



REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

DATE ISSUED: February 1, 2023

REPORT NO: HAR23-002

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of February 7, 2023

SUBJECT: Application for State of California CalHome Program Funds

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Approve the submission of an application to the California Department of Housing and Community Development for up to \$5 million in funding from the CalHome General Program in support of the First-Time Homebuyer Program.

STAFF RECOMMENDATION

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Approve the submission of an application to the California Department of Housing and Community Development (HCD) for up to \$5 million in CalHome Program funds.
- 2) Authorize Jeff Davis, the San Diego Housing Commission's (Housing Commission) Interim President and Chief Executive Officer (President & CEO), or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals. Housing Commission staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the documents, and other required documents, including amendments to any documents.
- 3) Authorize the President & CEO, or designee, to amend the Homeownership Loan and Grant budget to include the CalHome funds, if and as awarded.

SUMMARY:

HCD is responsible for administering the CalHome Program in support of homeownership and makes grants to experienced local public agencies and nonprofit corporations to assist individual households. The program goal is to enable households earning no more than 80 percent of Area Median Income (AMI), currently \$104,100 per year for a family of four in San Diego, to become homeowners.

HCD issued a Notice of Funding Availability (NOFA) on January 6, 2023, for several activities, including First-Time Homebuyer Mortgage Assistance, with applications due no later than February 28, 2023. The maximum application amount is \$5 million, and HCD will provide funding to cover activity delivery fees (administrative costs) of up to 5 percent of the total award amount. Per the NOFA, HCD will announce awards in June 2023. If the application is successful, funds will be available after the

Housing Commission enters into a Standard Agreement with HCD, which historically has occurred five to six months after the awards are announced.

Since 2001, the Housing Commission has received eight awards from HCD, totaling \$12,079,250. The most recent allocation of CalHome funds to the Housing Commission—totaling \$4,079,250—was approved by HCD in June 2021. The Housing Commission services loans made with CalHome funds, and upon repayment, the funds cycle back to the First-Time Homebuyer Program to be redeployed to eligible homebuyers.

Funding under this CalHome award will be deployed through the Housing Commission’s existing First-Time Homebuyer Program, through which eligible households earning up to 80 percent of AMI may receive a deferred-payment loan of up to 22 percent of the purchase price, at 3 percent simple interest. The loan will be fully deferred for 30 years with no monthly payments of principal or interest. The loan plus accrued interest will be due upon sale, non-owner occupancy, cash-out refinance or at the end of the 30-year term. Under the current NOFA, the maximum loan amount per eligible household is 40 percent of the purchase price up to \$200,000; however, to maximize the number of households served, Housing Commission staff recommends keeping the current program loan limit of 22 percent of the purchase price. Should an eligible buyer purchase a home in a higher price range where the loan request exceeds \$200,000, the loan will be funded with CalHome and an additional approved funding source.

In Fiscal Year 2022, the average deferred-payment loan funded by the Housing Commission was \$89,267. In Fiscal Year 2023 to date, the average loan has increased to \$90,718 due to the increase in sales prices of homes in San Diego. Provided the average loan amount remains consistent with Fiscal Year 2023, the infusion of \$5 million in first-time homebuyer program funds will benefit approximately 45-50 low-income families.

FISCAL CONSIDERATIONS:

Approving this action will provide homeownership assistance to approximately 45-50 families, based upon the Fiscal Year 2023 average homeownership assistance of \$90,718 per household.

The sources and uses approved by this action will be as follows:

SOURCES		USES	
CalHome Award	\$5,000,000	FTHB Deferred Payment Loans	\$4,750,000
-	-	Administration	\$ 250,000
Total	\$5,000,000	Total	\$5,000,000

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 and No. 2 in the Housing Commission’s Strategic Plan for Fiscal Year (FY) 2022-2024. Strategic Priority Area No. 1: Increasing and Preserving Housing Solutions. Strategic Priority Area No. 2: Helping Families Increase Opportunities for Self- Sufficiency and Quality of Life.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On October 27, 2020; June 24, 2014; March 5, 2013; November 15, 2011; June 15, 2010; April 17, 2007; September 9, 2003; and January 30, 2001, the Housing Authority authorized an application to

HCD for CalHome Program funds, all of which resulted in CalHome awards to the Housing Commission. On March 5, 2013, January 7, 2020, and November 16, 2021 the Housing Authority authorized applications to HCD, which were submitted, but did not result in awards.

ENVIRONMENTAL REVIEW:

This activity is not a project pursuant to California Environmental Quality Act Statute Section 21065 and Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or a reasonably foreseeable indirect physical change in the environment. This action seeks to authorize the submission of an application to the California Department of Housing and Community Development for up to \$5 million in funding from the CalHome General Program in support of the First-Time Homebuyer Program, which will not cause a significant environmental impact on its own accord. As such, this activity is not subject to CEQA pursuant to CEQA Guideline Section 15060(c)(3). Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action. The parties agree that the provision of any federal funds as the result of this action is conditioned on the City of San Diego's final NEPA review and approval. The project(s) associated with this grant will be subject to CEQA review at a future date pursuant to CEQA Guidelines Section 15004, which provides direction to lead agencies on the appropriate timing for environmental review.

Respectfully submitted,

Sujata Raman

Sujata Raman
Vice President, Single-family Housing Finance
Real Estate Division

Approved by,

Jeff Davis

Jeff Davis
Interim President and Chief Executive Officer
San Diego Housing Commission

Docket materials are available in the in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE SAN DIEGO HOUSING COMMISSION, OR DESIGNEE, TO SUBMIT AN APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR \$5 MILLION IN FUNDING UNDER THE CALHOME PROGRAM FROM THE 2023 HOMEOWNERSHIP SUPER NOTICE OF FUNDING AVAILABILITY; TO EXECUTE A STANDARD AGREEMENT, IF SELECTED, FOR SUCH FUNDING AND ANY AMENDMENTS OR MODIFICATIONS THERETO; AND RELATED ACTIONS.

WHEREAS, the State of California Department of Housing and Community Development (HCD) issued the 2023 Homeownership Super Notice of Funding Availability (NOFA) on January 6, 2023, for the CalHome program, established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the Health and Safety Code (Statute). Pursuant to the Statute, HCD is authorized to approve funding allocations using monies made available by the State Legislature to the CalHome Program, subject to the terms and conditions of the Statute and the CalHome Program Regulations adopted by HCD in April 2004; and

WHEREAS, the Housing Commission wishes to apply for an allocation of CalHome funds in the amount of \$5 million before the NOFA deadline to provide additional funds to its First-Time Homebuyer Program; and

WHEREAS, City staff determined this activity is not a project as defined by the California Environmental Quality Act (CEQA) section 21065 and CEQA Guidelines section 15378(b)(5) and processing under the National Environmental Policy Act (NEPA) is not required as no federal funds are involved in this action; and

WHEREAS, the Office of the City Attorney has drafted this resolution based on the information provided by Housing Commission staff, and verified by the Housing Commission's General Counsel, with the understanding that this information is sufficient to allow for a proper and complete analysis of this matter; NOW, THEREFORE,

BE IT RESOLVED, by the Housing Authority of the City of San Diego, as follows:

1. The President and Chief Executive Officer of the Housing Commission (President & CEO), or designee, is authorized to submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on January 6, 2023, which will request a funding allocation of \$5 million for its First-Time Homebuyer Program to provide First Time Homebuyer Mortgage Assistance to eligible households earning up to 80 percent of area median income. Eligible households may apply for a deferred payment loan at 3 percent simple interest of up to 22 percent of their purchase price, not to exceed \$200,000, for the purchase of a home located in the City of San Diego.

