

**Department of Housing
and Community
Development**

CalHome General Program

**Notice of Funding
Availability**

May 2014

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Section 1 - Introduction

The California Department of Housing and Community Development (HCD) is pleased to announce that it is accepting applications under the CalHome General Program. This Notice is for approximately **\$43 million** which is provided by the passage of Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, to provide funding to local public agencies or nonprofit corporations for the following eligible activities within the CalHome Program (Program):

- Mortgage Assistance for Low or Very Low Income First-Time Homebuyers
- Owner-Occupied Rehabilitation for Low or Very Low Income Homeowners
- Manufactured Home Set Aside for \$10 million (over the counter process)

Only one application from a local public agency will be accepted for each jurisdiction. Nonprofit corporations (Nonprofits) may operate in several jurisdictions under one application.

Section 2 - Authority

HCD administers the CalHome Program, subject to the Health and Safety Code, Section 50650 *et seq.* (“Program Statutes”) and the California Code of Regulations Title 25 [25 CCR], Section 7715 *et seq.* (“CalHome Program Regulations” also referred to as Regulations). The Final Regulations were issued in April 2004 and may be found on HCD’s website at:

www.hcd.ca.gov/fa/calhome

HCD awards CalHome grants to eligible organizations for activities that support existing homeownership programs aimed at lower and very low income households. The intent of the legislation governing the CalHome Program is to “...increase homeownership, encourage neighborhood revitalization and sustainable development, and maximize use of existing homes.”

Section 3 - Eligible Applicants

Entities:

Any California local public agency or nonprofit corporation may apply that has:

Operated as a housing program administrator, AND

- Is authorized to engage in, or assist in, the operation of housing programs for households with low or very low income, **or**
- Is authorized to engage in, or assist in, the development of housing for households with low or very low income.

The applicant must have the ability to perform the requirements of the activity or activities for which it has applied [reference 25 CCR, Section 7717].

Section 3 - Eligible Applicants

Experience:

An eligible applicant must be able to:

- Show experience as a housing program administrator for a minimum of two years prior to the date of application,
- AND**
- For each activity for which it has applied, show a minimum of two years of experience within the four calendar years immediately preceding the date of application to ensure its program is current.

Applicant that has an existing program that has multiple-year contracts may count experience from the original date of the contract through the date of application.

Applicant may count administration of a program performed by a third party contractor toward experience if the applicant holds the responsibility for the program's operation.

Section 3 - Eligible Applicants

Local Public Agencies:

CalHome activities are restricted to the applicant's jurisdiction.

Nonprofits:

CalHome activities are restricted to those counties in which the applicant has operated a housing program within the past four years, or for which they have an existing 523 technical assistance services agreement with the United States Department of Agriculture.

Nonprofit Developers are eligible to apply for this NOFA, but may only use grant funds for Mortgage Assistance activities.

Section 4 - Applications

Amounts:

- The minimum application amount for any single activity/program is \$120,000. If applying for more than one activity, the minimum application amount is \$240,000.
- The maximum application amount for one or more activities is \$1,000,000.
- However, applicants that have a population in their jurisdiction which exceeds 400,000 may apply for a maximum amount of \$1,500,000 for one or more activities.
- The list of qualifying cities and counties with unincorporated areas that have populations in excess of 400,000 can be found in the application form.

Section 4 - Applications

Amounts (continued):

In addition to this list, a county may apply for a maximum amount of \$1,500,000 if:

- It operates its programs in the small cities within the county.
- It can provide documentation to show approval from those cities.
- The sum of the populations of the small cities and the population of the unincorporated portion of the county exceeds 400,000.

Section 4 - Applications

Activities:

- The applicant must designate which activity it is applying for.
- Attachment I must be used if requesting funds for First-Time Homebuyer Mortgage Assistance.
- Attachment II must be used if requesting funds for Owner-Occupied Rehabilitation.
- Both Attachments must be used if requesting funds for both activities. Only one application is required.
- A separate Manufactured Home application must be completed if applying for the set aside.

Section 4 - Applications

Documentation:

In order to be considered for funding, the Applicant must demonstrate it has met the following minimal requirements:

- The applicant is eligible.
- The activities are eligible.
- The proposed use of funds is eligible.
- The application was received by HCD on time.
- The application is complete.
- The application has not been altered or modified except to accommodate computer software.
- The application is signed by the party authorized in the resolution.

Section 4 - Applications

Submissions:

Application must be made on the forms provided by HCD.

