State of California 2023-2024 Annual Action Plan (AAP) One Year Use of Federal Funds

March 16, 2023 2:00 - 3:30pm

California Department of Housing and Community Development (HCD)

Division of Federal Financial Assistance (DFFA)





Housekeeping

All Participant Lines Muted Upon Entry



Use "Raise Hand" Feature



- Use Chat
 - Jse Chat Chat
- Comments on Action Plan Saved as Public Record
- Periodically Pause for Questions/Comments
- Call In Option



- Meeting Is Recorded
- Recording and Slides Available/Posted
- Closed Captioning





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- ► Anne Nicholls NHTF Program Section Chief
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Agenda

- Introduction
- Public Hearing Goals
- AAP Background
- Highlights
- 2023-24 AAP Overview
- Consultation, Outreach, & Public Participation
- Expected Resources
- Annual Action Plan Goals
- Program Summaries and Methods of Distribution
- Affordable Housing Goals
- Homelessness and Other Special Needs Activities
- Barriers to Affordable Housing
- AP-85 Other Actions
- Questions/Comments
- Resources



- Familiarize the public and stakeholders with information in the AAP
 - ► Expected Resources what HCD will receive in U.S. Department of Housing and Urban Development (HUD) funding for Fiscal Year 2023-2024 (FY23)
 - Activities that may be undertaken by program
 - ► Estimated benefit to persons of low- and moderate-income
- ► Answer Questions & Receive Comments/Feedback
- ► Meet HCD's State Citizen Participation Plan Requirements



- Third of Four Annual Updates to the 2020-2024 Consolidated Plan (Con Plan)
- AAP is HCD's Application for Funding to HUD for the FY23 Allocations
- ► HUD Programs Included:
 - Community Development Block Grant (CDBG)
 - ► HOME Investment Partnerships Program (HOME)
 - ▶ National Housing Trust Fund (NHTF or HTF)
 - Emergency Solutions Grants (ESG)
 - ► Housing Opportunities for Persons With AIDS (HOPWA)



AAP Background (cont.)

- Based on the Con Plan's needs assessment and feedback from this AAP's stakeholder outreach, this AAP maintains the same six priority goals:
 - Increase Housing Affordability
 - Addressing and Preventing Homelessness
 - Economic Development
 - Maintain or Improve Public Facilities and Infrastructure
 - Maintain or Improve Access to Public Services
 - Recovery Assistance for Natural Disaster Survivors



Highlights -Racial Equity & Tribal Support

- ► HCD's Focus on Racial Equity & Tribal support
 - ► Ensure all eligible persons receive services in a way that is designed to achieve equitable outcomes, and are served with dignity, respect, and compassion regardless of circumstance, ability, or identity, including Black, Indigenous and other people of color who are disproportionately impacted by COVID-19, poverty, housing segregation and discrimination and homelessness.
 - ► HCD is committed to supporting Tribes in addressing housing and community development needs by targeting funds for both federally recognized and unrecognized Native American Tribes and providing dedicated outreach and technical assistance.



- Racial Equity & Tribal Support Development
 - HCD staff and management received training on delivering equitable outcomes
 - ► HCD engaged consultants focused on equity to apply an equity lens to funding applications, and its CDBG Grants Management Manual.
- ▶ Tribal Engagement
 - Listening Sessions, Office Hours, Consultation, and Technical Assistance
 - ► CDBG, ESG, HOME, HOME-ARP, NHTF
 - Funding
 - ► CDBG: Target of 1.25%
 - ► HOME: Target of 20%
 - ► HOME-ARP: Target of 10%
 - ► NHTF: Target TBD
 - ► Homekey: Tribal NOFA of \$75M



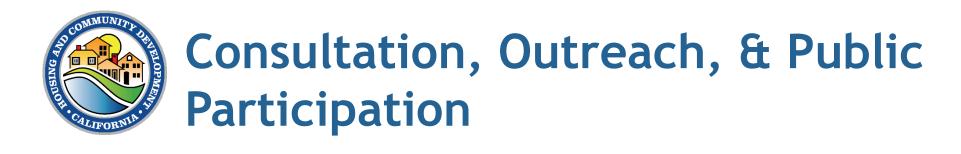
Highlights - Program Accomplishments

- Federal Programs During FY 22:
 - CDBG: 143 homes rehabilitated, 15 homebuyers assisted, 87 businesses and 38 jobs supported
 - ► HOME: 85 rental and 27 owner-occupied units constructed, 24 homes rehabilitated, 75 renter households and 37 homebuyers assisted
 - ▶ HTF: 84 units targeted for chronically homeless supported
 - ► ESG: 22,914 persons served in emergency shelter and street outreach, 2,833 households received rapid rehousing and 207 households received homelessness prevention assistance
 - ► HOPWA: 654 households served in transitional housing, 38 households provided rental assistance (TBRA) and 548 persons provided short-term rental assistance (STRMU)
- State Programs Since 2018:
 - ► HCD has released \$14.3 billion in multifamily housing funding, resulting in 54,841 new homes constructed and in development