2. The Housing Commission shall use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. The Housing Commission

acknowledges and agrees that it may be required to execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.

3. The President and CEO, or designee, is authorized to take such actions and to execute in the name of the San Diego Housing Commission, the application, the Standard Agreement, and any subsequent amendments or modifications thereto, as well as any other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

4. The President & CEO, or designee, is authorized to amend the Housing Commission's Homeownership Loan and Grant Budget to include the CalHome Funds, if and as awarded.

5. Housing Commission staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the CalHome Program, the Standard Agreement, and other required documents, including amendments to any documents.

APPROVED: MARA W. ELLIOTT, General Counsel

By _____
Hilda R. Mendoza
Deputy General Counsel

HRM:nja
01/03/2023
Or. Dept: Housing Authority
Doc. No. 3181238


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

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January 6, 2023

MEMORANDUM FOR: ALL POTENTIAL APPLICANTS

FROM: Jennifer Seeger, Deputy Director
Division of State Financial Assistance 

SUBJECT: **2023 Homeownership Super Notice of Funding Availability (Super NOFA)**

The California Department of Housing and Community Development (HCD or Department) is pleased to announce the release of this Homeownership Super Notice of Funding Availability (HOSN or Super NOFA) for approximately \$170 million in funds for the for the following programs:

- CalHome Program (\$135 million)
- Joe Serna, Jr. Farmworker Housing Grant Program – Homeownership (\$35 million)

This funding provides loans and grants to Local Public Entities and Nonprofits for Homeownership Development Projects, Self-Help Technical Assistance Projects, Mortgage Assistance Programs, Owner-Occupied Rehabilitation Programs, Shared Housing Programs and Programs for the Acquisition of Manufactured Housing for Agricultural Households.

Per California Assembly Bill No. 434 (AB 434) (Chapter 192, Statutes of 2020), HCD is required to do the following for the Homeownership elements of the Joe Serna, Jr. Farmworker Housing Grant Program: (1) make the program funds available at the same time it makes funds, if any, available under the CalHome Program; (2) rate and rank the applications in a manner consistent with the CalHome Program except that the department may establish additional point categories for the purposes of rating and ranking applications that seek funding under Serna in addition to those used in the CalHome Program; and (3) administer the funds in a manner consistent with the CalHome Program.

Applications for this funding must be submitted electronically via the application portal no later than 4:00 P.M. Pacific Standard Time on Tuesday, February 28th. The portal link, and requirements for submitting the Super NOFA application and required supporting documentation, including naming conventions, can be found on the Department's Homeownership Super NOFA website, <https://www.hcd.ca.gov/grants-and-funding/programs-active/homeownership-super-nofa>.

The online workshop details and final Guidelines are posted on the Department's website at [Homeownership Super NOFA | California Department of Housing and Community Development](#). To receive information regarding online workshops and other updates, please subscribe to our Homeownership listserv at <https://www.hcd.ca.gov/email-signup>. If you have further questions, please contact HOSN@hcd.ca.gov.

2023 Homeownership Super Notice of Funding Availability (Super NOFA)

CalHome Program

Joe Serna, Jr. Farmworker Housing Grant Program – Homeownership



**Gavin Newsom, Governor
State of California**

**Lourdes Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director
Department of Housing and Community Development**

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Telephone: (916) 263-2771

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Homeownership Super NOFA Email: HOSN@hcd.ca.gov

January 6, 2023

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I. Overview

a. Notice of Funding Availability

The California Department of Housing and Community Development (HCD or Department) is pleased to announce the release of this Homeownership Super Notice of Funding Availability (HOSN or Super NOFA) for approximately \$170 million, which may be augmented based on the availability of funds.

The Super NOFA is issued to distribute funds through a combination of HCD-administered homeownership programs. These programs are:

- **CalHome Program (CalHome)** supports Homeownership programs aimed at lower and very low-income households, and in the case of a disaster, households at or below moderate income, and operated by private nonprofit and local government agencies, to increase homeownership, encourage neighborhood revitalization and sustainable development, and maximize use of existing homes.
- **Joe Serna, Jr. Farmworker Housing Grant Program (FWHG or Serna)** supports development projects involving multiple home ownership units, including single-family subdivisions, for lower-income agricultural employees and their families, and programs that assist lower-income agricultural employees and their families to become or remain homeowners.

This Homeownership Super NOFA announces funding availability for two programs that in the past would have been announced separately. Consistent with the purposes of AB 434, defined below, funding for these two programs is being made available at the same time, and both programs are being administered consistent with CalHome.

The Homeownership Super NOFA distributes funds for the CalHome Program and funds limited to the Homeownership activities of Serna. **Please note that new construction or rehabilitation (with or without acquisition) of a rental housing development, including under Serna, is not an eligible activity under this Super NOFA. Multifamily and single-family rental housing projects should submit applications under the Department's Multifamily Finance Super NOFA.**

The information provided in this Super NOFA is intended to be a summary and is not considered a complete representation of the entirety of the eligibility, threshold, and other requirements or terms and conditions of the CalHome Program and Serna Program. Applicants should familiarize themselves with all applicable Statutes and Guidelines which, in the event of any conflict(s) with this Super NOFA, shall control.

This Super NOFA, the CalHome Final Guidelines (2022), and the Serna-Homeownership Final Guidelines (2022) implement the requirements of California

Assembly Bill 434 (AB 434) (Chapter 192, Statutes of 2020). For the Homeownership activities of Serna, AB 434 requires the Department to:

- Make those funds available at the same time it makes funds, if any, available under the CalHome Program,
- Rate and rank applications in a manner consistent with the CalHome Program, except that the department may establish additional point categories for the purposes of rating and ranking applications that seek funding under Serna in addition to those used in the CalHome Program, and
- Administer those funds in a manner consistent with the CalHome Program.

The Department is making approximately \$170 million available as follows:

Funding Programs	
CalHOME Program	\$135 million
Joe Serna, Jr. Farmworker Housing Grant (Serna) Program	\$35 million

Funding for this Super NOFA is provided by a combination of funding sources as outlined below:

- General Fund (as appropriated in the 2022 Budget Act): Provides \$135 million for CalHome and \$20 million for Serna.
- Building Homes and Jobs Act (Senate Bill 2): Provides \$15 million for Serna.

