

FY24 Annual Action Plan 2nd Substantial Amendment:

Virtual Public Hearing
Thursday, September 11, 2025
2:00 P.M.

California Department of Housing and Community
Development (HCD)
Division of Federal Financial Assistance (DFFA)





Welcome



Facilitators:

Dawn Magnusson, *HCD Representative II*

Luke Gladstein, *HCD Representative II*

Alexis Navarro, *HCD Program Analyst*

Presenters:

Anthony Zepeda, *ESG Specialist*

Anne Nicholls, *Federal Loan Closing Branch Manager*

Department of Housing and Community Development

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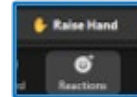


Housekeeping Items

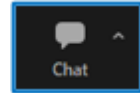
- ▶ All Participant Lines Muted Upon Entry



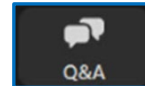
- ▶ Use “Raise Hand” Feature



- ▶ Use Chat



- ▶ Use Q&A Box for Questions



- ▶ Closed Captioning



- ▶ Comments on Action Plan Amendment Saved as Public Record
- ▶ Meeting Is Recorded
- ▶ Recording and Slides Available/Posted



Agenda



- ✓ Background
- ✓ Purpose of the Amendment
- ✓ Changes to Emergency Solutions Grants (ESG)
- ✓ Changes to HOME Investment Partnerships Program (HOME)
- ✓ Changes to National Housing Trust Fund (NHTF)
- ✓ Closing
- ✓ Questions/Comments



Background

- ▶ The 2024-2025 Annual Action Plan (AAP) explains how HCD plans to utilize its federal funding to administer the U.S. Department of Housing and Urban Development (HUD) programs. When a program makes a change to the original plan, HCD makes an amendment and gives the public an opportunity to comment on those changes.
- ▶ HCD's HOME, NHTF, and ESG programs provide funding for affordable housing development, tenant based rental assistance, homelessness prevention, emergency shelter and other activities that benefit lower income Californians including those experiencing homelessness or at risk of homelessness.



Purpose

- ✓ revise the Emergency Solutions Grants (ESG) program - moving from State Regulations to ESG Guidelines
- ✓ remove the allocation of Rapid Unsheltered Survivor Housing (RUSH) funds from this 2024-2025 AAP, as these have moved to the 2025-2026 AAP in the 2025-2029 Consolidated Plan
- ✓ add allowable occupancy preferences to the HOME and NHTF programs for projects with Indian Housing Block Grant (IHBG) funding
- ✓ reallocate unused HOME funds to existing projects with funding gaps to meet HUD expenditure deadlines



Emergency Solutions Grants (ESG)

Overview of Changes:

- HCD has replaced the ESG State Regulations with ESG Program Guidelines to streamline funding distribution, increase flexibility, and reduce administrative burdens.
- Funding is now allocated as a single method of distribution based on performance outcomes tracked through the Homeless Management Information System (HMIS), with a focus on Rapid Re-Housing (RRH) and Homelessness Prevention (HP) metrics.



Emergency Solutions Grants (ESG)

AP-10 Consultation:

- As of December 10, 2024, ESG funding follows new Program Guidelines that replaces State Regulations to better align with federal rules, improve flexibility, and simplify requirements for applicants.
- The Guidelines were finalized after extensive public outreach, including a 30-day public comment period, consultations with Continuums of Care (CoCs), listening sessions, and surveys.



Emergency Solutions Grants (ESG)

AP-30 Method of Distribution:

- ▶ ESG: The CoC and Balance of State (BoS) allocations are merged into one method of distribution through an Over-The-Counter (OTC) application process.
- ▶ Key changes include:
 - 10 percent cap on HP
 - eligibility for minor shelter maintenance under the Buy America Build America Act (BABA)
 - and a HUD-approved waiver for rental assistance above Fair Market Rent (FMR), effective January 18, 2025.



Emergency Solutions Grants (ESG)

AP-90 Program Requirements:

- ▶ ESG: Performance standards now incorporate HMIS-based metrics (e.g., exits to permanent housing, shelter stays, and returns to homelessness).
- ▶ New evaluation criteria for the allocation include impact and cost-efficiency measures to improve program effectiveness.



Emergency Solutions Grants- Coronavirus (ESG-CV)

AP-65 Homeless and Other Special Needs Activities:

- ▶ ESG-CV funds were used to prevent, prepare for and respond to the Coronavirus Pandemic for those persons experiencing homelessness or at risk of homelessness.
- ▶ The amendment acknowledges the full expenditure of ESG-CV funds as of September 2024.



