinate with HUD by identifying issue(s)/trend(s) and propose solutions, and HUD provides guidance and procedures to ensure the project's compliance continues.
6. During the construction phase of the project, the following are reviewed and monitored:
 - a. Construction progress inspections and reports. The reports accompany the monthly construction draws that are reviewed by NHTF staff prior to disbursement of funds using the eCivis Grants Management System (GMS); and
 - b. Uniform Relocation Act – when applicable, Recipients complete and submit the HUD required forms and supporting documents with the monthly activity reports for staff to review and analyze supporting documentation to ensure the Recipient is in compliance with the HCD-approved relocation plan.
7. Following construction completion, the required federal and state reports and supporting documentation are received and analyzed.
8. Prior to the close of permanent financing, the NHTF staff analyze due diligence material based on a permanent loan closing checklist that includes, but is not limited to, insurance during operation, final property management, resident services and supportive services plans, permanent loan documents from HCD and other permanent lenders and more. An extensive due diligence list and information monitored is available upon request.

9. Following successful close of permanent financing (permanent conversion), NHTF staff complete the project closeout data in the Integrated Disbursement and Information System (IDIS), transition the project to Loan Servicing to set-up the annual monitoring fee invoices, and hand-off the project to HCD's Asset Management Compliance (AMC) Branch to set-up on-site monitoring. The on-site monitoring is conducted by AMC, or a California qualified contracted third party, within a year after permanent conversion and at least once every three years thereafter throughout the term of the recorded NHTF regulatory agreement. The on-site inspections of a representative sample of the NHTF assisted project is conducted to determine compliance with the Property Standards of 24 C.F.R. § 93.301 and to verify the information submitted by the Recipient in accordance with the requirements of 24 C.F.R. § 93.302.
 - a. Notification to the owner and property management is provided a month in advance of the monitoring visit. The AMC team inspects a sample of the NHTF assisted units and all common areas, tenant files and project records. An extensive inspection and file review list is completed.
 - b. After the monitoring is complete, an exit interview is conducted by AMC with the Recipient's staff and property management to review the accomplishments and opportunities. Emergency repairs, if any, must be addressed within 24-hours.
 - c. Thereafter, a written summary of the compliance review is sent to the Recipient and property management to address in writing with supporting documentation within a month. Extensions may be granted by AMC upon request and justification. When the corrective actions have been made, AMC provides a written clearance letter and updates the monitoring tracking system.
10. The NHTF affordability requirements are secured by a recorded regulatory agreement with a minimum term of 55 years, except for projects on Native American Lands that have a regulatory term minimum term of 50 years. At the end of the regulatory agreement term, and subject to the project having good standings, HCD staff will record a Release and Termination of the Regulatory Agreement. At the end of the HTF grant term, HCD completes the HUD grant closeout procedures in IDIS to ensure the HCD's obligations have been fulfilled.

Labor Related Laws and Regulations: The State's HCD HUD funded programs, projects, and activities undergo a rigorous risk assessment analysis using a risk assessment worksheet which outlines risk criteria for HCD monitoring and program staff to use to determine the risk for noncompliance. These risk assessment worksheets are

scored and used to identify and prioritize which projects to monitor. The purpose of monitoring is to perform an ongoing assessment of the subrecipients' or monitored entities' ability to maintain compliance throughout the life of the program or project activity. HCD conducts monitoring activities throughout the program year. Depending on the assessed risk level, this can either be performed in the form of onsite or a remote desk monitoring. Any noted deficiencies discovered during a monitoring, or within the risk assessment process, are addressed through a combination of Technical Assistance (TA), training, and phone/email correspondence.

Environmental Compliance: The Environmental Services Team (EST) tracks and ensures environmental mitigations identified during the environmental assessment are complete to reduce or prevent adverse ecological effects of a project on the environment and the environment on the project. Each mitigation is ranked on risk, and depending on the risk level factor, HCD performs either desktop or site monitoring. Due to the range of mitigations and project locations, the EST may use documentation by qualified professionals (regulatory agency site inspections, photos, lab reports, and other appropriate documentation) as evidence of mitigation compliance.

HOPWA: CDPH/OA HOPWA staff conduct monitoring visits of CDPH/OA HOPWA project sponsors approximately every other year and monitor program compliance and planning requirements through regular communication, including progress reports, program guidance, webinars, and e-mail and phone correspondence. Any deficiencies identified during monitoring visits are discussed with CDPH/OA HOPWA project sponsors. Technical assistance is provided to assist in the remediation of identified deficiencies to ensure long-term compliance with federal and state requirements.

CDPH/OA has implemented joint monitoring visits for HOPWA and the HIV Care Program. Joint site visits allow for enhanced collaboration between the two programs and provide a comprehensive picture of resource utilization. Furthermore, joint site visits minimize disruption of project sponsor service delivery as requests for documentation are coordinated to ensure the requirements for both programs are met, including those that overlap and those that are specific to each program.

1	Data Source Name American Community Survey Data
	List the name of the organization or individual who originated the data set. U.S. Census Bureau
	Provide a brief summary of the data set. Statistically valid sample data from various communities
	What was the purpose for developing this data set? Various. Developed by U.S. Census Bureau for public use.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Comprehensive. Less statistical validity and larger margins of error in rural and sparsely populated geographies.
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Various
	What is the status of the data set (complete, in progress, or planned)? Complete
2	Data Source Name State HOPWA Data
	List the name of the organization or individual who originated the data set. State of California Department of Public Health Office of AIDS
	Provide a brief summary of the data set. This data comes from the state's HOPWA CAPER and HOPWA Beneficiary Worksheet for FY 2013-14
	What was the purpose for developing this data set? Data compiled as part of HOPWA's CAPER Reporting requirement.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Covers all state HOPWA-Eligible Areas based on state estimates. See Con Plan Appendix A for a list of these eligible areas.

	What time period (provide the year, and optionally month, or month and day) is covered by this data set? FY 13-14
	What is the status of the data set (complete, in progress, or planned)? Complete for FY 13-14
3	Data Source Name 2007-2011 American Community Survey
	List the name of the organization or individual who originated the data set. U. S. Census Bureau.
	Provide a brief summary of the data set. American Community Survey Data 2007-2011 five year data model.
	What was the purpose for developing this data set? This data was used as base year data to provide consistency in analysis and evaluation in terms of time periods.
	Provide the year (and optionally month, or month and day) for when the data was collected. Data was collected from 2007-2011 and tabulated in 2013.
	Briefly describe the methodology for the data collection. Data was collected via the American Community Survey sponsored through the U.S. Census Bureau.
	Describe the total population from which the sample was taken. Data was sampled state-wide.
	Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed. Data was collected state-wide, and the sample reflects the demographics and units of measure available in all ACS data sets. The ACS respondent data is available through the U.S. Census website.
4	Data Source Name 2013-2017 American Community Survey
	List the name of the organization or individual who originated the data set. U. S. Census Bureau.

	Provide a brief summary of the data set. American Community Survey Data 2013-2017 five year data model. What was the purpose for developing this data set? This data was used as current year data to provide consistency in analysis and evaluation in terms of time periods, and to provide a more current data reference than the default ACS data. Provide the year (and optionally month, or month and day) for when the data was collected. Data was collected from 2013-2017 and tabulated and made available for public use in 2019. Briefly describe the methodology for the data collection. Data was collected via the American Community Survey sponsored through the U.S. Census Bureau. Describe the total population from which the sample was taken. Data was sampled state-wide. Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed. Data was collected state-wide and the sample reflects the demographics and units of measure available in all ACS data sets. The ACS respondent data is available through the U.S. Census website.
5	Data Source Name 2012-2016 CHAS Data List the name of the organization or individual who originated the data set. U.S. Census Bureau in partnership with HUD. Provide a brief summary of the data set. 2012-2016 Comprehensive Housing Affordability Strategy data derived from the American Community Survey data and provided to HUD for use in planning. What was the purpose for developing this data set? This data was used to provide consistency in analysis and evaluation in terms of time periods and to provide a more current data resource. Provide the year (and optionally month, or month and day) for when the data was collected. Data was collected from 2012-2016 and tabulated in 2019. Briefly describe the methodology for the data collection. Data was collected via the American Community Survey sponsored through the U.S. Census Bureau and was processed for use by HUD.

	Describe the total population from which the sample was taken. Data was sampled state-wide. Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed. Data was collected state-wide and the sample reflects the demographics and units of measure available in all ACS data sets. The ACS respondent data is available through the U.S. Census website.
6	Data Source Name HUD CoC Homeless Assistance Programs Reports List the name of the organization or individual who originated the data set. US Department of Housing and Urban Development, Continuum of Care Program Provide a brief summary of the data set. Continuum of Care (CoC) Homeless Assistance Programs Reports provide counts for sheltered and unsheltered homeless persons, available at the national and state level, and for each CoC. What was the purpose for developing this data set? HUD requires that Continuums of Care conduct an annual count of people experiencing homelessness who are sheltered in emergency shelter, transitional housing, and Safe Havens on a single night. Continuums of Care also must conduct a count of unsheltered people experiencing homelessness every other year (odd numbered years). Each count is planned, coordinated, and carried out locally. Provide the year (and optionally month, or month and day) for when the data was collected. The reports are based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last 10 days in January (January 2019). Briefly describe the methodology for the data collection. Please refer to the following guide, https://files.hudexchange.info/resources/documents/PIT-Count-Methodology-Guide.pdf, which provides Continuums of Care (CoCs) with standards and guidance concerning acceptable methodologies and approaches to conducting Point-in-Time (PIT) counts of homeless people. Describe the total population from which the sample was taken. Individuals and families experiencing homelessness in California.

	Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed. The sheltered and unsheltered PIT counts must be conducted during the last 10 days in January and represent all homeless persons who were sheltered and unsheltered on a single night during that period.
7	Data Source Name Sage HMIS Reporting Repository
	List the name of the organization or individual who originated the data set. US Department of Housing and Urban Development - Sage HMIS Reporting Repository
	Provide a brief summary of the data set. Beginning in October 2017, ESG recipients may submit their accomplishment data in the Sage HMIS Reporting Repository (Sage).
	What was the purpose for developing this data set? Recipients with HUD funding received through the Emergency Solutions Grants (ESG) Program are required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD annually. Data collection for the ESG portion of the CAPER is aligned with the most recent version of the Homeless Management Information System (HMIS) Data Standards.
	Provide the year (and optionally month, or month and day) for when the data was collected. CAPER report for California State ESG recipients for state fiscal year ending June 30, 2019.
	Briefly describe the methodology for the data collection. The Sage ESG CAPER Guidebook, available at https://files.hudexchange.info/resources/documents/Sage-ESG-Caper-Guidebook-for-ESG-funded-Programs.pdf, is intended to assist with the data entry into Sage for all ESG recipients. The Guidebook also instructs ESG subrecipients on uploading their ESG CAPER CSV directly into Sage.
	Describe the total population from which the sample was taken. Individuals and households served by organizations who received California State ESG funding during the state fiscal year ending June 30, 2019.

Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed.
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The Consolidated Annual Performance Evaluation Report (CAPER) is the primary mechanism for Emergency Solutions Grants (ESG) Program accomplishment reporting.

Beginning October 1, 2017, recipients may use Sage to report all required HMIS data on persons assisted with ESG. Grant information in Sage is populated on a regular basis with grant and financial information captured in the Integrated Disbursement and Information System (IDIS).

Appendix: Glossary

For additional definitions, see the official HUD Glossary:

https://archives.huduser.gov/portal/glossary/glossary_h.html

Expected Resources

AP-15 Expected Resources – 91.320(c) (1,2)

Introduction

HCD receives funds for these programs on an annual basis through the federal budget/appropriations process to address the identified different needs across the state as determined by the goals and allocation priorities of this Consolidated Plan. The anticipated resources for the first year of the Con Plan, FY 2025-2026, and the remaining four years of the five-year Con Plan cycle are provided in the table below. These numbers align with AP-15, and both include administration costs. They also align with SP-45, AP-20, and AP-35/38, but do not include administration costs.

The numbers are based on an average of previous annual allocations and will be updated once HCD receives updated allocation information from HUD. Annual programs, with the exception of NHTF, are allocated through the federal budget/appropriation process and tend to be relatively stable. However, the ongoing NHTF allocation is based on assessments to Fannie Mae/Freddie Mac loans rather than through the federal budget/appropriation process. Federal interest rates can impact the number of assessments (higher rates can mean fewer people buying, resulting in fewer loans). For example, recent interest rate hikes resulted in a sharp reduction in NHTF allocations. These allocations can go back up in the future if interest rates are reduced.

The Program Income (PI) estimates are based on PI generated by state-held loan portfolios and from locally held state recipient loan portfolios during FY 2023. Total CDBG State Program Income (PI) available for FY23 was \$18,000,000. HOME Program Income and Recaptured funds received in FY23 was \$10,007,118 received by HOME state recipients and \$742,913 received by HCD.

CDPH/OA receives federal and state funds to administer several programs that provide HIV services to persons living with HIV/AIDS or those at risk for acquiring HIV. CDPH receives HOPWA funds on an annual basis through the federal budget/appropriations process.

Anticipated Resources

Program	Source of Funds	Use of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public Federal	Acquisition, Administration and Planning, Economic Development, Housing, Public Improvements, Public Services	29,748,591	18,000,000	2,000,000	49,748,591	125,336,000	2025 HUD Anticipated Award Allocation, Available PI Balance, Prior Year CDBG Resources
HOME	Public Federal	Acquisition, Homebuyer Assistance, Homeowner Rehabilitation, Multifamily Rental New Construction, Multifamily Rental Rehabilitation, New Construction for Ownership, Tenant-Based Rental Assistance	37,693,108.71	750,000	\$0	38,443,108.71	154,988,536.24	2025 HUD Anticipated Award Allocation, Available PI Balance, Prior Year HOME Resources

Program	Source of Funds	Use of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	Public Federal	Conversion and Rehabilitation for Transitional Housing, Financial Assistance, Overnight Shelter, Rapid Re-Housing (Rental Assistance), Rental Assistance Services, Transitional Housing	12,277,614	0	2,500,000	14,777,614	49,625,668	2025 HUD Anticipated Award Allocation, Prior Year Resources
ESG RUSH	Public Federal	Street Outreach Emergency Shelter, Rapid Re-Housing, Homelessness Prevention, Admin, HMIS Activities	N/A	\$0	\$0	\$3,000,000	\$3,000,000	A set-aside of ESG funds in the amount of \$3,000,000 was awarded to HCD under ESG RUSH funds via contract to eligible subrecipients in the disaster declared areas under DR-4856, for performance of eligible activities as

Program	Source of Funds	Use of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								defined in the RUSH Notice: FR-6315-N-01
NHTF	Public Federal	Acquisition, Administration and Planning, Homebuyer Assistance, Multifamily Rental New Construction, Multifamily Rental Rehabilitation, New Construction for Ownership	23,448,689.68	0	0	23,448,689.68	167,620,184	2025 HUD Anticipated Award Allocation

Program	Source of Funds	Use of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	Public Federal	Permanent Housing Facilities (PHP), Short-Term or Transitional Housing Facilities (STRMU), Supportive Services, Tenant-Based Rental Assistance	5,265,574	0	0	5,265,574	20,395,676	2025 HUD HOPWA Award Allocation
CDBG-DR 2017 Unmet Needs	Public Federal	Owner Occupied Rehab; Multifamily Housing; Homebuyer Assistance	0	0	10,000,000	10,000,000	0	B-18-DP-06-0001 B-19-DP-06-0001
CDBG-DR 2018 Unmet Needs	Public Federal	Multifamily Rental New Construction, Multifamily Rental Rehabilitation, Other, Infrastructure	0	0	476,314.34	476,314.34	0	B-19-DV-06-0001 B-19-DV-06-0002

Program	Source of Funds	Use of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG-DR Mitigation	Public Federal	Public Services and Planning, Various Resilient Infrastructure	0	0	0	0	0	B-18-DP-06-0002 B-19-DT-06-0001
CDBG-NDR	Public Federal	Biomass Facility, Community Resilience Center, Forest, and Watershed Health	0	0	3,563,723	3,563,723	0	2013 HUD Award: B-13-DS-06-0001
CDBG-DR Unmet Needs	Public Federal	Multifamily Housing, Infrastructure, Owner-Occupied Rehabilitation	0	0	187,000,000	187,000,000	0	2020 HUD Award: B-21-DZ-06-0001 B-21-DF-06-0001 B-22-DF-06-0001

Program	Source of Funds	Use of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG-DR 2023 Unmet Needs	Public Federal	Multifamily Rental New Construction, Manufactured Housing Unit Replacement & Elevation Community Resiliency Centers	85,349,000	0	97,797,455	183,146,455	0	B-23-DG-06-0001 *2024 (See note)
CDBG-DR 2024	Public Federal	TBD	416,597,000	0	0	416,597,000	0	*2024 (See note)

Table 4 - Expected Resources – Priority Table

*2024 anticipated HUD allocation based on a January 7, 2025 announcement and universal notice published by HUD. The associated funds are an estimate of what will be available during the 2025-2029 Consolidated Plan. The community engagement efforts and Action Plan development are underway. The Consolidated Plan will be amended to account for these funds when information becomes available.

Explain how federal funds will leverage those additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied.

These programs often only partially fund different eligible projects and activities, particularly for larger housing and infrastructure projects. Proposals to use federal funds with private, state, and local funds can improve the feasibility of programs and projects since available funds are limited and often insufficient to fund large projects and programs on their own. This leveraged funding approach with other partners is critical. As housing costs continue to rise, developers, communities, and service providers must be creative and develop and maintain partnerships and access to other resources in order to successfully complete proposed projects.

For larger housing projects, HCD works to coordinate across divisions and with other funding agencies on timing of NOFAs. Localities are encouraged to provide local resources and obtain private support whenever feasible. Local contributions typically consist of in-kind staff services, grant administration, gas tax funds, public works funds, and permit and other fee waivers. Private contributions can include mortgage loans, grants from private agencies, in-kind staff time, participants time, and discounts on services from title, pest, and appraisal companies. Banks participate in providing conventional, public entity, and/or Community Reinvestment Act (CRA) loans to support development of affordable rental units. Banks are also active in providing mortgages that partner with first-time homebuyer assistance in conjunction with state and federal programs. In addition to conventional lending and HUD entitlement funds, resources leveraged currently include the following:

- State housing tax credits
- Federal housing tax credits
- Private bank loans
- Local funds
- Federal Home Loan Bank Affordable Housing Program
- Other federal funding such as USDA and EPA
- Other state funding such as Department of Water Resources and Caltrans
- State housing funds e.g., Homekey, Multi-family Housing Program 19 percent

CDBG - Match required for administrative costs after the first \$100,000. Funds available are often insufficient to fully support most Community Development or Economic Development projects and programs, so CDBG is generally used as gap financing in conjunction with other federal, state and local funds. CDBG is used in conjunction with other grant funding to local governments.

HOME - 25 percent Match Requirement. HCD uses HCD state funds and other state and local resource contributions to housing pursuant to the HOME matching requirements at 24 CFR 92.220.

ESG - 100 percent Match Requirement. HCD encourages the use of state homeless funds, such as from the California Homeless Housing, Assistance and Prevention (HHAP) Grant Program to help meet the match requirement. HCD has worked with the state government to

develop flexible funding sources to address homelessness. Match requirements do not apply to ESG RUSH program funds.

NHTE - No match required.

HOPWA: There is no federal match requirement for State HOPWA, however, State HOPWA project sponsors report leveraged funds. On an annual basis, CDPH/OA allocates funding through the HIV Care Program (RWHAP Part B) for HIV/AIDS care and treatment services to California counties. Based on prior year data, CDPH/OA anticipates approximately \$3.5 million in annual leveraged funds by HOPWA project sponsors, including RWHAP Part B and other federal, state, local, and private resources for the provision of HIV/AIDS housing and services to HOPWA clients based on the FY 2023-2024 CAPER. Other leveraged resources include:

- HIV Care Program (HCP), which is funded through the Health Resources and Services Administration's (HRSA) Ryan White AIDS/HIV Program (Part B), provides primary medical care and essential support services for PLWH who are low-income and uninsured or underinsured.
- The AIDS Drug Assistance Program (ADAP), also funded through HRSA, helps ensure that eligible PLWH who are uninsured or underinsured have access to HIV-related medication, by paying their prescription costs. ADAP can also pay for health insurance premiums, employer-based insurance premiums, Part D and Medigap insurance premiums, and medical out-of-pocket costs for eligible ADAP clients.
- Ryan White Part B, funded through HRSA, seeks to reduce health issues by providing outreach to link people living with HIV to medical care and treatment.
- The Medi-Cal Waiver Program, funded through the Centers for Medicare and Medicaid, provides comprehensive case management and direct care services to PLWH as an alternative to a nursing facility or hospitalization.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.

The lack of affordable housing across California is a matter of vital statewide importance and the state is working to expand housing opportunities through leveraging its publicly owned land. The Department of General Services (DGS) and HCD have followed Governor Newsom's Executive Order N-06-19 to identify and prioritize excess state-owned property and aggressively pursue innovative, cost-effective housing projects. DGS compiled an inventory of over 44,000 state-owned parcels and identified the sites most suitable for development. A two-part screening tool, including housing need and economic feasibility measures, was developed and applied to prioritize these parcels.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3) & (e)

Overview

The Consolidated Plan identifies six priority needs and associates eight goals with these needs. The goals and priority needs are:

- Increase Supply of Affordable Housing (Priority Need: Increased Supply and Preservation of Affordable Housing)
- Preserve Existing Affordable Housing (Priority Need: Increased Supply and Preservation of Affordable Housing)
- Improve Access to Affordable Housing (Priority Need: Improved Access to Affordable Housing)
- Prevent Homelessness (Priority Need: Address the Homelessness Crisis)
- Address Homelessness (Priority Need: Address the Homelessness Crisis)
- Maintain or Improve Public Facilities and Infrastructure (Priority Need: Investment in Community and Public Infrastructure and Facilities)
- Maintain or Improve Access to Public Services (Priority Need: Community-Based Public Services)
- Economic Development (Priority Need: Increased Economic Development Opportunities)

The figures below represent estimates of allocation goals and objectives for the Program Year 2025-2026. These figures could change based on the U.S. Department of Housing and Urban Development (HUD) input.

Goals and Objectives Table

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (Cumulative of all programs)
1	Increase Supply of Affordable Housing	Development of new rental and homeownership housing opportunities to increase the supply of affordable housing	2025	2026	Affordable Housing	Statewide	Increased Supply and Preservation of Affordable Housing	CDBG: \$7,854,544.67 HOME: \$24,965,134.44 HTF: \$18,993,438.90	Rental units constructed: 373 Household Housing Units (HHU) Homeowner Housing Added: 71 HHU
2	Preserve Existing Affordable Housing	Rehabilitation of existing units in order to preserve viability and affordability of existing housing stock.	2025	2026	Affordable Housing	Statewide	Increased Supply and Preservation of Affordable Housing	CDBG: \$6,468,448.55 HOME: \$4,160,855.74 HTF: \$2,110,382.10	Rental Units Rehabilitated: 85 HHU Homeowner Housing Rehabilitated: 92 HHU

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (Cumulative of all programs)
3	Improve Access to Affordable Housing	Rental and homebuyer assistance programs operated by grantees and subrecipients, including security and utility deposits, monthly rental assistance.	2025	2026	Affordable Housing	Statewide	Improved Access to Affordable Housing	CDBG \$3,234,224.28 HOME \$5,547,807.65	Direct Financial Assistance to Homebuyers 100 HA Tenant-Based Rental Assistance 188 HA
4	Prevent Homelessness	Address the needs of those at risk of homelessness through prevention activities. Includes HOPWA-tenant-based rental assistance and homeless prevention activities through the ESG and HOPWA programs. Provide short-term disaster response assistance for the needs of persons who are experiencing homelessness or at-risk of homelessness residing in disaster areas.	2025	2026	Homeless	Statewide	Address the Homelessness Crisis	ESG: \$698,978.45 HOPWA: \$146,909.51 ESG RUSH: \$138,750	Homeless Prevention Persons Assisted (ESG, ESG RUSH, HOPWA) 885

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (Cumulative of all programs)
5	Address Homelessness	Address the increasing number of individuals and families experiencing homelessness by providing assistance to households currently experiencing homelessness. Includes shelter and street outreach activities. Provide short-term disaster response assistance for the needs of persons who are experiencing homelessness or at-risk of homelessness residing in disaster areas.	2025	2026	Homeless	Statewide	Address the Homelessness Crisis	HOPWA \$4,570,074.31 ESG \$13,280,590.55 ESG RUSH: \$2,636,250	TBRA/Rapid Rehousing: (ESG, ESG RUSH, HOPWA) 3,200 Homeless Person Overnight Shelter: (ESG, ESG RUSH, HOPWA) 17,850 Persons Assisted Public Service Activities other than Low/Moderate-Income Housing Benefit: 1,100 Persons Assisted
6	Invest in Community and Public Infrastructure and Facilities	Provide support for public facilities and infrastructure, particularly in rural areas, with the goal of supporting low- and moderate-income households in these communities.	2025	2026	Non-Housing Community Development	Statewide	Neighborhood Stability COVID-19 Pandemic Response (CARES Act)	CDBG: \$18,481,281.58	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 43,000 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (Cumulative of all programs)
									Income Housing Benefit: 20 Households Assisted Includes Colonias set-aside
7	Provide Community-Based Public Services	Provide support for public services, particularly in rural areas, with the goal of supporting low and moderate-income households and special needs populations in these communities.	2025	2026	Non-Housing Community Development	Statewide	Community-Based Public Services COVID-19 Pandemic Response (CARES Act)	CDBG: \$6,468,448.55	Public service activities other than Low/Moderate Income Housing Benefit: 26,000 Persons Assisted
8	Increase Economic Development Opportunities	Economic development includes investment in businesses and projects in support of job creation and retention activities primarily benefitting low-to-moderate income persons in order to encourage community revitalization, and the provision of neighborhood serving businesses to improve access to jobs, goods and services, and grow the local economy.	2025	2026	Non-Housing Community Development	Statewide	Economic Development	CDBG: \$3,696,256.32	Businesses Assisted: 35 Jobs Created/Retained: 40

Table 5 - Goals Summary
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Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)

See estimates in AP-20 table under Goal 1 Increase Supply of Affordable Housing.

AP-25 Allocation Priorities – 91.320(d)

Introduction

The percentages below are based on the expected amount of funds that will be awarded, less administration, by each program for Program Year 2025-2026 for eligible activities that fall within that goal.

Note: Community Development Block Grant (CDBG) Colonias percentage is listed at 5 percent, but this amount would otherwise be reflected in the amounts available under the housing or infrastructure goals.

The amount for the HOME Investment Partnerships Program (HOME) under the prior Con Plan goal - "Homelessness Assistance and Prevention" no longer reflects the total amount of HOME Tenant-Based Rental Assistance (TBRA) funds projected to be awarded for the 2025 HOME Notice of Funding Availability (NOFA). For purposes of the goals reflected below, HOME TBRA is now considered an "Improve Access to Affordable Housing" activity.

Allocation Priorities Table

	Increase Supply of Affordable Housing (%)	Preserve Existing Affordable Housing (%)	Improve Access to Affordable Housing (%)	Prevent Homelessness (%)	Address Homelessness (%)	Invest in Community and Public Infrastructure (%)	Provide Community Based Public Services (%)	Increase Economic Development Opportunities (%)	Colonias Set-Aside (%)	Total (%)
CDBG	17	14	7			35	14	8	5	100
HOME	72	12	16							100
HOPWA				3	97					100
ESG				5	95					100
HTF	90	10								100

Table 6 – Funding Allocation Priorities

Reason for Allocation Priorities

Community Development Block Grant (CDBG): Actual allocation percentages may vary from Table 6 – Funding Allocation Priorities. After administration costs are subtracted and mandatory federal and state allocations are calculated, projected activity funding is based on the demand for each activity as reflected in each year's application submittals. Federal law requires an allocation of up to 10 percent for eligible Colonias communities. The California Department of Housing and Community Development (HCD) has traditionally set aside 5 percent for eligible Colonias communities; however, the specific amounts will be identified in the annual NOFA. Federal law requires that not more than 15 percent of CDBG funding be provided for public service activities each year. State statute requires that 1.25 percent of the U.S. Department of Housing and Urban Development's (HUD's) annual allocation of CDBG funds be set aside to projects serving non-federally recognized Native American communities [HSC 50831], that 30 percent of HUD's annual allocation, less HCD administrative funds, be set aside for economic development activities [HSC 50827], and not less than 51 percent of HUD's annual allocation, less HCD administrative funds, be set aside to fund housing and housing-related activities (housing-related includes public improvements and public facilities in support of construction of new housing activities) [HSC 50828].

If the demand for these statutorily required set-asides in any given NOFA cycle is not sufficient, then the balance of funds will revert to the general pool of funds to be awarded to other eligible projects and programs. In addition to allocations and funding-level criteria described above, HCD will monitor general administration expenditures to ensure compliance with the federal expenditure cap rate and ensure a minimum expenditure rate on activities meeting the national objective of benefitting at least 70 percent of low- and moderate-income individuals in compliance with CDBG federal regulations.

HOME Investment Partnerships Program (HOME): HOME funding allocation priorities are based on demand by program applicants for categories of activities. In addition, state HOME regulations establish a minimum NOFA allocation of 40 percent for program activities, including First-Time Homebuyer (FTHB) mortgage assistance, Owner-Occupied Rehabilitation (OOR), and Tenant-Based Rental Assistance (TBRA), and a minimum of 40 percent for multifamily rental projects, as well as a minimum of 5 percent for FTHB projects, which includes FTHB new construction or rehabilitation/conversion activities (i.e., FTHB projects). Each allocation will also include a 20 percent set-aside to fund Tribal applications and the mandatory 15 percent CHDO set-aside.

HCD anticipates an increased need for TBRA due to lack of other rental assistance, or assistance provided as a result of local, state, or federally declared disasters.

If the demand for any of these regulatorily-required minimums and priorities in any given NOFA cycle is not sufficient, then the balance of funds will revert to the general pool of funds to be awarded to other eligible projects and programs.

National Housing Trust Fund (NHTF): In accordance with the 2017 Assembly Bill (AB) 74, NHTF funding allocations for Fiscal Year (FY) 2018-2019 (FY18) – FY 2021-2022 (FY21) were used for the state's Housing for a Healthy California (HHC) Article I Program. Under HHC, priorities were based on the state's current homeless crisis, and funds were awarded competitively to developers for operating reserve grants and capital loans for the creation of permanent supportive housing for the HHC population.:

Moving forward starting with FY22, NHTF will be administered as a stand-alone program without the state HHC overlay. In accordance with Title 24 Code of Federal Regulations, §93.250, and California's AB 816, NHTF funds will be used to create housing affordable to extremely low-income households, including people experiencing homelessness. HCD has amended past years annual action plans to align NHTF eligible activities with federal regulations to include rental rehabilitation.

Emergency Solutions Grants (ESG): With the redesign of the ESG program, HCD has moved its focus from provider competition to a more formula-based method of distribution for local Continuums of Care (CoCs) Service Areas (SAs), using a formula that utilizes Point-in-Time (PIT) count, poverty rate, and renter cost burden data for extremely low-income households. (See AP-30 for more information on methodology).

In FY25 and forward, in order to speed up the deployment of funds to subrecipients, maximize flexibility, and reduce the administrative burden on the subrecipients, HCD decided to move forward with the implementation and development of ESG Guidelines to replace ESG state regulations. ESG annual funding will be distributed to one allocation based on a formula allocation and/or performance outcomes by accessing Homeless Management Information System (HMIS) data via the state Homeless Data Integration System (HDIS), including, but not limited to:

- Percentage of people remaining in Rapid Re-Housing (RR),
- Reduction in average and median length of stay in Emergency Shelter (ES),
- ES Exits to a positive housing destination,
- RR exits to a positive housing destination,
- Percentage of people who return to homelessness (ES, Street Outreach (SO)),
- Percentage of those that obtain a positive housing destination from a SO

program, and

- Percentage of people that enter the homeless service system (ES, SO) after receiving Homelessness Prevention (HP) financial assistance.

A description of the performance standards developed that measure based on outcomes of projects and activities are contained in detail in section AP-30 Method of Distribution, under the ESG program section.

Housing Opportunities for Persons With Aids (HOPWA): A statutory goal of HOPWA is to prevent or alleviate homelessness among PLWH. State HOPWA allocates funds to HOPWA project sponsors through a formula process based on the most recent reported HIV cases by county, Federal Poverty Level (FPL), and Fair Market Rent (FMR). This allocation formula was developed to ensure distribution of funding to all non-Eligible Metropolitan Statistical Areas (EMSA) of California while allocating proportionately larger amounts to the communities most impacted by HIV/AIDS, high poverty, and high FMR rates. To promote the use of HOPWA funds for housing assistance activities, CDPH/OA has limited supportive services activities to 20 percent of a project sponsor's allocation. Project sponsors who have reason to allocate more than 20 percent may request a waiver from CDPH/OA when submitting their budgets. Waivers are granted on an as-needed basis.

Community Development Block Grant-Disaster Recovery (CDBG-DR): CDBG-DR funding solely supports the recovery assistance for natural disaster survivors' goals in the State of California's Consolidated Plan. For details on CDBG-DR, please visit [Disaster Recovery & Mitigation | California Department of Housing and Community Development](#).

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The Consolidated Plan (Con Plan) identifies six priority needs, associates eight goals with these needs, and associates specific objectives known as Goal Outcome Indicators (GOIs) with these goals.

1. Priority Need: Increased supply and Preservation of Affordable Housing
 - Goal: Increase Supply of Affordable Housing
 - Goal: Preservation of Existing Affordable Housing
 - GOIs: Rental Units Constructed; Rental Units Rehabilitated; Household Housing Units; Homeowner Housing Added; Homeowner Housing Rehabilitated
2. Priority Need: Improved Access to Affordable Housing

- Goal: Improve Access to Affordable Housing
 - GOIs: Direct Financial Assistance to Homebuyers; Households Assisted; Tenant-Based Rental Assistance/ Rapid Rehousing; Households Assisted
3. Priority Need: Address the Homelessness Crisis
- Goal: Prevent Homelessness
 - Goal: Address Homelessness
 - GOIs: Tenant-Based Rental Assistance/ Rapid Rehousing; Households Assisted; Homelessness Prevention Persons Assisted; Homeless Person Overnight Shelter Persons Assisted; Homeless Person Street Outreach Persons Assisted; HIV/AIDS Housing Operations
4. Priority Need: Investment in Community and Public Infrastructure and Facilities
- Goal: Maintain or Improve Public Facilities and Infrastructure
 - GOIs: Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit – Persons Assisted; Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit – Households Assisted
5. Priority Need: Community-Based Public Services
- Goal: Maintain or Improve Access to Public Services
 - GOIs: Public service activities other than Low/Moderate Income Housing Benefit – Persons Assisted
6. Priority Need: Increased Economic Development Opportunities
- Goal: Economic Development
 - GOIs: Jobs Created/Retained; Businesses Assisted

The proposed distribution of funds addresses all goals identified in the Con Plan by allocating funding to activities that will contribute directly to each of the GOIs. The proposed allocations will be determined by the goal priorities set in the Con Plan (high or low), by applicant demand for each activity, and federal and state statutory or regulatory requirements for the use of the funds.

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

Introduction

Per 24 Code of Federal Regulations (CFR) Part 91.320(d) and (k), the State of California's Annual Action Plan (AAP) must include a description of its method(s) for distributing funds to local governments and nonprofit organizations to carry out activities, or the activities to be undertaken by the state using funds that are expected to be received under formula allocations and Program Income (PI) and any other U.S. Department of Housing and Urban Development (HUD) assistance during the Fiscal Year (FY). The description must include the reason for allocation priorities, how the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan (Con Plan), and any obstacles to addressing needs. The method of distribution must also describe specific information for each program it administers. Pursuant to these regulations, the distribution methods for the Community Development Block Grant (CDBG), Emergency Solutions Grants (ESG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons With AIDS (HOPWA), and the National Housing Trust Fund (NHTF) programs are described below.