Approximately \$135 million will be available to fund Local Public Agencies, Nonprofit Corporations, and Tribal Entities, for the following activities within the CalHome program:

- Homeownership Development Project Loans (including Predevelopment Costs and carrying costs during construction related to ADUs and JADUs)
- Technical Assistance for Self-Help Housing Projects
- 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 Rehabilitation of Manufactured Housing not on a permanent foundation, and construction, repair, or Rehabilitation of ADUs or JADUs)
- Technical Assistance for Shared Housing Programs
- ADU/JADU Assistance (including construction, repair, or Rehabilitation of ADUs or JADUs)

Approximately \$35 million will be available for the following Homeownership activities within the Serna program to address the housing needs of agricultural workers:

- Homeownership Development Projects involving multiple home ownership units, including single-family subdivisions, for lower-income agricultural employees and their families
- Technical Assistance for Self-Help Housing Projects
- First-Time Homebuyer Mortgage Assistance
- Owner-Occupied Rehabilitation Assistance
- Acquisition of Manufactured Housing as part of a program to address and remedy the impacts of current and potential displacement of farmworker families from existing labor camps, mobilehome parks, or other housing

Funding targets are described in Section II.E. of this Super NOFA.

b. Timeline

Super NOFA Release	January 6, 2023
Application Portal Available on Website	January 20, 2023
Application Due Date	February 28, 2023 4:00 PM
Tribal Application Due Date	March 30, 2023 4:00pm
Award Announcement	June 2023

c. Authorizing Legislation and Regulations (Regulatory Authority)

Applications submitted under this Super NOFA are subject to the applicable Program Guidelines, all applicable statutory requirements, and this Super NOFA. Section references in this Super NOFA refer to applicable Program Guidelines unless otherwise noted. Capitalized terms in this Super NOFA are either defined herein or in Appendix A of the applicable Guidelines.

The administration of the CalHome and Serna Programs are governed by the applicable Program Guidelines that implement, interpret, or make specific the following laws:

- The CalHome program was established by Chapter 6, commencing with § 50650) of Part 2 of Division 31 of the California Health & Safety Code (HSC).
- The Serna program was established by Chapter 3.2 (commencing with § 50515.2) of Part 2 of Division 31 of the HSC. The Serna Guidelines referenced in this Super NOFA apply only to the Homeownership elements of Serna. Rental housing Development activities are governed under a separate set of Program Guidelines available at <https://www.hcd.ca.gov/grants-and-funding/supernofa>.

- Chapter 364, (commencing with §50470) of Part 2 of Division 31, HSC, 2017 (SB2).
- Chapter 365, (commencing with §5400) of Part 16 of Division 31, HSC, 2017 (SB 3), which was adopted by voters on November 6, 2018, as Proposition 1, provided funding for the CalHome and Serna Programs and authorized the Department to administer the Programs through the Guidelines. These Guidelines were explicitly exempt from the requirements of the Administrative Procedures Act (Chapter 3.5 (commencing with § 11340) of Part 1 of Division 3 of Title 2 of the California Government Code).

This Super NOFA will be governed by the December 30, 2022 CalHome Program Final Guidelines (2022) and the December 30, 2022 Serna Homeownership Program Final Guidelines (2022). Applications must be completed pursuant to the applicable Guideline requirements.

II. Program Requirements

The following is provided as a summary only. Applicants should refer to the CalHOME and Serna program Guidelines, as applicable, for a comprehensive discussion of the requirements that are relevant to their proposed Projects. A Project is not eligible for an award unless it meets all the threshold requirements of the applicable program. Please review the individual Program Guidelines of each Program for complete information. Further, Sponsors/Applicants must achieve a minimum point score of 55 points in Base Scoring Criteria to be considered for a funding award.

a. Eligible Sponsor/Applicant

An Applicant is the entity or entities applying to the Department for the Program funding. Such entity or entities may also be the Sponsor. If receiving an Award of funds, the Applicant or co-Applicants will, both individually and collectively, be referred to as the “Recipient” in the Department’s legal documents relative to an Award of a grant, or as “Sponsor” in the Department’s legal documents relative to an Award of a Loan.

A Sponsor shall be any individual, joint venture, partnership, limited liability company, limited partnership (including a limited partnership in which the Sponsor or an affiliate is a general partner), trust, corporation, cooperative, Local Public Entity, Tribal Entity, other legal entity, or any combination thereof which meets the requirements of the following sections of the relevant Program Guidelines:

- CalHome
 - §200 Eligible Applicants
 - §400.1 Eligible Applicant (Homeownership Development Project Loan)
 - §401.1 Eligible Applicant (Self-Help Technical Assistance Grant Program)
 - §402.1 Eligible Applicant (Mortgage Assistance Grant Program)

§403.1 Eligible Applicant (Owner-Occupied Rehabilitation Grant Program)

§404.1 Eligible Applicant (Shared Housing Program)

§405.1 Eligible Applicant (ADU/JADU Program)

- Serna
 - §200 Eligible Applicant
 - §400.1 Eligible Applicant (Homeownership Development Project Loan)
 - §401.1 Eligible Applicant (Self-Help Technical Assistance Grant Program)
 - §402.1 Eligible Applicant (Mortgage Assistance Grant Program)
 - §403.1 Eligible Applicant (Owner-Occupied Rehabilitation Grant Program)
 - §404.1 Eligible Applicant (Acquisition of Manufactured Housing Grant Program)

Notwithstanding the foregoing, and solely for the purpose of applying to the Community-Based Developer funding target for a Homeownership Development Project Loan and/or a Self-Help Technical Assistance Grant, a Community-Based Developer shall qualify on its own as a Sponsor so long as the Community-Based Developer meets the requirements set forth in the Defined Terms Appendix A of the Multifamily Housing Program Final Guidelines dated March 30, 2022, Amended May 5, 2022, which is incorporated hereto by this reference.

Please note, Applicants that were previously awarded CalHome funds must submit all outstanding reports from the past two years to the Department 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 Super NOFA (CalHome Final Guidelines (2022) §200(c)(1)). Applicants may email: CalHomeReports@hcd.ca.gov to obtain status on previous reports.

b. Eligible Uses

The Department is making CalHome and Serna funds available for the following activities:

- 1. Homeownership Development Project Loans** (Guidelines §400) for conditional awards of development Loans to the Applicants to be used as specified in §400.2 of the Guidelines.

Homeownership Development Projects must have a minimum of five units.

The estimated sales price of the homes to be constructed shall not exceed 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

Department approval to use different limits based on a local calculation of median values.

Note: Proposed projects are ineligible to receive funds if construction work has begun or will begin prior to the date the Department 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 (Guidelines §201).

- 2. Technical Assistance for Self-Help Housing Projects** (Guidelines §401) in which the Applicant organization will be providing the services required in Guidelines §401.3.

Homebuyer Education (Guidelines §401.2(b)) will be reimbursed in the form of a Grant from the Department to the Recipient in an amount not to exceed \$250 per assisted unit.

