

NOTICE OF FUNDING AVAILABILITY

Community Development Block Grant Program

Allocation Years:

2009-10

2008-09 & 2009-10

Allocation Type:

General Allocation

Colonias Allocation

April 2009



STATE OF CALIFORNIA

Department of Housing and Community Development
Division of Financial Assistance
Community Development Block Grant (CDBG) Program
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STATE OF CALIFORNIA

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INTRODUCTION

1. AVAILABLE FUNDING

The Department of Housing and Community Development (Department) announces the availability of the following State Community Development Block Grant (CDBG) Program funds:

1. Up to approximately \$15 million for the 2009-10 General Allocation contingent upon the U.S. Department of Housing and Urban Development's (HUD) allocation to the Department.
2. Up to approximately \$4 million for the 2008-09 and 2009-10 Colonias Allocation contingent upon HUD's allocation to the Department.

This Notice of Funding Availability (NOFA) applies to the CDBG General and Colonias Allocations. Typical activities funded under these allocations include: housing rehabilitation programs and projects; homeownership assistance programs; housing acquisition projects; housing new construction projects; public improvements projects; public facility projects; and public services programs.

NOTE: *The Department reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such action occurs, the Department will notify all interested parties.*

The **Application** is a separate document. An Application can be obtained by doing any of the following:

- Fax or mail the *Request for Application* form (included at the end of this NOFA) to the CDBG Program Secretary. Use of the form is encouraged to assure accuracy of mailing information.
- Download the document from the CDBG website:
www.hcd.ca.gov/fa/cdbg/funds
- Attend any of the scheduled Application Workshops (see cover memorandum). Please note that CDBG recommends submitting the *Application Workshop RSVP* form to ensure adequate seating is available.
- Contact the CDBG Program Administrative Assistant at (916) 552-9398.

Please note that there are separate funding notices for the Economic Development, and Planning/Technical Assistance Allocations. Interested individuals may contact the Program Administrative Assistant at (916) 552-9398 for information about those particular NOFAs.

2. AUTHORIZING LEGISLATION AND REGULATIONS

The CDBG Program is authorized by the Housing and Community Development Act of 1974 (HCDA) as amended¹, and Subpart 1 of the Federal Community Development Block Grant regulations². The requirements of the State CDBG Program are in Health and Safety Code, Section 50825, and Title 25 of the California Code of Regulations, Section 7050, et seq.

3. CHANGES FOR THIS YEAR

The 2009-10 funding cycle and application process will be significantly different from the previous funding rounds. Changes are highlighted below. For more detailed information on these changes, applicants may contact a CDBG program representative (see Appendix A) and/or attend an Application Workshop that will be conducted in several locations around the state in April 2009.

Program Changes:

- For this NOFA, the maximum amount awarded per application will be decreased to \$800,000 for the General Allocation.
- Each application will be limited to one of the following scenarios:
 - ✓ Up to a maximum of \$400,000 for one of the following programs: housing rehabilitation, OR public services, OR homeownership assistance.
 - ✓ Up to a maximum of \$600,000 for a housing combination program consisting of a housing rehabilitation program AND a homeownership assistance program. This option allows grantees to transfer funds easily between the two activities as needed with written approval from the Department.
 - ✓ Up to a maximum of \$800,000 for two programs, of which one is a housing program (housing rehabilitation OR homeownership assistance), AND the other one is a public service program (up to five public service activities), each program with a limit of up to \$400,000.
 - ✓ Up to a maximum of \$800,000 for up to two eligible projects (public improvements, public improvements in support of housing new construction, public facilities, multi-family rehabilitation, real property acquisition and housing new construction).
 - ✓ Up to a maximum of \$800,000 for a combination of one eligible program (up to \$400,000) AND one eligible project, or a combination of the housing combo (up to \$600,000) AND one eligible project.

¹ Title I of the Housing and Community Development Act of 1974 as amended. 42 U.S.C. 5301 et seq., Federal Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

² Title 24 Code of Federal Regulations (CFR), Part 570, Subpart I.

