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Fiscal Year 2015-16
FUNDING ALLOCATION POLICY and PROCESS

OC COMMUNITY SERVICES
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For the distribution of Federal and Local Funding for:

Public Facilities & Improvements
Housing Rehabilitation
Public Services

Public Review Draft: September 19, 2014 – October 21, 2014



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Introduction

Under Title I of the Housing and Community Development Act of 1974, as amended, Orange County meets the qualifications of an Urban County. Under Federal regulations, Urban Counties are eligible to receive and allocate Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) funds. OC Community Services acts as the lead agency for administrating each program, under the direction of the U.S. Department of Housing and Urban Development (HUD).

The FY 2015-16 Funding Allocation Policy and Process (FAPP) is a planning document that marks the first year of the FY 2015-19 Consolidated Plan (ConPlan). The primary purpose of the FAPP is to utilize priorities listed in the ConPlan to address local housing and community development needs with Federal and local resources in preparing the Annual Action Plan (AAP). The FY 2015-19 Citizen Participation Plan (CPP), Consolidated Plan (ConPlan) and Annual Action Plan (AAP) will be presented to Orange County Board of Supervisors at a Public Hearing on May 5, 2015.

The new FY 2015-19 ConPlan and Citizen Participation Plan are currently under development. Any changes in funding priorities to the previous FY 2010-14 ConPlan will be reflected in the FY 2015-16 Annual Action Plan and subsequent FAPP documents.

The FAPP also includes estimated funding goals for eligible housing, community development, and/or economic development activities; the process for distributing funding; funding priorities; funding exceptions; and overall requirements to be met when using Federal and local funds.

In order to qualify for funding under the CDBG, HOME or ESG program HUD uses 80 percent of the Area Median Income (AMI) to determine eligibility. Therefore, projects and activities must ensure that persons being served have incomes at or below 80 percent AMI.

In compliance with HUD regulations (CFR 91.105), OC Community Services provides a 30-day public review and comment period for the following documents: the FAPP, AAP, and any substantial amendments to the AAP.

I. Funding Allocation Policy

A. Urban County Program

The Orange County Urban County Program is comprised of eleven (11) cities with populations under 50,000 (participating cities), three (3) cities, Aliso Viejo, Placentia and Yorba Linda, with populations over 50,000 (metropolitan cities) and unincorporated areas of Orange County. The eleven (11) participating cities include Brea, Cypress, Dana Point, Laguna Beach, Laguna Hills, Laguna Woods, La Palma, Los Alamitos, Seal Beach, Stanton, and Villa Park. These cities are not eligible to receive Community Planning and Development (CPD) program funds directly from HUD and have opted to participate in the Urban County Program. The cities of Aliso Viejo, Placentia and Yorba Linda, with populations of over 50,000, are eligible to participate as an entitlement jurisdiction and have elected to join with the Urban County Program as metropolitan cities.

B. Types of Funding Available

The Urban County Program annually receives Federal and local funds to allocate to projects and activities that meet identified needs as stated in the Con Plan. The following types of funding are anticipated to be available during FY 2015-16:

Federal Funds

Community Development Block Grant (CDBG-14.218), Emergency Solutions Grant (ESG-14.231), Home Investment Partnership Program (HOME-14.239) and program income generated from repayments or other funding accrued and collected from previously funded CDBG and HOME projects.

Local Funds

Orange County Housing Authority Operating Reserves/Housing Support Services (HSS) Program, Housing Successor Agency and Strategic Priority Affordable Housing, if available.

C. Use of Funds

The Urban County Program allocates Federal and local funds to a variety of projects and activities including the development of housing (both permanent and rental), improvements to public facilities, acquisition of land, and public services. Table 1 (below) identifies those Federal and local funds allocated in years 1-5 of the FY 2010-14 Con Plan.

TABLE 1: FY 2010-14 FUNDING ALLOCATIONS						
Federal Program Funds	FY 2010-11 Year 1	FY 2011-12 Year 2	FY 2012-13 Year 3	FY 2013-14 Year 4	FY 2014-15 Year 5	Funding Totals
CDBG	\$ 4,365,598	\$ 3,635,618	\$ 3,007,051	\$ 3,069,555	\$ 3,042,788	\$ 17,120,610
HOME	\$ 1,734,317	\$ 1,522,759	\$ 927,060	\$ 900,382	\$ 954,654	\$ 6,039,172
ESG	\$ 165,631	\$ 257,711	\$ 293,594	\$ 219,373	\$ 249,367	\$ 1,185,676
Subtotal Federal Funds	\$ 6,265,546	\$ 5,416,088	\$ 4,227,705	\$ 4,189,310	\$4,246,809	\$ 24,345,458
Reprogrammed /PI Federal Funds/CDBG-R						
CDBG Program Income	\$ 144,000	\$ 240,736	\$ 100,000	\$ 70,000	200,000	\$ 754,736
CDBG Reprogrammed	\$ 1,134,053	\$ 607,795	\$ 557,821	\$ 66,429	493,293	\$ 2,859,391
CDBG-R (FY 2009 balance)	\$ 1,035,535	\$ 73,811	\$ 0	\$ -		\$ 1,109,346
ESG Reprogrammed	0	0	\$ 116,960	\$ -		\$ 116,960
HOME Program Income	\$ 172,000	\$ 140,000	\$ 200,000	\$ 200,000	200,000	\$ 912,000
Subtotal Reprogrammed Funds	\$ 2,485,588	\$ 1,062,342	\$ 974,781	\$ 336,429	893,293	\$ 5,752,433
Total Federal Funding	\$ 8,751,134	\$ 6,478,430	\$ 5,202,486	\$ 4,525,739	5,140,102	\$ 30,097,891
Other Funds						
15U Housing Funds/15B Funds	\$ 127,295	\$300,000	\$ 111,776	\$ 117,000	156,837	\$ 812,908
Total Federal Funds	\$ 8,878,429	\$ 6,778,430	\$ 5,314,262	\$ 4,642,739	5,296,939	\$ 30,910,799

Note* Table 1 includes the Metro City, City of Yorba Linda, in Years 1 and 2, and the reprogramming of federal funds from projects funded in prior years.

