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**Fiscal Year 2018-19**

**FUNDING ALLOCATION POLICY and PROCESS**

**HOUSING & COMMUNITY DEVELOPMENT & HOMELESS PREVENTION**  
**JULIA BIDWELL, DIRECTOR**

**For the distribution of Federal and Local Funding for:**

**Public Facilities & Improvements  
Housing Rehabilitation  
Public Services**

**Public Review Draft: September 29, 2017 – October 31, 2017**



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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. Housing & Community Development & Homeless Prevention acts as the lead agency for administering each program, under the direction of the U.S. Department of Housing and Urban Development (HUD).

The FY 2018-19 Funding Allocation Policy and Process (FAPP) is a planning document that marks the fourth 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 Annual Action Plan (AAP) will be presented to Orange County Board of Supervisors at a Public Hearing on or around May 1, 2018.

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 programs 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), Housing & Community Development & Homeless Prevention 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 the County unincorporated area, eleven (11) cities with populations under 50,000 (participating cities) and two (2) cities, Placentia and Yorba Linda, 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. These cities are not eligible to receive Community Planning and Development (CPD) program funds directly from the U.S. Department of Housing and Urban Development (HUD) and have opted to participate in the Urban County Program. The cities of 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 a metropolitan city.

### **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 ConPlan. The following types of funding are anticipated to be available during FY 2018-19:

#### Federal Funds

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

State/Local Funds

Orange County Housing Authority Operating Reserves, Housing Successor Agency if available, Operating Reserves, State Funds and State ESG funding and or other state or local funds as may be available.

**C. Use of Funds**

The Urban County Program allocates Federal, State 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 1-3 of the FY 2015-19 Con Plan.

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Funding
<b>Federal Program Funds</b>	Year 1	Year 2	Year 3	Year 4	Year 5	<b>Totals</b>
CDBG	\$3,219,617	\$3,235,107	\$3,227,880			\$9,682,604
HOME	\$686,908	\$736,755	\$744,255			\$2,167,918
ESG	\$271,224	\$213,433	\$215,408			\$700,065
<b>Subtotal Federal Funds</b>	<b>\$4,177,749</b>	<b>\$4,185,295</b>	<b>\$4,187,543</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,550,587</b>
<b>Reprogrammed /PI Federal Funds</b>						
CDBG Program Income	\$225,000	\$205,227	\$198,202			\$628,429
CDBG Reprogrammed	\$257,847	\$612,793	\$685,764			\$1,556,404
ESG Reprogrammed	0	0	\$0			\$0
HOME Program Income	\$200,000	\$180,000	\$135,000			\$515,000
<b>Subtotal Reprogrammed Funds</b>	<b>\$682,847</b>	<b>\$998,020</b>	<b>\$1,018,966</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,699,833</b>
<b>Total Federal Funding</b>	<b>\$4,860,596</b>	<b>\$5,183,315</b>	<b>\$5,206,509</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,250,420</b>
<b>Other Funds</b>	<b>\$540,000</b>	<b>\$2,052,930</b>	<b>\$1,860,945</b>			<b>\$4,453,875</b>
15U Housing Funds	\$50,000	\$50,000	\$50,000			\$150,000
<b>Total Funds</b>	<b>\$5,450,596</b>	<b>\$7,286,245</b>	<b>\$7,117,454</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,854,295</b>

**D. Percentage of Allocation**

Based on the needs identified in the FY 2015-19 ConPlan, Housing & Community Development & Homeless Prevention is estimating the percentage of funds to allocate toward each proposed activity for the FY 2018-19 AAP. The percentages identified in Table 2 (below) were derived from 5-Year Needs Assessment based by priority needs identified in the ConPlan as:

<b>TABLE 2: ESTIMATED FUNDING ALLOCATIONS PROPOSED FOR FY 2018-19</b>	
	<b>% Range</b>
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%-20%
Public Facilities and Improvement (CDBG)	22%-29%
Public Services (Includes Maximum CDBG limit of 15%, plus ESG, and local funding, if available)	18%-22%
<b>Percentage of Total Funding</b>	<b>100%</b>
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, Housing & Community Development & Homeless Prevention 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 Housing & Community Development & Homeless Prevention may also recommend funding projects that were not funded to maximum capacity prior to funding projects on the Wait List.

To avoid funding cuts, the County may utilize reprogrammed funds in FY 2018-19 as funding is available and eligible.

**E. Urban County Priorities**

Priorities for the Urban County Program are established during the development of the ConPlan. The ConPlan 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 ConPlan 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
- Distributed at community meetings for input.

