

Community Development Block Grant – Disaster Recovery (CDBG-DR) Multifamily Housing Accelerator Program (DR-ACCEL) Applicant Workshop

Presented by

Joe Harney, Section Chief

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Housekeeping

- All attendees will be muted for the duration of the webinar.
- You may submit questions through the Q&A box.
- You may also submit questions to DR-MHP@hcd.ca.gov.
- We will compile answers to all questions in a FAQ to be posted after this webinar.
- We will post a recording of this webinar to our webpage at a later date.
- Capitalized terms that appear on the slides are defined in the Solicitation and Policies and Procedures document.
- Our webpage is <https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/disaster-recovery-multifamily-housing-program-dr-mhp>.



DR-ACCEL Program Overview

- DR-ACCEL is authorized pursuant to the State of California's [CDBG-DR Action Plan for 2023 Disasters](#) that was approved by HUD August 5, 2022, to address presidentially declared wildfire floods DR-4683 (December 2022/January 2023)
 - DR-ACCEL will address gaps resulting from the current shortage of tax-exempt bond allocations and low-income housing tax credits.
- \$52,576,258 available for low-income multifamily housing projects with a funding gap.
- Application due date of March 21, 2025, at 4PM.
- For further questions, please contact DR-MHP@hcd.ca.gov.

From Section I.A-C of Solicitation

Eligible Projects

Presented by Joe Harney
Section Manager





Eligible Projects, Part 1

Eligible projects must have received a prior HCD loan commitment before December 31, 2023 from one or more of the funding sources listed below:

- Affordable Housing and Sustainable Communities Program (loan only)
- HOME Investment Partnerships Program (loan only)
- HOME Investment Partnerships Program – American Rescue Plan (loan only)
- Housing for a Healthy California Program (loan only)
- Joe Serna, Jr. Farmworker Housing Multifamily New Construction (loan only)
- Multifamily Housing Program
- National Housing Trust Fund (loan only)
- Supportive Housing Multifamily Housing Program
- Transit-Oriented Development Implementation Program (loan only)
- Veterans Housing and Homelessness Prevention Program

No Place Like Home (NPLH) funded projects do not qualify for an award under DR-ACCEL, unless the NPLH award is a loan that is administered by the Department. NPLH awards administered by entities other than the Department are not eligible for an award under DR-ACCEL, unless the project also receives a loan award from one of the other qualifying HCD funding programs identified in this Project Solicitation.

Homekey-funded projects do not qualify for an award under DR-ACCEL, unless they have a program award from another qualifying HCD program.

From Section II.A.1 of Solicitation



Eligible Projects, Part 2

- The application that resulted in HCD issuing an award letter for the Existing HCD Loan Commitment must have shown low-income housing tax credits as one of the development funding sources.



Eligible Projects, Part 3

- It is the duty and responsibility of each Applicant to review the provisions, requirements, and limitations of all funding sources applied for and obtained for a particular project, program, or activity in order to ensure that each and every requirement of those funding sources is compatible with all program requirements and restrictions.
- Incompatibility of funding sources will result in the denial or cancellation of an award, or may result in the placement of conditions or limitations on an award, all as determined by the Department in its sole and absolute discretion.



Eligible Projects, Part 4

- In accordance with 24 CFR 570.208, **all DR-ACCEL funded activities must satisfy a National Objective.** For DR-ACCEL, all projects will meet the Low- to Moderate-Income (LMI) National Objective.
 - Proposed projects may be mixed-income. However, DR-ACCEL funds will only be applied to the affordable units restricted for occupancy by LMI households.

Eligible Applicants

Presented by Clint Whited
Civix Consultant





Eligible Applicants

- All DR-ACCEL applications must be submitted by and include all Sponsors and Applicants associated with the Existing HCD Loan Commitment.
 - Applicants are the entity(ies) applying for DR-ACCEL funding for their project. Upon receiving an award of DR-ACCEL funds, the Applicant or co-Applicants will, both individually and collectively, be referred to as the “Sponsor”.
 - Sponsor is defined in accordance with Health and Safety Code sections 50675.2 and 50669.
 - When the Sponsor comprises two or more entities, the entities may be referred to, both individually and collectively, as the “Sponsor”. Each such entity may also be referred to individually as a “Co-Sponsor.” The Sponsor structure shall include any Local Public Entity that is a Co-Sponsor of the Existing HCD Commitment; such Local Public entity shall execute the Standard Agreement as a duly authorized Co-Sponsor prior to construction loan closing.
 - The Sponsor entities shall be bound by the DR-ACCEL Standard Agreement and by each and every one of the DR-ACCEL terms, conditions, and restrictions.