Applicants may submit only **one** application in response to this NOFA.

Application forms are available at the HCD website:

<http://www.hcd.ca.gov>

Applications must be submitted in a three-ring binder and delivered to the following address:

Department of Housing and Community Development
CalHome Program
Division of Financial Assistance
2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833

Section 4 - Applications

HCD must receive one original complete application no later than 5:00 p.m. on July 10, 2014.

No facsimiles, incomplete applications, or application revisions will be accepted prior to or after the application deadline. It is the applicant's responsibility to ensure that the application is clear complete, and accurate.

CalHome staff may request clarifying information provided that the information would not result in a competitive advantage to the applicant. No applicant may appeal HCD's evaluation of another applicant's submission.

Section 5 - Funding Allocations

Threshold:

All applications will be reviewed to determine if they meet eligibility and threshold requirements. Those that pass will be rated for Baseline Criteria and then for Bonus Points.

Applications must meet all eligibility requirements upon submission.

If an Applicant has submitted an application for both activities, and one does not pass the Threshold Review, the remaining activity will be considered on its own merits. The funding amount requested will be adjusted by HCD to be only that amount designated by the applicant for the activity which passed the Threshold Review.

Section 5 - Funding Allocations

Baseline Criteria:

All applications passing the Threshold Review are scored for a **minimum of 550 points to a maximum of 900 points** in the following Baseline Criteria categories:

400 points - Capability

150 points - Community Need

250 points - Feasibility

100 points - Community Revitalization

The explanation for these criteria is found in the table attached to this NOFA (Appendix A).

Each activity which has passed the Threshold Review will be scored for Baseline Criteria. For those applications which include both activities, this will result in two separate scores. If both activities pass the Baseline Criteria Review, the application will proceed for a determination of Bonus Points, if any, and the two separate scores will be averaged into a single score.

Section 5 - Funding Allocations

Performance Penalty:

- Applicants that have previously received a CalHome grant will be reviewed for performance [reference 25 CCR, Section 7751(c)].
- Failure to have expended at least 95% of the most recently completed grant will result in a 100 point penalty to the score of this application [reference 25 CCR, Section 7755(a)(1)(B)].
- If the Applicant has been penalized in the prior NOFA round, the penalty will not be deducted in the current round.

Section 5 - Funding Allocations

Geographic Distribution:

CalHome's enabling statute requires the program to "ensure a reasonable geographic distribution of funds". HCD will further review the rankings for the geographical distribution of awards, and adjust the list to meet the following targets for allocation of available funds:

- **45%** - for activities in **Southern California** (the counties of San Luis Obispo, Kern, San Bernardino and all counties to the South)
- **30%** - for activities in **Northern California** (all other counties of the state)
- **10%** - for activities in **rural areas** as defined in 25 CCR, Section 50101.
- If there are insufficient eligible applications in any of the targeted distributions, the balance of the allocation for that targeted area will be used to fund eligible applications in any area of the State based on highest ranking order.

Section 5 - Funding Allocations

Allocation Adjustments:

- In case of a tie score, the application for an area demonstrating the highest poverty level will be funded first.
- Allocations will be made to the highest scoring applications and down the list until the full extent of funds available is reached.
- Funding decisions will be made by the Deputy Director of HCD's Division of Financial Assistance. The decision of the Deputy Director is final.

Section 6 - Awards

Process:

- When decisions have been finalized, all Applicants will be notified. Until letters of Notice of Award or Denial are sent, CalHome Staff may not discuss the standing of any application. Upon receipt of a Letter of Denial, unsuccessful Applicants may direct questions to the CalHome Program Manager at (916) 263-2755.
- A Standard Agreement (contract) will be sent to successful Applicants, to be signed by the person authorized in their enabling Resolution. Upon return of the executed Standard Agreement, HCD will sign the contract, and a date stamp will be affixed. A fully executed copy of the Standard Agreement will be returned to the Applicant, and the status of the Applicant will be changed to Recipient.

Section 6 - Awards continued

Release of Funds:

- Funds may not be obligated by the Recipient prior to the date stamp on the Standard Agreement.
- Funds will be released by the CalHome Program when the Recipient has submitted the following items and they have been reviewed and approved:
 - Loan Servicing Plan.
 - Reuse Account Plan.
 - Program Guidelines.
 - Loan Document templates.
 - Homebuyer Education Plan (Mortgage Assistance activity only).
 - Fully executed 20-Year Monitoring Agreement.