- Made available on the County Website under OC Housing & Community Development 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.

In addition to resident surveys, interviews were also conducted with 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.
- **Low Priority:** If CPD funds are available, activities to address this need may be funded during the five-year period.
- **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;
- Public Services projects filling the gap in the Homeless CoC which were not filled by Continuum of Care Homeless Assistance funding;
- Projects that fulfill federal Regulations or assist in achieving compliance with Federal law (e.g. Non Compliance with ADA).

### **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 Housing & Community Development & Homeless Prevention allocations to administer the CDBG, ESG and HOME programs.
- Orange County’s obligations to a specific community center within the unincorporated area.
- 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**

Table 3 shows the funds for the FY 2015-19 Con Plan period, the funds actually allocated in each Fiscal Year, and the difference (funds needed).

<b>TABLE 3: FY 2015-19 FEDERAL FUNDS ALLOCATION FOR HIGH PRIORITY NEEDS</b>							
Activities Needs and Priorities	5 Year Plan	Funds Needed	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
			Year 1	Year 2	Year 3	Year 4	Year 5
CDBG	\$15,600,000	\$5,917,396	\$3,219,617	\$3,235,107	\$3,227,880		
HOME	\$5,550,000	\$3,382,082	\$686,908	\$736,755	\$744,255		
ESG	\$12,250,000	\$11,549,935	\$271,224	\$213,433	\$215,408		
<b>Totals</b>	<b>\$33,400,000</b>	<b>\$20,849,413</b>	<b>\$4,177,749</b>	<b>\$4,185,295</b>	<b>\$4,187,543</b>	<b>\$0</b>	<b>\$0</b>

**II. Funding Allocation Process**

**A. Non-competitive Funding Process:**

- Administration – The Urban County Program utilizes a percentage of Housing & Community Development & Homeless Prevention allocations to administer the CDBG, ESG and HOME programs.
- Orange County’s obligations to a specific community center within the unincorporated area.
- 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, State and local funds. The following activities are funded through this competitive process

- Two year RFP Public Facilities & Improvement projects for FY 2018-19 and FY 2019-20 anticipated for release in December of 2017 RFP No. 012-182310
- Two year RFP Housing Rehabilitation for FY 2018-19 and FY 2019-20 anticipated for release concurrently with PF&I RFP in December of 2017. No. 012-182310

### ➤ **Evaluation Committee**

The Evaluation Committee is the evaluating body for all applications submitted in response to the Urban County Program's competitive RFP process. The Evaluation Committee 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, County staff and other individuals knowledgeable about community development, community services, and housing activities.

### ➤ **Multi-Year Funding Process**

## **Public Services and Housing Rehabilitation**

For FY 2018-19 and FY 2019-20 funding, Housing & Community Development & Homeless Prevention is recommending that successful Public Services and Housing Rehabilitation projects be funded on a 2-year funding cycle to coincide with the Consolidated Plan timeframe. Public Services activities are exempt from the RFP process. Additionally, funding awards for Housing Rehabilitation per organization cannot exceed 35% of the total funds available for projects.

- High priority needs for Public Services include;
  - Public services (especially providing services and case management for homeless and those at risk for homelessness)
  - Senior Services
  - Operating cost of homeless/AIDS patients programs
- High priority projects for Rehabilitation are projects that strengthen, preserve and enhance the physical character and quality of life in Orange County's low-and moderate-income neighborhoods, including the housing stock.

## **Public Facilities and Improvements (PF&I) Two Year Funding**

For FY 2018-19 and FY 2019-20 Housing & Community Development is also recommending funding for PF&I projects on a 2-year funding cycle. Public Facilities and Improvements (PF&I) applications must compete in a competitive RFP process. Jurisdictions may only submit one application for each year. The Evaluation Committee will convene and evaluate applications for PF&I, based on the following criteria:

- Project must meet a **high** priority status;
  - High priority projects include;
    - Senior Centers
    - Homeless Facilities
    - Neighborhood Facilities



- Water/Sewer Improvements
  - Street Improvements
  - Sidewalk Improvements
- Only one (1) PF&I application per jurisdiction per year from the Urban County program participants. The Orange County Urban County Program is comprised of the County unincorporated area and eleven (11) cities with populations under 50,000 (participating 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 two (2) metropolitan (metro) cities, Placentia and Yorba Linda determine their own allocations of funding and activities. All activities must be eligible and meet national objective.
  - Project applications must pass the initial threshold review and technical eligibility as determined by Housing & Community Development & Homeless Prevention staff;
  - Projects must undergo a quality review and evaluation conducted by the evaluation committee;
  - Each project will be evaluated for the year it is submitted and will compete with other projects submitted only for that year.