- 3. First-Time Homebuyer Mortgage Assistance** (including the purchase of homes with ADUs or JADUs) (commencing with Guidelines §402) for Loans to Households at or below 80 percent of Area Median Income (AMI).

Homebuyer Education (Guidelines §402.2) will be reimbursed in the form of a Grant from the Department to the Recipient in an amount not to exceed \$250 per assisted unit.

Maximum appraised home values at time of purchase or upon completion of acquisition/Rehabilitation work shall not exceed 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 Department approval to use different limits based on a local calculation of median values.

Financial assistance provided to qualified individual homeowners for Mortgage Assistance shall be in the form of deferred payment Loans, repayable upon the sale or transfer of the homes, when the home ceases to be owner-occupied, or upon the Loan maturity date, whichever occurs first (HSC § 50650.3 (c)(1)). The Loan shall be up to a 30-year term with the following exception: when USDA, Rural Housing Service (RHS) 502 Mortgage Loans are in first lien position the term shall be the term of the 502 Mortgage (30-38 years) (Guidelines §301). The interest rate is set by the Recipient at up to 3 percent simple interest per annum (Guidelines §301(d)). Borrowers shall occupy units as their principal place of residence for the term of the Loan (Guidelines §203(d)). If the Borrower will occupy an ADU or JADU, then residents of the single-family residence shall not be considered as part of the Household receiving program funding (Guidelines §203). Recipients shall comply with the Homeowner/Homebuyer Loan-to-Value Limits for Mortgage Assistance program Loans defined in Guidelines §302.

4. Owner-Occupied Rehabilitation Assistance (including repair, full reconstruction, or the addition of an ADU or JADU) (Guidelines §403) for Loans to Households at or below 80 percent of AMI.

All assisted units shall have After-Rehabilitation 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 there is a significant price discrepancy, Recipients may request Department approval to use different limits based on a local calculation of median values.

Manufactured Housing is also eligible, including replacement of a manufactured home not on a permanent foundation in the case where it has been determined by the Recipient it is infeasible to rehabilitate the home, whether located in a Mobilehome Park or elsewhere (Guidelines §403.2).

Financial assistance provided to qualified individual homeowners for Owner-Occupied Rehabilitation shall be in the form of deferred payment Loans, repayable upon the sale or transfer of the homes, when the home ceases to be owner-occupied, or upon the Loan maturity date, whichever occurs first (HSC §50650.3(c)(1)). The Loan shall be up to a 30-year term (Guidelines §301). The interest rate is set by the Recipient up to 3 percent simple interest per annum (Guidelines §301). Borrowers must occupy units as their principal place of residence for the term of the Loan (Guidelines §203). If the Borrower will occupy an ADU or JADU, then residents of the single family residence shall not be considered as part of the Household receiving funding (Guidelines §203).

Recipients shall comply with the Homeowner/Homebuyer loan-to-value limits for Owner-Occupied Rehabilitation program Loans defined in Guidelines §302.

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 (HSC §50650.3(c) and Guidelines §403.2). 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 (HSC §50650.3 (c)). Pursuant to HSC §50650.3(c), not more than 10 percent of the funds available in a given fiscal year shall be used for financial assistance in the form of secured forgivable Loans.

- 5.** The Department is also making CalHome funds available for the following additional activities:
- Technical Assistance for Shared Housing Programs (Guidelines §404) 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.

- ADU/JADU Programs (Guidelines §405) for Loans for ADU/JADU construction, reconstruction, repair, or Rehabilitation to Households at or below 80 percent of AMI (in compliance with HSC §[50052.5\(b\)](#)).

Funds in support of an ADU/JADU Program shall be used for:

- Construction, reconstruction, repair, conversion, or Rehabilitation
 - Structural modifications to the existing home necessary to accommodate an ADU or a JADU
 - Building permits and other related government fees, including all fees necessary to build and occupy the ADU/JADU
 - Consulting services which are directly related to construction, such as appraisal, architectural, or engineering services
 - Non-recurring Loan costs
 - CalHome Activity Delivery Fees
6. The Department is also making Serna funds available for the following activity, as set forth in Guidelines §404:

A. Acquisition Of Manufactured Housing as part of a local Program to address and remedy the impacts of current and potential displacement of low-income farmworker families from existing labor camps, Mobilehome Parks, or other housing.

All manufactured homes acquired through the Program must be owner occupied by a low-income Agricultural Worker Household (Guidelines § 404.4(a)).

Financial assistance provided to individual Households for Manufactured Housing located in a Mobilehome Park and not permanently affixed to a foundation shall be in the form of a secured forgivable Loan. 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.

c. Program Funding Amounts and Terms

1. Minimum and Maximum Application Amounts.

The minimum application amount for any single project or program (except if the project or program is Technical Assistance for Self-Help Housing Projects or CalHome Technical Assistance for Shared Housing Programs) is \$500,000.

The minimum application amount for any single project or program (if the project/program is Technical Assistance for Self-Help Housing Projects or

CalHome 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 a project (a Homeownership Development Project Loan with or without Technical Assistance for Self-Help Housing Projects) is \$10 million.

The maximum application amount for one or more programs 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 CalHome Technical Assistance for Shared Housing Programs, the maximum application amount is \$300,000.

2. Minimum and maximum per-unit funding limits

A. CalHome and Serna Grant Activities

For the purposes of this Super NOFA, the minimum and maximum amount of funding to individual Borrowers will be:

i. Mortgage Assistance, including for Mortgage Assistance provided as a part of a Homeownership Development Project Loan

The maximum Loan amount by an award recipient to an eligible Borrower will be 40 percent of the Borrower's purchase price for the property, up to a maximum of \$200,000. The minimum Loan to a Borrower will be not less than \$1,000.

ii. Owner-Occupied Rehabilitation Assistance

The maximum Loan amount by an award recipient to an eligible Borrower will be \$200,000 unless the home is in need of reconstruction. If the home is in need of reconstruction, the maximum Loan amount will be \$250,000. The maximum Loan amount for addition or full reconstruction of an ADU will be \$250,000. The maximum Loan amount for replacement of a manufactured home not on a permanent foundation in the case where it has been determined by the Recipient it is infeasible to rehabilitate the home will be \$150,000. The minimum Loan to a Borrower will be not less than \$1,000.

iii. CalHome ADU/JADU Assistance

The maximum Loan amount by an award recipient to an eligible Borrower for ADU/JADU construction will be \$250,000. The minimum Loan to a Borrower will be not less than \$1,000.

iv. Serna Acquisition of Manufactured Housing

The maximum Loan or Grant amount by an award recipient to an eligible Agricultural Worker Household will be 100 percent of the purchase price for the manufactured home, up to a maximum of \$150,000. The minimum Loan or Grant will be not less than \$1,000.

B. CalHome and Serna Loan Activities

i. Homeownership Project Development

The maximum per-unit Loan amount for Homeownership Development Project Loans will be \$250,000.

