

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Ave, Suite 670  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771 / FAX (916) 263-2763  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



December 23, 2019

**MEMORANDUM FOR:** POTENTIAL APPLICANT

**FROM:** Jennifer Seeger, Acting Deputy Director  
Division of Financial Assistance

**SUBJECT:** **CalHome Program**  
**Notice of Funding Availability Amended**

The California Department of Housing and Community Development (HCD) is pleased to announce the availability of approximately \$57 million in state CalHome Program funds from the Affordable Housing Bond Act Trust Fund of 2018 to fund Local Public Agencies or Nonprofit Corporations for eligible activities within the CalHome program.

HCD will rate applications in accordance with Guidelines Section 7755, subd. (b). CalHome program funds will be allocated through a competitive process based on the merits of the application.

HCD will hold one workshop in Northern California, one workshop in Southern California, and a webinar to review the CalHome program 2019 Notice of Funding Availability (NOFA) and application. In addition, a recorded webinar will be posted on the CalHome program webpage. For the workshop dates, times, and locations, please go to HCD's website at <http://www.hcd.ca.gov/grants-funding/active-no-funding/calhome.shtml>. Please contact [CalHomeNofa@hcd.ca.gov](mailto:CalHomeNofa@hcd.ca.gov) for registration.

HCD must receive one complete application and one electronic copy of the application on CD or flash drive no later than **5:00 P.M.** Pacific Standard Time on **February 17, 2020**. HCD will only accept applications through a postal carrier service such as the U.S. Postal Service, UPS, FedEx, or other carrier services that provide date stamp verification of delivery. **Personal deliveries will not be accepted.** Applications shall be mailed to:

California Department of Housing and Community Development  
Division of Financial Assistance, NOFA Section  
**CalHome Program**  
2020 W. El Camino Ave, Suite 500  
Sacramento, CA 95833

To receive information on workshops and other updates, please subscribe to the CalHome listserv. [[http://www.hcd.ca.gov/HCD\\_SSI/subscribe-form.html](http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html)].

If you have any questions, please contact **Conant Radcliffe, NOFA Representative**, at (916) 263-1463 or [CalHomeNOFA@hcd.ca.gov](mailto:CalHomeNOFA@hcd.ca.gov).

Attachment

# **CALHOME PROGRAM**

## **2019 Notice of Funding Availability**

### **1<sup>st</sup> Amendment**



**Gavin Newsom, Governor  
State of California**

**Alexis Podesta, Secretary  
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director  
Department of Housing and Community Development**

2020 W. El Camino Ave, Suite 500, Sacramento, CA 95833  
Phone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-no-funding/calhome.shtml>

Email address: [CalHomeNofa@hcd.ca.gov](mailto:CalHomeNofa@hcd.ca.gov)

**December 23, 2019**

## Table of Contents

<b>I. Overview .....</b>	<b>1</b>
A. Notice of Funding Availability.....	1
B. Authorizing legislation.....	1
<b>II. Program requirements .....</b>	<b>1</b>
A. Eligible Applicants .....	2
B. Eligible activities .....	4
C. Compliance requirements.....	5
D. Funding amounts and limits.....	6
E. Eligible uses of funds.....	7
F. Eligibility and threshold evaluation criteria .....	9
G. Rating .....	10
<b>III. State requirements .....</b>	<b>11</b>
A. Climate adaptation.....	11
<b>IV. Application procedures and deadline.....</b>	<b>11</b>
A. Application packaging and submittal .....	11
B. Application workshops.....	12
C. Disclosure of application.....	12
<b>V. Appeal and award process.....</b>	<b>12</b>
A. Appeals.....	12
B. Awards.....	13
<b>VI. Standard Agreements and release of funds .....</b>	<b>13</b>
A. Standard Agreements.....	13
B. Release of funds.....	14
<b>VII. Other terms and conditions .....</b>	<b>15</b>
A. Right to modify or suspend .....	15
B. Conflicts.....	15
<b>Appendix A – Rating Factors .....</b>	<b>16</b>

# CALHOME PROGRAM NOTICE OF FUNDING AVAILABILITY

## I. Overview

### A. Notice of Funding Availability

The California Department of Housing and Community Development (HCD) is pleased to announce that it is accepting applications for funds from the CalHome program. HCD is making approximately \$57 million available to fund Local Public Agencies or Nonprofit Corporations for the following activities within the CalHome program:

- First-Time Homebuyer Mortgage Assistance (including the purchase of a home with an Accessory Dwelling Unit (ADU) or Junior Accessory Dwelling Unit (JADU))
- Owner-Occupied Rehabilitation Assistance (including reconstruction and Rehabilitation of manufactured homes not on a permanent foundation, and construction, repair, reconstruction, or Rehabilitation of ADUs or JADUs)
- Technical Assistance for Self-Help Housing Projects
- Technical Assistance for Shared Housing Programs
- ADU/JADU Assistance (including construction, repair, reconstruction, or Rehabilitation of ADUs or JADUs)
- Homeownership Project Development Loans (including Predevelopment Costs and carrying costs during construction related to ADUs and JADUs)

<b>Amended NOFA release</b>	<b>December 23, 2019</b>
<b>Application due date</b>	<b>February 17, 2020 by 5:00 P.M.</b>
<b>Award announcements</b>	<b>June 2020</b>

### B. Authorizing legislation

This NOFA will be governed by CalHome Program Guidelines (the “Guidelines”) available on HCD’s website at [\(link\)](#). Accordingly, applications need to be completed pursuant to the requirements stated in the Guidelines. This NOFA is also subject to the requirements of the CalHome program authorized by [Chapter 6 \(commencing with Section 50650\) of Part 2 of Division 31 of the Health and Safety \(H&S\) Code](#).