Rapid Unsheltered Survivor Housing (RUSH)

The RUSH allocation and narratives have been removed from the following sections as the program has been added to the FY25 AAP:

- AP-15
- AP-20
- AP-30
- AP-38
- AP-60



HOME Investment Partnerships Program (HOME)

AP-30 Method of Distribution:

- ▶ Adding language to clarify that HOME funded projects with Indian Housing Block Grant (IHBG) funding may provide preference or limit occupancy to tribal members in accordance with HOME and IHBG regulations and HUD guidance.
- ▶ Adding language to clarify that HOME funded tribal programs, with or without IHBG funding, may provide preference or limit eligibility to tribal members in accordance with federal Indian Law, IHBG and HOME regulations, HUD guidance, and applicable case law.
- ▶ Adding language to clarify that unused HOME funds may be reallocated to existing HOME projects with funding gaps, to meet HUD expenditure deadlines.



National Housing Trust Fund (NHTF)

AP-90 Program Specific Requirements:

- ▶ Adding language to clarify that NHTF projects with Indian Housing Block Grant (IHBG) funds may provide preference or limit occupancy to tribal members in accordance with NHTF and IHBG regulations and HUD guidance.
- ▶ NHTF projects located on Native American Land with IHBG funding will be subject their adopted Tribal Admissions and Occupancy Standards (TAOS), as long as the TAOS complies with HUD's IHBG nondiscrimination requirements.
- ▶ If the Native American Entity (NAE) has not adopted a TAOS, then the management and maintenance requirements of the NHTF Guidelines apply. The NAE may implement a tribal preference for tenant selection and occupancy, as long as it complies with HUD's IHBG nondiscrimination requirements.



Find the Amendment

This amendment can be found on HCD's Plans and Reports page located here: [Annual Action Plans and Amendments](#)

Plans & Reports

HCD issues plans and reports, in addition to those that are federally and state-mandated, to educate all Californians on housing policy topics and to promote a more affordable and equitable housing landscape throughout the state.

HCD Annual Report

HCD ANNUAL REPORT
FISCAL YEAR 2023-24

Fiscal year July 1, 2023-June 30, 2024

On This Page

[HCD Annual Report](#)

[Statewide Housing Plan](#)

[Federal Plans and Reports](#)

[Annual CALGreen Report](#)

[California's Plan to](#)

Reports - HUD Reporting

ed with reporting from various federal programs
ed by the U.S. Department of Housing and Urban

ederal program funds include the development of the
(AAP), the Consolidated Annual Performance

Evaluation Report (CAPER), Semi-Annual Labor Compliance reports, Emergency Solutions Grants (ESG) Coronavirus
Aid, Relief, and Economic Security (CARES) Act (ESG-CV) Quarterly Reporting, and other federally mandated reports.

Citizen Participation
Plan

Consolidated Plans

Annual Action Plans and
Amendments (2020-
2024)

Consolidated Annual
Performance and
Evaluation Reports
(CAPER)

Specialty Grants

Archive

On This Page

[Citizen Participation Plan](#)

[Consolidated Plans](#)

[Annual Action Plans](#)

[Consolidated Annual
Performance and Evaluation
Reports](#)

[Specialty Grants various](#)

[Archive](#)

Plans and Amendments

Reports - HUD Reporting > Annual Action Plans and Amendments

Annual Action Plans. Annual Action Plans outline the State of California's current priorities and
strategies to address affordable housing and community development goals. These annual plans provide the resources, actions, and
activities that will be prioritized in the upcoming year.

2024-2025

[Annual Action Plan 2024-2025](#) — This is the fourth and final annual update to the 2020-2024 State of California Consolidated Plan.

[State of California 2024-2025 Annual Action Plan — First Amendment — Substantial \(PDF\)](#).

→ [State of California 2024-2025 Annual Action Plan — Second Amendment — Substantial \(PDF\)](#) — The second Substantial Amendment to the 2024-2025 Annual Action Plan (AAP) introduces key revisions to the Emergency Solutions Grants (ESG) program, National Housing Trust Fund (NHTF) program, and HOME Investment Partnerships Program (HOME) to enhance flexibility, efficiency, and alignment with federal regulations. Additionally, the allocation of Rapid Unsheltered Survivor Housing (RUSH) funds is removed from this AAP and is incorporated into the 2025-2026 AAP.



How to Submit Comments

The public comment period runs from September 3, 2025 - October 3, 2025.

- ▶ In writing

California Department of Housing and Community Development
651 Bannon St., Suite 400
Sacramento, CA 95811
Attention: HUD Reporting

- ▶ Email: FederalReporting@hcd.ca.gov

- ▶ Phone: (916) 263-2771



Accessibility and Accommodations:

HCD will make every effort to accommodate the needs of non-English-speaking residents and individuals with disabilities. Translation services and auxiliary aids are available upon request. Please submit requests by email to FederalReporting@hcd.ca.gov



Thank you!

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

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



Questions?





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