For Community Development Block Grant-Disaster Recovery (CDBG-DR) program method of distribution, please see the California Department of Housing and Community Development's (HCD) webpage for that program's AAP: [Disaster Recovery & Mitigation | California Department of Housing and Community Development | Action Plans](#)

For Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding Methods of Distribution, including CDBG-CARES Act (CV) and ESG-CV, please see Annual Action Plans and Amendments 2019-2020 available here: [Plans & Reports | California Department of Housing and Community Development](#)

CDBG (Community Development Block Grant) Program Summary:

HCD's CDBG program partners with rural cities and counties to improve the lives of low and moderate-income residents through the creation and expansion of community and economic development opportunities in support of livable communities.

The state CDBG program uses a Notice of Funding Availability (NOFA) application process, in which eligible cities and counties apply for funding awards both competitively and over the counter (OTC) for a variety of programs and projects intended to align with the goals and priorities identified in the 2025-2029 Con Plan, as outlined in the AP-25 Allocation Priorities.

Eligible activities will be limited to the matrix codes and national objective codes in an attachment to this Annual Action Plan.

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/cdbg/cdbg-matrix-code.pdf>

There are three different Methods of Distribution (MOD) used within the CDBG program that are outlined in the annual NOFA:

- CDBG Competitive
- CDBG Colonias Set-Aside
- CDBG non-federally recognized Native American Communities or Tribes Set-Aside

The second MOD listed is to comply with federal requirements which mandate an AAP set-aside for Colonias, for which the state sets aside 5 percent of its allocation each year.

The third MOD listed is to comply with state statute that requires 1.25 percent of the total amount of funds shall be used for eligible activities benefiting non-federally recognized Native American communities or Tribes.

State statute [HSC 50828] requires that not less than 51 percent of HCD's CDBG annual allocation from HUD, less HCD administrative funds, be made available for activities providing or improving housing opportunities for low- and moderate-income households, including but not limited to the construction of infrastructure.

State statute [HSC 50827] also requires that not less than 30 percent of HCD's CDBG annual allocation from HUD, less HCD administrative funds, shall be set aside for Economic Development (ED) projects and programs.

All three methods of distribution contribute to the above noted housing and ED activities percentages required by state statute. Available funding may be used across the various MODs based on demand and to meet state statutory requirements.

For 2025, state CDBG will use a Notice of Funding Availability (NOFA) application process, in which eligible cities and counties apply for funding awards competitively for a variety of programs and projects. All CDBG eligible activities including planning; public services, housing programs, economic development programs; housing and non-housing (infrastructure and public facilities) projects will apply to CDBG competitively. The 2025 NOFA will provide detail on evaluation criteria.

Future special allocations of CDBG funding may have different criteria than those above, which are for the standard CDBG program. Future special allocations of CDBG funding may reflect specific goals or priorities intended to provide response to the reason for the special allocation such as a pandemic, economic recession, or other

event(s) requiring a federal response.

Applications for future special allocations may be in addition to other applications submitted by an eligible jurisdiction. Applications submitted under this section will be independently evaluated and ranked against other applications for these respective special allocations, without regard to the ranking of an application submitted pursuant to another section of the NOFA. Applications for these allocations will not be included in the per-jurisdiction grant award maximums.

Unallocated or uncommitted current or prior year CDBG funds can be used in the circumstances listed below:

- To increase awarded allocations to grantees that demonstrate fast spending and a need for additional resources.
- To meet unforeseen emergency needs, including but not limited to projects or programs qualifying under the Urgent Need National Objective.
- For other eligible activities for which applications were submitted to the state for funding that provide the ability to spend funds by regulatory expenditure deadlines.

Funding awarded in these circumstances will not require issuance of a separate NOFA but may have a supplementary application as determined by HCD.

Applications will be submitted in the online grants management system, with an expedited review process to ensure that the need is met.

HOME (HOME Investment Partnerships Program) Summary:

The state HOME Program uses a Notice of Funding Availability (NOFA) application process, in which eligible cities, counties, developers, CHDOs, and Native American Entities apply for funding awards both competitively and Over the Counter (OTC) for a variety of programs and projects intended to align with the goals and priorities identified in the 2025-2029 Con Plan, as outlined in the AP-25 Allocation Priorities.

There are two different Methods of Distribution (MOD) used within the HOME program that will be outlined in the HOME 2025 NOFA:

- Competitive, for all but Native American Entities
- Over The Counter (OTC), for Native American Entities

The second MOD listed is to provide a longer application window and the ability to help applicants during the application process, as this community is much newer to the process and has struggled, requiring more support.

For the CDBG and HOME programs, the state will be directly carrying out both

administrative- and activity delivery (project soft costs)-related activities across all activities where activity delivery is appropriate.

Distribution Methods Table

1	State Program Name:	CDBG Competitive
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	All CDBG eligible activities including: planning; public services; housing programs; economic development programs; and housing and non-housing (infrastructure and public facilities) projects, referred to collectively as “projects” What is considered a public service activity, a planning activity, a program, a project, etc. is further defined in an appendix to the NOFA.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The 2025 NOFA offers only competitive applications for eligible activities. The total number of applications allowed per jurisdiction shall not exceed three (3). Grantees will also be limited to the submission of one project application and one housing or economic development program application, not to exceed three total applications submitted per jurisdiction. Competitive application criteria will focus on need, readiness, capacity, and past performance. Grantees who have not been awarded recently will be prioritized. Specific details about the criteria and their relative importance will be published in the 2025 NOFA here: Community Development Block Grant Program (CDBG) California Department of Housing and Community Development
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describe the application criteria? (CDBG only)	CDBG – The specific scoring breakdowns and threshold criteria for all application types are included in the Appendices of the NOFA. The NOFA and appendices will be made available on HCD's CDBG webpage at Community Development Block Grant Program (CDBG) California Department of Housing and Community Development . However, additional resources may also be made available within HCD's grants management system.
	Describe how resources will be allocated among funding categories.	The state's goals for the CDBG program are to partner with rural cities and counties to improve the lives of their low- and moderate-income residents through the creation and expansion of community and economic development

		opportunities in support of livable communities. Pursuant to the state's CDBG program guidelines, funding allocations are based on demand once state administration funding amounts and state and federal set-aside amounts have been accounted for. Locally generated PI is a key resource for meeting community needs and under federal regulations must be spent before formula allocations are spent to ensure timely expenditure; any PI not obligated in an eligible activity by June 30, 2025, may be subject to recapture. This will not include PI receipts received after January 1, 2025, but will include all PI receipts received prior to January 1, 2025. Locally generated Program Income (PI) is not currently allowed to be used for public services or planning activities, and grantees may not include PI in planning or public services budgets submitted under the 2025 NOFA. Public service activities will be funded under the competitive MOD and will not exceed 15 percent of the CDBG annual allocation from HUD, pursuant to federal regulation. Planning activities will be funded under the competitive MOD and will not exceed 10 percent of the CDBG annual allocation from HUD, pursuant to federal regulation.
	Describe the threshold factors and grant size limits.	Applicants must meet the state and federal CDBG regulation threshold requirements at the time of application submittal. These threshold requirements will be detailed in the 2025 NOFA and in the application. Grant size limits: Under the CDBG 2025 NOFA, the maximum total grant award for all activities combined per jurisdiction shall not exceed \$3,600,000. The limit per planning activity application shall not exceed \$300,000. The limit per public service activity application shall not exceed \$300,000. The limit per project application shall not exceed \$3,300,000. The limit per housing or economic development program application shall not exceed \$1,500,000. These maximums do not include PI. Jurisdictions that commit PI to an activity may exceed the maximum grant award total, including PI. PI may be used for PI-only applications or in Competitive Applications except that PI may not be used for public services or planning activities

		under the 2025 NOFA. Per jurisdiction application and award amount limits do not include Colonia and Native American set-asides. Exceptions for applications approved outside of the NOFA process to meet urgent need and to respond to unforeseen emergencies or events as determined by the HCD Community Development Branch Chief will not be subject to these application or award amount limitations.
	What are the outcome measures expected as a result of the method of distribution?	With the FY25 competitively awarded funds, CDBG expects to assist eligible households and persons with housing costs and support eligible communities with needed services, while improving and creating economic opportunities. The specific goals and goal outcome indicators associated with CDBG competitively funded activities are: Increase supply of affordable housing and preservation of existing affordable housing (Goal Outcome Indicators: Rental Units Constructed; Homeowner Housing Added; Rental Units Rehabilitated; Homeowner Housing Rehabilitated) Improve access to housing (Goal Outcome Indicators: Direct Financial Assistance to Homebuyers) Maintain or improve public facilities and infrastructure (Goal Outcome Indicators: Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit; Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit) Maintain or improve access to public services (Goal Outcome Indicators: Public Service Activities other than Low/Moderate Income Housing Benefit; Public Service Activities for Low/Moderate Income Housing Benefit) Economic Development (Goal Outcome Indicators: Jobs Created/Retained, Businesses Assisted)
2	State Program Name:	CDBG Colonias Set-aside
	Funding Sources:	See AP-48 for this Method of Distribution
	Describe the state program addressed by the Method of Distribution.	
	Describe all of the criteria that	

	will be used to select applications and the relative importance of these criteria.	
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	
	Describe how resources will be allocated among funding categories.	
	Describe the threshold factors and grant size limits.	
	What are the outcome measures expected as a result of the method of distribution?	
3	State Program Name:	CDBG non-federally recognized Native American Communities or Tribes
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	HCD's CDBG program partners with rural cities and counties to improve the lives of low- and moderate-income residents through the creation and expansion of community and economic development opportunities in support of livable communities. The state sets aside at least 1.25 percent of the total amount of funds to be used for eligible activities benefiting non-federally recognized Native American communities or Tribes. The state CDBG program uses a NOFA application process in which eligible cities and counties apply for funding awards competitively for a variety of programs and projects intended to align with the goals and priorities identified in the 2025-2029 Con Plan, as outlined in the AP-25 Allocation Priorities. These cities and counties are eligible to apply on behalf of non-federally recognized Native American communities or Tribes.
	Describe all of the criteria that will be used to select	The criteria for the non-federally recognized Tribe's set-aside applications are the same as the criteria for the

	applications and the relative importance of these criteria.	state CDBG competitive applications. Competitive application criteria will focus on need, readiness, capacity, and past performance. Grantees who have not been awarded recently will be prioritized. For specific details about the criteria, view the NOFA, available here: Community Development Block Grant Program (CDBG) California Department of Housing and Community Development .
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Applicants will have access to the NOFA: Community Development Block Grant Program (CDBG) California Department of Housing and Community Development and a link to a unique online application form. For details on the competitive process, please see the CDBG competitive MOD. Only cities and counties applying on behalf of a non-federally recognized Tribe are eligible for the non-federally recognized Tribal set-aside through the state CDBG program.
	Describe how resources will be allocated among funding categories.	Pursuant to state statute, at least 1.25 percent of the total amount of funds shall be used for eligible activities benefiting non-federally recognized Native American communities or Tribes. The set-aside is allocated from the CDBG annual allocation and may be used to support any CDBG eligible activity.
	Describe the threshold factors and grant size limits.	Applications must be submitted by an eligible jurisdiction. Applications submitted under this section will be independently evaluated and ranked against other applications for this set-aside, without regard to the ranking of an application submitted pursuant to another section of this NOFA. Applications for these allocations are not included in the per-jurisdiction application and/or grant award maximums. All applications must meet federal and state thresholds and overlays to be eligible for funding. Please see the CDBG NOFA for the CDBG threshold and overlays. The Tribal set-aside is subject to the same thresholds and overlays as the other set-asides and allocations in the state CDBG program. Grant size limits: The following grant limits apply to the Tribal set-aside only: The FY25 NOFA maximum application limit for Tribal funding will be no less than 1.25 percent of the CDBG allocation. Tribal applications may apply for the full amount of set-aside for any eligible activities. If a Tribal

		applicant wishes to apply for more than the set-aside, the applicant should apply under the competitive or OTC funding for evaluation along with all other applicants.
	What are the outcome measures expected as a result of the method of distribution?	With the FY25 Tribal set-aside, CDBG expects to assist eligible households and persons with housing costs and support eligible communities with needed public services, while improving economic opportunities. The specific goals and goal outcome indicators associated with CDBG activities are: Increase supply of affordable housing and preservation of existing affordable housing (Goal Outcome Indicators: Rental Units Constructed; Homeowner Housing Added; Rental Units Rehabilitated; Homeowner Housing Rehabilitated) Improve access to housing (Goal Outcome Indicators: Direct Financial Assistance to Homebuyers) Maintain or improve public facilities and infrastructure (Goal Outcome Indicators: Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit; Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit) Maintain or improve access to public services (Goal Outcome Indicators: Public Service Activities other than Low/Moderate Income Housing Benefit; Public Service Activities for Low/Moderate Income Housing Benefit) Economic Development (Goal Outcome Indicators: Jobs Created/Retained, Businesses Assisted)
4	State Program Name:	Emergency Solutions Grants Program (ESG) Allocation
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	As authorized by Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378) and the federal Homeless Emergency and Rapid Transition to Housing Act (HEARTH) Act, 100 percent of ESG-funded activities must address homelessness. The ESG program aims to do the following: - Align with local systems' federal ESG and HEARTH goals. - Invest in impactful activities based on key performance goals and outcomes.

		• Improve the geographic distribution of funded activities. • Maintain continuity of funded activities and create a streamlined delivery mechanism. Pursuant to current state guidelines, eligible applicants are local governments and nonprofit corporations. Federal ESG funding will continue to be directed towards non-entitlement areas throughout the state; however, under the program, funding can be used in entitlement areas. HCD's ESG program is currently distributed in accordance with the Emergency Solutions Grants Program State Guidelines. The amount of funds available to Continuum of Care (CoC) Service Areas will be based on the amount of ESG funds available in any given year using the following formula allocation factors, with the most recent data available. (1) The Point-in-Time count published by HUD, which includes both sheltered and unsheltered homeless persons prorated to reflect the total population of the ESG non-entitlement areas within each CoC Service Area, as published by the Census Bureau. (2) The number of extremely low-income renter households within the ESG non-entitlement areas of each CoC Service Area that are paying more than 50 percent of their income for rent using HUD's Comprehensive Housing Affordability Strategy dataset. (3) The number of persons below the federal poverty line within the ESG non-entitlement areas of each CoC Service Area divided by the total population within the ESG non-entitlement areas of each CoC Service Area. This factor will be double-weighted. Data for these factors will be obtained from the Census Bureau. (4) Notwithstanding subsections (1) through (3) above, HCD may occasionally adjust the weighting of these factors and sources of information to reflect changes in the availability of data sources and to use the best information available. Any changes to the factors or weighting of the formula will be proposed in the Annual Action Plan. Special allocations made under the ESG Program, such as ESG RUSH funding, may be awarded to existing subrecipients in good standing with HCD. ESG RUSH
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		funding is geographically restricted for use within disaster declared areas. Therefore, Section 200 of the State Guidelines which describes the Allocation Formula does not apply to ESG RUSH. https://www.hcd.ca.gov/sites/default/files/docs/grantsand-funding/esg/esg-final-guidelines.pdf.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Applications will be evaluated using criteria set in state guidelines at Article 2, § 206. An Eligible Applicant/organization means a Private Nonprofit Organization or a Unit of General Purpose Local Government that provides or contracts with Private Nonprofit Organizations to provide Eligible Activities, 24 CFR 576.2. The Applicant shall meet the following requirements when its application is submitted: • The Applicant must show to the satisfaction of the Department that it is in compliance with the Single Audit requirements of 2 CFR 200.50. • The Applicant must be in good standing with the Department, as defined in the NOFA, and in compliance with all applicable law; and • Applicants must provide a Certificate of Good Standing from the California Secretary of State's office and a copy of their most recent filed Internal Revenue Service Form 990. Applicant Selection • The Continuum of Care may select up to two Eligible Applicants to apply for funding in any given year. The selection process used by the Continuum of Care must include, at a minimum, the following: - o In making this selection, the Continuum of Care shall use a process which is fair, open and avoids conflicts of interest in project selection, implementation, and administration of funds - o Incorporate reasonable performance standards as set forth in the AAP based on HUD requirements and guidance. If the Applicant has not implemented the proposed activity or similar activity within the past three years, the Continuum of Care shall work with the funded Applicant to ensure it meets

		reasonable performance standards specified in the AAP in the contract year - o The Applicant and/or Service Provider must develop complete policies and procedures that meet HUD's, HCD's, and the CoC's requirements. The CoC must review and approve the policies and procedures before the Contractors and/or Service Provider can begin administering any ESG Eligible Activity. - o Comply with federal regulations and these Guidelines. HCD reserves the right to approve Applicants the Continuum of Care has recommended. If HCD does not approve an Applicant, HCD must communicate to the Continuum of Care the reason for the denial in writing within 15 business days from the closing date of the application period. Criteria for denial of an Applicant: • Applicant is not in good standing with HCD • Applicant has unresolved findings with HCD, HUD or a Single Audit • Applicant has not met Expenditure Milestones in the prior two Annual Funding Cycles; or • Applicant has an outstanding financial obligation to HCD and is not meeting repayment terms, if applicable. Selection criteria is not applicable for ESG RUSH funding directly awarded to existing ESG subrecipients in the declared disaster area, however HCD will review the prior performance of existing subrecipients prior to making an award recommendation.
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG ONLY)	• A NOFA will be issued every third Annual Funding Cycle. This means that each NOFA and subsequent awards will be encumbered and evidenced by a multiple year Standard Agreement, where Applicants may apply for more funds on the third year. • Funding will be based on the actual amount of ESG funds made available to HCD through a grant agreement from HUD in any given year using the formula allocation set forth in Section 200 of these

		Guidelines. • The Department reserves the right to issue one or more NOFAs as needed, and to subsequently amend, supplement, or rescind any such NOFA in its discretion. • The Department will notify all eligible Applicants of the anticipated level of funding for the program in the AAP and will provide them with a schedule of filing applications as indicated in the NOFA. • The NOFA will specify, among other things, the amount of funds available, eligible components and activities, the time frame for submittal of applications, the application requirements pursuant to Section 203 of these Guidelines, formula allocation and/or performance outcomes pursuant to the AAP, the matching contribution requirements pursuant to Section 209 of these Guidelines, any prohibitions of use of funds, the availability of administrative funds, and the general terms and conditions of funding allocations. • Applications must be received by the closing date and time identified in the NOFA. In order to comply with any set-aside or special allocation established by HUD or the Department, the Department may do one or more of the following: - o Issue a special NOFA. - o Specify in each NOFA the reservation of a portion of the funds for various set-asides or special allocations. - o Specify in each NOFA any waivers to requirements granted by HUD or the Department in connection with the funds. - o Deadline for filing of applications to be reviewed and approved by the Department, timeframes for review and funding of all applications. - o General terms and conditions of funding allocations set forth in 24 CFR 91.320. 14 • For funding years when a NOFA is not issued, a new application will not be required. The Department will notify the Contractor with active contracts in good standing: - o Their annual funding allocation amount
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		- o Request a Budget Revision - o Request a signed certification from the Authorized Signor identified in the Resolution of any changes, - o Issue an award letter - o Amend the Standard Agreement to reflect the adjusted funding. In addition, HCD will provide special allocations, such as ESG RUSH funding, as direct awards to existing subrecipients who are in good standing in their existing ESG award.
	Describe how resources will be allocated among funding categories.	Use ESG funds, including special allocations, for five program components: Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Rehousing, and Homeless Management Information System (HMIS), as well as Administrative Activities. Eligible Activities that may be funded under each component are set forth in 24 C.F.R. § 576.101 through 24 C.F.R. § 576.107. • A minimum of 40 percent of all Contractor's awarded contract/budget must include the Rapid Rehousing component. • Homelessness Prevention will be limited to no more than 10 percent of any awarded contract/budget and will not be awarded as a standalone activity. • ESG Shelter Operations funds may be used for maintenance activities that do not materially add to the value of the building/property; do not appreciably prolong the useful life of the building/property; and do not adapt the building/property to new uses. Examples of maintenance activities could include activities such as replacing a few shingles on a leaky roof; patching leaking pipes or plumbing; replacing a broken window; fixing a crack in a sidewalk; and filling potholes in a parking lot. <u>Please note, the requirements of the Build America, Buy America Act (BABA) may apply to minor repairs.</u> • Rental assistance payments provided as part of an RRH or HP activity under 24 C.F.R. § 576.106 <u>cannot</u> exceed HUD's Fair Market Rent (FMR) as provided under 24 C.F.R. Part 888 unless a

		waiver is granted by HUD and must comply with HUD's standard for rent reasonableness as established under 24 C.F.R. § 982.507. - o HCD has asked HUD for a waiver of 2025 FMR and will notify applicants awarded funds if the waiver is granted. It is HCD's intent to request a waiver each year if there is a distinct difference between FMR and average rents in California's Continuum of Care service areas. - o Eligible Administrative Activities are set forth in 24 C.F.R. § 576.108. The Department will share one percent (1%) of federal funds for all those awarded for direct administrative costs.
	Describe the threshold factors and grant size limits.	An application must meet the following threshold requirements to be eligible for funding: • Applicant must follow instructions in both the ESG Program Final Guidelines, the NOFA, and the online application. Failure to follow instructions will result in disqualification. • The ESG application and all required attachments must be submitted to the Department through the eCivis Portal located at https://portal.ecivis.com/#/login. Applications must include all required information to be submitted. • The application must be complete and received by the deadline specified in the NOFA. • The Applicant is eligible as described in the ESG Program Final Guidelines and the NOFA. • Proposed Activities are eligible pursuant to the ESG Program Final Guidelines and the NOFA. • For any application proposing an ES Activity as set forth in 24 C.F.R. § 576.408, Applicants must have adequate and documented site control (as defined in the ESG Program Final Guidelines). • The application must include a completed Authorizing Resolution (AR) on an acceptable Department-approved resolution template and approved by the Applicant's governing board as described in Section V of the NOFA. <u>Failure to</u>

		<u>provide this complete Authorizing Resolution on an acceptable Department-approved resolution template by the application due date will result in the immediate disqualification of the application.</u> • All Applicants must demonstrate to the satisfaction of the Department that it is following the financial management requirements of 2 C.F.R. Part 200. If applicable, the Applicant must provide the Department with its most recent single audit (as submitted to the State Controller's Office), as well as the most recent year's Form 990. If the Applicant has any open single audit findings and does not have a plan or an agreement to remediate those findings, the Applicant will be deemed ineligible for funding through the State ESG program until the findings are resolved or a remediation plan or agreement is established. • Pursuant to 24 C.F.R. § 576.201, Applicants must have identified dollar-for-dollar match for the federal ESG funding with funds from other public or private sources. • Pursuant to the NOFA, Applicants must submit written Policies and Procedures (P&Ps) at the time of application submission. - o An application may be deemed ineligible if the application does not meet the threshold requirements, if the application is incomplete, or if the Department cannot determine compliance with the threshold requirements.
	What are the outcome measures expected as a result of the method of distribution?	The specific goal and Goal Outcome Indicators associated with ESG activities in the Strategic Plan are to prevent and address homelessness (Goal Outcome Indicators: Rapid Re-housing; Tenant-Based Rental Assistance/Rapid Rehousing; Homeless Person/Overnight Shelter). For FY25, ESG anticipates serving approximately: • Rapid Re-Housing: 2,600 households assisted • Emergency Shelter: 7,100 persons assisted • Street Outreach: 7,100 persons assisted

		• Homelessness Prevention: 200 persons assisted
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5	State Program Name:	HOME Investment Partnerships Program (HOME) Competitive
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	HCD's HOME program partners with rural cities, counties, Community Housing Development Organizations (CHDOs), developers and Native American Entities to improve the lives of low- and moderate-income families through the creation and expansion of affordable housing options and opportunities. Types of HOME activities vary by applicant type. Developers, cities, counties, CHDOs, and Native American Entities may apply for development of multifamily housing, rental new construction and/or rehabilitation, with or without acquisition. CHDOs and federally recognized Native American Entities, as developers, may apply for First-Time Homebuyer (FTHB) projects. Cities, counties, CHDOs, and federally recognized Native American Entities may apply for Infill New Construction (INC) programs. Cities, counties, and federally recognized Native American Entities may apply for all types of HOME program activities. As described in the respective Methods of Distribution (MOD), the state HOME program directs 20 percent of the funding allocation to Tribal Entities and has a 15 percent set-aside for CHDOs. For all activities, the state HOME regulations require that a minimum of 50 percent of funds awarded are for projects and programs located in rural census tracts. The state HOME program uses a Notice of Funding Availability (NOFA) application process, in which eligible applicants apply for funding awards competitively and/or through an Over-the Counter (OTC) process for a variety of programs and projects intended to align with the goals and priorities identified in the 2025-2029 Con Plan, as outlined in the AP-25 Allocation Priorities. Project and program priorities and/or limitations for special needs populations, including persons with mobility, sensory, mental health, and intellectual disabilities, may be approved by HCD, consistent with federal and state regulations laws, as well as for households experiencing homelessness, chronic homelessness, or at risk of homelessness, as defined by 24 CFR 91.5. In addition, tribal projects and programs with Indian Housing Block Grant funding (IHBG) may provide preference or limit occupancy to tribal members in accordance with IHBG rules and HOME regulations at 24 CFR 92.253(d)(3)(i). Note: In a federally-, state-, or locally declared emergency, the state may utilize an alternate MOD for funds not committed in response to a NOFA and Program Income (PI) on hand to serve

		impacted areas. Should the state decide to waive, suspend, or eliminate the state HOME regulations, new program guidelines would be adopted and used to set the MOD.
	Describe all the criteria that will be used to select applications and the relative importance of these criteria.	Below is a summary of the HOME scoring criteria. For additional information, see section 8212 of the state HOME regulations at https://www.hcd.ca.gov/grants-funding/active-funding/home/docs/State-HOME-Regulations-eff-1-1-2017-FINAL.docx. HCD is currently in the process of Developing HOME program Guidelines to replace the State HOME Program Regulations, which will impact the criteria used to select applications. Once the criteria have been finalized, an amendment to this AAP will be completed, if necessary. It is possible these changes will not take effect until the Fiscal Year 2026-2027 (FY26) plan is submitted for approval. Threshold Factors: See threshold factors in the response to the question “Describe the threshold factors and grant size limits. Scoring Factors: 1) Housing element compliance, as applicable. Information regarding housing element compliance can be found on the HCD public website at the following link: https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-review-and-compliance-report 2) Direct HOME allocation declined. 3) Rural activities. 4) State objectives. 5) Applications that provide deeper affordability. 6) Applications that demonstrate expeditious or efficient use of HOME funds. 7) Applications that can be funded in a manner which promotes capacity building and continuity of housing activities. 8) Applications that serve special needs populations, including the needs of persons with mobility, sensory, mental health, and intellectual disabilities, as permitted under federal and state laws, and HOME requirements. 9) Applications that serve victims of locally, state, or federally declared disasters.

		10) Applications that address special housing needs. 11) Activities that complement other state or federal programs or policy objectives. 12) Applications that address homelessness. 13) Applications that provide access to resources. Further information and guidance on the specific state objective factors utilized will be in the NOFA. Additional scoring factors for program activities applications include: 1) Applicant capacity: Examines past performance on HOME contracts, as well as experience with other activities. Performance points may be deducted for failure to submit required reports in a timely manner and failure to cooperate with monitoring or contractual requirements identified by HCD in the last five years. 2) Community need: Examines census data, such as poverty rates, age of housing stock, housing overcrowding, and home sales prices compared to median incomes in the locality. 3) Program feasibility: For FTHB programs, this factor examines the financial feasibility of the activity at proposed sales prices, income targets, and assistance levels. For Owner-Occupied Rehabilitation (OOR) programs, this factor examines feasibility as reflected through need by census data, such as overcrowding and age of housing stock. For Tenant-Based Rental Assistance (TBRA) programs, this factor examines feasibility as reflected through need by census data, such as renter overpayment for housing. Additional scoring factors for project applications include: 1) Applicant capacity: Examines past performance on HOME contracts, as well as experience with other activities. Points may be deducted for any of the following: 1a) Missing HOME performance deadlines in the last five years. 1b) Failure to submit required reports in a timely manner. 1c) Material misrepresentations of fact which jeopardize the HOME investment or put HCD at risk of a serious monitoring finding. 1d) Failure to cooperate with monitoring requirements identified by HCD in the last five years. 2) Community need: Examines census data, such as poverty
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		rates, vacancy rates, age of housing stock, housing overcrowding, and home sales prices compared to median incomes in the locality. 3) Project feasibility: Both rental and FTHB projects earn points based on the percentage of HOME-assisted units. Rental projects must demonstrate compliance with HCD's Uniform Multifamily Regulations (UMRs) and HOME requirements. FTHB projects must demonstrate the ability of the proposed project to meet HOME requirements, including demonstrating the adequacy of the proposed development budget, the market for the project, and the affordability of the project. 4) Readiness: Examines the project development plan, as well as the status of local government approvals, design progress, and financing commitments. Future special allocations of HOME funding may have different criteria than those above, which are for the standard HOME program. Future special allocations of HOME funding may reflect specific goals or priorities intended to provide response to the reason for the special allocation such as a pandemic, economic recession, or other event requiring a federal response. Should the state decide to waive, suspend, or eliminate the state HOME regulations, new program guidelines would be adopted and used to set funding criteria.
	Describe how resources will be allocated among funding categories.	Pursuant to state HOME regulations, 40 percent of the annual allocation received from HUD will be used to support awards to program activities applications, consisting of First-Time Homebuyer Downpayment Assistance (FTHB), Owner-Occupied Rehabilitation (OOR), , and/or Tenant-Based Rental Assistance (TBRA) activities); 5 percent will be available to fund FTHB projects applications, and 55 percent (exceeding the minimum 40 percent requirement in the state HOME regulations) of funds are typically available for rental project new construction or rehabilitation projects in a given NOFA cycle. Additionally, 20 percent of the allocation will be used to fund applications submitted by Native American Entities as permitted under federal and state laws, and HOME requirements. Should the state decide to waive, suspend, or eliminate the state HOME regulations, new program Guidelines would first be adopted and used, to determine how resources are allocated among funding categories.
	Describe the threshold factors	Pursuant to state HOME regulations 25 CCR section 8212, the following threshold criteria must be met to be considered for

	and grant size limits.	funding: 1) Applications shall not be considered for funding unless the application is received within the timeframe specified in the NOFA, and demonstrates that all the following conditions exist: 1a) the applicant is eligible, pursuant to Section 8204 and 8204.1. 1b) the applicant proposes at least one eligible activity and the proposed uses for the HOME funds are eligible, pursuant to Section 8205 and 8210(c). 1c) the application is complete, pursuant to Section 8211. 2) The total amount of funds requested for both administration and activity-specific costs does not exceed the funding allocation limit, which is stated in the NOFA, and any allowed increase to this limit, pursuant to Section 8127. 3) Applicants may be held out from competition due to performance problems with current HOME contracts, such as failure to submit required single audit documentation to the State Controller's Office, or unresolved audit findings. 4) Applicants for program activity funds with one or more current state HOME program activities contracts must have expended at least 50 percent of the aggregate total of program funds originally awarded under these contracts to be eligible to apply for additional program activity funds. 5) Applicants for projects that miss three project deadlines are currently ineligible to apply for funds in the next NOFA. However, HCD may waive this holdout penalty if the missed project deadline was clearly outside the control of all the following parties: the applicant, developer, owner, and managing general partner. 6) If the applicant is a CHDO, this includes procedures ensuring the CHDO's effective project control of activities assisted with HOME funds, pursuant to 24 CFR Section 92.300(a)(1); and 7) For applications proposing projects involving acquisition of rental housing, acquisition and rehabilitation of rental housing, rehabilitation of rental housing, construction of rental housing, or construction of housing for FTHB, the application demonstrates: 7a) site control pursuant to Section 8303. 7b) that there are no pending lawsuits that will prevent
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		implementation of the project, as proposed. 8) For applications proposing rental activities, the application contains documentation demonstrating that the project either complies with or is exempt from Article 34 of the California Constitution. Maximum grant size limit for rental projects is \$4.5 million, and for FTHB projects is \$2 million. Maximum grant size limit for program activities is \$1 million. Should the state decide to waive, suspend, or eliminate the state HOME regulations, new program guidelines would first be adopted and used to determine threshold factors.
	What are the outcome measures expected as a result of the method of distribution?	The specific goals and goal outcome indicators associated with the entire HOME program year in the Strategic Plan are: 1) Increase supply of affordable housing, preservation of existing housing (Goal Outcome Indicators: Households Assisted, Housing Units Added) In the upcoming fiscal year, the HOME program estimates all activities include: Completing construction on 154 rental units (includes Rental New Construction (RNC) and Rental Rehabilitation (RR), 8 homebuyer units (FTHB New Construction), rehabilitating 28 OOR units, assisting 50 FTHB households, and providing TBRA to 194 households.
6	State Program Name:	HOME Over The Counter (OTC)
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	HCD's HOME program partners with rural and other cities and counties, Community Housing Development Organizations (CHDOs), developers, and Native American Entities to improve the lives of low- and moderate-income families through the creation and expansion of affordable housing options and opportunities. Types of HOME activities vary by applicant type. Developers, cities, counties, CHDOs and Native American Entities may apply for development of multifamily housing rental new construction and/or rehabilitation, with or without acquisition. CHDOs, cities, counties and federally recognized Native American Entities may apply for First-Time Homebuyer (FTHB) projects and Infill New Construction (INC) programs. Cities, counties, and federally recognized Native American Entities may apply for all types of HOME activities. As described in the respective MODs, the state HOME program directs 20 percent of the funding allocation for Tribal Entities

		applicants and sets aside 15 percent of funding for CHDOs. For all programs, the state HOME regulations require that a minimum of 50 percent of funds go to activities located in rural census tracts. The state HOME program uses a NOFA application process, in which eligible applicants apply for funding awards competitively and/or through an OTC process for a variety of programs and projects intended to align with the goals and priorities identified in the 2025-2029 Con Plan, as outlined in the AP-25 Allocation Priorities. Project and program priorities and/or limitations for special needs populations, including persons with mobility, sensory, mental health, and intellectual disabilities, may be approved by HCD consistent with federal and state regulations laws, as well as for households experiencing homelessness, chronic homelessness, or at risk of homelessness, as defined by 24 CFR 91.5. In addition, tribal projects and programs with Indian Housing Block Grant funding (IHBG) may provide priority or limit occupancy to tribal members in accordance with IHBG rules and HOME regulations at 24 CFR 92.253(d)(3)(i). Note: In a federally-, state-, or locally declared emergency, the state may utilize an alternate method of distribution for funds not committed in response to a NOFA and utilize PI on hand to serves impacted areas. Should the state decide to waive, suspend, or eliminate the state HOME regulations, new program guidelines would be adopted and used to set the MOD.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Utilization of this MOD will be announced in the NOFA. Below is a summary of the HOME scoring criteria. For additional information, see section 8212 of the state HOME regulations at State-HOME-Regulations-eff-1-1-2017-FINAL.docx (live.com) Threshold Factors: See threshold factors in the response to the question “Describe the threshold factors and grant size limits.” Scoring Factors: OTC applications will be awarded on a first-come, first-served basis once it is determined the applicants meet the threshold factors and any minimum score requirements (possibly subject to an AB 1010 waiver) for the type of activity. 1) Housing element compliance, as applicable. Information regarding housing element compliance can be found on the HCD public website at the following link:

		https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-review-and-compliance-report 2) Direct HOME allocation declined 3) Rural activities. 4) State objectives. 5) Applications that provide deeper affordability. 6) Applications that demonstrate expeditious or efficient use of HOME funds. 7) Applications that can be funded in a manner which promotes capacity building and continuity of housing activities. 8) Applications that serves special needs populations, including the needs of persons with mobility, sensory, mental health, and intellectual disabilities, as permitted under federal and state laws and HOME requirements. 9) Applications that serve victims of locally-, state-, or federally declared disasters. 10) Applications that address special housing needs. 11) Activities that complement other state or federal programs or policy objectives. 12) Applications that address homelessness. 13) Applications that provide access to resources. Further information and guidance on the specific state objective factors utilized will be included in the NOFA. Additional scoring factors for <u>program activities</u> applications include: 1) Applicant capacity: Examines past performance on HOME contracts, as well as experience with other activities. Performance points may be deducted for failure to submit required reports in a timely manner and failure to cooperate with monitoring or contractual requirements identified by HCD in the last five years. 2) Community need: Examines census data, such as poverty rates, age of housing stock, housing overcrowding, and home sales prices compared to median incomes in the locality. 3) Program feasibility: For FTHB programs, this factor examines the financial feasibility of the activity at proposed sales prices, income targets, and assistance levels. For OOR
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		programs, this factor examines feasibility as reflected through need by census data, such as overcrowding and age of housing stock. For TBRA programs, this factor examines feasibility as reflected through need by census data, such as renter overpayment for housing. Additional scoring factors for <u>project</u> applications are outlined in the state HOME regulations and include these categories: 1) Applicant capacity: Examines past performance on HOME contracts, as well as experience with other activities. Points may be deducted for any of the following: 1a) missing HOME performance deadlines in the last five years. 1b) failure to submit required reports in a timely manner. 1c) material misrepresentations of fact which jeopardize the HOME investment or put HCD at risk of a serious monitoring finding. 1d) failure to cooperate with monitoring requirements identified by HCD in the last five years. 2) Community need: Examines census data, such as poverty rates, vacancy rates, age of housing stock, housing overcrowding, and home sales prices compared to median incomes in the locality. 3) Project feasibility: Both rental and FTHB projects earn points based on the percentage of HOME-assisted units. Rental projects must demonstrate compliance with HCD's UMRs and HOME requirements. FTHB projects must demonstrate the ability of the proposed project to meet HOME requirements, including demonstrating the adequacy of the proposed development budget, the market for the project, and the affordability of the project. 4) Readiness: Examines the project development plan, as well as the status of local government approvals, design progress, and financing commitments. Future special allocations of HOME funding may have different criteria than those above, which are for the standard HOME program. Future special allocations of HOME funding may reflect specific goals or priorities intended to provide response to the reason for the special allocation, such as a pandemic, economic recession, or other event requiring a federal response. Should the state decide to waive, suspend, or eliminate the state HOME regulations, new program guidelines would be
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		adopted and used to set funding criteria.
	Describe how resources will be allocated among funding categories.	Pursuant to state HOME regulations, the minimum of 40 percent of the annual allocation received from HUD will be used to support awards to program activities applications, consisting of First-Time Homebuyer Downpayment Assistance (FTHB), Owner-Occupied Rehabilitation (OOR), and Tenant-Based Rental Assistance (TBRA) activities; 5 percent will be available to fund FTHB projects applications, and 55 percent (exceeding the minimum 40 percent requirement in the state HOME regulations) of funds will typically be available for rental project new construction or rehabilitation projects in a given NOFA cycle. Additionally, 20 percent of the allocation will be used to fund applications submitted by Tribal Entities. Should the state decide to waive, suspend, or eliminate the state HOME regulations, new program Guidelines would first be adopted and used to determine how resources will be allocated among funding categories.
	Describe the threshold factors and grant size limits.	Pursuant to state HOME regulations 25 CCR section 8212, the following threshold criteria must be met to be considered for funding: 1) Applications shall not be considered for funding unless the application is received within the timeframe specified in the NOFA, and demonstrates that all the following conditions exist: 1a) the applicant is eligible, pursuant to Section 8204 and 8204.1. 1b) the applicant proposes at least one eligible activity and the proposed uses for the HOME funds are eligible, pursuant to Section 8205 and 82 10(c). 1c) the application is complete, pursuant to Section 8211. 2) The total amount of funds requested for both administration and activity-specific costs does not exceed the funding allocation limit, which is stated in the NOFA, and any allowed increase to this limit, pursuant to Section 8217. 3) Applicants may be held out from competition due to performance problems with current HOME contracts, such as failure to submit required single audit documentation to the State Controller's Office, or unresolved audit findings. 4) Applicants for program activities funds with one or more current state HOME program activities contracts must have expended at least 50 percent of the aggregate total of program funds originally awarded under these contracts to be

		eligible to apply for additional program activity funds. 5) Applicants for projects that miss three project deadlines are currently ineligible to apply for funds in the next NOFA. However, HCD may waive this holdout penalty if the missed project deadline was clearly outside the control of all the following parties: the applicant, developer, owner, and managing general partner. 6) If the applicant is a CHDO, this includes procedures ensuring the CHDO's effective project control of activities assisted with HOME funds, pursuant to 24 CFR Section 92.300(a)(1); and 7) For applications proposing projects involving acquisition of rental housing, acquisition and rehabilitation of rental housing, rehabilitation of rental housing, construction of rental housing, or construction of housing for first-time homebuyers, the application demonstrates: 7a) site control pursuant to Section 8303. 8) There are no pending lawsuits that will prevent implementation of the project, as proposed. 9) For applications proposing rental activities, the application contains documentation demonstrating that the project either complies with or is exempt from Article 34 of the California Constitution. Maximum grant size limit for rental projects is \$4.5 million, and for FTHB projects is \$2 million. Maximum grant size limit for program activities is \$1 million. Should the state decide to waive, suspend, or eliminate the state HOME regulations, new program guidelines would first be adopted and used to determine threshold factors.
	What are the outcome measures expected as a result of the method of distribution?	The specific goals and goal outcome indicators associated with the entire HOME program year in the Strategic Plan are: • Increase supply of affordable housing, preservation of existing affordable housing, improve access to affordable housing (Goal Outcome Indicators: Rental Units Constructed; Homeowner Housing Added; Rental Units Rehabilitated; Homeowner Housing Rehabilitated; Direct Financial Assistance to Homebuyers; Tenant-Based Rental Assistance/Rapid Rehousing) • In the upcoming fiscal year, the HOME program estimates for all activities include: Completing construction on 154 rental units (includes Rental New

