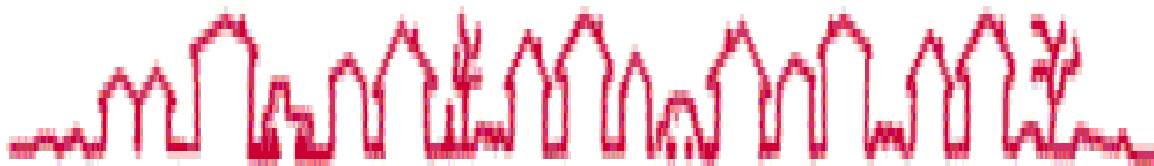


California Department of
Housing and Community Development

**HOME 2022-2023 NOFA
PROGRAM ACTIVITIES
NATIVE AMERICAN
ENTITY APPLICATION
WORKSHOP WEBINAR**

February 8, 2024





HOME Program Activities Team

Jay Cortese

HOME Program Manager

Tony Noia

Jaime Gonzalez

Vicki Balanco

Paul Monson

Celina Castilleja

Nicole' McCay

Section Chief



A few words from...

Mary Lindeblad-Fry (Colville) – Senior Tribal Affairs Specialist & Tribal Liaison

Zachary Ferguson – Tribal Affairs Specialist

Amy Lopez (Choctaw) – Housing Policy Analyst



Webinar Poll

Facilitator to conduct quick poll of the audience



Today's Agenda

Program Overview

- Funding and Goals

Program Requirements Part I

- Eligible Applicants
- Eligible Activities
- Expenditure Rates

Program Requirements Part II

- Use of Funds and Forms of Assistance
- Underwriting
- Property Standards

Application Scoring and Evaluation

- Threshold and Minimum Requirements
- 50 percent rule
- Factors
- State Objectives



NOFA Deadlines

Application Submittal Period (extended for tribal entities)

**February 14, 2024, 8:00 a.m. PST
through May 9, 2024, 5:00 p.m.
PST**



OVERVIEW

Roughly \$7.25 Million in HOME Funds, for the Program Activities Tribal Target

Low Income Households earning at or below 80% AMI

Very-Low Income Households earning at or below 50% AMI

Increase the supply of Affordable Housing
Expand Homeownership Opportunity and Improve
Existing Housing



eCivis Application Portal

HOME Applications must be accessed, starting February 14, 2024, through the eCivis Grants Network Portal – Programs Available for Solicitation page at:

https://gn.ecivis.com/GO/gn_redir/T/vyjsqf2kekyx

- [eCivis Grants Management System User manual](#)
- [eCivis Grants Management System External User Webinar](#)

All links are available on our HOME website at

<https://www.hcd.ca.gov/grants-and-funding/programs-active/home-investment-partnerships-program>



IMPORTANT TO KNOW

Homebuyer Education Training

- All homebuyer education training MUST be facilitated by a HUD-certified housing counselor employed by a HUD-certified housing counseling service.
<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=CA>



IMPORTANT TO KNOW (cont.)

If exempt from requirements of the 2 CFR 200.512 Single Audit Report, must upload a copy of exemption letter (sent to federal clearinghouse) with HOME application. Otherwise, must upload Single Audit Report with eCivis application.



PROGRAM REQUIREMENTS

(Part 1)

Eligible Applicants
Eligible Activities





Definitions

“Native American Entity” (“NAE”) means an “Indian Tribe” or a “Tribally Designated Housing Entity” that is any of the following: a) Applicant meets the definition of Indian Tribe under Section 4103(13)(B) of Title 25 of the United States Code; b) Applicant meets the definition of Tribally Designated Housing Entity under 25 U.S.C. 4103(22); or c) If Applicant is not a federally recognized tribe as identified above, Applicant is either: (1) Listed in the Bureau of Indian Affairs Office of Federal Acknowledgment Petitioner List, pursuant to 25 C.F.R. Part 83.1; or (2) An Indian Tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of consultation pursuant to GC Section 65352.3, and (3) has formed and controls a special purpose entity in compliance with 25 C.C.R. § 8313.2.