## II. Program requirements

The following is provided as a summary and is not to be considered a complete representation of the entirety of the eligibility, threshold, and other requirements or terms and conditions of the CalHome program. References should be made to all applicable statutes and guidelines, which shall in all events control.

## A. Eligible Applicants

Table 1 – Eligibility Requirements for Local Public Agencies and Nonprofit Corporations

	Local Public Agencies	Nonprofit Corporation
<b>Geographic Eligibility</b>	A Local Public Agency shall only be eligible to apply for an award of CalHome funds for a Local Program or project located within its jurisdictional boundaries. A Local Public Agency may hire nonprofit and for-profit consultants located and/or registered within or outside its jurisdictional boundaries, including other counties within the state. Out-of-county consultants shall meet the same requirements as in-county consultants. Local Public Agencies may establish a consortium (provided there is a Memorandum of Understanding between the parties) with a single administrator. One Local Public Agency shall apply on behalf of other entities in a consortium and may serve all jurisdictions. (Guidelines Section 7717, subd. (a)(1)).	A Nonprofit Corporation shall only be eligible to apply for an award of CalHome funds for a program or project if it has developed a project or operated a housing program in California within the past two years, or if the Nonprofit Corporation has an existing 523 Self-Help Technical Assistance Grant Agreement with the United States Department of Agriculture (Guidelines Section 7717, subd. (a)(2)).
<b>Mortgage Assistance Experience (required to apply for this activity)</b>	Applicants or their Administrative Subcontractors shall have successfully administered a <b>homebuyer program</b> for a <u>minimum</u> of two years within the four years immediately preceding the application (Guidelines Section 7728).	
<b>Housing Rehabilitation Experience (required to apply for this activity)</b>	Applicants or their Administrative Subcontractors shall have successfully administered a local Owner-Occupied Rehabilitation Program for a minimum of two years within the four years immediately preceding the application (Guidelines Section 7732).	
<b>Technical Assistance for Self-Help Housing Projects Experience (required to apply for this activity)</b>	Applicants shall have successfully completed a minimum of two self-help, new construction projects within the four years immediately preceding the application (Guidelines Section 7736).	
<b>Technical Assistance for Shared Housing Program Experience (required to apply for this activity)</b>	Applicants or their Administrative Subcontractors shall have successfully administered a Shared Housing program for renters or homeowners for a minimum of two years immediately preceding the application (Guidelines Section 7739).	

<p><b>Accessory Dwelling Units/Junior Accessory Dwelling Units Programs Experience (required to apply for this activity)</b></p>	<p>Applicants or their Administrative Subcontractors shall have successfully administered a local Owner-Occupied Rehabilitation Program, new construction development involving multiple Homeownership units (including single-family subdivisions), or an ADU/JADU program for a minimum of two years within the four years immediately preceding the application (Guidelines Section 7742).</p>
<p><b>Homeownership Project Development Experience (required to apply for this activity)</b></p>	<p>Applicants shall have successfully developed a minimum of two similar projects within the last four years and the Applicant shall have staff that will be committed to the proposed project that possess the knowledge, skills, and ability to perform the tasks required in a Homeownership Project Development (Guidelines Section 7746).</p>

Applicants (Guidelines Section 7716, subd. (h)) shall also demonstrate the following requirements, as applicable (Guidelines Section 7717, subd. (b)):

**1. Local public agencies**

- a. Sufficient organizational stability and capacity to administer the Local Programs and/or projects. This requirement may be satisfied through documents such as organizational charts, resumes, statements of qualifications, or other documentation, as specified in the application. If applicable, the Applicant shall also provide a Loan servicing plan.
- b. Sufficient organizational stability by demonstrating that the Applicant has operated as a housing developer or housing program administrator for a minimum of two years prior to the date of application. A Local Public Agency may subcontract with an Administrative Subcontractor to qualify toward the organizational stability and experience requirement.

**2. Nonprofit corporations**

- a. Sufficient organizational stability and capacity to administer the Local Programs and/or projects. This requirement may be satisfied through documents such as organizational charts, resumes, statements of qualifications, or other documentation, as specified in the application. If applicable, the Applicant shall also provide a Loan servicing plan.
- b. Sufficient organizational stability by demonstrating that the Applicant has operated as a housing developer or housing program administrator for a minimum of two years prior to the date of application.
- c. Proof that the Nonprofit Corporation is a corporation whose exempt purpose for the two years prior to the date of application included the activity for which it is applying.
- d. Proof that the Nonprofit Corporation is financially stable. Financial stability may be demonstrated through audited financial statements, or other documentation submitted with the application for funding.

Applicants that were previously awarded CalHome Grants shall submit all outstanding reports from the past two years to HCD by the application date. Failure to submit the reports by the application date will result in the Applicant being ineligible for a CalHome award under this NOFA (Guidelines Section 7717, subd. (c)).

## B. Eligible activities

HCD is making CalHome funds available as Grants to eligible Local Public Agencies and Nonprofit Corporations for the following activities:

- 1. First-Time Homebuyer Mortgage Assistance** (including the purchase of homes with ADUs or JADUs) (commencing with Guidelines Section 7728) for Loans to Households at or below 80 percent of Area Median Income (AMI) (H&S Code, [Section 50052.5, subd. \(b\)](#)), or at or below 120 percent of AMI for Households who were victims of a disaster (in compliance with H&S Code, Section [50650.3, subd. \(a\)](#)).