2023-2024 AAP Overview

- ► **AP-05:** Executive Summary
- ► AP-10 & AP-12: Consultation, Outreach, & Citizen Participation
- ► AP-15, AP-20, AP-25: Expected Resources, Annual Goals, Allocations
- ► AP-30: Program Summary & Methods of Distribution CBDG/HOME/ESG/NHTF/HOPWA
- ► AP-55, AP-65: Affordable Housing Goals, Homeless and Other Special Needs Activities
- ► AP-75, AP-80, AP-85: Barriers to Affordable Housing & Colonias Actions, Other Actions
- Appendix A, B: HOPWA Plan, CDBG Program Income



- Consultation Outreach via Internet Survey
 - ► Four Areas of Focus:
 - Affordable Housing Needs/ Barriers to Accessing Affordable Housing
 - ► Economic Development Needs/ Barriers to Local Development
 - ► Broadband Access Challenges and Priority Needs
 - ► HCD's Program Design, Implementation, & Effectiveness
- Summary of Survey Results & Groups Consulted to be Included in AAP prior to HUD Submission





Program	Annual Allocation	Program Income	Prior Year Resources	Total (Expected Available FY23)	Expected Remainder of Con Plan
CDBG	\$31,050,000	\$5,000,000	\$3,200,000	\$39,250,303	\$35,800,000
HOME	\$48,140,496	\$6,700,000	\$51,000,000	\$105,840,496	\$52,000,000



Program	Annual Allocation	Program Income	Prior Year Resources	Total (Expected Available FY23)	Expected Remainder of Con Plan
ESG	\$12,412,939	\$0	\$0	\$12,412,939	\$12,265,000
NHTF	\$68,831,000	\$0	\$0	\$68,831,000	\$215,000,000



Program	Annual Allocation	Program Income	Prior Year Resources	Total (Expected Available FY23)	Expected Remainder of Con Plan
HOPWA	\$5,020,123	\$0	\$2,178,020	\$7,198,143	\$18,023,280

Annual Action Plan Goals





Annual Goal #1 Increase Affordable Housing

Goal	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator (GOI)
Increase Affordable Housing	Affordable Housing	Improved Access to Affordable Housing	CDBG: \$12,196,117 HOME: \$101,026,446 HTF: \$68,831,000	Rental Units Constructed: 120 Household Housing Units (HHU) Rental Units Rehabilitated: 25 HHU Homeowner Housing Rehabilitated: 245 HHU Homeowner Housing Added: 27 HHU Direct Financial Assistance to Homebuyers: 52 HH Assisted (HA) Tenant-Based Rental Assistance: 75 HA



Annual Goal #2 Addressing & Preventing Homelessness

Goal	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator (GOI)
Addressing & Preventing Homelessness	Homeless	Homelessness Prevention & Assistance	CDBG: \$2,791,747 HOME: \$4,814,049 ESG: \$12,412,939 HOPWA: \$7,198,143	Rapid Rehousing: 2,800 HA Homeless Person Overnight Shelter: 15,900 Persons Assisted Overnight/ES/TH Housing Beds Added: 300 Beds Homelessness Prevention: 755 Persons Assisted Housing for Homeless Added: 100 HHU HIV/AIDS Housing Operations: 780 HHU



Goal	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator (GOI)
Economic Development	Non-Housing Community Development	Economic Development	CDBG: \$8,375,243	Jobs Created/Retained: 40 Jobs Businesses Assisted: 90 Businesses



Annual Goal #4 Maintain or Improve Public Facilities & Infrastructure

Goal	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator (GOI)
Maintain or Improve Public Facilities and Infrastructure	Non-Housing Community Development	Neighborhood Stability & Sustainability COVID-19 Pandemic Response (CARES Act)	CDBG: \$7,020,873	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 112,000 Persons Assisted Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 100 HA