		Construction and Rental Rehabilitation, 8 homebuyer units (FTHB New Construction), rehabilitating 28 OOR units, assisting 50 FTHB households, and providing TBRA to 194 households.
7	State Program Name:	Housing Trust Fund (HTF) / National Housing Trust Fund (NHTF) Over The Counter (OTC)
	Funding Sources:	HTF
	Describe the State program addressed by the Method of Distribution.	The NHTF program is a federal formula grant that provides annual allocations to states to increase and preserve the supply of decent, safe, and sanitary affordable housing, specifically for extremely low-income households. HCD will distribute NHTF funds to eligible multifamily rental projects in California through an OTC application process, as specified in the Project Solicitation; and/or direct funding to eligible multifamily rental projects outside of a NOFA and/or Project Solicitation process, to ensure HCD meets HUD's statutory 2-year commitment deadline and/or regulatory 5-year expenditure deadline and avoids having to return NHTF funds to HUD. In the event a Recipient forfeits and/or cancels an award, any unused NHTF Program funds will be reallocated to existing NHTF projects needing additional funding by HCD.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Eligible applicants/recipients of NHTF funds include organizations, agencies, or other entities such as Public Housing Agencies (PHAs) and for-profit and nonprofit entities. Recipients must: 1) Meet the definition of a recipient under 24 C.F.R. § 93.2, specifically: 1a) Make acceptable assurance they will comply with all NHTF requirements during the entire affordability period. 1b) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity. 1c) Demonstrate familiarity with requirements of federal, state, and any other housing programs used in conjunction with NHTF funds to ensure compliance; and 1d) Demonstrate experience and capacity to conduct the eligible NHTF activity in question as evidenced by relevant history. 2) Have site control, under 25 C.C.R. § 8303 of the project they apply to HCD for an award of NHTF funds, including but not limited to, demonstrating site control by one of the following:

		2a) Fee title, evidenced by a current title report showing the applicant holds a fee title; or 2b) A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease must permit, prior to loan closing, compliance with all program requirements, including compliance with 25 C.C.R. § 8316. 3) Have resolved any open audit finding(s) for any state or federally funded housing or community development projects or programs to the satisfaction of HCD or the federal agency by which the finding was made. 4) Are not debarred or suspended from participation in federal or state housing or community development projects or programs. 5) Cities, counties, and local public housing authorities must comply with the submittal requirements of cost principles and audit requirements at 2 C.F.R. Part 200. OTC applications must meet the minimum requirements specified in the Project Solicitation, and funding will be made available on a first-come-first served basis.
	Describe how resources will be allocated among funding categories.	NHTF funding will be available to all jurisdictions in California. In the combined Fiscal Year (FY) 24 – FY25 NHTF Project Solicitation, in order to protect the existing NHTF investments made from previous annual allocations and avoid having to return any funds to HUD due to not being able to meet the two-year commitment and five-year expenditure deadlines, HCD will have an OTC pool of funds for projects previously awarded from FY21 NHTF/Housing for a Healthy California (HHC) funds that need additional gap financing due to cost increases and lack of securing anticipated funding sources when applying and awarding FY21 NHTF/HHC funds. Additionally, HCD may direct funding to eligible multifamily rental projects outside of a NOFA and/or Project Solicitation process, to ensure HCD meets HUD's commitment and expenditure deadlines and avoids having to return NHTF funds to HUD. In the event a Recipient forfeits and/or cancels an award, any unused NHTF Program funds will be reallocated to existing NHTF projects needing additional funding by HCD.
	Describe the threshold factors and grant size limits.	NHTF funding will be awarded on an OTC basis through a Project Solicitation. HCD may issue more than one Project Solicitation during a funding cycle and/or direct funding to eligible multifamily rental projects outside of a NOFA and/or Project Solicitation process, to ensure HCD meets HUD's commitment and

		expenditure deadlines and avoids having to return NHTF funds to HUD. The Project Solicitation shall specify the maximum amount of project funds available, including whether funds have been used for a specific purpose, any restrictions on uses of funds, general terms and conditions of funding allocations, threshold requirements, timeframe for submittal of applications, application requirements, and rating metrics. An applicant must electronically submit its application in a format made available by HCD that requests the information required by the NHTF guidelines. An applicant must submit its application by the deadline specified in the Project Solicitation. Application requirements include, but are not limited to the following: • Project narrative/details, construction scope of work, and financing. • Detailed information of the applicant adequate to determine the experience of the applicant with other federal, state, or local housing or community development programs. • Site information. • Property management plan. • Resident services plan. • Supportive services plan (for permanent supportive housing developments). • Environmental provisions documentation. • Consultants/third party reports (i.e., appraisal, market study and physical needs assessments). Relocation plan, if applicable.
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What are the outcome measures expected as a result of the method of distribution?	The expected outcome measure is the increase in supply and preservation of affordable rental housing by providing NHTF assistance to units for tenants at or below 30 percent of Area Median Income (AMI) or below the poverty line; whichever is greater. The charts below summarize the anticipated \$37.7 million Fiscal Year 2025-2026(FY25) allocation available for project financing, as well as the anticipated production of units. Details with respect to the FY25 calculations follow the charts: <u>FY24-FY25 Project Solicitation</u> <table><tr><th>Fiscal Year</th><th>Over The Counter (million)</th></tr><tr><td>2025-2026</td><td>\$37.7</td></tr></table> <u>Anticipated Unit Production</u> <table><tr><th>Fiscal Year</th><th>Over The Counter (units)</th></tr><tr><td>2025-2026</td><td>97 New 11 Rehabilitated</td></tr><tr><td>Total</td><td>108</td></tr></table> In the combined \$39 million NHTF Project Solicitation, FY24 (\$19.5 million) and FY25 (\$19.5 million), the Department awarded two projects with FY24 NHTF Program funds comprised of 40 NHTF assisted units in aggregate. For FY25, projections were recalculated based on averaging past NHTF allocations and NHTF assisted units. HCD estimates 108 units for households with incomes at or below 30 percent of AMI (or below the poverty line, whichever is greater) will be created using the FY25 OTC allocation fund. Given HCD does not anticipate any FY25 funding available for the two targets (Rural and Native American Entity), HCD will include an anticipated \$37.7 million in FY25 funding for the remaining three OTC applications received in the Project Solicitation FY24-FY25. In future NOFA funding rounds, HCD anticipates having sufficient NHTF for Rural and Native American Entity Targets, respectively.	Fiscal Year	Over The Counter (million)	2025-2026	\$37.7	Fiscal Year	Over The Counter (units)	2025-2026	97 New 11 Rehabilitated	Total	108
Fiscal Year	Over The Counter (million)										
2025-2026	\$37.7										
Fiscal Year	Over The Counter (units)										
2025-2026	97 New 11 Rehabilitated										
Total	108										

HOPWA Program

1	State Program Name:	HOPWA													
	Funding Sources:	HOPWA													
	Describe the state program addressed by the Method of Distribution.	State HOPWA serves counties that do not qualify to receive HOPWA grant funds directly from HUD.													
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Criteria for selection is as follows: <table><tr><th>Criteria</th><th>Points</th></tr><tr><td>Program Description and Capacity</td><td>25</td></tr><tr><td>Implementation Plan</td><td>25</td></tr><tr><td>Budget Overview</td><td>25</td></tr><tr><td>Outcomes and Evaluation Plan</td><td>25</td></tr><tr><td>Total</td><td>100</td></tr></table>		Criteria	Points	Program Description and Capacity	25	Implementation Plan	25	Budget Overview	25	Outcomes and Evaluation Plan	25	Total	100
	Criteria	Points													
Program Description and Capacity	25														
Implementation Plan	25														
Budget Overview	25														
Outcomes and Evaluation Plan	25														
Total	100														
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	CDPH/OA issued grants to 19 existing project sponsors through June 30, 2028, to provide housing assistance and supportive services programs to PLWHs throughout 40 non-EMSAs. Every project sponsor provides direct client services, and one subcontracts with a community-based organization to provide housing services. In the case of loss of a project sponsor or a change in program delivery for a specific county or counties, CDPH/OA solicits project sponsors through a Request for Application (RFA) process that allows equal access to all grassroots, faith-based, and community-based organizations, and governmental housing and health agencies in that jurisdiction. Project sponsors that subcontract with other agencies must also use a selection process that provides full access to all grassroots, faith-based, and community-based organizations. The project sponsor, Sarah House, is no longer providing services as of June 30, 2024.CDPH/OA is soliciting a replacement project sponsor through a RFA process for Santa Barbara. The RFA is scheduled to release in February of 2025 and will be circulated widely among local organizations.														

	Describe how resources will be allocated among funding categories.	State HOPWA project sponsors participate in local HIV/AIDS needs and service planning efforts and prioritize the HOPWA allocation to fill local HIV/AIDS housing and supportive services gaps. To address the most urgent needs of PLWH, and to assist in meeting the goal of the national HIV/AIDS strategy to reduce the percentage of persons in HIV medical care who are homeless, project sponsors may select from the following eligible HOPWA activities: • Tenant-Based Rental Assistance (TBRA) • Short-Term Rent, Mortgage, and Utility Assistance (STRMU) • Facility based housing operations of existing permanent or transitional HIV/AIDS housing programs • Facility based housing – hotel/motel voucher assistance • Permanent Housing Placement Assistance • Housing Information Services • Supportive Services State HOPWA project sponsors may also use up to 10 percent of funds for eligible resource identification activities if justified in their program work plan, and no more than 7 percent of the allocation for grant administration.
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		CDHP/OA established the following caps to ensure prioritization of funds for direct client housing assistance: • 20 percent of a project sponsor's allocation may be used for supportive services activities. • 15 percent of a project sponsor's budget for housing assistance activities may be used for activity delivery costs. • 5 percent of supportive services and housing information service budgets may be used for activity delivery costs. CDPH/OA may waive the above percent caps on supportive services and activity delivery costs for housing assistance, supportive services, and housing information services if the proposal assists clients in overcoming obstacles to housing stability. Pursuant to HOPWA regulation, grantees must identify how the rent standard will be set for a TBRA program within a jurisdiction. In most instances, CDPH/OA adopted the published Fair Market Rent as the rent standard for the grant area.
	Describe the threshold factors and grant size limits.	For FY25, the HOPWA allocation will be distributed through a formula process based on the reported HIV case data, excluding prison numbers, Federal Poverty Levels, and Fair Market Rent by county. State HOPWA will continue to include a funding stability method using prior year funds to hold those counties harmless at a percentage of their prior year allocation.
	What are the outcome measures expected as a result of the method of distribution?	The outcome measures expected are that low- income PLWH will have increased housing stability, access to care, and viral suppression. The distribution method affords counties with larger populations of PLWH, high FMR, and high levels of poverty to access more funding for supportive services and housing assistance.

Discussion

CDBG-CV Program and ESG-CV Program

The MOD for the Coronavirus Aid, Relief, and Economic Security (CARES) Act (CV) Community Development Block Grant (CDBG-CV) program and the CARES Act Emergency Solutions Grants (ESG-CV) program is described in the 2019-2020 AAP

Amendment, labeled CARES Act, found here: [Plans & Reports | California Department of Housing and Community Development](#)

CDBG-DR Program

The MOD for the Community Development Block Grant-Disaster Recovery (CDBG-DR) program is described in the CDBG-DR Action Plan. Please see HCD's webpage for that program's Action Plan: [Action Plans and Federal Register Notices \(FRNs\) | California Department of Housing and Community Development](#)

AP-35 Projects – (Optional)

Introduction

The following projects address the five strategic goals outlined in section AP-20 (Annual Goals and Objectives):

#	Project Name
1	Increase Supply of Affordable Housing
2	Preserve Existing Affordable Housing
3	Improve Access to Affordable Housing
4-5	ESG25 California-Prevent Homelessness-Address Homelessness
6	Invest in Community and Public Infrastructure and Facilities
7	Provide Community-Based Public Services
8	Increase Economic Development Opportunities
9	CDBG State Operations
10	CDBG General Administration

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs.

For the Community Development Block Grant (CDBG) program, state statute requires that at least 51 percent of all available funds be allocated for applications to fund housing and housing-related activities (housing-related includes public improvements and public facilities in support of construction of new housing activities).

As with the Economic Development (ED) allocation for CDBG, if the demand for housing funds in a given Notice of Funding Availability (NOFA) cycle is not sufficient, the balance of funds reverts to the general pool of funds to be awarded to other eligible projects and programs. In addition to allocations and funding level criteria described above, the California Department of Housing and Community Development (HCD) will monitor general administration expenditures to ensure compliance with the federal expenditure cap rate and ensure a minimum expenditure rate on activities meeting the national objective of benefitting at least 70 percent of low and moderate-income individuals in compliance with the federal regulation. The HOME Investment

Partnerships Program (HOME) funding allocation priorities are based on demand by program applicants for categories of activities.

For allocation priorities of the CDBG-Disaster Recovery (DR) program, please see HCD's webpage for that program's Action Plan: [Action Plans and Federal Register Notices \(FRNs\) | California Department of Housing and Community Development](#).

For the HOME Investment Partnerships Program (HOME), all assistance will be under Priority 1 ("Increase Housing Affordability") since all forms of HOME assistance fall under this category. Tenant-Based Rental Assistance (TBRA) is also used to provide stable affordable housing for people experiencing homelessness and preventing homelessness for rent-burdened households at risk of homelessness. In addition, many multifamily rental projects that HCD HOME funds assist are used to meet the needs of extremely low-income households that are homeless or at risk of homelessness.

AP-38 Project Summary

Project Summary Information

1	Project Name	Increase Supply of Affordable Housing
	Target Area	Statewide
	Goals Supported	Increase Supply of Affordable Housing
	Needs Addressed	Improved Access to Affordable Housing
	Funding	CDBG: \$7,854,544.67 HOME: \$24,965,134.44 HTF: \$18,993,438.90
	Description	Address the high cost of housing among extremely low-income, low-income, and moderate-income households by making available and preserving more affordable housing options.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	444 families of extremely low-, low-, and moderate-income (188 HOME, 190 CDBG, 88 HTF)
	Location Description	
	Planned Activities	Multifamily Rental and New Construction

2	Project Name	Preserve Existing Affordable Housing
	Target Area	Statewide
	Goals Supported	Increase Housing Affordability
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$6,468,448.55 HOME: \$4,160,855.74 HTF: \$2,100,382.10
	Description	Increased Supply and Preservation of Affordable Housing
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	177 families of extremely low-, low-, and moderate-income (10 HTF, 125 CDBG, 42 HOME)
	Location Description	
	Planned Activities	Rental units Rehabilitated, Homeowner housing added, Homeowner housing rehabilitated
3	Project Name	Improve Access to Affordable Housing
	Target Area	Statewide
	Goals Supported	Improve Access to Affordable Housing
	Needs Addressed	Improved Access to Affordable Housing
	Funding	CDBG: \$3,234,224.28 HOME: \$5,547,807.65
	Description	Address the high cost of housing among extremely low-income, low- income, and moderate-income households by making available and preserving more affordable housing options.

	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	288 families of extremely low-, low-, and moderate-income (238 HOME, 50 CDBG)
	Location Description	
	Planned Activities	Direct Financial assistance to Homebuyers
4	Project Name	ESG25 California-Prevent Homelessness and Address Homelessness
	Target Area	Statewide
	Goals Supported	Prevent Homelessness and Address Homelessness
	Needs Addressed	Address the Homelessness Crisis
	Funding	ESG: \$ 698,978.45 & \$13,280,590.55 HOPWA: \$ 146,909.51 & \$4,570,074.31 ESG RUSH: \$ 2,775,000
	Description	Addressing the increasing number of individuals and families experiencing homelessness by aiding households currently experiencing homelessness and those at imminent risk of entering homelessness. A set-aside of ESG funds in the amount of \$3,000,000, with \$225,000 set aside for State Operations, was awarded to HCD under ESG RUSH. HCD will award ESG RUSH funds via contract to eligible subrecipients in the disaster declared areas under DR4856 for performance of eligible activities as defined in the RUSH Notice: FR-6315-N-01.
	Target Date	6/30/2026

	Estimate the number and type of families that will benefit from the proposed activities	Homeless Prevention Persons Assisted: 200 ESG, 570 HOPWA, 115 ESG RUSH Rapid Rehousing: 2,600 ESG, 570 ESG RUSH TBRA: 30 HOPWA Homeless Person Overnight Shelter: 14,200 ESG, 100 HOPWA, 3,550 ESG RUSH Public Service Activities other than Low/Mod Income Housing Benefit: 1,100 HOPWA
	Location Description	
	Planned Activities	Short-Term Rent, Mortgage, and Utility Assistance, Homelessness Prevention. Homeless person-overnight shelter, Street Outreach, emergency shelter, Transitional housing beds added, HIV Aids, Tenant-Based Rental Assistance, Transportation, Permanent Housing Placement, Housing Information Services, Case Management, Supportive Services, Provide short-term disaster response assistance for the needs of persons who are experiencing homelessness or at-risk of homelessness residing in disaster areas.
5	Project Name	Invest in Community and Public Infrastructure and Facilities
	Target Area	Statewide
	Goals Supported	Maintain or Improve Public Facilities and Infrastructure
	Needs Addressed	Neighborhood Stability
	Funding	CDBG: \$18,481,281.58
	Description	Provide support for public facilities and infrastructure, particularly in rural areas, with the goal of supporting low- to moderate-income households in these communities. Includes Colonias set aside activity.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	Other than low- and moderate-income Housing Benefit: 43,000 Assisted For low- and moderate-income Housing Benefit: 20 Households Assisted
	Location Description	

	Planned Activities	Acquisition, Administration and Planning, Economic Development, Housing, Public Improvements, Public Services. The National Affordable Housing Act of 1990 established allocations to support Colonias in addressing deficiencies in housing, access to potable water, and sewer improvements.
6	Project Name	Provide Community-Based Public Services
	Target Area	Statewide
	Goals Supported	Maintain or Improve Access to Public Services
	Needs Addressed	Community-Based Public Service
	Funding	CDBG: \$6,468,448.55
	Description	Provide support for public services, particularly in rural areas, with the goal of supporting low- and moderate-income households in these communities.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	Other than low- and moderate-income Housing Benefit: 26,000 Persons Assisted
	Location Description	
	Planned Activities	Acquisition, Administration and Planning, Economic Development, Housing, Public Improvements, Public Services
7	Project Name	Increase Economic Development Opportunities
	Target Area	Statewide
	Goals Supported	Economic Development
	Needs Addressed	Increase Economic Development Opportunities
	Funding	CDBG: \$3,696,256.32
	Description	Provide an economic catalyst to areas in need of economic development, particularly in the rural areas, with the goal of increasing economic opportunities and outcomes to low- and moderate-income individuals.
	Target Date	6/30/2026
	Estimate the number and type of families	40 jobs Created or Retained

	that will benefit from the proposed activities	35 Businesses Assisted
	Location Description	
	Planned Activities	Acquisition, Administration and Planning, Economic Development
8	Project Name	CDBG State Operations
	Target Area	Statewide
	Goals Supported	Increase Housing Affordability Address and Prevent Homelessness Economic Development Maintain or Improve Public Facilities and Infrastructure Maintain or Improve Access to Public Services
	Needs Addressed	Improved Access to Affordable Housing Homelessness Prevention and Assistance Neighborhood Stability Community-Based Public Services Increased Economic Development Opportunities
	Funding	CDBG: \$1,532,457.73
	Description	State Operations for the 2025 CDBG program for the State of California. This will include program administration and providing technical assistance to grantees. There is no corresponding national objective for state operations, though these efforts support the successful completion of all other projects and activities.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	State Operations

9	Project Name	CDBG General Administrative Assistance
	Target Area	
	Goals Supported	Increase Housing Affordability Address and Prevent Homelessness Economic Development Maintain or Improve Public Facilities and Infrastructure Maintain or Improve Access to Public Services
	Needs Addressed	Improved access to Affordable Housing Homelessness Prevention and Assistance Neighborhood Stability Community-Based Public Services Increased Economic Development Opportunities Disaster Recovery
	Funding	CDBG: \$2,012,929.32
	Description	General Administrative Assistance for CDBG
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Local General Administration of CDBG Programs

Table 8 – Project Summary

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No.

Available Grant Amounts

The California Department of Housing and Community Development (HCD) has considered Community Development Block Grant (CDBG) Economic Development (ED) projects for Section 108 funding. However, large-scale projects that would support the federal Section 108 funding have not been identified at this time.

Acceptance process of applications

There are none currently. The state has not operated a Section 108 program.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No.

State's Process and Criteria for approving local government revitalization strategies

Not applicable. The state Community Development Block Grant (CDBG) program does not currently have a Community Revitalization Strategies (CRS) program.

AP-48 Method of Distribution for Colonias Set-Aside – 91.320(d)&(k)

Introduction

Colonias are jurisdictions along the U.S. and Mexico border that frequently experience advanced needs for housing, water, and sewer challenges.

Colonia programs, projects, and service applications should align to the specific needs of Colonias, with a focus on housing, access to potable water, and sewer improvements. To support this focus, the Colonia set-aside is allocated to the community development component of the 2025 Notice of Funding Availability (NOFA). Economic Development (ED) and public services applications will not be eligible through the Colonia allocation, though jurisdictions in which Colonias are located may apply for ED activities and the general Community Development Block Grant (CDBG) allocation, in addition to Colonia activity applications. The Colonia applications are subject to the Method of Distribution (MOD) identified below.

Distribution Methods Table

1	State Program Name:	CDBG Colonias Set-Aside
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	Section 916 of the National Affordable Housing Act of 1990 established allocations to support Colonias in addressing deficiencies in housing, access to potable water, and sewer improvements. The new CDBG guidelines allow for up to 10 percent of CDBG funding to be set aside for Colonia applications, which aligns with federal regulations. This allows for the CDBG program to be responsive in the event additional funding needs to be made available for the Colonias. Typically, the State of California has met the federal requirement for the Colonia allocation by setting aside 5 percent of CDBG funding for Colonia applications. The state plans to continue to use the 5 percent set-aside for Fiscal Year 2025-2026 (FY25).
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The criteria for the Colonia set-aside applications are the same as the criteria for the competitive CDBG applications, except that the Colonias set-aside may not be used for public services activities. Competitive application criteria will focus on need, readiness, capacity, and past performance. For specific details about the criteria, see the CDBG competitive MOD. The Colonia set-aside will not be eligible for ED or public

		services activities, though Colonia jurisdictions may apply for Colonia eligible activities in addition to general CDBG programs, services, planning, and projects.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describe the application criteria? (CDBG only)	Applicants will have access to a unique application form. For details on the competitive process, please see the CDBG MOD. For FY25, only the Colonias in Imperial County are eligible for the Colonias set-aside through the state CDBG program.
	Describe how resources will be allocated among funding categories.	Pursuant to state CDBG guidelines, funding allocations are based on demand once state administration funding amounts and state and federal allocated amounts have been accounted for. The allocation for Colonias is determined based on a 5 percent set-aside for FY25. The Colonias set-aside is pulled from the community development funds and may be used for programs and projects that support housing, access to potable water, and sewer improvements. The Colonias set-aside may not be used for public services activities. Applications for activities from the Colonias set-aside may be made in addition to applications for the general CDBG activities identified in the CDBG allocation among funding categories.
	Describe the threshold factors and grant size limits.	All applications must meet federal and state thresholds and overlays to be eligible for funding. Please see the CDBG MOD for the CDBG threshold and overlays. The Colonia set-aside is subject to the same thresholds and overlays as the other set-asides and allocations in the state CDBG program. Grant size limits: The following grant limits apply to the Colonia set-aside only: The FY25 NOFA maximum application limit for Colonia funding will be 5 percent of the CDBG allocation. Colonia applicants may apply for the full amount of set-aside for any eligible activities.
	What are the outcome measures expected as a result of the method of distribution?	With the FY25 competitively awarded funds, CDBG expects to assist eligible households and persons with housing costs and support eligible communities with needed services, while improving and creating economic opportunities. The specific goals and goal outcome indicators associated with CDBG competitively funded activities are:

		Increase supply of affordable housing and preservation of existing affordable housing (Goal Outcome Indicators: Rental Units Constructed; Homeowner Housing Added; Rental Units Rehabilitated; Homeowner Housing Rehabilitated) Improve access to housing (Goal Outcome Indicators: Direct Financial Assistance to Homebuyers) Maintain or improve public facilities and infrastructure (Goal Outcome Indicators: Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit; Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit) Maintain or improve access to public services (Goal Outcome Indicators: Public Service Activities other than Low/Moderate Income Housing Benefit; Public Service Activities for Low/Moderate Income Housing Benefit) Economic Development (Goal Outcome Indicators: Jobs Created/Retained, Businesses Assisted)
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AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed:

For most programs, assistance is made available to all regions of the state, subject to program eligibility rules. Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funding is available to non-entitlement jurisdictions, which are smaller cities and counties including rural areas of the state, and on Native American Entity trust or restricted land. Emergency Solutions Grants (ESG), Housing Opportunities for Persons With AIDS (HOPWA), and National Housing Trust Fund (NHTF) program awards are made statewide. Changes in CDBG- and HOME-eligible jurisdictions may occur annually if jurisdictions join or withdraw from a CDBG Urban County Agreement or a HOME consortium. See AP-30 for each program's current Method of Distribution (MOD) that sets forth allocation methods and applicant rating criteria that may directly or indirectly impact the geographic distribution of program funds.

In each Notice of Funding Availability (NOFA), the California Department of Housing and Community Development (HCD) will consider different approaches to an equitable and strategic distribution of funds through geographic prioritization. These approaches may include rural set-asides, set-asides for Tribal communities, minimum allocations by geographic region and incentives for activities in areas providing access to opportunity. HCD will continue to focus on expanding its activities in Tribal communities through the relationship-building and technical assistance outreach described in AP-10 and other activities to develop funding relationships with Tribal Nations.

HOPWA: Pursuant to eligibility requirements for HOPWA formula awards, changes in eligible jurisdictions for HOPWA may occur if a Metropolitan Service Area (MSA) reaches more than 500,000 in population and has more than 2,000 persons living with HIV or AIDS annually. Entitlement MSAs annually receive approximately \$36 million in HOPWA funds directly from HUD. State HOPWA currently funds non-EMSA only unless there is a compelling reason to assume oversight of a particular MSA's funding for a limited time period.

Geographic Distribution

Target Area	Percentage of Funds
Statewide	100%

Table 9 - Geographic Distribution

Rationale for the priorities for allocating investments geographically.

The state has no geographic target areas for allocation.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction

According to the California Housing Partnership, California has more than doubled the number of new affordable homes funded in the past five years. Unfortunately, housing costs continue to rise in the state, and renters need to earn 2.8 times the state minimum wage – the equivalent of three full-time minimum wage jobs – to afford the average market rate rent for a two-bedroom apartment, which increased 2.6 percent between 2023 and 2024 (report available at <https://chpc.net/wp-content/uploads/2024/03/California-Affordable-Housing-Needs-Report-2024-1.pdf>). The number of California households with worst-case housing needs, defined as low-income households paying more than half of their incomes on rent, living in seriously substandard housing (which refers to units having one or more serious physical problems related to heating, plumbing, electrical systems, or maintenance), who are experiencing homelessness or who have been involuntarily displaced by natural disasters has been increasing in tandem with rising housing costs.

The California Department of Housing and Community Development (HCD) leads in the State of California's response to the state housing crisis. California's ongoing investments in affordable housing leverage federal funding from the U.S. Department of Housing and Urban Development (HUD), maximizing the impact of valuable federal resources. For instance, many affordable development proposals receive a mix of funds – both federal and state – to achieve financial feasibility. These programs are discussed in further detail in AP-65 (Other Actions). Housing costs for unregulated and market rate housing continue to rise precipitously, resulting from decades of underproduction. As is the case nationally, wage growth in California lags behind housing cost escalation, and as a result, California is currently experiencing a crisis among cost-burdened households of housing insecurity and homelessness. HCD will continue to direct newly available funding (from HUD and the State of California) towards this most at risk population.

One Year Goals for the Number of Households to be Supported (by Population Type)

One Year Goals for the Number of Households to be Supported	
Homeless	2,420
Non-Homeless	650
Special-Needs	660
Total	3,730

Table 10 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through (by Program Type)

Type of Affordable Housing Assistance	
Rental Assistance	3,200
Production of New Units	250
Rehabilitation of Existing Units	260
Acquisition of Existing Units	20
Total	3,730

Table 11 - One Year Goals for Affordable Housing by Support Type

Discussion

The state plans to provide 3,730 households with federally funded assistance to obtain or maintain affordable housing. This includes supporting 2,420 households experiencing homelessness in the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grants (ESG) program, supporting 660 households with special needs in the Housing Opportunities for Persons With AIDS (HOPWA) program, and supporting 650 households not experiencing homelessness within the CDBG, HOME, and National Housing Trust Fund (NHTF) programs. This assistance will vary in type depending on the program and household needs.

The state plans to provide 3,200 households with short-term rental assistance and other forms of housing-related financial assistance within the HOPWA, ESG, and HOME programs, provide 250 households with new affordable units in the CDBG, HOME, and

NHTF programs, provide 260 households with rehabilitated affordable units in the CDBG, HOME, and NHTF programs, and provide 20 households with homebuyer assistance in the CDBG and HOME programs.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction

The California Department of Housing and Community Development (HCD) does not own or operate public housing in the State of California. Public housing is administered directly through local Public Housing Authorities (PHAs). Pursuant to the U.S. Department of Housing and Urban Development's (HUD) requirements, PHAs are also not eligible to apply directly for funds from the following programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), National Housing Trust Fund (NHTF), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons With AIDS (HOPWA). However, PHAs in eligible jurisdictions can work with eligible applicants to plan for the use of program funds to assist low-income tenants in their communities.

Actions planned during the next year to address the needs to public housing

Public Housing Agencies (PHAs) in jurisdictions eligible to apply for federally funded state programs may seek funds for eligible activities through their city or county application development process. For a list of California PHAs, see: [PHA Contact Information - HUD | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Since HCD does not administer PHA funds or have any oversight over PHA tenants, it has no actions directed specifically to public housing residents.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

There are currently no PHAs designated as "troubled" in the state's CDBG non-entitlement areas.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

The California Department of Housing and Community Development (HCD) addresses and prevents homelessness through over a dozen state-funded housing programs and will continue to address the requirements in 24 CFR Section 91.320(h) by using funding for the Emergency Solutions Grants (ESG) and Community Development Block Grant (CDBG) programs, alongside state-funded programs.

The ESG program currently has over 100 active contracts with local entities. ESG grants can be used to (1) engage individuals and families experiencing unsheltered homelessness, (2) rapidly re-house individuals and families experiencing homelessness, (3) help operate and provide essential services in emergency shelters (including required intake data collection), and (4) prevent at-risk individuals and families from entering homelessness. CDBG funding also can be used by local jurisdictions to fund services that address and prevent homelessness. Special allocations made under the ESG Program, such as ESG RUSH funding, may be awarded to existing subrecipients in good standing with HCD. ESG RUSH funding is geographically restricted for use within disaster declared areas. Therefore, Section 200 of the State Guidelines which refers to the allocation formula does not apply to ESG RUSH <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/esg/esg-finalguidelines.pdf>.