If an Applicant is applying to fund a Homeownership Development Project with a Self-Help Housing Project, the Applicant may additionally apply for Technical Assistance of \$20,000 per-unit on top of the application amount requested for a Homeownership Development Project.

C. Funding limits for Technical Assistance

The minimum Technical Assistance Grant to a Recipient will be not less than \$1,000. For the purposes of this Super NOFA, the maximum Grant per-unit will be:

- **CalHome and Serna Technical Assistance for Self-Help Housing Projects**

The maximum per-unit Grant amount will be \$20,000. All expenses shall be documented.

- **CalHome Technical Assistance for Shared Housing Programs**

The maximum activity amount for Shared Housing Programs is established in § (C)(1) of this NOFA.

D. Activity Delivery Fees (ADFs)

For CalHome and Serna Mortgage Assistance Programs, the Department may provide funding to cover 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 and program management expenses incurred after the execution of the Standard Agreement, 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.

For CalHome and Serna Owner-Occupied Rehabilitation Programs, Serna Acquisition of Manufactured Housing Grant Programs, and CalHome ADU/JADU Programs, the Department 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 and program management expenses incurred after the execution of the Standard Agreement, 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.

d. Site Control

For Homeownership Development Project Loans, Recipients shall comply with the Site Control requirements listed in 400.3.

e. Funding Targets, Geographic Distribution of Funds, and Discretionary Funds

1. To the extent there are eligible applications, the Department shall target \$30 million of the available \$135 million in CalHome funds as awards for Mobilehome assistance in a Mobilehome or manufactured home community. To the extent there is insufficient demand of eligible applications to make \$30 million in awards, any remaining funds will be applied to the general pool of applicants.
2. To the extent there are eligible applications, the Department shall target 10 percent of Super NOFA funds (i.e., \$17 million), to Tribal Entities. This shall include 10 percent of the total CalHome funds available under the Super NOFA (i.e., \$13.5 million) and 10 percent of the total Serna funds available under the Super NOFA (i.e., \$3.5 million).
3. To the extent that there are eligible applications, the Department shall target 15 percent of Super NOFA funds (i.e., \$25.5 million) to Community-Based Developers applying for a Homeownership Project Development Loan and/or a Self-Help Technical Assistance Grant. This shall include 15 percent of the total CalHome funds available under the Super NOFA (i.e., \$20.25 million) and 15 percent of the total Serna funds available under the Super NOFA (i.e., \$5.25 million). If Serna funds are awarded to a Homeownership Project Development Loan for a Community Based Developer in excess of the \$5.25 million available under this target, any funds over \$5.25 million will come from the general Serna pot and not count against the CalHOME Community Based Developer target.

Community-Based Developers may only compete in the funding target for this Super NOFA if they meet BOTH of the following: 1) maintain their corporate headquarters within 10 miles of the proposed project site or have three (3) deed-restricted affordable housing projects within 10 miles of the proposed project site; AND 2) directly provide at least two community benefit programs accessible to the general public within 10 miles of the proposed project as detailed below:

Community benefit programs may include, but are not limited to, the following:

- Free or reduced-cost childcare, after-school care, youth development, or adult day care programs.
- Community center facilities that are staffed and open to the public at least once a week or a minimum of 7 hours each week.
- Medical clinic with a physician, physician's assistant, or nurse practitioner onsite for a minimum of 40 hours each week.
- Small business technical assistance, lending, or investment to at least ten neighborhood businesses within five miles of the proposed Project.
- Job training, digital literacy training, college outreach (linking potential students to college resources and information), financial counseling, housing counseling, free tax return, or other economic empowerment programs.
- Food distribution programs.

All community benefit programs must be provided directly by the Community-Based Developer applicant. Such programs must be open and accessible to the general public, as described in the application. The applicant must demonstrate that the services are generally accessible during core hours/times. For example, an applicant could demonstrate that food distribution services are available based on a set schedule of days and hours. Please note that some services may require greater hours, e.g., medical clinic, or job training services, to be responsive to community needs.

For Applicants applying as Community-Based Developers, the entity must demonstrate in their application that they have community knowledge, commitment to long-term community investment, and population-specific cultural competency, through a combination of the following:

- Receipt of grant funds for services within the relevant neighborhood or community.
- Cultural and linguistic competency on staff relevant to community members (must be utilized daily in the provision of services and community benefit programs).

- A record of hiring from the community (within a ten-mile range of the Community-Based Developer’s central office).
- Membership in or recruitment from a local Urban League (or substantially equivalent) organization.

The sufficiency of the foregoing demonstration shall be evaluated in the reasonable discretion of the Department. The entity shall be allowed to define their served community within reason, for example by specifying a neighborhood geography of a specific number of square miles within the location of their central office, which area should include the proposed project.

Capability points (maximum 40 points) will not be considered in the ranking of the Community-Based Developer funding target; however, the capability point category will be applicable if an application is unsuccessful in the Community-Based Developer funding target and is then ranked with the remaining unfunded applications.

4. The Super NOFA shall have geographic targets of up to 46 percent of available funds for Southern California, up to 24 percent for Northern California, and up to 20 percent for rural jurisdictions. Ten percent shall not be subject to a specific geographic distribution. In its sole discretion, HCD may determine the geographic distribution targets have been met based either on individual Program funding components or on the amount of total funds awarded under this NOFA.

For the purpose of geographic distribution:

1. Targets are based on the percent of Low-Income renters in California, based on the HUD-released data from American Community Survey (ACS) for the 2015-2019 period.
2. "Rural" is defined to be consistent with the definition used by the TCAC for the tax credit program. A list of Rural areas, as well as the methodology to determine Rural or non-rural status, can be found on TCAC’s website or by clicking this link: <https://www.treasurer.ca.gov/ctcac/2022/rural-status.pdf>.

Northern	Non-rural areas of the following counties: Alameda, Butte, Contra Costa, El Dorado, Fresno, Kings, Madera, Marin, Merced, Monterey, Napa, Placer, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Solano, Sonoma, Stanislaus, Sutter, Tulare, Yolo, Yuba
Southern	Non-rural areas of the following counties: Imperial, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Ventura

Rural	Rural areas as defined by statute, including but not limited to the following 100 percent rural counties: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Trinity, Tuolumne
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f. Funding Limits

Use of both CalHome and Serna funds on the same Project or Program is permitted, subject to the following limitations:

1. Any given Assisted Unit must only be funded from one Program, CalHome or Serna.
2. Any given Assisted Unit must be assisted by funds from only one Project or Program (for example, repair of an ADU the unit can be assisted with funds from a CalHome Owner Occupied Rehabilitation program or a CalHome ADU/JADU program, but not both).
3. Each Applicant is limited to no more than \$10,000,000 in total Super NOFA *Homeownership Development Project Loans*. Note: If the Applicant is a co-Applicant or part of a Joint Venture partnership, Limited Liability Company, or Limited Partnership with a Tribal Entity on one or more applications, those applications will not count against the \$10,000,000 per-Applicant limit.
4. Each Applicant is limited to no more than \$5,000,000 in total Super NOFA *program grants*.
5. Each Applicant is limited to no more than \$10,000,000 in *total* Super NOFA funds (including applications for Homeownership Development Project Loans and applications for program grants).
6. The per-Applicant Super NOFA award cap is not applicable beyond an individual Super NOFA competition – it is not a cumulative per-Applicant cap across other Department NOFA funding opportunities.
7. The Department will not award funding from CalHome or Serna to a Unit that previously received funding from the same program funding source. For example, the Department will not provide CalHome funding under this Super NOFA to Units that were awarded CalHome funding in a prior CalHome funding round.

g. Threshold

A Project is not eligible for an award unless it meets all the threshold requirements of the relevant Program (CalHome or Serna). Please review the individual Program Guidelines for each Program for complete information. Below is a summary of some of the key threshold requirements and is not to be considered a complete representation of the entirety of the threshold, or other requirements, terms, and conditions for CalHome and Serna.