If a Recipient contracts with a Third Party for Loan Servicing or Homebuyer Education, a current copy of the contract must also be submitted for HCD review.

- Funds may be requested as either a reimbursement or as an advance. Advances are limited to 25 percent of the grant amount. Documentation showing usage of at least two-thirds of the funds released must be submitted before another 25 percent advance can be processed.

Section 6 - Awards continued

Timeframes for Performance:

- The Standard Agreement allows a maximum of 36 months from the date of the Award Letter to expend funds. All documentation to support the Recipient's expenditure of funds must be received within this timeframe.
- At the end of 36 months, the Standard Agreement terminates. Recipients remain subject to the terms of the audit provisions of the Standard Agreement and the terms of the 20-year Monitoring Agreement.
- HCD anticipates the processes of rating and ranking of applications and the awarding of funds should be completed within three months of the application due date.

Section 7 - Legal Matters

HCD reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such an action occurs, HCD will notify interested parties.

Appendix A

The following criteria listed represents a summary. Please refer to Section 7751 in the CalHome Program Regulations for more specific information.

Appendix A

Capability to operate the program or develop the project by demonstrating prior experience with administration of the program activity proposed or in developing the type of homeownership development project as proposed and prior experience with loan servicing or a plan to provide loan servicing/management capabilities.

Maximum points: 400

Appendix A

Community need in a geographic area of the proposed local program or project will be based on the following factors:

- For an owner-occupied rehabilitation application, percentage of the population living at or below the federal poverty level, and the number and percentage of households who are overcrowded and living in substandard housing as reflected in U.S. Census data;
- For a mortgage assistance application: the factors used will be the percentage of low-income households overpaying for their housing.

Maximum points: 150

Appendix A

Feasibility of the proposed program activity is demonstrated by the extent to which the proposed program is responding to a community need and demonstrates a likelihood of success. Feasibility for program applications will be determined by statistical indicators in the following areas:

- For an owner-occupied rehabilitation application, percentage of pre-1980 homes in the jurisdiction, and the percentage of overcrowded households;
- For a mortgage assistance program, the ratio between the CalHome appraised value limits (Section 7751 (b)(3)(A)(i)) and median household income in the jurisdiction, and the percentage of low-income homeowners.

Maximum points: 250

Appendix A

Contributes to community revitalization by operating a program located in a federally defined Qualified Census Tract.

Maximum points: 100

Maximum Baseline Points: 900

Bonus Points

Targeting Energy Efficient/Green Building features:

- Buildings shall be designed to include the green building measures specified as mandatory in the CALGreen Building Standards Code. In addition, the applicant proposing to follow the voluntary green building measures,

(see Appendix A4 at the following link:
http://www.hcd.ca.gov/codes/shl/2010_CA_Green_Bldg.pdf)

may be eligible to receive 50 bonus points. Voluntary tiers are intended to further encourage building practices that improve public health, safety and general welfare by promoting the use of building concepts that minimize the building's impact on the environment and promote a more sustainable design. CALGreen Tier 1 and Tier 2 buildings contain voluntary green building measures necessary to meet the threshold of each level. For the submission of your application, you may self-certify that you intend to meet the CALGreen Tier 1 or Tier 2 design criteria (see application self-certification check list and attach as Bonus Exhibit A to the Application). An architect or the local inspection agency must certify that the design actually meets the criteria for CALGreen Tier 1 or Tier 2 specified in the Code, and will be a condition of your contract.

Attach as Bonus Exhibit A to the application.

Bonus Points

Homeownership units that meet universal design standards:

50 bonus points will be given in the scoring of applications that use their mortgage assistance loans exclusively for home purchases that meet the following universal design standards:

- Provide at least one no-step entrance with beveled threshold. This may be at the front, side or back of unit.
- Make doorways throughout the unit at least 32 inches wide.
- Reinforce wall around the toilet, bathtub and shower stall in order that grab bars may be added at a later time, if needed.
- Install light switches and electrical controls no higher than 48 inches and electrical plugs no lower than 15 inches above the floor.
- Install lever handles on all doors and plumbing fixtures

Attach as Bonus Exhibit B to the application.

Break Time??

