



## **Proposed Housing Trust Fund Allocation Plan and Substantial Amendment to the Annual Plan and Consolidated Plan**

*This document includes all the excerpts required for a National Housing Trust Fund Substantial Amendment to the Annual Plan and Consolidated Plan (ConPlan), pursuant to HUD's "Housing Trust Fund Allocation Plan Guide" and the Federal Regulations.*

*It does not include information on other federal programs that HCD sent to HUD in previous Annual Plans or ConPlans.*

### **National Housing Trust Fund Background**

The National Housing Trust Fund (HTF) was established by the Housing and Economic Recovery Act of 2008 (HERA) and is administered by HUD. HTF is funded with a set-aside from new mortgage purchases from Government Sponsored Enterprises. Per 24 CFR §93.250, 100% of funds must benefit Extremely Low Income (ELI) households or households with incomes at or below the poverty line (whichever is greater) when the total amount of HTF funds is less than \$1 Billion. On April 4th, 2016, HUD announced that nearly \$174 million will be made available for HTF recipients.

Of this amount, the current HTF allocation to California is \$10,128,143.

### **HTF Distribution Method and Recipient Requirements**

The State will distribute funds by selecting applications submitted by eligible recipients.

To be eligible, a recipient may be an individual, joint venture, partnership, limited partnerships, trust, corporation, limited liability corporation, local public entity, duly constituted governing body of an Indian Reservation or Rancheria, or other legal entity, or any combination thereof which meets the requirements of 24 CFR §91.320(k)(5)(ii) and §93.2 Recipient:

- Demonstrates ability and financial capacity to complete the activities;
- Makes acceptable assurances they will comply with all HTF Requirements during the entire affordability period;
- Demonstrates familiarity with requirements of Federal, State and any other housing programs used in conjunction with HTF funds; and
- Demonstrates experience and capacity to conduct the eligible HTF activity in questions as evidenced by relevant history.

For FY 2016-17, the State may utilize additional criteria that are consistent with those also used by other HCD financing sources with which HTF funds may be paired.



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### **HTF Selection Criteria**

The Department welcomes this new source of federal funding for in-need ELI populations. For FY 16, to leverage the National Housing Trust Fund (HTF) with state funds in an administratively efficient manner, HTF will be paired with one or more state programs in a joint NOFA. The paired program(s) may be historically successful state programs such as the Veterans Housing and Homelessness Program (VHHP), the Supportive Housing component of the Multifamily Housing Program (SHMHP), or program funds that are approved through the State's current budget process.

Under a joint NOFA, HTF requirements will be followed, and the application evaluation criteria of the companion program will be utilized, along with HTF evaluation criteria, to rate applications.

In addition to following federal HTF requirements, The State will utilize the specific rating factors set forth by these other programs in adopted guidelines or regulations in the following areas covered on the next page.

Application selection criteria will consist of those specifically mandated under the HTF statute and regulations, applied in a manner consistent with the rules of the companion state program used to leverage HTF funds. One of these required criteria is "The Merits of the Application in Meeting the State's Priority Housing Need". HCD has identified serving individuals and families experiencing homelessness, or other special needs populations, as such a priority need.

#### *Geographic Priorities for the Distribution of Funds*

This criterion will be applied in a manner consistent with the companion program, either by setting minimum funding levels for designated regions or by assigning no more than 45% of available points.

For example, if the companion program is SHMHP, this criterion will be applied by following MHP's rules, which require a certain percentage of available funds to be allocated to both Northern and Southern California.

In evaluating geographic priorities, the State may consider the combination of HTF monies and those from the companion State program. To continue the SHMHP example, the allocation to Northern California may be calculated by adding the amount of State funding allocated to projects in this area to the amount of HTF funding allocated to these projects.

#### *Applicant's Ability to Obligate HTF Funds and Applicant's Ability to Complete the Proposed Project in a Timely Manner*

Regardless of the paired state program, in order to comply with §91.320(k)(5)(i) and §93.2, applicants will certify they will comply with all requirements of the HTF program during the entire federal affordability period, and demonstrate ability and capacity to complete the activities and conduct the eligible HTF activities as evidenced by relevant history.

The Department will employ two selection criteria to evaluate the applicant's ability to obligate HTF funds and the applicant's ability to complete the proposed project in a timely manner.



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1. Applications will be scored on the Sponsor's experience with Rental Housing Developments and may be scored based on their experience serving the preferred beneficiary/subpopulation.
2. The Department will award extra points to eligible recipients who apply for a project that already has federal funds (i.e. HOME funds). These points will not exceed 20% of the maximum points available.

