

Hello,

I am sending this campaign to you in hopes you will send out this important request to Gustavo Velasquez Director HCD regarding the use of CDBG funds for our County. This has the potential to bring in significant funds for a variety of needs in the economic COVID-19 recovery effort

The deadline in Monday April 20

Details of the Instructions on how to proceed are below. Letters go to Consolidatedplan@hcd.ca.gov. I have also included a copy of what I sent on behalf of West Business Development Center

Please let me know if you will send a communication in support of this amendment .

Mary Anne Petrillo

State of California 2019-2020 Annual Action Plan – Substantial Amendment

The following amendment language will be added to the 2019-2020 Annual Action Plan to allow the state access to emergency funding intended to assist in making a timely response to the impacts of the COVID-19 pandemic. The full text of the existing plan may be found at <https://www.hcd.ca.gov/policy-research/plans-reports/docs/Draft-2019-20-Annual-Action-Plan.pdf>.

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

Introduction

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act or the “CARES Act”. The Act identified additional funding for the Emergency Solutions Grant (ESG) Program, the Housing Opportunities for Persons with AIDS (HOPWA) program, and the Community Development Block Grant (CDBG) program to support preparation for and response to the community impacts of the COVID-19 pandemic. HUD’s distribution plan for the additional funding included multiple phases: an initial phase that would allow for quick access to funding necessary to address the immediate crisis resulting from the rising pandemic, as well as later phases that would support post-pandemic community recovery. The 2019-2020 Annual Action Plan (AP) will be amended to incorporate additional funding in the initial phase (FY 2019-2020), and to describe the Methods of Distribution for the CARES Act funding in the CDBG, ESG, and HOPWA programs.

Summary of Citizen Participation Process and consultation process

The Substantial Amendment to the 2019-2020 Annual Action Plan (AP Amendment) addressing additional funding from the CARES Act will be available for a public comment period of 5 days per waiver of federal regulations. The waiver may be found at <https://www.hudexchange.info/resource/6007/availability-of-waivers-of-community-cpd-grant-program-and-consolidated-plan-requirements-to-prevent-the-spread-of-covid19-and-mitigate-economic-impacts-caused-by-covid19/>. The waiver allows for added flexibility in the ESG and HOPWA programs. The draft AP Amendment is available for comment from all interested members of the public from **Tuesday, April 14, 2020 to Monday, April 20, 2020**. The draft AP Amendment and the public notice document are available for review on HCD’s website at <http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>.

AP-12 Participation - 91.115, 91.300(c)

Summary of citizen participation process/Efforts made to broaden citizen participation

The Substantial Amendment to the 2019-2020 Annual Action Plan (AP Amendment) addressing additional funding from the CARES Act will be available for a public comment period of 5 days per waiver of the federal regulations. The draft AP Amendment is available for comment from all interested members of the public from **Tuesday, April 14, 2020 to Monday, April 20, 2020**. The draft AP Amendment and the public notice document are available for review on HCD's website at <http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>.

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

Introduction

The CARES Act provides one-time funding for three state-level programs. The funding designation for CARES Act funds is Coronavirus (CV) funds:

Emergency Solutions Grant CARES Act Stimulus (ESG-CV),

Housing Opportunities for Persons with Aids CARES Act Stimulus (HOPWA-CV), and

Community Development Block Grant CARES Act Stimulus (CDBG-CV).

Anticipated Resources

The anticipated resources for the ESG-CV, HOPWA-CV, and CDBG-CV programs are based on award letters received in early April 2020 and indicate actual awards for these funds. Future funding for the ESG-CV and CDBG-CV is expected to address longer term impacts of the COVID-19 pandemic, however those funds will be programmed through future plans and amendments.

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: \$		
ESG-CV	Public Federal	Financial Assistance, Overnight shelter, Rapid-Rehousing, Transitional housing	\$43,990,603	\$0	\$0	\$43,990,603	\$0	One-time award of funds – March 2020
CDBG-CV	Public Federal	Acquisition, Admin and Economic Development, Public Services and Facility Improvements	\$19,331,744	\$0	\$0	\$19,331,744	\$0	One-time award of funds – March 2020

HOPWA-CV	Public Federal	Permanent housing in facilities, Permanent housing placement, Short term or transitional housing facilities, STRMU Supportive Services, TBRA	\$578,909	\$0	\$0	\$578,909	\$0	One-time award of funds – March 2020
-----------------	----------------	--	-----------	-----	-----	-----------	-----	--------------------------------------

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

Goals Summary Information

The figures below represent estimates of allocation goals and objectives for the additional funding provided under the CARES Act. These figures are determined by the funding recipients' priority needs.