From Section II.B of Solicitation



Eligible Uses of Funds

DR-ACCEL funds shall be used to pay the lenders on the project (e.g., construction lender) at permanent conversion for the following documented DR-ACCEL Eligible Project costs incurred by Sponsors:

- Property acquisition costs;
- Architectural, appraisal, engineering, environmental, legal and other consulting costs, and fees, which are directly related to the planning and execution of the Project and which are incurred through third-party contracts;
- Escrow, title insurance, recording and other related costs;
- Building permits, and state and local fees;
- Local development impact fees;
- Developer fees, as set forth in the UMR;
- Mobilization, demolition, site prep, and clean up;
- Interest and financing costs;
- Residential construction costs; and
- Onsite improvements related to the Project.

From Section II.C of Solicitation



Ineligible Uses of CDBG-DR MHP Funds

- Costs incurred between the date of application and environmental clearance (e.g., Authority to Use Grant Funds) that constitute an adverse environmental impact or that limit the choice of reasonable alternatives pursuant to [24 CFR 58.22\(a\)](#);
- Application development costs;
- Advances of any type, including construction;
- Facility operating or maintenance expenses;
- Reserves and contingencies;
- Furnishings;
- Offsite Improvements, except where the improvement is contiguously adjacent to the Project parcel and serves the housing;
- Construction or any other costs related to any non-residential component of the Project; and
- Reimbursement of Sponsor's capital investment or prepaid expenses.

From Section II.C of Solicitation



Cost Eligibility Determination

- HCD reserves the right in its sole and absolute discretion to approve or deny the applicability and eligibility of costs on a per-application basis. HCD requires that construction costs are reasonable and consistent with current market costs for the area where the multifamily construction will take place.

From Section II.C of Solicitation



Capitalized Reserves and Withdrawals

- HCD will not allow capitalized reserves in excess of those approved in connection with the Existing HCD Loan Commitment, nor local agency fees or payments that would only have been required if bonds were issued or that were not shown in the application for the Existing HCD Loan Commitment.
- HCD reserves the right, consistent with applicable law, to require prior written approval from HCD for all reserve withdrawals, whether the reserve was required by HCD or not. DR-ACCEL funds may not be used to fund capitalized reserves.

From Section II.C of Solicitation



Limits on Financing

- DR-ACCEL funds are not intended to supplant local public agency funds. Accordingly, any local agency resources shown as committed in the applications for any Existing HCD Loan Commitments must be included in the financing proposed in the DR-ACCEL application at the same or higher level of funding as previously identified. This includes sites provided at below market-rate cost as well as funds.
- Similarly, DR-ACCEL funds are not intended to supplant Performing Debt. The amount and terms of Performing Debt shown in the DR-ACCEL application must generally remain the same or be higher and more restrictive than the amount and terms shown in previous HCD applications unless there are extenuating circumstances that are clearly explained in writing by the Applicant and agreed to in writing by HCD in its sole and absolute discretion.
 - Requests for reducing Performing Debt or the term of the Performing Debt will be reviewed on a case-by-case basis and are not a guaranteed approval.
 - Reduced principal loan amounts of Performing Debt must include a corresponding reduced amount in the development budget.

From Section II.D of Solicitation



Limits on Unit Mix Changes

- The Department requires unit mixes (number of units at various AMI levels and bedroom counts) to remain substantially the same as shown in the most recent Department application or, if the project has an application which has been submitted to CDLAC/TCAC, the application submitted to the CDLAC/TCAC which was ultimately unsuccessful in securing a bond allocation or low-income housing tax credits.

From Section II.D of Solicitation



Most Impacted and Distressed Areas (MID)

Eligible projects must fall within the MID for FEMA DR-4683, consisting of the five counties listed below:

- Santa Cruz
- San Luis Obispo
- San Joaquin
- Ventura
- Merced

From Section II.E of Solicitation



Additional Eligibility Requirements

- The application that resulted in HCD issuing an award letter for the Existing HCD Loan Commitment **must have shown low-income housing tax credits** as one of the development funding sources.
- **It is the duty and responsibility of each Applicant** to review the provisions, requirements, and limitations of all funding sources applied for and obtained for a particular project, program, or activity in order to ensure that each and every requirement of those funding sources is compatible with all program requirements and restrictions.