### *The Availability of Federal, State or Local Project-Based Rental Assistance*

Regardless of the paired state program, applications that include project based rental assistance will receive points, based on the proportion of HTF-assisted units covered by the project- specific rental assistance.

### *The Length of the Affordability Period*

Regardless of the paired state program, pursuant to 93.302 (d), the federal affordability period will be thirty years (30), beginning after project completion. In addition, the state will impose a state affordability period. The state affordability period will be fifty-five years (55). These affordability periods will be reflected in the HTF regulatory agreements.

### *How Well the Application Meets the State's Housing Priority Needs*

Preference will be given to projects with units dedicated to homeless and/or other special needs populations. Developing affordable housing for these subpopulations serves the State's priority housing needs, as defined in AP-20 Annual Goals and Objectives in this Annual Plan.

Regardless of the preferred subpopulation, the Department, the Sponsor and all related parties will adhere to the nondiscrimination requirements of HTF, including but not limited to the nondiscrimination requirements within 24 CFR 93.303, and 93.350.

### *Use of Non-Federal Funding Sources*

Regardless of the paired state program, applications will be scored based on the leverage of other, non-federal funds. If the joint NOFA includes SHMHP, HTF will award leverage points to projects in Rural Areas using a modified scale. This scale requires less leveraged funds to achieve the same point total as compared to non-rural areas.



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### **Other Requirements**

#### *Maximum Per-unit Development Subsidy*

The HTF per-unit development subsidy limit will match that applicable to the companion State program with which HTF funds are paired.

#### *Rehabilitation Standard*

The State will not use HTF funds for rehabilitation of housing, as allowed by HUD.

#### *Resale and Recapture Provisions*

The State will not use HTF funds to assist first-time homebuyers, as allowed by HUD.

#### *HTF Affordable Homeownership Limits*

The State will not use HTF funds for homeownership housing, as allowed by HUD.

#### *State Limited Beneficiaries of Preferences*

The State will limit beneficiaries and/or give preference to segments of the extremely low-income population as identified in the action plan and selection criteria.

#### *Refinancing of Existing Debt*

The State will not permit the refinancing of existing long-term debt.

#### *Recipient Application Requirements*

The State will require applications contain a description of the eligible activities to be conducted with HTF funds, as required in 93.200 and the State will require that each eligible recipient certify that housing assisted with HTF funds will comply with HTF requirements.

### **Certification**

The State certifies the following statement about the HTF Allocation Plan and Substantial Amendment:

Consistency with the Plan – The housing activities to be undertaken with CDBG, HOME, ESG, HTF and HOPWA funds are consistent with the strategic plan. Where the HOPWA funds are to be received by a city that is most populous unit of general local government in an EMSA, it must obtain and keep on file certifications of consistency from the authorized public officials for each other locality in the EMSA in which housing assistance is provided.



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

### 1. Introduction

The State of California 2015-2020 Consolidated Plan (ConPlan) outlines the State's current federal funding priorities and strategies to address housing and community development needs over the next five years, using funds from the following five programs funded through the U.S. Department of Housing and Urban Development (HUD):

- Community Development Block Grant (CDBG),
- HOME Investment Partnerships Program (HOME) ,
- Emergency Solutions Grant (ESG),
- Housing Opportunities for Persons with AIDS (HOPWA),
- Lead Hazard Control Program (LHCP); and the
- National Housing Trust Fund (HTF)

Because FY 2016-2017 is the first year the state is administering the HTF program, the HTF information includes the funding amount for the FY16-17 year, as well as a cumulative estimate of funds available through 2020.

### 3. Evaluation of past performance

See the Department's most recent Consolidated Annual Performance Evaluation Report (CAPER) which discusses outcomes for the CDBG, HOME, ESG, HOPWA, and LHCP Programs located at: <http://www.hcd.ca.gov/hpd/hrc/rep/fed/>.

Because this is the first year of the HTF program, there is no previous outcome data for HTF.

### 4. Summary of citizen participation process and consultation process

This Substantial Amendment draft is part of the HTF Allocation Plan, and was available for comment from all interested parties for a 30-day period from August 4 through September 3. A public hearing will be held on August 18 in Riverside and August 22 in Sacramento. For details, see the public notices posted alongside this document at [HCD's ConPlan webpage](#).

### 5. Summary of public comments

HTF comments will be summarized at the end of the public comment process.

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

This will be completed for HTF at the end of the public comment process.

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**7. Summary**

This will be completed for HTF at the end of the public comment process.



## **PR-15 Citizen Participation - 91.115, 91.300(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation**

This will be completed for HTF at the end of the public comment process.