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator	Total
1	Provide homeless assistance and prevention services	2020	2020	Homeless	Homeless assistance and prevention services	ESG-CV \$43,990,603 HOPWA-CV \$578,909	Tenant-based rental assistance/ Rapid Rehousing (Households Assisted)	TBD
							Homeless Person Overnight Shelter (Persons Assisted)	TBD
							HIV/AIDS Housing Operations (Household Housing Unit)	TBD
							Homelessness Prevention (Persons Assisted)	TBD

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator	Total
							Household Housing Unit Other	TBD
2	Increase economic development opportunities	2020	2020	Non-Housing Community Development	Economic Development Opportunities	CDBG-CV - TBD	Jobs created/retained (Jobs)	TBD
							Businesses Assisted (Businesses Assisted)	TBD
3	Maintain or increase public services	2020	2020	Non-Housing Community Development	Public Services	CDBG-CV - TBD	Public service activities supporting response to COVID-19 (Persons Assisted)	TBD
4	Maintain or increase public facilities	2020	2020	Non-Housing Community Development	Public Facilities	CDBG-CV - TBD	Public Facility activities <u>supporting healthcare capacity and housing for persons experiencing homelessness</u>	TBD

AP-25 Allocation Priorities – 91.320(d)

Introduction

The amended percentages below are based on the expected amount of funds that will be awarded by each new program funded by the CARES Act for federal Fiscal Year (FY) 2019-2020 for eligible activities that fall within that goal. The percentages below will depend on funding awardees' needs and demand for activities within the specified goal categories.

Funding Allocation Priorities

Program	Increase the supply of affordable rental housing (%)	Expand homeowner ship and improve existing housing (%)	Provide homeless assistance & prevention services (%)	Increase economic development opportunities (%)	Maintain or increase public services (%)	Maintain or increase public facilities (%)	Colonias Set-Aside (%)	Total (%)
CDBG-CV	0	0	TBD %	TBD %	TBD %	TBD %	0 %	100%
ESG-CV	0	0	100%	0	0	0	0	100%
HOPWA-CV	0	0	100%	0	0	0	0	100%

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

Introduction

The CARES Act provides one-time funding for three state-level programs:

Emergency Solutions Grant CARES Act Stimulus (ESG-CV),

Housing Opportunities for Persons With Aids CARES Act Stimulus (HOPWA-CV), and

Community Development Block Grant CARES Act Stimulus (CDBG-CV).

CARES Act funding will be distributed using the existing methods of distribution for the HOPWA-CV funds. The CDBG-CV and ESG-CV funds will use streamlined distribution methods to ensure that the funding can be distributed and expended as quickly as possible, on activities that address immediate and medium-term responses to the COVID-19 pandemic. Eligible activities must be related to COVID-19 response and recovery.

Distribution Methods

CDBG-CV (Community Development Block Grant CARES Act Stimulus Program)

CDBG-CV funds will be distributed via allocation through a simplified application. CDBG-CV funding will be distributed to all CDBG-eligible non-entitlement jurisdictions as a formula grant based on the formula prescribed in the State of California's Permanent Local Housing Allocation (<https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>) , which is based on the formula used for allocating the Community Development Block Grant to entitlement jurisdictions.

(<https://www.hudexchange.info/onecpd/assets/File/CDBG-Formula-Appropriation-Process-Transcript.pdf>. Description of formula starts on Page 3.) The estimated formula allocation is below. These allocations are estimates and may be adjusted as the formula is finalized. A total of 17 percent of the allocation will be available to each awarded jurisdiction for program administration costs. Costs incurred in COVID-19 response prior to allocation may be eligible for reimbursement as per the CARES Act. Applicants will be asked to identify pre-agreement costs as part of the simplified application.