- The 10 percent set-aside³ is limited to only ONE activity per application. This activity will not be rated and ranked. However, the application must include all documents related to the type of activity proposed.

Notes:

- Any awarded programs/projects that do not clear special conditions within 90 days of the contract execution date may be terminated/disencumbered.
- The former First-Time Homebuyer Program is now called “Homeownership Assistance” Program to reconcile with HUD’s terminology.
- An application can receive a maximum of 1,000 points.

4. APPLICATION TIMELINES

a. Key dates:

NOFA and Application release:	April 30, 2009
Application Workshops:	May 8-June 5, 2009
Applications due to HCD by 5 p.m.:	July 14, 2009
HCD Compliance of Housing Element:	June 26, 2009
Awards Announced	October 2009

- b. Application Deadline: July 14, 2009. **Applications must be received in the Department by 5 p.m. on the due date.** Applications that are received after the due date will be returned even if mailed before the due date with a postmark on or prior to the deadline date.

c. Number of copies:

- One complete **original** set (with **all original signatures** and **original/certified authorizing resolutions**); and
- One complete copy of the entire application (including attachments); and
- Include one additional copy of the authorizing resolutions in the front pocket of the original application binder.

- d. Mail or Deliver to: Department of Housing and Community Development
Division of Financial Assistance
Community Development Block Grant (CDBG) Program
1800 Third Street, Room 330
Sacramento, CA 95811

(916) 552-9398

³ March 8, 2000, Management Memorandum.

e. For further information:

Please contact a CDBG Representative or the CDBG Administrative Assistant at (916) 552-9398. Please refer to Appendix A for the name and telephone number of the CDBG Representative assigned to each eligible jurisdiction.

5. APPLICATION WORKSHOPS

The Department will present a one-day application workshop in several locations (to be determined) around the State. The workshops will include a brief overview of the State Program, a discussion of the application evaluation criteria for eligible activities and general information regarding the major federal overlay requirements that may affect funded activities.

Eligible applicants attending a workshop are encouraged to review this NOFA prior to attending. Applicants should come prepared with a list of relevant questions regarding their project and proposed application. Information about the workshop dates, times, and locations will be made available soon.

Note: Applicants that anticipate attending one of the scheduled workshops are encouraged to send an *Application Workshop RSVP* form (see cover memorandum) to the CDBG Program. This will help ensure that adequate seating is available for all participants.

FUNDING GUIDELINES

6. FUNDING LIMITSa. Maximum award limits.

- Maximum total award limit will be \$800,000.
- Up to a maximum of \$400,000 for one of the following programs: housing rehabilitation, OR public services, OR homeownership assistance.
- Up to a maximum of \$600,000 for a housing combination program consisting of a housing rehabilitation program AND a homeownership assistance program. This option allows grantees to transfer funds easily between the two activities as needed with written approval from the Department.
- Up to a maximum of \$800,000 for two programs, of which one is a housing program (housing rehabilitation OR homeownership assistance), AND the other one is a public service program (up to five public service activities), each program with a limit of up to \$400,000.
- Up to a maximum of \$800,000 for up to two eligible projects (public improvements, public improvements in support of housing new construction, public facilities, multi-family rehabilitation, real property acquisition and housing new construction).
- Up to a maximum of \$800,000 for a combination of one eligible program (up to \$400,000) AND one eligible project, or a combination of the housing combo (up to \$600,000) AND one eligible project.

b. Limited number of awards.

Applications for funding will be competitively rated and ranked. Funding will be awarded to applicants that score the highest overall, until the available funding is exhausted. Consistent with the nature of a competitive application process, there is no assurance that all applications will be funded.

7. ELIGIBLE APPLICANTS

HOLD-OUT THRESHOLD FACTOR: In order to be eligible to submit an application for funding, an applicant shall have resolved any audit findings or performance problems for prior State CDBG grants awarded under this program.

