

State of California 2015-2020 Federal Consolidated Plan 2019-2020 Annual Action Plan Sixth Substantial Amendment



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State of California 2015-2020 Federal Consolidated Plan 2019-2020 Annual Action Plan Sixth Substantial Amendment Public Comment Draft

The following amendment language will be added to the 2019-2020 Annual Action Plan to adjust the state's allocation approach to the Community Development Block Grant Coronavirus grant program (CDBG-CV). The full text of the existing plan may be found at <https://www.hcd.ca.gov/policy-and-research/plans-and-reports>.

AP-05 Executive Summary

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act identified additional funding for both the Emergency Solutions Grants (ESG) program and the Community Development Block Grant (CDBG) program to support preparation for and response to the community impacts of the COVID-19 pandemic. The U.S. Department of Housing and Urban Development's (HUD) distribution plan for the additional funding included multiple phases that would allow for quick access to funding, necessary to address the immediate crisis resulting from the rising pandemic, as well as phases that would support post-pandemic community recovery. The original plan for these funds made funding available to all non-entitlement geographies in the State as well as non-federally recognized Tribal entities.

Unlike the traditional CDBG program, the CDBG CARES Act (CDBG-CV) Federal Register Notice (FR-6218-N-01) allows for State entities to use a portion of their CDBG-CV allocation to directly carry out activities through employees, contractors and subrecipients in all geographic areas within its jurisdiction. This alternative requirement allows states to operate as significant coordinators to expedite the use of CDBG-CV funds to prevent, prepare for and respond to the Coronavirus.

In California's original 2019-2020 Annual Action Plan Amendment to the Method of Distribution, the State did not elect to carry out any activities directly but has subsequently determined that direct coordination and support to units of local government has been critical to effectively carry out CDBG-CV funded activities. The State has provided necessary activity delivery services to units of general local governments and tribal subrecipients that did not have sufficient capacity to carry out their CDBG-CV programs on their own. Consequently, this amendment is to authorize the State to designate previously unallocated and recaptured CDBG-CV funds for the State to assist in directly carrying out CDBG-CV activities. This action will be retroactive for costs incurred beginning on July 15, 2021.

The State will not expend more than three percent of its total CDBG-CV allocation to directly carry out activities, and this amendment will not reduce or adjust any current activity budget for any CDBG-CV activity.

AP-12 Citizen Participation - 91.115, 91.300(c)

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

The 2019-2020 Annual Action Plan Amendment was available for comment from all interested parties from July 17, 2023, through August 1, 2023. No public comments were received during the comment period. A public webinar was held on July 27, 2023, according to public participation requirements. Webinar details were provided on the Department of Housing and Community Development's (HCD) website, in addition to the public and legal notices, and disseminated in a listserv message.

AP-25 Allocation Priorities

This amendment will not result in any change to the Allocation Priorities for the CDBG-CV program.

AP-30 Method of Distribution

The original method of distribution was established in the CDBG-CV1 and CDBG-CV2/3 Notices of Funding Availability (NOFA) and the Fiscal Year 2019-2020 (FY19) Annual Action Plan (AAP) Second Substantial Amendment, in which HCD set aside approximately \$50 million of CDBG-CV2 funds to support permanent supportive housing projects under the State's Homekey program. Each NOFA established an allocation total for all eligible jurisdictions and a list of eligible activities.

Through this amendment, the state will allocate less than three percent of previously unallocated or recaptured CDBG-CV funds to the state to directly support grant recipients to carry out all eligible activities listed in the CV1 and CV2/3 NOFAs and made available pursuant to the FY19 AAP Second Substantial Amendment, in which HCD set aside approximately \$50 million of CDBG-CV2 funds to support permanent supportive housing projects under the State's Homekey program.

Specific actions that State employees and/or contractors may undertake include:

- Support in preparing environmental reviews.
- Developing and/or reviewing program guidelines, applications, and other program-specific forms.
- Other activities deemed necessary to support CDBG-CV recipients effectively and efficiently carry out grant related activities.