

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

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September 6, 2019

MEMORANDUM FOR: Potential Applicants

FROM: Mark Stivers, Acting Deputy Director
Division of Financial Assistance

SUBJECT: **Notice of Funding Availability
CalHome Program Disaster Assistance
Round 2 Amended**

The California Department of Housing and Community Development (HCD) is pleased to announce the availability of approximately \$100 million in state CalHome Program Disaster Assistance funds for the following eligible activities within the CalHome Program:

- First-Time Homebuyer Mortgage Assistance
- Owner-Occupied Rehabilitation Assistance (including reconstruction and rehabilitation of manufactured homes not on a permanent foundation **and construction, repair, reconstruction, or rehabilitation of Accessory Dwelling Units or Junior Accessory Dwelling Units**)
- Technical Assistance for Self-Help Housing Projects
- Technical Assistance for Shared Housing Programs
- Homeownership Project Development Loans

CalHome Disaster Assistance funds will be awarded to local jurisdictions or nonprofits in counties impacted by 2017 and 2018 disasters included in four Federal Disaster Declarations. Northern California and Southern California counties eligible to receive housing assistance through FEMA Individual Assistance pursuant to [Federal Disaster Declaration DR-4344](#), [Federal Disaster Declaration DR-4353](#), [Federal Disaster Declaration DR-4382](#), and [Federal Disaster Declaration DR-4407](#), are eligible to receive these CalHome funds. Eligible counties are Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Shasta, Sonoma, and Ventura.

For the purposes of this CalHome Disaster Notice of Funding Availability (NOFA), HCD is **setting** the maximum loan limit to \$100,000 per unit **for First-Time Homebuyer Mortgage Assistance and Homeownership Project Development Loans and to \$150,000 for Owner-Occupied Rehabilitation Assistance** to support rebuilding these communities. Loan limits are subject to change in future NOFAs.

Applications under this NOFA will be considered on an **Over-the-Counter (OTC)** basis either until all available funds (as allocated per county) are exhausted, or by **October 3, 2019**. HCD will hold two workshops in Northern California and one workshop in Southern California to review the CalHome Disaster 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 for registration.

One complete original application and one electronic copy on CD or flash drive with all applicable information must be submitted to HCD no later than 5:00 P.M. Pacific Standard Time (PST) on **October** 3, 2019. 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 must be mailed to:

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

To receive information on workshops and other updates, please subscribe to the CalHome listserv. [<http://www.hcd.ca.gov/grants-funding/active-no-funding/calhome.shtml>].

If you have any questions, please contact Charles Gray, NOFA Program Manager at (916) 263-1014 or CalHomeNofa@hcd.ca.gov.

Attachment

CALHOME PROGRAM DISASTER ASSISTANCE

FUNDING ROUND 2 Notice of Funding Availability **2nd Amendment**

Eligible Counties impacted by the 2017 and 2018 disasters listed below:

[Federal Disaster Declaration DR-4344](#)

[Federal Disaster Declaration DR-4353](#)

[Federal Disaster Declaration DR-4382](#)

[Federal Disaster Declaration DR-4407](#)



**Gavin Newsom, Governor
State of California**

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

**Doug McCauley, Acting Director
Department of Housing and Community Development**

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September 2019

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**CALHOME PROGRAM DISASTER ASSISTANCE
ROUND 2
NOTICE OF FUNDING AVAILABILITY**

I. Overview

A. Notice of Funding Availability

The California Department of Housing and Community Development (HCD) is pleased to announce the second round of CalHome Program Disaster Assistance. HCD is making approximately \$100 million (\$11 million in Proposition 46 **funding**, \$52 million in Proposition 1C funding, and \$37 million in Proposition 1 funding) available in order to assist the following 12 counties impacted by 2017 and 2018 disasters: Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Shasta, Sonoma, and Ventura (hereafter referred to as “impacted counties”).

In the immediate aftermath of the wildfires, high winds, flooding, mudflows, and debris flows, the U.S. Department of Homeland Security’s Federal Emergency Management Agency (FEMA) issued four major disaster declarations: [Federal Disaster Declaration DR-4344](#) (FEMA-4344-DR-CA), [Federal Disaster Declaration DR-4353](#) (FEMA-4353-DR-CA), [Federal Disaster Declaration DR-4382](#) (FEMA-4382-DR-CA), and [Federal Disaster Declaration DR-4407](#) (FEMA-4407-DR-CA). HCD is providing this Notice of Funding Availability (NOFA) in response to these declarations. In the previous round of funding, HCD made CalHome funds available for Northern California counties in response to [Federal Disaster Declaration DR-4344](#). In this round of funding, HCD is making CalHome funds available for eligible Northern California and Southern California counties in response to the four disasters listed above.

