

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

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February 25, 2021

**MEMORANDUM FOR:** All Potential Applicants

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

**SUBJECT:** **Joe Serna, Jr. Farmworker Housing Grant Program  
Notice of Funding Availability, Round 2**

The California Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$86 million in funding for the Joe Serna, Jr. Farmworker Housing Grant (FHWG) Program.

The amount of funding available could be increased, or even greatly exceed, the announced amount in this NOFA depending on a number of factors. These factors may include, but are not limited to, the Department's administrative determination of need, changes in legislation directing the Department to make additional funds available, new emergency allocations of funding, newly available funding from disencumbrances of previous awards, or additional funds made available through quarterly revenue reviews.

If additional funding becomes available, the Department will continue evaluating the list of qualified applicants and make awards up to the additional funding amount available.

This Notice of Funding Availability (NOFA) is subject to the requirements of [Health and Safety Code §50517.5 et seq.](#) and the February 25, 2021 Notice of Guidelines for the program. This NOFA provides grants, deferred-payment loans, or a combination thereof, for the construction and rehabilitation of housing for agricultural workers and their families. Per California Code of Regulations ([CCR](#)), [Title 25, §7205](#), eligible Applicants shall include a local public entity, nonprofit corporation, limited liability company, or limited partnership.

The Department will accept applications over-the-counter (OTC), meaning the first complete and eligible application received will be the first to be reviewed and considered for funding. Application materials must be submitted electronically to the Department's website. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <https://www.hcd.ca.gov/grants-funding/active-funding/fwhg.shtml>. The application instructions and submittal portal will be available beginning April 5, 2021. The Department no longer accepts hardcopy submittal of the Application Workbooks or supplemental documentation.

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**Application uploads will be accepted starting on April 5, 2021 to the Department's website. The application portal will remain open through 11:59 p.m. Pacific Daylight Time on July 6, 2021.** The online support and technical assistance will close at 5:00 p.m. (PST), on July 6, 2021.

The Department will hold webinars to review the program NOFA and application. For the list of webinar dates, times, and registration, please refer to the Department's website at: <https://www.hcd.ca.gov/grants-funding/active-funding/fwhg.shtml>. To receive information on webinars and other Program updates, please subscribe at [http://www.hcd.ca.gov/HCD\\_SSI/subscribe-form.html](http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html).

If you have any questions, please submit them to [Serna@hcd.ca.gov](mailto:Serna@hcd.ca.gov).

Attachment

# **Joe Serna, Jr. Farmworker Housing Grant Program Notice of Funding Availability, Round 2**

Funded through Proposition 1



**Governor Gavin Newsom  
State of California**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director  
Department of Housing and Community Development**

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**February 25, 2021**

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## I. Overview

### A. Notice of Funding Availability

The California Department of Housing and Community Development (Department) announces the availability of approximately \$86 million, which is a combination of Proposition 1 and Senate Bill (SB) 2 funding, for the Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program.

Program funds will be used to provide deferred-payment loans for the construction or rehabilitation of multifamily housing and grants for single-family new construction or owner-occupied rehabilitation programs, to address the housing needs of agricultural workers.

### B. Timeline

NOFA Release	<b>February 25, 2021</b>
Application Due Date	Applications will be accepted on an over-the-counter basis starting <b>April 5, 2021</b> through <b>July 6, 2021</b> , or until the Department has received enough eligible applications to reasonably use all the funds currently available, whichever comes first.
Award Announcements	Ongoing beginning in <b>June 2021</b>

### C. Authorizing Legislation and Regulations

This Notice of Funding Availability (NOFA) is subject to the statutes and guidelines described in the Notice of Guidelines for the Joe Serna, Jr. Farmworker Housing Grant Program dated February 25, 2021 that establishes the Program requirements.

Chapter 365, Statutes 2017 (SB 3), adopted by voters on November 6, 2018 (Proposition 1), provides additional funding and authority for the Program. Health and Safety Code (HSC) §54014 gave the Department authority to implement this Program by utilizing guidelines. Pursuant to subdivision (b) of Section 54014, those guidelines are not subject to the requirements of Government Code (GC) Title 2, Division 3, Part 1, Chapter 3.5 (commencing with Section 11340). Chapter 364, Statutes 2017 (SB 2) provides funding to address affordable homeownership and rental housing opportunities for agricultural workers and their families. HSC §50470(d) gives the Department authority to establish guidelines for the implementation of these funds.

For the purposes of this NOFA and any subsequent amendments thereto, the February 25, 2021 Notice of Guidelines and any subsequent amendments thereto shall constitute the guidelines applicable to funding released hereunder.

