

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FEDERAL FINANCIAL ASSISTANCE

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MEMORANDUM FOR: All HCD employees, individual and organizations representing HCD while administering the ReCoverCA Housing Programs as well as all participants of the ReCoverCA Housing Programs

FROM: ReCoverCA Housing Programs

SUBJECT: **Program Memo 04-24.2: Update to 2021 Single-Family Reconstruction (SFR) Program Policies and Procedures**

This memo is to announce changes to ReCoverCA Housing Programs Policies and Procedures for Single-Family Reconstruction (SFR) programs that will be in effect as of the date of this memo. These changes will be integrated into the newest versions of those Programs' Policies and Procedures at a future date, upon which this memo will be rescinded and superseded.

Policies and Procedures update:

2021-v1.0 subsection 16.1.2, Deed Restrictions and Restrictive Covenants for Landlord-Applicants

The applicable deed restriction is monitored annually by the Program and/or HCD staff. The property must remain affordable to LMI tenants for the entire length of the deed restriction period. If Applicants fail to comply with the requirements of the deed restriction, the Applicant is subject to repay the grant. Repayment requirements are reduced by fifty percent (50%) halfway through the affordability period after year five (5) and reduce incrementally thereafter. See example repayment schedule below:

Affordability Period	Date of Compliance Breach	Amount of Repayment Due to HCD
5 years	prior to 5th Anniversary	100%
6 years	prior to 5th Anniversary	100%
	5th to 6th Anniversary	50%
7 years	prior to 5th Anniversary	100%
	5th to 7th Anniversary	50%
8 years	prior to 5th Anniversary	100%
	5th to 8th Anniversary	50%
9 years	prior to 5th Anniversary	100%
	5th to 9th Anniversary	50%
10 years	prior to 5th Anniversary	100%
	5th to 10th Anniversary	50%

11 years	prior to 5th Anniversary	100%
	5th to 10th Anniversary	50%
	10th to 11th Anniversary	25%
12 years	prior to 5th Anniversary	100%
	5th to 10th Anniversary	50%
	10th to 12th Anniversary	25%
13 years	prior to 5th Anniversary	100%
	5th to 10th Anniversary	50%
	10th to 13th Anniversary	25%
14 years	prior to 5th Anniversary	100%
	5th to 10th Anniversary	50%
	10th to 14th Anniversary	25%
15 years	prior to 5th Anniversary	100%
	5th to 10th Anniversary	50%
	10th to 15th Anniversary	25%