Jurisdictions are not eligible to receive CDBG funds if they have received a performance findings letter. Examples of performance findings are, but not limited to, having excessive program income on hand, not submitting required reports as stated in the grant agreement, and having unresolved audit findings. If the applicant has received such a letter or is unsure of its status, the applicant should contact the CDBG Representative (see Appendix A).

The city/county is eligible to apply if it has received a letter from the Department clearing its holdout status prior to submittal of the application. The Department may waive this requirement when such problems or findings result in no obligation to return funds to the Department, arrangements satisfactory to the Department have been made for repayment or performance, or a formal action to resolve the matter has been taken.

General Allocation -- Eligible Cities and Counties

In general, incorporated cities under 50,000 in population and counties with an unincorporated area population of under 200,000 persons are eligible to participate in the State CDBG Program. Eligible cities and counties may apply for funds under each Program component. The following exceptions apply:

- a. If a city under 50,000 in population has entered into a three-year urban county Cooperation Agreement, that city cannot participate in the State CDBG Program until the expiration of the Agreement.
- b. If a city under 50,000 in population has been declared the central city of a Standard Metropolitan Statistical Area, it cannot participate because it is entitled to receive CDBG funds directly from the HUD.
- c. If a jurisdiction is presently debarred, proposed for debarment, suspended, or declared ineligible pursuant to Title 24 CFR, Part 24, the jurisdiction cannot participate in the CDBG Program.

See Appendix A for a listing of the eligible cities and counties for the General Allocation. This Appendix also provides the poverty index for each jurisdiction.

Colonias Allocation -- Eligible Applicants

All cities and counties eligible under the State CDBG (non-entitlement) Program, which contain Colonias as defined by the National Affordable Housing Act of 1990, are eligible applicants for these funds. For the purposes of this legislation, a "colonia" is any identifiable community that:

1. is located within 150 miles of the border between the United States and Mexico, **except** within any standard metropolitan statistical area that has a population exceeding 1,000,000; and
2. is designated by the State or county in which it is located as colonia; and
3. is determined to be a colonia on the basis of objective criteria, including the lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and
4. was in existence and generally recognized as a colonia before the enactment of the National Affordable Housing Act of 1990.

The availability of Colonias Allocation funds pursuant to this NOFA is limited to eligible jurisdictions that propose activities within designated Colonias. Eligible jurisdictions may apply for these funds in addition to any other CDBG application submitted during a given program year without invoking the program funding caps.

See Appendix B for a listing of the eligible cities and counties for the Colonias Allocation.

8. ELIGIBLE ACTIVITIES

Pursuant to the Housing and Community Development Act of 1974 (HCDA Section 105(a)), CDBG funds may be used for the following activities:

Programs

Housing Related:

- Housing Rehabilitation
- Homeownership Assistance
- Combination of Housing Rehabilitation & Homeownership Assistance

Public Services Related:

- Child care
- Health care
- Crime prevention
- Job training
- Recreation programs
- Education programs
- Fair housing counseling
- Credit counseling services
- Public safety services
- Services for senior citizens
- Services for homeless persons
- Drug and alcohol abuse counseling and testing
- Transportation services
- Nutrition services
- Energy conservation counseling and testing
- Emergency assistance payments

Projects

- Public Facilities
- Rehabilitation of Multi-Family Projects
- Public Improvements
- Public Improvements in Support of Housing New Construction
- Housing New Construction (Very Limited)
- Real Property Acquisition

Please refer to Appendix C for information about these major activity categories.

9. MEETING A NATIONAL OBJECTIVE

According to 24 CFR Section 570.483, in order to be eligible for funding, every CDBG-funded activity must meet one of the three national objectives of the program. The national objectives are:

- Benefiting low- and moderate-income persons; or
- Preventing or eliminating slums or blight; or
- Meeting other community development needs having a particular urgency because of existing conditions that pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.

Note: Most activities funded under the CDBG General Allocation will meet the national objective of benefiting low- and moderate-income (LMI) persons.

10. PROGRAM ADMINISTRATIVE COSTS

a. General Administrative Expenses.