CalHome funds, for the purposes of this activity, can only be used as gap financing (Guidelines Section 7725, subd. (a)(1)).

Homebuyer Education (Guidelines Section, 7729 subd. (b)) will be reimbursed in the form of a Grant from HCD to the Recipient in an amount not to exceed \$250 per assisted unit.

- 2. Owner-Occupied Rehabilitation Assistance** (including repair, full reconstruction, or the addition of an ADU or JADU) (commencing with Guidelines Section 7732) for Loans to Households at or below 80 percent of AMI (in compliance with H&S Code, [Section 50052.5, subd. \(b\)](#)), or at or below 120 percent of AMI for Households who were victims of a disaster (in compliance with H&S Code, Section [50650.3, subd. \(a\)](#)).

Manufactured Housing is also eligible, including replacement of a manufactured home, whether located in a Mobilehome Park or elsewhere (Guidelines Section 7716, subd. (s)(3) and Guidelines Section 7733, subd. (e)).

CalHome funds, for the purposes of this activity, can only be used as gap financing (Guidelines Section 7725, subd. (a)(2)).

- 3. Technical Assistance for Self-Help Housing Projects** (commencing with Guidelines Section 7736) in which the Applicant organization will be directly providing the services required in Guidelines Section 7738.

Homebuyer Education (Guidelines Section 7729, subd. (b)) will be reimbursed in the form of a Grant from HCD to the Recipient in an amount not to exceed \$250 per assisted unit.

- 4. Technical Assistance for Shared Housing Programs** (commencing with Guidelines Section 7739) to operators of Shared Housing Programs that will directly provide match services where the providers are homeowners who occupy their homes as their principal place of residence.

- 5. ADU/JADU Programs** (commencing with Guidelines Section 7742) for Loans for ADU/JADU construction, reconstruction, repair, or Rehabilitation to Households at or below 80 percent of AMI (in compliance with H&S Code, [Section 50052.5, subd. \(b\)](#)) or at or below 120 percent of AMI for Households who were victims of a disaster (in compliance with H&S Code, Section [50650.3, subd. \(a\)](#)).

CalHome funds, for the purposes of this activity, can only be used as gap financing (Guidelines Section 7725, subd. (a)(3)).

- 6. Homeownership Project Development Loans** (Guidelines Section 7746) for conditional awards of development Loans to the Applicants to be used for land acquisition, Predevelopment Costs, and on-site improvements, including costs related to ADUs and JADUs (unit construction is not an eligible expense).

CalHome funds, for the purposes of this activity, can only be used as gap financing (Guidelines Section 7749).

**Note:** Proposed projects are ineligible to receive CalHome funds if construction work has begun or will begin prior to the date HCD executes the Standard Agreement with the Recipient and all conditions have been satisfied. Construction work includes grading, site preparation (with the exception of demolition or clearing properties), or site improvements intended for public dedication (Guideline Section 7718, subd. (c)).

## C. Compliance requirements

Recipients funded pursuant to this NOFA shall meet the following requirements:

### 1. First-Time Homebuyer Mortgage Assistance

- a. Recipients shall comply with the Local Program administration requirements listed in Guidelines Section 7730.
- b. Recipients shall comply with the underwriting requirements listed in Guidelines Section 7731 and any other additional program requirements. Recipients may use the most recent median sales price, by county, posted at the California Association of Realtors website at <https://www.car.org/en/marketdata/data/countysalesactivity>. However, if prices have significantly changed, Recipients may request HCD approval to use different limits based on a local calculation of median values (Guidelines Section 7731, subd. (b)).

### 2. Owner-Occupied Rehabilitation Assistance

- a. All assisted units shall have After-Rehabilitation Values (Guidelines Section 7716, subd. (f)) at or below the current local median sales price of a single-family home (Guidelines Section 7734, subd. (a)). Recipients may use the most recent median sales price, by county, posted at the California Association of Realtors website at <https://www.car.org/en/marketdata/data/countysalesactivity>. However, if prices have significantly changed, Recipients may request HCD approval to use different limits based on a local calculation of median values (Guidelines Section 7735, subd. (b)).



- b. Recipients shall comply with the Local Program administration requirements listed in Guidelines Section 7734.
- c. Recipients shall comply with the underwriting and construction requirements listed in Guidelines Section 7735 and any other additional program requirements.

### **3. Technical Assistance for Self-Help Housing Projects**

- a. Recipients shall comply with the Technical Assistance requirements listed in Guidelines Section 7738 and any other additional program requirements.

### **4. Technical Assistance for Shared Housing Programs**

- a. Recipients shall comply with the program administration requirements listed in Guidelines Section 7741.

### **5. ADU/JADU Assistance**

- a. Recipients shall comply with the Local Program administration requirements listed in Guidelines Section 7744 and any other additional program requirements.
- b. Recipients shall comply with the underwriting and construction requirements listed in Guidelines Section 7745 and any other additional program requirements.

### **6. Homeownership Project Development Loans**

- a. Recipients shall comply with the Site Control requirements listed in Guidelines Section 7748.
- b. Recipients shall comply with the development requirements listed in Guidelines Section 7752 and any other additional program requirements. Recipients may use the most recent median sales price, by county, posted at the California Association of Realtors website at <https://www.car.org/en/marketdata/data/countysalesactivity>. However, if prices have significantly changed, Recipients may request HCD approval to use different limits based on a local calculation of median values (Guidelines Section 7731, subd. (b)).