Further, Sponsors/Applicants must achieve a minimum point score of 55 points in the Base Evaluation Criteria in Section IV of this Super NOFA to be considered for a funding award.

1. CalHOME and Serna Guidelines Section §208 Threshold Requirements

The following are highlights of CalHOME and Serna threshold requirements:

- A.** A Locality shall only be eligible to apply for an award of program funds for a Local Program or project located within its jurisdictional boundaries. A Locality 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 are obliged to fulfill the same experience requirements as the in-county entities. Localities may establish a consortium (provided there is a Memorandum of Understanding between the parties) with a single administrator. One Locality shall apply on behalf of other entities in a consortium and may serve all jurisdictions.
- B.** A Nonprofit Corporation shall only be eligible to apply for an award of program 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 United States Department of Agriculture (USDA).

2. Serna Guidelines §208: Threshold Requirements

All Serna threshold requirements shall be satisfied. The following are highlights of Serna threshold requirements:

- A.** All Units assisted with program funds must serve Lower-Income Agricultural Households.
- 3.** CalHome and Serna requirements are subject to AB 1010 (Chapter 660, Statutes of 2019), which is set forth in HSC §50406(p). Accordingly, and pursuant to HSC §50406(p): (1) where the provisions of tribal law, tribal governance, tribal charter, or difference in Tribal Entity or legal structure would cause a violation or not satisfy the requirements of the CalHome or Serna Guidelines, said requirements may be modified as necessary to ensure Program compatibility; and (2) where provisions of tribal law, tribal governance, tribal charter, or difference in tribal entity legal structure or agency create minor inconsistencies (as determined by the Director of the Department or a duly authorized designee thereof) with the requirements set forth in the Guidelines the Department may waive said requirements, as deemed necessary, to avoid an unnecessary administrative burden. Matters set forth or otherwise provided for in the Guidelines that may be modified or waived include, without limitation, threshold scoring requirements and any other matters set forth in HSC §50406(p)(2). Tribal Applicants are accordingly encouraged to discuss any such potential modifications or waivers and their

options in that regard during any pre-application technical assistance communications or meetings.

h. Rating and Ranking

All applications will be evaluated on the Base Evaluation Criteria included in Section IV of this Super NOFA. Applications for Serna funding will also be scored on the Additional Serna Criteria included in Section IV.

CalHome and Serna applications will be ranked separately since the additional evaluation criteria used for Serna applications means those applications have a higher possible maximum score.

All applications meeting the threshold requirements of the applicable Program and achieving a minimum point score of 55 points in Base Evaluation Criteria will be considered for funding pursuant to the process described below.

Funding targets will be applied in the following order: 1) Tribal Entities, 2) Community-Based Developers, 3) Mobilehome assistance in a Mobilehome or manufactured home community and finally 4) geographic. All applications awarded under the Tribal or Mobilehome assistance in a Mobilehome or manufactured home community will also count towards meeting the applicable regional targets. If a concentration of awards in any geographic area would make it impossible for the Department to meet the geographic funding targets established in this Super NOFA, the Department may skip to lower-scoring applications in other geographic areas.

Applications that include some activities that are eligible for a funding target and some that are not eligible for a funding target, or include activities in multiple geographic regions, will be separated out into multiple applications for the purposes of rating and ranking. For example, if an Applicant applies for \$1 million for Owner-Occupied Rehabilitation funds targeted to Mobilehome assistance in a Mobilehome or manufactured home community and \$2 million for Owner-Occupied Rehabilitation funds not targeted to Mobilehome assistance in a Mobilehome or manufactured home community, the \$1 million request will be scored separately from the \$2 million request and only the \$1 million request will be considered in the Mobilehome assistance in a Mobilehome or manufactured home community funding target. Similarly, if an Applicant applies for \$500,000 in Mortgage Assistance program funds to be used in rural areas and \$2.5 million in Mortgage Assistance program funds to be used in non-rural areas in Southern California, the \$500,000 request will be scored separately from the \$2.5 million request. As such, it is possible that only the part of a given application that is eligible as part of a funding target or is in an undersubscribed geographic area will be awarded funds if the remainder of the application does not score high enough in the general ranking.

Funding targets will only be awarded to the extent that eligible applications (those meeting all threshold requirements including minimum point score) exist. If the Department receives fewer eligible applications than funding available, any

unawarded funds within the funding targets may be used to fund remaining eligible applications based on ranked score.

1. CalHome funding targets for Tribal Entities, Community-Based Developers, and Mobilehome assistance in a Mobilehome or manufactured home community: Beginning with the top-ranked CalHome applications (according to the Base Evaluation Criteria including tiebreakers as applicable) eligible for the funding target, the highest scoring applications will be “fully funded” (provided all applicable threshold, minimum point score, and other eligibility criteria are met). “Fully funded” means these applications will receive an award of all requested Program funds, subject to applicable limits. Applicable limits that could result in Department awards below requested levels include but are not limited to: maximum allowable funding limits (per unit, per project and per applicant) and available funding in the 2023 Homeownership Super NOFA. Applicants that are eligible can compete in multiple funding targets, if unsuccessful in one due to oversubscription. CalHome applications funded through the Tribal, Community-Based Developer and Mobilehome assistance in a Mobilehome or manufactured home community funding target are accounted for in the geographic percentage targets.
2. Serna funding target for Tribal Entities and Community-Based Developers: Beginning with the top-ranked Serna applications (according to the Base Evaluation Criteria including tiebreakers as applicable) eligible for the Tribal Entities funding target, the highest scoring applications will be “fully funded” (provided all applicable threshold, minimum point score, and other eligibility criteria are met). “Fully funded” means these applications will receive an award of all requested Program funds, subject to applicable limits. Applicable limits that could result in Department awards below requested levels include but are not limited to: maximum allowable funding limits (per unit, per project and per applicant) and available funding in the 2023 Homeownership Super NOFA. Serna applications funded through the Tribal or Community-Based Developer funding target are accounted for in the geographic percentage targets.
3. Once all funding targets are met to the extent possible, the highest-ranking remaining Serna applications will be fully funded until Serna funds are exhausted. However, if a concentration of Serna awards in any geographic area would make it impossible for the Department to meet the geographic funding targets established in this Super NOFA, the Department may skip to lower-scoring Serna applications in other geographic areas.
4. If the last-ranked Serna application requests more Serna funds than remain, that Project will, conditioned upon the availability of additional funding, receive an augmentation of Serna funds and be fully funded.
5. Finally, the highest-ranking CalHome applications will be fully funded until CalHome funds are exhausted. However, if a concentration of CalHome awards in any geographic area would make it impossible for the Department to meet the

geographic funding targets established in this Super NOFA, the Department may skip to lower-scoring CalHome applications in other geographic areas.