In recognition of the current crisis of homelessness in California, state leadership aims to promote action-oriented coordination and alignment across state agencies and programs, and stronger partnerships with public and private partners in communities. To these ends, the California Interagency Council on Homelessness (Cal ICH) adopted, in the spring of 2021, the first Action Plan for Preventing and Ending Homelessness in California (Homelessness Action Plan). Cal ICH's Homelessness Action Plan outlines specific steps that state agencies and departments will take to identify and support solutions to short-term and chronic homelessness. These steps are in five action areas:

- Strengthening our systems to better prevent and end homelessness in California,
- Equitably addressing the health, safety, and services needs of Californians experiencing unsheltered homelessness,
- Expanding communities' capacity to provide safe and effective sheltering and interim housing,
- Expanding and ensuring access to permanent housing, and
- Preventing Californians from experiencing the crisis of homelessness.

Cal ICH approved the third annual update to the [Action Plan for Preventing and Ending](#)

[Homelessness in CA](#) in November 2024 and will issue its fourth Implementation Progress Report for FY23 in the following months. The third update is set to be implemented during calendar years 2025-2027 and identifies five outcomes-based goals:

1. Create more housing: Permit more than 1.5 million homes, with no less than 710,000 of those meeting the needs of low- and very low-income households.
2. Help more people leave unsheltered homelessness: Increase the annual percentage of people who move into emergency shelter, transitional housing, or permanent housing after experiencing unsheltered homelessness, from 42 percent to at least 70 percent.
3. Help more people move into housing: Increase the annual percentage of people experiencing homelessness who move into permanent housing from 18 percent to at least 60 percent.
4. Improve connections to health and social services: Increase the percentage of individuals or families currently experiencing homelessness who are enrolled in and receiving Medi-Cal and CalWORKs.
5. Ensure people do not experience homelessness again: Ensure that at least 95 percent of people who move into permanent housing do not experience homelessness within six months.

HCD's actions in support of the Homelessness Action Plan primarily include the financial and technical support provided to local governments, Continuums of Care, Tribal Entities, affordable housing developers, and other stakeholders through the funding programs described in this section. During the upcoming fiscal year HCD will continue to lead and collaborate on activities through four interagency working groups. HCD will continue to be the lead department on many of the Homelessness Action Plan's implementation activities. HCD will continue to be the lead department on many of the Homelessness Action Plan's implementation activities, including:

- Providing technical assistance, training opportunities, listening/feedback sessions, adapting program guidelines and guidance, and implementing tribal-specific NOFAs and Tribal priorities in general NOFAs to enhance Tribal organizations' access to state homelessness and housing programs and resources.
- Implementing state and federal funding to provide shelter and housing for people experiencing homelessness, identifying clear goals for the number of shelter or interim housing opportunities to be supported through each program.
- Implementing state and federal funding to support the rehousing of people experiencing homelessness into a range of housing models, including models

appropriate for youth and young adults, and the development of affordable supportive housing, identifying clear goals for each program.

The 2023-24 state budget transferred the administration of the Homelessness Housing, Assistance and Prevention Program (HHAP) from Cal ICH to HCD, authorizing 39 positions to administer HHAP and certain other programs. This transfer created a new HCD unit to oversee homelessness initiatives. Twenty-two existing positions were transferred from Cal ICH and 17 new positions were funded. HCD will continue to fill these positions during FY25.

In providing increases to two initiatives (HHAP and Encampment Resolution Fund grants), the FY23 state budget added requirements intended to increase legislative oversight and program accountability. Specifically, the budget requires grantees to report more frequently on their expenditures; report on additional performance measures and adopt corrective action plans for those not meeting program goals; and, as a condition of receiving additional funding, comply with certain requirements in local housing plans.

The Housing Opportunities for Persons With Aids (HOPWA) program is administered by the California Department of Public Health, Office of AIDS (CDPH/OA). The CDPH/OA convenes the California Planning Group, which serves as an advisory subcommittee and identifies the most effective housing services and best practices for integrating HIV health, homelessness assistance, and housing providers.

ESG RUSH funding will utilize the same methods as ESG for outreach; however, assessment may require additional information be collected from clients, including ensuring that the client was residing in the disaster declared area and that their needs are not already fully met by other disaster funding that would result in a duplication of benefits under the Stafford Act.

Describe the jurisdiction's one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.

The ESG program funds Street Outreach (SO) programs, which provide outreach and services to persons experiencing unsheltered homelessness. Eligible activities for SO programs include engagement activities, case management, emergency health and mental health services, transportation, and services for special populations, as defined in the federal regulations.

SO programs use ESG funds to provide essential services necessary to outreach to unsheltered homeless people; connect them with emergency shelter, housing, or critical

services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. Based on past ESG applicant demand, HCD anticipates that up to 5 percent of the ESG awards will go toward SO activities for Fiscal Year 2025-2026 (FY25).

State HOPWA project sponsors provide TBRA, STRMU assistance, housing placement assistance, and supportive services to PLWH who are homeless or at risk of experiencing homelessness. In addition to homelessness prevention, state HOPWA funds may be used to provide temporary shelter (emergency shelter or hotel/motel vouchers) to homeless PLWH while assisting them to locate stable housing.

Addressing the emergency shelter and transitional housing needs of homeless persons.

The ESG program funds several Emergency Shelter (ES) programs, which provide shelter and essential services to homeless individuals and families while they seek affordable and suitable permanent housing. Essential services include, but are not limited to, case management, education, job training, childcare, and mental and medical health services. Shelter operations costs include maintenance, rent, security, equipment, utilities, and food. In FY25, HCD anticipates that 30-50 percent of its awards will go toward ES programs, based on past ESG applicant demand.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The ESG program funds Rapid Re-Housing (RR) and Homelessness Prevention (HP) activities, which provide short- and medium-term rental assistance and supportive services to individuals and families experiencing homelessness (RR) and those at risk of homelessness (HP), so that they can access and maintain affordable, suitable permanent housing. In FY25, HCD anticipates that approximately 40-50 percent of its awards will go towards RR and HP projects.

See AP-30 for more information.

Housing Trust Fund (referred to as NHTF by HCD): NHTF provides funding to affordable housing developers to preserve, rehabilitate, and construct multifamily rental developments, primarily for extremely low-income households who are homeless or at

risk of entering homelessness. Currently, 100 percent of the funds for rental housing must benefit extremely low-income households. If the total national allocation of NHTF exceeds \$1 billion, up to 25 percent of the funds may benefit very low-income households, however to date, that threshold has not been met. HCD's distribution of NHTF funding for the Housing for a Healthy California (HHC) program concluded in 2022 with awards made to projects using federal FY 2020-2021 (FY20) – FY 2021-2022 (FY22) NHTF program funding. Moving forward, HCD's approach has been to align the NHTF program as closely as possible with the federal regulations governing HTF, with a priority for projects serving people experiencing homelessness, per AB 816, which amended Section 50676 of the Health and Safety Code. NHTF program guidelines were implemented on October 25, 2023, and amended on October 2, 2024, and approximately \$162 million from the NHTF NOFA FY22-FY23 (FY23) was awarded during FY 2024-2025 (FY24). A combined FY24-25 NHTF Project Solicitation was published on March 6, 2024, as amended, and the Department awarded two projects with FY24 NHTF Program funds and anticipates awarding the remaining three projects during FY 2025-2026 (FY25).

HOME Investment Partnerships Program (HOME): Within the HOME program under the Tenant-Based Rental Assistance (TBRA) Goal Outcome Indicator (GOI), while HCD is reporting this under the Housing Affordability goal, TBRA is also used to provide stable affordable housing for people experiencing homelessness and preventing homelessness for rent-burdened households at risk of homelessness. In addition, many multifamily rental projects that HCD HOME funds assist are used to meet the needs of extremely low-income households that are homeless or at risk of homelessness.

HOME Investment Partnerships Program – American Rescue Plan (HOME-ARP): The HOME-ARP program also will provide affordable permanent housing opportunities to individuals and families experiencing homelessness or who are at risk of homelessness. HCD's HOME-ARP allocation of approximately \$155 million will be used to fund the development of affordable rental housing in non-entitlement areas (\$110 million) and housing plus supportive services programs (\$27 million). \$16 million of the affordable rental housing funds will be used for developing affordable housing for individuals exiting institutions who are at-risk of entering homelessness. HCD plans to award funds from this allocation during FY25.

HCD also administers programs that utilize state funding to help persons experiencing homelessness – especially chronically homeless individuals and families, and veterans and their families – make the transition to permanent housing. All of the large development-focused programs (described in detail in AP-65) fund housing for homeless and at-risk individuals and families. In addition to these development-focused programs, HCD manages loans and grants awarded by the Portfolio Reinvestment Program (PRP) and the Manufactured Housing Opportunity and Revitalization Program

(MORE) program, which preserve affordable housing opportunities for people who would otherwise be at risk for homelessness. HCD also manages service-enhancing grants for homeless populations such as the Transitional Age Youth Program (TAY).

All of HCD's rental housing development, preservation, and services programs are integral to the state's strategy to end and prevent homelessness. These programs prioritize housing for extremely low-income and homeless households. HCD's affordable rental development and preservation programs include:

- Affordable Housing and Communities Program (AHSC)
- Infill Infrastructure Grant Program (IIG)
- Joe Serna Jr, [Farmworker Housing Grant Program](#) Permanent Local Housing Authority (PLHA)
- Portfolio Reinvestment Program (PRP)
- Manufactured Housing Opportunity and Revitalization Program (MORE)

Beyond those named above, several programs deserve highlighting as they focus exclusively or centrally on households experiencing homelessness or at risk of homelessness. These are Homekey and Homekey+, the Homelessness Housing, Assistance and Prevention Program (HHAP), the Multifamily Finance Super NOFA (including the Multifamily Housing Program (MHP) and the [Veterans Housing and Homelessness Program](#) (VHHP)), and the Youth Transitional Housing Program (THP).

Homekey+: In March 2024, Proposition 1 – known as the Behavioral Health Transformation Act – was approved by voters, authorizing \$2.2 billion in affordable housing funding under the Behavioral Health Infrastructure Bond Act. This funding will support the development of permanent supportive housing for veterans and individuals at risk of or experiencing homelessness with mental health or substance use challenges. Approximately \$1 billion will be made available for veterans, \$805 million for the general population and \$89 million for a tribal set-aside via the Homekey+ program. Applications will be accepted over the counter at the beginning of 2025 and awards made on a rolling basis during mid-2025 and continuing in FY25.

Homekey: Homekey was created for local public agencies to quickly acquire and rehabilitate properties like motels, multifamily buildings, and commercial properties, to expand housing for persons experiencing or at risk of homelessness. Since its inception in 2020 and as of October 2024, Homekey has awarded nearly \$4 billion to 246 projects, which will quickly and cost-effectively create over 15,000 units of housing. The 246 projects are expected to serve over 150,000 households (individuals and families) over the projects' affordability term.

Homelessness Housing, Assistance and Prevention Program (HHAP): The HHAP program was originally developed as a flexible source of funding to augment federally funded pandemic-era emergency shelter and homelessness prevention programs and

was administered by Cal ICH. During FY24, the program was transferred to HCD and renewed with funds from the Behavioral Health Transformation Act. \$291 million in general funding and \$32 million in tribal set-aside funding will be available via the HHAP program. Applications will be accepted over the counter at the beginning of 2025 and awards made on a rolling basis during mid-2025 and continuing in FY25.

Veterans Housing and Homelessness Prevention (VHHP): In 2013, Assembly Bill 639 (AB 639) restructured the Veteran's Bond Act of 2008 to authorize \$600 million in existing bond authority to fund multifamily housing for veterans. VHHP funding can be used for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families. At least 50 percent of the funds awarded shall serve veteran households with extremely low incomes. Of those units for to extremely low-income veteran housing, 60 percent shall be supportive housing units. HCD has awarded approximately \$600 million in seven funding releases (including Rounds 1 and 2 of the Multifamily Finance Super NOFA) and will continue to oversee awarded projects as units are completed during FY25.

Multifamily Finance Super NOFA (MFSN) and Multifamily Housing Program (MHP): MHP is one of HCD's longest running programs and provides financing for the construction of affordable rental housing. Under the newly implemented MFSN, revised universal scoring criteria provided greater incentives to develop housing for individuals experiencing chronic homelessness and extremely low-income individuals and families. Thirty-five percent of an applicant's total score (40 points out of 113) is now based on the extent to which the project serves households at the lowest income levels (30 points) or persons experiencing homelessness (10 points). The new MFSN universal scoring criteria was applicable beyond the MHP program to all core rental development programs including FWHG, IIG, VHHP and TOD. This alignment demonstrates HCD's commitment to preventing and addressing homelessness. HCD awarded approximately \$250 million in MHP funding from the Veterans and Affordable Housing Bond Act of 2018 (Prop 1) in FY23 and anticipates that approximately \$275 million will be awarded through MHP in FY25.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

State Housing Opportunities for Persons With AIDS (HOPWA): Project sponsors provide Tenant-Based Rental Assistance (TBRA), Short-Term Rent, Mortgage, and Utility (STRMU) assistance, housing placement assistance, and supportive services to Persons Living With HIV (PLWH) who are homeless or at risk of experiencing homelessness. In addition to homelessness prevention, state HOPWA funds may be used to provide temporary shelter (emergency shelter or hotel/motel vouchers) to homeless PLWH while assisting them to locate stable housing.

Through the combination of detailed housing plans, coordination with local Ryan White HIV/AIDS Program (RWHAP) (Part B) service agencies, and connection to local housing authorities and other special population programs (e.g., veterans housing, senior housing), HOPWA housing case managers assist in guiding clients to stable housing depending on their needs and eligibility for other programs. The prevention of homelessness is an essential component of state HOPWA, as housing is increasingly identified as a strategic point of intervention to address HIV/AIDS and overlapping vulnerabilities. The National AIDS Housing Coalition reports that housing assistance has been shown to decrease health challenges while reducing overall public expense and/or making better use of limited public resources.

Youth Transitional Housing Program (THP): When left without support or resources, young adults aged 18 to 25 years ("transition age youth") can face huge challenges to finding safe, affordable homes. As a result, many of these youth are at extreme risk of falling into homelessness. The THP provides funding to counties for child welfare services agencies to help young adults aged 18 to 25 years find and maintain housing, with priority given to those formerly in the foster care or probation systems. Authorized by Senate Bill (SB) 80 (2019), THP allocates approximately \$8 million annually in grants to counties, based on each county's percentage of the total statewide number of young adults, aged 18 to 25 years, in foster care.

Discussion

In addition to the work described above, the state broadly supports efforts to reach and serve persons experiencing unsheltered homelessness, to permanently house individuals and families experiencing homelessness, and to prevent those at imminent risk of entering homelessness from becoming homeless, through programs administered by other departments and agencies. These programs include the Behavioral Health Bridge Housing Program, the Behavioral Health Continuum Infrastructure Program, the Bringing Families Home Program, the Home Safe Program, and the Housing Advocacy Program (administered by various departments under the Health and Human Services Agency). The Governor's Budget describes these programs in more detail ESG RUSH funding allocated to California may also be prioritized for gap funding for rehabilitation of emergency shelter in the disaster area and damaged by the disaster.

AP-70 HOPWA Goals – 24 CFR Part 91.320(k)(4)

HOPWA Goals Table

One-year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	570
Tenant-based Rental Assistance	30
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds (including hotel/motel voucher assistance)	100
Total	700

AP-75 Challenges to Affordable Housing – 91.320(i)

Introduction

The state will continue to identify existing public policies that hinder affordable housing development and remove or ameliorate these negative effects through policy implementation and enforcement. One of the challenges identified is specifically related to tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.

The HPD division leads HCD's efforts to tackle laws, rules, and policies that present challenges for affordable housing development. One of HCD's primary activities in this area is the continued administration of the Regional Housing Need Allocation process and State Housing Element Law. All 540 jurisdictions in California are required to include a housing element within their general plans. The housing element contains information about the availability of sites and infrastructure to accommodate new housing needs and requires an analysis of governmental constraints to the production and preservation of housing.

Housing Element Law requires cities and counties to have land-use plans and regulatory policies that facilitate the development of a range of housing types to meet the needs of all income groups. These plans must be developed with public input and participation as they serve as the basis for land-use and assistance programs to address local, regional, and state housing needs.

Housing elements are required to be updated periodically (either every five years or every eight years) and must be reviewed by HCD to determine compliance or noncompliance with State Housing Element Law (Article 10.6 of the Government Code). HCD staff are reviewing the sixth cycle of housing element updates.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as challenges to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In October 2021, HCD established a new Housing Accountability Unit, strengthening efforts to increase local jurisdictions' accountability to their housing production goals outlined in their housing elements and Regional Housing Needs Allocations (RHNA's). The new unit also works to ensure compliance with state affordable housing laws. HCD has the authority to enforce various state housing laws, including housing element fair housing and program commitments, the Housing Accountability Act, No Net Loss Law, Density Bonus Law, Land Use Discrimination Law, Accessory Dwelling Unit Laws, Affordable Housing Preservation Notice Law, the Surplus Land Act, Streamlined Ministerial Permit processes, and limitations on development standards.

The Housing Accountability Unit will continue to work with local jurisdictions to provide technical assistance and review of policies that often hinder the building of housing throughout the state. As of the end of 2023, 6,313 housing units had been "unlocked" – referring to new homes that were approved for development after the Housing Accountability Unit provided technical assistance or took enforcement actions related to specific projects by HCD. HCD "unlocked" 2,172 affordable housing units, provided technical assistance on 341 cases, and sent 338 accountability letters to local jurisdictions. In October 2023, HCD released a Housing Policy and Practice Review for the City of San Francisco, which identified obstacles to housing approvals and construction and outlined actionable requirements with a timeline for implementation. HCD issued a corrective action letter to San Francisco in the following month after several required actions were not completed by the deadline. The Housing Accountability Unit also formally absorbed enforcement of the Surplus Land Act, unlocking hundreds of affordable housing units through its review of state surplus land.

California's Statewide Housing Plan (SHP) (available at <https://statewide-housing-plan-cahcd.hub.arcgis.com>) identifies actions to mitigate the effects of public policies that create obstacles to affordable housing production and preservation in three categories: streamlining housing development, incentivizing housing production overall and affordable housing production specifically, and strengthening local jurisdictions' accountability by improving the enforcement of specific laws.

Streamlining Housing Development: Over the past few years, the state has approved and implemented legislation to increase the supply of affordable housing to all income levels by reducing the time and cost associated with the development of housing units. These laws encouraged a more straightforward process for housing approvals at the local level by streamlining the permitting process via ministerial approvals, offering exemptions to the California Environmental Quality Act (CEQA) and expanding the

capacity for Accessory Dwelling Units (ADUs). The Legislature also provided continued funding for local governments to improve their development processes, as well as a better coordination system for the delivery of state funding. The state also took steps to preserve its existing authority to ensure low-income housing is included in new developments.

Incentivizing Housing Production: These incentives include programs that provide infrastructure and parks funding for cities that produce affordable housing, matching funds for cities and counties that contribute local funding to affordable housing and incorporating housing goals into transportation plans. The state also took a variety of steps to utilize public land for affordable housing production. Both the Surplus Land Act (AB 1486, 2019; SB 791, 2021) and the Excess Sites Program make public land available to affordable housing developers. These two initiatives have already produced significant dividends, resulting in over 5,500 units of affordable housing expected on current sites as of the end of 2023. In January 2024, HCD awarded approximately \$63 million in Excess Sites Local Government Matching Grants, contributing to a total of over \$123 million across three rounds of funding.

Strengthening Accountability and Enforcement: In addition to creating HCD's Housing Accountability Unit, the state adopted several laws that improve the "No Net Loss" of Affordable Housing regulations, reinforce programs to prevent exclusionary policies, improve reporting requirements for housing elements and RHNA goals, and track compliance of existing housing laws. The Housing Accountability Unit maintains a dashboard (available on HCD's Housing Open Data Tools site at <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools>) that tracks HCD's accountability and enforcement work actions to date since January 2020.

Discussion

The state continues to approve and fund legislation to encourage the removal of obstacles to housing. In California's 2019-2020 Budget Act, Governor Gavin Newsom allocated \$250 million for all regions, cities, and counties to engage in housing planning to accelerate housing production. HCD created two programs: Local Early Action Planning Grants (LEAP), which awards funding to cities and counties (similarly to the SB 2 planning grants) and Regional Early Action Planning Grants (REAP). The REAP program marks the first time the state has invested in regional housing planning and as a result, HCD anticipates local governments will engage in a variety of unique, innovative, and effective partnerships and planning activities. As of March 2022, all 18 eligible regions and the majority of eligible jurisdictions in the state (564 out of 575) were awarded funding through these programs.

The 2019-2020 Budget Act also established the Prohousing Designation Program. In

this program, jurisdictions can apply for and receive a Prohousing Designation by documenting their policies and initiatives to promote housing growth, expand access, reduce costs, and remove obstacles to new housing development, especially affordable housing development. Cities with the Prohousing Designation receive incentives, such as additional points in the scoring of HCD's competitive funding programs. As of August 2023, 30 communities in the state have been awarded with the Prohousing Designation, and 18 of these jurisdictions were awarded \$33.2 million in Prohousing Incentive Pilot Awards in June 2023.

For further updates on HCD's planned activities to address challenges to affordable housing, please refer to the statewide Housing Plan landing page (<https://statewide-housing-plan-cahcd.hub.arcgis.com/>). This site includes a summary of the SHP, data dashboards that provide context for California's affordable housing crisis, and a link to the entire SHP. These dashboards will be updated as new data and research become available to track progress towards the state's goals.

AP-80 Colonias Actions – 91.320(j)

Introduction

According to the Cranston-Gonzalez Act of 1990, a “Colonia” is any identifiable community that: 1) is located within 150 miles of the border between the United States and Mexico, except within any standard metropolitan statistical area that has a population exceeding 1,000,000; 2) is designated by the state or county in which it is located as a Colonia; 3) is determined to be a Colonia on the basis of objective criteria, including the lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and 4) was generally recognized as a Colonia before the enactment of the National Affordable Housing Act of 1990. The U.S. Department of Housing and Urban Development (HUD) mandates that the state invests up to 10 percent of its Community Development Block Grant (CDBG) allocation for activities in Colonias. California has the following designated Colonias located in unincorporated Imperial County: Bombay Beach, Poe, Heber, Ocotillo, Palo Verde, Salton Sea, Winterhaven, Niland, and Seeley. Areas in the following cities have also been designated: Brawley, Calexico, El Centro, and Imperial. California sets aside 5 percent of its CDBG allocation for use in the Colonias.

Actions planned to address obstacles to meeting underserved needs

A historic underinvestment and a limited ability to generate local dollars resulting in a lack of funding is a major obstacle to meeting needs in the Colonias. To address that, 5 percent of the CDBG allocation is set-aside for the Colonias and, in addition, Imperial County frequently accesses additional funding through the regular competitive Notice of Funding Availability (NOFA) process. California has redesigned the CDBG program to make it much easier to co-fund projects with other state and federal funders. This was implemented in 2020 and over the coming program years, the California Department of Housing and Community Development (HCD) will assess its success in attracting additional funding to the area.

Actions the state plans to take to reduce the number of poverty-level families

State CDBG Colonia set-aside funds are used primarily for water, sewer, public facilities, and housing rehabilitation within Colonia communities. Addressing these issues improves quality of life for the residents. The safe environment and stable housing then allow families to focus on other areas such as education, where there is the potential to improve their incomes and reduce poverty.

Actions the state plans to take to develop the institutional structure

California provides significant outreach, technical assistance, and training in Imperial County to assist these communities in accessing CDBG and other funding sources. In addition, substantial training has been added to the state CDBG website to allow these communities to access training without traveling.

Specific actions the state plans to take to enhance coordination between public and private housing and social service agencies

All state CDBG-eligible jurisdictions must follow CDBG citizen participation requirements, including outreach to housing and social service agencies serving the affected jurisdiction. Imperial County and other jurisdictions with Colonias are responsible for ensuring that housing and social service agencies are aware of available state funds to serve Colonias and can assist agencies in working together to better serve Colonias communities.

Discussion

The state has worked closely with Imperial County throughout the planning, application, and implementation process to allow the county to successfully implement CDBG funding for work in Colonias. Substantial training has been provided to the county and other communities. The state has determined that the approach has been successful and plans to continue it into the future.

AP-85 Other Actions – 91.320(j)

Introduction

While there are numerous constraints to meeting the housing needs of low-income Californians, the primary obstacle is that there is an insufficient supply of affordable housing across the state, and a lack of funding to close the affordability gap. Specifically, the gap between the number of households in need of affordable housing and the supply of affordable and available housing units remains stubbornly large. For individuals and families who have experienced housing instability in the past, the lack of affordable and available units and the resulting competition for units means that it is very difficult for them to find housing without additional assistance.

Actions planned to address obstacles to meeting underserved needs

The Needs Assessment and Market Analysis sections of this Con Plan identify the priority housing, special needs and economic development needs in communities that are eligible for HCD programs. The community feedback received from the citizen participation process in focus groups, public information and engagement sessions, and the Con Plan survey provides a deeper understanding of the persistent obstacles to meeting needs. During FY25, HCD plans to take the following actions to address these obstacles:

- Income limitations, high housing prices and high cost of living overall: All HCD's programs aim to address the insufficient supply of affordable housing across the state, either by increasing the number of affordable units, supporting economic development to boost households' incomes, or supporting other forms of development (such as developing housing close to public transit) that reduce households' other costs.
- Limitations on housing program funding amounts and how it can be used: HCD will expand its responsibilities for programs such as the Homelessness Housing, Assistance and Prevention Program (HHAP) that provide more flexibility in how funding can be used, to further support households who receive traditional rent assistance or subsidized housing. Even in a constrained budget environment, the state will continue to provide additional funding to augment the support available for non-entitlement jurisdictions in the Community Planning and Development (CPD) programs.
- Difficulties in meeting housing program eligibility and qualification requirements: Select HCD programs including Emergency Solutions Grants (ESG), Housing Opportunities for Persons With AIDS (HOPWA), HHAP, HOME American Rescue Plan Program (HOME-ARP) and Youth Transitional Housing (THP)

programs) will provide funding for housing navigation services to assist very low-income households in finding affordable housing.

- Lack of permanent housing with supportive services for formerly homeless persons: HCD and other state departments plan to fund numerous programs during FY25 (including HHAP, Homekey+ and HOME-ARP) that will focus on persons exiting homelessness that need transitional and permanent housing with intensive supportive services (particularly substance use treatment, mental health and substance use counseling, and housing case management).
- Neighborhood infrastructure needs: Community Development Block Grant (CDBG) allows communities to use funding for public infrastructure and services, including, developing senior and community services facilities, and improving roadways, water services, and parks.

HCD also has been making efforts at addressing the needs above in the following ways:

- All HCD programs prioritize housing developments with access to local resources (such as schools, grocery stores, transit, libraries, and health care facilities), and many programs also fund neighborhood safety improvements (such as pedestrian infrastructure and walkable transfers to transit). Additionally, HCD has formed critical partnerships with the California Department of Transportation (Caltrans) and the California Air Resources Board (CARB) that have resulted in housing and housing-related infrastructure projects funded in transportation and other programs.
- Assembly Bill (AB) 686 creates new requirements for all housing elements due to be revised on or after January 1, 2021. These requirements ensure that the obligation to further fair housing is a part of a jurisdiction's planning process and includes guiding documents for community development.

HCD will continue to provide capacity-building technical assistance to agencies and local governments implementing programs funded by the U.S. Department of Housing and Urban Development (HUD). HCD holds numerous workshops throughout the year to assist with preparing an application or to administer a grant in accordance with federal requirements. Additionally, HCD will continue to be the lead agency to encourage and develop the capacity of housing service providers in rural parts of the state. Finally, HCD will encourage its funded agencies and units of local government to seek other private or public funding opportunities to leverage sufficient funds to complete projects or provide services to a greater number of eligible beneficiaries. HCD will continue to assess the extent to which programs are able to remove these obstacles to affordable housing, reducing homelessness, and economic development.

Actions planned to foster and maintain affordable housing

Part of HCD's mission is to preserve affordable housing, and this is done on various levels throughout the organization. A summary of the resources available is maintained on HCD's website at <https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml>.

California state law (California Government Code (GC) Section [65863.10](#) (b) and (c)) requires owners of assisted housing developments give notice to tenants at 3-year, 12-month, and 6-month intervals before a unit's affordable housing restrictions end. In 2022, HCD began collecting annual owner certifications from all affordable housing property owners in California. HCD tracks projects with upcoming affordability restrictions ending throughout the state in the Housing Policy Development (HPD) division. HPD's review of local governments' housing elements requires these jurisdictions to develop and implement preservation strategies for at risk properties.

Within HCD's Asset Management and Compliance (AMC) branch, HCD's portfolio is monitored for projects which have upcoming regulatory agreement expiration dates. HCD works with the project sponsors to explore options for extending affordability periods. This could involve either project restructuring through Low-Income Housing Tax Credits and conventional financing, or subsidized financing in one of HCD's many affordable housing finance programs, such as the Portfolio Reinvestment Program (PRP) or the Loan Portfolio Restructuring (LPR) program. The restructuring of HCD's loans is intended to preserve affordable housing units that would have been lost to termination of the regulatory provisions restricting rents and occupancy, to address physical deterioration of the property, and/or to improve project fiscal integrity.

Actions planned to reduce lead-based paint hazards

The Lead Renovation, Repair, and Painting Rule governs the renovation of homes built before 1978, where work might disturb lead-based paint. The rule was first established in 2008 and requires workers to be certified in lead-safe practices and certified by the Environmental Protection Agency (EPA).

All HCD grantees that receive federal funds (CDBG, HOME, NHTF and other HUD programs) are required to follow the regulations and statutes pertaining to lead-based paint hazards. Specific requirements depend on the type and amount of federal financial assistance, the age of the structure, and whether the dwelling is rental or owner-occupied. HCD grantees are responsible for informing residents of the potential of lead-based paint hazards in their homes, evaluating the degree of lead-based paint hazards, mitigating these hazards, providing clearance on the rehabilitated areas

affected by lead-based paint work and providing all appropriate notices. Section SP-65, Lead-based Paint Hazards, provides details on these requirements and the corresponding regulations.

Actions planned to reduce the number of poverty-level families

In addition to CDBG's economic development activities, many HCD programs that serve households experiencing homelessness fund case management services, which help poverty-level individuals and families connect to mainstream education and employment opportunities and assist them in increasing their income.

Other HCD affordable housing programs aim to reduce the housing cost burden on families who are considered extremely low-income, many of whom have incomes at or below the poverty level, by developing housing units

at 30 percent of Area Median Income (AMI) or below, and by providing rent or operating subsidies that will assist families at this income level to afford housing. The NHTF and HOME-ARP programs specifically target households at 30 percent of AMI or below. Other programs such as HOME, MHP, Affordable Housing and Communities (AHSC), and 9 percent and 4 percent low-income housing tax credit programs include incentives in the form of application scoring points and additional dollars for providing rents to individuals and families at 30 percent of AMI or below.

MHP and HOME also provide scoring incentives for developments located in census tracts that are classified as "high or highest opportunity", according to the opportunity mapping index developed by the state and the California Tax Credit Allocation Committee (CTCAC). High-opportunity neighborhoods provide a healthy, well-resourced environment with access to jobs and transportation – neighborhoods whose characteristics are linked to child well-being and pathways to exit poverty. The Qualified Allocation Plan (QAP), developed by the state to govern the allocation of Low-Income Housing Tax Credits, prioritizes developments that are sited in stable communities – areas of lower poverty and access to place-based opportunities in transportation, education, and employment – and those that are in revitalizing communities – areas that have higher poverty rates but are paired with a concerted community revitalization plan.

For CDBG and HOME, the Method of Distribution (MOD) for competitive programs includes community need scores, which increase the chances of funding for those jurisdictions in the state that suffer from higher levels of poverty. Although other competitive factors on a combined basis carry more weight (e.g., health and safety needs, and project feasibility), these points assist communities when, other factors being equal, their level of poverty is greater than others. The state-funded Homeownership Super NOFA also uses community need scores in determining funding decisions and allocates funding to regions in the state based on regional shares of

families in poverty. The housing and services described in this section are an integral part of the state's anti-poverty strategy.

Actions planned to develop institutional structure

The primary strength of the institutional delivery structure in California is the wide array of entities, both public and private, which receive HCD funding to provide housing and services. Specific gaps in services vary by geographic area, with communities reporting that non-entitlement areas and rural areas have fewer health, education, employment, and transportation services available to assist their low-income populations generally, and especially households that are at risk-of or experiencing homelessness. HCD will continue to prioritize support for and collaboration with housing and service delivery organizations to build institutional structure.

Continuing through FY25, HCD will provide program specific technical assistance to local jurisdictions, Continuums of Care (CoCs), and service providers. Training topics include deep dives on components of ESG, financial and grant management principles, leveraging and braiding funding. Continued trainings such as these enable recipients of HUD funding from HCD to provide more seamless delivery of HUD funded programs locally, which in turn enables more people to be served by homelessness, housing, or public service/facilities and economic development programs.

HCD's Division of Federal Financial Assistance (DFFA) expanded significantly between 2021 and 2023, to meet increased programmatic funding levels and associated operational needs. This involved adding a Deputy Director and an Assistant Deputy Director overseeing the federal community development programs and creating a branch containing all of DFFA's housing programs, which included a new section for the HOME-ARP program. While the state continues to grapple with General Fund budget constraints, DFFA plans to maintain staffing using federal funds.

Actions planned to enhance coordination between public and private housing and social service agencies

Through the ESG, HOME-ARP, Section 811 PRA and Homekey+ programs, HCD continues to work with other state departments to assist supportive housing developers and providers. Funding recipients in these programs coordinate with local CoCs, public and assisted housing providers, private and governmental health, mental health, and service agencies to connect low-income households and households at risk of/experiencing homelessness to the broadest possible array of social services.

HOPWA:

CDPH/OA is the state agency that administers statewide programs and activities that pertain to HIV/AIDS, and is statutorily responsible for coordinating all state programs,

services, and activities relating to HIV. The state HOPWA program is situated in CDPH/OA to ensure that all HIV service programs, including housing assistance, are coordinated at state and local levels.

State HOPWA staff will provide technical assistance to project sponsors to address challenges such as potentially identifying more low-income housing for their service area. In addition, collaboration with local RWHAP (Part B) in leveraging funding sources to provide supportive services will address some of the other challenges such as mental health and substance use.

Project sponsors are required to outreach to key points of entry to increase their awareness of the HOPWA program and referral processes. Project sponsors often participate in local planning and advisory groups to represent the HIV and housing needs of their clients and participate in the community needs assessment processes. Project sponsors also often participate in their local CoC Planning Group, including assisting with the homeless counts each year, which has improved their knowledge and collaborative efforts to provide housing and supportive services to PLWH in their community. Local participation assists project sponsors in linking clients to necessary services and establishing collaborative relationships with other local government and private service agencies.

Discussion

Program Specific Requirements

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

Introduction

Projects planned with all the California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) funds expected to be available during the year are identified in the Projects Table in AP-35.

CDBG:

Program Income: CDBG information required by 24 Code of Federal Regulations (CFR) 91.320(k)(1)(iv) includes the following: a description of each of the local accounts, including the name of the local entity administering the funds, contact information for the entity administering the funds, the amounts expected to be available during the program year, the eligible activity type(s) expected to be carried out with the Program Income (PI), and the national objective(s) served with the funds. In addition, for PI held in local accounts to be used, HCD uses a PI only application in eCivis Grants Network, which will be moved over to the new HCD-wide online grants management system upon its adoption (bound by a Standard Agreement). Grantees may also use PI in conjunction with annual funds bound by a Standard Agreement that includes both funding types. See Appendix B for a local entity PI chart.

HOME Investment Partnerships Program (HOME):

Program Income: The HOME Final Rule requires that uncommitted Program Income (PI), repaid funds, or recaptured funds (RF) received during the previous program year must be described in the Annual Action Plan (AAP). Pursuant to 24 CFR 91.320(k)(2)(i) for the HOME program, the state may choose to include PI funds that are expected to be received during the program year if the state plans to commit these funds during the program year. HCD is currently undergoing efforts at developing processes around HOME PI and RF receipting, programming, and expending. Once a HOME PI policy is established, a summary will be included here.

