



2021 CalHome General NOFA Q & A

This Questions and Answers (Q&A) document represents key information and responses provided to potential applicants for the CalHome Program. The questions and answers published below provide clarification and additional detail from the CalHome NOFA, guidelines and application process.

This Q&A is a result of questions received from the CalHome webinar. If applicants have additional questions or inquiries regarding CalHome General NOFA, please email the CalHome Program Design and Implementation (PDI)/Awards Section at CalHome@hcd.ca.gov. Answers to questions received in this inbox will be answered via email.

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Activities

(Q) Is the replacement of manufactured homes considered an Owner-Occupied Rehabilitation activity?

(A) Yes, Manufactured Housing is eligible, including replacement of a Manufactured House, whether located in a Mobilehome Park or elsewhere (Guidelines Sections 7716, subd. (s)(3) and 7733, subd (a)(2)).

(Q) We will be applying for two projects in two different counties and will submit two different applications, one MA and one DPL. If applying for SHTA to support these projects, do you recommend including the SHTA with the DPL, submitting a single SHTA application for both projects? Or should we submit two separate SHTA applications?

(A) Applicants may include Project Activities or up to two Program Activities in an application but cannot apply for both Project Activities and Program Activities (Guidelines Section 7753, subd (a)) in a single application; however, Applicants may submit separate applications for programs and projects. In addition, Applicants may submit separate applications to apply for multiple projects.

(Q) Can overcrowding be a factor to justify replacing a mobilehome if a room addition is not feasible?

(A) Yes, if the Awardee determines the costs of a room addition are not feasible when compared to the costs of a replacement.

Amenities Map

(Q) Is there any limitation to setting the service area? What form of definition of service does HCD expect (ie. a map or a series of zip codes or city boundaries, etc.)? Are there any points tied to the size of the service area?

(A) The Service Area of Localities are limited to their jurisdictional boundaries. The scoring of the application is based on the county the program is serving. As long as the county is in the applicant's service area, that is acceptable. Feasibility points are tied to the county, in the CalHome NOFA refer to- Appendix A Rating factors, Feasibility for additional information.

Applicant

(Q) If an individual homeowner currently resides in a manufactured home that is rundown and wants to replace it with the Calhome funds, do they need to submit the application, or is it submitted by the city/county they reside in?

(A) The individual homeowner would need to go through the locality or nonprofit in the city/county they reside to apply for CalHome funds.

(Q) How does the partnership work, with a non-profit applying on behalf of individuals needing a CalHome loan?

(A) The non-profit would apply for Calhome through the standard procedure and if awarded, would then be able to use the money to assist individual homeowners.

(Q) If a mobilehome is affixed to a permanent foundation, it should legally be considered as real property. So, does this mean it would be eligible for Calhome, just not under the manufactured home set-aside?

(A) Yes, that is correct.

Application

(Q) Is there a limit to the number of applicants that a group can submit?

(A) An applicant may submit multiple applications; however, the combined amount requested cannot exceed the maximum award amount limit.

(Q) How do you upload files for the CalHome application?

(A) Applicants will use the CalHome Application Portal located on the CalHome Website. The portal is located at this link: [CalHome Program](#)

(Q) Please clarify what the baseline "geographic restrictions" are?

(A) Refer to the CalHome NOFA, section 7717 General Applicant eligibility requirements, page 9 for an explanation of Geographic Restrictions.

(Q) If we received an OOR award in 2020 but don't have a standard agreement, can we apply for more OOR funding this year?

(A) Yes.

Education

(Q) How does homebuyer education on top of MA and SHTA funding work?

(A) Homebuyer education (Guidelines Section, 7729 subd. (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.

Eligible Costs

(Q) Are temporary relocation costs, such as lodging and storage costs, eligible CalHome rehabilitation costs?

(A) Section 7733 of the CalHome Guidelines, does not include relocation costs such as lodging and storage costs as an eligible CalHome rehabilitation cost.

(Q) Would loans to "Mutual Housing" projects, as defined on page 7 of the guidelines, be allowed under MA, project development loans, or both?