Jurisdiction	Estimated Allocation	Jurisdiction	Estimated Allocation
Alpine County	\$60,664	Los Banos	\$167,721
Alturas	\$70,681	Loyalton	\$60,271
Amador City	\$58,699	Madera County	\$244,134
Amador County	\$119,594	Mammoth Lakes	\$72,843

American Canyon	\$104,665
Anderson	\$92,486
Angels	\$72,450
Arcata	\$156,917
Artesia	\$120,969
Arvin	\$123,523
Atwater	\$141,006
Auburn	\$106,826
Avenal	\$93,272
Benicia	\$126,077
Biggs	\$63,021
Bishop	\$74,610
Blue Lake	\$60,860
Brawley	\$134,719
Butte County	\$297,171
Calaveras County	\$184,025
Calexico	\$181,668
Calimesa	\$79,129
Calipatria	\$68,717
Calistoga	\$75,985
Capitola	\$93,664
Carmel-by-the-Sea	\$73,039
Chowchilla	\$98,379
Clearlake	\$130,006
Coalinga	\$91,897
Colfax	\$64,199
Colusa	\$76,574
Colusa County	\$74,414

Maricopa	\$59,485
Marina	\$140,416
Mariposa County	\$114,487
Marysville	\$98,379
McFarland	\$100,540
Mendocino County	\$311,904
Merced County	\$277,135
Modoc County	\$68,128
Mono County	\$68,717
Montague	\$61,253
Mount Shasta	\$80,111
Napa County	\$127,648
Nevada City	\$70,289
Nevada County	\$273,010
Orange Cove	\$90,325
Orland	\$82,468
Oroville	\$122,148
Pacific Grove	\$105,843
Palos Verdes Estates	\$86,200
Parlier	\$119,005
Pismo Beach	\$88,754
Placer County	\$405,604
Placerville	\$98,772
Plumas County	\$108,005
Plymouth	\$60,075
Point Arena	\$60,075
Portola	\$67,146
Rancho Mirage	\$153,381

Corcoran	\$101,522
Corning	\$82,468
Crescent City	\$72,057
Del Norte County	\$125,487
Dinuba	\$132,166
Dixon	\$102,897
Dorris	\$59,288
Dos Palos	\$73,825
Dunsmuir	\$64,199
El Centro	\$192,668
El Dorado County	\$427,801
Etna	\$59,878
Eureka	\$167,131
Exeter	\$87,182
Farmersville	\$87,575
Ferndale	\$63,413
Firebaugh	\$85,022
Fort Bragg	\$95,237
Fort Jones	\$61,646
Fortuna	\$96,808
Fowler	\$72,254
Glenn County	\$95,237
Grass Valley	\$120,773
Greenfield	\$124,702
Gridley	\$82,468
Grover Beach	\$108,005
Guadalupe	\$90,129
Gustine	\$65,575

Red Bluff	\$110,558
Rio Dell	\$70,485
Rio Vista	\$85,807
Riverbank	\$108,790
San Benito County	\$108,005
San Joaquin	\$70,092
San Juan Bautista	\$67,735
San Juan Capistrano	\$210,740
Sand City	\$59,838
Santa Cruz County	\$504,411
Scotts Valley	\$92,486
Shasta County	\$255,724
Shasta Lake	\$91,111
Sierra County	\$60,271
Siskiyou County	\$126,666
Solano County	\$114,290
Soledad	\$107,808
Sonora	\$81,485
South Lake Tahoe	\$147,685
St. Helena	\$79,325
Suisun City	\$137,863
Susanville	\$83,058
Sutter County	\$103,683
Sutter Creek	\$70,092
Taft	\$80,700
Tehama	\$58,463
Tehama County	\$166,385
Trinidad	\$58,895

Hidden Hills	\$63,610
Hollister	\$160,649
Holtville	\$73,628
Humboldt County	\$306,993
Huron	\$88,754
Imperial	\$81,485
Imperial County	\$154,953
Indian Wells	\$79,129
Industry	\$58,463
Inyo County	\$92,486
Ione	\$67,146
Jackson	\$77,950
King City	\$119,594
Kings County	\$145,720
Lake County	\$215,454
Lakeport	\$70,681
Lassen County	\$90,915
Lemoore	\$129,416
Lincoln	\$181,078
Lindsay	\$104,468
Live Oak	\$79,914
Livingston	\$97,004
Loomis	\$72,843

Trinity County	\$108,397
Truckee	\$93,272
Tulare County	\$520,126
Tulelake	\$61,057
Tuolumne County	\$215,847
Ukiah	\$115,665
Vernon	\$58,267
Wasco	\$120,773
Weed	\$68,325
Westmorland	\$64,788
Wheatland	\$64,199
Williams	\$72,057
Willits	\$82,271
Willows	\$83,450
Winters	\$79,129
Woodlake	\$80,111
Yolo County	\$121,755
Yountville	\$72,254
Yreka	\$90,915
Yuba County	\$242,759
Total Local Assistance	\$18,751,792
State of California Operations	\$579,952
Program Total	\$19,331,744