## **D. Funding amounts and limits**

- 1. Minimum and Maximum Application Amounts.** The minimum application amount for any single activity or program (except if the activity or program is Technical Assistance for Self-Help Housing Projects or Technical Assistance for Shared Housing Programs) is \$500,000. The minimum application amount for any single activity or program (if the activity/program is Technical Assistance for Self-Help Housing Projects or Technical Assistance for Shared Housing Programs) is \$100,000. If applying for more than one activity, the minimum application amount for those activities is \$600,000.

The maximum application amount for one or more activities is \$5 million. If applying only for Technical Assistance for Self-Help Housing Projects, the maximum application amount is \$500,000. If applying only for Technical Assistance for Shared Housing Programs, the maximum application amount is \$300,000.

## 2. Minimum and maximum per-unit funding limits

### a. **Per-unit funding limits: Loans**

The minimum CalHome Loan to a Borrower will be no less than \$1,000. For the purposes of this NOFA, the maximum CalHome Loan per-unit will be:

#### **First-Time Homebuyer Assistance**

The maximum Loan amount will be **40 percent** of the Borrower's purchase price for the property, up to a maximum of \$100,000.

#### **Owner-Occupied Rehabilitation Assistance**

The maximum Loan amount will be \$75,000, except in the following case:

The maximum Loan amount will be \$125,000 if the home is in need of reconstruction (Guidelines Section 7716, subd. (zz)(2))

#### **ADU/JADU Assistance**

The maximum per-unit Loan amount for ADU construction will be \$100,000.

#### **Homeownership Project Development**

The maximum per-unit Loan amount for Homeownership Project Development Loans will be \$100,000. If an Applicant is applying to fund Homeownership Project Development with a Self-Help Housing Project, the Applicant may additionally apply for Technical Assistance of \$15,000 per-unit on top of the application amount requested for Homeownership Project Development.

### b. **Funding limits: Grants**

The minimum CalHome Grant to a Borrower will be no less than \$1,000. For the purposes of this NOFA, the maximum CalHome Grant per-unit will be:

#### **Technical Assistance for Self-Help Housing Projects**

The maximum per-unit Grant amount will be \$15,000. All expenses should be documented.

#### **Technical Assistance for Shared Housing Programs**

The maximum activity amount for Self-Help Housing Programs is established in Section (D)(1) of this NOFA.

## E. **Eligible uses of funds**

1. **Mortgage Assistance and Rehabilitation Loans to Eligible Households.** Funds provided to CalHome Recipients shall be used by individual Households (Guidelines Section 7720) at or below 80 percent of the AMI (H&S Code, [Section 50052.5, subd. \(b\)](#)), or at or below 120 percent of AMI for Households who were victims of a disaster at the time of the Loan application (in compliance with H&S Code, Section [50650.3, subd. \(a\)](#)). AMI limits are updated annually and are available on HCD's [website](#).

- a. Financial assistance provided to qualified individual homeowners for Mortgage Assistance and Rehabilitation, including repair, full reconstruction, or the addition of an ADU or a JADU, shall be in the form of deferred payment Loans, repayable upon the sale or transfer of the homes, when they cease to be owner-occupied, or upon the Loan maturity date, whichever occurs first (H&S Code, Section 50650.3, subd. (c)(1)). The Loan shall be up to a 30-year term (Guidelines Section 7726, subd. (c)(5-6)). The interest rate is set by the Recipient at up to 3 percent simple interest per annum (Guidelines Section 7726, subd. (d)). Borrowers (Guidelines Section 7716, subd. (k)) shall occupy units as their principal place of residence for the term of the Loan (Guidelines Section 7720, subd. (d)). Loans shall also be made in a manner consistent with the purposes described in Section II. B., Eligible Activities, as well as with the CalHome Guidelines and applicable statutes.

Recipients shall comply with the Homeowner/Homebuyer Loan-to-Value Limits for Mortgage Assistance and Owner-Occupied Rehabilitation CalHome program Loans defined in Guidelines Section 7727.

- b. Financial assistance provided to individual Households to rehabilitate, repair, or replace Manufactured Housing located in a Mobilehome Park and not permanently affixed to a foundation shall be in the form of a secured forgivable loan, which shall also be made in a manner consistent with the Guidelines and applicable Statutes (H&S Code, Section 50650.3, subd. (c) and Guideline 7733 subd. (e)).

**Note:** The Loan shall be due and payable in 20 years, with 10 percent of the original principal to be forgiven annually for each additional year beyond the 10<sup>th</sup> year that the home is owned and continuously occupied by the Borrower (H&S Code, Section 50650.3, subd. (c)).

2. **Technical Assistance for Self-Help Housing Projects.** Recipients shall comply with the eligible costs for Self-Help Technical Assistance defined in Guidelines Section 7737.
3. **Technical Assistance for Shared Housing.** Recipients shall comply with the eligible costs for Shared Housing Technical Assistance defined in Guidelines Section 7740.
4. **Homeownership Project Development Loans.** Homeownership Project Development Loans will be funded pursuant to the development Loan terms specified in Guidelines Section 7750. The portion of a development Loan, which is used to provide Mortgage Assistance to qualified First-Time Homebuyers, is converted to a Grant. Recipients shall comply with the development Loan-to-Value Limits defined in Guidelines Section 7751.

Homeownership Development Projects must have a minimum of four units (Guidelines Section 7753).