(A) The Department may make construction period Loans to Localities or Nonprofit Corporations for development of new Homeownership projects, including Program eligible housing developments that include ADUs or JADUs, or make permanent Loans for Mutual Housing.

Experience

(Q) The presentation said that a non-profit must have experience in the county, however the guidelines says "A Nonprofit Corporation shall only be eligible to apply for an award of CalHome 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"

(A) This was an error in the presentation. According to the CalHome NOFA it is correct that a Nonprofit Organization within California is eligible to apply, not just Nonprofits in the County.

(Q) Must the agreement with an administrative contractor be included with the application?

(A) Yes, if the applicant is using an administrative sub-contractor.

(Q) Does HCD require that the contract for any proposed Sub-Contracted Administrator be fully executed prior to the NOFA submittal or just submitted as a form of agreement to be executed upon HCD CalHome award?

(A) The contract must be fully executed prior to the application submittal.

(Q) Do all programs or projects permit applicants to use a subcontractor's experience to meet eligibility?

(A) Consistent with the ability to contract for experience in Section 7717, the eligibility requirement for Mortgage Assistance, Owner-Occupied Rehabilitation, Shared Housing, and ADUs/JADUs has been amended to allow an Administrative Subcontractor to meet the program-specific experience requirement.

(Q) For applicable projects completed within last 4 years, can we include projects that are currently under construction and will be completed/sold in the coming months?

(A) Applicants shall have successfully developed a minimum of two similar projects within the last four years, and 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 (Guidelines 7746)

(Q) We are a non-profit housing developer. Due to COVID-19, our most recent project was stalled in the permit process with the local city. As a result, we have not had an active home construction project that was completed in January of 2019. We have completed smaller scale repair jobs regularly since then, does the lack of home development projects being completed in over 30 months, make us not eligible for the CalHome program?

(A) Experience is based on number of projects completed. Please refer to the Eligible Applicants by Eligible Activity Type on page 3 of the CalHome NOFA.

Funding

(Q) Is the maximum award amount per organization different than the maximum amount that can be requested? (e.g. an organization submits applications for several projects totaling an amount that is greater than can be awarded). Is that acceptable?

(A) No, that is not acceptable. According to the NOFA page 13, Applicants cannot apply for more than the maximum application amount of \$5 million across all applications submitted per a CalHome funding round. Applicants can only apply for one assisted county per application.

(Q) Once awarded, are draws sent to awardees or are they reimbursed on a per loan basis (meaning they front the funds to consumers)?

(A) Funds may be requested as either a reimbursement or as an advance. Pursuant to Guidelines Section 7757, subd. (a)

(Q) Is each category allocated a certain amount of funds? Or will funds be dispersed based on highest scores regardless of category?

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

(Q) Will projects competing for the \$20 million reserved for mobilehome communities be scored against each other within that set-aside? I am thinking about geographies that score poorly on community need but may have several mobilehome community applications.

(A) Yes, applicants in the mobilehome set aside will be scored against each other.

(Q) Can the loans be a forgivable loan?

(A) Refer to page 10 of the CalHome NOFA. 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 the Regulations and Statutes. 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. 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, subd. (c) and Guidelines Section 7733 subd. (e)). Note: The Loan shall be due and payable in 20 years, with 10 percent of the original principal to be forgiven annually for each additional year beyond the 10th year that the home is owned and continuously occupied by the Borrower (HSC § 50650.3, subd. (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.

(Q) Is the project value limit for an ADU project still including the subject property, primary dwelling, and ADU? Or is there a value limit adjustment so that a property with an ADU doesn't have to be below the median sales prices of homes without ADUs?

(A) The value limit for an ADU will include the Primary Dwelling and the ADU.

(Q) Can you clarify what is the maximum home price allowed if applying for PDL funds?

(A) Refer to the CalHome NOFA, page 7, Homeownership Development Project Loans. "Recipients shall comply with the development requirements listed in Guidelines Section 7752 and any other additional program requirements. Recipients may use the most recent median sales price, by county, posted at the California Association of Realtors website at <https://www.car.org/en/marketdata/data/countysalesactivity>. However, if prices have significantly changed, Recipients may request Department approval to use different limits based on a local calculation of median values (Guidelines Section 7731, subd. (b))."