Annual Goal #5 Maintain or Improve Access to Public Services

Goal	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator (GOI)
Maintain or Improve Access to Public Services	Non-Housing Community Development	Community-Based Public Services COVID-19 Pandemic Response (CARES Act)	CDBG: \$4,187,621	Public Service Activities other than Low/Moderate Income Housing Benefit: 30,000 Persons Assisted Public Service Activities for Low/Moderate Income Housing Benefit: 100 HA



Annual Goal #6 Recovery Assistance for Natural Disaster Survivors

Goal	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator (GOI)
Recovery Assistance for Natural Disaster Survivors	Affordable Housing Non-Housing Community Development	Community-Based Public Services COVID-19 Pandemic Response (CARES Act)		Visit the link below for HCD's Disaster Recovery web page for information regarding CDBG-DR Action Plans for 2017 and 2018: https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation

Allocation Priorities





Allocation Priorities

Program	Increase Housing Affordability (%)	Addressing & Preventing Homelessness (%)	Economic Development (%)	Public Fac & Infrastructure (%)	Access to Public Services (%)	Recovery Assistance (%)	Colonias Set- Aside (%)	Total (%)
CDBG	35	10	30	5	15	0	5	100
HOME	90	10	0	0	0	0	0	100
HOPWA	0	100	0	0	0	0	0	100
ESG	0	100	0	0	0	0	0	100
HTF	100	0	0	0	0	0	0	100



Allocation Priorities

Program	Increase Housing Affordability (%)	Addressing & Preventing Homelessness (%)	Economic Developmen t (%)	Public Fac & Infrastructur e (%)	Access to Public Services (%)	Recovery Assistance (%)	Colonia s Set- Aside (%)	Total (%)
Other CDBG- DR MIT	0	0	0	0	0	100	0	100
Other CDBG- DR Unmet Need	0	0	0	0	0	100	0	100
Other NDR	0	0	0	0	0	100	0	100

Program Summaries & Wethods of Distribution





Methods of Distribution Overview

CDBG

Competitive

OTC

Colonias

Tribal

ESG

HOME

NHTF

CoC Allocation

BoS Non-Competitive

BoS Competitive Competitive/ OTC

CHDO

Tribal

Competitive

Rural

Tribal



Program Activities

- CDBG
 - Community and Economic Development
- **ESG**
 - ► Homelessness Assistance and Prevention
- **HOME**
 - Affordable Housing
- NHTF
 - Affordable Housing for Extremely Low-Income Households
- HOPWA
 - Housing Assistance and Supportive Services to prevent or reduce homelessness for persons living with HIV/AIDS



CDBG Program Summary

- Purpose: Increase housing opportunities, expand economic opportunities, and lift up communities through a variety of activities, including public improvements, planning and technical assistance, and economic development.
- Serves: HCD serves smaller cities and counties, mostly rural, that do not receive funds directly from HUD, with a focus on equitably benefiting Californians with low and moderate incomes.



CDBG Method of Distribution

- Eligible Applicants: CDBG Non-Entitlement Jurisdictions
- Competitive Distribution:
 - Planning and Public Services
 - Colonias Set-Aside and Non-Recognized Tribal Set-Aside
- Over-The-Counter (OTC) Distribution:
 - OTC waitlist under 2019/2020 NOFA
 - Economic Development
 - Housing Assistance
 - Non-housing (Infrastructure and Public facilities)



ESG Program Summary

- Purpose: Provides funds for a variety of activities to address homelessness as authorized under the federal Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.
- Serves: Homeless individuals and families living on the street or in shelters, individuals and families at risk of becoming homeless.
- **Eligible Applicants:** Local governments and nonprofit service providers.



ESG Method of Distribution

- **ESG Annual Allocation:** formula based on point-in-time homelessness count, poverty rate, housing cost burden
 - Continuum of Care Allocation (CoC): To be eligible to participate in the Continuum of Care Allocation, the Continuum of Care shall recommend an Administrative Entity that meets the following criteria:
 - Is a Unit of General-Purpose local government that has administered ESG funds for an Entitlement Area during at least one of the past five years.
 - ► Has no unresolved ESG monitoring findings with HUD or the Department that the Department determines poses a substantial risk to the Department if the Administrative Entity is approved; and
 - ▶ Demonstrates the ability and willingness to perform the functions of an Administrative Entity pursuant to federal and State ESG requirements.
 - Balance of State (BoS) Allocation:
 - CoC may select providers to receive a portion of these funds noncompetitively for Rapid Rehousing
 - Remainder of Balance of State allocation is awarded competitively within 3 regional allocations (Northern, Bay Area, Central/Imperial Valley)



ESG Method of Distribution (cont.)