### **Summarize citizen participation process and how it impacted goal-setting**

This will be completed for HTF at the end of the public comment process.



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

### General Allocation Priorities

**Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)**

The Department of Housing and Community Development will distribute HTF funds by selecting applications submitted by eligible recipients throughout the State. Due to its low funding level, and the need to design HTF to be compatible with other State financing sources for the development of affordable housing, geographic priorities utilized by the HTF program will be consistent with the those of other Department funding programs with which HTF funds will be allocated. More information can be found in the *HTF Selection Criteria* section in the beginning of this document, on page one.



## SP-25 Priority Needs – 91.315(a)(2)

### Priority Needs

Table 1 – Priority Needs Summary

<b>1</b>	<b>Priority Need Name</b>	Affordable rental housing
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Large Families Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	
	<b>Associated Goals</b>	Increase the supply of affordable rental housing

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<p><b>Description</b></p>	<p>Activities to address this goal may include: CDBG rental rehabilitation, CDBG infrastructure projects in support of rental housing, HOME rental new construction and rental rehabilitation projects, HTF rental new construction projects and LHCP rental rehabilitation activities. (HOME Tenant-Based Rental Assistance (TBRA) activities are discussed with homelessness assistance below.) CDBG Planning and Technical Assistance Grants associated with rental activities may also be eligible. For CDBG, "Moderate Income" does not exceed 80% AMI. This year, all HTF assisted units will be for those at or below 30% AMI or below the poverty line, which is greater.</p>
<p><b>Basis for Relative Priority</b></p>	



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

### Influence of Market Conditions

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
New Unit Production	<p>Market conditions influencing use of funds available for New Unit Production include:</p> <ul style="list-style-type: none"> <li>• Housing costs that exceed 30% of Income for any income group</li> <li>• Shortage of adequate housing that accepts tenants' TBRA for rent at or below the FMR</li> </ul> <p>These conditions influenced the Department's decision to devote 100% of HTF funds to rental new construction</p>



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

**Introduction**

This is the second year of the 2015-2020 ConPlan cycle, but the first year the state of California is administering the National Housing Trust Fund (HTF). The **HTF annual allocation amount is for FY 16-17 and followed with a three-year remainder allocation estimate.**

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Multifamily rental new construction	10,128,143	0	0	10,128,143	30,000,000	The estimated HTF amount available for the remainder of the Con Plan was derived by taking the current year allocation of roughly \$10 million and multiplying by three, the remaining number of years in this ConPlan cycle

**Table 2 - Anticipated Resources**

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

**HTF** – Per 24 CFR 91.320(k)(5)(i) state HTF programs are required to score more highly eligible applicants that make use of non-federal funding. The Department anticipates non-federal sources of funding could include other State funds, such as tax credits, Affordable Housing and Sustainable Communities (AHSC) funding, Multifamily Supportive Housing (SHMHP), and if approved by the Legislature and Governor later this year, Mental Health Services Act funding, private bank loans and local funds. More information can be found in the *HTF Selection Criteria* section in the beginning of this document, on page one.



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**SP-45 Goals Summary – 91.315(a)(4)**

**Goals Summary Information – Estimated Total Funding by 2019**

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase the supply of affordable rental housing	2015	2019	Affordable Housing		Affordable rental housing	CDBG: \$24,303,529 HOME: \$103,152,243 Lead Hazard Control Program: \$2,330,000 National Housing Trust Fund: \$40,000,000	Rental units constructed: 1251 Household Housing Unit  Rental units rehabilitated: 1612 Household Housing Unit

Table 3 – Goals Summary

**Goal Descriptions**

1	<b>Goal Name</b>	Increase the supply of affordable rental housing
	<b>Goal Description</b>	<p>Activities to address this goal may include: CDBG rental rehabilitation, CDBG infrastructure projects in support of rental housing, HOME rental new construction and rental rehabilitation projects, HTF rental new construction projects and LHCP rental rehabilitation activities. (HOME Tenant-Based Rental Assistance (TBRA) activities are discussed with homelessness assistance below). CDBG Planning and Technical Assistance Grants associated with rental activities may also be eligible. For CDBG, "Moderate Income" does not exceed 80% AMI. This year, all HTF assisted units will be for those at or below 30% AMI or below the poverty line, whichever is greater.</p>



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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 91.315(b)(2)**

Over this next five year-Consolidated Plan period, the State estimates providing 7,119 units of affordable rental and homeownership housing through CDBG, HOME, HTF and LHCP. This includes 2,863 units of rental housing, providing either rental new construction or rental rehabilitation assistance, and 4,256 units of homeowner housing, providing either new construction, rehabilitation, or mortgage assistance to purchase existing units. An additional 35,624 households are estimated to receive short-term rental and/or utility assistance to access or maintain housing through ESG, HOPWA, or HOME as permitted under program requirements.