(Q) I understand the dynamic of a mobilehome on a non-permanent foundation having the loan forgiven starting at year 10, complete at year 20. Can you clarify what a permanent foundation for a mobilehome would be, and is "deferred" the same as "forgiven" at the 30 year mark?

(A) Refer to Guidelines section 7716 gg. for a definition of manufactured housing and additional information on foundations. Deferred loans are not the same as forgiven. A deferred loan is deferred and to be repaid at later specified time. A loan that is forgiven, doesn't need to be paid back once it is forgiven.

General

(Q) Will the slides be available afterwards?

(A) Yes, the CalHome Powerpoint Presentation will be available on the CalHome Website.

(Q) Is this webinar being recorded? Will it be available to attendees who can't watch the whole presentation?

(A) Yes, the CalHome recorded webinar will be available on the CalHome Website.

Grant Management

(Q) Can you clarify how the reimbursement works with Calhome funds? Does a nonprofit have to use its own capital to lend, then get reimbursed through the Calhome Program?

(A) Funds may be requested as either a reimbursement or as an advance. Pursuant to Guidelines Section 7757, subd. (a)

(Q) How can I find the REHAB VALUE LIMIT to use as part of our guidelines for our current re-use program?

(A) The rehab value limit is 100% of current median sales price.

Legislative Mandate

(Q) The scoring section says "Contributes to Community Revitalization as defined in Section 7716(I), OR meets a legislatively mandated priority for funds allocated to the CalHome program...". 7716(I) defines Community Revitalization but the OR in the scoring section implies an applicant could qualify for points if the assisted units are not in a promise zone, opportunity zone, if the applicant commits to providing assistance that meets a legislatively mandated priority. Section 7716 (I) and meeting a legislatively mandated priority seem to be 2 different opportunities for points in this section. (In regards to the Community Revitalization points for a MA application, the CalHome Guidelines & NOFA state "Contributes to Community Revitalization as defined in Section 7716(I), meets a legislatively mandated priority for funds allocated to the CalHome program, or develops a Rehabilitation Program that addresses climate adaptation or resiliency consistent with the Hazard Mitigation Plan or the Safety Element of the General Plan adopted by the jurisdiction in which the program will be offered. (up to 10 points)"; however, "meets legislatively mandated priority for funds allocated to the CalHome program" is not in the Application and in order to get points in this area, we are forced to answer "Yes" to the application question "Application certifies ALL CalHome MA assisted untis will be in a promise zone, opportunity zone, or choice neighborhood." Is this accurate? This is different that last years application.)

(A) This year's application is different from the previous application. To our knowledge, all Legislatively Mandated Priority Funds are defined in Guidelines 7716(I); the scoring is included in the NOFA Application for this section. Legislatively mandated priorities in the CalHome program are located in Section 7755 (b) (5).

(Q) Is there a document or website that defines the "legislatively mandated priority for funds allocated to the CalHome program"?

(A) There is a web site with the definition, here is a link to the website-
http://www.climatechange.ca.gov/state/executive_orders.html

Mobilehome

(Q) Will mobile home parks in FEMA designated flood zones be eligible for owner occupied rehab?

(A) CalHome does not prohibit Owner Occupied Rehabilitation in FEMA designated flood zones. Section 7735 (e) Fire insurance (and Flood insurance where applicable) requirements are as follows: (1) Recipient must require borrowers to maintain insurance on the property in an amount at least equal to the replacement value of the improvements; and (2) Recipient must be named as additional loss payee on the policy.

(Q) Are recreational vehicles eligible for mortgage assistance?

(A) No, recreational vehicles are not eligible for Mortgage Assistance. The CalHome NOFA, Eligible Activities section states "First-Time Homebuyer Mortgage Assistance (including the purchase of homes with ADUs or JADUs) (commencing with Guidelines Section 7728)."

(Q) If we replace a mobilehome, for full replacement at \$150,000, would that amount (\$150,000) become a loan to the homeowner, tied to the property? If so, would it be a lien with an expiration date, or would there be an expectation of payment from the home/land owner?