Allocations will be made through the state's Grants Network system and will be administered on a by activity basis. Any allocations that are not claimed by the respective jurisdiction will, at the end of the application and award period, be tabulated, and at the Department's discretion, used to increase awarded allocations. Grantees will be able to identify up to three activities for their allocation from the activities prioritized for CDBG-CV funding:

Public services to respond to COVID-19 impacts

Public facility improvements to increase capacity for healthcare facilities

Housing facilities for persons experiencing homelessness

Economic development to support needs for working capital and furniture, fixtures, and equipment focusing on safety requirements

As permitted in the CARES Act, HUD has elected to waive the federal caps on public services for services that are in response to COVID-19 impacts. Grantees will be required to document that the services funded through CDBG-CV are in response to COVID-19. Any services provided that are not in response to COVID-19 will be subject to the federal 15 percent public services cap.

The Department is seeking waivers from the state statutory requirements that at least 51 percent of annual CDBG allocations be made available to housing and housing related activities, 30 percent set-aside for economic development activities, 5 percent set-aside for Colonias, and 1.25 percent set aside for non-federally recognized Native American tribes and communities for CDBG-CV funding in FY 2019-2020. Further, the Department is seeking to waive the 50 percent expenditure rule and statutory requirements for Housing Element submittal and adoption. These waivers will apply only to CDBG-CV funding and will not apply to funds awarded through the 2019 and 2020 annual CDBG allocations.

Funding from the 2019 and 2020 annual CDBG allocations for economic development activities currently available in an open Notice of Funding Availability (NOFA) will be made available on an over the counter first come basis to help support needs for economic development. These funds will not be subject to the CDBG-CV waivers, and applicants will be expected to meet all of the NOFA and application requirements.

The Public Facilities allocation priority for CDBG-CV is primarily for public facilities related to the provision of health and medical care, and that support housing for persons experiencing homelessness in compliance with the recommendations found at the following link: <https://www.hudexchange.info/resource/6004/covid19-systemwide-protocol-for-people-experiencing-homelessness/>.

This method of distribution is expected to facilitate immediate fund utilization and improve emergency response to critical community needs resulting from the COVID-19 pandemic.

ESG-CV (Emergency Solutions Grants CARES Act Stimulus Program)

The ESG-CV special allocation provided in the CARES Act will be utilized to prevent, prepare for, and respond to coronavirus, among individuals and families who are experiencing homelessness or receiving homelessness assistance; and to support

additional homelessness assistance and homelessness prevention activities to mitigate the impacts created by coronavirus.

Any future special ESG allocations will be addressed and allocated according to HUD guidance.

HOPWA-CV

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) supplemental HOPWA funds, will allow our HOPWA grantees to pay for an increased number of hotel/motel and extend the length of time they can provide short-term rent, mortgage, and utility (STRMU) assistance to eligible households to prevent homelessness of a tenant or mortgagor of a dwelling for a period of up to 24 months. Hotel/motel assistance will provide lodging at hotels, motels, or other locations to quarantine HOPWA-eligible persons or their household members. The Office of AIDS (OA) will notify current HOPWA grantees about the available funds. Distribution of funds will be based on need, COVID-19 impact in the jurisdiction, and number of persons to be served.

Describe the state program addressed by the Method of Distribution.

HCD's ESG program is traditionally distributed by formula to two separate allocations, Continuum of Care (CoC) and Balance of State (BoS). CoC allocations contain a city or county that receives ESG funds directly from HUD. BoS funds are allocated to Service Areas (SA) that do not contain a city or county that receives ESG funds directly from HUD. The ESG CARES funding allocation may utilize a formula-based method of distribution for CoC and BoS Service Areas which considers factors such as HUD's homeless Point in Time (PIT) count, poverty rates, extremely low-income household renter cost burden data, coronavirus infection rates and HUD's unsheltered homeless figures. HCD may utilize a direct allocation method or over the counter application.

The entirety of the federally allocated ESG-CV funds are to be utilized to address homelessness and may be used for currently eligible activities related to crisis response including Emergency Shelter (ES), Homeless Prevention (HP), Street Outreach (SO), Rapid Rehousing (RR), and the Homeless Management Information System (HMIS) (24 CFR §576.100).

Currently, HCD intends to distribute the funds in a direct allocation method or over the counter application method.