NOFA release	May 3, 2019
Application due date	Until all available funds (allocated per county) are exhausted, or by October 3, 2019 by 5:00 P.M., whichever is earlier
Award announcements	Within 90 days of receipt of OTC applications through December 2019

B. Program Summary

This NOFA will be governed by CalHome **P**rogram **R**egulations, ([California Code of Regulations \(CCR\), Title 25, Division 1, Chapter 7, Subchapter 9, commencing with Section \(§\) 7715](#)) available on HCD’s website at HCD CalHome Regulations. Accordingly, applications need to be completed pursuant to the requirements stated in the regulations. This NOFA is subject to the requirements of the CalHome **P**rogram authorized by [Chapter 6 \(commencing with § 50650\) of Part 2 of Division 31 of the Health and Safety Code \(HSC\)](#).

CalHome **R**egulations (25 CCR § 7749 (b)(1)) permit HCD to issue a separate NOFA and direct funding awards to designated local program types, such as disaster assistance, in a specific geographic area. Further, CalHome **R**egulations (25 CCR § 7749(b)(4)) permit HCD to establish an OTC process under certain circumstances in which it will continuously accept and review applications until the NOFA funding is exhausted, or by the application due date.

Chapter 365, Statutes 2017 (SB 3), adopted by voters on November 6, 2018 (Proposition 1), provides additional funding and authority for CalHome. HSC § 54014 gave HCD authority to implement Proposition 1 funds by utilizing guidelines. Pursuant to subdivision (b) of § 54014, those guidelines are to be exempted from the requirements of Chapter 3.5 (commencing with § 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of this NOFA, and any subsequent amendments thereto, the existing CalHome Regulations (set forth at CCR Title 25, § 7715, et seq. and HSC § 50650.1, and as may be amended), and the terms of this NOFA (and as amended) shall constitute the guidelines applicable to funding released hereunder. To the extent there is a conflict between the foregoing, the terms of this NOFA shall control.

HCD has allocated the CalHome funds available in this NOFA by the percentage of structures destroyed within each county (Table 3; Data provided by the California Department of Forestry and Fire Protection as of February 8, 2019).

In addition, AB 101 allowed the CalHome Program to serve households that are victims of a disaster up to 120 percent of Area Median Income (AMI). The bill also allows the CalHome Program to fund the construction, repair, reconstruction, or rehabilitation of Accessory Dwelling Units (ADUs) or Junior Accessory Dwelling Units (JADUs). These changes are reflected in Sections II. B., Eligible Activities and II. E., Eligible Uses of Funds.

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 regulations which shall in all events control.

A. Eligible Applicants

Table 1 –Eligibility Requirements for Local Jurisdictions and Nonprofits

	Local Jurisdiction	Nonprofit Corporation
Geographic Eligibility	Limited to Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Shasta, Sonoma, and Ventura Counties A locality shall only be eligible to apply for an award of CalHome funds for a local program or project located within jurisdictional boundaries (25 CCR § 7717 (a)(1)).	Limited to Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Shasta, Sonoma, and Ventura Counties A nonprofit corporation shall only be eligible to apply for an award of CalHome funds for a program or project within a county in which it has developed a project or operated a housing program during the past four years (25 CCR § 7717 (a)(2)).
Mortgage Assistance Experience (required to apply for this activity)	Applicants shall have successfully administered a homebuyer program for a minimum of two years within the four years immediately preceding the application (25 CCR § 7728). This applies to both local government and nonprofit corporations.	
Housing Rehabilitation Experience (required to apply for this activity)	Applicants shall have successfully administered a local owner-occupied rehabilitation program for a <u>minimum of two years within the four years</u> immediately preceding the application (25 CCR § 7732). This applies to both local jurisdictions and nonprofit corporations.	
Technical Assistance for Self-Help Housing Projects Experience (required to apply for this activity)	Applicants shall have successfully completed a <u>minimum of two self-help, new construction projects within the four years</u> immediately preceding the application (25 CCR § 7736). This applies to both local government and nonprofit corporations.	
Technical Assistance for Shared Housing Program Experience (required to apply for this activity)	Applicants shall have successfully administered a shared housing program for a <u>minimum of two years</u> immediately preceding the application (25 CCR § 7739). This applies to both local government and nonprofit corporations.	
Homeownership Project Development Experience (required to apply for this activity)	Applicants shall have successfully developed a <u>minimum of two similar projects within the last four years</u> , 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 Development Project (25 CCR § 7742), and the Applicant shall have been operating as a housing developer or housing program administrator during the <u>two years</u> prior to the date of application (25 CCR § 7717(b)(2)). This applies to both local government and nonprofit corporations.	