(A) 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, subd. (c) and Guidelines Section 7733 subd. (e)). For additional information, refer to the CalHome NOFA, Eligible uses of funds, Owner-Occupied Rehabilitation Loans to Eligible Households (page 10).

(Q) Does Mobile Home OOR allow expenditure of supporting costs such as upgraded utilities, disposal of prior mobile home unit or permits & fees? Is there are clear HCD policy on which cost items are qualified expenses in the rehab or replacement of a mobilehome?

(A) Refer to section 7733 of the CalHome Guidelines for eligible costs.

(Q) Is Mobile Home focus appropriate for Mortgage Assistance application or just OOR?

(A) Mobilehomes are not excluded from Mortgage Assistance or OOR, however it is a gap financing program.

(Q) Are room additions allowed under OOR if there is overcrowding?

(A) Yes, room additions are allowed under OOR. Please refer to CalHome Guidelines Section 7716 (zz).

(Q) Can overcrowding be a factor to justify replacing a MH if a room addition isn't feasible?

(A) Yes, it would be an eligible activity. Refer to CalHome Guidelines Section 7716 (zz).

Resolution

(Q) Do all people that vote on the Reso have to sign it?

(A) No, only the individual who is attesting the Resolution needs to sign it.

(Q) What is an example of supporting documentation evidencing the individual who is the authorized signatory?

(A) Here are two examples, an applicant can provide a screen shot of their website with an employee listing, or an organization chart with title's and names.

(Q) Are two signatures are required on the Resolution? Authorized signer and secretary?

(A) No, the only person who signs the Resolution is the person who is attesting to the resolution.

Scoring

(Q) For the Volunteer Labor, Self-Help Labor or Youth Construction Skills Training Program (10 points) on the Mortgage Assistance application, can you get these points by having a minimum 15 percent of units funded include an ADU or a JADU (this is option C)? If so, how should this be documented in the application?

(A) Yes. When submitting the application, include documentation detailing which units will include an ADU/JADU.

(Q) Many categories cannot earn the 10 points for volunteer labor. How will they be scored next to other applications that can earn the 10 points?

(A) All applications, unless a tribal allocation application or mobilehome allocation application, will be scored against each other.

(Q) Can you please expand on the "Community Revitalization" & "volunteer" points? As a lender offering down payment assistance and 1st mortgages which require employees to be licensed with the state and endorsed by the NMLS. Since we volunteers would not be licensed the points for volunteers would put organizations offering DPA at a points disadvantage.

(A) An NMLS license is required for many individuals in lending institutions. Lending institutions are required to follow NMLS requirements when negotiating rates and/or loan terms. For additional information on Volunteer Labor, refer to Appendix A of the CalHome NOFA.

(Q) We are serving in an opportunity zone, but a portion of that service area is in a rural zone. How can we designate that we are serving in a rural zone to capture that set aside portion? Will it limit us to only serve with the rural zone. (The rural zone is also within an opportunity zone, but a portion of our service area is only in an opportunity zone, not rural)

(A) Applicants will designate if they are providing services in a rural area in the CalHome Portal.

(Q) Can we ask for partial support (e.g. can we request 5.5 units of MA or OOR assistance)?

(A) No, points are awarded according to the evaluation criteria described in Section G of the NOFA. Please also refer to Appendix A for additional scoring information.

Threshold

(Q) What if a jurisdiction has not had the capacity to operate an eligible program in the past four years but has just ramped up and now has staff to implement? We cannot find a consultant who has the capacity to work with us. How do we get the experience, or can we use the experience of the staff that we hired versus the jurisdiction's experience (county).

(A) Per Guidelines section 7728, applicants or their administrative contractor must have administered a Homebuyer program for at least two years within the four years preceding the application date. Unfortunately, the experience of a staff member cannot be used for experience.

(Q) Can a less experienced nonprofit applicant use the experience of administrative subcontractors to qualify under CalHome’s organizational stability and experience requirements? This is specifically allowed for localities, but the guidelines are silent when it comes to less experienced nonprofits.

(A) Nonprofit applicants are allowed to use an administrative subcontractor for experience points.