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**AP-15 Expected Resources – 91.320(c)(1,2)**

**Introduction**

This is the first year **HTF** is being administered by the Department. The total annual allocation for HTF is listed in the Anticipated Resources table. The State will distribute HTF funds by selecting applications submitted by eligible recipients. More information can be found in the *HTF Selection Criteria* section in the beginning of this document, on page one.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Multifamily rental new construction	10,128,143	0	0	10,128,143	30,000,000	The estimated HTF amount available for the remainder of the Con Plan was derived by taking the current year allocation of roughly \$10 million and multiplying by three, the remaining number of years in this ConPlan cycle

**Table 4 - Expected Resources – Priority Table**

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

**HTF** – Per 24 CFR 91.320(k)(5)(i) state HTF programs are required to score more highly eligible applicants that make use of non-federal funding. The Department anticipates non-federal sources of funding could include other State funds, such as tax credits, Affordable Housing and Sustainable Communities (AHSC) funding, and if approved by the Legislature and Governor later this year, Mental Health Services Act funding, private bank loans and local funds. More information can be found in the *HTF Selection Criteria* section in the beginning of this document, on page one.



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## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase the supply of affordable rental housing	2015	2019	Affordable Housing		Affordable rental housing	CDBG: \$3,926,032 HOME: \$21,037,773 Housing Trust Fund: \$10,128,143 Lead Hazard Control Program: \$793,333	Rental units constructed: 306 Household Housing Unit Rental units rehabilitated: 150 Household Housing Unit

Table 5 – Goals Summary

#### Goal Descriptions

1	<b>Goal Name</b>	Increase the supply of affordable rental housing
	<b>Goal Description</b>	Activities to address this goal may include: CDBG rental rehabilitation, CDBG infrastructure projects in support of rental housing, HOME rental new construction and rental rehabilitation projects, HTF rental new construction and LHCP rental rehabilitation activities. (HOME Tenant-Based Rental Assistance (TBRA) activities are discussed with homelessness assistance below.) CDBG Planning and Technical Assistance Grants associated with rental activities may also be eligible. For CDBG, "Moderate Income" does not exceed 80% AMI. This year, all HTF assisted units will be for those at or below 30% AMI or below the poverty line, whichever is greater.



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**AP-25 Allocation Priorities – 91.320(d)**

<b>Program</b>	<b>Increase the supply of affordable rental housing (%)</b>	<b>Expand homeownership and improve existing housing (%)</b>	<b>Provide homeless assistance &amp; prevention services (%)</b>	<b>Increase economic development opportunities (%)</b>	<b>Maintain or increase public services (%)</b>	<b>Maintain or increase public facilities (%)</b>	<b>Colonias Set-Aside (%)</b>	<b>Total (%)</b>
Other- Housing Trust Fund	100	0	0	0	0	0	0	<b>100</b>

**Table 6 – Funding Allocation Priorities**

**Reason for Allocation Priorities**

**HTF** – Per 24 CFR §93.250, this year, all HTF will go to ELI units or households with incomes at or below the poverty line (whichever is greater). The Department will maximize HTF’s deep targeting requirements by devoting 100% of its HTF allocation to the production of new rental housing. Increasing the supply of rental housing is a priority need in the State’s Consolidated Plan.



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### **How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?**

The proposed distribution of funds address all of our priority need housing areas to the extent that this is driven by applicant demand for these activities and federal and State statutory or regulatory requirements for the use of the funds. Now that National Housing Trust Fund (HTF) dollars are available, the State will administer these funds consistent with HTF program requirements and our Consolidated Plan priority need to increase the supply of rental housing to extremely low-income renters or families with incomes at or below the poverty line (whichever is greater).