The impacted counties are eligible for the proportioned allocation stated in this NOFA under Allocation Amounts. Local jurisdictions and nonprofits within these 12 counties that meet geographic and activity eligibility requirements can apply for this NOFA.

Applicants (local jurisdictions and nonprofit corporations) must also demonstrate the following requirements (25 CCR § 7717(b)):

1. Sufficient organizational stability and capacity to administer the local programs and/or projects through organizational charts, resumes, and statements of qualifications as specified in the application. If applicable, the Applicant must also provide a loan servicing plan;
2. Sufficient organizational stability by demonstrating that the Applicant shall have been operating as a housing developer or housing program administrator for a minimum of two years prior to the date of application.
3. Proof that a nonprofit corporation is a corporation whose exempt purposes for the two years prior to the date of application have included the activity for which it is applying.
4. Financial stability, to HCD's satisfaction, through audited financial statements submitted for HCD review as part of its application for funding (nonprofit corporations only).

B. Eligible Activities

HCD is making CalHome funds available as grants to eligible local jurisdictions and nonprofit housing corporations for the following activities:

1. **First-Time Homebuyer Mortgage Assistance** (commencing with CCR 25 CCR § 7728) for gap loans to households at or below **120** percent of AMI who were either:
 - formerly renters physically or economically displaced by 2017 and/or 2018 disasters in order to assist them in purchasing newly constructed and existing homes and become owner-occupants in affected counties (homes must be ready for occupancy); or
 - formerly owners of a dwelling unit whose structure is not in compliance with building codes due to 2017 and/or 2018 disasters and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

Up to 25 percent of the HCD award may be used to benefit households **at or below 80 percent of AMI** that do not meet the listed eligibility criteria for disaster affectedness.

CalHome funds, for the purposes of this activity, can only be used as gap financing (25 CCR § 7725(a)).

Homebuyer education (25 CCR § 7729(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 25 CCR § 7732) for gap loans to households at or below **120** percent of AMI who were:

- owner-occupants of a dwelling unit whose structure was damaged or destroyed due to 2017 and/or 2018 disasters.

Manufactured housing is also eligible, including replacement of a manufactured home, whether located in a mobilehome park or elsewhere (25 CCR § 7716(s) and 25 CCR § 7733(e)).

CalHome funds, for the purposes of this activity, can only be used as gap financing

(25 CCR § 7725(a)(2)).

3. Technical Assistance for Self-Help Housing Projects (commencing with 25 CCR § 7736) in which the Applicant organization will be directly providing the services required in § 7738.

Eligible homebuyers include any households at or below 80 percent of AMI or households between 80 and 120 percent of AMI, as applicable, who were either:

- formerly renters physically or economically displaced by 2017 and/or 2018 disasters in order to assist them in purchasing newly constructed and existing homes and become owner-occupants in affected counties (homes must be ready for occupancy); or
- formerly owners of a dwelling unit whose structure is not in compliance with building codes due to 2017 and/or 2018 disasters and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure; or
- owner-occupants of a dwelling unit whose structure was damaged or destroyed due to 2017 and/or 2018 disasters.

Homebuyer education (25 CCR § 7729(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 25 CCR § 7739) to operators of Shared Housing Programs who will directly provide match services where the providers are homeowners who occupy their homes as their principal place of residence.

Eligible homeowners include any households at or below 80 percent of AMI or households between 80 and 120 percent of AMI, as applicable, who were either:

- formerly renters physically or economically displaced by 2017 and/or 2018 disasters in order to assist them in purchasing newly constructed and existing homes and become owner-occupants in affected counties (homes must be ready for occupancy); or
- formerly owners of a dwelling unit whose structure is not in compliance with building codes due to 2017 and/or 2018 disasters and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure; or
- owner-occupants of a dwelling unit whose structure was damaged or destroyed due to 2017 and/or 2018 disasters.