- Eligible Activities:
 - ► Homelessness Prevention
 - Street Outreach
 - Emergency Shelters
 - Rapid Re-Housing Assistance
 - ► Homeless Management Information System (HMIS)
 - Grant Administration
- Method of Distribution subject to change in future AAPs contingent on adoption of State ESG Guidelines



HOME Program Summary

- Purpose: Increase supply of housing affordable to Californians priced out of the rental and purchase markets, and rehabilitate or reconstruct substandard homes.
- Serves: Californians of modest means who need an affordable place to live.
- ► Eligible Applicants: HOME non-entitlement/affiliated jurisdictions, developers, CHDOs, and Tribal entities.
- ► Eligible Program and Project Locations: State HOME-Eligible jurisdictions.



HOME Method of Distribution

- All HOME funding awarded competitively (unless supply exceeds demand).
- Project Activities:
 - Rental New Construction/Rehabilitation
 - First-Time Homebuyer New Construction (subdivisions)
- Program Activities:
 - ► First-Time Homebuyer Assistance (to individuals)
 - Owner-Occupied Rehabilitation
 - ► Tenant-Based Rental Assistance
- HOME accepting applications in eCivis online portal.
- ► HOME allowing Tribal entities to apply for both Program Activities and Project Activities. HCD intends to set aside 20% of the 2023 Federal HOME allocation for Tribal entities.



NHTF Program Summary

- **Purpose:** To increase and preserve the supply of affordable housing for Californians with the lowest incomes.
- Serves: Extremely low-income households at or below 30 percent of the Area Median Income (AMI) with a specific focus on Permanent Supportive Housing for people experiencing homelessness, to the extent that a sufficient number of projects exist.
- Funded by: Annual allocation funded by an assessment on loans backed by Fannie Mae and Freddie Mac.



NHTF Method of Distribution

- ► Eligible Applicants/Recipients: Organizations, agencies, or other entities that are owners and/or developers, including:
 - Native American Entity
 - Public Housing Agencies
 - For-Profit Entities
 - Non-Profit Entities

Eligible Uses:

- Loans for Acquisition and New Construction (and related eligible soft costs)
- Rehabilitation will be eligible once HCD's NHTF Rehabilitation Standards are implemented

Project Type:

- Multifamily Rental Housing, targeted at ELI households (30% AMI)
- Permanent Supportive Housing for people experiencing homelessness, to the extent that a sufficient number of projects exist.



NHTF - Outlook 2023

- Draft NHTF Guidelines, Workshops and Technical Assistance Office Hours to be released in April 2023
 - 30-day Public Review and Comment Period
- FY22-FY23 NHTF NOFA, Final Guidelines, Workshops and Technical Assistance Office Hours to be released in May 2023
 - California's allocation is estimated at \$180 million
 - > \$36 million Rural Areas
 - > \$18 million for Tribal Entities
 - ▶ \$126 million Competitive
- Program Changes:
 - NHTF will be a standalone program, funds will no longer be made available through the Housing for a Healthy California (HHC) Program
 - Capitalized Operating Subsidy Reserve (COSR) Grants are no longer eligible, pending guidance from HUD re eligible operating costs



- Continued Construction and/or Permanent Financing:
 - Disbursements may be made at the time of construction closing and during the construction period, in addition to permanent closing

HCD NHTF Website:

https://www.hcd.ca.gov/grants-and-funding/programs-active/national-housing-trust-fund-program

For more NHTF Program Information:

E-mail: NHTFNOFA@hcd.ca.gov



HOPWA Program Summary

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



HOPWA Method of Distribution

- California Department of Public Health, Office of AIDS administers the HOPWA program.
 - ► Eligible Applicants: State HOPWA serves counties that do not qualify to receive HOPWA grant funds directly from HUD.
 - ► Eligible Uses: Tenant-Based Rental Assistance (TBRA), Short-Term Rent, Mortgage, and Utility (STRMU), Facility Based Housing, Permanent Housing Placement Assistance, Housing Information Services, and Supportive Services.
 - Priority Population: PLWH who are experiencing homelessness or who are at-risk of homelessness.
 - (https://www.cdph.ca.gov/Programs/CID/DOA/Pages/OA_care_hopwa.aspx)



Affordable Housing Goals

- One Year Goals for the Number of Households to be Supported
 - Households experiencing homelessness: 2,900
 - Households with PLWHA (Special-Needs): 780
 - Other households: 544
 - Total: 4,224
- ► Type of Affordable Housing Assistance
 - Rental Assistance: 3,655
 - New Construction: 247
 - Rehabilitation of Existing Units: 270
 - Acquisition/conversion of Existing Units: 52
 - Total 4,224