Applicants are urged to carefully review the applicable statutes, guidelines, and this NOFA to understand the Program requirements before submitting applications.

## II. Program requirements

The following program requirements are provided as a summary and are not to be considered a complete representation of the entirety of the eligibility, threshold, or other requirements or terms and conditions of the program. Please refer to the applicable statutes and guidelines for complete information. Please note that capitalized words may be defined terms and can be found in the applicable statutes and guidelines.

### A. Project Eligibility Requirements.

Program funds may only be expended for housing developments that meet the following criteria:

1. The housing development must contain assisted units to be occupied by agricultural households.
2. To the greatest extent possible, assisted units are to be occupied by lower-income agricultural households.
3. To the greatest extent possible, any non-assisted units are to be occupied by agricultural households.
4. Assisted units in a rental housing development required to be made available to lower income households pursuant to §7209 are to be made available at affordable rents as defined in [Health and Safety Code §50053](#).
5. When grant funds are to be used for homeownership purposes, assisted units shall be newly constructed, and are to be made available to lower-income households at a total monthly housing cost not to exceed 35 percent of monthly net income.
  - a. An eligible household's monthly housing cost may exceed 35 percent of the monthly net income if all the following conditions are satisfied:
    - i. the proposed housing costs are approximately the same as the present housing costs of the household, and
    - ii. a satisfactory credit record has been maintained by the households, and
    - iii. the household has demonstrated an ability to sustain its present housing expense without serious difficulty.
  - b. In the alternative, a different standard can be applied if it has otherwise been determined by the Department that the eligible household can assume greater responsibility for monthly housing costs.

## **B. Applicant Eligibility.**

To be eligible to apply for funding, the applicant shall be a local public entity, nonprofit corporation, limited liability company, limited partnership, duly constituted governing body of an Indian reservation or rancheria or a tribally designated housing entity, having sufficient capacity (including financial resources, an office, staff, and payroll) and experience to carry out the proposed project as set forth in CCR §7205. All references to CCR section numbers in this NOFA refer to section numbers in Title 25, unless otherwise stated.

In the case of a nonprofit corporation, limited liability company, or limited partnership, the Applicant shall demonstrate to the Department's satisfaction that the applicant is independent from any direction of, or control by, a for-profit entity and shall meet the requirements of CCR §7205.1. Nonprofit corporations shall also meet the requirements of CCR §7205.2.

### **For-profit entities are not eligible Applicants.**

Minimum Experience:

To be eligible to receive funding, the applicant shall demonstrate to the Department's satisfaction that:

1. For rental housing developments, an applicant must have developed and owned at least one rental housing project of similar type and size as the proposed project within the last five years of the NOFA date and have staff with demonstrated experience in managing at least one project occupied primarily by agricultural workers and their families.
2. For single-family new construction or owner-occupied rehabilitation projects, an applicant must have successfully sponsored and supervised a similar program for a period of at least two years within the last ten years of the NOFA date.
3. For purchase of Manufactured Homes not placed on a permanent foundation, an applicant must be operating or will operate a program to address and remedy the impacts of current and potential displacement of Agricultural Households from existing labor camps, mobilehome parks, or other housing due to governmental actions to enforce health and safety laws including, but not limited to the Mobilehome Parks Act and the Employee Housing Act.

## **C. Eligible Activities.**

Under this NOFA, program funds shall be used for the following activities as set forth in CCR §7206:

1. New construction or rehabilitation, with or without acquisition, of a Rental Housing Development;
2. Single-family new construction in which the ultimate grantees are participants;
3. Owner-occupied rehabilitation; and

4. Acquisition of Manufactured Housing not installed on permanent foundations as part of a program to address and remedy the impacts of current and potential displacement of farmworker families from existing labor camps, mobilehome parks, or other housing.

Program funds may only be expended for rental housing developments that meet the criteria in CCR §7204 (a) – (d) and homeownership purposes as set forth in CCR §7204(e).

#### **D. Site Control Requirements.**

1. For a Rental Housing Development, at the time of Application the Applicant shall have site control pursuant to CCR §8303.
2. For a single-family Project, at the time of Application, the Applicant shall have site control pursuant to either subsection (a), (c), (d), (e), or (f) of Section 8303, or pursuant to a ground lease. If the project will be on a lease, the terms and conditions of the proposed lease shall permit the lessee to make improvements on and encumber the property, and permit compliance with all requirements of this subchapter.
3. Grants by the department to individual Agricultural Workers shall not be disbursed unless and until the Agricultural Worker is the fee owner of the real property, the lessee under a lease, or, in the case of a Manufactured Home not on a permanent foundation, is the registered owner.