Other multiple funding sources are available to the County but not addressed in this planning document. Community development, housing, and economic development goals can be met with supplemental funds that are provided by the State, County and other Federal programs to leverage with the AAP Federal funds addressed in this plan from the following programs:

OC COMMUNITY SERVICES OTHER FUNDING						
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	Funding
Recovery Act 2009 Funds						
HPRP (FY 2009 balance forward)	\$ 1,075,603	\$ 290,000				\$ 1,365,603
NSP (balance forward)	\$ 810,516	\$ 92,846	\$ 221,461			\$ 1,124,823
NSP 3 (balance forward)			\$ 775,074	\$ 229,874		\$ 1,004,948
Total Recovery Funds	\$ 1,886,119	\$ 382,846	\$ 996,535	\$ 229,874		\$ 3,495,374

Local Funds						
Redevelopment	\$ 7,500,000	\$13,216,089				\$20,716,089
Housing Successor Agency				\$14,903,990	\$ 850,000	\$ 15,753,990
Total Redevelopment/Housing Successor Funds	\$ 7,500,000	\$13,216,089		\$14,903,990	\$ 850,000	\$ 36,470,079
Total Other Funding:	\$ 9,386,119	\$ 13,598,935	\$ 996,535	\$15,133,864	\$ 850,000	\$ 39,965,453

*Stimulus Funds and Redevelopment funding were allocated under separate Board Action. Redevelopment funding was eliminated by the State FY 2012-13

D. Percentage of Allocation

Based on the need identified in the previous FY 2010-14 Con Plan, OC Community Services is estimating the percentage of funds to allocate toward each proposed activity for the FY 2015-16 AAP. The percentages identified in Table 2 (below) were derived from Tables 3, 4, 5, and 6 of the 5-Year Needs Assessment based by priority needs identified in the previous Con Plan as follows (these figures are subject to adjustment based on the development of the FY 2015-19 ConPlan):

- Table 3 - Housing Needs,
- Table 4 - Housing and Community Development Activities,
- Table 5 - Homeless Needs,
- Table 6 - Non-Homeless for Special Needs Populations including HOPWA.

TABLE 2: ESTIMATED FUNDING ALLOCATIONS PROPOSED FOR FY 2015-16	
	% Range
Affordable Housing * (Assumes all HOME funds including 15% Home CHDO mandate and funding for both affordable rental and homeownership)	22% - 29%
Housing Rehabilitation (CDBG)	15% - 25%
Public Facilities and Improvement (CDBG)	22% - 24%
Public Services (Includes Maximum CDBG limit of 15%, plus ESG, and local funding, if available)	18% - 22%
Percentage of Total Funding	100%

Source: OC Community Services

* Affordable Housing funding is distributed through a separate process.

Because the FAPP is a forward planning document, the allocation percentages listed in Table 2 may differ from actual dollars expended based on the number of applications received and funded. The percentages may change also based on final allocations of funds from HUD and calculation of any recaptured funds available from the prior fiscal years. If demand for one activity is under subscribed and funds are available to allocate to another eligible activity, which is oversubscribed, OC Community Services may recommend to the Orange County Board of Supervisors that funding percentages change to meet local needs.

Based on funding levels, not all projects that score the minimum 70 points required for consideration for funding may be recommended for preliminary funding. Those projects may be placed on a Wait List and will be considered for funding in the future should additional recaptured or reprogrammed dollars become available. However, due to limited resources OC Community Services may also recommend funding projects that were not funded to capacity prior to funding projects on the Wait List.

To avoid funding cuts, the County may utilize reprogrammed funds in FY 2015-16 to avoid cuts as funding is available and eligible.

E. Urban County Priorities

Priorities for the Urban County Program are established during the development of the Con Plan. The Con Plan identifies, within a five-year reporting period, Orange County's overall community development needs (i.e., Housing, Special Needs, and Housing and Community Developments Activities) for extremely low, low and moderate-income persons and households. Additionally, a major component of the Con Plan is the Strategic Plan that outlines Orange County's long-term goals and prioritizes its housing and non-housing needs. The Strategic Plan also presents a comprehensive approach to addressing homelessness through a Continuum of Care System (CoC).

To better understand local needs a comprehensive Housing and Community Development Needs Survey was distributed to residents living in participating jurisdictions in the Urban County Program by the following means:

- Made available and collected at community centers and public counters;
- Mailed to social service providers, unincorporated areas and city residents;
- Distributed at community meetings for input;
- Made available on the World Wide Web for general public input.
- Annually each Organization is responsible to conduct public hearings (City Council, Board of Supervisors, Non Profit Board Meetings, etc.) to gather public input on activities to fund/apply for.

In addition to resident surveys, interviews were also conducted with Participating Cities and Orange County staff as well as Non-Profit Service Providers to further understand local needs. The development of the FY 2015-19 ConPlan also includes a survey process.