**Note:** Projects are only eligible if construction work has not begun prior to the date that HCD awards a commitment of program funds. Construction work includes: (1) site improvements intended for public dedication, (2) site preparation, or (3) grading (Guidelines Section 7718, subd. (c)).

## 5. Activity Delivery Fees

**Mortgage Assistance loans.** HCD may provide funding to cover Activity Delivery Fees (ADFs) of up to 10 percent of the total award. Up to 5 percent of the total award may be provided within 90 days after the execution of the Standard Agreement for program development expenses, and up to 5 percent of the total award may be reimbursed on a per-Loan basis. The per-Loan reimbursement maximum will be 5 percent of the total award divided by the estimated number of Loans to be made under the contract.

**Owner-Occupied Rehabilitation Loans.** HCD may provide funding to cover ADFs of up to 20 percent of the total award. Up to 10 percent of the total award may be provided within 90 days after the execution of the Standard Agreement for program development expenses, and up to 10 percent of the total award may be reimbursed on a per-Loan basis. The per-Loan reimbursement maximum will be 10 percent of the total award divided by the estimated number of Loans to be made under the contract.

Applicants need to provide documentation verifying their Activity Delivery expenses. This requirement may be satisfied through documents such as invoices, receipts, time tracking, or other documentation of valid program expenses.

## F. Eligibility and threshold evaluation criteria

Applications will not be considered for funding unless the application is received by the deadline as stated in this NOFA, and demonstrates compliance with all CalHome program statutes and Guidelines, including the following conditions:

- The Applicant meets geographic restrictions per CalHome Guidelines (Guidelines Section 7717 subd. (a))
- The Applicant is an eligible Local Public Agency or Nonprofit Corporation (Guidelines Section 7717)
- The Applicant has complied with reporting requirements (Guidelines Section 7717, subd. (c))
- The activity is eligible (Guidelines Section 7718)
- The proposed use of funds is eligible (Guidelines Section 7719)
- The Applicant meets the eligibility requirements for the activity or activities for which they are applying:
  - First-Time Homebuyer Mortgage Assistance (Guidelines Section 7728)
  - Owner-Occupied Rehabilitation Assistance (Guidelines Section 7732)
  - Technical Assistance for Self-Help Housing Projects (Guidelines Section 7736)
  - Technical Assistance for Shared Housing Programs (Guidelines Section 7739)
  - ADU/JADU Assistance (Guidelines Section 7742)
  - Homeownership Project Development Loans (Guidelines Section 7746)
- The application is complete (Guidelines Section 7754)
- The application shall be on HCD forms and cannot be altered or modified by the Applicant
- The application is signed by the party authorized in a complete and proper resolution (Guidelines Section 7754)

- The Applicant does not have any unresolved audit findings for prior HCD or federally funded housing or community development projects or programs (Guidelines Section 7755)
- The Applicant has no pending lawsuits that would impede the implementation of the program (Guidelines Section 7755)

**G. Rating**

**Evaluation criteria.** All eligible Applicants that have met eligibility and threshold requirements shall receive a minimum score of 55 points to be considered for funding (Guidelines Section 7755, subd. (b)). All applications passing eligibility and threshold criteria will be evaluated on the following factors (Table 2). If there are more eligible Applicants than can be funded, HCD will award funding by descending order of points. For more detail on each of the rating factors, please see Appendix A and Guidelines Section 7755, subd. (b).

*Table 2 – Evaluation Criteria*

<b>Evaluation Criteria</b>	<b>Maximum Points</b>
<b>Capability</b>	40
<b>Community Need</b>	15
<b>Feasibility</b>	25
<b>Community Revitalization</b>	10
<b>Volunteer Labor, Self-Help Labor or Youth Construction Skills Training Program</b>	10
<b>Total</b>	<b>100</b>

Applicants may apply to fund up to two programs (First-Time Homebuyer Mortgage Assistance Program, Owner-Occupied Rehabilitation Program, Shared Housing Program, and/or ADU/JADU Program) in a single application. Each program will be scored separately; therefore, an Applicant applying to fund two programs will have two separate scores. The two scores will be averaged into one score. Applicants may apply to fund a Homeownership Development Project with or without a Self-Help Housing Project. If the Homeownership Development Project proposes to do a Self-Help Housing Project, the Applicant may additionally apply for Technical Assistance. Applicants cannot apply to fund both a program and a project (Guidelines Section 7753, subd (a)) **in a single application. However, Applicants may submit separate applications for Programs and projects. In addition, Applicants may submit separate applications to apply for multiple projects.**

**Applicants cannot apply for more than the maximum application amount of \$5 million across all applications submitted per a CalHome funding round. Applicants may serve as Administrative Subcontractors for Localities. However, Applicants cannot serve as Administrative Subcontractors in the areas where they are awarded CalHome funds to develop a CalHome Program or a project. Applicants are required to provide Service Area Maps with their Applications.**

- 1. Performance penalty.** Applicants that have previously received a CalHome Grant will be reviewed for performance (Guidelines Section 7755, subd. (c)).

Failure to have expended at least 95 percent of the most recently awarded Grant by the 36th month of the prior CalHome contract may result in five-point penalty deduction from the score of the application (Guidelines Section 7759, subd. (a)(1)(B)).

If an Applicant has been penalized in a prior NOFA round and is now in compliance, the penalty will not be deducted in the current round.

An Applicant with any project currently in HCD's compliance resolution unit shall not be eligible to apply (Guidelines Section 7717, subd. (b)(1)).