5. Homeownership Project Development Loans (commencing with 25 CCR § 7742) for conditional awards of development loans to the Applicants to be used for land acquisition, predevelopment costs and on-site improvements (unit construction is not an eligible expense).

CalHome funds, for the purposes of this activity, can only be used as gap financing (25 CCR § 7745).

Eligible homebuyers include any households at or below 80 percent of AMI or households between 80 and 120 percent of AMI, as applicable, who were either:

- formerly renters physically or economically displaced by 2017 and/or 2018 disasters in order to assist them in purchasing newly constructed and existing homes and become owner-occupants in affected counties (homes must be ready for occupancy); or
- formerly owners of a dwelling unit whose structure is not in compliance with building codes due to 2017 and/or 2018 disasters and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure; or
- owner-occupants of a dwelling unit whose structure was damaged or destroyed due to 2017 and/or 2018 disasters.

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.

C. Compliance Requirements

1. **First-Time Homebuyer Mortgage Assistance** funded pursuant to this NOFA must meet the following requirements:

- a. Recipients shall comply with the local program administration requirements listed in CalHome Regulations (25 CCR § 7730).
- b. Recipients shall comply with the underwriting requirements listed in CalHome Regulations (25 CCR § 7731) and any additional requirements as deemed necessary by HCD.

2. **Owner-Occupied Rehabilitation Assistance** (including repair, full reconstruction, or the addition of an ADU or JADU) funded pursuant to this NOFA must meet the following requirements:

- a. All assisted units shall have after-rehabilitation (reconstruction) values at or below the current local median sales price of a single-family home. 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 (25 CCR § 7735(b)). As of June 2019, the current median sales prices, according to the California Association of Realtors, for the impacted counties are as follows:

Table 2
County Median Sales Price as of *June* 2019

County	Median Sales Price
Butte	\$384,000
Lake	\$270,000
Los Angeles	\$599,680
Mendocino	\$399,000
Napa	\$705,750
Nevada	\$427,500
Orange	\$842,000
San Diego	\$665,000
Santa Barbara	\$717,000
Shasta	\$289,900
Sonoma	\$662,500
Ventura	\$647,000

- b. Recipients shall comply with the local program administration requirements listed in CalHome Regulations (25 CCR § 7734).
 - c. Recipients shall comply with the underwriting and construction requirements listed in CalHome Regulations (25 CCR § 7735) and any additional requirements as deemed necessary by HCD.
- 3. Technical Assistance for Self-Help Housing Projects** funded pursuant to this NOFA must meet the following requirements:
- a. Recipients shall comply with the technical assistance requirements listed in CalHome Regulations (25 CCR § 7738) and any additional requirements as deemed necessary by HCD.
- 4. Technical Assistance for Shared Housing Programs** funded pursuant to this NOFA must meet the following requirements:
- a. Recipients shall comply with the program administration requirements listed in CalHome Regulations (25 CCR § 7741) and any additional requirements as deemed necessary by HCD.
- 5. Homeownership Project Development Loans** funded pursuant to this NOFA must meet the following requirements:
- a. Recipients shall comply with the site control requirements listed in CalHome Regulations (25 CCR § 7744).
 - b. Recipients shall comply with the development requirements listed in CalHome Regulations (25 CCR § 7748) and any additional requirements as deemed necessary by HCD.

D. Funding Amounts and Limits

1. **Amount of Funding by County** - The amount of CalHome funds that can be applied for by each county is listed in the table below:

*Table 3
County Maximum Allocation Amounts Based on Proportion of Damaged Homes¹*

County	No. of Single Family Homes Destroyed	% of Destruction	No. of Mobilehomes Destroyed	% of Destruction	Approx. CalHome Allocation
Butte	9895	53.3%	3715	81.5%	\$34 mil
Lake	171	0.9%	112	2.5%	\$5 mil
Los Angeles	938	5.1%	185	4.1%	\$7 mil
Mendocino	219	1.2%	93	2%	\$5 mil
Napa	530	2.9%	22	0.5%	\$7 mil
Nevada	21	0.1%	9	0.2%	\$1 mil
Orange	14	0.1%	0	0%	\$1 mil
San Diego	34	0.2%	80	1.8%	\$3 mil
Santa Barbara	155	0.8%	3	0.1%	\$3 mil
Shasta	1113	6%	162	3.6%	\$7 mil
Sonoma	4770	25.7%	261	5.8%	\$20 mil
Ventura	790	4.3%	77	1.7%	\$7 mil
Total	18559	100%	4557	100%	\$100 mil

Allocated funds will be reserved for each above-designated county either until all available funds are exhausted or until 5:00 P.M. on **October 3, 2019**, whichever is earlier. Eligible local jurisdictions and nonprofit Applicants are encouraged to apply for an amount of funding as each may reasonably use within the 36-month expenditure period within the Standard Agreement.