Priority Ranking:

Based on the comprehensive Housing and Community Development Needs Survey, priority ranking was assigned to each category of need as follows:

- **High Priority:** Activities to address this need are expected to be funded with CPD funds during the five-year period.
- **Medium Priority:** If CPD funds are available, activities to address this need may be funded during the five-year period.
- **Low Priority:** The Urban County Program will not directly fund activities using CPD funds to address this need during the five-year period. However, the Urban County and participating cities may support applications for public assistance by other entities if such assistance is found to be consistent with the Con Plan.
- **No Such Need:** The Urban County Program finds there is no need for such activities or the need is already substantially addressed. The Urban County Program will not support applications for public assistance by other entities for activities where no such need has been identified.

For the purposes of allocating Federal and local resources overall priority will be given to projects that meet a "High" priority need.

Additional Priorities:

The following are examples of additional project and activity types that will be considered for funding although they did not appear on the Housing and Community Development Needs Assessment Survey.

- Homeless Services activities that are identified within the County's Ten-Year Plan to End Homelessness;
- Public Services projects filling the gap in the Homeless CoC which were not filled by SuperNOFA Homeless Assistance funding;
- Projects with a "Regional Benefit".
- Projects that fulfill federal Regulations or assist in achieving compliance with Federal law (e.g. Non Compliance with ADA) awarded bonus points.

Projects Considered Non-Priority projects:

The following is a list of projects and activity types that will not be given consideration for funding, as they are not a priority need.

- Projects that contain eligible activities not identified on the priority charts;
- Projects seeking funding for planning costs;
- Projects seeking funds for lead-based paint activity costs. These costs may be paid either through available rehabilitation funds or through funds received from other funding sources such as the Healthy-Homes, Lead-Based Paint Hazard Control Program.
- Improvements to streets/alleyways located outside of income-qualified census tracts.
- Projects involving the construction and installation of street signs.
- ADA improvements to buildings or portions thereof, which are used for the general conduct of government, that do not comply with 24 CFR570.200 (b) (1) and do not meet one of the three National Objectives of the CDBG Program.

Exemptions from the Funding Allocation Process:

In addition to priority and non-priority ranked projects, the Urban County Program also undertakes certain activities that are exempt from the competitive process:

- Administration – The Urban County Program utilizes a percentage of OC Community Services allocations to administer the CDBG, ESG and HOME programs.
- Orange County's obligations to specific community centers within the unincorporated areas.
- Orange County's, Emergency Shelter Program to receive Public Services CDBG/ESG funds (or other appropriate source of funds) allocations on a non-competitive basis.
- Orange County's Emergency Shelter Program, and other low-threshold emergency shelters located in participating cities to receive remaining CDBG Public Services funds (capped at 15% of total CDBG allocation, plus receipted Program Income) and ESG funds.

- Fair Housing and Equal Opportunity related activities as mandated by HUD.

Priority Activities

To better illustrate the Urban County's Priority Needs, the following tables from the previous Con Plan were included in this document:

Table 3 Housing Needs identifies the five-year housing priorities for renters and owners within the Urban County.

Table 4 Housing and Community Development Activities provides a summary of the Urban County's five-year community development priorities for the following types of activities: Public Facilities and Improvements, Public Services, Infrastructure, Economic Development, and Planning and Administration.

Tables 5 and 6 Homeless Needs and Non-Homeless for Special Needs Including HOPWA summarizes the Five-Year priorities for the Homeless and Non-Homeless Special Needs Population in the Urban County.

Consistency with the 24 CFR Part 91 - Consolidated Submission for Community Planning and Development Programs. In September 2014, OC Community Services notified the public and interested stakeholders that the Urban County Program was starting to develop the FY 2015-19 ConPlan and four (4) community workshops and three (3) focus groups were scheduled to encourage citizen involvement and solicit community input are schedule for the following dates:

Community Workshops:

Workshop 1 – Anaheim Independencia Community Center, Anaheim Tuesday, September 23, 2014 6:00 pm - 8:00 pm	Workshop 2 – El Modena Community Center, Orange Wednesday, September 24, 2014 6:00 pm - 8:00 pm
Workshop 3 – Midway City Community Center, Midway City Wednesday, October 1, 2014 6:00 pm – 8:00 pm	Workshop 4 – Laguna Woods City Hall Council Chamber, Laguna Woods Monday, October 6, 2014 1:30 pm – 3:30 pm

Focus Groups

Workshop 1 Laguna Woods City Hall, Laguna Woods Tuesday, August 26, 2014 10:00 am – 12:00 pm	Workshop 2 County of Orange – 1300 S. Grand Building B, Santa Ana Monday, September 8, 2014 1:30 pm – 3:30 pm	Workshop 3 Thursday, November 6, 2014 Covenant Presbyterian Church Orange 9:00 am – 11:00 am
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A public notice will be released no later than March 2015 in three different languages, English, Spanish and Vietnamese and will be published in *The OC Register*, *Viet Bao*, and *Unidos*. The Urban County Program is conducting an online survey for any interested participant/stakeholder within the jurisdiction.

Orange County's Consultant will tabulate the result of the surveys and input received from the community workshops and focus groups and will enter the information into HUD's e-Con Planning Suite. The following are summary tables that contain the priorities identified in the previous FY 2010-14 ConPlan. These priorities are in the process of being updated for the FY 2015-19 ConPlan.