The above method of distribution may change as HCD sees fit or as advised by HUD to properly address the needs addressed by the CARES Act allocation or any future special allocation.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

The ESG-CV funding allocation may utilize a formula-based method of distribution for CoC and BoS Service Areas which considers factors such as HUD's homeless Point in Time (PIT) count, poverty rates, extremely low-income household renter cost burden data, coronavirus infection rates and HUD's unsheltered homeless figures.

CoC Allocation

Within the CoC allocation, Administrative Entities (AE) will be selected by HCD to administer an allocation of funds. These AEs must be local governments of ESG Entitlement Areas and must commit to administering ESG-CV funds, in collaboration with their CoC, throughout their CoC Service Area, including ensuring access to ESG-CV funds by households living in non-entitlement areas.

HCD will enter into a contract with the AE, and the AE will contract directly with its selected providers. The AE shall collaborate with the CoC in administering an application selection. The local government Administrative Entities (AEs) will select applications for funding using a process that is:

Fair and open and avoids conflicts of interest in project selection, implementation, and the administration of funds;

Follows procurement requirements of 24 CFR Part 200;

Evaluates provider capacity and experience, including the ability to deliver services in non-entitlement areas;

Utilizes data and considers community input to identify unmet needs;

Prioritizes activities that address the highest unmet need, considering other available funding and system-wide performance measures;

Considers project-level performance measures when evaluating proposals;

Incorporates reasonable performance standards as set forth in the Action Plan 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 Action Plan in the contract year;

Complies with federal ESG requirements; and

Considers any other practices promoted or required by HUD.

An AE can also enter into an agreement with a geographically contiguous CoC in the BoS allocation to administer 100 percent of the funding attributable to both CoC Service Areas for Rapid Rehousing activities.

BoS Allocation

Under the BoS allocation, funds will be available to each BoS Service Area Continuum of Care utilizing the formula allocation factors previously outlined in the CoC allocation.

CoCs in the BoS allocation are those which have no ESG entitlement jurisdictions within their CoC Service Area. Within this allocation pool, a CoC will receive funding directly if the CoC has capacity to administer the contract and is a state and federally recognized non-profit organization, may designate an AE to administer the funding, or may select providers to receive a portion of funds available. In recommending providers for these funds, the CoC shall follow a process that meets the requirements outlined above for the Administrative Entity allocation process.

The above allocation processes are the current suggested allocation methods and may change as HCD sees fit or as advised by HUD to properly address the needs addressed by the CARES Act allocation or any future special allocation.

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)

ESG-CV funds will be distributed to local governments and non-profit homeless service providers in two separate funding allocations: 1) the CoC allocation and 2) the BoS allocation, according to factors which may include HUD's homeless PIT count, poverty rates, extremely low-income household renter cost burden data, coronavirus infection rates and rates of unsheltered homeless according to the standard ESG Method of Distribution and criteria discussed previously.

The above allocation processes are the current suggested allocation methods and may change as HCD sees fit or as advised by HUD to properly address the needs addressed by the CARES Act allocation or any future special allocation.

Describe how resources will be allocated among funding categories.

Generally, federal ESG regulations cap the amount that can be allocated to eligible projects under the Street Outreach and Emergency Shelter components at 60 percent of HCD's annual federal ESG allocation. Individual homeless service providers may propose uses of funds in accordance with their needs subject to the above restriction.

ESG-CV Administration

AEs under the CoC allocation may receive approximately 5 percent of their formula allocation for Administration as defined in the federal regulations. For the BoS allocation, the CoC allocation may receive approximately 5 percent of their formula allocation for Administration as defined in the federal regulations if administering the contract directly. Otherwise, grant Administration of up to \$200 per application may be requested by local government service provider applicants per 24 CFR §576.108.

Homeless Service Provider Indirect Cost Allocation

CoC allocation: As permitted by the applicable AE, homeless service providers receiving funds from an AE under the CoC allocation may charge an indirect cost allocation as calculated pursuant to 24 CFR §576.109.

BoS allocation - Homeless service providers funded by HCD through the BoS allocation are also eligible to receive an indirect cost allocation as calculated pursuant to 24 CFR §576.109.

The above allocation processes are the current suggested allocation methods and may change as HCD sees fit or as advised by HUD to properly address the needs addressed by the CARES Act allocation or any future special allocation.

Describe threshold factors and grant size limits.

Minimum and Maximum Grant Limits

CoC allocation: Where there is an approved AE, AEs will be responsible for setting any minimum and maximum grant amounts since they will be evaluating provider applications and managing the contracts. HCD will be monitoring AEs to ensure that they can effectively manage the number of awards they make.