NOFA Overview Definitions

“Native American Entity – Federally Recognized Tribe (“NAE-FRT”) means any Tribal Government which is a federally recognized tribe as defined at 25 U.S.C. section 4103(13)(B) and includes a duly constituted governing body of an Indian Reservation or Rancheria as Health and Safety Code section 50077 and 50079; or is a Tribally Designated Housing Entity under 25 U.S.C. section 4103(22).



NOFA Overview Definitions

“Native American Lands” means real property located within the State of California that meets the following criteria: (1) is trust land for which the United States holds title to the tract or interest in trust for the benefit of one or more tribes or individual Indians, or is restricted Indian land for which one or more tribes or individual Indians holds fee title to the tract or interest but can alienate or encumber it only with the approval of the United States; and the land may be leased for housing development and residential purposes under federal law; or (2) lands outside the jurisdiction of tribal government owned or co-owned by a Native American Entity in accordance with 25 C.C.R. § 8201(y).



NOFA Overview Definitions

“Native American Entity (NAE) Service Area” means the area where the Project is located within the NAL and includes lands outside the NAE tribal government jurisdiction up to 100 miles from the boundary of the NAE trust or restricted land as defined at 25 U.S.C. 2201 that is within non-entitlement jurisdictions.



Native American Entities Applicants

Only Native American Entities Federally Recognized Tribe (NAE-FRT) may apply for Program Activities, as a State Recipient.

Native American Entity Non-Federally Recognized Tribe (NAE-NFRT) may apply only as a Special Purpose Entity Developer for HOME funds for project activities by forming a Special Purpose Entity.

“Special Purpose Entities” means the legal entity or combination of legal entities with continuing control of the HOME Project and conforms with the requirements of 25 C.C.R. § 8313.2.





AB 1010

AB 1010 is a process that enables tribes to request for HCD to waive or modify program requirements.

AB 1010 cannot apply to state or federal statutes, or to federal regulations, but can be considered for state regulations, including state program regulations.

For any assistance or support in submitting an AB 1010 waiver, please contact the program team and the California Indian Assistance Program (CIAP) at CIAP@hcd.ca.gov



Native American Entities Eligibility for Program Activities

DISCUSS HERE WHY ONLY FEDERALLY RECOGNIZED (HUD)



NOFA Overview Definitions

- **“Local agency”** means a city, county, city and county, or duly constituted governing body of an Indian Reservation or rancheria and includes any governmental agency or local public entity.
- **“Local public entity”** means any county, city, city and county, the duly constituted governing body of an Indian Reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24



ELIGIBLE ACTIVITIES

First-Time Homebuyer (FTHB)

- Acquisition Only
 - Acquisition With Rehabilitation
 - Infill New Construction
-
- Owner-Occupied Rehabilitation (OOR)
 - Tenant-Based Rental Assistance (TBRA)



ELIGIBLE ACTIVITIES

First-Time Homebuyer (FTHB) *Acquisition Only*

- Down payment and closing cost assistance (“gap”)
- Must cause borrower payment to be within debt-to-income ratio minimums/maximums
- HOME loan cannot be more than first mortgage amount, unless HOME Program Manager approves a programmatic exception based on need
- Must not exceed HOME Maximum Per-Unit Subsidy Limits



ELIGIBLE ACTIVITIES

First-Time Homebuyer (FTHB) *Acquisition Only*

- Must be “standard” home (no health & safety or code issues at closing)
- Home price must not exceed current HOME Homeownership Value Limits in the city and county areas to be served



ELIGIBLE ACTIVITIES

First-Time Homebuyer (FTHB) Program Infill New Construction

- This is building homes within built-out neighborhoods.
- Scattered sites with no more than four dwellings within 2000 feet of one another due to NEPA.
- Application must document availability of grant funds or building sites currently owned by applicant if costs will exceed appraised value.



ELIGIBLE ACTIVITIES

Owner-Occupied Rehabilitation (OOR) program

- Must be owner-occupied
- Must be primary residence
- Must start as “substandard” (health & safety and/or code violation(s) and be made into “standard”
- Limits General Property Improvements to 15%
- HOME Test for Reconstruction approval required if cheaper than R&R to repair.