TABLE 3: HOUSING NEEDS – URBAN COUNTY Housing Needs Table (<=30% MFI)			Priority Need	
Household Income < =30% MFI	Renter	Elderly	Any housing problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Small Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Large Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		All other hsholds	With Any Housing Problems	M
			Cost Burden > 30%	M
			Cost Burden >50%	M
	Owner	Elderly	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Small Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Large Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		All other hsholds	With Any Housing Problems	M
			Cost Burden > 30%	M
			Cost Burden >50%	M

TABLE 3: HOUSING NEEDS – URBAN COUNTY			Priority Need	
Housing Needs Table (>30 to <= 50% MFI)				
Household Income > 30 to <= 50% MFI	Renter	Elderly	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Small Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Large Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		All other	NUMBER OF HOUSEHOLDS	
			With Any Housing Problems	H
			Cost Burden > 30%	M
	Owner	Elderly	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Small Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	H
		Large Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	H
		All other	With Any Housing Problems	M
			Cost Burden > 30%	M
			Cost Burden >50%	M

TABLE 3: HOUSING NEEDS – URBAN COUNTY Housing Needs Table (>50 to <80% MFI)			Priority Need	
Household Income >50 to <=80% MFI	Renter	Elderly	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Small Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Large Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		All other	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
	Owner	Elderly	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	M
		Small Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	H
		Large Related	With Any Housing Problems	H
			Cost Burden > 30%	M
			Cost Burden >50%	H
		All other	With Any Housing Problems	M
			Cost Burden > 30%	M
			Cost Burden >50%	M

TABLE 4: HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES		Priority Need
01 Acquisition of Real Property 570.201(a)		H
02 Disposition 570.201(b)		M
Public Facilities and Improvements	03 Public Facilities and Improvements (General) 570.201(c)	M
	03A Senior Centers 570.201(c)	H
	03B Handicapped Centers 570.201(c)	M
	03C Homeless Facilities (not operating costs) 570.201(c)	H
	03D Youth Centers 570.201(c)	M
	03E Neighborhood Facilities 570.201(c)	H
	03F Parks, Recreational Facilities 570.201(c)	M
	03G Parking Facilities 570.201(c)	M
	03H Solid Waste Disposal Improvements 570.201(c)	M
	03I Flood Drain Improvements 570.201(c)	H
	03J Water/Sewer Improvements 570.201(c)	H
	03K Street Improvements 570.201(c)	H
	03L Sidewalks 570.201(c)	H
	03M Child Care Centers 570.201(c)	M
	03N Tree Planting 570.201(c)	M
	03O Fire Stations/Equipment 570.201(c)	M
	03P Health Facilities 570.201(c)	M
	03Q Abused and Neglected Children Facilities 570.201(c)	M
	03R Asbestos Removal 570.201(c)	L
	03S Facilities for AIDS Patients (not operating costs) 570.201(c)	M
03T Operating Costs of Homeless/AIDS Patients Programs	H	
04 Clearance and Demolition 570.201(d)		L
04A Clean-up of Contaminated Sites 570.201(d)		L
Public Services	05 Public Services (General) 570.201(e)	H
	05A Senior Services 570.201(e)	H
	05B Handicapped Services 570.201(e)	M
	05C Legal Services 570.201(E)	M
	05D Youth Services 570.201(e)	M
	05E Transportation Services 570.201(e)	M
	05F Substance Abuse Services 570.201(e)	M
	05G Battered and Abused Spouses 570.201(e)	M
	05H Employment Training 570.201(e)	M
	05I Crime Awareness 570.201(e)	M
	05J Fair Housing Activities (if CDBG, then subject to 570.201(e))	M
	05K Tenant/Landlord Counseling 570.201(e)	M
	05L Child Care Services 570.201(e)	M
	05M Health Services 570.201(e)	M
	05N Abused and Neglected Children 570.201(e)	M
	05O Mental Health Services 570.201(e)	M
	05P Screening for Lead-Based Paint/Lead Hazards Poison 570.201(e)	M
	05Q Subsistence Payments 570.204	L
	05R Homeownership Assistance (not direct) 570.204	M
	05S Rental Housing Subsidies (if HOME, not part of 5% 570.204)	M
05T Security Deposits (if HOME, not part of 5% Admin c)	M	

TABLE 4: HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES		Priority Need	
	06 Interim Assistance 570.201(f)	L	
	07 Urban Renewal Completion 570.201(h)	L	
	08 Relocation 570.201(i)	M	
	09 Loss of Rental Income 570.201(j)	L	
	10 Removal of Architectural Barriers 570.201(k)	M	
	11 Privately Owned Utilities 570.201(l)	L	
	12 Construction of Housing 570.201(m)	H	
	13 Direct Homeownership Assistance 570.201(n)	H	
REHAB	14A Rehab; Single-Unit Residential 570.202	H	
	14B Rehab; Multi-Unit Residential 570.202	H	
	14C Public Housing Modernization 570.202	N	
	14D Rehab; Other Publicly-Owned Residential Buildings 570.202	M	
	14E Rehab; Publicly or Privately-Owned Commercial/Indu 570.202	M	
	14F Energy Efficiency Improvements 570.202	M	
	14G Acquisition - for Rehabilitation 570.202	M	
	14H Rehabilitation Administration 570.202	M	
	14I Lead-Based/Lead Hazard Test/Abate 570.202	M	
	15 Code Enforcement 570.202(c)	M	
	16A Residential Historic Preservation 570.202(d)	M	
	16B Non-Residential Historic Preservation 570.202(d)	M	
CI	17A CI Land Acquisition/Disposition 570.203(a)	M	
	17B CI Infrastructure Development 570.203(a)	M	
	17C CI Building Acquisition, Construction, Rehabilitation 570.203(a)	M	
	17D Other Commercial/Industrial Improvements 570.203(a)	M	
	ED	18A ED Direct Financial Assistance to For-Profits 570.203(b)	M
		18B ED Technical Assistance 570.203(b)	M
		18C Micro-Enterprise Assistance	M
	HOME	19A HOME Admin/Planning Costs of PJ (not part of 5% Ad	M
		19B HOME CHDO Operating Costs (not part of 5% Admin ca	M
		19C CDBG Non-profit Organization Capacity Building	M
19D CDBG Assistance to Institutes of Higher Education		L	
19E CDBG Operation and Repair of Foreclosed Property		M	
19F Planned Repayment of Section 108 Loan Principal		M	
19G Unplanned Repayment of Section 108 Loan Principal		M	
19H State CDBG Technical Assistance to Grantees		L	
20 Planning 570.205		M	
ADM		21A General Program Administration 570.206	H
	21B Indirect Costs 570.206	M	
	21D Fair Housing Activities (subject to 20% Admin cap) 570.206	H	
	21E Submissions or Applications for Federal Programs 570.206	M	
	21F HOME Rental Subsidy Payments (subject to 5% cap)	M	
	21G HOME Security Deposits (subject to 5% cap)	M	
	21H HOME Admin/Planning Costs of PJ (subject to 5% cap)	M	
	21I HOME CHDO Operating Expenses (subject to 5% cap)	M	