2. **Minimum and Maximum Funding Limits** - The minimum CalHome loan to a Borrower will be no less than \$1,000. For the purposes of this NOFA, the maximum CalHome loan to an individual household will be \$100,000 **per unit for First-Time Homebuyer Mortgage Assistance and Homeownership Project Development Loans and \$150,000 for Owner-Occupied Rehabilitation Assistance**. The total assistance for an impacted county, including all activity funds, and the Activity Delivery Fee (ADF), cannot exceed the county set-aside.

E. Eligible Uses of Funds

1. **Mortgage Assistance and Rehabilitation Loans to Eligible Households**. Funds provided to CalHome Recipients must be used by individual households at or below **80 or 120** percent of the AMI, **as applicable**, at the time of the loan application (25 CCR § 7720). AMI limits are updated annually and are available on HCD's [website](#).

¹ (Data provided by California Department of Forestry and Fire Protection as of February 8, 2019)

- a. Financial assistance provided to qualified individual homeowners for Mortgage Assistance and Rehabilitation, including repair, full reconstruction, or the addition of an ADU or 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 (HSC § 50650.3(c)(1)). The loan may be up to a 30-year term (25 CCR § 7726(c)(5-6)). The interest rate is set by the Recipient up to 3 percent simple interest per annum (25 CCR § 7726(d)). Borrowers must occupy units as their principal place of residence for the term of the loan (25 CCR §7716(l) and 25 CCR §7720(c)). Loans must also be made in a manner consistent with the purposes described in Section II. B., Eligible Activities, as stated on page 5, as well as with CalHome regulations 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 CalHome Regulations (25 CCR § 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 must also be made in a manner consistent with CalHome regulations and applicable Statutes (HSC § 50650.3(c)).

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 10th year that the home is owned and continuously occupied by the Borrower.

HCD will not award more than 10 percent of the funds available in the NOFA for grants that will provide financial assistance in the form of secured forgivable loans (HSC § 50650.3(c)).

2. **Technical Assistance for Self-Help Housing Projects.** Technical assistance provided to operators of self-help housing projects in which the Applicant organization will be directly providing the services required in 25 CCR § 7738. Recipients shall comply with the eligible costs for Self-Help Technical Assistance defined in CalHome Regulations (25 CCR § 7737).
3. **Technical Assistance for Shared Housing Programs.** Technical assistance provided to operators of shared housing programs for which the Applicant organization will directly provide match services required in 25 CCR § 7741. Recipients shall comply with the eligible costs for Shared Housing Technical Assistance defined in CalHome Regulations (25 CCR § 7740).
4. **Homeownership Project Development Loans.** Financial assistance provided for homeownership development projects shall be in the form of a conditional award to the applicant, which must be used for Eligible Activities as stated on page 5, and in compliance with the CalHome regulations and applicable statutes. Homeownership Project Development Loans will be funded pursuant to the development loan terms specified in 25 CCR § 7746. 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 CalHome Regulations (25 CCR § 7747).

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 (25 CCR § 7718(c)).

5. **Activity Delivery Fees.** At the reasonable discretion of HCD, activity delivery expenses up to 24 percent of the loan amount may be provided as a grant to the Recipient for the Owner-Occupied Rehabilitation component, provided the costs are actual costs, commercially reasonable, and not a flat fee to the program administrator, and up to 10 percent for the loan amount may be provided for the Mortgage Assistance component. This may be in addition to the maximum CalHome loan limit. The Recipient must provide cost receipts to HCD for all ADF claims.

Homebuyer education (25 CCR § 7729(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. This grant will be included in the ADF maximum cap.