Preferences: At this point, the state does not plan to require subgrantees or subrecipients to limit the beneficiaries of HOME assistance or to give preferences to a particular segment of the low-income population for HOME assistance. However, subgrantees and subrecipients may establish a priority for households that live or work within the jurisdiction or with special needs (for example, survivors of natural disasters, members of households impacted by COVID-19, or individuals at risk of homelessness or currently experiencing homelessness) in their programs, in accordance with 24 CFR 92.209 and 24 CFR 92.253. In the future, the state may give priority to a particular segment of the low-income population in response to an unforeseen and emergency

need in HOME-eligible communities (for example, natural disasters or a re-emergence of the COVID-19 pandemic).

Projects funded with HOME dollars may (but are not required to) limit occupancy or provide priority to the certain populations:

However, any limitation must not violate the nondiscrimination requirements in the HOME regulations at 24 CFR 92.350, and the applicant must have marketing requirements that apply in the context of tenant eligibility for the project. Priority and/or limitations may not be given to students.

In addition, tribal projects and programs with Indian Housing Block Grant funding (IHBG) may market in accordance with IHBG rules and HOME regulations at 24 CFR 92.253(d)(3)(i).

Use of HOME Funds for Homebuyer Assistance and Owner-Occupied

Rehabilitation: The State of California intends to use HOME funds for both down payment assistance and the rehabilitation of owner-occupied housing. All assisted units must comply with the HOME Value Limits established by HUD, as outlined in 24 CFR 92.254(a)(2)(iii). Should the state seek to exceed these limits, a waiver must be granted by HUD to authorize such an action.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table in AP-35. The following identifies PI that is available for use that is included in projects to be carried out.

1. The total amount of PI that will have been received before the start of the next program year and that has not yet been reprogrammed.	\$18,000,000
The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	\$0
2. The amount of surplus funds from urban renewal settlements.	\$0
3. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
4. The amount of income from float- funded activities.	\$0
Total PI:	\$18,000,000

Other CDBG Requirements

- The amount of urgent need activities \$0

The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. 70%

Overall Benefit - a consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70 percent of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this AAP 2024-2025. 70%

HOME Investment Partnerships Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

None. HOME funds are allocated in the form of grants and deferred payment loans.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

HCD's HOME Program Resale and Recapture Policy was approved by HUD in July 2023.

- a) **Recaptured loans:** All local jurisdictions and the Community Housing Development Organizations (CHDOs) must follow the HOME Resale Recapture Policy, approved by HUD July 2023. They may select an approved recapture method described in the policy to recapture the HOME assistance provided to the homebuyer. The assistance provided to the homebuyer may include down-payment assistance, closing costs, and/or the difference between the appraised home sales price and the amount of the first mortgage for which the low-income homebuyer can qualify, plus closing costs. The home sales price cannot exceed the appraised value of the home. If HCD provides funds for homeowner new construction or rehabilitation and the total project costs exceed appraised value, the development subsidy is not subject to recapture.

Pursuant to 24 CFR §92.254, when recapture is triggered by a sale (voluntary or involuntary) of the housing unit and there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, only the net proceeds can be recaptured, if any. Net proceeds are the sales price minus superior loan repayments (other than HOME funds) and any closing costs. HOME loans made under the recapture option may be assumed by subsequent HOME-eligible purchasers.

For loans held by state recipients, the local jurisdiction may impose shared provisions on the appreciation in home value proportionate to the share of the HOME assistance provided, less the homeowner investment in the property. This would only apply if the sales price were sufficient to repay the HOME loan and the loan is not assumed by another HOME-eligible purchaser.

The captured appreciation may also be reduced, proportionate to the number of years during which the homebuyer has owned the home. The captured appreciation may also be subject to restrictions by other public lenders such as the United States Department of Agriculture (USDA) or the California Housing Finance Agency (CalHFA).

Applicants requesting funding for Owner-Occupied Rehabilitation (OOR), First-Time Homebuyer (FTHB) projects, and FTHB programs must submit documentation (i.e., promissory note, deed of trust, regulatory agreement, etc.) showing specific recapture provisions per HUD's recapture requirements, established in 24 CFR 92.254(a)(5)(ii). These documents will be sent to HUD for approval prior to awarding funds for these activities.

Typically, the appreciation is calculated as follows:

Gross appreciation is calculated by subtracting the original sales price from the current sales price or the current appraised value if the loan-accelerating event is other than the sale of the property.

Net appreciation is calculated by subtracting the seller's applicable closing costs, seller's cash contribution in the original purchase transaction, value of seller's time during construction, if applicable, and documented value of capital improvements from the gross appreciation amount.

The state recipient only claims repayment of the HOME principal and a portion of the net appreciation. That maximum portion of the net appreciation that is claimed by the state recipient is equal to the percentage of the value of the home financed by the HOME loan. That is, if the loan equals 20 percent of the initial value of the home, the state recipient claims a maximum of 20 percent of the net appreciation.

HCD will use the HOME Homeownership Value Limits for the area provided by HUD, except for areas where a HOME Value Limits waiver has been requested by HCD and approved by HUD. Current HUD-issued limits effective June 1, 2022, can be reviewed on the HCD website at [State and Federal Income, Rent, and Loan/Value Limits | California Department of Housing and Community Development](#).

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds (see 24 CFR 92.254(a)(4)) are as follows:

HCD's HOME Program Resale and Recapture policy was approved by HUD in July 2023.

Pursuant to the Resale and Recapture Policy, all HOME assistance loans require the use of allowable recapture methods. All approved recapture methods limit recapture to net proceeds available. Each beneficiary is required to sign a loan agreement that discusses key requirements, including the required period of affordability for the HOME assistance loan.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

None. The state HOME program does not use its funds for refinancing existing debt.

Emergency Solutions Grants (ESG) Reference 91.320(k)(3).

1. Include written standards for providing ESG assistance (may include as attachment).

HCD requires applicants to submit written standards for each funded activity. All written standards must comply with written standards identified in the Notice of Funding Availability (NOFA). NOFA written standard language is paraphrased below:

- Funded activities must operate consistently with the written standards currently adopted by the Continuum of Care (CoC) and applicable to all similar activities. In general, written standards address such things as policies and procedures for evaluating eligibility, and prioritizing of services, length and terms of assistance, coordination among services, and participation in the Homeless Management Information System (HMIS). Applicants should consult the federal regulations for what should be addressed in written standards for each activity.

In addition, state guidelines require that written standards reflect the state's core practices, including:

- Protocols for use of coordinated entry to promote comprehensive and coordinated access to assistance, while prioritizing access to assistance for people with the most urgent and severe need.
- Consistent program requirements governing decisions around type, duration, and

amount of assistance provided if multiple Rapid Re-Housing (RR) and/or Homelessness Prevention (HP) programs are operated within the same Service Area (SA).

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The state has approximately 40 Continuums of Care (CoCs) potentially eligible to access federal ESG funds. Individual CoC Coordinated Assessment descriptions are not available; however, all Coordinated Assessment systems of SAs funded by ESG in a given year must meet HUD requirements in 24 CFR 576.400(d).

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

See ESG's Method of Distribution in AP-30.

4. The jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

This requirement does not apply to states.

5. Describe performance standards for evaluating ESG.

Performance standards and outcomes are evaluated by accessing Homeless Management Information System (HMIS) data via the State Homeless Data Integration System (HDIS), including, but not limited to:

- Percentage of people remaining in Rapid Re-Housing (RRH),
- Reduction in average and median length of stay in Emergency Shelter (ES),
- ES Exits to a positive housing destination,
- RRH exits to a positive housing destination,
- Percentage of people who return to homelessness (ES, Street Outreach (SO)),
- Percentage of those that obtain a positive housing destination from a SO program, and
- Percentage of people that enter the homeless service system (ES, SO) after receiving Homelessness Prevention (HP) financial assistance.

A description of the performance standards that measure outcomes of projects and activities are contained in detail in section AP-30 Method of Distribution, under the ESG program section.

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

1. How will the grantee distribute its HTF funds? Select all that apply:

- Applications submitted by eligible recipients.
- HCD will distribute NHTF funds through a competitive and/or over the counter application process, as specified in a NOFA and/or Project Solicitation. Additionally,
- HCD may direct funding to eligible multifamily rental projects outside of a NOFA and/or Project Solicitation process, to ensure HCD meets HUD's statutory two-year commitment deadline and five-year regulatory expenditure deadline and avoids having to return NHTF funds to HUD. In the event a Recipient forfeits and/or cancels an award, any unused NHTF Program funds will be reallocated to existing NHTF projects needing additional funding by HCD.

2. If distributing NHTF funds through grants to subgrantees, describe the method for distributing NHTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A."

N/A.

3.a. If distributing NHTF funds by selecting applications submitted by eligible recipients, Describe the eligibility requirements for recipients of NHTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A."

- Eligible applicants/recipients of NHTF funds include organizations, agencies, or other entities such as Public Housing Agencies (PHAs), and for-profit and nonprofit entities. Recipients must:
 - Meet the definition of a recipient under 24 C.F.R. § 93.2, specifically, make acceptable assurances to HCD that it will comply with the requirements of the NHTF program during the entire period that begins upon selection of the recipient to receive NHTF funds, and ends upon the conclusion of all NHTF-funded activities and affordability period.
 - Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity by showing it has adequate staff that it pays

directly, capital, assets, and other resources to:

1. Efficiently meet the operational needs of a project;
 2. Maintain fiscal integrity of a project; and
 3. Satisfy all legal requirements and obligations in connection with the project.
- Demonstrate its familiarity with the requirements of other federal, state, or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
 - Have demonstrated experience and capacity to conduct an eligible NHTF activity as evidenced by its ability to:
 1. Own, construct or rehabilitate, and manage and operate an affordable multifamily Rental Housing Development; and
 2. Provide forms of assistance, such as down payments, closing costs, or interest rate buydowns for purchasers. A recipient must demonstrate compliance with these requirements at the time of its application for funding.
 - Have site control of the project subject to the NHTF funding award as required by 25 C.C.R. § 8303, including but not limited to, demonstrating site control by one of the following:
 1. Fee title evidenced by a current title report showing the applicant holds fee title.
 2. A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property, provided that the terms and conditions of any proposed lease must permit, prior to loan closing, compliance with all program requirements, including compliance with 25 C.C.R. § 8316; and
 - Have resolved any open audit finding(s) for any state or federally funded housing or community development projects or programs to the satisfaction of HCD or the federal agency by which the finding was made.
 - Are not debarred or suspended from participation in federal or state housing or community development projects or programs.
 - Have resolved compliance monitoring issues/findings, are current on compliance monitoring fee payments, and/or current on loan payments for any Department-funded housing or community development projects; and
 - Cities, counties, and local public housing authorities must comply with the

submittal requirements of cost principles and audit requirements at 2 C.F.R. Part 200.

- Comply with eligible uses for the project, pursuant to 24 C.F.R. Part 93, Subpart E. Pursuant to 24 C.F.R. § 93.200(a)(1), activities and costs are eligible only if the housing, upon project completion, meets the property standards in 24 C.F.R. § 93. 301..
 - Must comply with project requirements, specifically, Conflict-of-Interest provisions in 24 C.F.R. § 93.353; meet the 30-year Federal Affordability Period as described in 24 C.F.R. § 93.302 Subparts G; and meet the 55-year state Affordability Period described in the state NHTF program that is also governed by Assembly Bill no. 816, Chapter 396, statutes of 2021 (“AB 816”), which amended Health and Safety Code § 50676. Must make the project comply with the HUD and HCD underwriting requirements specified in 24 C.F.R. § 93.300(b), 25 C.C.R. § 8311, and the NHTF guidelines.
1. Must make the project comply with the HUD and HCD management and maintenance requirements in the NHTF guidelines, including the nondiscrimination and fair housing requirements as shown below: To the furthest extent applicable and subject to federal preemption, the recipient must comply with all relevant laws, including, without limitation, the California Fair Employment and Housing Act (Gov. Code, § 12900 et seq.); the Unruh Civil Rights Act (Civ. Code, § 51); Government Code § 11135 (the prohibition of discrimination in state-funded programs); Government Code § 8899.; California’s Housing Element Law (Gov. Code, § 65583 et seq.); California Code of Regulations, Title 2, §§12264 – 12271 (legally permissible consideration of criminal history information in housing); Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq.); the ADA of 1990 (42 USC § 12101 et seq.); the Fair Housing Act (FHA) and amendments (42 USC § 3601 et seq.); the Fair Housing Amendments Act of 1988; Section 504 of the Rehabilitation Act of 1973 (29 USC § 794); (42 USC § 4151 et seq.); the Age Discrimination Act of 1975 (42 USC §§ 6101 – 6107); and all federal and state regulations implementing these laws.
 2. Recipient must do the following:
 - Adopt a written nondiscrimination policy.
 - Adopt a written tenant selection policy that complies with state and federal law. Such policy must include the criteria, prohibitions, and procedures specified at 24 C.C.R. § 8305(a). All screening criteria must be written in clear, intelligible, and unambiguous language.

Pursuant to Section 7 of the guidelines, the tenant selection policy is part of the recipient's management plan, and it is therefore subject to HCD approval prior to loan closing. In addition, upon HCD's request, the recipient must promptly submit a copy of its tenant selection policy to HCD.

- Projects on Native American Land with Indian Housing Block Grant funding from HUD will be subject to the tenancy, eviction and termination using their duly adopted Tribal Admissions and Occupancy Standard (TAOS), provided the TAOS complies with the nondiscrimination requirements under 24 C.F.R. 1000.12. The TAOS will govern tenancy, eviction, and termination for Projects located on Native American Land instead of a management plan. If the Native American Entity exercising jurisdiction over the Indian Housing Block Grant funded Project has not adopted a TAOS, then the management and maintenance requirements of this Section must be applicable provided the Native American Entity may implement a tribal priority for tenant selection and occupancy and complies with the nondiscrimination requirements under 24 C.F.R. 1000.12.
- Adopt a written reasonable accommodation and reasonable modification policy that complies with state and federal law, including California Code of Regulations, title 2, §§ 12176 – 12185. Recipient must maintain a copy of the policy at the project and must ensure that its relevant employees and contractors are aware of and abide by the policy. Pursuant to Section 7 of the guidelines, a written reasonable accommodation policy is part of the recipient's management plan, and it is therefore subject to departmental approval prior to loan closing. In addition, upon HCD's request, the recipient must promptly submit a copy of its reasonable accommodation policy to HCD.
- Develop and implement a marketing plan that is consistent with 24 C.F.R. § 93.350(b).
- Must make the project comply with the HUD and HCD application minimum requirements in the NHTF guidelines.

3.b. Describe the grantee's application requirements for eligible recipients to apply for NHTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A."

NHTF funding will be awarded on an over the counter (OTC) basis as specified in a NOFA and/or Project Solicitation. HCD may issue more than one NOFA and/or Project Solicitation during a funding cycle. The NOFA and/or Project Solicitation shall specify

the maximum amount of project funds available, including whether funds have been used for a specific purpose; any restrictions on uses of funds; general terms and conditions of funding allocations; threshold requirements; timeframe for submittal of applications; application requirements and rating metrics. Additionally, HCD may direct funding to eligible multifamily rental projects outside of a NOFA and/or Project Solicitation process, to ensure HCD meets HUD's statutory two-year commitment deadline and regulatory five-year expenditure deadline and avoids having to return NHTF to HUD. In the event a Recipient forfeits and/or cancels an award, any unused NHTF Program funds will be reallocated to existing NHTF projects needing additional funding by HCD

- An applicant must electronically submit its application in a format made available by HCD that requests the information required by the NHTF guidelines.
- An applicant must submit its application by the deadline specified in the NOFA and/or Project Solicitation.
- Application requirements include, but are not limited to the following:
- Project narrative/details, construction scope of work, financing, and demonstration of how the applicant will further fair housing. Applicants are required to demonstrate compliance with HUD's Site and Neighborhood Standards by completing and submitting the Site and Neighborhoods Standards checklist in the application and provide supporting documentation such as a market study, appraisal, and/or housing element. In addition, applicants must describe how, and the extent to which, the applicant and/or the project furthers fair housing by providing a complete narrative in the application workbook in response to questions associated with furthering fair housing.
- Detailed information of the applicant adequate to determine the experience of the applicant with other federal, state, or local housing or community development programs.
- Site information.
- Property management plan.
- The recipient must ensure that the project is managed by an entity approved in writing by the Department that is actively in the business of managing low-income housing.
- Resident services plan.
- Supportive services plan (for permanent supportive housing developments serving people experiencing Homelessness).
- Environmental provisions documentation.

- Consultants/third party reports (i.e., Phase I, Phase II, physical needs assessments, asbestos, lead-based paint, and/or mold assessments, appraisal, and market study).
- Relocation plan, if applicable.

3.c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A.”

On September 29, 2021, the Governor signed into law Assembly Bill (AB) 816, which amended Health and Safety Code Section 50676. In accordance with Section 50676(d) of the Health and Safety Code, priority shall be given to projects based on: (1) geography (2) the extent to which rents are affordable, especially to extremely low-income households; (3) the merits of the project; (4) applicant’s readiness and (5) the extent to which the project will use nonfederal funds. HCD shall award funds to projects serving people experiencing homelessness, to the extent that a sufficient number of projects exist.

- Applicants may submit only one application per project in response to a Project Solicitation, unless the NOFA and/or Project Solicitation specifies otherwise.

3.d. Describe the grantee’s required priority for funding based on geography (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

N/A.

3.e. Describe the grantee’s required priority for funding based on the applicant’s ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A.”

HCD will determine the applicant’s capacity to obligate NHTF funds based on prior experience. Applicants are required to submit evidence of having successfully developed, owned, and operated at least one affordable housing project subject to a recorded regulatory agreement for at least three years prior to the NHTF application deadline specified in the NOFA and/or Project Solicitation.

3.f. Describe the grantee's required priority for funding based on the extent to which the rental project has federal, state, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter, "N/A".

While project-based rental assistance is not a NHTF requirement, in order to meet the state's requirement that rents are affordable, especially to extremely low-income households, HCD will evaluate applications based on whether any units in the project, including non-NHTF funded units, will have project-based rental assistance such as: Section 8, Veterans Affairs Supportive Housing (VASH) vouchers, and Sponsor-based Rental Assistance (SRA). Other mechanisms that ensure affordability for extremely low-income households, such as cross-subsidization or operating cost assistance reserves, will also be considered by HCD.

3.g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A."

Pursuant to 24 CFR §93.302(d), the federal affordability period is 30 years commencing upon project completion. HCD imposes a 55-year state affordability period. For projects located on Native American Lands, HCD imposes a 50-year state affordability period. For projects to be eligible for funding, recipients must enter into a regulatory agreement that requires them to serve the eligible population in compliance with NHTF program requirements.

3.h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that includes new development features, or housing that includes building and development features). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A."

HCD may include state objective points for its housing and community development priorities including: (1) homelessness; and (2) access to community resources. Further information and guidance on these additional state objective factors will be included in the NOFA and/or Project Solicitation.

3.i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A."

HCD will examine the project development plan, as well as the status of local

government approvals associated with evidence of land use entitlement and design review process, and financing commitments. Financing commitments will include the leveraging of non-federal development funding sources and the extent to which the project has federal or state government project-based rental assistance paid on behalf of the tenant(s).

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with NHTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A."

Yes, HCD requires the applicant to thoroughly describe eligible activities that will be funded utilizing NHTF program funds.

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with NHTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A."

Yes, HCD requires a certification by each eligible recipient that housing units assisted with NHTF program funding will comply with federal, state, and local laws and regulations.

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes, NHTF is included in the housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with NHTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

HUD published FAQ ID 2766 in May 2016, regarding how states must establish maximum per-unit development subsidy amounts for HTF projects. One option provided is to use existing limits developed for other federal programs such as Low-Income Housing Tax Credits (LIHTC) per unit cost limits.

On December 1, 2023, HCD received HUD's letter regarding the acknowledgement of a Minor Amendment to the Fiscal Year 2023-2024 (FY23) Annual Action Plan (AAP) associated with HCD's update of the NHTF methodology to determine the per-unit

subsidy limit for housing assisted with NHTF funds as described in section AP-90 of the AAP. 24 CFR 93.300(a) states that grantees must establish maximum limitations on the total amount of NHTF funds that the grantee may invest per-unit for development of non-luxury housing, with adjustments for the number of bedrooms and the geographic location of the project. These limits must be reasonable and based on actual costs of developing non-luxury housing in the area. HCD's amendment describes how it will use the CTCAC's 2023 Threshold Basis Limits, established by bedroom size, for each county.

For the combined FY24 – FY25 NHTF Project Solicitation, the maximum per-unit development subsidy amounts are based on CTCAC 2024 Threshold Basis Limits for projects awarded with FY24 funds and CTCAC 2025 Threshold Basis Limits for projects awarded with FY25 funds and may be found here:

<https://www.treasurer.ca.gov/ctcac/2024/2024-basis-limits-memo-update.pdf>. The 2025 limits is anticipated to be published no later than February 1, 2025 and can be found here: <https://www.treasurer.ca.gov>.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all NHTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below. In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

Rehabilitation projects must meet the requirements of 24 C.F.R. § 93.301(b) and HCD's HOME program and NHTF Combined Multifamily Rehabilitation Standards dated January 1, 2023, which may be amended from time to time.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A."

N/A.

10. NHTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A.”

N/A.

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give priorities 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 priorities 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 priorities 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.

In accordance with California Assembly Bill (AB) 816, as amended and approved on September 29, 2021, HCD shall award NHTF funds to projects serving people experiencing homelessness, to the extent that a sufficient number of projects exist.

In addition, projects funded with NHTF dollars may (but are not required to) limit occupancy or provide priority to certain populations:

Note: Tribal projects with Indian Housing Block Grant funding (IHBG) may operate in accordance with IHBG rules and NHTF regulations at 24 CFR 93.303(d)(3)(i).

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 marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project. Priorities and/or limitations may not be given to students.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

N/A.

Appendix A: CDBG Program Income

The table below includes a description of each of the local accounts, including the name of the local entity administering the funds, contact information for the entity administering the funds, the estimated amounts expected to be available during the program year, the eligible activity type(s) expected to be carried out with the program income, and the national objective(s) served with the funds.

Jurisdiction	Contact Name	Email Address	25/26 Estimate Available	National Objective: Low Mod Job Creation or Retention Activities (LMJ)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Area Benefit (LMA)	National Objective: Low Mod Limited Clientele/ Low Mod Area Benefit (LMC/LMA)	National Objective: Low Mod Area Benefit (LMA)	General Admin
				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Arcata, City of	Jennifer Dart	jdart@cityofarcata.org	\$603,550.68	X		X	X			X
Anderson, City of	Liz Cottrell	Lcottrell@ci.anderson.ca.us	\$128,182.00			X				X
City of Atwater	Christina Thurman	cthurman@atwater.org	\$184.00	X		X				X
City of Auburn	Jonathan Wright	jwright@auburn.ca.gov	\$82,887.00	X						X
Avenal, City of	Kao Yang	kyang@cityofavenal.us	\$461,605.85		X			X		X
City of Biggs	Josh Cook	Office#biggs-ca.gov	\$290,660.84			X				X
Benica, City of	Alan Shear	Comdev@ci.benecia.ca.gov	\$15,000.00	X	X	X				X
Blue Lake, City of	Paula Mushrush	bluelakegrants@gmail.com	\$208,516.05			X				X

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				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Brawley, City of	Eva Madueno	Emadueno@brawley-ca.gov	\$160,705.66	X		X		X		X
Butte, County of	Jaclyn Thompson	jthompson@buttecounty.net	\$201,009.13	X		X				X
Calimesa, City of	Bonnie Johnson	Bjohnson@cityofcalimesa.net	\$0.00			X				X
County of Calaveras	Kris Redman	kredman@co.calaveras.ca.us	\$219,152.86			X				X
Calipatria, City of	Rosa Ramirez	R_remirez@calipatria.com	\$154,693.00				X			X
Capitola, City of	Kathleen Herlihy	kherlihy@ci.capitola.ca.us	\$0.00			X				X
City of Calistoga	Jeff Mitchem	hcdgrants@ci.calistoga.ca.us	\$0.00			X				X
City of Chowchilla	Mark Hamilton	mhamilton@cityofchowchilla.org	\$149,672.32	X		X		X		X
Clearlake, City of	Alan Flora	aflora@clearlake.ca.us	\$334,821.78					X		X
Coalinga, City of	Sean Brewer	sbrewer@coalinga.com	\$0.00						X	X
Colfax, City of	Michael Lucan	City.manager@colfax-ca.gov	\$0.00			X				X

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				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Colusa, County of	Greg Plucker	gplucker@countyofcolusa.com	\$1,290,778.26			X				X
City of Colusa	Ishrat Aziz Khan	fdirector@cityofcolusa.com	\$67,679.83			X				X
Corcoran, City of	Kevin Tromborg	Kevin.tromborg@cityofcorcoran.com	\$414,338.75				X			X
City of Corning	Brant Mesker	bmesker@corning.org	\$74,247.40				X			X
Crescent, City of	Bridget Lacy	Blacey@crescentcity.org	\$0.00				X			X
Dinuba, City of	George Avila	gavila@dinuba.ca.gov	\$675,776.00		X		X			X
County of Del Norte	Antoinette Self	aself@co.del-norte.ca.us	\$50,473.45				X			X
City of Dixon	Larry Burkhardt	lburkhardt@cityofdixon.us	\$48,898.90		X					X
Dorris, City of	Joanna Wynant	cityadmin@cot.net	\$159,829.78			X	X			X
Dunsmuir, City of	Blake Michaelsen	bmichaelsen@ci.dunsmuir.ca.us	\$218,809.90	X						X
El Dorado, County	Bret Sampson	Bret.sampson@edcgov.us	\$430,371.80	X	X					X

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				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Etna, City of	Pamela Eastlick	p.eastlick@etnaca.com	\$100,627.68			X				X
Exeter, City of	Eekhong Franco	ctavarez@extercityhall.com	\$316,552.70		X					X
Farmersville, City of	Jennifer Gomez	jgomez@cityoffarmersville-ca.gov	\$227,649.04		X			X		X
Fort Bragg, City of	Lacy Peterson	nmclaughlin@fortbragg.com	\$458,285.21	X			X	X		X
Fort Jones, Town of	Samantha Hess	Samantha.hess@fortjones.ca	\$43,400.00			X				X
Fortuna, City of	Katey Schmidt	communitydevelopment@ci.fortuna.ca.us	\$405,616.80				X			X
Grass Valley, City of	Thomas Last	toml@cityofgrassvalley.com	\$0.00	X	X					X
Gridley, City of	Elisa Arteaga	finance@gridley.ca.us	\$114,104.79	X	X	X				X
Glenn, County of	Randy Royce	gccadadmin@countyoffglenn.net	\$153,582.70	X						X
Guadalupe, City	Janis Davis	jdavis@ci.guadalupe.ca.us	\$0.00	X				X		X

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				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Hollister, City of	Renee Perales	Renee.perales@hollister.ca.gov	\$3,385.91				X		X	X
Humboldt, County of	Andrew Whitney	PLBL_Grants@co.humboldt.ca.us	\$100,098.95	X			X			X
City of Ione	Deborah Mackey	dmackey@ione-ca.com	\$509,836.00	X			X			X
Imperial, County of	Maria T Sanchez	mariatsanchez@co.imperial.ca.us	\$44,630.83				X	X		X
Jackson, City of	Lorie Ann Adams	lfishback@ci.jackson.ca.us	\$223,846.57				X	X		X
King, City of	Steven Adams	sadams@kingcity.com	\$0.00				X	X		X
Kings, County of	Chuck Kinney	Chuck.kinney@co.kings.ca.us	\$0.00				X	X		X
Lakeport, City of	Nicholas Walker	nwalker@cityoflakeport.com	\$62,248.01	X	X			X		X
Lassen, County of	Grace Poor	housing@co.lassen.ca.us	\$307,970.80				X			X
Live Oak, City of	Alison Schmidt	aschmidt@liveoakcity.org	\$124,231.02				X			X

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				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
City of Lincoln	Nita Wracker	Jim.bermudez@lincolncalifornia.gov	\$27,803.00				X			X
Madera, County of	Annette Kephart	Annette, kephart@maderacounty.com	\$661,010.00		X				X	X
Mammoth Lakes, Town of	Nolan Bobroff	CED@townofmammothlakes.ca.gov	\$0.00				X			X
Mariposa, County of	Ben Goger	bgoger@mariposacounty.org	\$209,504.92	X	X		X			X
City of Marina	Juan Lopez	jlopez@cityofmarina.org	\$0.00	X						X
City of Marysville	Jennifer Stycznski	jennifers@marysville.ca.us	\$0.00							X
Mendocino, County of	Jessica Byers	byersj@mendocinocounty.org	\$668,304.82				X			X
Merced, County of	Nicole Ubbink	Nicole.desmond@countyofmerced.com	\$1,963.42	X	X				X	X
Montague, City of	Jessie Monday	clerk@cityofmontagueca.com	\$65,524.00	X						X

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				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Mono, County of	Deanna Tuetken	comdev@mono.ca.gov	\$391,771.27			X	X			X
Nevada, County of	Rob Choate	Rob.choate@co.nevada.ca.us	\$0.00	X			X			X
Oroville, City of	Amy Bergstrand	abergstrand@cityoforville.org	\$2,749.81		X		X		X	X
City of Orland	Jack Wackerman	iwackerman@cityoforland.com	\$283,211.59				X			X
Parlier, City of	Sandra Rodriguez	srodriguez@parlier.ca.us	\$77,431.66		X		X			X
Placer, County of	Gloria Stearns	gstearns@placer.ca.gov	\$218,746.32	X	X		X			X
Placerville, City of	Terry Zeller	cmorris@cityofplacerville.org	\$79,224.00	X	X					X
Plumas, County of	Debra Lucero	traceyferguson@countyofplumas.com	\$75,623.55				X			X
Red Bluff, City of	Sandra Ryan-harbert	sryan@cityofredbluff.org	\$44,783.75							X
Rio Dell, City of	Travis Sanborn	sanbornt@cityofriodell.ca.gov	\$119,080.45				X	X		

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				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Riverbank, City of	Leticia Ibanez	libanez@riverbank.org	\$704,605.00						X	X
San Joaquin, City of	Lupe Estrada	lupee@cityofsanjoaquin.org	\$8,085.67				X			X
San Juan Capistrano, City of	Laura Stokes	Planning@sanjuancapistrano.org	\$331,812.67				X		X	X
Sanger, City of	Nathan Olsen	Nathan.Olson@ci.sanger.ca.us	\$274,135.46	X		X				X
Shasta, County of	Holly Zander	hcap@co.shasta.ca.us	\$19,725.00			X	X			X
Siskiyou, County of	Shelley Gray	sgray@co.siskiyou.ca.us	\$21,676.74			X	X			X
Scotts Valley, City of	Mali LaGoa	tfriend@scottsvally.org	\$384,214.27	X						X
Soledad, City of	Tencia Cruz Vargas	tvargas@cityofsoledad.com	\$225,022.11	X						X
Solano, County of	Rebecca Gilbert	RJBilbert@solanocounty.com	\$43,082.00			X				X
Sonora, City of	Tyler Summersett	trummersett@sonoraca.com	\$151,994.18	X	X					X

Jurisdiction	Contact Name	Email Address	25/26 Estimate Available	National Objective: Low Mod Job Creation or Retention Activities (LMJ)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Area Benefit (LMA)	National Objective: Low Mod Limited Clientele/ Low Mod Area Benefit (LMC/LMA)	National Objective: Low Mod Area Benefit (LMA)	General Admin
				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Santa Cruz, County of	Porcila Wilson	Porcila.wilson@santacruzcounty.us	\$7,808.91			X				X
South Lake Tahoe, City of	Hilary Roverud	hroverud@cityofslt.us	\$140,592.67		X		X			X
Susanville, City of	Jolene Arredondo	jarredondo@cityofsusanville.org	\$40,668.31			X		X		X
Sutter, County of	Jung Wang	jwang@co.sutter.ca.us	\$1,112,605.27				X			X
Taft, City of	Teresa Binkley	tbinkley@cityoftaft.org	\$0.00			X				X
Tehama, City of	Carolyn Steffan	cityhall@cityoftehama.us	\$0.00							X
Tehama, County of	Carolyn Steffan	cityhall@cityoftehama.us	\$0.00			X				X
Trinity, County of	Trent Tuthill	ttuthill@trinitycounty.org	\$32,190.80	X		X				X
Truckee, Town of	Denyelle Nishimori	dnishimori@townoftruckee.com	\$227,559.02			X	X			X
Tulare, County of	Sandra Sabin	ssabin@co.tulare.ca.us	\$115,641.36			X	X			X

Jurisdiction	Contact Name	Email Address	25/26 Estimate Available	National Objective: Low Mod Job Creation or Retention Activities (LMJ)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Area Benefit (LMA)	National Objective: Low Mod Limited Clientele/ Low Mod Area Benefit (LMC/LMA)	National Objective: Low Mod Area Benefit (LMA)	General Admin
				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Tulelake, City of	Jenny Coelho	info@cityoftulelake.com	\$35,526.05		X					X
Tuolumne, County of	Maureen Frank	mfrank@co.tuolumne.ca.us	\$392,314.53		X					X
Ukiah, City of	Craig Schlatter	cschlatter@cityofukiah.com	\$188,167.42	X		X	X			X
City of Wasco	Keri Cobb	kecobb@cityofwasco.org	\$0.00				X			X
Weed, City of	Jill Porterfield	jporterfield@ci.weed.ca.us	\$328,386.71				X			X
Westmorland, City of	Teri Nava	tnava@cityofwestmorland.net	\$166,283.00				X	X		X
Williams, City of	Rex Greenbaum	rgreenbaum@cityofwilliams.org	\$125,156.58	X	X					X
City of Willows	Joe Bettencourt	jbattencourt@cityofwillows.org	\$254,870.22				X			X
City of Wheatland	April Ouellette	aouellette@wheatland.ca.gov	\$1,206.02			X				X
Winters, City of	Colleen Brock	Colleen.brock@cityofwinters.org	\$1,025,891.27	X	X					X

Jurisdiction	Contact Name	Email Address	25/26 Estimate Available	National Objective: Low Mod Job Creation or Retention Activities (LMJ)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Housing Activities (LMH)	National Objective: Low Mod Area Benefit (LMA)	National Objective: Low Mod Limited Clientele/ Low Mod Area Benefit (LMC/LMA)	National Objective: Low Mod Area Benefit (LMA)	General Admin
				Activity: Economic Development	Activity: Housing Programs	Activity: Housing Projects	Activity: Public Improvement	Activity: Public Facilities	Activity: Code Enforcement	
Woodlake, City of	Rebecca Griswold	rgriswold@ci.woodlake.ca.us	\$222,826.74			X		X	X	X
Yolo, County of	Mark Bryan	mbryan@yolocounty.org	\$423,802.00					X		X
Yreka, City of	Cynthia Lynch	clynch@ci.yreka.ca.us	\$7,267.19			X		X		X
Yuba, County of	Ian Scott	cdbgteam@co.yuba.ca.us	\$409,902.82	X	X		X			X
Total			\$19,987,666.34							

Appendix B: HOME & NHTF Combined Multifamily Rehabilitation Standards

HOME Investment Partnerships Program (HOME) and National Housing Trust Fund (NHTF) Combined Multifamily Rehabilitation Standards

Version: 01/01/2023

Purpose and Scope of Standards

The California Department of Housing and Community Development (HCD) provides these Multifamily Housing Rehabilitation Standards in order to comply with the requirements of the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnership Program (HOME) and National Housing Trust Fund (HTF) and ensure uniformity of application in its HOME and/or Housing Trust Fund rehabilitation portfolio, with the goal of providing decent, safe, sanitary, efficient, and affordable housing.

These standards are designed to be used with multifamily properties of five (5) or more units. These standards also apply to multifamily rental housing projects funded through the HOME-American Rescue Plan (HOME-ARP) program, which is administered through HOME. These standards do not apply to HOME-ARP non-congregate shelter projects. Any reference to HOME applies to HOME-ARP, unless otherwise stated. The state, at its convenience, may apply these standards, in whole or part, to other federally funded or state-funded multifamily housing programs.

Furthermore, housing occupied or expected to be occupied by a family receiving tenant- based rental assistance must meet the requirements set forth in 24 CFR Part 982.401 (Housing Quality Standards (HQS) (or successor inspection standards issued by HUD [see Section II. Applicable Laws, Regulations, and Codes below for additional information])).