TABLE 5: HOMELESS NEEDS INCLUDING HOPWA* Homeless Needs Table: Individuals		Priority Need
Beds	Emergency Shelters	H
	Transitional Housing	H
	Permanent Supportive Housing	H
	Total	H
Chronically Homeless		H
Homeless Needs Table: Families		Priority Need
Beds	Emergency Shelters	H
	Transitional Housing	H
	Permanent Supportive Housing	H
	Total	H

TABLE 6: NON-HOMELESS SPECIAL NEEDS INCLUDING HOPWA*		Priority Need
Housing Needed	Elderly	H
	Frail Elderly	H
	Persons w/ Severe Mental Illness	M
	Developmentally Disabled	M
	Physically Disabled	M
	Alcohol/Other Drug Addicted	M
	Persons w/ HIV/AIDS & their families *	M
	Public Housing Residents	L
Supportive Services Needed	Elderly	H
	Frail Elderly	H
	Persons w/ Severe Mental Illness	M
	Developmentally Disabled	M
	Physically Disabled	M
	Alcohol/Other Drug Addicted	M
	Persons w/ HIV/AIDS & their families*	M
	Public Housing Residents	L

*Orange County does not receive HOPWA funds. The City of Santa Ana is the recipient of HOPWA funds on behalf of all Orange County jurisdictions and administers the program.

Unmet Needs

Table 7 shows the funds for the previous FY 2010-14 Con Plan period, the funds actually allocated in each Fiscal Year, and the difference (funds needed).

TABLE 7: FY 2010-14 FEDERAL FUNDS ALLOCATION FOR HIGH PRIORITY NEEDS							
Activities Needs and Priorities	5 Year Plan	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2010-14
		Year 1	Year 2	Year 3	Year 4	Year 5	Funds Still Needed
HOUSING (Rental/Owner)	\$ 13,628,425	\$ 3,335,143	\$ 3,079,686	\$ 1,883,114	\$ 1,089,640	\$ 2,613,574	\$ 1,627,268
Infrastructure	\$ 7,932,357	\$ 2,445,693	\$ 1,822,388	\$ 951,000	\$ 972,000	\$ 1,026,720	\$ 714,556
Public Services	\$ 3,283,088	\$ 803,795	\$ 738,139	\$ 995,286	\$ 490,433	\$ 486,418	\$ (230,983)
Totals	\$24,843,870	\$6,584,631	\$5 ,640,213	\$ 3,829,400	\$ 2,552,073	\$ 4,126,712	\$ 2,110,841

A new Unmet Needs table will be created based on the estimates for funding projected under the new FY 2015-19 ConPlan.

II. Funding Allocation Process

A. Non-competitive Funding Process:

In addition to priority and non-priority ranked projects, the Urban County Program also undertakes certain activities that are exempt from the competitive process:

- Administration – The Urban County Program utilizes a percentage of OC Community Services allocations to administer the CDBG, ESG and HOME programs.
- Orange County's obligations to specific community centers within the unincorporated areas.
- Orange County's, Emergency Shelter Program to receive CDBG/ESG funds (or other appropriate source of funds) allocations on a non-competitive basis.
- Orange County's Emergency Shelter Program, and other low-threshold emergency shelters located in participating cities to receive remaining CDBG Public Services funds (capped at 15% of total CDBG allocation, plus receipted Program Income) and ESG funds.
- Fair Housing and Equal Opportunity related activities as mandated by HUD.

B. Competitive Funding Process

The Urban County Program utilizes a competitive Request for Proposal (RFP) process to distribute both Federal and local funds. The following activities are funded through this competitive process

- Housing Rehabilitation (3 year multi-year funding cycle)
- Public Facilities and Improvements (Annual RFP)
- RFP for FY 2015-16 Housing Rehabilitation and Public Facilities & Improvements funding anticipated for release in December 2014
- Public Service activities are exempt (no RFP)

➤ **Application Review Committee (ARC)**

The Application Review Committee (ARC) is the evaluating body for all applications submitted in response to the Urban County Program's competitive RFP process. The ARC is comprised of one evaluation committee for Public Facilities and Improvements and Housing Rehabilitation. The Committee may be comprised of H&CD Commission members, community representatives, and other individuals knowledgeable about community development, community services, and housing activities.