ELIGIBLE ACTIVITIES

Tenant-Based Rental Assistance (TBRA)

- Rental subsidies (beyond 30% of household income)
- Security Deposit Assistance
- Utility Deposit Assistance
- Rent plus Utility Allowance can't exceed Rent Standard (90-110% of HUD FMR)
- At least 90% of households must be at or below 60% of Area Median Income (AMI)



ELIGIBLE ACTIVITIES

Tenant-Based Rental Assistance (TBRA) Continued...

- Must document “Rent Reasonableness” (comparable)
- Must perform Housing Quality Standards (HQS) inspection and clear the unit
- Must use total net income, not just gross income, for gap purposes
- Must recertify income annually, and whenever income changes a certain percentage.



ELIGIBLE ACTIVITIES

Tenant-Based Rental Assistance (TBRA) Continued...

- May not exceed 24 months. Renewable, though.
- Must offer 12 months minimum, but could have as short as a 6-month agreement with evidence in file this is applicant's request.
- Must execute Lease Addendum and a VAWA (Violence Against Women Act) Addendum, for tenant protection



PROGRAM ACTIVITIES

FUNDING LIMITS

- Minimum and maximum Application Amount = \$500,000



Questions?

(Type them or raise your hand)



Break



PROGRAM REQUIREMENTS (Part 2)



**USE OF FUNDS
FORMS OF ASSISTANCE
UNDERWRITING
PROPERTY STANDARDS**



ELIGIBLE USES OF FUNDS

First-Time Homebuyer (FTHB)

- **ADC:** Up to 6.5% of the total acquisition cost for FTHB activities involving acquisition with rehab.
- Up to 6.5% of total development costs for FTHB infill new construction
- 30-year fixed rate mortgage loan only! Must obtain financing from a primary lender in addition to HOME financing.



ELIGIBLE USES OF FUNDS

Owner-Occupied Rehab (OOR)

- **ADC:** up to 24% of the HOME loan/grant amount for OOR.



ELIGIBLE USES OF FUNDS

Tenant-Based Rental Assistance (TBRA)

- **ADC:** up to 5% per household for income certification and unit inspection costs only



INELIGIBLE USE OF FUNDS

- Refinancing existing debt
- Expenses incurred after the Final Expenditure Deadline
- Payment of delinquent property taxes
- Expenses incurred prior to execution of Standard Agreement (except NEPA) if not pre-approved by HOME Manager



FORMS OF ASSISTANCE

HOME LOANS

- 0-3% simple interest
- Deferred payments (no payments for life of the loan)



FORMS OF ASSISTANCE

HOME GRANTS

- TBRA
- Relocation Payments
- Lead-based Paint Hazard Evaluation and Reduction



FORMS OF ASSISTANCE

HOME GRANTS Owner-Occupied Rehab

- Maximum 100% combined loan-to-value
- Maximum rehab grant is 25% of HOME Per Unit Subsidy Limit
- HCD advance written approval is required on each project



UNDERWRITING STANDARDS

FTHB INFILL NEW CONSTRUCTION

Underwriting analysis to include:

- Reasonableness of profit or return to developer
- Project cost reasonableness
- Market analysis
- Experience and financial capacity
- Firm financial commitments in place to fully fund the project



UNDERWRITING STANDARDS

FTHB Acquisition Only

- Exempt from the market and developer capacity analysis
- Applicant must demonstrate cost reasonableness



PROPERTY STANDARDS

New Construction

- All State & local codes, ordinances, zoning, on non-trust land.