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 regulations, including the following conditions:

- The Applicant meets geographic restrictions per FEMA-4344-DR-CA, FEMA-4353-DR-CA, FEMA-4382-DR-CA, FEMA-4407-DR-CA, and CalHome Regulations (25 CCR § 7717).
- The Applicant is an eligible local jurisdiction or nonprofit (25 CCR § 7717).
- The activity is eligible (25 CCR § 7718).
- The proposed use of funds is eligible (25 CCR § 7719).
- The Applicant meets the eligibility requirements for the activity(ies) they are applying for:
 - First-Time Homebuyer Mortgage Assistance (25 CCR § 7728)
 - Owner-Occupied Rehabilitation Assistance (25 CCR § 7732)
 - Technical Assistance for Self-Help Housing Projects (25 CCR § 7736)
 - Technical Assistance for Shared Housing Programs (25 CCR § 7739 and 25 CCR § 7741)
 - Homeownership Project Development Loans (25 CCR § 7742)
- The application was received by HCD no later than 5:00 P.M. on October 3, 2019 (25 CCR § 7751).
- The application is complete (25 CCR § 7750).
- The application has not been altered or modified except to accommodate computer software.
- The application is signed by the party authorized in a complete and proper Resolution (25 CCR § 7750).
- The Applicant does not have any unresolved audit findings for prior HCD or federally-funded housing or community development projects or programs

(25 CCR § 7751).

- The Applicant has no pending lawsuits that would impede the implementation of the program (25 CCR § 7751).

G. Rating

1. **Evaluation Criteria.** All eligible Applicants that have met eligibility and threshold requirements must receive a minimum score of 550 points to be considered for funding (25 CCR § 7751(b)). Each application, in submission order, will be reviewed. Those Applicants that meet the minimum score will receive an award as long as funds are available.

*Table 4
Evaluation Criteria*

Evaluation Criteria	Maximum Points
Capability	400
Community Need	150
Feasibility	250
Community Revitalization	100
Volunteer Labor, Self-Help Labor or Youth Construction Skills Training Program	100

For more detail on each of the rating factors, please see Appendix A and 25 CCR § 7751(b).

Applicants may apply to fund up to two out of three programs (Mortgage Assistance, Owner-Occupied Rehabilitation, and/or Shared Housing Program) in a single application. Applicants may choose to 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.

An Applicant applying to fund two out of three programs will therefore have two separate scores. The scores will be averaged into one score.

2. **Performance Penalty.** Applicants that have previously received a CalHome grant will be reviewed for performance (25 CCR § 7751(c)).

Failure to have expended at least 95 percent of the most recently awarded grant by the 36th month of the prior CalHome contract will result in a 50-point penalty deduction from the score of the application (25 CCR § 7755(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 (25 CCR § 7756(a-b)).

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.

B. Commitment to Long Term Resiliency Standards

Applicants must commit to meet immediate and long-term resiliency standards in rebuilding homes destroyed by the 2017 and 2018 disasters identified in this NOFA. See Appendix B.

IV. 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 application must be submitted with original signatures, as well as one copy of the application on a compact disc or USB flash drive to HCD, on an OTC basis, either until all available funds are exhausted, or by **October 3, 2019**. 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:

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

B. Application Workshops

HCD will hold two workshops in Northern California and one workshop in Southern California to review the CalHome Disaster 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 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

1. Basis of Appeals.

- a. 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 decisions of HCD made in this program NOFA and does not apply to any decisions made with respect to any previously issued NOFAs or decisions to be made pursuant to future program NOFAs.

2. Appeal Process and Deadlines.

- a. Process: In order to lodge an appeal, Applicants must submit to HCD, by the deadline set forth in subsection (b) below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the Applicant must 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 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 must be received during HCD weekday (non-state holiday) business hours of 9:00 a.m. to 5:00 p.m. Pacific 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 must be received by HCD no later than (5) five 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 2004 CalHome Program Regulations (CCR, Title 25, Division 1, Chapter 7, Subchapter 9, commencing with § 7715), the May 3, 2019 CalHome Program Disaster Assistance Round 2 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, regulation, and/or guidelines governing this program contain an existing process for appealing decisions of HCD 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

Successful Applicants, Recipient(s), will enter into a Standard Agreement with HCD. The Standard Agreement contains all the relevant state requirements, as well as specific information about the award, the work to be performed, a project/program timeline, and any

project-specific conditions that may be required to make the project feasible (25 CCR § 7748(a)(4) and 25 CCR § 7752(a)(12)).