➤ **Multi-Year Funding Process**

Public Services and Housing Rehabilitation

As in prior years, OC Community Services recommends that successful Public Services and Housing Rehabilitation projects be funded on a 3-year funding cycle. Additionally, funding awards for Housing Rehabilitation per organization cannot exceed 35% of the funding available for this activity.

Projects that are recommended to receive funds as the result of the funding in Year 1 (FY 2015-16) may receive funds in Year 2 (FY 2016-17) and/or Year 3 (FY 2017-18), provided the organization successfully meets the following criteria:

- Project remains in compliance with contractual milestones
 - All projects must expend 50% of their contractual funds and complete 50% of their contractual accomplishments by January 15, of the contract year; 70% by March 15, of the contract year; and 80% by April 15, of the contract year.
 - All Public Service projects that serve homeless populations are required to participate in the County's Homeless Management Information System (HMIS). For information regarding HMIS please contact 2-1-1 OC at: (714) 288-4007, or hmis-helpdesk@211oc.org.
 - Exceptions to these requirements include: contracts that expend their funding later in the fiscal year (i.e., emergency shelters), recommendation of ARC, exemption from OC Community Services Director, and delays due to HUD or OC Community Services administration of contracts.
 - Project continues to meet the priority status for which it was funded in Year 1.
 - Project continues to leverage funds with other sources.
 - All project accomplishments must be correctly reported on the Grantee Performance Report (GPR) and/or other documentation as described in current year contract.
 - Project must receive a successful assessment of performance and progress from OC Community Services staff.
 - Organizations that receive an unsuccessful assessment of performance will be reviewed and reevaluated by the ARC for future funding consideration.

Projects meeting the January 15th contract year milestone will be included in the current year draft Annual Action Plan; however, projects that fail to meet this deadline may be removed from the draft

Annual Action Plan prior to its presentation to the Orange County Board of Supervisors at the public hearing.

➤ **Public Facilities and Improvements (PF&I) Funding**

As in prior years, Public Facilities and Improvements (PF&I) applications must compete in an annual competitive RFP process. Jurisdictions may only submit one application. The ARC will convene and evaluate applications for PF&I, based on the following criteria:

- Project must meet a **high** priority status;
- Only one (1) PF&I application per jurisdiction from the Urban County program participants. The Orange County Urban County Program is comprised of eleven (11) cities with populations under 50,000 (participating cities) and three (3) cities with populations over 50,000 (metropolitan cities). The 11 participating cities include Brea, Cypress, Dana Point, Laguna Beach, Laguna Hills, Laguna Woods, La Palma, Los Alamitos, Seal Beach, Stanton, and Villa Park. The three (3) metropolitan (metro) cities, Aliso Viejo, Placentia and Yorba Linda determine their own allocations of funding and activities. All activities must be eligible and meet national objective.
- Project application must pass the initial threshold review and technical eligibility as determined by OC Community Services staff;
- Project must undergo a quality review and evaluation conducted by the ARC;

ARC will score all applications consistent with the Request for Proposal (RFP) guidelines.

C. Proposal Review Process and Key Policies

In order to ensure integrity and reliability, the proposal review process is applied to each application on a consistent basis. In addition, maximum flexibility has been built into the proposal review process in order to ensure that Federal and local resources are available to assist the County in meeting its Community Development needs. Although OC Community Services staff does not participate in ARC's proposal review process, staff is available to provide any needed technical support.

1. Proposal Review Process

All proposals will be reviewed utilizing the following six (6) steps:

1. Initial threshold review of all proposals submitted based on eligibility requirements established by HUD.
2. After threshold review applications are forwarded to ARC for review, scoring, and ranking, consistent with the RFP guidelines.
3. Applicants deemed as unsuccessful by ARC are afforded the opportunity to protest following the Contract Policy Manual for procurement.
4. After addressing any protests Contract Development and Management (CDM) provides a list of proposals recommended for funding to Community Development Manager.
5. Projects recommended for funding are compiled and presented to the public for comment in the draft Annual Action Plan and later to the Orange County Board of Supervisors for approval and direction.
6. Projects are preliminarily awarded funding until final approval from HUD.

2. Key Policies

Renewal Applicants- Those applicants having been under contract with OC Community Services within the past 3 years.

- OC Community Services staff shall review project performance from projects within the past 3 years.
- Renewal evaluations will focus on, but will not be limited to, subrecipient compliance with contractual obligations and meeting scheduled accomplishments as reported on the current year's Grantee Performance Report (GPR).

New Applicants- Applicants having **not** been under contract with OC Community Services within the past 3 years.

- Applicants must pass a site visit conducted by OC Community Services staff.
- Applicants must provide copies of any performance reports required by other funding organizations as a condition of funding.
- Applicant must have been in operation and been performing the activity proposed in their proposal for a minimum of one year from the date of submitting the application.

Activity Specific Policies- the following requirements apply to all Public Services, Housing Rehabilitation and Public Facilities and Improvements projects and activities.

➤ Public Services and Housing Rehabilitation

- All projects and activities providing services to homeless individuals and/or families are required to be an active participant in the Homeless Management Information System (HMIS).
- Maintain \$200,000 maximum funding amount for Housing Rehabilitation; but allow applicants to request more than 35% of the total funding available, however, limit awards to no more than 35% of the total funds available.