Threshold Application Requirements

Presented by Clint Whited
Civix Consultant





Threshold

- Proposed project **MUST** fulfill all the requirements on the following slides.
- Any application which does not meet threshold not move forward in the scoring process and will be ineligible to receive a DR-ACCEL award.

From Section II.E of NOFA



Threshold Requirements, Part 1

- Must comply with the requirements specified in this Project Solicitation.
- Must submit a complete DR-ACCEL application by the stated deadline using unaltered application forms and all required attachments.
- Must not have closed on construction funding or already started construction.

From Section II.E of NOFA



Threshold Requirements, Part 2

- Each private entity Applicant shall submit an authorizing resolution that, in the Department's reasonable determination, materially comports with the DR-ACCEL requirements and is legally sufficient.
- Applicant shall submit a complete set of its organizational documents (and all amendments thereto).
- Private entity Applicants and all Sponsors must be qualified to do business in, and in good standing with, all agencies, departments, and instrumentalities of the State of California, including but not limited to the California Secretary of State.

From Section II.E of NOFA



Threshold Requirements, Part 3

- Must demonstrate financial feasibility for the 20-year period of the DR-ACCEL loan.
- Must agree to comply with all applicable federal cross-cutting requirements, including but not limited to, prevailing wages, Section 3, and environmental review.
- Must, if located in a floodplain, meet the CDBG-DR elevation requirements and maintain flood insurance into perpetuity.
- Must not be located in a floodway.

From Section II.E of NOFA

Funding Amounts and Terms

**Presented by Diana Searl
Civix Consultant**





Funds Available

- DR-ACCEL will address gaps resulting from the current shortage of tax-exempt bond allocations and low-income housing tax credits.
- The maximum amount of DR-ACCEL funds available under this Project Solicitation is approximately \$52,576,258.
- Funds are available for low-income multifamily housing projects with a funding gap.
 - There is no project award cap.

From Section II.F.1 of Solicitation



Application Evaluation Process

- The application review process consists of three phases:
 - Initial threshold review;
 - Rating and ranking; and
 - Project feasibility review.
- Applications meeting threshold requirements will be rated in accordance with the Application Scoring Criteria listed in Section II.G and ranked in order of their point scores.
- Awards will be issued to the highest-ranking projects for which a complete funding gap may be filled that would allow the project to move forward to the closing table without the need for any other additional funding commitments.
- Eligible Projects will be scored based on the policy objectives included in the Action Plan approved by HUD.

From Section II.F.2 of Solicitation



Assistance Terms, Part 1

- For all projects, DR-ACCEL assistance will be in the form of forgivable loans, with terms of zero percent interest for 20 years, with no residual receipts or periodic payment requirements during the life of the DR-ACCEL loan.
- The loan will be forgiven by the Department at the end of the 20-year loan term as long as all of the following conditions are satisfactorily met:
 - The Sponsor and Borrower (if a separate entity) remains in good standing with agencies, departments, and instrumentalities of the State of California, including the California Secretary of State;
 - The Project is not in default under the terms of any of the Department's loan documents or Standard Agreement(s) for that project; and
 - Negative points have not been assessed against the Sponsor and Borrower (if a separate entity) during the previous five (5) years in connection with any Department-assisted project; and
 - The Project meets the Low- to- Moderate- Income National Objective for the entire term of the DR-ACCEL loan.

From Section II.F.3 of Solicitation



Assistance Terms, Part 2

- The DR-ACCEL loan shall be subject to full repayment if, during the 20-year term, the Project is
 1. converted to market-rate housing; or
 2. sold or refinanced with a distribution of net equity.
- If a DR-ACCEL Applicant is recommended for and receives bonds and/or low-income housing tax credits by CDLAC and TCAC prior to the award of DR-ACCEL funds, the DR-ACCEL application will automatically be withdrawn.
- If the DR-ACCEL Sponsor or Borrower (if a separate entity) receives bonds and/or low-income housing tax credits or other funding awards subsequent to the award of DR-ACCEL funds, the DR-ACCEL award will be canceled or reduced.