### III. State requirements

#### A. Climate adaptation

[Executive Order B-30-15](#) addressing the need for climate adaptation ordered that:

1. All state agencies with jurisdiction over sources of greenhouse gas emissions shall implement measures, pursuant to statutory authority, to achieve reductions of greenhouse gas emissions to meet the 2030 and 2050 greenhouse gas emissions reductions targets.
2. State agencies shall take climate change into account in their planning and investment decisions and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives.

In response to the Governor's Executive Order, HCD strongly encourages CalHome Recipients to implement CalHome funded activities in a manner that reduces greenhouse gas emissions and adapts to climate change.

For additional information and guidance, please contact Nuin Tara-Key with the Governor's Office of Planning and Research at [Nuin-Tara.Key@opr.ca.gov](mailto:Nuin-Tara.Key@opr.ca.gov).

#### B. Application procedures and deadline

##### A. Application packaging and submittal

The application form is available on HCD's website under the CalHome program, <http://www.hcd.ca.gov/grants-funding/active-no-funding/calhome.shtml>.

One hard copy of the application shall be submitted with original signatures, and one copy of the application on a compact disc or USB flash drive and received by HCD by **February 17**, 2020. HCD will only accept applications through a postal carrier service such as the U.S. Postal Service, UPS, FedEx, or other carrier services that provide date stamp verification confirming delivery to HCD's office. Please contact HCD if delivery is not completed by fault of the carrier service. Personal deliveries are not accepted. The delivery address is:

California Department of Housing and Community Development  
Division of Financial Assistance, NOFA Section

**CalHome Program**

2020 W. El Camino Ave, Suite 500  
Sacramento, CA 95833

## **B. Application workshops**

HCD will hold one workshop in Northern California, one workshop in Southern California, and a webinar to review the CalHome NOFA and application. In addition, a recorded webinar will be posted on the CalHome program webpage. For the workshop dates, times, and locations, please go to HCD's website at <http://www.hcd.ca.gov/grants-funding/active-no-funding/calhome.shtml>. Please contact [CalHomeNofa@hcd.ca.gov](mailto:CalHomeNofa@hcd.ca.gov) for workshop registration.

## **C. Disclosure of application**

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act (Chapter 1473, Statutes of 1968). As such, any materials provided will be disclosable to any person making a request under this Act. HCD cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers and home addresses. By providing this information to HCD, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

## **V. Appeal and award process**

### **A. Appeals**

Pursuant to Guidelines Section 7755, subd. (d), Applicants will be subject to the appeal process as detailed in this NOFA:

#### **1. Basis of appeals**

- a. Upon being noticed in writing that its application is incomplete, fails threshold requirements, or has a reduced preliminary point score, applicants may appeal these decisions pursuant to Section V of this NOFA. Upon receipt of HCD's notice that an application has been determined to be incomplete, fail threshold, or have a reduction to the preliminary point score, Applicants under this NOFA may appeal such decision(s) to HCD pursuant to this section.
- b. No Applicant shall have the right to appeal a decision of HCD relating to another Applicant's eligibility, point score, award, denial of award, or any other matter related thereto.
- c. Prior program NOFAs: The appeal process provided herein applies solely to HCD decisions made in this NOFA and does not apply to any decisions made respecting any previously issued NOFAs or decisions to be made respecting future NOFAs.

#### **2. Appeal process and deadlines**

- a. Process: In order to lodge an appeal, Applicants shall submit to HCD, by the deadline set forth in subsection (b) below, a written appeal that states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the Applicant shall provide a detailed reference to the area or areas of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be accepted if this information would result in a competitive advantage to an Applicant. Once the written appeal is submitted to HCD,

no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to HCD either via email at [CalHomeNofa@hcd.ca.gov](mailto:CalHomeNofa@hcd.ca.gov) or at the following address:

California Department of Housing and Community Development  
Attn: Division of Financial Assistance, NOFA Section  
2020 W. El Camino Ave, Suite 500  
Sacramento, California 95833

HCD will accept appeals through a carrier service such as the U.S. Postal Service, UPS, FedEx, or other carrier services that provide date stamp verification of delivery. Deliveries shall be received during HCD weekday (non-state holiday) business hours of 9:00 a.m. to 5:00 p.m. Pacific Standard Time. Emails to the email address listed above will be accepted as long as the email time stamp is prior to the appeal deadline.

- b. Filing Deadline: Appeals shall be received by HCD no later than five (5) business days from the date of HCD's eligibility, threshold review or determination letters, representing HCD's decision made in response to the application.

### **3. Decision**

Any request to amend HCD's decision shall be reviewed for compliance with the Guidelines (commencing with Section 7715), the **December 23**, 2019, CalHome program NOFA, and any subsequent clarifying documents, such as the CalHome program's responses to "Frequently Asked Questions." It is HCD's intent to render its decision in writing within 15 business days of receipt of the Applicant's written appeal. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of HCD with respect to the appeal.

### **4. Effectiveness**

In the event that the statute, regulations, or Guidelines governing this program contain an existing process for appealing HCD decisions with respect to NOFA awards made under such programs, then this section shall be inapplicable, and all appeals shall be governed by such existing authority.

## **B. Awards**

Awards made by HCD shall not be deemed final until such time as HCD has resolved any appeals filed by Applicants pursuant to the appeal process provided for in Section V. A. hereof. At such time as HCD has completed the appeal process and made its determinations, it will issue the final awards and post notification thereof on HCD's website.