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

The Standard Agreement allows a maximum of 36-months from the date of the Award Letter to expend funds (25 CCR § 7755(a)(1)). All expenses must be incurred by the expenditure deadline. No extensions to this expenditure deadline may be granted. Documentation to support the Recipient's expenditure of funds must be received prior to the contract expiration date. At the end of 42 months from the Award Letter date, the Standard Agreement expires. Recipients remain subject to the terms of the 20-year Monitoring Agreement.

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 successful Recipient and HCD. Funds will be released by the CalHome Program only after the execution of the Standard Agreement, and the Recipient submits the following items, and those items have been reviewed and approved by HCD staff:

- Loan servicing plan
- Program guidelines
- Loan document templates
- Reuse Agreement with verification of established reuse account
- Fully executed 20-year Monitoring Agreement
- If a Recipient contracts with a third party for these functions, the Recipient must submit a current copy of the contract for HCD review.

Funds may be requested as either a reimbursement or as an advance. Pursuant to CCR 25 § 7753 (a), advances may include, but are not limited to:

- 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 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 must reconcile advances within 90 days. Documentation showing at least two-thirds of the funds previously released for program activities were expended must be submitted to HCD before another advance request will be processed. Recipients must also consistently complete quarterly performance reports and be up-to-date on their submissions before another advance request will be processed (25 CCR § 7754).

HCD shall not make an award until the Recipient submits all outstanding reports from previous CalHome grants to HCD.

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 25 CCR § 7751 in the **CalHome Program Regulations**.

Criteria Defined	Maximum Points
<p>Capability 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"> • Number of Mortgage Assistance units assisted within the last four years: <ul style="list-style-type: none"> ▪ 1 – 5 ~ 200 points ▪ 6 – 10 ~ 300 points ▪ 11 or more ~ 400 points • Number of Rehabilitation/Reconstructed units assisted within the last four years: <ul style="list-style-type: none"> ▪ 1 – 5 ~ 200 points ▪ 6 – 10 ~ 300 points ▪ 11 or more ~ 400 points • Number of Self-Help, new construction units within the last four years: <ul style="list-style-type: none"> ▪ 1 – 10 ~ 200 points ▪ 11 – 20 ~ 300 points ▪ 21 or more ~ 400 points • Number of Shared Housing units assisted within the last two years: <ul style="list-style-type: none"> ▪ 1 – 2 ~ 200 points ▪ 3 – 4 ~ 300 points ▪ 5 or more ~ 400 points • Number of Homeownership Development Projects within the last four years and number of years operating as a housing developer or housing program administrator: <ul style="list-style-type: none"> ▪ 1 – 2 ~ 200 points ▪ 3 – 4 ~ 300 points ▪ 5 or more ~ 400 points 	400
<p>Community Need: in a geographic area of the proposed local program or project will be based on the following factors:</p> <ul style="list-style-type: none"> • For an Owner-Occupied Rehabilitation application, a Self-Help Housing Project application and a Shared Housing application: percentage of the population living at or below the federal poverty level, and the number and percentage of households who are overcrowded and living in substandard housing as reflected in U.S. Census data; • For a Mortgage Assistance application and a Homeownership Project Development application: the factors used will be the percentage of low- 	150

<p>income households overpaying for their housing, and the percentage of low-income households that are homeowners as reflected in U.S. Census data.</p>	
<p>Feasibility: For applications proposing local program activities, feasibility will be based on:</p> <ul style="list-style-type: none"> • For Mortgage Assistance, feasibility will be based on U.S. Census Bureau data regarding the percentage of low-income homeownership in a jurisdiction and the ratio of the CalHome appraised value limits relative to the CalHome median income for a four-person household. From data supplied by the California Association of Realtors, the number of homes sold in the previous 12 months in a jurisdiction at or below the median sales price for the jurisdiction. The higher the percentage of low-income homeowners, the higher the points awarded. The higher the ratio of housing cost to income, the higher the points awarded. The higher the number of homes sold at or below median sales price, the higher the points awarded. • For Owner-Occupied Rehabilitation, feasibility will be based on U.S. Census Bureau data regarding the percentage of low-income households that are currently homeowners, the number of overcrowded households, and the age of the housing stock. The higher the percentage of low-income homeowners, the higher the points awarded. The higher the percentage of pre-1980 homes, the higher the points awarded. The higher the number of overcrowded households, the higher the points awarded. • For Shared Housing, feasibility will be determined by the U. S. Department of Housing and Urban Development’s (HUD) fair market rent (FMR) for a one-bedroom unit as a percentage of CalHome median income (AMI) for a one-person household and U.S. Census Bureau data on the jurisdiction vacancy rate. The higher the ratio of FMR to AMI, and the lower the vacancy rate, the higher the points awarded. • For Homeownership Project Development or a Self-Help Technical Assistance Homeownership Project, feasibility will be based on: <ul style="list-style-type: none"> • the readiness of the project development to proceed as evidenced by the status of local government approvals; project financing commitments; resolution to impediments to development; and • evidence of ability to serve low- and very low-income households pursuant to the Mortgage Assistance underwriting requirements stated in § 7731, as evidenced by the development budget and proposed unit sales prices. • U.S. Census Bureau data regarding the percentage of low-income homeownership in a jurisdiction and the ratio of the CalHome 	<p>250</p>