From Section II.F.3 of Solicitation



Developer Fee Limits

- The total developer fee for a Project, regardless of the number of other HCD funding sources, shall not exceed the lesser of:
 - a. \$2,500,000; or
 - b. The sum of 15 percent of the project's unadjusted residential construction- related eligible basis, 5 percent of the project's unadjusted acquisition eligible basis, and 15 percent of the eligible basis for the project's nonresidential costs pursuant to UMR 8312(b) and Cal. Code Regs. Tit. 4, §10327(c)(2)(B) - Financial Feasibility and Determination of Credit Amounts; or
 - c. The amount approved by HCD as payable from development funding sources under the terms of the Existing HCD Loan Commitment.

From Section II.F.4 of Solicitation



Affirmative Fair Housing Marketing Plan

- Sponsors shall advertise Projects and units to fill vacant units or to develop a waiting list of interested applicants for the subsidized housing provided by the Project.
 - DR-ACCEL applications, where applicable, must include an Affirmative Marketing Plan developed using the Affirmative Fair Housing Marketing Plan (AFHMP) Form HUD-935.2A.
- Affirmative Marketing Plans submitted with applications shall demonstrate that the proposed Projects will affirmatively further fair housing and adequately address the tenant market in ways that are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, non-minority areas in response to natural hazard-related impacts.

From Section II.F.9 of Solicitation



Project Approval

- DR-ACCEL Project Awards shall be approved by the Department's Internal Loan Committee (ILC) based on information included in the HCD staff report, known as the Project Report.
- The Project Report will include the project criteria approved by the Department at the time of the Award of DR-ACCEL Loan funds. The project criteria may be amended only upon HCD's written approval in its sole discretion.
- Amendments made to the Project after ILC issues an award may result in a complete re-review of the Project and the potential imposition of additional conditions and restrictions by the Department.

From Section II.F.7 of Solicitation



Commencement of Construction Deadline

- All DR-ACCEL awarded projects must Commence Construction no later than 180 calendar days from the date of award.
 - Commencement of Construction means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling. The Department may, in its sole and absolute discretion, extend this deadline due to conditions beyond the control of the Sponsor, for a period not to exceed 90 calendar days.
- Failure to meet the Commencement of Construction deadline, or any Department-approved extension thereof, will result in the forfeiture of the DR-ACCEL award. Such failure will also cause the Department to assess negative points when scoring any future application by the Sponsor for Department funding, unless the Sponsor secures a CDLAC/TCAC allocation, and the DR-ACCEL funds are disencumbered by the Department's deadline.

From Section II.F.6 of Solicitation



Legal Documents, Part 1

- Standard Agreement: Upon the award of DR-ACCEL funds to a project, the Department shall enter into one or more agreements with the Sponsor(s), including an STD 213, Standard Agreement, which shall encumber funds from DR-ACCEL, subject to specified conditions
 - Including but not limited to permitted uses of funds, performance milestones, progress metrics, reporting requirements, remedies, Sponsor liability, federal and state laws and requirements.
- Loan Documents: DR-ACCEL terms, conditions, and restrictions will be expressly incorporated into the loan documents of the Existing HCD Loan Commitment, including the promissory note and deed of trust of the Existing HCD Loan Commitment, as well as any other of the Existing HCD Loan Commitment's loan documents, as necessary and appropriate.
 - All such documents will be executed and recorded, as appropriate, at permanent financing close of escrow.

From Section II.F.8.a,b of Solicitation



Legal Documents, Part 2

- Regulatory Agreement: The Department will append and incorporate a DR-ACCEL exhibit into the Existing HCD Loan Commitment's loan regulatory agreement to be recorded against the property. The exhibit will set forth the project's DR-ACCEL-specific requirements, terms, and conditions, including
 - a 55-year period, the same income, occupancy, and rent restrictions that were represented in the Sponsor's most recent unsuccessful application to TCAC/CDLAC, if applicable, and will require the same service amenities that were represented in that application.
 - If the Sponsor did not apply to TCAC/CDLAC, then the exhibit will impose, for a 55-year period, the same income, occupancy, and rent restrictions as set forth in the most recent Existing HCD Loan Commitment(s).
- Cross-Default: A default under the DR-ACCEL loan may, at the election of the Department in its sole discretion, constitute a default under any other HCD-issued loans for the Project, and vice-versa