BoS allocation: No individual application minimum and maximum grant amounts will be established by HCD for this allocation. The amount of each individual application for available funds within this set-aside shall be determined by the CoC.

What are the outcome measures expected as a result of the method of distribution?

The method of distribution for ESG-CV is designed to align with the CARES Act and any future special allocation goals. The specific goals and goal outcome indicators associated with ESG activities in the Strategic Plan are addressing and preventing homelessness (Goal Outcome Indicators: Households Assisted, Persons Assisted).

For the CARES Act funding allocation, ESG-CV anticipates serving as many unsheltered homeless as possible, if not all unsheltered homeless; increasing the availability of Rapid Rehousing facilities; and increasing the number of Rapid Rehousing recipients, Emergency Shelter services recipients, and Homeless Prevention services recipients proportionate to the currently undetermined total CARES Act funding allocation to HCD.

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

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.

As part of the CARES Act, HUD has temporarily waived FMR limits for the ESG-CV funding. This waiver impacts both the existing ESG allocations as well as the ESG-CV funding. The waiver is intended to help address the wide variances in housing costs, not just between urban and rural areas, but nation-wide. This waiver will be critical in ensuring that the funding can be used as intended to help people in the timeframe required to make a timely response to community needs.

HUD has proposed additional regulatory relief as part of the CARES Act, by providing increased administration percentages, reduced match requirements, and reduced use restrictions on the ESG-CV funds. These reduced restrictions, along with the urgency required to get the ESG-CV funds utilized, necessitated a waiver of the state's ESG regulations, which included the proscribed method of distribution as well as use requirements that had frustrated CoCs and homelessness responders. The Department will be exploring the opportunity to transition from ESG regulations to more flexible guidelines to support adaptability and responsiveness to the ongoing impacts of the COVID-19 virus and evolving needs to effectively reduce homelessness in the state.

Insert your logo or use your letterhead

April 16, 2020

Gustavo Velasquez
Director
California Department of Housing & Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

Re: Public Comment on Distribution Plan for CDBG CARES Act Funds, and Expedited Allocation of FY 2019-2020 CDBG Economic Development Funds for Non-Entitlement Communities

Dear Director Velasquez:

We are writing on behalf of [REDACTED] to state our strong support for the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Amendments to the 2015-2020 Consolidated Plan and 2019-2020 Annual Action Plan. More specifically, we are encouraged to see changes to the distribution methodology proposed by the Department of Housing and Community Development (HCD) for Community Development Block Grants CARES Act (CDBG-CV) funding.

As part of the federal CARES Act, HCD will receive \$19,331,744 in CDBG-CV funding “to be used to prevent, prepare for, and respond to the coronavirus (COVID-19).” With the COVID-19 statewide shelter-at-home order, many businesses, jurisdictions, and local economies have been negatively impacted – especially, the smallest jurisdictions that have access to fewer resources and support for response and recovery. Support to re-open and keep businesses open in these communities will make a significant difference recovery.

In [REDACTED], we are experiencing [REDACTED], and the estimated amount we receive will be used to [REDACTED]. Provide an example of local need & how you would like to use these funds – make sure it is an acceptable use. Business assistance, public services, etc.

An expedited and efficient method of delivery is necessary given the urgency of the situation. Under the CARES Act, all entitlement communities will receive their initial CDBG-CV allocations within thirty days of enactment of the Act. We agree with HCD that given that non-entitlement communities are facing similar impacts, it is inappropriate to use HCD’s traditional lengthy NOFA process to distribute these funds. It will take too long.

Fund deployment needs to happen as quickly and efficiently as possible, in a way that all 163 non-entitlement jurisdictions can receive support for COVID-19 response. The following proposed amendments show HCD’s clear intent and deliberative action to help our businesses and communities during this challenging time:

- Communities would receive the funds through formula similar to entitlement jurisdictions.
- Communities could use the funds for activities directly related to COVID-19 response, including economic development as an approved activity.
- There will be a streamlined application process for communities to access the funds.
- Funds would not be subject to the 50% rule.

We would also encourage HCD to commit to approving applications and providing grant agreements in an expeditious way to hasten the delivery of CDBG-CV support within thirty (30) days of the approval of these plan amendments.