6. If the last-ranked CalHome application requests more CalHome funds than remain, that Project will, conditioned upon the availability of additional funding, receive an augmentation of CalHome funds and be fully funded.

i. Negative Points and Disencumbrance Policies

The Department's [Negative Points Policy](https://www.hcd.ca.gov/sites/default/files/2022-04/Negative-Points-Policy-FINAL-33022_ADA.pdf) (Administrative Notice Number 2022-01), (https://www.hcd.ca.gov/sites/default/files/2022-04/Negative-Points-Policy-FINAL-33022_ADA.pdf) dated March 30, 2022 and published on the Department's website, is hereby incorporated by this reference to this Super NOFA as if set forth in full herein, and shall apply with equal force as all other provisions set forth herein. If the Applicant is subject to a negative points assessment based on the criteria outlined in the Department's Negative Points Policy or is determined to be ineligible for funding, the Department shall notify the Applicant in writing in the initial point score letter.

Funds awarded under this Super NOFA may be disencumbered by the Department as set forth in §603 of the Guidelines.

III. Application Submission and Review Procedures

a. Application Submission Process

Application materials must be submitted electronically via the application portal. The portal link, and requirements for submitting the Super NOFA application and required supporting documentation, including naming conventions, can be found on the Department's Homeownership Super NOFA website, <https://www.hcd.ca.gov/grants-and-funding/programs-active/homeownership-super-nofa>. The application instructions and submittal portal will be available beginning January 20, 2023.

Applicants must upload and submit all application materials to the application portal no later than 4:00 p.m. Pacific Time on February 28, 2023. Tribal applicants must upload and submit all application materials to the application portal no later than 4:00 p.m. Pacific Time on March 30, 2023. Applications that do not meet the filing deadline will not be eligible for funding.

Applications must be on HCD's forms and cannot be altered or modified by the Applicant. It is the Applicant's responsibility to ensure the application is clear, complete, and accurate. Excel forms must be submitted in Excel format, not a PDF document.

b. Application Workshops

The Department will conduct two recorded webinar application workshops for the Homeownership Super NOFA. Please go to the Homeownership Super NOFA website (<https://www.hcd.ca.gov/grants-and-funding/programs-active/homeownership-super-nofa>) for the dates and locations and to register.

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. The Department 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 the Department, the applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

IV. Base Evaluation Criteria

- a. Each CalHome and Serna application considered for funding shall be rated using the following criteria and maximum possible rating points:

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> <p>Number of units or projects assisted within the last four years:</p> <ul style="list-style-type: none">• <u>For Mortgage Assistance, Owner-Occupied Rehabilitation, CalHome ADU/JADU, and Serna Acquisition of Manufactured Housing Programs:</u><ul style="list-style-type: none">▪ 2 – 5 units ~ 20 points▪ 6 – 10 units ~ 30 points▪ 11 or more units ~ 40 points• <u>For Technical Assistance for Self-Help Housing Projects:</u><ul style="list-style-type: none">▪ 2 – 10 units ~ 20 points▪ 11 – 20 units ~ 30 points▪ 21 or more units ~ 40 points	<p>40</p>

<ul style="list-style-type: none"> • <u>For CalHome Technical Assistance for Shared Housing Programs:</u> <ul style="list-style-type: none"> ▪ 2 units ~ 20 points ▪ 3 – 4 units ~ 30 points ▪ 5 or more units ~ 40 points • <u>For Homeownership Development Project Loans:</u> <ul style="list-style-type: none"> ▪ 2 projects ~ 20 points ▪ 3 – 4 projects ~ 30 points ▪ 5 or more projects ~ 40 points 	
<p>Community Need in a geographic area for the proposed Local Program or project will be based on the following factors:</p> <p><u>For Mortgage Assistance Programs, Technical Assistance for Self-Help Housing Projects, CalHome Technical Assistance for Shared Housing Programs, CalHome ADU/JADU Programs, Serna Acquisition of Manufactured Housing Programs, and Homeownership Development Project Loans:</u></p> <ul style="list-style-type: none"> • 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 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 the Department; • 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. <p><u>For Owner-Occupied Rehabilitation Programs:</u></p> <ul style="list-style-type: none"> • 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 	<p>15</p>

<p>the most recent American Community Survey (ACS) data; and</p> <ul style="list-style-type: none"> • 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. 	
<p>Feasibility in a geographic area for the proposed Local Program or project will be based on the following factors:</p> <p><u>For Mortgage Assistance Programs:</u></p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ The number of home sales in the previous year priced below the current median sales price of a single-family home in the county in which the program is located; ○ 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). <p><u>For Owner-Occupied Rehabilitation Programs and CalHome ADU/JADU Programs:</u></p> <ul style="list-style-type: none"> • 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. <p><u>For CalHome Technical Assistance for Shared Housing Programs:</u></p> <ul style="list-style-type: none"> • 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 	<p style="text-align: center;">20</p>

<p>housing expenses, as reported in the most recent HUD CHAS data; and</p> <ul style="list-style-type: none"> • Rental vacancy rate: The percent of rental housing units that are currently vacant, as reported in the most recent HUD CHAS data. <p><u>For Serna Acquisition of Manufactured Housing Programs:</u></p> <ul style="list-style-type: none"> • All applications for this activity will receive 10 points for feasibility because the likelihood that they will acquire manufactured homes is absolute. • Applicants who can demonstrate that they have site control over land zoned appropriately on which to place all of the acquired manufactured homes for which they are applying for funding will receive the full 20 points. <p><u>For Technical Assistance for Self-Help Housing Programs and Homeownership Development Project Loans or a Mortgage Assistance Program for housing newly constructed by the Applicant using funds other than CalHome or Serna funds or for housing newly acquired and substantially rehabilitated by the Applicant using funds other than CalHome or Serna funds for sale to first-time homebuyers:</u></p> <ul style="list-style-type: none"> • These programs and projects receive full points for feasibility. Since these programs and projects create new affordable housing units, the likelihood that they will successfully and feasibly provide affordable homes to low-income households is absolute. 	
<p>Contributes to Community Revitalization as defined in Appendix A of the Guidelines, or all units to be assisted with program funds are, or will be, located within a High-Resource or Highest-Resource area, as identified on the TCAC/Department Opportunity Area Map.</p>	<p>10</p>
<p>Volunteer Labor, Self-Help Labor, or Youth Construction Skills Training Program</p> <p>Applicants applying for Homeownership Development Project Loans or Self-Help Technical Assistance Homeownership Projects, or a Mortgage Assistance Program for housing newly constructed by the Applicant using funds other than CalHome or Serna funds or for</p>	<p>5</p>