Grantees are allowed up to 7.5 percent of the total grant amount for reasonable general administrative expenses related to carrying out the CDBG Program. General administrative costs include staff and related costs required for overall program management, coordination, monitoring, reporting, and evaluation.

b. Activity Delivery Expenses.

A portion of the grant award may be used to pay for the actual costs associated with the delivery of the proposed activity. Activity delivery includes costs associated with staff and overhead directly involved with carrying out the activity.

Activity delivery costs vary, depending on the activity category. As a general guideline, the cost of activity delivery has been:

- | | |
|--|-------------------------|
| • Housing Rehabilitation: | up to 19 percent |
| • Public facilities or public improvements | up to 8 percent |
| <i>(if complex labor standards are justified*)</i> | <i>up to 12 percent</i> |
| • All other activities: | up to 8 percent |

* Complex labor standards means multiple subcontractors and/or numerous trades.

Note: Activity delivery costs are calculated as a percentage of the total activity amount.

Example: For a \$300,000 Homeownership Assistance Program with activity delivery costs of 8 percent, activity delivery would be calculated as follows:

$$\$300,000 \times 0.08 = \$24,000 \text{ (activity delivery)}$$

APPLICATION REVIEW AND SCORING

11. EVALUATION CRITERIA AND SCORING POINTS

Applications are rated according to criteria in the California Code of Regulations, Title 24, Sections 7078.1 through 7078.7. Applications are assigned quantitative ratings and are ranked against each other. In rating joint applications, information for the combined needs of all participating localities is used to evaluate applications. The maximum possible score is 1,000 points. The minimum score needed to be eligible for funding is 650 points. Points are divided among seven general scoring groups.

Evaluation Criterion and Description	Maximum Points
<p>Poverty Index:</p> <p>Applicants are compared in terms of the percentage of their population (individuals) with incomes below the poverty level. This measure is taken within the entire jurisdiction, or within a designated target area depending on the activity location. The applicant with the highest poverty rate will receive 100 points under this category. All others will receive points on a prorated basis. Jurisdictions must use 2000 Census data to obtain poverty data jurisdiction-wide or for the appropriate target area(s) that are proposed in the application. Please refer to Appendix A for Census poverty data on a jurisdiction-wide basis. Poverty data may also be obtained from the following website: http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=DEC&_lang=en&_ts= (Use Summary File 3 datasets)</p>	100 Points
<p>TIG Benefit:</p> <p>Activities proposed for funding are allocated points based on the percentage of beneficiaries who earn 80 percent or less of the county's median income, adjusted by household size. Housing rehabilitation and homeownership assistance programs must be income-restricted, i.e., must benefit 100 percent TIG. All other activities will begin earning points for TIG benefit <u>above</u> 51 percent based on HUD's formula. Please refer to Appendix A for Census TIG data on a jurisdiction-wide basis. For target-area TIG data, please refer to: http://www.hud.gov/offices/cpd/systems/census/ca/#lowmod. TIG benefit may also be documented with a properly-conducted income survey, as described in Appendix F.</p>	300 Points
<p>Need for Activity:</p>	