Furthermore, we support the effort to accelerate the allocation of FY 2019 and FY 2020 CDBG Economic Development funds through on over the counter process, and encourage the Department to facilitate access by local agencies to these funds by:

- Streamlining the application process to reduce administrative burdens on local agencies.
- Offering webinars, technical assistance and ensure the availability of knowledgeable staff to assist communities attempting to complete applications.
- Providing a quick turnaround on approved applications to ensure expedited access to funding.

With these points in mind, we strongly support HCD's efforts to amend their plans in a way that California's non-entitlement communities can access this relief as quickly as possible. If you have any questions, feel free to contact me at _____

Respectfully,

Name

Organization

cc: Governor's Office of Business & Economic Development

Senator Mike McGuire, Chair, Senate Governance and Finance Committee

Assembly Member Cecilia Aguiar-Curry, Chair, Assembly Local Government Committee



California Association for Local Economic Development

Report to CALED Membership on Expedited Distribution of Economic Development and CARES Act CDBG-CV Funds for Non-Entitlement Communities - April 9, 2020

Issue Statement: With the COVID-19 statewide shelter-at-home order, many businesses, jurisdictions, and local economies have been negatively impacted – especially, the smallest jurisdictions that have access to fewer resources and support for response and recovery. This document lays out options and potential solutions for the expedited distribution of economic development and CARES Act Community Development Block Grant (CDBG-CV) funds for California’s non-entitlement communities.

Overview:

- California’s Department of Housing and Community Development (HCD), has an open Notice of Funding Availability (NOFA) for FY 2019 and FY 2020 CDBG programs, with approximately \$19,000,000 available for economic development purposes. Although, there are currently no applications for this funding, the first deadline is June 1, 2020.
- As part of the federal CARES Act, HCD will receive another \$19,331,744 in CDBG-CV funding “to be used to prevent, prepare for, and respond to the coronavirus (COVID-19).” Thirty per cent (30%) of that would be available for economic development activities as delineated under current HCD CDBG program guidelines, totaling \$5,799,532.
- According to HCD records, California has 163 non-entitlement jurisdictions: 36 counties and 127 cities.
- Under the CARES Act, all entitlement communities will receive their initial CDBG-CV allocations within thirty days of enactment of the Act. Given that non-entitlement communities are facing similar impacts, it is inappropriate to use HCD’s traditional lengthy NOFA process to distribute these funds. It will take too long.
- HCD needs, and is willing to work with public-sector partners on, an expedited process to get the funds out quickly, but that still allows HCD to manage the grants within the restrictions and guidance from the federal Department of Housing and Urban Development (HUD).
 - This could include claw backs. For example, if a community does not use the COVID-19 allocated funds for the intended purpose within twelve months, the funds would return to HCD and could be made available for other uses.
- There is a desire to get the funds to as many non-entitlement communities as feasible, in a way that each gets enough funding to implement a sustainable program, within the parameters of the maximum flexibility allowed by HUD. That includes:
 - Allowing communities to pool funding
 - Providing technical assistance from HCD to help communities be compliant in their use of funds

The California Association for Local Economic Development (CALED) is the premier statewide professional economic development organization dedicated to advancing its members’ ability to achieve excellence in delivering economic development services to their communities and business clients.



California Association for Local Economic Development

Potential Methodologies Discussed with and Supported by HCD Staff:

- **For the CARES Act, HCD is proposing distribution by an allocation formula, potentially similar to the formula used for SB 2.**
 - Communities could use the funds for activities directly related to COVID-19 response, and economic development would be one of the approved activities.
 - In order to receive the funds and use them, HCD has to do a plan amendment and public comment process. HCD expects the amendment out next Tuesday (4/14/2020), with a hearing the following week.
 - HCD will have a streamlined application and will share that with us so we can give input.
 - HCD hopes to have the grant agreement bugs worked out so that the agreement is generated within days of an approved application.
 - HCD's intent is to approve completed applications expeditiously to get the funds out.
 - HCD expects it will take 4-6 weeks to be at the point where they are actually awarding funds.
 - Applicants would have 12 months to expend COVID-19 funds.
 - Funds would not be subject to the 50% rule.
- **Regarding the \$19m economic development set-aside in the open NOFA, HCD would like to move that into an over-the-counter review and approval process for both programs and projects. This allows applications to be reviewed and approved as they are submitted without waiting for a competitive deadline.**
 - Applications would be reviewed for eligibility and completeness and approved without a competitive scoring process.
 - Applicants will be able to receive both the COVID-19 funds and still apply for the current NOFA, including economic development activities.
 - Application limits would still apply, but HCD would be able to award program applications from the full \$19 million, not just the competitive set aside.
 - Applicants would still have 36 months to spend the funds.
 - The intent is to use the entire economic development set aside on economic development activities.