## **VI. Standard Agreements and release of funds**

### **A. Standard Agreements**

Recipient(s) will enter into a Standard Agreement with HCD. The Standard Agreement will contain relevant state contracting and program requirements, specific information about the award, the work to be performed, a project/program timeline, and any special conditions



required to make the project feasible (Guidelines Section 7752, subd. (a)(4) and Section 7756, subd. (a)(12)).

The Recipient(s) shall remain a party to the Standard Agreement for the agreement's entire term and removal of the Recipient(s) shall be prohibited.

The Standard Agreement allows a maximum of 36-months from the date of the Standard Agreement execution to expend funds (Guidelines Section 7759, subd. (a)(1)). HCD may exercise its reasonable discretion to disencumber funds or to grant an extension of time for completion (Guidelines Section 7759, subd. (d)). Any extensions are subject to any and all applicable encumbrances, deadlines, and limitations, including, but not limited to, H&S Code, Section 54006, subd. (g). Documentation to support the Recipient's expenditure of funds shall be received prior to the contract expiration date. The Standard Agreement expires at the end of 42 months from the Standard Agreement execution date, unless extended. Recipients remain subject to the terms of the 20-year Monitoring Agreement (Guidelines Section 7756, subd. (b)).

## **B. Release of funds**

Funds shall not be obligated to a Borrower prior to the date a Standard Agreement contract is fully executed between the Recipient and HCD. Funds will be released after the Standard Agreement execution, and after HCD has reviewed and approved the following Recipient submissions (Guidelines Section 7756, subd. (a)(5)):

- Loan servicing plan (Guidelines Section 7723, subd. (a))
- Program guidelines
- Loan document templates
- Reuse Agreement with verification of established Reuse Account (Guidelines Section 7724)
- Fully executed 20-year Monitoring Agreement (Guidelines Section 7756, subd. (b))
- If a Recipient contracts with a third party for the above functions, the Recipient shall submit the original contract and any amendments for HCD review

Funds may be requested as either a reimbursement or as an advance. Pursuant to Guidelines Section 7757, subd. (a), advances may include, but are not limited to, any of the following:

- Homeownership Project Development Loan disbursements
- Advances of up to 25 percent of the award for Self-Help and Shared Housing Technical Assistance
- Advances for Owner-Occupied Rehabilitation or ADU/JADU Programs up to the Recipient's anticipated volume of closed Loans for the following 60-day period
- Advances to escrow for Mortgage Assistance Loans

All Recipients shall reconcile advances within 90 days. Documentation showing at least two-thirds of the funds previously released for program activities were expended shall be submitted to HCD before another advance request will be processed. Recipients shall also consistently complete quarterly performance reports and be up to date on their submissions before another advance request will be processed (Guidelines Section 7758, subd. (a)).

## **VII. Other terms and conditions**

### **A. Right to modify or suspend**

HCD reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, HCD will notify all interested parties via listserv and

will post the revisions to the CalHome website. Please remember to subscribe at the listserv link.

### **B. Conflicts**

In the event of any conflict between the terms of this NOFA and applicable state law or regulation, the terms of the applicable state law or regulation shall control.

**APPENDIX A  
RATING FACTORS**

The list below is a summary. For more specific information, please refer to Guidelines Section 7755, subd. (b).

Criteria Defined	Maximum Points
<p><b>Capability</b> to operate the proposed program, administer and conduct the Self-Help Technical Assistance Project, or develop the type of Homeownership Project proposed in the application:</p> <ul style="list-style-type: none"> <li>• <b>Number of Mortgage Assistance units assisted within the last four years:</b> <ul style="list-style-type: none"> <li>▪ 2 – 5 ~ 20 points</li> <li>▪ 6 – 10 ~ 30 points</li> <li>▪ 11 or more ~ 40 points</li> </ul> </li> <li>• <b>Number of Rehabilitation/Reconstructed units assisted within the last four years:</b> <ul style="list-style-type: none"> <li>▪ 2 – 5 ~ 20 points</li> <li>▪ 6 – 10 ~ 30 points</li> <li>▪ 11 or more ~ 40 points</li> </ul> </li> <li>• <b>Number of Self-Help, new construction units within the last four years:</b> <ul style="list-style-type: none"> <li>▪ 2 – 10 ~ 20 points</li> <li>▪ 11 – 20 ~ 30 points</li> <li>▪ 21 or more ~ 40 points</li> </ul> </li> <li>• <b>Number of Shared Housing units assisted within the last two years:</b> <ul style="list-style-type: none"> <li>▪ 2 ~ 20 points</li> <li>▪ 3 – 4 ~ 30 points</li> <li>▪ 5 or more ~ 40 points</li> </ul> </li> <li>• <b>Number of ADU/JADU or Rehabilitation/Reconstructed units assisted within the last four years:</b> <ul style="list-style-type: none"> <li>▪ 2 – 5 ~ 20 points</li> <li>▪ 6 – 10 ~ 30 points</li> <li>▪ 11 or more ~ 40 points</li> </ul> </li> <li>• <b>Number of Homeownership Development Projects within the last four years:</b> <ul style="list-style-type: none"> <li>▪ 2 ~ 20 points</li> <li>▪ 3 – 4 ~ 30 points</li> <li>▪ 5 or more ~ 40 points</li> </ul> </li> </ul>	<p><b>40</b></p>
<p><b>Community Need</b> in a geographic area for the proposed Local Program or project will be based on the following factors:</p> <p><b>For Mortgage Assistance Programs, Technical Assistance for Self-Help Housing Projects, Technical Assistance for Shared Housing</b></p>	<p><b>15</b></p>