From Section II.F.8.a,b of Solicitation



Environmental Review, Part 1

- An environmental review must be performed on the Project prior to federal funds being disbursed. Sponsors shall prepare the appropriate level of environmental review and submit the environmental review document, complete with appropriate citations and supporting analysis and studies, to HCD for review at Sponsor's expense. The environmental review shall document compliance with [24 CFR Part 58](#), NEPA, and all related laws, authorities, and executive orders.
- For DR-ACCEL, HCD is the Responsible Entity and will review Sponsor-submitted Environmental Review Records (ERR) for compliance with 24 CFR Part 58 requirements prior to submitting a Request for Release of Funds (RROF) to HUD. HUD shall grant the authority to use funds.
 - The conversion to Exempt must be documented and documentation must be submitted to the Department as part of the ERR.
- Sponsors are also responsible for working with the City or County where the Project is located to ensure compliance with CEQA, including the submission or designation of applicable waivers to the CEQA Clearinghouse with a copy to HCD.

From Section II.F.10 of Solicitation



Environmental Review, Part 2

- Pursuant to [87 FRN 6364](#), HCD may accept another federal agency's environmental review. The DR-ACCEL will not provide funding for Projects that have a Finding of Significant Impact (FOSI).
- No work may start on a proposed Project, or proposed site acquisition before both the federal and state environmental review processes are completed, even if that work/acquisition is being done using non-federal funds.
- Subsequent to submission of an application by a Sponsor to HCD for the use of DR-ACCEL funds, there can be no choice-limiting actions on the part of the Sponsor/Developer/owner until environmental clearance is received in the form of an Authority to Use Grant Funds (AUGF) or environmental clearance letter issued by HUD or the Department.

From Section II.F.10 of Solicitation



Construction Standards, Part 1

- All residential construction Projects, where applicable, must comply with the housing construction codes of the State of California.
- All units developed under DR-ACCEL must meet these codes as well as any locally adopted codes and ordinances.
- The building standards are published as the California Building Standards Code under the California Code of Regulations, Title 24, and construction standards in the Standard Agreement must meet or exceed all applicable requirements for housing or building construction.

From Section II.F.11 of Solicitation



Construction Standards, Part 2

- The following standards shall be met, as applicable:
 1. California Building Codes (CBC)
 2. California Green Buildings Standards Code (CALGreen)
 3. [Wildland Urban Interface Building Codes \(WUI codes\)](#)
 4. National Floodplain Elevation Standards
 5. Resilient Home Construction Standards

From Section II.F.11 of Solicitation



Rent Standards, Part 1

- DR-ACCEL uses the annual Multifamily Tax Credit Subsidy Projects (MTSP) Regular Income and Rent Limits published by HCD annual for each county, to determine the rent standard.
- DR-ACCEL awards will tie into the Existing HCD Loan Commitment, therefore the maximum rent to be charged shall be consistent with the requirements of the existing HCD Loan Commitment.
- DR-ACCEL will waive the MTSP rent standards to be compatible with the rent standards of other sources as described in the existing HCD Loan Commitment.

From Section II.F.12 of Solicitation



Rent Standards, Part 2

- The unit mix and rent standards shall remain substantially consistent with approved applications for existing HCD Loan Commitments, even if the Sponsor ultimately did not secure the funding from all proposed regulating sources.
- If an Affordable Unit receives a Federal or State project-based rental subsidy and a very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

From Section II.F.12 of Solicitation



Use of Operating Income

- Approved deferred Developer Fee, provided that the aggregate of the Developer Fee paid from sources and paid as deferred shall not exceed \$3,500,000, or for projects receiving Low Income Housing Tax Credits, the maximum allowed by TCAC, whichever is higher.
- Asset management, partnership management, and similar fees, including fees paid to investors, in an amount not to exceed the aggregate sum of:
 1. An amount for the current year, equal to \$38,168 for 2023 and increased at the rate of 3.5 percent for each subsequent year, plus
 2. Unpaid asset management, partnership management, and similar fees accrued for a period not to exceed three project fiscal years following the year during which they are earned, up to the difference between the limit for the year and the amount paid for that year; and
 3. Supportive Services Costs that the UMR would allow to be paid as operating costs, but that other funding sources do not

From Section II.F.13 of Solicitation



Restrictions on Future Tax Credit Applications and Syndicating Losses

- All awardees are prohibited from applying for or receiving a tax credit allocation on a DR-ACCEL-funded Project for a period of 20 years from the DR-ACCEL loan closing date for that Project. This prohibition will be memorialized, as appropriate, in all DR-ACCEL terms and conditions.
- If, following a DR-ACCEL application and award, a Sponsor syndicates and sells a portion of their ownership interest to a partner or equivalent party seeking tax losses associated with the Project, nine-tenths of the gross proceeds of that sale shall be remitted to the Department as recaptured DR-ACCEL funds.