Homelessness and Other Special Needs Activities

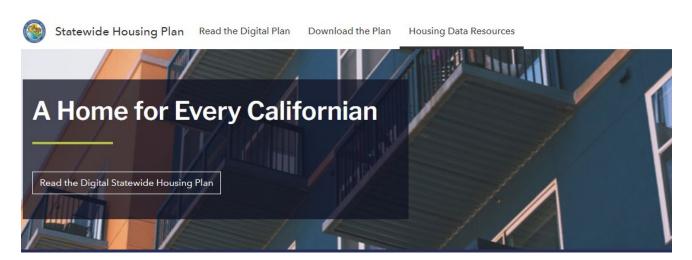
- Federally-funded programs:
 - ► ESG, HOPWA, HTF, HOME-ARP target individuals experiencing or at risk of homelessness, or in other vulnerable groups
 - CDBG, HOME also address this need
- State-funded programs:
 - ► Homekey, VHHP, NPLH, PAS, TAY target individuals experiencing or at risk of homelessness
 - Multifamily Super NOFA Programs also address this need
- Action Plan for Preventing and Ending Homelessness in California – continued implementation



Barriers to Affordable Housing

HCD will address land use and other policies that constrain affordable housing development

- Analysis of Impediments to Fair Housing
- Housing Accountability Unit
- Statewide Housing Plan





AP-85 Other Actions

HCD plans to address many areas of need through its Federally-funded and State-funded programs:

- Addressing identified obstacles to meeting underserved needs
- Preserving affordable housing
- Reducing the number of poverty-level families
- Developing HCD and stakeholders' institutional structure
- Improving coordination between public and private housing and social service agencies



Questions, Comments, Feedback?





- State of California 2023-2024 DRAFT Annual Action Plan:
 - https://www.hcd.ca.gov/sites/default/files/docs/policy-and-research/plan-report/State-of-California-2023-2024-DRAFT-Annual-Action-Plan.pdf
- State of California 2020-2024 Five-Year Consolidated Plan:
 - https://www.hcd.ca.gov/policy-research/plans-reports/docs/2020-2024_CP.pdf
- Citizen Participation Plan:
 - https://www.hcd.ca.gov/policy-research/plans-reports/docs/Amended-Citizen-Participation-Requirements-for-the-States-Annually-Appropriated-Federal-Programs-Plans-and-Reports-ADA.pdf
- Federal Plans & Reports:
 - ► https://www.hcd.ca.gov/policy-and-research/plans-and-reports
 - Click on "Federal Plans and Reports"



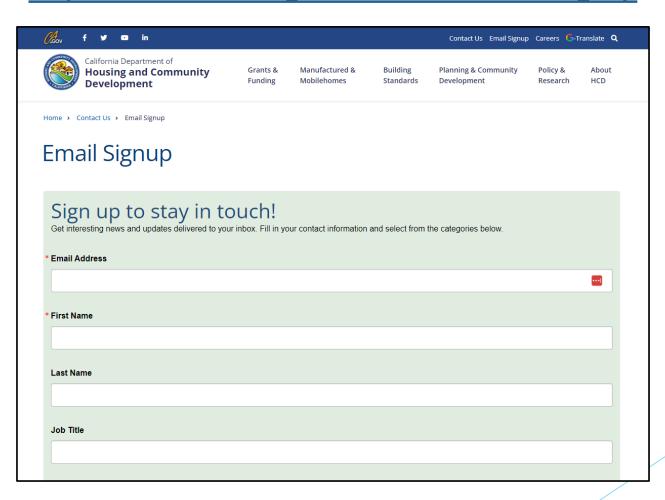
Resources (Cont.)

- ► HOME-ARP:
 - https://www.hcd.ca.gov/grants-and-funding/programs-active/home-american-rescue-plan-program
- HOME-ARP Allocation Plan:
 - https://www.hcd.ca.gov/sites/default/files/docs/policy-and-research/plan-report/home-arp-allocation-plan-draft-1-25-2023.pdf
- CDBG Disaster Recovery & Mitigation:
 - https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation
- ► HCD Active Programs:
 - https://www.hcd.ca.gov/grants-and-funding/programs-active
- ► HCD Comments/Questions/Feedback:
 - ConsolidatedPlan@hcd.ca.gov
- HCD Email Signup:
 - https://www.hcd.ca.gov/contact-us/email-signup



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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 ConsolidatedPlan@hcd.ca.gov.