The contents of these standards include:

- I. Purpose and Scope of Standards
- II. Applicable Laws, Regulations, and Codes
- III. Contractor Requirements
- IV. Definitions
- V. Rehabilitation Standards Priorities
- VI. Mandatory Property Standards
- VII. General Requirements
- VIII. Other state and federal requirements
- IX. Rehabilitation Standards

Applicable Laws, Regulations, and Codes

The Multifamily Housing Rehabilitation Standards are not meant as a substitute for a true understanding of all the laws and regulations that may apply to an individual project. The following list includes statutory and regulatory requirements applicable to projects funded with federal funds, as well as state and federal laws and regulations that may apply to certain projects. These laws, regulations, and requirements are listed here as if fully set forth herein:

- HOME and its implementing regulations at 24 CFR Part 92, HTF and its implementing regulations at 24 CFR Part 93, or other program regulations (depending on the funding source used).
- Notice CPD-21-10: Requirements for the Use of Funds in the HOME-ARP Program and Appendix: Waivers and Alternative Requirements for Implementation of the HOME-ARP Program.
- Broadband infrastructure, as defined in 24 CFR Part 5.100, for substantial rehabilitation of a building with more than four rental units, also defined in 24 CFR Part 5.100.
- Requirements in 24 CFR Part 8, implementing Section 504 and ADA implemented at 28 CFR Parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR Part 100.201 shall also meet the construction requirements at 24 CFR Part 100.205.
- Environmental Review standards and requirements and each program's implementing regulations including, but not limited to, 24 CFR Part 58 (e.g., HOME, CDBG) and 24 CFR Part 93.301(f)(2) (HTF).
- California Environmental Quality Act (CEQA) Environmental Review standards and requirements in accordance with Public Resources Code Division 13 [21000–21189] and the CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3).
- 24 CFR Part 58.
- The National Historic Preservation Act (NHPA), particularly sections 106 and 110; 36 CFR Part 800; and 36 CFR Part 61.
- Environmental Protection Agency (EPA) regulations including the RRP regulations for Lead-Based Paint (40 CFR Part 745).
- EPA regulations for the Resource Conservation and Recovery Act (RCRA), dealing with hazardous materials.

- Lead Safe Housing Rule (LSHR), 24 CFR Part 35.
- California Department of Public Health (CDPH) - Accreditation, Certification, and Work Practices for Lead-Based Paint and Lead Hazards (17 CCR, Section 35001 et seq).
- Occupational Safety and Health Administration (OSHA) - Lead, Construction Industry, 29 CFR Part 1926.62.
- Cal/OSHA - Lead in Construction Standard at 8 CCR Section 1532.1 et seq.
- OSHA – Asbestos in Work, 29 CFR Part 1926.1101.
- Cal/OSHA - Asbestos, 8 CCR Section 1529.
- EPA Asbestos National Emission Standards for Hazardous Air Pollutants (NESHAP) (40 CFR Part 61, Subpart M), Method for the Determination of Asbestos in Bulk Building Materials (US EPA/600/R-93/116), and the Asbestos Worker Protection Rule (40 CFR Part 763, Subpart G).
- Local Codes and Ordinances: Current locally adopted Building, Housing and Zoning Codes and ordinances, including any Disaster Mitigation Standards.
- State Building Standards Code, as applicable, found at Cal. Code Regs, Title 24, and any amendments to the Code made by local ordinance, including, but not limited to:
 - California Code of Regulations, Title 24, Part 11 (when additions or alterations will increase the building's conditioned area, interior volume, or size); and
 - Chapter 11A Housing and Chapter 11B Public Buildings, Public Accommodations, Commercial Buildings and Public Housing.
- H&SC, Division 13, Part 1.5 - Regulation of Buildings Used for Human Habitation.
- 25 CCR, Division 1, Chapter 1, Subchapter 1 – State Housing Law Regulations and Chapter 7, Subchapter 17 – State Home Investment Partnership Act Program and Subchapter 19 – Uniform Multifamily Regulations.
- Uniform Physical Conditions Standards (UPCS) or successor inspection standards issued by HUD pursuant to 24 CFR Part 5.703 (proposed to be NSPIRE).
- Housing Quality Standards (HQS) or successor inspection standards issued by HUD pursuant to 24 CFR Part 982.401 (proposed to be NSPIRE).
- HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in

Housing.

- OMB Common Rule (OMB Circular A-102), as codified by 2 CFR Part 200.

Note: At the time of publication and adoption of these Standards, the adopted codes referenced are believed to be those in force. As standards and codes are updated, changed, and put into effect by governing authorities having jurisdiction, the new standards and codes will apply in lieu of those referenced.

Notice: It is important to note that these Standards serve as a starting point for approved eligible Multifamily Rehabilitation activities. Additional project requirements, rules and regulations may apply and may vary depending on local jurisdiction and local codes. This is not meant to be an all-inclusive list of all project requirements that may apply to an actual project. IT IS THE RESPONSIBILITY OF THE PROJECT PROPONENT OR OWNER TO ENSURE COMPLIANCE WITH ANY AND ALL CURRENT PROGRAM REQUIREMENTS, RULES AND REGULATIONS THAT MAY BE REQUIRED IN ADDITION TO THE CONDITIONS PROVIDED IN THESE STANDARDS.

Work shall comply with all applicable laws and regulations. Work shall be approved for conformance and/or occupancy by the local Building Department and/or any other Enforcing Agency having jurisdiction at the conclusion of work and prior to occupancy. Documentation of conformance shall be provided to HCD. HCD will determine compliance with each program's specific property standards as set forth at 24 CFR Part 92.251 Property Standards (HOME) and 24 CFR Part 93.301 Property Standards (HTF). HOME-ARP rental units must comply with all property standards applicable to rental projects required in 24 CFR Part 92.251.

In the event that unforeseen conditions occur during the design or construction process that necessitate the need to make changes to the project the project proponent shall notify HCD staff for their review to ensure compliance with applicable programmatic, environmental requirements, or other federal requirements under the purview of HCD staff. The project must continue to comply with all other codes and regulations and receive appropriate approvals as necessary.

Contractor Requirements

In conformance with California State law and the California State License Board requirements, anyone who contracts to perform work on a project that is valued at \$500 or more for labor and materials, and relating to any of the following listed below, must hold a current, valid license in the appropriate trades from the Contractor State License Board (CSLB). Affected categories are:

- Building Construction/Renovation/Repair
- Highway or Highway Construction/Repair
- Parking Facility Construction/Renovation/Repair
- Railroad Construction/Repair
- Excavation Work

For more information on contractor license types and requirements, please visit the [Contractors State License Board \(CSLB\) website](#).

For projects funded with federal funds, in accordance with Executive Order 12549, “Debarment and Suspension” (24 CFR Part 570.609 and 2 CFR Part 200.214), award of project cannot be made to any party/contractor that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs.

Contractors must be checked in the federal government’s System for Award Management (SAM) (<https://www.sam.gov/content/home>), as well as a public search to ensure that the Contractor is not debarred, suspended, or otherwise ineligible before making a project award.

In addition, 2 CFR Part 200.319(b) requires that contractors who develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals must be excluded from competing for such bid or procurement process.

There may be additional obligations or licensing requirements depending on the project. Such requirements will vary based on the scope of the project, total amount of federal funding, covered units (i.e., total number of units receiving HOME or other pertinent financial assistance), or other factors.

Definitions (partial listing)

The following words and terms, when used in these Standards, shall have the meaning provided herein, unless by context, it is clearly indicated otherwise. Any terms or phrases not specifically mentioned in this section shall have the meaning as defined by their respective statute, regulation, rule, or authority.

DSA-AC & HCD 1-AC - A continuous unobstructed path connecting elements and spaces of a site, building or facility that can be negotiated by a person using a wheelchair, and that is also safe for and usable by other persons with mobility impairments. Interior routes may include corridors, hallways, floors, ramps, elevators, and lifts. Exterior routes may include parking access aisles, curb ramps, crosswalks at vehicular ways, walks, ramps, and lifts.

Capital Needs Assessment (CNA) – A CNA is a systematic assessment to determine a property’s physical capital needs over the next 20 years based on the evaluation of the current physical conditions of a property. It is used to determine that all work that will be performed in the rehabilitation of the housing will meet the long-term physical needs of the project. A GCNA is a hybrid of a standard 20-year Capital Needs Assessment that adds commercial energy audits and detailed financial analysis of retrofit options to analyze both conventional and alternatives in order to determine the best approach for costs and benefits of proposed retrofits over the term of the GCNA.

Enforcing Agency - State or local agency specified by the applicable provisions of law, as defined in 103.1 BSC-CG of the 2019 California Building Standards Code, Title 24, Part 11.

Plumbing Fixtures - All relevant plumbing components, which include toilets, urinals, bidets, faucets, lavatories, sinks, showers, bathtubs, and floor drains. Plumbing appliances include washing machines, dishwashers, domestic water heaters, garbage disposals, and water softeners.

Plumbing System - All relevant plumbing components, which include but are not limited to: piping, fittings, devices, faucets, containers and receptacles that are used to supply, distribute, receive or transport potable water and wastewater.

Project Proponent - For purposes of this document, the term Project Proponent may include Project Sponsor, applicant, owner, borrower, or developer.

Rehabilitation – Renovation of existing residential property to replace worn out components, replaced dilapidated components and to bring the property up to an agreed upon standard based (for the HOME program, that is the minimum standard as outlined in these Rehabilitation Standards) on health and safety needs, useful life, funding, code, and other regulatory requirements. See 24 CFR Part 92.251 (b)(1)(2)(3) and 24 CFR Part 93.301 (b)(1)(2)(3).

Substandard Conditions – Substandard Conditions include any condition which threatens, defeats, or will lead to the lack of functional viability of a single feature of a structure. Hazardous conditions are a type of Substandard Conditions. (For a fuller listing of Substandard Conditions, see Health and Safety Code Section 17920.3.)

Major Systems - Major systems are defined herein in accordance with 24 CFR Part 93.301(b)(1)(ii) and 24 CFR Part 92.251(b)(1)(ii) and include:

- Structural support (which includes foundation as a structural support element), roofing;
- Cladding and weatherproofing;
- Plumbing (both fixtures and system);
- Electrical; and
- Heating, ventilation, and air conditioning (HVAC)

Rehabilitation Standards Priorities

Priority 1: For all multifamily rehabilitation projects, health and safety standards represent the highest priority work to be completed first, with primary focus on life safety issues. Any and all **life-threatening health and safety deficiencies shall be corrected** by the owner in every approved rehabilitation project, regardless of funding source, **within 24 hours, if the units are occupied**. Life-threatening deficiencies include those identified for the property site, the building exterior, building systems, common areas, access, and the units themselves. See [2 CFR Part 857 Administrative process for scoring and ranking the physical condition of multifamily housing properties](#) for a list of definitions, inspectable items, observable deficiencies, and life-threatening health and safety deficiencies that require correction by the owner within 24 hours. Project proponents or applicants shall not be eligible for any assistance under this program or other HCD program until life-threatening health and safety deficiencies are corrected. For projects assisted through HCD, all life-threatening health and safety deficiencies shall be reported to HCD and will be subject to compliance monitoring.

Priority 2: Evaluating the remaining useful life of all major (building) systems through the use of Capital Needs Assessments (CNA. Pursuant to state Uniform Multifamily Regulations (UMR) Section 8309(b)(2), the CNA must cover systems through the initial 20 years of operation, with updates occurring every five years during the entire 55-year affordability period. Federal funding rules require that if a multifamily housing development consists of 26 units or more a CNA shall be performed to determine the remaining useful life of major systems. In addition, HCD may require a CNA regardless

of project size for use in determining the scope of the proposed rehabilitation project. Major systems must be identified in the CNA and word write up/construction documents.

Major systems found to be at, or near, the end of their useful life before the end of the affordability period shall be repaired or replaced as part of the rehabilitation of the project. In addition, as part of the project, a replacement reserve shall be established, and regular payments shall be made to the reserve fund in accordance with an approved payment schedule. The amounts to be placed in replacement reserve shall be adequate to repair or replace systems as needed through the entire period of affordability (24 CFR Part 93.301, 24 CFR Part 92.251).

Priority 3: Any violation of state or locally adopted building code, housing, code, conditions of approval or conditional use requirements, zoning ordinance, or disaster mitigation standards requirements. Project Proponents, Owners, and their Contractors/Subcontractors need to be knowledgeable about their local codes and able to communicate with their local code officials about code requirements. Where there are no locally adopted building codes, then the state codes, as enumerated in **Applicable Laws and Regulations** shall govern.

Most building codes allow for building components that were constructed in compliance with existing building code at the time, and which do not pose a threat to health and safety, to remain as is, unless replacement of items (such as windows) triggers a requirement to upgrade to the newer standard (such as energy efficiency), or where the item poses a life safety or health hazard. Project proponents and their development team will need to discuss the project components with their local building officials to determine whether or not a system will meet the threshold to require replacement.

Priority 4: In response to California Executive Order B-30-15, HCD strongly encourages recipients to implement projects and Program Activities in a manner that reduces impacts from changing precipitation patterns. HCD requires all projects to comply with applicable mandatory residential measures.

Mandatory Property Standards

All rehabilitation that is performed through the Multifamily Rehabilitation Program are required to meet the minimum property standards, as set forth in each program's (e.g., HOME, HTF) requirements.

Health and Safety: Requirements and definitions provided in detail throughout these Standards.

Major Systems: Requirements and definitions provided in detail throughout these Standards.

Lead-Based Paint: Housing assisted through the Multifamily Rehabilitation program is subject to the LSHR regulations at 24 CFR Part 35, subparts A, B, J, K, and R regarding lead-based paint poisoning prevention in residential structures. The per unit level of rehabilitation assistance and unit characteristic/family composition determines the required approach to lead-based paint testing and lead hazard control or abatement measures. LSHR does allow for a few limited exceptions. Applicants, developers, contractors, or project proponents of any project requiring the rehabilitation of structures built prior to 1978 must read, fully understand, and comply with the statutory requirements. Rehabilitation work is also subject to EPA, CDPH, OSHA, and Cal/OSHA lead-based paint and lead hazard standards and regulations.

Inspection and testing for lead hazards must be completed by certified professionals prior to determination of the scope of rehabilitation. A copy of the inspection and testing report must be provided as part of the work write-up. It is the responsibility of the inspector to identify the lead hazards and family characteristics which will determine the appropriate level of work needed, if any. The Scope and Cost Review must be provided to the party conducting the lead-based paint report, and the Project Proponent or Development Owner must implement the mitigation recommendations of the testing report. A plan must also be put in place for the scheduling of the work, including any necessary relocation. Lead hazard reduction, control, abatement measures and clearance inspections must be done by certified professionals. Lead abatement work must accomplish the following:

- Provide qualified contractors to perform work;
- Provide adequate monitoring of work; and
- Ensure that all identified lead-based paint hazards are eliminated, and that the unit is physically clear of lead dust above allowable amounts.

ADA/504: Units assisted under this program must meet the requirements of 24 CFR Part 8 (implementing Section 504 and Titles II and III of ADA (implemented at 28 CFR Parts 35 and 36), as applicable upon project completion. “Covered multifamily dwellings”, as defined at 24 CFR Part 100.201, must also meet applicable design and construction

requirements at 24 CFR Part 100.205 as well as California Building Code Chapter 11A. Additionally, the Scope and Cost Review Report must include an analysis of compliance with the Department's requirements relating to the Site and Development Requirements and Restrictions and identify the specific items in the scope of work and costs needed to ensure that the Development will meet these requirements upon project completion.

In accordance with 24 CFR Part 8, if substantial alterations (defined at 24 CFR Part 8.23) are undertaken to a project with 15 or more total units and the cost of rehabilitation is 75 percent or more of the replacement cost then the provisions at 24 CFR Part 8.22-23 apply including:

- The project shall be designed and constructed to meet Section 504 and/or ADA requirements;
- At least 5 percent of the units or one minimum, whichever is greater, must be made for persons with mobility impairments based on UFAS; and
- At least 2 percent of the units (one additional unit minimum) must be for persons with hearing or vision impairments.

For projects with “less-than-substantial” alterations (anything less than “substantial”), the project shall meet Section 504 and/or ADA requirements to the greatest extent feasible until 5 percent of the units meet the requirements. In either case, common spaces shall be made compliant with Section 504 and/or ADA requirements to the greatest extent feasible. “Greatest extent feasible” is not interpreted to be a requirement if it would pose an undue financial or administrative burden.

Disaster Mitigation: Where relevant, assisted housing must be improved to mitigate the impact of potential disasters, in accordance with applicable state and local codes, ordinances, hazard mitigation plans, and requirements, in addition to the UPCS (or replacement standards) or other requirements as established by HUD and/or HCD.

Where applicable, all rehabilitation projects located in a Fire Hazard Severity Zone or Wildland-Urban Interface (WUI) Fire Area must comply with the current version of the California Building Code and California Residential Code

Applicants requesting funds must also meet the federal environmental provisions. If no FEMA Flood Insurance Rate Maps are available for the proposed Development Site, flood

zone documentation must be provided from the local government with jurisdiction identifying the 100-year floodplain.

Broadband Infrastructure: Substantial rehabilitation must provide for the installation of broadband infrastructure, unless determined infeasible, in accordance with program requirements.

General Requirements

Uniform Physical Conditions Standards (UPCS) (or successor inspection

standards issued by HUD: All developments funded by HCD with HUD funds must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the entire Affordability Period. At a minimum, assisted housing must comply with HUD's Uniform Physical Condition Standards, as found in 24 CFR Part 5.703, or HUD replacement standards. Developments must also comply with all state and local health, safety, and building codes; ordinances; and zoning requirements. Developments in jurisdictions without applicable state or local building codes must adhere to the State of California's Building Standards Code in addition to UPCS (Please see [Housing Trust Fund \(HTF\) FAQ Appendices: Uniform Physical Condition Standards for Multifamily and Single Family Housing Rehabilitation](#)).

Housing Quality Standards (HQS) (or successor standards issued by HUD): In accordance with HOME and HOME-ARP program requirements, housing occupied or expected to be occupied by a family receiving tenant-based rental assistance must meet the requirements set forth in 24 CFR Part 982.401 (Housing Quality Standards).

Capital Needs Assessment (CNA): All assisted Rehabilitation Developments must submit a capital needs assessment (CNA) estimating the useful life of each major system. The CNA shall determine the work to be performed and identify the long-term physical needs of the project. If the remaining useful life of one or more major systems is less than the applicable period of affordability, a replacement reserve must be established with adequate monthly payments made to repair or replace the systems as needed. Refer to Appendix A: CNA AND PROJECT SCOPE DOCUMENTS.

Capital Needs Assessment Guidelines -

- The CNA must have been completed or updated in the past six months at time of application and be completed by an independent, third-party licensed engineer or architect approved by HCD. The performing engineer or architect must:
 - conduct an interview with the appropriate onsite Development personnel (e.g., property management, maintenance personnel) to

assess prior, ongoing or chronic repairs, maintenance issues, and deficiencies;

- complete an onsite visit and physical inspection of both the interior and exterior units and structures on the property;
 - analyze and provide recommendations regarding the presence of environmental hazards and potential efficiency or other mitigation considerations, in accordance with these standards;
 - analyze and provide recommendations as to the reasonability of the proposed budget as it relates to the work to be performed, including but not limited to an analysis of the: (1) Development Site; (2) Structural Systems; (3) Interior Systems; and (4) Mechanical, Plumbing, Electrical, HVAC, and Safety (e.g., fire protection, elevator requirements, safety lighting) Systems and related requirements; and
 - depending on the aforementioned determinations, the assessment must assess and provide recommendations regarding the proposed budget as it relates to the conclusions of the assessment.
- Moreover, any and all components of major systems reaching the end of their useful life or otherwise bearing critical conditions, must be identified. If the remaining useful life of any component of the major systems is less than the term of the affordability period, replacement reserves with adequate payments being made as required to finance future repair(s) or replacement(s) is required.

Inspections: Rehabilitation projects must comply with inspection requirements set forth in 24 CFR Part 92, 24 CFR Part 93, and HCD written inspection procedures. HCD will conduct, and/or review, initial, progress, and final inspections during construction to identify any deficiencies that must be addressed and ensure that all work is in accordance with approved standards, as applicable.

Construction Documents: Each repair or any proposed rehabilitation work should be detailed through the use of scopes of work, plans, drawings, and/or specifications. At a minimum, each repair or rehabilitation work item should be detailed in a work-write up that specifies the location, required demolition, and methods and materials, with enough detail to determine the desired outcome or finished product and to establish a basis for a uniform inspection to determine compliance with these standards. Work-write ups can reference plans and specifications as needed. Moreover, work write-ups must comply with federal, state and local codes, ordinances, requirements, and HCD standards.

Warranties: Construction and product warranties are required for all rehabilitation projects. The Contractor shall warrant to the Owner that the materials and equipment furnished will be (a) new and of good quality; (b) free from defects in materials and workmanship, unless otherwise approved in writing in advance by the Owner and approved by HCD, and (c) that the work will be performed in a good and workmanlike manner and in accordance with plans and all applicable codes, laws and standards. The Contractor shall collect and submit to the Owner, upon Mechanical Completion of the Work, all warranties from Subcontractors supplying materials, equipment or components incorporated into the Project, and the Contractor must assign to the Owner all of the Contractor's rights under such warranties.

Cost Estimates: Written cost estimates are required for all assisted rehabilitation projects. Cost estimates must be prepared and submitted to HCD for review and approval prior to loan closing. HCD will review the cost estimate to ensure it meets federal and state requirements (e.g., cost reasonableness).

Annual Auditing, Recordkeeping, and Certifications: Housing assisted under this program must comply with the auditing, recordkeeping, and cost certification requirement of HUD programs, Davis-Bacon Labor Compliance requirements (as applicable), 2 CFR Part 200, as well as the State of California regulations on records retention and State of California Prevailing Wage laws (where applicable).

Other state and federal Requirements

Environmental and Historic Preservation Requirements: Housing assisted under this program must meet federal and state Historic Preservation requirements through the statutory environmental review and approval process, including consultation with the State of California's Office of Historic Preservation (SHPO) and tribal consultation, and conformance with the Secretary of the Interior's Standards and Guidelines for the Treatment of Historic Properties, where required. See Section II for a list of environmental and historic preservation regulations that apply or may apply to the project. Note: Local jurisdictions may have additional historic requirements that apply to the project.

Asbestos: Asbestos generally poses no threat to health unless asbestos fibers become airborne due to materials aging, deteriorating, or as the result of damage or disturbance. This typically only occurs to a friable (meaning it can be crumbled, pulverized, or reduced to powder by the pressure of an ordinary human hand), regulated asbestos-containing material. Even so, friable materials typically pose no health risk unless disturbed.

If asbestos-containing materials (ACM) will be disturbed by rehabilitation activities then abatement is generally required and state and federal asbestos regulations (see Section

II) must be met in assessing, abating, and disposing of the ACM. Assessments/surveys must be taken by certified professionals. Abatement work must be done by a licensed contractor. Furthermore, survey and abatement/demolition work must comply with NESHAP, which requires the owner of the building or the operator to notify the appropriate state agency before any demolition, or before any renovations of buildings that could contain a certain threshold amount of asbestos or ACM. In some cases, NESHAP oversight is delegated to local, county or regional agencies (e.g., SMAQMD (see rule 902)).

Development and Unit Amenities: Housing improvements beyond those described in these Standards must include all applicable amenities, energy and water efficiency features in accordance with applicable state and local codes. Materials should be selected that meet the standard of medium grade and emphasize durability and a long service life. These selections will ensure that development owners do not need to make repairs for as long as possible, increasing the stability of the project.

Pursuant to state UMR Section 8302. Unit Standards: restricted units shall not differ substantially in size or amenity level from non-Restricted Units with the same number of bedrooms, and Units shall not differ in size or amenity level on the basis of income-level restrictions.

Rehabilitation Standards

General Requirements, Minimum Standard Conditions, Substandard Conditions

The Minimum Standard Conditions and Substandard Conditions (For a fuller listing of Substandard Conditions, please refer to Health and Safety Code section 17920.3) for each Major System are sufficiently detailed in method and material to provide the MINIMUM threshold for Rehabilitation activities that assisted multifamily developments MUST MEET OR EXCEED. It is important to remember any threshold requirements provided herein do not supersede or preempt state and local codes, ordinances, and requirements for building and maintenance with which assisted housing must comply. Rather, compliance must be accomplished in addition to meeting or surpassing these Standards.

Determining the Scope of Work

This section shall guide the determination as to the minimum scope of work required. In conjunction with the mandatory property assessments required in these Standards each repair should be detailed as required through the use of plans, drawings, specifications and work write ups. At a minimum, each repair should be detailed in a work write up that accurately specifies the location, required demolition (if applicable), and the methods and materials for the project -- with sufficient detail to determine the desired outcome or finished product. Work write ups may reference plans and specifications as needed but must be detailed enough to complete repairs.

Site Work

a. General Requirements and Minimum Standard Conditions

The subject lot or defined site shall be free of debris, garbage or other accumulations of site stored items which create possibilities of infestations. The site should be free of hazardous conditions that may limit safe use or cause tripping, falls, injury, or other health, safety, or security issues. The site should be generally level as allowed by natural topography, well drained, and accessible. Landscaping and irrigation systems must be in properly functional condition. Additional drainage features should be added if need is evidenced by existing erosion, standing water or evidence of water damage. In addition to any applicable requirements herein, any and all deficiencies should be noted in the UPCS inspection.^[OBJ]

b. Substandard Conditions

Substandard conditions for site work include, but are not limited to, those conditions listed below, for which adequate repair or replacement is required, as applicable and further detailed herein:

- Accumulated debris, waste, or garbage either in enclosed areas such as storage buildings or on the property.
- Deteriorated outbuildings, sheds, wells, privies, or other structures which are no longer in use or are made unusable by their condition.
- Holes, ditches, exposed water meter boxes or other condition which creates a tripping hazard, excluding drainage ditches which are part of a designed drainage system.
- Rodents, insects, or other infestations.
- Standing water or depressions which hold water during wet weather.

- Leaking or improperly functioning irrigation, water supply or leaking sewage system.
- Obsolete sanitary piping systems such as Orangeburg, clay or other non-standard pipe.
- Scaling calcified or otherwise compromised water supply lines.
- Exposed pipes, railings or other installations that create tripping hazards.
- Damaged, missing, or deteriorated walkways, steps and decks which create tripping hazards or are otherwise unsafe.
- Stairways or steps: refer to California Building Code chapter 10, section 1011.1 for handrail requirements and section 1015 for guardrail requirements.
- Except on an ADA and/or Section 504 compliant Route, any change in level in a walkway shall not be greater than 3/4".
- On any ADA and/or Section 504 compliant Route any change in level shall conform with requirements in California Building Code Chapter 11A, section 1111A.
- Any walkway or driveway that exceeds 5 percent damage in the form of cracking, spalling, holes, heaving or other damage.
- Fencing, railing, or gates and any associated entry points that limit safe use or access or are broken, deteriorated, missing pieces, non-functional, or pose hazardous conditions (may include pedestrian or vehicle). In addition, they should not have flaking paint or be graffitied.

c. Other Requirements/Conditions

(1) Debris and Brush Removal. The premises shall be free from accumulations of rubbish and garbage that present health and safety hazards. The premises shall be free from trees and shrubs that are damaging the dwelling or present a hazard. Tree limbs in danger of falling on roof areas shall be removed. No vegetation should touch existing buildings, utility service lines, fences, or extend over walkways or parking areas.

(2) Drainage. Surface drainage shall be diverted to a storm sewer or other approved point of collection that does not create a hazard. Lots need to be graded to drain surface water away from the foundation in conformance with local requirements. Where lot lines or other physical obstacles prohibit this, drains, swales, and/or rain gardens shall be constructed to ensure drainage away from the structure in accordance with code and to manage

runoff on site. Rain gutters shall be installed if none exist. Gutters shall slope 1" for every 20 linear feet with downspouts installed at a minimum every 40'. Downspouts must empty into a splash block or be diverted at least five feet from the building. Special care must be taken to not discharge water onto adjacent properties.

(3) Driveways, Sidewalks, and Patios. Paved surfaces must be in good condition and shall be free from hazards which can cause tripping and falling. Paved surfaces adjacent to the foundation shall not slope towards the structure so that water can collect at the foundation. If tripping hazards and drainage problems exist, the paved surface shall be removed and rebuilt. Paved areas must conform to local code requirements for nonpermeable lot coverage requirements.

(A) Driveways. Following existing driveway demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to meet current required minimum slopes away from the building and at required depth. Install either rebar or welded reinforcing wire as required and allowed by current code. Expansion joints shall be installed at all radius points, sidewalk intersections and building slab tie-ins.

(B) Sidewalks and Patios. Following existing sidewalk demolition, all organic matter shall be removed. Subsoil shall be compacted uniformly and evenly. Forms shall be constructed to provide the correct minimum slope away from any building, at depth required by current codes in place at the time. ADA and/or Section 504 compliant Route cross slope shall conform with requirements in California Building Code Chapter 11A, section 11113A. Expansion joints shall be installed at all radius points, sidewalk intersections and slab tie-ins. If sidewalks and patios are installed and are connected to an entry door, an accessible entry will be required.

(4) Ramps. On ADA and/or Section 504 compliant Routes, ramps shall meet the requirements of the most current ADA and the applicable requirements provided in these Standards.

(5) Vermin and Insects. The premises shall be free from infestations of vermin and wood-boring insects. Inspections shall be performed by state licensed extermination contractors if evidence of infestation exists. Conditions which increase or cause infestation shall be removed (e.g., accumulation of rubbish garbage, unsanitary conditions, presence of consistent moisture, untreated wood in contact with soil, etc.). One or more of the following termite treatments shall be included in the Rehabilitation if infestation is observed; chemical termiticide treatment, termite baiting system installed and maintained according to the manufacturer's label, use of naturally durable termite-resistant wood,

and/or termite shields, or other materials as allowed by Code or regulation.

(6) Landscaping for Additions. When an addition is built, underground utilities run, grade changes made, or the soil is otherwise disturbed, proper compaction and a fine finish grading shall be done and seed, sod or native plants shall be installed matching as closely as possible the existing surrounding yard and in conformance with California Water Efficiency requirements.

(7) All fencing, railing, and gates must be in good and serviceable condition and shall meet applicable current codes and standards. Existing fencing that is to remain shall be free of flaking paint, rust, or any other signs of failure. If existing fencing shows any signs of failure, it shall be repaired, painted, and restored to look new. All pedestrian and vehicle gate hardware and access systems must be functional.

d. Site Amenities

Where possible, existing site amenities which enhance the livability of the project (e.g., play structures, playground areas, seating, benches, patio areas, bike racks, grills, and fencing, etc.) should be maintained in good repair or replaced if in poor condition. New site amenities may also be provided, if allowed. Any site amenities must follow applicable accessibility, state and local codes, and HCD program requirements.

2. Structural Support, Foundations, and Roofing

2.1 Foundations

a. General Requirements and Minimum Standard Conditions

Foundation work shall be completed in its entirety prior to beginning work on other areas of the housing unit(s). Leveling shall be done in such a manner as to provide an acceptable degree of tolerance. When leveling takes place, doors, windows, and other openings shall be reasonably plumb, level and easy to operate. Interior wall coverings shall be repaired, and Plumbing Systems shall be inspected to ensure the system functions as intended. Foundation leveling shall include grading of the soil to provide a slope away from the building to meet current code requirements. If the lot does not allow for this grade, a French drain, or other approved management system, shall be installed to drain water away from the building, or swales shall be designed and built to control rainwater runoff. Underpinning shall be required when foundation leveling is a part of Rehabilitation.

b. Substandard Conditions

At a minimum, repair or replacement is required if any of the conditions exist:

- Evidence of wood destroyed by insect damage;

- Water and/or fire damage or dry rot to wooden piers, beams, joists, and subfloor;
- Inadequate support of beams, sills, or joists;
- Lack of drainage away from the building;
- Cracked, damaged, buckled skirting;
- Untreated wood in contact with the soil; or
- Any other condition which meets the definition of a hazardous or substandard condition.

c. Other Requirements/Conditions

(1) Slab on Grade. All concrete floors shall be without serious deterioration or conditions that present a falling or tripping hazard. With existing concrete floors, cracks longer than six inches in concrete slabs, 3/4 inch along walkways or steps, or any missing or uneven sections shall be repaired. Slab on grade foundations that are failing, as demonstrated by an inspection by a structural engineer, shall not be rehabilitated.

(2) Pier and Beam Pier and beam rehabilitation must be done in accordance with California Building Code Chapter 16. For venting and crawlspace, refer to California Building Code, Chapter 12, section 1202.

2.2 Roofing Systems

a. Description

All relevant roofing components, which include but are not limited to, trusses, rafters, ridge beams, collar ties, ceiling joists, top plates of walls, and sheathing. Moreover, truss designs for replacement roofs complying with wood roof framing, includes: slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas, or as otherwise provided by code.

b. General Requirements and Minimum Standard Conditions

The Roof System and the roof covering shall safely support the loads imposed. Framing and decking shall be structurally sound, properly fastened, and form a sound base for attaching the roof covering. The Roof System shall be configured to provide a positive drainage plane.

c. Substandard Conditions

At a minimum, any Roof System that is incapable of safely supporting the load or fails to

safely provide adequate drainage must be repaired or replaced. Deteriorated, missing or loose framing or sheathing must also be corrected. Generally, repair or replacement is required for any applicable condition listed below:

- Multiple layers of roof covering materials (no more than two);
- Water damage caused by leaks through the roofing system;
- Missing, worn, or upturned shingles;
- Damaged, missing, or improperly installed roof jacks, flashings, drip edges on both rakes and eaves;
- Exposed nails or other fasteners;
- Structural damage to trusses;
- Extensive patchwork and repairs;
- Missing, damaged, loose, leaking, blocked, improperly sloped gutters and downspouts;
- Wear and tear leading to a failed system within five years from the initial inspection; or
- Any other Hazardous or Substandard condition.

2.3 Structures

a. General Requirements and Minimum Standard Conditions

Roof structures incapable of safely supporting the load or providing adequate slope for drainage shall be repaired or replaced. Sagging roofs shall be replaced or stabilized. Stabilization of sagging roofs that will not be replaced shall be designed by a structural engineer.

b. Other Requirements/Conditions

(1) Truss Design for Replacement Roofs. Truss designs for replacement roofs shall comply with wood roof framing requirements which includes slope, span, and spacing; location of all joints, required bearing widths; design loads; joint connector type and description; lumber size, species, and grade; connection requirements; bracing locations; and roof tie-downs and uplift resistance details for high wind areas.

(2) Roof Framing for Replacement Roofs. See California Building Code Chapter 15, section 1511, and California Energy Code Section 180.2 (multifamily buildings) for reroofing requirements.

(3) Sheathing Replacement. 5/8" CDX plywood shall be installed with clips spaced O.C. between rafters for rafter spacing of 24", or as otherwise required by California Building or local codes.

(4) Ventilation. Unconditioned attics shall be cross ventilated. A one-to-one ratio shall be installed. Soffit vents shall have baffles installed providing at least one inch of airspace to prevent wind washing and/or attic insulation blocking soffit vents. All vents shall have corrosion-resistant wire cloth screening or similar material in a size designed to provide a spark barrier to building openings, per code sizing requirements.

(5) Radiant Barriers, powered ventilation. Barriers, venting, powered venting, where allowed, shall conform to California Building Code Chapter 12, section 1202. See also California Energy Code Section 180.2.

2.4 Roof Covering

a. General Requirements and Standard Materials

Asphalt shingles shall be fastened to solidly sheathed decks in conformance with requirements of California Building Code Chapter 15, section 1507.2. Otherwise, roof weatherproofing, reinforcement, and surfacing shall be completed in accordance with applicable provisions of the applicable Code.

(1) Flashings. Flashings shall be installed in a manner that prevents moisture from entering walls or the roof through penetrations, at eaves and rakes, at wall/roof intersections, wherever there is a change in roof slope or direction and around roof openings in conformance with requirements in California Building Code Chapter 15 section 1507.2.8.

(2) Valley Flashings. Closed valleys (covered with asphalt shingles) shall conform with requirements of the California Building Codes in Chapter 15 section 1507.8.2.