From Section II.F.5 of Solicitation



Reporting Requirements, Part 1

- In addition to the reports required in connection with the Existing HCD Loan Commitment, the Sponsor shall timely submit the reports as prescribed.
- The Department reserves the right to request additional detail and support for any report made.
- Reports must be made timely according to the dates identified, in the formats provided by the Department, and via the Department's Grants Network unless otherwise specified at the discretion of the Department.
- The Sponsor's performance under the Standard Agreement will be assessed based in part on whether Sponsor has submitted the reports on a timely basis.

From Section II.F.14 of Solicitation



Reporting Requirements, Part 2

Sponsor shall submit timely:

- Documentary evidence that construction commenced by the Commencement of Construction Deadline (180 days)
- Monthly Activity Report
- Semi-Annual Labor Standards Report
- Project Completion Report
- Affordability Period Reporting
 - Annual Beneficiary Report
 - Annual Audit
 - Annual Operating Budget and Schedule of Rental Income

From Section II.F.14 of Solicitation

Scoring

Presented by Jett Black-Maertz

Civix Consultant





Application Scoring Overview

- Applications that pass the initial threshold review will be scored and ranked.
- Incomplete applications or others not expected to receive an award of funds due to relatively low scores may not be fully evaluated.

From Section II.G of Solicitation



Criterion 1: Number of Units

- Highest points go to projects with the highest number of Affordable Units.
- Within the pool of applications, highest number of affordable units gets 5 points, next highest gets 4 points, and so forth.

From Section II.G of Solicitation



Criterion 2: Leverage

- Points will be awarded based on lowest per unit request for DR-ACCEL funds as follows:

Points	DR-ACCEL funds per unit
5	Less than \$100k
4	\$101k-\$200k
3	\$201k-\$300k
2	\$301k-\$400k
1	\$401k-\$500k
0	More than \$501k

From Section II.G of Solicitation



Criterion 3: Readiness

- 5 points will be awarded for confirmed site control.
- 5 points will be awarded for entitlements.
- 5 points will be awarded for proof of enforceable funding commitments for all proposed funding sources.
- 5 points will be awarded for one of the following:
 - Complete Draft Environmental Assessment with source documentation;
 - Complete Draft NEPA Categorically Excluded – Subject to 58.5 Review with Source Documentation; or
 - Signed Authority to Use Grant Funds from HUD, the State, or other appropriate federal agency, supported with the underlying environmental review document and source documentation.

From Section II.G of Solicitation



Criterion 4: Distance from DR-4683 floods

- Points will be awarded based on driving distance from a Project application address to the nearest DR-4683 flood as follows:

Points	Driving miles from a DR-4683 flood
5	Within 10 miles
4	11-20 miles
3	21-30 miles
2	31-40 miles
1	41-50 miles
0	More than 50 miles

From Section II.G of Solicitation



Tiebreaker: Homeless, Special Needs and Other Population Targeting

- The tiebreaker is only applied to projects that are tied. The tiebreaker score is a standalone score. For each tied project, the highest score of the following two (2) criteria will be used to determine the ranking of the tied projects.
- Homeless Targeting: 0.3 points awarded for each percentage of total project units restricted to occupancy by households experiencing homelessness; or
- Large Family, ELI and Special Needs Targeting: 0.2 points awarded for each percentage of total project units that are not restricted to occupancy by households experiencing homelessness and are either:
 1. 3+ bedrooms
 2. Restricted to occupancy by extremely low income households
 3. Restricted to a Special Needs population as defined in the Solicitation

From Section II.G of Solicitation

Insurance Requirements

Presented by Clint Whited
Civix Consultant





Insurance: General Provisions

The following General Provisions applying to all policies are detailed in Section III.A of the Solicitation and should be reviewed in detail prior to submitting the DR-ACCEL Application:

- Policy Cancellation or Termination & Notice of Non-Renewal
- Premiums, Assessments and Deductibles
- Primary and Non-Contributory Clause
- Insurance Carrier Required Rating
- Endorsements
- Inadequate Insurance
- Available Coverages/Limits
- Satisfying a Self-Insured Retention
- Use of Subcontractors

From Section III.A of Solicitation



Project Insurance Requirements

Sponsor and/or Contractor shall display evidence, as applicable for the relevant Project, of the following on a certificate of insurance evidencing the below coverages.