<p>Points are assigned based on the application’s documented community need for the proposed activity and the extent to which the proposed activity will address the identified need. See Appendix C for need indicators for each type of activity.</p>	<p>200 Points</p>
<p>Prior Performance Operating CDBG Grants:</p> <p>Applicants are rated on their performance in administering prior (2005, 2006, 2007, and 2008) CDBG General allocation grants.</p> <p>Per Title 25 CCR 7078.4, performance factors include: timeliness of grant expenditures based on actual percentages, timeliness in expending committed leverage on expired grants; timeliness of reporting, including Single Audit Reports, and close-out submittals; timeliness of resolving any outstanding monitoring or audit findings. Note: The hold-out status for the last four funding years will be used for evaluating performance related to timeliness in reporting.</p> <p>Bonus points will be awarded to applicants whose expenditures exceeded the milestones stated in the contract and/or who have demonstrated timeliness in clearing special conditions or starting the project.</p> <p><u>New Applicants:</u> Applicants who have <u>not</u> had a grant during any of the program years 2005, 2006, 2007, and 2008 will receive 130 standard points under “Performance”, but will not receive bonus points.</p>	<p>150 Points</p> <p>(130 standard points plus 20 above standard points)</p>
<p>Capacity:</p> <p>Applicants who received grants for the funding years 2005, 2006, 2007, and 2008 will be deemed to have some capacity to administer the activity and will receive up to 100 points.</p> <p>Applicants who did not receive grants in 2005, 2006, 2007 and 2008 will be evaluated on documentation of:</p> <ul style="list-style-type: none"> ➤ adequate in-house staff capability and experience (resumes and clear description of duties for each staff involved) – full points; or ➤ executed copy of a contract between the applicant and a program operator with the capacity and experience to administer the CDBG activity (executed contract – full points; draft contract – half points) ➤ a letter of interest to enter into a contract from a program operator with the capacity and experience to administer the CDBG activity. <p>Title 25, CCR Section 7078.5</p>	<p>100 Points</p>

<p>Readiness: Applicants will be rated on their <u>readiness to proceed</u>. Readiness is evaluated in conjunction with each activity’s special conditions. An applicant will receive full points if the condition is fully met and 0 points if partially met.</p> <p>Examples:</p> <p>Environmental Review: correct forms & all forms submitted – full points; incorrect or incomplete forms – 0 points.</p>	<p>50 Points</p>
<p>Leverage:</p> <p>Points are awarded based on documented commitments – governing body Resolutions or third-party letters of additional (non-federal or state) funding for the proposed activity.</p> <p>Local Leverage Commitment: 25 points</p> <p>Private Leverage Commitment: 25 points</p> <p>The applicant pool sets the standard. Title 25, CCR Section 7078.6</p>	<p>50 Points</p>
<p>State Objectives:</p> <p>Bonus points are awarded to applications addressing an identified State Objective. See the following section for a description of State Objectives. Title 25, CCR Section 7078.7</p>	<p>50 Points</p>
<p>TOTAL POINTS AVAILABLE</p>	<p>1,000 Points</p>

State Objectives: State Objective bonus points will be awarded as follows:

- Energy Efficiency Proposals:** Up to 25 points will be added for activities that commit to using the established minimum level of energy efficiency standards. Examples of energy efficiency standards include, but not limited to, installing Energy Star ceiling fans and appliances, installing non-combustible roofing materials, using engineered lumber, providing effective air sealing, etc.

Note: Only units that have received an Energy Star certification from a HERS rater can be reported as Energy Star compliant. The certification process/inspection involves measuring energy characteristics, such as insulation levels, window efficiency, heating and cooling system efficiency etc., as well as diagnostic testing.

- Native American Partnership Proposals:** Up to 50 points will be awarded for activities that propose a partnership with eligible non-federally recognized tribes/areas in which, at a minimum, 51 percent of the beneficiaries are Native American tribal members.

- **Infrastructure Proposals:** Up to 25 points will be awarded for public improvements projects and infrastructure in support of housing.
- **Farmworker Housing/Health Services:** Up to 25 points will be awarded to proposals that facilitate the development and/or operation of migrant or permanent farm worker housing or proposals that facilitate the provision of health services in combination with farm worker housing. To receive these points, the application must demonstrate and document that a minimum of 90 percent of the beneficiaries of the proposed activity are farmworkers.
- **Capacity Building:**
Up to 25 points will be awarded to jurisdictions that applied for CDBG funding but fell below the funding cut-off in the 2008 General Allocation competition. The activity applied for during this funding cycle does not have to be the same as the 2008 proposed activity.

Up to 35 points will be awarded to applicants who applied at least two times in the last four years (2005 to 2008) in the General Allocation and who were not funded either time.

Reference: CCR, Title 25, Section 7078.7

AWARD ANNOUNCEMENTS AND PROCESSING

12. AWARD ANNOUNCEMENTS

It is anticipated that awards will be announced in September 2009 or as soon as the awards list is approved. All applicants will be notified by mail as to the outcome of their application.