Completing the Application

SECTION I. APPLICATION SUMMARY

- A. Name of Applicant
- B. Applicant Address
- C. Chief Executive Name and Title
- D. Contact Person Name and Title
- E. Phone number, Fax number and E-Mail

Completing the Application

F. Proposed activity:

Activity: Submit Appropriate Attachment Number	No.of CalHome Assisted Units Proposed	County or Counties of Activity	Census Tracts if Proposing 100% Rural Activity*
1. FTHB Mortgage Assistance Program			
2.Owner-Occupied Rehabilitation Program			
Total			

Completing the Application

G. Proposed Grant Amount: *\$ _____

* If the grant request is over \$1,000,000 (up to \$1,500,000), the city, county or nonprofit will need to provide the following:

The name of the city or unincorporated areas of counties with a population of over 400,000. If a County operates their programs in the small cities within the county as well as the unincorporated areas, we will allow the aggregate population of the unincorporated areas plus these small cities to be combined for determining the maximum award amount only where we have letters/resolutions from the included small cities verifying the County's authority to operate with the cities. A list of cities and unincorporated areas of counties in California with population over 400,000 is included in this application labeled **Exhibit D**. Please provide the required documentation as **Attachment 3**.

H. Brief Description of Each Program Activity Applied for:

Completing the Application

SECTION II. LEGISLATIVE REPRESENTATIVES:

A form is included in this application labeled **Exhibit B**. Please complete the information on this form and attach as **Attachment 5**.

SECTION III. GOVERNING BOARD RESOLUTION:

Attach the resolution, duly executed by the governing board of the local public agency or nonprofit corporation, granting authority to make an application to HCD for a funding commitment from the CalHome Program. Label as **Attachment 6** Governing Board Resolution.

Please review the sample resolution which is included in this application package as **Exhibit C**.

Completing the Application

SECTION IV. APPLICANT INFORMATION:

The applicant is a (check one): City County City and County
 Nonprofit Corporation

If a Nonprofit Corporation, Submit copies of:

IRS approval of 501(c) (3) status: as **Attachment 7a**

Secretary of State Letter of Good Standing: as **Attachment 7b**

Articles of Incorporation: as **Attachment 7c**

Bylaws: as **Attachment 7d**

List of names of Board of Directors as **Attachment 7e**

Financial Statements (for the last 2 fiscal years, one of which must be must be audited): as **Attachment 7f**

Completing the Application

SECTION V. ACTIVITY ATTACHMENT:

Applicants must complete at least one attachment:

Attachment 1, First-Time Homebuyer Mortgage Assistance, or
Attachment 2, Owner-Occupied Rehabilitation Program

These attachments are part of this application. At least one must be completed and must be included or the application will not be complete and will be ineligible for funding consideration.

Completing the Application

SECTION VI. APPLICANT CERTIFICATION AND COMMITMENT OF RESPONSIBILITY

I authorize the Department of Housing and Community Development to contact any agency, whether or not named in this application, which may assist in determining the capability of the Applicant. All information contained in this application is acknowledged to be public information. (This certification must be signed by the person authorized in the Resolution)

*Signature: _____ Title: _____

Type Name: _____ Date: _____

***Must be signed by authorized signatory per the resolution.**

Completing the Application

EXHIBIT A: Attachment Checklist.

EXHIBIT B: Legislative Representatives.

EXHIBIT C: Sample Governing Board Resolution.

EXHIBIT D: Cities and unincorporated areas of counties in California with population over 400,000.

Completing the Application

Attachment 1

First-Time Homebuyer Mortgage Assistance Program

- SECTION I. APPLICANT INFORMATION
- SECTION II. FIRST-TIME HOMEBUYER PROGRAM EXPERIENCE
- SECTION III. LOAN UNDERWRITING EXPERIENCE
- SECTION IV. LOAN SERVICING EXPERIENCE
- SECTION V. PROGRAM TARGETING
- SECTION VI. FINANCING AND AFFORDABILITY
- SECTION VII. CONTRIBUTED LABOR PROGRAMS
- SECTION VIII. HOMEBUYER EDUCATION
- SECTION IX. BONUS POINTS FOR NEW POLICY OBJECTIVES
MORTGAGE ASSISTANCE ACTIVITIES ONLY

Completing the Application

Attachment 2

Owner Occupied Rehabilitation Program

SECTION I. APPLICANT INFORMATION

SECTION II. OWNER OCCUPIED REHAB PROGRAM EXPERIENCE

SECTION III. LOAN UNDERWRITING EXPERIENCE

SECTION IV. LOAN SERVICING EXPERIENCE

SECTION V. PROGRAM TARGETING

SECTION VI. FINANCING

Manufactured Home Set Aside

If you are applying for the set aside, the Manufactured Home Application must be completed. The applications will be over the counter until all money has been allocated.