- Commercial General Liability
- Automobile Liability
- Workers Compensation and Employer's Liability
- Flood Insurance, if required by the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001)
- Builder's Risk Insurance
- Property Insurance

No work shall be commenced on any Project prior to such coverages being in effect and the required certificate(s) have been provided to the Department.

From Section III.B of Solicitation



Project Insurance: Additional Coverages

- In the event that Sponsor and/or any of its Contractors will be engaging in any Hazardous Activity as part of the Project, then the party(ies) engaging in any Hazard Activity(ies) shall provide to the Department, prior to commencement of any such activity(ies), such insurance coverages in such forms and in such amounts as the Department may require in its sole discretion. The term “Hazardous Activity” includes the following:
 - The removal, storage, and/or transportation of any “hazardous material”, as such term is defined under federal, state, or local law, ordinance, regulation, or guideline,
 - The removal, storage, or transportation of lead-based paint,
 - Blasting,
 - Any activity which by its nature is abnormally dangerous, and
 - Any “ultrahazardous activity” as defined in California case law.

Other State and Federal Requirements

**Presented by Clint Whited and Diana Searl
Civix Consultants**





State Prevailing Wage

- When applicable, Sponsor shall ensure that the requirements of California Labor Code Chapter 1, commencing with Section 1720, Part 7 pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations (“DIR”) are met.
- Projects may be exempt from these requirements under State Prevailing Wage rules; accordingly, Sponsors should thoroughly evaluate the California Labor Code with their counsel and consult DIR as necessary to determine if the Project qualifies for any exemption based on the Project’s unique attributes.

From Section IV.A of Solicitation



Federal Labor Standards

- Federally-Assisted Construction Contracts trigger the Davis-Bacon and Related Acts (DBRA) requirements.
- As required by Section 110 of the Housing and Community Development Act, and as outlined in HUD Handbook 1344.1 Rev 3, Federal Labor Standards Requirements in HUD Programs, Sponsors are responsible for ensuring compliance with Davis-Bacon (DBA) requirements as well as the Copeland Anti-Kickback Act, the Contract Work Hours and Safety Standards Act (CWHSSA) and the Fair Labor Standards Act (FLSA), collectively referred to in the Solicitation as Davis-Bacon and Related Acts (DBRA).

From Section IV.B of Solicitation



Section 3 of the HUD Act of 1968, Part 1

- Projects assisted with DR-ACCEL funds in excess of \$200,000 trigger Section 3 requirements. When triggered, best efforts must be made to extend Section 3 opportunities to verified Section 3 residents and business concerns to meet these minimum numeric goals:
 1. Twenty-five percent (25%) of the total hours worked on a Section 3 project must be worked by Section 3 workers; and
 2. Five percent (5%) of the total hours worked on a Section 3 project must be worked by Targeted Section 3 workers.
- The Sponsor and the Sponsor's Contractors and consultants shall comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (HDA), and implementing regulation at 24 CFR, Part 75, where applicable.

From Section IV.D of Solicitation



Section 3 of the HUD Act of 1968, Part 2

- The responsibilities outlined in 24 CFR Part 75.19 include:
 - Implementing procedures designed to notify Section 3 workers about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.
 - Notifying potential Contractors for Section 3 covered projects of the requirements of Part 75, Subpart C and incorporating the Section 3 clause in all solicitations and contracts.
 - See Section IV.E for the Section 3 clause

From Section IV.D of Solicitation



Broadband Infrastructure

- Per [87 FRN 6364](#), Section II.B.2.d. “Broadband infrastructure in housing” any substantial rehabilitation or new construction of a building with more than four rental units must include installation of broadband infrastructure, except where the Sponsor documents that:
 1. The location of the Project makes installation of broadband infrastructure infeasible;
 2. The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or
 3. The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

From Section IV.F of Solicitation



Uniform Relocation Assistance and Real Property Acquisition Act

- The Uniform Relocation Assistance and Real Property Acquisition Act (“URA”) contains requirements for carrying out real property acquisition or the displacement of a persons, regardless of income status, businesses, or farm operations, for a project in which HUD financial assistance is provided.
- The implementing regulations, [49 CFR Part 24](#), include steps which must be taken with tenant occupants, including those who will not be impacted by the HUD assisted activity.
- Before the DR-ACCEL Standard Agreement will be executed, Sponsor must have either:
 1. A Department-approved relocation plan; or
 2. A Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed and approved by the Department.