Other Considerations:

The devil will be in the details of what the application, review criteria, and timeline for grant agreements look like. HCD agrees that fund deployment needs to happen as quickly and efficiently as possible, in a way that all 163 non-entitlement jurisdictions can receive support for COVID-19 response and jurisdictions can still apply quickly for economic development funds under the current open NOFA. We have included the League of California Cities, the California State Association of Counties, and Rural County Representatives of California in our efforts so that everyone has the same information and opportunity to provide input.

We cannot have another recovery that leaves rural economies behind.

The California Association for Local Economic Development (CALED) is the premier statewide professional economic development organization dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients.



April 16, 2020

Gustavo Velasquez
Director
California Department of Housing & Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

Re: Public Comment on Distribution Plan for CDBG CARES Act Funds, and Expedited Allocation of FY 2019-2020 CDBG Economic Development Funds for Non-Entitlement Communities

Dear Director Velasquez:

We are writing on behalf of West Business Development Center we want to state our strong support for the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Amendments to the 2015-2020 Consolidated Plan and 2019-2020 Annual Action Plan. More specifically, we are encouraged to the see changes to the distribution methodology proposed by the Department of Housing and Community Development (HCD) for Community Development Block Grants CARES Act (CDBG-CV) funding.

As part of the federal CARES Act, HCD will receive \$19,331,744 in CDBG-CV funding “to be used to prevent, prepare for, and respond to the coronavirus (COVID-19).” With the COVID-19 statewide shelter-at-home order, many businesses, jurisdictions, and local economies have been negatively impacted – especially, the smallest jurisdictions that have access to fewer resources and support for response and recovery. Support to re-open and keep businesses open in these communities will make a significant difference recovery.

In Mendocino County, we are experiencing a severe economic decline due to business closures, unemployment and lack of public resources. For our rural economy to recover it needs bold ideas, combined with better infrastructure, and technology utilization. We are the local Business Assistance center in the County. Flexible funding will allow us to create stronger more resilient businesses for the future. Grants that make technical assistance training mandatory are one way to increase the likelihood of survival for that business. Businesses need money, education, and technology to operate in a post COVID-19 world. We serve over 400 businesses a year. The numbers are rising each day. We understand what our business community needs allow us to design the local business assistance programs that can pull our economy back from the brink.

An expedited and efficient method of delivery is necessary given the urgency of the situation. Under the CARES Act, all entitlement communities will receive their initial CDBG-CV allocations within thirty days of enactment of the Act. **We agree with HCD that given that non-entitlement communities are facing similar impacts, it is inappropriate to use HCD’s traditional lengthy NOFA process to distribute these funds. It will take too long.**

Fund deployment needs to happen as quickly and efficiently as possible, in a way that all 163 non-entitlement jurisdictions can receive support for COVID-19 response. The following proposed amendments show HCD’s clear intent and deliberative action to help our businesses and communities during this challenging time:

- Communities would receive the funds through formula similar to entitlement jurisdictions.

- Communities could use the funds for activities directly related to COVID-19 response, including economic development as an approved activity.
- There will be a streamlined application process for communities to access the funds.
- Funds would not be subject to the 50% rule.

We would also encourage HCD to commit to approving applications and providing grant agreements in an expeditious way to hasten the delivery of CDBG-CV support within thirty (30) days of the approval of these plan amendments.

Furthermore, we support the effort to accelerate the allocation of FY 2019 and FY 2020 CDBG Economic Development funds through on over the counter process, and encourage the Department to facilitate access by local agencies to these funds by:

- Streamlining the application process to reduce administrative burdens on local agencies.
- Offering webinars, technical assistance and ensure the availability of knowledgeable staff to assist communities attempting to complete applications.
- Providing a quick turnaround on approved applications to ensure expedited access to funding.
- Ensure all your forms are available to submit online and in Spanish

With these points in mind, we strongly support HCD's efforts to amend their plans in a way that California's non-entitlement communities can access this relief as quickly as possible. If you have any questions, feel free to contact me at 510-504-3284 or director@westcenter.org

Respectfully,



Mary Anne Petrillo
CEO, West Business Development Center

cc: Governor's Office of Business & Economic Development
Senator Mike McGuire, Chair, Senate Governance and Finance Committee
Assembly Member Cecilia Aguiar-Curry, Chair, Assembly Local Government Committee