**Programs, ADU/JADU Programs, and Homeownership Project Development Loans:**

- Housing affordability in the geographic area: The ratio of the current median sales price of a single-family home to the AMI for a 4-person Household, in the county in which the CalHome program or project is located. The current median sales price is the most recent available from the California Association of Realtors as of the NOFA date, and the AMI is updated on an annual basis by HCD;
- Percent of renter Households that are Low Income: The percent of Households in renter-occupied housing with incomes below 80 percent of AMI, as reported in the most recent HUD Comprehensive Housing Affordability Strategy U.S. Census Bureau American Community Survey (HUD CHAS) data;
- Percent of renter Households occupying overcrowded housing: The percent of renter-occupied housing units with more than 1.5 occupants per room, as reported in the most recent HUD CHAS data; and
- Rental vacancy rate: The percent of rental housing units that are currently vacant, as reported in the most recent HUD CHAS data.

**For Rehabilitation Programs:**

- Age of the housing stock: The percent of owner-occupied housing units over 30 years old, as reported in the most recent U.S. Census Bureau American Community Survey (ACS) data;
- Percent of homeowner Households that are in poverty: The percent of families in owner-occupied housing with incomes below the federal poverty line, as reported in the most recent ACS data;
- Percent of homeowner Households that are Low Income: The percent of Households in owner-occupied housing with incomes below 80 percent of AMI, as reported in the most recent HUD CHAS data; and the
- Percent of homeowner Households occupying overcrowded housing: The percent of owner-occupied housing units with more than 1.5 occupants per room, as reported in the most recent HUD CHAS data.

**Feasibility** in a geographic area for the proposed Local Program or project will be based on the following factors:

**For Mortgage Assistance Programs:**

- Affordability of Homeownership relative to renting: The ratio of median Monthly Housing Costs for owner-occupied housing units with a Mortgage, to median Monthly Housing Costs for renter-occupied housing units, as reported in the most recent ACS data;
- Availability of homes for sale relative to the proposed lending activity: The ratio of the following:
  - The number of home sales in the previous year priced below *either* the current median sales price of a single-family home in the

county in which the CalHome program is located, or \$500,000, whichever is less; to

- The number of Loans that the Applicant expects to provide in the program.
- The Applicant will provide home sales information based on publicly available real estate transactions data (e.g., Zillow.com, Redfin.com).

**For Owner-Occupied Rehabilitation Programs:**

- Age of the housing stock: The percent of owner-occupied housing units over 30 years old, as reported in the most recent ACS data; and
- Percent of homeowner Households occupying overcrowded housing: The percent of owner-occupied housing units with more than 1.5 occupants per room, as reported in the most recent HUD CHAS data.

**For Technical Assistance for Shared Housing Programs:**

- Incidence of severe cost burden for low-income renters: The percent of Households in renter-occupied housing units spending 50 percent or more of income on housing expenses, as reported in the most recent HUD CHAS data; and the
- Rental vacancy rate: The percent of rental housing units that are currently vacant, as reported in the most recent HUD CHAS data.

**For Technical Assistance for Self-Help Housing Programs, Homeownership Project Development Loans, and ADU Programs:**

- The readiness of the project development to proceed as evidenced by the status of local government approvals, project financing commitments, and resolution to impediments to development;
- Evidence of ability to serve Low- and Very Low-Income Households pursuant to the Mortgage Assistance underwriting requirements stated in Section 7731, as evidenced by the development budget and proposed unit sales prices; and
- Affordability of Homeownership relative to renting: The ratio of median Monthly Housing Costs for owner-occupied housing units with a Mortgage, to median Monthly Housing Costs for renter-occupied housing units, as reported in the most recent ACS data.

**Contributes to Community Revitalization** as defined in Section 7716(l), or meets a legislatively mandated priority for funds allocated to the CalHome program, or develops a Rehabilitation Program that addresses climate adaptation or resiliency consistent with the Hazard Mitigation Plan or the Safety Element of the General Plan adopted by the jurisdiction in which the program will be offered.

10

<p><b>Volunteer Labor, Self-Help Labor or Youth Construction Skills Training Program:</b> Applications applying for Homeownership Project Development, Self-Help Technical Assistance Homeownership Projects, or a Mortgage Assistance Local Program for new construction housing or acquisition with substantial Rehabilitation, when the Recipient is acquiring and substantially rehabilitating properties for sale to first-time homebuyers, will receive up to 10 points to the extent that:</p> <ul style="list-style-type: none"> <li>• The Applicant utilizes Volunteer Labor or Self-Help Construction labor, where a minimum of five hundred (500) hours of on-site construction labor per assisted unit is provided; or</li> <li>• The Applicant utilizes labor provided by youth participating in a construction skills training program, where a minimum of five hundred (500) hours of on-site construction labor per assisted unit is provided. The five hundred (500) hours of construction training labor shall be provided by the 16- to 24-year old program participants;</li> <li>• 15 percent of units to be developed include an ADU or a JADU.</li> <li>• Homeownership development projects are located in a High Resource or Highest Resource area, as identified on the TCAC/HCD Opportunity Area Map.</li> </ul>	<p><b>10</b></p>
<p><b>MAXIMUM TOTAL POINTS</b></p>	<p><b>100</b></p>

For the Applicants who already received CalHome funds, up to 5 points may be deducted for failure to meet CalHome Program Performance Goals pursuant to Section 7759 in the Guidelines.