3. Minimum Standards for Walls, Ceilings, & Flooring

3.1 Walls and Ceilings

a. General Requirements and Minimum Standard Conditions

On exterior walls, all defects or deterioration that would allow the elements to enter wall cavities shall be corrected through Rehabilitation. Replacement of sections of walls and ceilings shall match adjoining materials as closely as possible (e.g., thickness of the existing material). When replacement of entire wall or ceiling coverings or sections of them are replaced, priming and painting of the entire wall or ceiling shall be completed.

b. Substandard Conditions

Repair or replacement is required if any condition listed below exists:

- Water damage or dry rot of siding, trim, or interior wall coverings;
- Exposed nails or popped seams;

- Peeling or chipped paint, holes, cracks, or gaps in interior wall coverings or exterior cladding;
- Broken, fire damaged or missing exterior cladding;
- Sagging or missing ceiling sections;
- Wood destroying insect damage in exterior cladding; or
- Any other condition characterized as Hazardous or Substandard.

c. Other Requirements/Conditions

(1) Walls.

(A) Exterior Walls. If removing the exterior cladding, deteriorated exterior wall sheathing, studs, and bottom and top plates shall be replaced. Deteriorated or missing insulation shall be replaced and wall cavities shall be insulated to minimum code standards. Masonry repair or replacement shall match existing masonry as closely as possible, installed plumb, true, and in line with existing courses. If weep holes are filled or nonexistent, they shall be provided at least every 3' at the slab and at least 1' above each window or as otherwise required by state or local code. Siding repair or replacement shall match existing siding as closely as possible and provide for a positive drainage plain. All joints and seams shall fall on-center of wall framing. Overlap and water sealing shall be completed in accordance with the manufacturer's installation instructions.

(B) Interior Walls. A structural engineer shall inspect interior bearing walls that are proposed to be moved. Non-bearing walls do not require a structural engineer. Moved or newly installed walls shall be constructed with 2x4 studs with the bottom plate securely fastened to the floor and the top plate securely fastened to ceiling joists. All new gypsum board shall be installed according to the manufacturer's installation instructions and shall be installed a minimum of 1/2" above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show after painting. All interior walls shall be painted with low Volatile Organic Compound (VOC) paint.

(C) Bathroom Walls. Bathroom walls that are to be replaced shall be replaced with appropriate backer board. If tile will be installed in the shower/tub area, concrete board, or equivalent, shall be installed. Bathroom wall coverings shall be installed a minimum of 1/2" above the finished floor, taped, floated, and feathered prior to painting. New wall coverings shall not show noticeable blemishes or dents and tape shall not show after painting.

(2) Ceilings. For ceiling structure, see the Roofing Chapter. Replacement of ceiling coverings shall be with 5/8" Type X gypsum board. Fastening shall be in accordance with the manufacturer's installation instructions. All new gypsum board shall be taped, floated, feathered, primed, and painted. When ceilings are replaced, all ceiling fixtures removed and reinstalled for replacement shall be air sealed.

(3) Painting and Finishes. All areas not to be painted shall either be removed and reinstalled or completely covered to prevent overspray or splatter. Receptacle and switch plates shall be removed and reinstalled.

(A) Interior Walls: All walls that were repaired or replaced shall be painted. Bathroom walls shall have a semi- or high-gloss sheen.

(B) Exterior Walls: Replaced or repaired exterior cladding, with the exception of brick veneer, shall be painted with at least two coats of exterior grade paint. Existing exterior walls not replaced or repaired but still painted must comply with all applicable requirements:

(i) For stucco repair or installation, installers shall comply with the correct ASTM standard specification for the product and installation type;

(ii) The ground shall be protected with a drop cloth. For pre-1978 housing determined or assumed to have lead-based paint, all scraped paint shall be disposed of in accordance with applicable HUD and [Cal-EPA](#) guidelines.

(C) Trim and Baseboards. All installed trim around doors, windows, and floors shall be painted on both sides (except for baseboard trim).

3.2 Flooring

a. General Requirements and Minimum Standard Conditions

All flooring, including transitions between rooms, must be effective, relatively level, free of tripping hazards, and adhere to or exceed all applicable ADA and/or Section 504 compliant standards. Floor covering and subflooring(s) must function as intended, as demonstrated through sufficient inspection. Related deficiencies must be corrected during Rehabilitation, as provided in these Standards.

b. Substandard Conditions

Deteriorated, inadequate, and weakened floor framing and subfloors can be the result of poor initial construction, foundation settling or failure, careless remodeling, water, or wood boring insects. A thorough inspection shall be conducted to identify all subfloor and flooring deficiencies. The following conditions require that corrective measures (repair or replacement) be taken:

- Damaged, rotten, loose, weak, or otherwise deteriorated subfloor;
- Torn, missing, broken, or otherwise damaged floor covering that creates a tripping hazard;
- Missing baseboards, shoe molding, or transition strips; or
- Any other condition that meets the definition of Hazardous or Substandard. In doing so, repairs to severely sloped or uneven floors must satisfy all corrective measures or replacement will be required. New floor coverings shall be installed because the existing floor covering is ineffective, there are obvious trip hazards, because the subfloor was replaced, or because other work requires it, such as increasing the square footage of a room. Replacement flooring may be required if necessary for compliance with ADA and/or Section 504; other concurrent work or if significant subflooring repairs/replacement occur. If required, any and all applicable Foundation work must be completed first. Thereafter, flooring replacement shall be conducted in accordance with the manufacturer's installation requirements.

c. Other Requirements/Conditions

(1) Subfloor.

(A) Concrete Slab. If the concrete slab foundation is functioning as intended and is relatively level, no additional subfloor preparation is required. If it is functioning as intended, but not relatively level or has settlement cracks, self-leveling flooring compound shall be installed prior to installation of the floor covering.

(B) Other Habitable Rooms. Other habitable rooms requiring subfloor replacement shall have 3/4" CDX plywood installed as the subfloor with floor joists not more than 24" on center. All subfloors shall be installed with screws and include subfloor caulking adhesive.

(2) Floor Coverings. Installation of materials shall be done according to manufacturer's specifications. 2022 Code includes requirements for carpet, carpet cushion, resilient flooring, and composite wood products in Section 4.504.

(A) Kitchens and Bathrooms. Replacement floor coverings in kitchens, bathrooms, laundry rooms, and utility rooms shall be water resistant. Transitions between rooms shall match new floor covering or match as closely as possible existing floor covering that is left in place. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

(B) Other Habitable Rooms and Transitions between rooms shall match the new

floor covering or match as closely as possible existing floor covering that is left in place. Replacement floor coverings shall be selected for durability, safety, and ease of maintenance.

4. Other Cladding and Weatherproofing (e.g., Windows, Doors, Siding, Gutters)

Doors and Windows

a. General Requirements and Minimum Standard Conditions

Applicable Foundation work must be completed prior to repairing or replacing doors and windows. Each habitable room that contains a window shall have at least one window that is in operable condition and capable of being held in the open condition without assistance or device. Habitable bedrooms must have a minimum of one window that meets egress requirements. Bathrooms, bedrooms, and utility rooms shall have a door that is easily operable and fitted with functioning hardware that tightly latches the door.

All windows repaired or replaced as part of the scope of work must operate safely, effectively, and conveniently regardless of the user's age or ability. Each window must have an operable screen. Repaired or replaced windows must meet or exceed the requirements of an Energy-Star Rating. Additionally, blinds or window coverings must be provided for all windows.

b. Substandard Conditions

At a minimum, any of the following conditions must be repaired or replaced:

- Broken, missing or cracked windowpanes
- Rotten or deteriorated sills, frames, or trim
 - Missing seal or sealant or dried, cracked or missing putty or caulking around windowpanes
- Windows painted shut, inoperable or difficult to open and close
- Security bars that do not open from the inside without any special knowledge or tools
- Windows and exterior doors that do not lock
- Broken, damaged, or deteriorated doors
- Doors that do not shut and latch or lock smoothly with the strike plate
- Exterior doors that are not listed as exterior doors
- Rotted, deteriorated, or damaged thresholds, jambs, frames, or trim; and

- Any other condition that can reasonably be characterized as Hazardous or Substandard.

4.1 Doors:

a. General Requirements and Minimum Standard Conditions

All doors shall be in good operating order, easy to open, close and latch. All replacement doors must be installed true and plumb with trim installed on both sides. Hardware style (e.g., knob, lever handle, passage), finish (e.g. chrome, brushed nickel, satin), and any glazing shall be identified in the scope of work. All doors that come into contact with interior walls when opened shall have baseboard mounted, rubber tipped door stops installed.

(1) Interior Doors. Interior door replacements must be installed true and plumb, with trim installed on both sides. Bathroom doors shall be able to be locked.

(2) Exterior Doors. Exterior doors include, but are not limited to, doors connecting the conditioned space with an attached garage. Replacement exterior doors must be at least Energy Star qualified, or its equivalent, double bore exterior doors. Doors connecting the conditioned space to an attached garage shall also be fire rated. All exterior doors shall be keyed alike with a sufficient number of key copies provided to the residents.

b. Other Requirements/Conditions

(1) Universal Design. Compliant doors may be required depending on the Unit or Household Type(s). Universal design principles state that housing should be built to accommodate any person regardless of age or physical ability. See California Building Code Chapters 11A and 11B for required standards for publicly funded multifamily housing.

4.2 Windows

a. General Requirements and Minimum Standard Conditions

All windows shall be in good operating order, easy to open, close, latch, and lock. Windows that cannot be repaired must be adequately replaced. Flashing materials shall provide a positive drainage plane. Note: 2022 California Energy Code, or replacement standard contains specific window replacement requirements. Replacement windows shall meet or exceed requirements of the California Energy Code section 1802. The Performance Chart included in the Code provides the minimum performance ratings required for all replaced and, if practical, repaired windows.

4.3 Gutters and Downspouts

a. General Requirements and Minimum Standard Conditions

All gutters and downspouts must be installed or replaced (repair alone is insufficient). Downspouts shall be installed at a minimum every 40' and shall discharge water at least five feet from the foundation. Drainage five feet away from the foundation may be accomplished through the installation of a French drain, swales, or other means of directing water away from the foundation. Water shall not be discharged onto an adjoining property.

5. Plumbing, Potable Water, and Sanitary Sewer Systems

5.1 Plumbing Systems

a. General Requirements and Minimum Standard Conditions

The Plumbing System must effectively provide both a safe and adequate supply of potable water, and a safe and sanitary method of distributing wastewater. Effective Plumbing Systems adhere to the following mandatory plumbing principles:

- Sewer gasses shall not be allowed to enter any housing Unit.
- Sewer leaks must be identified, repaired, or replaced, and improper disposal methods discontinued.
- Water leaks must also be identified and repaired or replaced.
- Water must be free from hazardous contaminants and safe for drinking, bathing, and other uses.
- An adequate supply of water must be available for all water needs, which includes having adequate pressure at each fixture.
- Supply, drain, waste, and vent pipes shall not interfere with structural integrity. Notching and drilling of structural members shall comply with code requirements.
- Plumbing work shall be performed by state licensed individuals, and plumbing inspections performed by experienced and qualified individuals knowledgeable in the field of plumbing.
- Water heaters must meet seismic anchoring (strapping) requirements in the California Plumbing Code (CPC) 507.2 and Health and Safety Code 19211(a).

b. Substandard Conditions

Existence of any condition listed below shall require, at a minimum, adequate repair or replacement.

- Lack of the following:
 - o Continuous sanitary water supply;
 - o Continuously functioning sanitary wastewater disposal system;
 - o Functioning shut-off valves at toilets, sinks and lavatories;
 - o Access to waste lines such as clean-outs;
 - o A minimum of one functioning toilet, bathroom sink, or tub/shower; or
 - o Functioning kitchen sink;
- Septic system or Plumbing Fixtures not performing as intended;
- Leaks in any supply or waste lines;
- Deteriorated, corroded, or leaky supply or drain pipes;
- Supply or drain piping consisting of a mixture of different types of piping or fittings, or is run in an inefficient manner;
- Natural gas DWH combustion air taken from conditioned space;
- Inadequate natural gas DHW vent (e.g., not double walled or skirted at roof penetrations);
- Rusted or corroded DHW pipes or storage tanks;
- If any of the following are missing, blocked, or improperly installed:
 - o Vent pipes;
 - o Gas shut off valve on natural gas Domestic Water Heater (DWH);
 - o Temperature and pressure-relief valve (TPRV) on DWH;
 - o Shut off valves at the water meter, each toilet, each sink, DWH, or tub/shower locations; or
 - o Natural gas domestic water heaters (DWH) located in bathrooms, bedrooms, closets, or utility rooms where a clothes dryer is present; or
- Any other condition reasonably characterized as Hazardous or Substandard.

If replaced, newly installed Plumbing Systems, piping, and fittings must be properly installed, connected, free flowing; and must be free of leakage and corrosion of water or

sewer gasses. In addition, plumbing fixtures and fittings must meet or exceed lead content requirements as outlined in the Health and Safety Code Sections 116875 and 116876.

5.2 Potable Water

a. General Requirements and Minimum Standard Conditions

Water service lines shall be properly connected to a public or approved private system functioning as intended. All newly installed supply lines must be flushed, and fittings tested for leaks. Privately owned wells and systems must also be tested for water quality. Testing must occur prior to commencing Rehabilitation; and must be conducted by a local health department or other qualified, unaffiliated source. Appropriate corrective measures are required for privately supplied water determined not suitable for use.

b. Other Requirements/Conditions

- (1) **Water Supply.** All dwellings shall have adequate, safe, and potable water supplied through a safe Plumbing System to all fixtures.
- (2) **Hot Water.** Hot water is defined in the California Plumbing Code as water at a temperature exceeding or equal to 120 degrees F (49 degrees C). Section 601.2 requires hot water for bathing, washing, laundry, cooking, dishwashing, and maintenance.
- (3) **Water Quality.** Supply systems shall provide for the delivery of potable water through a safe system of piping, free from leaks and other defects and not subject to the hazards of backflow.
- (4) **Exterior Pipe Protection.** All newly installed exterior water lines shall be buried at a minimum depth as defined by code for the climatic region.
- (5) **Water Pressure.** Must meet requirements as set forth in the California Plumbing Code. See section 608.1 for inadequate water pressure and 608.2 for excessive water pressure.
- (6) **Pipes.** California Plumbing Code, section 604.1 requires pipe, tube, and fittings shall comply with National Sanitation Foundation (NSF) 61 requirements. The California Energy Code outlines hot water piping insulation requirements in section 180.2.
- (7) **Valves.** The main water line shall have an accessible service shut-off valve, as defined in Section 203 of the 2022 California Plumbing Code for each building or Unit, as applicable. All hot and cold-water supply lines feeding all Plumbing Fixtures shall be equipped with functional and accessible shut-off valves. Access panels for tub/shower enclosures must be provided for access to valves and maintenance, if possible with

wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access. All valves shall be tested and must not leak.

5.3 Sanitary Drainage

a. General Requirements and Minimum Standard Conditions

The sanitary drainage system consists of the pipes designed to provide adequate circulation of air, exhaust of sewer gasses, prevention loss of water seals in traps and provision for wastewater flowing out of the home and into an approved sewage disposal system. All fixtures shall be connected to an approved sewage disposal system and free of leaks. New sewage disposal systems shall comply with Cal-EPA and State of California and local jurisdiction requirements.

b. Substandard Conditions

(1) Unapproved Private Systems. Unapproved systems include pit privies, cesspools, ponds, lakes, streams, and rivers. If any of these systems are in use, they must be abandoned, and the building must be connected to an approved sewer disposal system.

(2) On-Site Sewage Facilities (OSSF). Prior to conducting Rehabilitation, all OSSF systems shall be inspected by a licensed OSSF inspector. If not performing as intended, an existing OSSF system must be repaired, replaced, or abandoned as provided below:

(A) Repair or Replacement. If repair is suitable, the tank shall be drained, and all components tested and repaired or replaced. Special attention must be given to the drainage field; tree cutting and site clearing of the field may be required and replacement made. The drainage field must be designed for the existing soil conditions and the water table at the site and installed by a licensed installer.

(B) Abandonment. If, in accordance with requirements in the California Plumbing Code section 713.4, a public system is available to connect to, and the existing OSSF system has reached the end of its Useful Life, abandonment is required. The existing tank shall be pumped, collapsed, and filled. A licensed plumber shall connect the housing to a public system and include a clean out close to the home. (See also California Plumbing Code Appendix H, section 1101.0 for requirements for plugging and capping building sewers or portions thereof.)

(C) Other Requirements/Conditions

(1) Traps. Bell traps, "S" traps, and drum traps are prohibited. If any of these exist, they shall be replaced with a "P" trap. All fixtures shall be trapped and conform

to the requirements in (A)-(F):

- (A) All waste lines shall be trapped by a water seal trap as near to the fixture as possible but in no case more than 24" from the fixture;
- (B) All traps shall be set level with respect to their water seals and sink traps shall be protected from contact and damage if sinks are made usable for individuals using wheelchairs or other mobility device(s);
- (C) Trap size. Refer to California Plumbing Code Table 702.1 for minimum trap sizes.
- (D) No trap shall be larger than the drainage pipe coming from a fixture;
- (E) Access panels shall be provided to enclosed traps and concealed connections, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access; and
- (F) Wall and ceiling openings for plumbing shall be air sealed with caulk (gap less than 1/4") or expanding foam (gaps more than 1/4").

(2)Vents. Plumbing Systems shall be designed to prevent sewer gasses from entering the living unit(s), allow waste to adequately drain into an approved sewer system, and shall be vented to the exterior so that water released from fixtures may draw in air to allow for smooth and even drainage. All vents must also meet or exceed the following requirements:

- (A) All Plumbing Systems shall have vent stacks and number of fixtures in accordance with California Plumbing Code Table 703.2;
- (B) Plumbing vent systems shall only be used for the purpose of venting the system;
- (C) New and Existing vents shall conform with California Plumbing Code section 906.1; and
- (D) All vent stacks terminating in an attic shall be extended or replaced. No vent stacks shall terminate near any window or door or under soffits.

5.4 Minimum Standards for Plumbing Fixtures

a. General Requirements for Minimum Standard Conditions

All plumbing fixtures shall be free of leaks or defects which interfere with their ability to perform as intended. Existing fixtures in good and safe working order are generally not required to be repaired or replaced.

b. Other Requirements/Conditions

Any and all replacement plumbing fixtures and appliances must be installed per the manufacturer's installation instructions, including water sealing, and must be completed in accordance with all applicable requirements provided below:

- All replacement fixtures shall meet or exceed the requirements of WaterSense qualified or equivalent products.
- All replacement plumbing appliances must meet or exceed the requirements of Energy Star, or equivalent, qualified products.
- All replacement shower fixtures shall use anti-scald control devices. Access panels shall be provided to these valves, if possible, with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.
- All fixtures shall be supported and securely attached in a manner consistent with normal installation methods and installed level.
- All faucets shall have the hot water line on the left side of the faucet. Existing supply lines that are reversed shall be changed.
- If existing garbage disposals are not performing as intended or are not hardwired to the electrical system, they shall be removed, repaired, or replaced. New garbage disposals shall be hard wired and switched in an accessible location as close as possible to the kitchen sink.
- All repaired or replacement fixtures and appliances shall be tested for leaks and proper operation.

5.5 Minimum Standards for Domestic Water Heaters (DWH)

a. General Requirements and Minimum Standard Conditions

All DWHs, with the exception of tankless water heaters, shall, at a minimum, meet local jurisdictions' gallon storage capacity that can supply a continuous flow of hot water that is at least 102 degrees F, with gas or electric shut-off valves as well as cold water supply shut-off valves, all installed and functioning as intended. Larger capacity DWHs may be

installed if necessary to serve larger households. Replacement DWHs shall meet or exceed the requirements of Energy Star qualified, or equivalent, products.

(1) Temperature and Pressure Release Valve (TPRV). Each unit shall be equipped with a TPRV and must be capable of releasing pressure at 150 psi or 210 degrees Fahrenheit. Water release shall extend to the exterior of the housing, if possible, with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to create access.

(2) DWH Enclosure. Each DWH shall be enclosed in a sealed closet designed for this purpose, with gas DWHs having combustion air drawn from outside the conditioned space. Gas DWHs inside conditioned spaces must be in separate closets that are not in the same room as a clothes dryer or any type of exhaust vent. All DWHs installed in a garage must be installed at a minimum 18" AFF with primary drainage draining to the exterior. DWHs in other locations shall be supported by a minimum three-foot concrete base, if possible with wall and plumbing configuration prior to rehabilitation. Movement of plumbing fixtures or similar changes are not required to install a concrete base.

Electrical Systems

6.1 General Electrical Service

a. General Requirements and Minimum Standard Conditions

Electrical systems must provide a safe and adequate supply of electrical current that meets the needs of the residents. Accordingly, electrical systems must meet or exceed the safety and efficiency requirements provided below, which require that the system is:

- Properly grounded and free of hazards with all components properly secured and covered to prevent contact or electric shock.
- In good condition, with all electrical components up to date, lacking deterioration, and free of shorts.
- Sufficiently providing adequate, consistent, and appropriate current and voltage levels at each outlet, fixture, and piece of equipment, as per its intended use.
- Equipped with conductors, fixtures, boxes, and equipment that are properly sized and rated for their intended use.
- Adequate for its current use considering resident behavior and lifestyle.

- Equipped with an adequate quantity of appropriately located lighting, receptacles, and switches.
- Maintained, repaired, or otherwise replaced primarily in accordance with Principles of Safety, Capacity, and Convenience.

b. Substandard Conditions

At a minimum, repair or replacement is required if any of the following conditions exist:

- Inadequate capacity (e.g., excessive use of power strips and/or multiple outlet adaptors).
- Two-wire systems (lacking grounding).
- Wiring or components missing, broken, disconnected, loose, burnt or melted, unsupported, corroded, cracked, or split.
- Panel boxes that show evidence of water intrusion or infestation. Frayed or burnt wiring or wire insulation.
- Circuits, switches, receptacles, or wiring is not compatible with the amperage or other characteristics of the electricity in use.
- Flexible cords used as permanent wiring (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes).
- Exposed wiring on interior walls or the exterior that are not protected in conduit or raceways (unless Non-Metallic (NM) cable(s) otherwise installed in accordance with local building codes).
- Receptacles in bathrooms and kitchens within 6' of a water source and exterior receptacles that are not ground fault circuit interrupter (GFCI) protected.
- Reverse polarity.
- Unlabeled circuits.
- Missing cover plates.
- Components not securely attached to the structure.
- Inadequate lighting in rooms and outside of entry doors.
- Any other condition reasonably characterized as meeting the definition of a Hazardous or Substandard Condition.

c. Other Requirements/Conditions

Additions, alterations, renovations, and repairs to electrical systems and equipment must be conducted in accordance with the applicable requirements of new electrical

systems and equipment by appropriately licensed electricians. Any and all additions, alterations,

and repairs MUST NOT cause existing electrical systems or equipment to become unsafe, hazardous, or overloaded.

6.2 Existing Wiring and Fixtures

a. General Requirements and Minimum Standard Conditions

Existing electrical service and components must be safe, efficient, and in good working condition for its intended use. Moreover, the capacity of the system must meet the demand of the residents. Replacement is not mandatory for existing service and components that meet or exceed these Standard Conditions, unless otherwise required by code or local ordinance. Voluntary replacement may be permitted to meet the needs of the community more efficiently and cost-effectively and the current or intended demands of the residents.

b. Substandard Conditions

Overloaded circuits are not permitted and must be addressed by separating the load and adding an adequate number of circuits necessary to carry the load safely and efficiently.

c. Other Requirements/Conditions.

(1) Secure Fastening of Fixtures and Equipment. All components shall be securely fastened to framing members by mechanical means. No fixture or socket shall hang by unsupported wiring. All existing receptacles, switches, and junction boxes shall contain a proper cover plate. In no case shall the structural integrity of the building be compromised.

(2) New Wiring. New wiring shall be installed in a neat and workmanlike manner with all wiring runs inside of walls. If wall or ceiling cavities are not accessible, wiring shall be run in properly sized and rated raceway or wire mold, secured along the walls with proper fasteners, flush to the surface and straight.

(3) Aluminum Wiring: All aluminum wiring in housing to be rehabilitated shall be replaced with a 3-wire system and in accordance with current code requirements.

(4) Knob and Tube Wiring. Knob and tube wiring shall be replaced with a 3-wire system and in accordance with these Standards.

6.3 Sizing of Service and All Electrical Homes

a. General Requirements and Minimum Standard Conditions

The service entrance cable shall have the same rating (amperage) as the meter base and service equipment. Replacement of a service entrance shall require calculation of

the usage or load within the building to assist in determining the appropriate size. The service entrance must be properly sized for its intended post-Rehabilitation capacity. Room-by- room specifications noting electrical outlets and fixtures shall be included in the scope of work. Nameplate ratings of all appliances must be reviewed for actual VA ratings.

b. Other Requirements/Conditions

Main Service Panel. Panels shall be in proper working condition with no evidence of overheating, arcing, corrosion, or failure. The panel shall bear the UL label and shall be marked as suitable for service equipment. Any panels (or installed breakers) identified as substandard by the U.S. Consumer Product Safety Commission shall be replaced. Panels with evidence of malfunction or deterioration shall be replaced.

6.4 Material and Equipment Installation

a. General Requirements and Minimum Standard Conditions

All materials, components, and equipment shall be listed or labeled by a qualified electrical products testing laboratory (e.g. "UL" or "CSA"). Listed materials, components, and equipment must be installed per the intended use, with location determined in accordance with the manufacturer's installation instructions.

6.5 Minimum Standards for Grounding

a. General Requirements and Minimum Standard Conditions

All electrical systems shall consist of a single phase 3-wire grounded neutral service entrance and shall provide system grounding and equipment grounding protection. The service panel shall be connected to the grounding electrode system and an eight foot (8') galvanized or copper clad steel ground rod. All electrical panels shall meet or exceed the bonding requirements of the National Electrical Code (NEC). If present, metal water pipes shall be bonded to the grounding electrode systems as a means to ground the Plumbing System and prevent pipes and fixtures from becoming energized and hazardous. All wiring and equipment shall be grounded in accordance with the grounding requirements of the NEC.

6.6 Overcurrent Protection

a. General Requirements and Minimum Standard Conditions

The number of circuits installed shall not exceed the rating on the panel. The selection of a panel shall provide room for future expansion. All circuits shall be clearly, accurately, and permanently labeled with tags provided. All unused openings shall be properly plugged, capped, or sealed with listed materials.

b. Substandard Conditions

Tandem breakers shall only be used in panels designed for them. Any service

equipment containing fuse overcurrent protection shall be replaced with properly rated circuit breaker type overcurrent protection devices.

c. Other Requirements/Conditions

Panel board overcurrent devices shall be properly sized and located at the exterior in a subpanel if the main service panel is in the interior. All existing circuits shall be load tested for tripping.

6.7 Service Panel and Sub-Panel Connections

a. General Requirements and Minimum Standard Conditions

All existing or new service panels shall be securely fastened to the building. All panel boxes shall be listed and used in accordance with that listing. Conductors entering the service shall have proper connectors and shall be securely and neatly attached at terminals. All circuits shall be marked and identified inside the panel box and any sub-panels.

b. Substandard Conditions

Wires shall not have any obvious nicks in the insulation and shall be properly bonded. When replacement is necessary, the design and location of the service panel shall be considered in conjunction with the relevant needs and desires of the residents.

c. Other Requirements/Conditions

(1) Panel Boxes. If replacement is required, new panel boxes and subpanels must be installed in conformance with applicable state and local codes.

(2) Weather head(s). Weather heads shall be at least 12' above the finished grade.

(3) Sub-panels. Sub-panels, add-on boxes, or disconnects to existing services for additional circuits shall be allowed only if the existing service equipment is listed and designed for such extension and the installation is in compliance with the NEC. Sub-panels are allowed if the existing service panel has adequate capacity but no available expansion slots.

(4) Service Disconnect. The main disconnect shall be accessible and clearly marked as a service disconnect.

6.8 Branch Circuits

a. General Requirements and Minimum Standard Conditions

Protection against physical damage of exposed electrical equipment shall be provided throughout Rehabilitation.

b. Other Requirements/Conditions

(1) Dedicated Circuits. Circuits shall be provided in accordance with the California Electrical Code (CEC) 210.52.(B) and section 210.52(D). The number of small appliances used by the occupants shall be taken into consideration when planning the circuit loads and placement of receptacles to avoid overloading a circuit and to eliminate the use of extension cords or multiplex outlets. Additional circuits may be necessary and are allowed. If applicable, and as sized in accordance with manufacturer's instructions, dedicated circuits are required for at least the following appliances listed below:

- Refrigerators
- Separate freezers
- Electric range or cooktop
- Electric oven
- Clothes dryer
- Electric water heater
- Electric furnace/air handler
- Microwave oven
- Air conditioner
- Sump pumps and water wells
- Septic system aerators
- Electric vehicle chargers 4.106.4.3 if applicable); and
- Any other major electric appliance.

(2) Circuit Load Distribution. All circuit wiring shall be properly sized to serve the load.

(3) Two-wire Systems. All 2-wire, ungrounded wiring shall be replaced with 3-wire, grounded wiring.

(4) Unused Switches, Receptacles, Fixtures, Conductors and Openings. Unused switches, receptacles, fixtures, and conductors that are obtainable or otherwise within reach shall be removed. All unused openings in outlets, devices, junction boxes, conduit bodies and fittings, raceways, cabinets, and equipment cases or housings shall be effectively closed with knockout seals to prevent vermin, insects, and building materials from coming into contact with wiring.

(5) Wire Splices. All splices shall be placed in accessible and listed junction boxes that are properly covered.

(6) AFCI Protected Circuits. All newly installed branch circuits that supply 15- and 20-

amp receptacles installed in family rooms, dining rooms, living rooms, parlors, libraries, dens, sunrooms, recreational rooms, closets, hallways and similar rooms or areas shall be protected by an approved circuit interrupter installed to provide protection of the branch circuit.

6.9 Receptacles

a. General Requirements and Minimum Standard Conditions

All replacement receptacles must be tamper-resistant and shall be listed/labeled and installed per manufacturer's instructions. Boxes must be specifically designed for its intended purpose, properly sized (rated for the size of the circuit), and mechanically fastened with attached cover plates installed. Receptacles located in damp or wet areas must be weatherproof and the wiring shall be run in boxes, conduit(s) and fittings that are listed for wet locations.

(1) Receptacle Locations

(A) All Rooms. All habitable spaces must have receptacles. In each family room, dining room, living room, parlor, library, den, sunroom, bedroom, recreation room, or similar room or area, receptacles shall be installed so that at a minimum each wall has at least one receptacle. Receptacles shall be spaced so that at no point along the perimeter of the floor is more than 6' from a receptacle. Other rooms that are not regularly used by residents/occupants are permitted to have only a minimum of one receptacle per room. Receptacles should not be located lower than 15" above the finished floor, or to code where the standard has been updated.

(B) Bathrooms. All bathrooms must have at least one dedicated 20 amp receptacle outlet that is GFCI protected and located within 3' from the outside edge of the sink. The receptacle shall be located not lower than 30" and not higher than 48" above the finished floor. Receptacles shall not be located within or directly over a bathtub or shower stall and shall be at least 12" from the outer edge of the bathtub or shower opening.

(C) Kitchens. The kitchen shall have GFCI protected duplex receptacles in accordance with California Electrical Code section 210.52(B) and 210.52(C)(1).

(D) Other Exterior(s). Exterior receptacles shall be GFCI protected and enclosed in a listed or labeled weatherproof box in accordance with California Electrical Code 210.8(A) and 210.52.

(2) GFCI Protection. GFCI receptacles in locations other than bathrooms and kitchens (for example, but not limited to, garage, laundry rooms, within 6' of a sink) shall meet the requirements of the California Electrical Code 210.8.

6.10 Lighting

a. General Requirements and Minimum Standard Conditions

Every habitable room and all living spaces (e.g., bathroom, toilet room, laundry room, furnace or utility room, and hallways) shall be provided adequate natural or artificial lighting, as applicable.

(1) Natural lighting. Natural lighting must be provided by exterior glazed openings that generally open directly onto a public way, yard, or court. The net glazed area must meet applicable code standards for sizing and emergency egress requirements in the California Building Code Section 1031.2 or as otherwise required for rehabilitation of older properties.

(2) Artificial lighting. In accordance with California Building Code Section 1204.4 artificial lighting must provide an average illumination of 10 foot-candles (107 lux) over an area of the room at a height of 30 inches above the floor level.

(3) Safety lighting. All stairways (e.g., interior within dwelling unit and exterior serving dwelling unit(s)) must be illuminated by at least one artificial light fixture controlled by a remote wall switch located at the top and bottom of the stairway.

6.11 Fixtures and Switches

a. General Requirements and Minimum Standard Conditions

All replacement fixtures shall be listed or labeled, Energy Star qualified or equivalent, and must be installed in accordance with the manufacturer's installation instructions. If existing fixtures are in a good and safe condition, securely fastened to framing members, replacement is not required. (NOTE: Please see the California Energy Commission's Appliance Efficiency Program for the types of appliances required to be certified for Appliance Efficiency.)

b. Substandard Conditions

No fixture or receptacle shall hang from a base by unsupported wiring.

c. Other Requirements/Conditions

(1) Fixture and Switch Locations. At a minimum, a permanently installed lighting fixture controlled by a wall switch is required in each room of the structure. Switches shall not be located in tub/shower areas or behind the swing of a door. All new wall switches must be located in a convenient and accessible location.

(2) Closet Fixtures. All light fixtures installed in closets shall be surface mounted or recessed can lights. Recessed can lights shall be Insulation Contact Air Tight (ICAT) rated or its equivalent. Closet fixtures shall be a minimum 6" away from any storage, clothing, or other items, and have a protective cover over the bulb.

(3) Lamps (Light Bulbs). All replacement lamps must meet or surpass the industry standards for Energy Star qualified or equivalent Light Emitting Diodes (LEDs) or Compact Fluorescent Lamps (CFLs).

6.12 Smoke and Carbon Monoxide Detection

a. General Requirements and Minimum Standard Conditions

Each dwelling shall have listed or labeled smoke detectors installed in each bedroom and in the hallway immediately adjacent to bedrooms and on every floor regardless of whether or not there is a bedroom on that floor. Smoke detectors shall draw their primary power from the electrical system, with battery backup, and without interruption except for over current protection or current NFPA standard as required by California Health and Safety Code Sections 13114 and 13263 and delineated in the Office of the State Fire Marshal's Building Materials Listing Law and Regulations.

b. Other Requirements/Conditions

In dwellings with attached garages and/or fuel-fired appliances, carbon monoxide detectors shall be installed. CO detectors shall be listed as complying with UL 2075 and installed within 10 feet of each room lawfully used for sleeping purposes.

All smoke and carbon monoxide detection products need to be listed by the Office of the State Fire Marshal. California Building Code Section 915 recognizes both UL 2034 and 2075 for single and multiple station carbon monoxide alarms and combination smoke/carbon monoxide alarms.

Heating, Ventilation, and Air Conditioning (HVAC)

7.1 HVAC Systems

a. General Requirements and Minimum Standard Conditions

In conjunction with other systems, the HVAC system of a housing unit must effectively maintain a comfortable living environment for the residents/occupants. At a minimum, all HVAC systems must:

- Provide a reliable source of heated or cooled air, as applicable, and at a comfortable temperature for all habitable rooms in conformance with California Building Code section 1203.1 and the 1997 Uniform Housing Code;
- Control ventilation and indoor air quality; and
- Be free of contaminants that negatively affect indoor air quality.

b. Substandard Conditions

Repair or replacement is required if any hazardous condition exists, which includes, but is not limited to, the following:

- Lack of a steady and dependable source of heating to all living areas.
- Lack of dependable source of cooling where the U.S. Department of Housing and Urban Development has listed the area as AC eligible.
- Gas-fired air handler inside the conditioned space which draws combustion air from the interior.
- Combustion gasses not venting to the exterior.
- Leaking, damaged, rusted or cracked heat exchanger.
- Leaking, corroded or damaged gas supply pipe.
- Missing gas shut-off at each appliance.
- Lack of a functioning pilot or electric start.
- Inadequate duct system that does not supply necessary conditioned air to all living areas.
- Leaking ducts or returns.
- Mismatched or poorly repaired equipment.
- Deficiencies are too numerous to justify repair expenses.
- Unvented gas-fired wall heaters in enclosed rooms. If existing, the wall unit shall be removed and the gas line capped.
- Gas-fired kitchen stoves and/or ovens without ventilation to the exterior.
- Lack of a functioning carbon-monoxide detector in homes with gas-fired appliances or equipment.

c. Other Requirements/Conditions

(1) Sizing and Selecting a New System. Replacement heating equipment shall meet the California Building Efficiency Standards. Cooling equipment shall be sized in accordance with the current version of the Air Conditioning Contractors of America (ACCA) 16 Manual J or other approved methodology. Equipment selection shall comply with the current version of ACCA Manual S or other approved methodology. Data for heating and cooling loads shall be calculated in accordance with required post-rehabilitation conditions. Residential Duct Systems will comply with ACCA 1 Manual D.