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**AP-30 Methods of Distribution – 91.320(d)&(k)**

<b>5</b>	<b>State Program Name:</b>	HTF
	<b>Funding Sources:</b>	Housing Trust Fund
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The National Housing Trust Fund (HTF) was established by the Housing and Economic Recovery Act of 2008 (HERA) and is administered by HUD. HTF is funded with a set-aside from new mortgage purchases from Government Sponsored Enterprises. Per 24 CFR §93.250, 100% of funds must benefit Extremely Low Income (ELI) households or households with incomes at or below the poverty line (whichever is greater) when the total amount of HTF funds is less than \$1 Billion. On April 4th, 2016, HUD announced that nearly \$174 million will be made available for HTF recipients.</p> <p>Of this amount, the current HTF allocation to California is (\$10,128,143).</p>



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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>In addition to following federal HTF requirements, the State will utilize the specific rating factors set forth by these other programs in adopted guidelines or regulations in the following areas.</p> <ul style="list-style-type: none"><li>• Geographic priorities for the distribution of funds</li><li>• Applicant’s ability to obligate HTF funds;</li><li>• Applicant’s ability to complete the proposed project in a timely manner;</li><li>• The availability of Federal, State or Local project-based rental assistance;</li><li>• The length of the affordability period;</li><li>• How well the application meets the State’s priority housing needs; and</li><li>• Use of non-federal funding sources. as leverage.</li></ul> <p>More information can be found in the <i>HTF Selection Criteria</i> section in the beginning of this document, on page one.</p>
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<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>More information can be found in the <i>HTF Selection Criteria</i> section in the beginning of this document, on page one.</p>
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<p><b>Describe threshold factors and grant size limits.</b></p>	<p>More information can be found in the <i>HTF Selection Criteria</i> section in the beginning of this document, on page one.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>This information can be found in AP-55.</p>



## **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**

This will be the first year the Department of Housing and Community Development administers the HTF Program. Pursuant to §91.320(k)(5), the program considers geographic distribution. See HCD's responses in HUD's *HTF Allocation Plan Guide* for more information.

### **Rationale for the priorities for allocating investments geographically**

The HTF Program does have geographic target areas. See HCD's responses in HUD's *HTF Allocation Plan Guide* for more information.



## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	2,078
Non-Homeless	656
Special-Needs	1,215
Total	3,949

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	2,028
The Production of New Units	317
Rehab of Existing Units	315
Acquisition of Existing Units	124
Total	2,784

Table 8 - One Year Goals for Affordable Housing by Support Type

#### Discussion

In FY 16-17, the State CDBG, HOME, ESG, HOPWA, HTF and LHCP programs will assist an estimated 2,784 households to access or maintain permanent housing, including an estimated 2,028 households who will receive short-term rent and/or utility assistance.

The estimated 1,215 Special Needs households will be assisted through HOPWA and HTF. See AP 70 below for a breakdown of this number by type of HOPWA assistance projected. Other Special Needs households are anticipated to be served through the other ConPlan programs. These are not separately estimated, but are within the Homeless and Non-Homeless categories shown above. See AP 30 for a further discussion on HTF and the populations it will serve.



## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

**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 HTF Program may have a role in increasing the supply of affordable housing homeless and other or other special needs populations. See the AP 30 *Methods of Distribution* for more background, and AP 55 for specific NHTF unit production goals related to homeless and special needs populations.



## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction**

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers 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**

Barriers or restrictions affecting affordable housing development in California communities include, but are not limited to, land-use controls, fees and exactions; processing and permit procedures; and restrictive on/off-site Improvement standards. The cumulative impact of these public policies negatively affects affordable housing and residential investment by limiting the supply and affordability of housing.

The HTF program does not explicitly address these restrictions but it does provide more funding to increase the supply and affordability of housing. See AP 30 for more discussion on the HTF Program and AP 55 and AP 65 for more information on the goals of the program.



## **AP-85 Other Actions – 91.320(j)**

### **Actions planned to address obstacles to meeting underserved needs**

This is the first year HCD will administer the HTF Program. The Department will dedicate all funds to New Construction of Affordable Housing for units restricted to ELI populations or persons under the poverty level, whichever is greater. HTF will have a preferred beneficiary of homeless and other special needs populations. In its first year, HTF funds are projected to provide 100 ELI units, including approximately half for homeless populations and half for other special needs populations. All units will be restricted to ELI renters, and additional application rating points will be provided to projects that can provide rental assistance for these units, ensuring affordability of these units to households with little or no income.

### **Actions planned to foster and maintain affordable housing**

In addition to implementation of housing assistance activities under the federal CDBG, HOME, HOPWA, ESG, HTF and LHCP programs, HCD has a number of State-funded housing programs in place to foster and maintain affordable housing. program costs. For more information, see [www.csd.ca.gov](http://www.csd.ca.gov).

### **Actions planned to reduce the number of poverty-level families**

HTF also seeks to reduce the number of poverty level families or ELI households. HTF will help ELI populations, especially because many ELI populations are cost-burdened or severely cost-burdened (30% or more of their rent goes to rent, or, 50% or more of their rent goes to rent). Additionally, HTF will target homeless and other Special Needs Populations. See AP 30 *Method of Distribution* for more details.