

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

2020 W. El Camino Avenue, Suite 600
Sacramento, CA 95833
www.hcd.ca.gov



November 15, 2023

TO: All Applicants

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

SUBJECT: 2023 Homekey NOFA Amendment

The California Department of Housing and Community Development (Department or HCD) is announcing an amendment (Amendment) to the Homekey Program Notice of Funding Availability (NOFA), Round 3 (dated March 29, 2023) due to a limited additional amount funding, as well as minor revisions to NOFA rules to better clarify original intent for that NOFA.

By this Amendment, and on those new terms, the Department is providing approximately an additional \$114 million in supplemental funding for the purposes of funding additional applicants to that NOFA that may have not been fully funded, were previously denied, or not funded due to oversubscription. The additional funds will be distributed amongst the oversubscribed regions and allocations, using the calculations set forth in Section 203 of the March 29, 2023 Notice of Funding Availability ([March 29, 2023 NOFA](#)). Additional funds may be added to the NOFA as funds are disencumbered and any such additional funds will be allocated based on the same methodology.

This Amendment continues and incorporates by reference the requirements, standards, and rules (i.e., "guidelines") as set forth in the [March 29, 2023 NOFA](#) as if set forth herein in full, except as expressly amended below.

Please note, as the NOFA is currently oversubscribed no new applications will be accepted under this NOFA amendment.

Amendment-NOFA Section 1: Authority

The Department's authority for setting forth such matters as administrative guidelines not subject to the Administrative Procedures Act is set forth in HSC section 50675.1.3 (as referenced in more detail in the [March 29, 2023 NOFA](#)).

Amendment-NOFA Section 2: Eligibility

This Amendment is providing the subject funds to NOFA applicants that did not receive complete funding in response to their initial application. Such applicants need not submit any additional materials and the Department will re-review and process all such applications as originally submitted.

Amendment-NOFA Section 3: Amendments to NOFA Rules

- (a) Notwithstanding, Article II Section 200, Article III Section 300, Article III Section 301 (2)(ii), all of the [March 29, 2023 NOFA](#), all references to special purpose entities shall be interpreted in manner such that the special purpose entity (SPE) shall be considered to exist for the purpose of the NOFA so long as the component entities of the SPE themselves satisfy

required actions of the SPE, and the SPE is actually formed and on file with the Secretary of State within 60 days of the date of the conditional award letter.

- (b) Notwithstanding Article III, Section 301(2)(i), of the [March 29, 2023 NOFA](#), the requirement that the Project shall operate as an Interim Housing Project for a minimum of five (5) full years following the recordation of the Affordability Covenant and prior to relocating participants to begin conversion to Permanent Housing, may be waived, at the sole but reasonable discretion of the Department. In requesting a waiver, the Grantee should demonstrate the feasibility of the permanent conversion and continuity of operations.
- (c) None of the other NOFA requirements, including site control and organizational document requirements, are abrogated by this NOFA amendment.

Amendment-NOFA Section 4: Application Review and Funding

- (a) Applications that were previously denied or only partially funded solely as a result of the matters amended by Section 3 of the Amendment detailed above will be funded, in the order that the applicants applied, until all remaining additional funds allocated to their respective region are exhausted. Additional funds available per region pursuant to the Amendment are set forth below. If any funds are not exhausted for a region, the Department, in its discretion may allocate said funds to another region. If found eligible but previously issued a partial denial or partial approval letter the Department will re-issue such communications to correct the applicant’s award status.
- (b) The additional \$114 million will be distributed amongst the oversubscribed regions and allocations, using the calculations set forth in Section 203 and up to the amounts as follows:

	Initial Allocation	Supplemental Allocation	Total Funds Available
Los Angeles	\$211,813,531	\$41,815,109	\$253,628,640
Bay Area	\$111,112,027	\$21,947,031	\$133,059,058
Southern CA	\$68,783,638	\$13,535,272	\$82,318,910
San Joaquin valley	\$43,252,159	\$8,525,526	\$51,777,685
Central Coast	\$22,657,376	\$4,477,511	\$27,134,887
Sacramento Area	\$37,158,338	\$7,337,205	\$44,495,543
San Diego	\$34,345,268	\$6,762,346	\$41,107,614
Balance of State	\$20,708,081		\$20,708,081
Total Geographic Allocation			\$654,230,418
Homeless Youth	\$75,759,808	\$9,600,000	\$85,359,808
Discretionary Reserve	\$73,598,850		\$73,598,850
Rural Target	\$36,799,425		\$36,799,425
Total Homekey Funding Allocation			\$849,988,501