(2) Installation. Installation of new systems shall comply with the manufacturer's

installation instructions, as appropriate for the fuel source. All replacement equipment shall have a permanent electrical receptacle, switch, light fixture near the equipment, and installed in an accessible manner so that future inspecting, maintaining, and repairing the system can be completed.

(3) Programmable Thermostat. A programmable thermostat shall be installed when a new heating and cooling system is installed. Upon installation, the temperature settings shall be done by the contractor, the occupants shall be educated on using the thermostat and the instructions and warranty shall be provided to the occupants. The location of the thermostat shall be in a central location and not within 3' of doors, windows, appliances, or televisions and installed not higher than 48" AFF, measured from the center of the thermostat.

(4) Specific Requirements for Cooling Equipment.

(A) Zones. Cooling equipment shall meet SEER/12 Energy Efficiency Ratio (EER) Energy Star Qualified, or its equivalent for the applicable zone, or, alternatively, shall be a heat pump.

(B) Indoor Air Handler. If the indoor air handler is being replaced, the outdoor coil shall also be replaced and it shall be matched to the indoor air handler, unless the outdoor coil is in good working condition and is compatible and properly sized to the new indoor air handler.

(5) Specific Requirements for Heating Equipment.

(A) Zones. Heating equipment shall meet AFUE percent for gas furnace or equivalent for the appropriate California Energy Code zone; greater than or equal to the SEER/EER for air source heat pump, Energy Star qualified with electric backup (or equivalent), or, alternatively, shall be a ground-source heat pump, Energy Star qualified (or its equivalent) for the appropriate zone.

7.2 Distribution Systems

a. General Requirements and Minimum Standard Conditions

The distribution system (e.g., ductwork) must provide an adequate supply of conditioned air to each habitable room, as well as an adequate amount of return air from each habitable room. Existing distribution systems must be inspected to determine whether the system is operating efficiently, properly balanced, and adequately supplying conditioned air for all habitable rooms. For more on ventilation requirements, see California Mechanical Code, Chapter 4.

b. Other Requirements/Conditions

(1) Duct Cleaning. If the distribution system is dirty, but is otherwise operating effectively, duct cleaning is required. This requires complete duct sealing by

mechanical means and with duct mastic (so as to adequately eliminate the source of dirt and debris entering the system).

(2) Replacement and Relocation. Replacement shall ensure all newly installed distribution systems are sized per the current version of the ACCA Manual D (or other HCD-approved methodology). Every effort should be made to relocate the replacement distribution system to the conditioned space through the installation of dropped soffits. If this is not possible, locating the distribution system in the attic shall require mechanical fastening, sealed with duct mastic, and insulation to the appropriate R-standard. Distribution systems shall not be located at the exterior of the home exposing the system to the elements.

(3) Installation. Connections and routing of new ductwork shall be completed without kinks or sharp bends and without excessive coiled or looped flexible ductwork. All connections shall be mechanically fastened, sealed with mastic, and properly supported. Runs shall be insulated to the appropriate R-standard when installed in unconditioned space.

(4) Room Pressurization. Room pressure balancing systems are recommended. Unbalanced distribution systems require transfer grills or jumper ducts to be installed to provide balance with rooms when doors are closed (with respect to the rest of the housing unit). Undercutting doors is prohibited.

7.3 Ventilation and Indoor Air Quality

a. General Requirements and Minimum Standard Conditions

At a minimum, sufficient ventilation must be provided so as to ensure adequate, continuous, non-contaminated air circulation throughout the Development.

b. Additional Requirements/Conditions

(1) Exhaust fans. Exhaust fans shall comply with or exceed the applicable requirements and must be at least Energy Star qualified (or its equivalent). All bathroom, toilet rooms, and kitchen fans shall exhaust to the exterior (either through the roof or a gable wall), be mechanically fastened, sealed with duct mastic, insulated to the appropriate R-standard, and have a mechanical damper. Flashing shall be installed to provide a positive drainage plain. Flex duct terminating at a gable vent is prohibited.

(A) Bathroom and Toilet Room Exhaust Fans. All bathrooms and toilet rooms must be ventilated by exhaust fans (vented to the outside) in accordance with standards at section 4.506.1. Bathroom exhaust fans shall be installed on a dedicated GFCI protected circuit. Combustion appliances venting to the exterior shall not be located in bathrooms.

(B) Kitchen Exhaust Fans. Kitchens require mechanical exhaust fan(s) (e.g.,

kitchen range hoods) be installed unless adequately ventilated by an existing and operational exhaust fan (vented to the outside) in accordance with California Mechanical Code section 405.4.

(2) Supply Air. The following conditions apply if supply air is installed and connected to the return plenum:

- Supply air inlets must be located as required by the California Mechanical Code section 311.3;
- Spark prevention, rodent and insect screens must be installed in accordance with California Mechanical Code section 402.4;
- Ventilation must come directly from the outdoors and not from adjacent dwelling units, garages, crawlspaces, or attics and must conform to California Mechanical Code section 311.4; and
- The duct must be mechanically fastened, sealed with duct mastic as outlined in California Mechanical Code 603.10. See also California Mechanical Code sections 605 and 606 for requirements for requirements on dampers, smoke dampers, ventilating ceilings. For types of ducting and support, see CMC 603.

Appendix C: HOME Resale and Recapture Policy

First-Time Homebuyer Program

PURPOSE AND GOALS

To meet the needs of low-income Californians, the State of California's Department of Housing and Community Development ("Department") as a Participating Jurisdiction ("PJ") has authorized state recipients, Subrecipients (hereinafter known as the "grantee" or "Grantee"), Community Housing Development Organizations ("CHDOs"), and Developers to operate local HOME-funded First-Time Homebuyer ("FTHB") programs and/or develop FTHB projects as eligible HOME activities for eligible areas in accordance with the regulations from the U.S. Department of Housing and Urban Development ("HUD").

These programs and projects are designed to assist grantees with meeting housing goals, including:

- Providing low-income households with the option to become homeowners;
- Increasing affordable housing in California; and
- Facilitating increased housing options and availability within the state.

Eligible Applicants and Availability of programs and projects will be determined through the Department through the regular Notice of Funding Availability ("NOFA") process.

OVERVIEW

To achieve these goals and ensure that HOME program funds are expended in compliance with the HOME program's statutory and regulatory requirements, the Department's FTHB program consists of several interrelated policies and documents that, together, make up the HOME FTHB Program. These include:

- State of California HOME Program First-Time Homebuyer Policy;
- HOME FTHB Resale and Recapture Policy;
- Fair Housing Policy - HOME
- Section 3 Policy (where it is applicable to development projects);
- State of California Loan Underwriting Guidelines;
- The State of California HOME Standard Agreement (between the Department and subrecipients/CHDOs/developers);
- The HOME written Agreement (between Lender and Mortgagee);
- State of California HOME Monitoring Policy and Procedures; and

- State of California Loan Servicing Procedures.

This Resale and Recapture Policy is for the use of Grantees and program staff tasked with HOME oversight and with monitoring of FTHB loan portfolios, whether for FTHB loan programs or projects. This Policy sets out requirements in the following areas:

1. Compliance with 24 Code of Federal Regulations (hereinafter “CFR”) Part 92 and, specifically, 24 CFR Section 92.254 and 24 CFR Section 92.504;
2. Compliance with Period of Affordability Requirements;
3. Compliance with required Recapture provisions for FTHB direct assistance programs;
4. Outlining allowable options for Grantees in program design and eligible recapture options for net proceeds; and
5. Outlining requirements for written agreements, loan documents, local program design and implementation, as well as for loan portfolio management.

BACKGROUND

HOME is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act (HOME statute), as amended. The federal HOME regulations found in 24 CFR Part 92 dictate how the funds are to be used and the federal policies that must be met to utilize the funding as established in the HOME statute. The State of California receives a formula grant from HUD, to be used to expand the supply of decent, safe, sanitary, and affordable housing available to low-income and very low-income California residents. Eligible HOME-funded activities include the acquisition, construction, or rehabilitation of rental or homeownership housing, homebuyer assistance, and tenant-based rental assistance.

Programs to assist homebuyers may include acquisition, acquisition with rehabilitation of existing housing, or new construction of single-family for-sale housing to individual low-income homebuyers. HOME funds can be provided to the applicant and passed on to the homebuyer as deferred payment loans in a First-Time Homebuyer (FTHB) program/project. Funds can also be used in grantee FTHB programs as direct deferred payment loans to reduce the amount of cash contribution an eligible household needs to acquire an eligible property within the grantee’s jurisdiction.

Section 215 of the HOME statute (carried over in the federal HOME regulations) establishes specific requirements that all HOME-assisted homebuyer housing must meet to qualify as a HOME affordable housing activity. Specifically, all HOME-assisted homebuyer housing must meet the following:

- Be single-family, modest housing, as defined at 24 CFR Section 92.254(a)(2).

- Have an initial purchase price that does not exceed 95 percent of the median purchase price for the area;
- Be acquired by and the principal residence of an owner whose family qualifies as low-income at the time of purchase;
- Meet affordability requirements for a specific period as determined by the amount of assistance provided; and
- Be subject to either resale or recapture provisions.

The HOME statute states that resale provisions must limit subsequent purchase of the property to income-eligible families, provide the owner with a fair return on investment, including any improvements, and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The HOME statute also specifies that recapture provisions must recapture the HOME investment from available net proceeds in order to assist additional HOME-eligible families. The federal regulations require that the Department, when undertaking HOME-assisted homebuyer activities, including any projects funded with HOME Program Income (PI), to establish its own resale and recapture provisions policy, subject to review by the U.S. Department of Housing and Urban Development (HUD) prior to engaging in FTHB activities.

Specifically, 24 CFR Sections 92.254 and 92.504(c)(1)(x) require that these provisions be set out in a written agreement between the program and the homebuyer (with the terms of the agreement being enforced via recorded deed restrictions and/or covenants running with the land). In conformance with the law, resale or recapture provisions are automatically triggered by any transfer of title, either voluntary or involuntary, during the established HOME Period of Affordability. The written resale and/or recapture provisions that the Department submits in its Annual Action Plan must clearly describe the terms of the resale and/or recapture provisions, the specific circumstances under which these provisions will be used (if more than one set of provisions is described), and how the state will enforce the provisions. HUD reviews and approves the provisions as part of the Consolidated Plan's Annual Action Plan process.

In accordance with these requirements, this document contains the State of California's HOME Program Resale and Recapture Policies for First-Time Homebuyer Programs.

DEFINITIONS

Appreciation: means the financial gain on resale attributable solely to the home's increase in value over time, and not attributable to government assistance. Total actual appreciation may be less where a FTHB program allows a reduction based on an objective standard due to capital improvements made by the homeowner prior to sale.

CHDO: In accordance with HOME regulations at 24 CFR Section 92.2, a Community Housing Development Organization (CHDO) is a private nonprofit, community-based organization organized under state or local laws that is not under the direction or control by individuals or entities seeking to derive profit or gain, is not a governmental entity or controlled by a governmental entity and where a sponsoring for-profit or governmental entity cannot appoint more than one-third of the membership of the CHDO's governing body and where those so appointed cannot appoint the remaining two-thirds of the board members. The officers and employees of the sponsoring entity may not be officers or employees of the CHDO. The CHDO must be free to contract for goods and services from vendors of its own choosing. The CHDO must have among its purposes the "provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions, or by-laws". For a full definition of requirements, see 24 CFR Sections 92.2(1)–(10).

Lender: for purposes of this policy, Lender refers to either the state as the Participating Jurisdiction (PJ) when it makes a direct loan of HOME funds under this program, or to a state recipient of the PJ who is receiving an award of HOME funds to operate a First-Time Homebuyer program or project.

Net Proceeds: are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. Net proceed calculations are used to determine total amount of funds available for recapture of HOME funds as a result of sale.

Program Income: In accordance with 24 CFR Section 92.2, Program Income means gross income received by the participating jurisdiction, state recipient, or a subrecipient directly generated from the use of HOME funds or matching contributions. When Program Income is generated by housing that is only partially assisted with HOME funds or matching funds, the income shall be prorated to reflect the percentage of HOME funds used. For purposes of this Resale and Recapture Policy, Program Income includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions;
2. Payments of principal and interest on loans made using HOME funds or matching contributions;
3. Proceeds from the sale of loans made with HOME funds or matching contributions;
4. Interest earned on Program Income pending its disposition; and
5. Any other interest or return on the investment of HOME funds or matching contributions permitted under 24 CFR Section [92.205\(b\)](#).

PJ: means Participating Jurisdiction (PJ) that has been so designated by HUD in accordance with 24 CFR Section 92.105. For purposes of this policy, the PJ is the State of California as the PJ for areas and jurisdictions not under another PJ.

Project: means a site or sites together with any building (including a manufactured housing unit) or buildings on the site that are to be assisted with HOME funds as a single undertaking under this program. The project includes all the activities associated with the site and buildings.

Recapture: Recaptured funds are HOME funds which are recouped by the PJ or subrecipient when a housing unit assisted by the HOME program does not continue to be the principal place of residence of the assisted homebuyer for the full Period of Affordability as required by federal statute.

Resale: means that a HOME-assisted property is sold to another low-income homebuyer who will use the property as their principal residence.

State recipient: In accordance with 24 CFR Section 92.201(b)(2), a state recipient is a unit of general local government designated by a state to receive HOME funds from a state (in this case, the State of California Department of Housing and Community Development as the PJ).

Subrecipient: means a public agency or nonprofit organization selected by the PJ to administer all or some of the PJ's HOME programs. For purposes of this policy, it is to provide down payment assistance or to produce affordable housing.

HOME First-Time Homebuyer Resale and Recapture Policy

Resale Provisions

At this time and until further notice, resale provisions are not being utilized in State HOME FTHB direct-assistance activities. The state reserves the right to reconsider the use of resale provisions in the future during an overall program update and as a product of an inclusive planning process.

The state has chosen to use the recapture option in lieu of the resale for the following reasons:

- a) the ability for first-time homebuyers to create wealth over time; and
- b) for ease of administration for both the state and the state's grantee.
- c) Meet affordability requirements for a specific period as determined by the amount of assistance provided.

To achieve community development goals, this Policy allows grantees to choose among a variety of Recapture options, as outlined below, to best meet the needs of their community.

Recapture Provisions (24 CFR 92.254[a][5][ii])

1. Period of Affordability under Recapture Provisions (24 CFR 92.254[a][4])

For HOME-assisted homebuyer units under the recapture option, the Period of Affordability is based upon the **direct HOME subsidy** provided to the homebuyer that enabled the homebuyer to purchase the unit. Any HOME Program Income used to provide direct assistance to the homebuyer is included when determining the Period of Affordability. The following table outlines the required minimum Period of Affordability:

If the total HOME investment (resale) or direct subsidy (recapture) in the unit is:	The Period of Affordability is:
Under \$15,000	5 years
Between \$15,000 and \$40,000	10 years
Over \$40,000	15 years

2. HOME Recapture Provisions

HOME Recapture Provisions permit the original homebuyer to sell the property to any willing buyer during the Period of Affordability and the Lender (either the state, or the subrecipient), can recapture all or a portion of the HOME assistance provided to the original homebuyer. There are two key concepts in the recapture requirements that must be understood to determine the full amount of HOME assistance subject to recapture and the correct Period of Affordability.

These concepts are:

- 1) *direct subsidy to the homebuyer*, and
- 2) *net proceeds*

In compliance with federal HOME requirements, the state's recapture approach requires that all or a portion of the *direct subsidy* provided to the homebuyer be recaptured from the *net proceeds* of the sale.

- a. **Direct HOME Subsidy** is the amount of HOME assistance, *including any Program Income*, that enabled the homebuyer to buy the home. The direct subsidy includes the down payment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduces the purchase price from fair market value to an affordable price. If HOME funds are used for the cost of developing a property and the unit is sold below fair market value, the difference between the fair market value and the purchase price is considered directly attributable to the HOME subsidy.
- b. **Net proceeds** are defined as the sales price *minus* superior loan repayment (other than HOME funds) and any closing costs. Under no circumstances can the Lender recapture more than is available from the net proceeds of the sale.
- c. **Long-Term Affordability**: Under recapture, there is no requirement that the original HOME-assisted homebuyer sell the unit to another low-income homebuyer. Instead, if the homebuyer transfers the property (either voluntarily or involuntarily) during the Period of Affordability, the state (or state grantee) recovers, from available net proceeds, all or a portion of the HOME assistance to the homebuyer.

NOTE: In accordance with CPD Notice 12-03, recapture provisions cannot be used when a project receives only a development subsidy and is sold at fair market value, without providing any HOME assistance to the homebuyer. In this scenario, no additional funds would be provided by the state, resulting in no direct HOME subsidy to recapture from the homebuyer. Instead, resale provisions must be used.

Currently, the state does not provide HOME funds to homebuyer projects as development subsidies only; therefore, the need to use resale provisions is not applicable. If the state were to provide future HOME funds as development subsidies, it would amend this policy to include resale provisions in cases where a project would receive only a development subsidy and where the project is sold at fair market value.

3. Acceptable Recapture Models for the State of California's HOME Program

As outlined below, the state has adopted the following allowable recapture variations of the HOME Final Rule for grantees to utilize as described below. To conform to the state's program requirements, each grantee must incorporate their preferred variation within their approved program guidelines. The options presented address how the grantee, in conformance with HOME requirements, may share any appreciation in the value of HOME-assisted housing with the homebuyer, including:

- a. Lender recaptures only the HOME direct subsidy provided at the time of purchase plus any interest due according to the terms of the HOME Promissory Note. (Recapture of entire direct subsidy described in “i”);
- b. Lender allows the homebuyer to recapture their cash contributions at the time of purchase prior to the Lender recapturing the HOME direct subsidy (Owner investment returned first described in “ii”);
- c. Lender shares appreciation with the homebuyer (Shared net proceeds) described in “iii” below.

- i. Recaptures Entire Direct HOME Subsidy Option

Lender recaptures the entire amount of the direct HOME subsidy provided to the homebuyer, plus any interest due according to the terms of the HOME Promissory Note, before the homebuyer receives a return. The recapture amount is limited to the net proceeds available from the sale. In cases where there is appreciation, (see definition of Appreciation), the homebuyer would retain any net proceeds in excess of the direct HOME assistance plus interest due recaptured. See Example below:

Example: A homebuyer receives \$10,000 of HOME downpayment assistance to purchase a home. The direct HOME subsidy to the homebuyer is \$10,000, which results in a five-year Period of Affordability. If the homebuyer sells the home after three years, the grantee or state would recapture, assuming that there are sufficient net proceeds, the entire \$10,000 direct HOME subsidy plus any interest due according to the terms of the HOME Promissory Note. The homebuyer would receive any net proceeds in excess of that amount.

In some cases, such as in declining housing markets, net proceeds available at the time of sale may be insufficient to recapture the entire direct HOME subsidy plus interest due provided to the homebuyer. Since the HOME Final Rule limits recapture to available net proceeds, the Lender, can recapture only what is available from net proceeds. In a scenario where recapture provisions state that it will recapture the entire direct HOME subsidy plus interest and there are insufficient net proceeds available at sale, the PJ is not required to repay the difference between the total direct HOME subsidy and the amount available for recapture from net proceeds back to HUD.

- ii. Owner Initial Investment Returned First

In this approach, the homebuyer recovers their entire down payment before recapture is calculated. Once the net proceeds from the sale are determined the homeowner's initial investment is then deducted from the remaining net proceeds available for recapture. The entire HOME subsidy plus interest is recaptured from the net proceeds. The homeowner retains the remaining net proceed Where net proceeds are insufficient to repay all or any of the homeowner's initial investment, the homebuyer will not receive the full amount of their initial investment. They will receive only what net proceeds are available. The Lender may not be able to recapture the full amount due under the recapture agreements from the net proceeds available. In such circumstances, the PJ (or the subrecipient) is not responsible for repaying to the account that provided original assistance the difference between the amount of direct HOME subsidy due and the recaptured amount available from net proceeds.

Example: A homebuyer receives \$5,000 in HOME downpayment assistance and provides \$5,000 of his or her own funds for down payment. After purchasing the home, the homebuyer invests \$2,000 for capital improvements to the property. Two years into the 5 year Period of Affordability, the homebuyer decides to sell the home. The PJ's recapture provisions allow the HOME-assisted homebuyer to recover, from net proceeds, his or her entire investment in the property before the PJ recaptures any HOME subsidy. The net proceeds from the sale total \$10,000. The homebuyer recovers his or her \$7,000 investment (down payment plus capital improvements) from the net proceeds of the sale. The PJ is able to recapture, from the remaining net proceeds, only \$3,000 of its original \$5,000 investment. The PJ is not responsible for repaying the \$2,000 difference between the recapture amount due and what is available from net proceeds.

iii. Shared Net Proceeds

In this option, the HOME Final Rule states that if net proceeds are not sufficient to recapture the entire HOME investment or a reduced amount as described above or enable the homebuyer to recover the amount of the down payment and **any** investment in the form of capital improvements made by the homebuyer since purchase, the Lender may share the net proceeds. Homebuyer must have documented evidence of the costs of any capital improvements made in order to include those costs in the shared net proceeds calculation.

To calculate the amount of net proceeds (or shared appreciation) to be returned to the Lender:

- Divide the direct HOME subsidy by the sum of the direct HOME subsidy and the homebuyer's investment, then without rounding the result,
- Multiply by the net proceeds to calculate the amount of HOME investment to return to the Lender.

To calculate the amount of net proceeds (or shared appreciation) available to the homebuyer:

- Divide the homebuyer's investment by the sum of the direct HOME subsidy and the homebuyer's investment, then, without out rounding the result,
- Multiply by the net proceeds to calculate the amount of homebuyer investment to return to the homebuyer.

EXAMPLE: A homebuyer received \$10,000 in HOME down payment assistance and provided \$2,000 of her own funds for the down payment. She also invested another \$3,000 on capital improvements to the property. She is selling the home after two years. The Lender, has structured its recapture policies to share the net proceeds between the HOME-assisted homebuyer and Lender. In this example, the net proceeds of the sale are \$5,000. Using the two formulas set forth above, the amount of the net proceeds to be recaptured by the Lender is \$3,333.

$$\frac{\$10,000}{(\$10,000 + \$5,000)} \times \$5,000 = \$3,333$$

The amount of the net proceeds to be recovered by the homebuyer is \$1,667.

$$\frac{\$5,000}{(\$10,000 + \$5,000)} \times \$5,000 = \$1,667$$

4. Imposing Recapture Provisions

a. Requirements and Monitoring

The PJ is responsible for ensuring that homebuyers maintain the housing as their principal residence for the duration of the applicable Period of Affordability. The PJ requires that the state recipient/subrecipient, as the Lender, perform annual loan servicing on its portfolio and the PJ monitors for compliance.

If the home is sold during the Period of Affordability, the PJ must be notified of the sale. The Lender must notify the PJ to ensure that the applicable recapture provisions are employed.

To ensure HOME-assisted homebuyers, or HOME-assisted projects, continue to qualify as eligible affordable housing for the duration of the Period of Affordability, the PJ and subrecipient must have approved FTHB program guidelines, including procedures for monitoring its FTHB loan portfolio. The PJ, as the responsible entity, monitors state recipients/subrecipients for compliance.

b. Written Agreements

Regardless of what recapture variation option is used, a written HOME agreement, in addition to the HOME Promissory Note, recorded Deed of Trust, and any Rider, must be executed that accurately reflects the current recapture provisions with the homebuyer before or at the time of sale. A clear, detailed written agreement ensures that all parties are aware of the specific HOME requirements applicable to the home (i.e., period or affordability, principal residency requirement, terms, and conditions of the recapture requirement), and helps the Lender (or the Department) enforce the requirements. Lenders are required to utilize the Department's approved HOME FTHB written agreement template to ensure the agreement meets the regulatory requirements.

i. The recapture and resale parameters are embedded in the state's Annual Action Plan. In the future, if/when the state revises the recapture or resale provisions in its Annual Action Plan, the state must ensure that all FTHB approved written agreement templates are modified to reflect any changes. The executed written agreements create legal obligations for the state.

NOTE 1: HOME FTHB activities entered into before changes to the Annual Action Plan will be governed by the terms of the previously executed agreements.

NOTE 2: The terms and conditions in the executed written agreement and recorded documents govern the deal. Therefore, if the state modifies its recapture or resale provisions in the Annual Action Plan but does not make similar changes to its written agreement, the

resale or recapture provisions in the executed written agreement would prevail.

NOTE 3: The HOME written agreement must be a separate legal document from any loan instrument and must, at a minimum, comply with the requirements at 24 CFR Section 92.504(c)(5) of the HOME Final Rule. This includes compliance with Section 92.504(c)(1), which requires provisions in the written agreement between the state and the subrecipient to comply with requirements established by the state; and with Section 92.504(c)(xi), which requires that before providing any funds, a subrecipient must have an executed written agreement with the entity that meets the eligibility requirement of the program, whether that is a for-profit owner, developer, nonprofit owner/developer, sponsor, homebuyer, or contractor who will be providing services to the subrecipient.

ii. If the state provides HOME funds to a CHDO or Developer to develop and sell affordable housing, the state must prepare and execute the agreement with the buyer or be a party to the agreement along with the entity it funded. In all instances, the state is responsible for ensuring that it can enforce the written agreement.

c. Enforcement Mechanism

The written agreement between the homebuyer and the state recipient/subrecipient (Lender), and/or the Department, as well as mortgage and lien documents which are typically used to impose the recapture requirements in HOME-assisted homebuyer projects under recapture provisions, constitutes the HOME program's enforcement mechanisms. The purpose of these enforcement mechanisms is to ensure that the grantee, or the state, recaptures the direct subsidy to the HOME-assisted homebuyer if the HOME-assisted property is sold, transferred, or used for an ineligible purpose.

d. Non-Compliance

Failure to comply with the state's recapture requirements occurs when:

- 1) the original HOME-assisted homebuyer no longer occupies the unit as his or her principal residence (i.e., unit is rented or vacant), or
- 2) the home was sold during the Period of Affordability and the applicable recapture provisions were not enforced.

If noncompliance occurs, the PJ or subrecipient, as the entity responsible for the day-to-day operations of its HOME program, must repay its HOME Investment Trust Fund with non-federal funds. How much of the original HOME investment must be

repaid is dependent on the PJ or subrecipient's program design and use of funds (depending on whether the Lender is the PJ or the subrecipient).

In such cases of noncompliance under the recapture provisions, the Lender (state or Grantee) must repay to the HOME Investment Trust Fund in accordance with 24 CFR Section 92.503(b), any *outstanding HOME funds* invested in the housing. In such circumstances, the subrecipient would repay the state as the PJ, and the PJ would repay HUD. The state, as the PJ, is responsible to HUD for repayment of any HOME funds that would be due.

The amount subject to repayment is the total amount of HOME funds invested in the housing (i.e., any HOME development subsidy to the developer plus any HOME down payment or other assistance, e.g., closing costs provided to the homebuyer) minus any HOME funds already repaid (i.e., payment of principal on a HOME loan). Any interest paid on the loan is considered Program Income and cannot be counted against the outstanding HOME investment amount.

EXAMPLE: A grantee provided a \$20,000 HOME development subsidy as a grant to the developer, and the homebuyer received \$5,000 in down payment assistance as a deferred loan. If the homebuyer rents the property in year 3, they would be in noncompliance with the HOME principal residency requirement. The state, or grantee, would be required to repay the entire \$25,000 HOME investment – i.e., the \$20,000 development subsidy *plus* the balance on the homebuyer's \$5,000 loan.

Note 1: Noncompliance with principal residency requirements by a homebuyer under a recapture provision is not a transfer. Consequently, the amount the Lender must repay is not subject to prorated or other reductions included in its recapture provisions.

Note 2: The Lender must repay the HOME investment in accordance with 24 CFR Section 92.503(b)(3) whether or not it is able to recover any portion of the HOME investment from the noncompliant homebuyer. Therefore, it is crucial for the state as the PJ, and for its subrecipients, to have enforcement mechanisms in their written agreements and in their recordable instruments with homebuyers to protect their investment and minimize risk in HOME-assisted homebuyer projects in the event of noncompliance by the homebuyer.

5. Foreclosure, Transfer in Lieu of Foreclosure, or Assignment to HUD

In HOME-assisted homebuyer projects, the affordability restrictions imposed by deed restrictions, covenants running with the land, or other similar mechanisms, may terminate upon foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD. The state or grantee may use purchase options, rights of first refusal, or other preemptive rights to purchase the housing before foreclosure to preserve affordability. However, in accordance with the CPD Notice, issued January 2012 Section VII(d), the affordability restrictions must be revived according to the original terms if, during the original Period of Affordability, the owner of record before the termination event, obtains an ownership interest in the housing.

In addition, the termination of the affordability restrictions in the event of foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD, does not satisfy the requirement that the property remains qualified as affordable housing under 24 CFR Section 92.254 for the Period of Affordability. Consequently, the following rules apply to HOME-assisted homebuyer projects in the event of foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD.

1. **Resale:** At this time, the resale option is not permitted with state HOME FTHB programs.
2. **Recapture:** Homebuyer housing with a recapture agreement is not subject to the affordability requirements after the state or grantee has recaptured the HOME funds in accordance with its written agreement. If the ownership of the housing is conveyed pursuant to a foreclosure or other involuntary sale, the state or grantee must attempt to recoup any net proceeds available through the foreclosure sale. Because all recapture provisions must be limited to net proceeds, the state or grantee's repayment obligation is limited to the amount of the HOME subsidy, if any, that it is able to recover.

6. Refinancing

The PJ as a direct lender, or a subrecipient operating a FTHB program, must have a state approved written policy included in their program guidelines regarding refinancing of senior debt when asked to subordinate its interest. A written refinancing policy should specify the conditions under which the grantee agrees to subordinate to new debt to protect its interests and the interests of the homebuyer, as well as how such requests will be processed.

Approved refinancing of senior debt will be limited by the state to circumstances in which the original homebuyer is securing more favorable terms that reduce monthly housing costs, or under appropriate circumstances, to take cash out for only items such as for immediate repairs to the property to correct identified health and safety violations.

Examples of circumstances where the homeowner would benefit from a refinance transaction:

- i. Where the original homebuyer is securing better terms to reduce monthly housing costs, without cash out of the property;
- ii. Where the original homebuyer can take cash out for pre-approved and necessary property repairs to correct health and safety violations when other forms of funding do not exist.
- iii. In i and ii cited above, where the original note has been paid off and the FTHB note has moved to first position, the state will subordinate its Note to a new mortgage in first position where the homebuyer is using the proceeds for pre-approved property repairs and rehabilitation.

7. Investment of Additional HOME Funds

The HOME Final Rule at 24 CFR Section 92.254(a)(9) provides the state, or the grantee, with the flexibility to invest additional HOME funds in homebuyer projects to preserve affordability. As noted above, when faced with foreclosure, the state at its sole discretion and on a case-by-case basis, may use additional HOME funds to acquire the housing through a purchase option, right of first refusal, or other preemptive right to ensure affordability is preserved.

Rehabilitation: The state, or the grantee, may also use HOME funds to rehabilitate any housing acquired through foreclosure. If the state, or the grantee, charges such costs as eligible project costs in accordance with 24 CFR Section 92.206, the total amount of the original HOME investment, plus any additional HOME investment, cannot exceed the Per-Unit Subsidy Limit referenced in 24 CFR Section 92.250.

Acquisition, rehabilitation and holding costs: The state, or grantee, also has the option of charging acquisition, rehabilitation, and holding costs as a reasonable HOME administrative cost in accordance with 24 CFR Section 92.207 of the HOME Final Rule. If the state, or grantee, charges these costs as reasonable administrative expenses, the investment of additional HOME funds is not subject to the maximum per-unit subsidy limit, and the grantee can reimburse its administrative account, in whole or in part, once the housing is sold to a new eligible homebuyer.

Assistance to another eligible homebuyer post Acquisition of foreclosed property: Additional HOME funds may also be used to provide assistance to another eligible homebuyer following either the state, or grantee's, *acquisition of a foreclosed HOME unit during the Period of Affordability*. If the state, or grantee, provides HOME assistance to another eligible homebuyer, the additional HOME investment must be treated as an amendment to the original project

Extension of Period of Affordability: Consequently, the additional HOME investment may extend the original Period of Affordability. For example, if the original HOME investment was \$10,000 and resulted in a five-year Period of Affordability, the addition of another \$10,000 to a subsequent homebuyer would extend the Period of Affordability to ten (10) years. As noted above, the original HOME investment plus any additional HOME investment cannot exceed the maximum per unit subsidy since the cost of assisting a subsequent homebuyer is a project-specific cost.

The state or the grantee must have written policies and procedures to invest additional HOME funds in a previously-assisted project. These can be a separate policy or incorporated into the grantee's guidelines.

For Homeownership Projects:

Acquisition and Holding Costs: In the event of potential default in a project where the state is the direct Lender, the state as PJ reserves the right to determine on a case-by-case basis whether to cure default and acquire the property. In such cases, the state will evaluate the public purpose and availability of funds in reaching its determination.

In accordance with 24 CFR 92.254(a)(9), the state, where sufficient uncommitted HOME funds are available and where it is in concert with federal HOME regulations, may invest additional HOME funds in a previously-assisted project. The state, in its sole discretion, may also determine, where HOME funds cannot be used or are not available, or to look at other eligible funds for such purposes where it is in the public good to do so to preserve affordability. See below for additional information under Extension of Period of Affordability.

Rehabilitation: Where the state, as Lender, cures default, the state/PJ, in accordance with federal regulations, will use HOME administrative funds for holding costs. Where rehabilitation is needed to keep the property viable and affordable, the state will use HOME funds as eligible and available to effect required rehabilitation in accordance with HOME program standards. The state, in its sole discretion, reserves the right to use other funds it may have for rehabilitation where it is in the best interest of the state to carry out the public purpose of preserving affordability and viability of the product.

Assistance to Another Qualified Buyer Post Acquisition: The state will use additional HOME funds, as allowed by the regulation, to provide assistance to another eligible homebuyer following the state's acquisition of a foreclosed unit during the Period of Affordability. In the case where the state provides HOME assistance to another eligible homebuyer, the additional HOME investment will be treated as an amendment to the original project. In all cases, whether or not the investment results in an extension of the Period of Affordability (see immediately below), all such proposed additional HOME investment would be subject to the applicable HOME requirement NOT to exceed the applicable maximum per unit subsidy limits.

Extension of Period of Affordability: The state recognizes that, in such cases, the state shall extend the Period of Affordability where the amount of additional subsidy changes the Period of Affordability in accordance with the HOME requirements (see Section B: **Period of Affordability under Recapture Provisions (24 CFR Section 92.254[a][4]).**

ONGOING MONITORING

For HOME-assisted homebuyer projects under recapture agreements, the Lender (either the state for PJ CHDO Development Program, or the subrecipient), must perform annual ongoing monitoring of the principal residency requirement during the Period of Affordability. Ultimately, it is the state's responsibility to ensure that the HOME-assisted housing qualifies as affordable housing under 24 CFR Section 92.254 during the Period of Affordability. The lender must annually monitor its homebuyer loan portfolio for compliance with the following requirements regardless of whether or not the HOME assistance loan has been repaid: 1. The home is the current residence of the original borrower 2. Property taxes and insurance premiums are paid and current. For programs operated directly by the state, please refer to State of California Loan Servicing Procedures. For subrecipient monitoring, please refer to State of California HOME FTHB Monitoring Policy and Procedure.

Entitlement communities can receive grants directly from HUD. They include three groups: Metropolitan cities with populations of at least 50,000 people, principal cities of Metropolitan Statistical Areas (MSAs), urban counties with populations of at least 200,000 people (excluding the population of entitled cities).

<https://www.epa.gov/fedfunds/hud-community-grants-and-loans>

Non-entitlement areas include those units of general local government which do not receive funds, like CDBG, directly from HUD. Non-entitlement areas are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000.

<https://www.hudexchange.info/programs/cdbg-state/state-cdbg-program-eligibility-requirements/>.