Rehabilitation

- Establish rehab standards
- Major Systems
- Each must have remaining useful life of at least 5 years



PROPERTY STANDARDS

Down Payment Assistance (Acquisition Only)

- Health & Safety and local code compliance (on non-Trust land, at least)

TBRA

- Must meet Housing Quality Standards (HQS) using HUD checklist



PROPERTY STANDARDS

Manufactured Housing

- Reconstruction: requires permanent foundation and utility hookups.
- Rehab: requires foundation and anchoring to meet State and local codes
- Lease period at least equal to Affordability Period for purchase



ENVIRONMENTAL REVIEW

NEPA

- National Environmental Policy Act 24 CFR part 58.
- No funds may be committed to a HOME-funded project before the completion of the environmental review for that project.



Questions?

(Type them or raise your hand)

Application Review





APPLICATION EVALUATION

Minimum Requirements Threshold

- Application received by the deadline (one per Program Activity, starting this NOFA round)
- Eligible applicant
- Eligible activity
- Eligible use of funds
- Complete Application



APPLICATION EVALUATION

Minimum Requirements Threshold

- Has no unresolved audit findings (pursuant to State HOME Regulations)
- Is compliant with submittal requirements of 2 CFR Section 200.512 Single Audit Reporting

Applicant responsible for verifying submission status with SCO. If exempt, Exemption letter is required with application. If not, upload Single Audit in eCivis with your application.

- Not on the federal list of Debarred Contractors



APPLICATION EVALUATION

Minimum Requirements Threshold

- Amount of funds requested between minimum and maximum (\$500,000)
- Application forms have not been modified

RATING and RANKING





RATING AND RANKING FACTORS

Maximum Points Possible = 950

Local Housing Element (n/a Tribes):

Local Housing Element in compliance with
State Housing Element Law by **April 21, 2022**

Points = 50 (Tribes get full points)



RATING AND RANKING FACTORS

Rural Communities

- Based on the location of the proposed activities
- Submission of the required documents

Points = 50



RATING AND RANKING FACTORS

Applicant Experience

Experience administering HOME and/or other qualified affordable housing or community development programs over last seven years

Maximum Points Possible = 100



RATING AND RANKING FACTORS

Prior Performance Reporting: Factor #1 n/a Tribes

- Annual Performance Reports
FY 20-21, 21-22, and 22-23
- Quarterly Performance Reports
16-HOME through 19-HOME Program
Activities contracts
- Program Income Statements
All 16-HOME through 19-HOME contracts
- Points deducted if late or not received, for each

Maximum Points Deducted = 50 (Tribes get full points)



RATING AND RANKING FACTORS

Community Need:

**Appendix C of the NOFA is based on U.S. Census Data for
point scoring by activity type**

Maximum Points Possible = 250



RATING AND RANKING FACTORS

Project Feasibility

Activity-Specific Criteria

Up to 75 points

**FTHB Program – number of affordable housing units sold in
the last 12 months**



RATING AND RANKING FACTORS

Project Feasibility Activity-Specific Criteria (Continues)

Owner-Occupied Rehabilitation Program

- Number of overcrowded households
- Age of housing stock (U.S. Census Data)

TBRA Program

- Overpayment by low-income households (U.S. Census Data)



RATING AND RANKING FACTORS

Program Feasibility

Awarded if Exhibit B6 Guidelines
Certification submitted

Points = 25



RATING AND RANKING FACTORS

State Objectives

Higher (Program) Expenditure Rates:

- 90 points for expenditure rate of 60%+
- 60 points for expenditure rate of 55% – 59.99%

Maximum Points = 90



RATING AND RANKING FACTORS

State Objectives

Access to Opportunity & Homelessness

Access to Opportunity

- Outreach and engagement
- Prioritize and diversify investment
- Encourage housing choices in higher opportunity neighborhoods

TBRA or homelessness

- Zoning and land use
- Funding
- Data outreach and coordination

Maximum Points = 110



Questions?

(Type them or raise your hand)



Technical Assistance Consultations

- We're happy to meet anytime on Teams anytime before applications are due
- E-mail HOMENOFA@hcd.ca.gov to request a call to schedule one



HOME PROGRAM CONTACTS

**Submit HOME Program Inquiries via email
to:**

HOMENOFA@hcd.ca.gov

Jay Cortese, HOME Program Manager

(916) 263-2310

Jay.Cortese@hcd.ca.gov

THANK YOU!