NOTE: As a condition of receiving an award, each jurisdiction's housing element must be adopted and submitted to the Department pursuant to Government Code Section 65585, as determined by the Department prior to June 26, 2009. Self-certifications will not be allowed. No extensions will be granted beyond this date. The Department will not award funds to any applicant who does not meet these requirements prior to June 26, 2009. The applicant may contact Paul McDougall of the Housing Policy Development (HPD) Division at (916) 322-7995 to verify the status of its housing element.

NOTE: Unsuccessful applicants will have the opportunity to discuss, upon request, their score in exit interviews to be conducted within 60 days from the award announcement date.

13. AWARD PROCESSING AND TERM OF AGREEMENT

A. Award Processing

All funded applications will be processed through, and incorporated by reference in, a State Standard Agreement (Agreement). The Agreement will contain information about the terms and special conditions of the award. Special conditions must be met within 90 days of the Agreement's execution date. If the conditions are not met, the Department may terminate the Agreement.

Applicants are permitted to incur general administrative costs upon receiving their award letter with prior written approval from the Department. Grantees **MUST** obtain written special conditions and environmental clearance from CDBG prior to starting to incur costs for a CDBG-funded activity. This requirement applies to both CDBG and non-CDBG funding. Any program or project activity that is started prior to obtaining clearance may cause it to be ineligible and for grant funds to be disencumbered. **Only general administrative costs may be incurred until special conditions are met.**

B. Term of Agreement

The agreement shall expire no later than **36 months** from the award date.

14. GRANT MANAGEMENT WORKSHOPS

Based on funding availability, the State CDBG may offer Grant Management Workshops that will be conducted after grant award. At these workshops, CDBG staff will provide information about the day-to-day management of the grant and the various federal overlay requirements, as well as reporting and fiscal requirements. For current information, refer to the CDBG Grant Management Manual, which can be accessed via: <http://www.hcd.ca.gov/fa/cdbg/manual/>.

CDBG PROGRAM REQUIREMENTS

15. STATE and FEDERAL REQUIREMENTS

The CDBG Program is a federally funded program that is administered in California's non-entitlement cities and counties by the Department. Within State statute and regulations, the Department has established the following program requirements:

A. TIG Benefit

All activities funded through the CDBG General Allocation Program shall principally benefit the TIG persons or households. As such, at least 51 percent of the beneficiaries of an eligible activity shall be TIG, with the exception of housing rehabilitation and homeownership assistance programs, whose beneficiaries must be 100 percent TIG. TIG, which includes "Lowest TIG (LTIG)," is based on current county income limits provided annually by the Department. TIG is defined as beneficiaries having incomes that are 80 percent or less of the adjusted area median household income. LTIG beneficiaries have incomes that are at 50 percent or less of the adjusted area median household income. Information on income limits is available on HCD's website at: <http://www.hcd.ca.gov/fa/cdbg/funds>.

For target-area TIG benefit information by Census Tracts/Block Groups, visit: <http://www.hud.gov/offices/cpd/systems/census/ca/#lowmod> then click on FY 07.

Each application must contain documentation of how the proposed activity will principally benefit the TIG. Different activities can have TIG benefit documented in a variety of ways; therefore, refer to Appendix C in this NOFA for the proposed activity regarding how to provide the proper documentation. Failure to adequately document the level of TIG benefit for the proposed activity may result in denial of the funds.

B. Housing

Pursuant to 25 CCR Section 7052, at least 51 percent of the State CDBG allocation must be used to provide or improve housing opportunities for the TIG. Public improvements directly related to providing or improving housing opportunities for the TIG will meet this requirement.

C. CDBG Compliance of Housing Element

In order to receive CDBG funds, a successful applicant must adopt and submit its housing element according to Government Code (GC) Sections 65585 and 65588 (see California Code of Regulations, Title 25, section 7056(b)). The Housing Element Updates Schedule (GC Section 65588) is available on the Department's website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/he_time.htm. The Department will not award funds to any applicant that does not meet the housing element requirements prior to the deadline. Also, please be aware that the Department no longer accepts a self-certification of housing element compliance.