<p>appraised value limits relative to the CalHome median income for a four-person household. The higher the percentage of low-income homeowners, the higher the points awarded. The higher the ratio of housing cost to income, the higher the points awarded.</p>	
<p>Contributes to Community Revitalization by providing disaster assistance to areas located within a federally defined Qualified Census Tract or a designated redevelopment area under the jurisdiction of a successor to a local redevelopment agency.</p>	<p>100</p>
<p>Volunteer Labor, Self-Help Labor or Youth Construction Skills Training Program: 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 rehabilitation, when the Recipient is acquiring and rehabilitating properties for sale to first-time homebuyers, will receive up to 100 points to the extent that they are utilizing:</p> <ul style="list-style-type: none"> • volunteer or self-help construction labor, where a minimum of five hundred (500) hours of on-site construction labor per assisted unit is provided; or • 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 must be provided by the 16 to 24 year-old program participants. 	<p>100</p>
<p>MAXIMUM TOTAL POINTS</p>	<p>1000</p>

Up to 50 points may be deducted for missing performance deadlines as described in this NOFA and in the CalHome Program regulations. For more specific information, please refer to 25 CCR § 7751 in the **CalHome Program Regulations**.

APPENDIX B
DISASTER RESILIENCY LONG-TERM PLANNING CRITERIA

If the CalHome Program funds for Disaster Assistance are used for Owner-Occupied Rehabilitation Assistance and Homeownership Project Development Loans, applications must include the Applicant's commitment to meet near and long-term resiliency standards in rebuilding homes destroyed by the disasters identified in this NOFA.

Resiliency is generally defined as the future ability to resist and recover from future disasters. Applicants must demonstrate commitment to immediate and long-term resiliency by describing completed or planned (including anticipated completion dates) actions to address building standards, zoning and site planning, long-term planning and public outreach. Where appropriate, Applicants must certify that they will require owner-occupant Borrowers to comply with all applicable laws, including those that are designed to enhance resiliency (including without limitation those set forth below) and that they will, in turn, as a condition to HCD providing funding, include in each owner-occupant Borrower's loan documents provisions that the Borrower will comply with all applicable state, federal, and local laws, including those that are designed to enhance resiliency, and including those (as they may apply) set forth below:

Commitment to Long-Term Resiliency

Building Standards, Zoning and Site Planning:

- Where appropriate, consistency with Chapter 7(a) of the California Building Code or other pertinent Hazard Mitigation Building codes that address fire and flood safety and hazard mitigation,
- Consistency with Government Code § 66474.02 and applicable regulations adopted by the State Board of Forestry and Fire Protection pursuant to § 4290 and § 4291 of the Public Resources Code,
- Where appropriate, local ordinances certified as meeting or exceeding Title 14 SRA Fire Safe Regulations, pursuant to 14 CCR 1270.01 and 1270.03, or
- Other

Compliance with Building, Zoning and Site Planning standards must be certified by the local building and/or planning departments.

Long Term Planning: For local government Applicants, the status and planned completion for general plan amendments related to hazard mitigation pursuant to Government Codes § 65302(g)(3), 65302.5, 65302(d)(1) and 65302(g)(1) and 65302(g)(4).

Compliance with Long Term Planning standards must be certified by the local planning departments.

Public Outreach and Marketing: Demonstrate targeted outreach to vulnerable populations (e.g., lower income, homeless, persons with disabilities, limited English proficient, seniors, farmworkers, etc.) such as mailings, meetings, workshops, surveys, task forces, advisory committees or other focused efforts.

An outreach plan must be provided by the Applicant.