From Section IV.G of Solicitation



Section 104(d) of the Housing and Community Development Act

- One for one-replacement provisions of Section 104(d) of the Housing and Community Project Act of 1974 as amended are applicable.
 - Replacement housing requirements apply to occupied and vacant occupiable lower-income dwelling units demolished or converted in connection with a CDBG assisted activity.
- If a Project site is occupied at the time the CDBG-DR application is made, the application must include:
 1. an exhibit explaining either that no relocation of tenants will result, or
 2. that such relocation will be temporary (supported by an adequately documented estimate of relocation costs), or
 3. a written commitment to submit a relocation plan to HCD for approval as a condition precedent to entering into the Standard Agreement, as further discussed in Section 2.7 of this document.
- In the event HCD determines that no relocation is required, the Sponsor will be required to execute and deliver to HCD a certificate of no relocation.

From Section IV.H of Solicitation



Lead-Based Paint Hazards

- Activity(ies) performed with assistance provided by HCD are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and [24 CFR, Part 35](#) (Lead Disclosure). Assistance provided under this program shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these regulations. The Sponsor shall be responsible for the notifications, inspections, and clearance certifications required under these regulations, including Tribal Entity Sponsors, pursuant to NAHASDA at 24 C.F.R. § 1000.40. Native American Entities subject to NAHASDA are only required to comply with the Lead Based Paint Position Prevention Act (PPA) 24 C.F.R. Part 35, subparts A, B, H, J, K, M and R.

From Section IV.L of Solicitation



Pet-Friendly Housing Act of 2017

- Health and Safety Code § 50466 require each housing development that is financed on or after January 1, 2018, pursuant to this division, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local government ordinances related to public health, animal control, and animal anticruelty.

From Section IV.M of Solicitation

Application Submission and Review Procedures

Presented by Jett Black-Maertz
Civix Consultant





Application Submission Requirements

- Applications must meet eligibility requirements as previously described in Threshold slides **upon submission**.
- Applications that do not meet the filing deadline requirements will not be eligible for funding.
- Applications must be on forms provided by HCD, which **cannot** be altered or modified by the Applicant. It is the Applicant's responsibility to ensure the application is clear, complete, accurate, and timely.
- Excel forms must be submitted in Excel format, not in PDF format.

From Section III.A of NOFA



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 (Gov. Code, § 7920.00 et seq.).
- Any materials provided are subject to disclosure to any person making a records request under this Act. HCD cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers and home addresses.
- By providing this information to HCD, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

From Section IV.B of NOFA



Appeals

- Applicants may appeal HCD's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award (including point scoring and Tiebreaker).
- At the sole discretion of the Department, the Department's written determination may include a request for clarifying and/or corrective information. For purposes of this section, "clarifying information" includes information and/or documentation that resolves ambiguities in any application materials that will inform the Department's threshold, scoring and feasibility determinations.
- 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 the Department's decision regarding an application shall be reviewed for compliance with this Solicitation. All decisions rendered shall be made by the Program Manager or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of HCD.
- The appeal process provided in the Solicitation applies solely to decisions of HCD made pursuant to this Solicitation.

From Section V of Solicitation



Appeal Deadline and Process

- Process: To file an appeal, Applicants must submit to HCD, 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 HCD, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to HCD at DR-MHP@hcd.ca.gov according to the deadline set forth in HCD review letters.
- Filing Deadline: Appeals must be received by HCD no later than five (5) business days from the date of HCD's threshold review, or initial score letters, as applicable, representing HCD's decision made in response to the application.

From Section V of Solicitation



Award Announcements

- The Department intends to announce awards in or around August 2025.

From Section VI of Solicitation

Closing and Q&A





Further information

- For further questions, reach out to program staff at DR-MHP@hcd.ca.gov.



Q&A

- You may submit questions through the Q&A box.
- You may also submit questions to DR-MHP@hcd.ca.gov.
- We will compile answers to all questions in a FAQ to be posted after this webinar.
- We will post a recording of this webinar to our webpage at a later date.
- Capitalized terms that appear on the slides are defined in the Solicitation and Policies and Procedures document.
- Our webpage is <https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/disaster-recovery-multifamily-housing-program-dr-mhp>.