<p>housing newly acquired and substantially rehabilitated by the Applicant using funds other than CalHome or Serna funds for sale to first-time homebuyers will receive up to 5 points to the extent that:</p> <ul style="list-style-type: none"> • 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 • 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; 	
<p>Increases Affordable Housing Supply</p> <p>Applicants applying for Homeownership Development Project Loans, a Mortgage Assistance Program for housing newly constructed by the Applicant using funds other than CalHome or Serna funds or for housing newly acquired and substantially rehabilitated by the Applicant using funds other than CalHome or Serna funds for sale to first-time homebuyers, Self-Help Technical Assistance Homeownership Projects, CalHome ADU/JADU Programs, and Serna Acquisition of Manufactured Housing Programs will receive 3 points for supporting the state policy goal of increasing the supply of affordable housing.</p> <p>An additional two points will be awarded to applications receiving 3 points as outlined above where the applicant can demonstrate the new development will be located on an infill site as defined in Health and Safety Code Section 53599(d)(3)(B).</p>	<p>5</p>
<p>Prohousing Designation</p> <p>5 points will be awarded to Applicants that are jurisdictions that have received a prohousing designation.</p>	<p>5</p>
<p>MAXIMUM TOTAL POINTS</p>	<p>100</p>

- b. Applications for Serna funding will also be evaluated on the following additional factors:

Serna Program Criteria Defined	Maximum Points
<p>Farmworker Need based on the number of Office of Migrant Services (OMS) Migrant Family Housing Centers in the geographic area for the proposed Local Program or project, as identified in the Department’s OMS Program Directory:</p> <ul style="list-style-type: none"> ▪ 1 OMS Center ~ 10 points ▪ 2 OMS Centers ~ 20 points ▪ 3 or more OMS Centers ~ 30 points 	30

- c. Tiebreaker

In the event of tied point scores, the following tiebreakers shall be used to determine the ranking, in the order listed:

1. The Community Need point score
2. The Capacity point score
3. The Feasibility point score
4. The total number units to be assisted

V. Appeals

a. Basis of Appeals

1. Upon receipt of the Department’s notice that an application has been determined to be incomplete, ineligible, fail threshold review, or have a reduction to the initial point score, Applicants under this Super NOFA may appeal such decision(s) to the Branch Chief or their designee pursuant to this section.
2. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant’s application (e.g., eligibility, award).

Any request to appeal HCD’s decision regarding an application shall be reviewed for compliance with the Guidelines and this Super NOFA. All decisions rendered shall be made by the Director or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of HCD.

3. The appeal process provided herein applies solely to decision of the Department made pursuant to this Super NOFA. For greater specificity, applicants may refer to the appeal procedure set forth in section “V. Appeals” in the Multifamily Finance Super Notice of Funding Availability dated March 30, 2022, Amended June 10, 2022, which is incorporated hereto by this reference, and which the

Department shall, to the extent not contrary to this NOFA and feasible, substantially follow.

b. Appeal Process and Deadlines

1. Process: To file an appeal, Applicants must submit to the Director of the Department or their designee, by the deadline set forth 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 considered if this information would result in a competitive advantage to an Applicant. Once the written appeal is submitted to the Department, no further information of materials will be accepted or considered thereafter. Appeals are to be submitted to the Department at HOSN@hcd.ca.gov according to the deadline set forth in Department review letters.
2. Filing Deadline: Appeals must be received by the Department no later than five (5) business days from the date of the Department's threshold review, or initial score letters, representing the Department's decision made in response to the application.

c. Decision

Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with the Guidelines and this NOFA. All decisions rendered shall be made by the Director or their designee. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

VI. Award Announcements and Contracts

a. Award Announcements

The Department will announce program awards on the Homeownership Super NOFA website [Homeownership Super NOFA | California Department of Housing and Community Development](#).

b. Contracts

Recipient(s) will enter into a Standard Agreement with the Department. 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 §600).

The Recipient(s) shall remain a party to the Standard Agreement for the agreement's entire term. The Standard Agreement allows a maximum of 36-months from the date the Standard Agreement is fully executed by all parties to expend

funds, except for Homeownership Project Developments which are allowed a maximum of 60 months (Guidelines §603).

The Department may exercise its reasonable discretion to disencumber funds or to grant an extension of time for completion (Guidelines §603). Any extensions are subject to any and all applicable encumbrances, deadlines, and limitations, including, but not limited to, HSC §54006(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 date the Standard Agreement is fully executed by all parties (or 66 months for Homeownership Project Developments), unless extended. Recipients remain subject to the terms of the 20-year Monitoring Agreement (Guidelines §600).

VII. Other State Requirements

The Recipient agrees to comply with all applicable state and federal laws, rules, Guidelines, and regulations that pertain to health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the program or project, the Recipient, its contractors or subcontractors, and any Loan or grant activity, including without limitation the following:

- Guidelines §204 Local Program/Project Administration
- Guidelines §400.7 Homeownership Development Project Requirements

Where the proposed program or project type presents a fair housing issue (e.g. Serna housing), the Department reserves discretion to require a fair housing legal opinion.

VIII. Other Terms and Conditions

a. Right to Modify or Suspend

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this Super NOFA at any time, including without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties via the Department's Homeownership email list and will post the revisions to the Homeownership Super NOFA website <https://www.hcd.ca.gov/grants-and-funding/programs-active/homeownership-super-nofa>. Please be sure and subscribe to the Homeownership email list at <https://www.hcd.ca.gov/email-signup>.

b. Conflicts

It is the duty and responsibility of the Applicant and Sponsor to review any funding source they obtain for a Project to ensure each of the requirements for those funding sources are compatible with Department program requirements.

In the event of any conflict between the terms of this Super NOFA and the Guidelines, state, federal law regulation(s), or any number of them (collectively,

“Controlling Law”), the Controlling Law shall prevail., Applicants are deemed to have fully read and understand all applicable state and federal laws, regulations, and Guidelines pertaining to the relevant Program, and understand and agree that the Department shall not be responsible for any errors or omissions in the preparation of this Super NOFA.



The City of San Diego
Item Approvals

Item Subject: Application for State of California CalHome Program Funds

Contributing Department	Approval Date
ENVIRONMENTAL ANALYSIS	12/28/2022
DOCKET OFFICE	01/03/2023

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	MARSHALL, SCOTT	12/22/2022
EXECUTIVE VICE PRESIDENT	DAVIS, JEFF	01/04/2023
CITY ATTORNEY	MENDOZA, HILDA	01/23/2023