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

- 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.
- Ranking:
  - Projects with a "Regional Benefit" receive priority ranking or,
  - Projects that serve the homeless and are consistent with the County's "Ten Year Plan to End Homelessness" receive priority ranking or,
  - Projects that fulfill federal Regulations or assist in achieving compliance with Federal law (e.g. Non Compliance with ADA) receive priority ranking.
- Projects cannot receive priority ranking in more than one 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).

Projects that are recommended to receive funds as the result of the funding in Year 1 (FY 2018-19) may receive funding Year 2 (FY 2019-20), 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, unless there are extenuating circumstances.
  - 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., seasonal shelters), recommendation of the Evaluation Committee, exemption from Housing & Community Development & Homeless Prevention Director, and delays due to HUD or Housing & Community Development & Homeless Prevention administration of contracts.
- Project continues to meet the priority status for which it was funded in Year 1 or
- New PF&I project meets the priority and eligibility status.
- PF&I 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 Housing & Community Development & Homeless Prevention staff.
- Organizations that receive an unsuccessful assessment of performance will be reviewed and reevaluated by the evaluation committee for future funding consideration.

Projects meeting the January 15<sup>th</sup> 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.

### **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. Housing & Community Development & Homeless Prevention staff may provide technical support to the Evaluation Committee's proposal review process.

#### **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, will be conducted by Housing & Community Development & Homeless Prevention staff.
2. After threshold review applications are forwarded to the Evaluation Committee for review, scoring, and ranking, consistent with the RFP guidelines.
3. Applicants deemed as unsuccessful by the Evaluation Committee 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 Housing & Community Development & Homeless Prevention.

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.
6. Projects are preliminarily awarded funding until final approval from HUD.

## 2. Key Policies

**Renewal Applicants-** Those applicants having been under contract with Housing & Community Development & Homeless Prevention within the past 3 years.

- Housing & Community Development & Homeless Prevention 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 Housing & Community Development & Homeless Prevention within the past 3 years.

- Applicants may need to pass a site visit conducted by Housing & Community Development & Homeless Prevention 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).
- \$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 for projects.

### **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 or jurisdiction per year 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 be primarily 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., Continuum of Care) 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 Resources 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 statutes, 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.

## **E. Non-Substantial Amendments to Projects**

- **Non-Substantial Amendment**

- From time-to-time, it may be necessary for the County to process a "non-substantial amendment" to the One Year Annual Action Plan to allow for changes in CDBG, ESG, HOME or local-funded activities, six month extension of contract end date, or other CPD program administrative actions.
- Any proposed amendment that is considered a "non-substantial amendment" that has an increase of funding between 11% and 50% of original contract amount, requires formal action by the Board of Supervisors.

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.

## **F. 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 State 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.

## **G. 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 ConPlan recapture policy.

## **H. 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, Housing & Community Development/Homeless Prevention 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

Housing & Community Development/Homeless Prevention performance measurement system as recommended by HUD.

**Table 4: 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 communities/neighborhoods assisted</p>
<p>Number of persons, households, units</p>	<p>Leveraging or Match</p>
<p>Current racial/ethnic and disability categories</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:

Housing & Community Development & Homeless Prevention  
Craig Fee, Community Development Manager  
1300 S. Grand Avenue, Bldg. B  
Santa Ana, CA 92705  
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E Mail: [craig.fee@occr.ocgov.com](mailto:craig.fee@occr.ocgov.com)



### III. FY 2018-19 FUNDING ALLOCATION POLICY and PROCESS (FAPP) SCHEDULE

	September 29 – October 31, 2017	FAPP 30-day Public Review Comment Period
	December 5, 2017	Board of Supervisors Public Hearing for FAPP
	<b>December 6, 2017</b>	<b>Release RFP for FY 2018-19 PF&amp;I Projects and Housing Rehabilitation in BidSync.</b>
	December 21, 2017	Deadline for Questions in BidSync
	<b>January 17, 2018</b>	<b>RFP Application Due by Noon in BidSync</b>
	February 23 to March 25, 2018	30-day Public Review and Comment Period of the Draft FY 2018-19 Annual Action Plan (AAP) for the Public
	<b>May 8, 2018</b>	Board of Supervisors Public Hearing to receive public comments on the Draft FY 2018-19 AAP
	May 11, 2018	Submit the Board adopted FY 2018-19 AAP to HUD by May 15 <sup>th</sup> .

**All Dates are subject to change.**