➤ Public Facilities and Improvements (PF&I)

- Only one (1) PF&I application per jurisdiction from the Urban County program participants. the Orange County Urban County Program is comprised of eleven (11) cities with populations under 50,000 (participating cities) and three (3) cities with populations over 50,000 (metropolitan cities). The eleven (11) participating cities include Brea, Cypress, Dana Point, Laguna Beach, Laguna Hills, Laguna Woods, La Palma, Los Alamitos, Seal Beach, Stanton, and Villa Park.
 - Two Tier Funding:
 - Projects with no matching funds can apply for up to \$150,000.
 - Projects with a 20% match can apply for up to \$350,000.
 - Bonus Points:
 - Projects with a "Regional Benefit" awarded bonus points or,
 - Projects that serve the homeless and are consistent with the County's "Ten Year Plan to End Homelessness" awarded bonus points or,

- Projects that fulfill federal Regulations or assist in achieving compliance with Federal law (e.g. Non Compliance with ADA) awarded bonus points.
- Projects cannot receive points in more than one additional bonus category (e.g. regional benefit, serving the homeless and are consistent with the County's "Ten Year Plan to End Homelessness", or fulfill federal Regulations or assist in achieving compliance with Federal law (e.g. Non Compliance with ADA).

Minimum Application Requirement

- A minimum application grant amount (based on available funding) is established at \$15,000 per year for all activities.
- Maximum **one** PF&I application per City jurisdiction will be accepted.
- Projects must meet a national objective as identified by HUD Regulations Criteria for National Objectives (24 CFR 570.208).
- Depending on funding source, the proposed activity must be eligible as defined by HUD Regulations under Basic Eligible Activities (24 CFR 570.201)
- The population to be served or to benefit from the project must principally be low to moderate-income as defined by HUD.
- If the applicant is a current or past recipient of assistance under a HUD McKinney Act program (i.e., SuperNOFA) or the HUD Single Family Property Disposition Program, there must be no project or construction delay, HUD finding, outstanding Annual Progress Report (APR), or outstanding audit that HUD deems serious regarding the administration of HUD McKinney Act programs or the HUD Single Family Property Disposition Program.
- Applicant must submit a copy of the organization's most recent audit (within the last two years) by an independent certified CPA and a description of corrective action taken for any findings identified by the auditor, both of which will be reviewed by the OC Community Services Accounting Manager or designated staff.
- The applicant must be in compliance with applicable civil rights laws and Executive Orders. There must be no pending civil rights suits, outstanding findings, of noncompliance with civil rights statues, Executives Orders, or regulations, unresolved Secretary (Secretary of the U.S. Department of Housing and urban Development) charge of discrimination issued under the Fair Housing Act, no adjudications of civil rights violations on a civil action or deferral of processing of applications from the applicant imposed by HUD.

D. Substantial Amendments to Projects

1. Substantial Amendment

From time-to-time, it may be necessary for the County to process a "substantial amendment" to the Five Year Consolidated Plan or the One Year Annual Action Plans to allow for new CDBG, ESG, HOME or local-funded activities, modification of existing activities; or other CPD program administrative actions.

Any proposed amendment that is considered a "substantial amendment" is subject to the Citizen Participation process, requires formal action by the Board of Supervisors, and approval by HUD. A thirty (30) day public notice is published to provide the opportunity for the public to review

and comment on the proposed substantial amendments. The County will consider all comments or views received from the public concerning proposed substantial amendments in accordance with 24 CFR 91.105 (c)(3). A summary of these comments and views, including comments or views not accepted (and the reason why) shall be attached to the substantial amendment.

The County of Orange is required by HUD [24 CFR 91.505 (b)] to identify the criteria to be used in determining if a proposed action will be considered a *Substantial Amendment*. The following criteria will be used by the County – if any one criterion applies, a substantial amendment will be required:

1. A new activity not previously listed and described in the Consolidated Plan/Annual Action Plan;
2. When a proposal is made to amend the description of an existing activity in such a way that the newly described purpose, scope, or beneficiaries differ significantly from the original activity's purpose, scope, or beneficiaries; or
3. An increase in the amount of Federal Community Planning Development and/or local funds allocated to an existing activity when the following apply:
 - a. An increase in funding for a public service activity in an amount greater than a 50% increase over the current funded amount.
 - b. An increase in the funding for public facility improvements/housing rehabilitation in an amount greater than a 50% increase over the current funded amount.

In an effort to efficiently utilize CDBG funds within the time frames required by HUD, the County will consider the reprogramming of unspent CDBG balances from completed and cancelled CDBG-funded activities to other eligible activities as a "Non-Substantial Amendment". In the event that any of these "administrative" reprogramming actions fall under the "substantial amendment" criteria, the proposed actions are subject to the Citizen Participation process, requires formal action by the Board of Supervisors, and subsequent approval by HUD.

The County will maintain and provide for public review a Reprogramming Action File that provides details for every reprogramming action (Substantial and Non-Substantial) taking place during the program year.

E. Program Income

Successful applicants will be required to comply with regulations set forth in 24 CFR 570.504, as well as all applicable State and Orange County regulations when reporting Program Income. Program Income is considered as funds generated by the successful applicant as a result of receiving Federal and or local funds provided in a contract with Orange County.

All Program Income accrued shall be returned to Orange County on a quarterly basis prior to the successful applicant receiving any reimbursement from grant funds provided in their contract with Orange County. By July 15, of the contract year successful applicants shall complete and submit a Year-End Program Income letter, indicating the total amount of Program Income returned to Orange County.

F. Affordable Housing

Activities associated with affordable housing such as new housing construction/acquisition project proposals, rental housing, single-family acquisition/rehabilitation, homeownership and tenant based rental assistance will be approved separately and presented to the Board of Supervisors. If the

County selects to do homeownership activity, it will be pursuant to the FY 2015-19 Con Plan recapture policy.