During the initial stage of application review, CDBG will not reject an application based on either the content of the housing element or the Department's findings on the element, except as may otherwise be provided in Section 50830 of the Health and Safety Code. If there are questions about the CDBG compliance status of the jurisdiction's housing element, call Paul McDougall of the HPD Division at (916) 322-7995, prior to submitting an application to verify the status of the housing element.

D. Growth Control

Pursuant to Health and Safety Code Section 50830, no city or county is eligible to receive CDBG funds if the city or county has adopted a general plan, ordinance, or other measure that directly limits, by number, the building permits that may be issued for residential construction or the building lots that may be developed for residential purposes. If there is a question about a local policy that may meet this criteria, call Paul McDougall of the HPD Division at (916) 322-7995, prior to submitting an application, to find out if the local housing restrictions qualify. However, this provision **shall not** be applicable to:

1. An ordinance adopted by a city or county that does any of the following:
 - a. Imposes a moratorium to protect the public health and safety on residential construction for a specified period of time if, under the terms of the ordinance, the moratorium will cease when the public health and safety is no longer jeopardized by the construction;
 - b. Creates agricultural preserves under Chapter 7 (commencing with Section 51200) of Part 2 of Division 1 of Title 5 of the Government Code; or
 - c. Was adopted pursuant to a specific requirement of a state or multi-state board, agency, department, or commission; or

- d. Adopted a housing element that the HPD Division has found to be in compliance with State Housing Element Law (Article 10.6 of the Government Code) at the time the city or county applies for funds under the State CDBG Program, unless a final court order has found that such housing element is not in compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

16. PUBLIC HEARINGS

CDBG regulations (Title 24 CFR, Part 570.486 (5)) require that a minimum of two public hearings (program design and application submittal) be held before the jurisdiction submits an application to the Department. The Department recommends that the hearings be noticed at a minimum of ten days prior to the hearing date. It is recommended that the program design hearing be held at least 30 days prior to the application submittal hearing. The application submittal hearing must be held before the local governing body and prior to the application being submitted to the Department. See Appendices D and E for sample public notices for program design and application submittal hearings. The CDBG Program staff will monitor all funded applications for this requirement, including appropriate documentation to evidence citizen participation.

17. PUBLIC RECORDS ACT

Applications and grant agreements are public information and are available for review upon request. Applicants are advised that information submitted to the Department may be made available to the public under the Public Records Act unless an exemption under this Act applies to the information submitted and the applicant establishes a valid claim of confidentiality under such exemption.

Applicants engaging in project-specific activities that may or will cause the relocation and displacement of persons must also provide a project-specific relocation plan. This plan must outline how they will manage the relocation and displacement activities for the project and estimate what relocation benefits will be required. When operating a single-family rehabilitation or acquisition program, which could cause temporary relocation of persons, the applicant must also provide a locally adopted temporary relocation plan that outlines relocation benefits for owner occupants and tenants.

18. PROCUREMENT

Pursuant to 24 CFR Section 570.489, all grantees must comply with federal procurement requirements. The Department will monitor the procurement processes for goods and services to ensure compliance with these federal requirements including equal opportunity provisions. Additional information is available in the Grant Management Manual, Chapter 8, accessible at: <http://www.hcd.ca.gov/fa/cdbg/manual/>.

19. FEDERAL DEBARMENT AND SUSPENSION

Pursuant to 24 CFR, Part 5, all CDBG grantees are required to verify that they themselves and their principals, or any/all persons, contractors, consultants, businesses, sub-recipients, etc., that are conducting business with the grantee are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction. Applicants must check the Excluded Parties Listing System at www.epls.gov, print and maintain evidence of the search results. In the event that the search results indicate a prior or current debarment or suspension of the applicant, include the printout in the application.

The Department will not award any CDBG funds to applicants that are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from federally assisted programs.