G. Performance Measurements

Consistent with Federal Guidelines as referenced in Federal Register Notice, Vol. 70, No. 111, dated June 10, 2005 and Notice; March 7, 2006 update, OC Community Services developed a performance measurement system that identifies standardized objectives and outcomes for proposed activities, that can be reported at a national level. March 7, 2006 HUD updated guidelines. The following chart provides a brief outline of OC Community Services performance measurement system as recommended by HUD.

Table 8: PERFORMANCE OUTCOME MEASUREMENT SYSTEM

Step 1: Assess Needs and Select Goals

Step 2: Select Objectives with Outcomes

Availability/Accessibility	Affordability	Sustainability
<p>Enhance Suitable Living Environment Through New/Improved Accessibility</p> <p>Create Decent Housing with New/Improved Availability</p> <p>Promote Economic Opportunity Through New/Improved Accessibility</p>	<p>Enhance Suitable Living Environment Through New/Improved Affordability</p> <p>Create Decent Housing with New/Improved Affordability</p> <p>Promote Economic Opportunity Through New/Improved Affordability</p>	<p>Enhance Suitable Living Environment Through New/Improved Sustainability</p> <p>Create Decent Housing with New/Improved Sustainability</p> <p>Promote Economic Opportunity Through New/Improved Sustainability</p>

Step 3: Design Programs and Choose Activities

<p>Housing Rehabilitation</p> <p>Rental Housing Production</p> <p>Community Facilities</p> <p>Public Safety</p> <p>Infrastructure</p> <p>Lead-based Paint Activities</p>	<p>HIV/AIDS</p> <p>Tenant-based Rental Assistance</p> <p>Economic Development</p> <p>Housing for Homeless</p> <p>Special Needs Housing</p> <p>Homeownership Assistance</p>	<p>Housing Counseling</p> <p>Public Services</p> <p>Code Enforcement</p> <p>Water/Sewer Utilities</p> <p>Transportation</p>
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Step 4: Complete the Consolidated Plan/Action Plan

Step 5: Develop the Outcome Statement

Output (quantified) + Outcome + Activity (description) + Objective

<p>Number of households assisted</p> <p>Number of new businesses assisted</p> <p>Number of jobs created/retained</p> <p>Number of units made 504-accessible</p> <p>Number of years of affordability guaranteed</p> <p>Number of jobs with health care benefits</p> <p>Number of units meeting Energy Star standards</p>	<p>Number of persons stabilized</p> <p>Acres of brownfields remediated</p> <p>Amount of money leveraged</p> <p>Number of affordable units</p> <p>Number of housing units for HIV/AIDS</p> <p>Number of units for chronically homeless</p> <p>Number of units made lead safe</p>
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Step 6: Report (IDIS, CAPER)

<p>For all projects report program requirements plus:</p>	
<p>Income levels of persons, or households (30%, 50%, 60%, or 80% of area median income)</p> <p>Number of persons, households, units</p> <p>Current racial/ethnic and disability categories</p>	<p>Number of communities/neighborhoods assisted</p> <p>Leveraging or Match</p>

Source: Federal Register/Vol. 70, No. 111/Friday, June 10, 2005/Notices; March 7, 2006 update

Performance Objectives

No. 1 - Suitable Living Environment: In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.

No. 2 - Decent Affordable Housing: The activities that typically would be found under this objective are designed to cover the wide range of housing possible under HOME, CDBG, HOPWA or ESG. This objective focuses on housing programs where the purpose for the project is to meet the individual family or community needs and not programs where the housing is an element of a larger effort.

No. 3 - Creating Economic Opportunities: This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

Performance Outcomes

No. 1 - Availability/Accessibility: This outcome category applies to activities that make services, infrastructure, housing, or shelter available or accessible to low and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low- and moderate-income people.

No. 2 - Affordability: This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

No. 3 - Sustainability (Promoting Livable or Viable Communities): This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas through multiple activities or services that sustain communities or neighborhoods.

The outcomes and performance monitoring process will be carried out in a transparent way, so that those whom monitor performance outcomes can make informed judgments.

As stated above, applicants are required to identify their planned performance in their budget documentation and to report on their actual performance in their Grantee Performance Report (GPR). Guidance on performance and outcome accountability documents is available by contacting:

OC Community Services
Craig Fee, Project Manager
1300 S. Grand Avenue, Bldg. B
Santa Ana, CA 92705
Telephone No. (714) 480-2996
E Mail: craig.fee@occr.ocgov.com

III. FY 2015-16 FUNDING ALLOCATION POLICY and PROCESS (FAPP) SCHEDULE

	September 16, 2014 to October 21, 2014	FAPP 30-day Public Review Comment Period
	December 9, 2014	Board of Supervisors Public Hearing for FAPP
	December 11, 2014	Release RFP for FY 2015-16 Housing Rehabilitation and PF&I Projects in BidSync.
	December 23, 2014	Deadline for Questions in BidSync
	January 14, 2015	RFP Application Due by Noon
	February 27, 2015 to March 30, 2015	30-day Public Review and Comment Period of the Draft FY 2015-16 ConPlan, Citizen Participation Plan (CPP) & Annual Action Plan (AAP) for the Public
	April 28, 2015	Board of Supervisors Public Hearing to receive public comments on the Draft FY 2015-16 ConPlan, CPP & AAP
	May 15, 2015	Submit the Board adopted FY 2015-16 ConPlan, CPP & AAP to HUD by May 15 th .

Dates are subject to change.