[Note: Authority cited §50406 and §50517.5, Health and Safety Code.](#)

#### **E. Multiple Department Funding Sources.**

For multifamily developments, use of multiple Department funding sources on the same assisted units (subsidy stacking) is prohibited. “Department funding sources” shall mean loan or grant funds awarded for permanent funding of development costs (which shall not include funds specifically designated for capitalized operating reserves or rental assistance) under the following programs:

1. Multifamily Housing Program, including supportive housing awards;
2. Veterans Housing and Homelessness Prevention Program;
3. No Place Like Home Program, including funds awarded either by the Department or an Alternative Process County;
4. Affordable Housing and Sustainable Communities Program (AHSC) – Affordable Housing Development loans, but not grants for Housing-Related Infrastructure, Sustainable Transportation Infrastructure, Transportation Related amenities or Program Costs, all as defined in the AHSC guidelines;

5. Transit Oriented Development Program - rental housing development loans, but not grants for infrastructure;
6. Housing for a Healthy California Program, including funds awarded either by the Department or a county; and
7. National Housing Trust Fund Program.

“Department funding sources” do not include existing loans or grants under any Department funding source listed above that are at least 14 years old and will be assumed or recast as part of an acquisition and rehabilitation project. [See MHP Guidelines, effective June 19, 2019, § 7302\(h\).](#)

Among other restrictions included in the cited Assembly Bills (“AB”) in this paragraph, state funding is prohibited for use in housing H-2A workers. See AB 1783 (2019-2020 Reg. Sess.), effective January 1, 2020, as modified by AB 107 (2019-2020 Reg. Sess.).

#### **F. Minimum Number of Assisted Units and Affordability Requirements.**

1. For a Rental Housing Development, assisted units shall be provided in accordance with CCR §7209(a).
  - a. To the greatest extent possible, consistent with Fiscal Integrity, at least 10 percent of the assisted units shall be reserved for agricultural households with incomes no greater than 30 percent of Area Median Income (AMI). These units shall be distributed reasonably among bedroom sizes.
  - b. The remaining 90 percent of assisted units shall be reserved for agricultural households with incomes no greater than 80 percent of AMI.
  - c. To achieve deeper affordability and potentially increase the project’s per-unit loan limit, the applicant may restrict assisted units to households at 60 percent AMI or lower.

#### **G. Site and Design Criteria.**

Proposed housing developments shall observe the criteria relative to the location and design of the proposed housing development as set forth in CCR §7210.

A major deficiency in meeting one or more of the listed site or design criteria pursuant to CCR §7210 may result in the Department's rejection of an application.

### **III. Program Funding Amounts and Terms.**

#### **A. Eligible Expenditures.**

Eligible expenditures of program funds shall be for reasonable and necessary costs as set forth in CCR §7209.5.

**B. Maximum Assistance per Assisted Unit.**

1. For a Rental Housing Development, the loan amount is limited to the sum of:
  - a. A base amount per assisted unit, as defined by §7202(f), plus
  - b. the amount per assisted unit required to reduce rents from 30 percent of 60 percent of AMI to the actual maximum restricted rent for the unit, assuming that the rent reduction will be achieved by substituting program funds for private amortized debt and calculated by the Department based on private market multifamily rental loan terms available at the time of issuance of each NOFA.

The initial base amount shall be \$95,000 per assisted unit utilizing 9 percent tax credits, \$175,000 per assisted unit utilizing 4 percent tax credits or no tax credits in a new construction project located in a “High Resource” or “Highest Resource” area on the TCAC/HCD Opportunity Map, and \$150,000 per other assisted unit utilizing 4 percent tax credits or no tax credits.

2. For a single-family new construction project, the grant amount is limited to \$150,000 per assisted unit; and
3. For owner-occupied rehabilitation, the grant amount is limited to \$75,000 per assisted unit.

**C. Maximum Project Funding Amounts.**

The loan or grant amount shall not exceed the lesser of the per unit maximum, as follows:

The total eligible costs required, when considered with other available financing and assistance, in order to complete the project, ensure the rents and housing costs for assisted units, and operate the project in compliance Program requirements; or

1. The NOFA maximum, set forth below:
  - a. Multifamily Rental Project:

Project without Low-Income Housing Tax Credits (LIHTC)		
<u>or</u> using 4 percent LIHTC:	Maximum	\$10,000,000
Project using 9 percent LIHTC:	Maximum	\$5,000,000
  - b. Single-Family Homeownership Projects: Maximum \$3,000,000
  - c. Owner-Occupied Rehabilitation: Maximum \$2,000,000

All the funds used in the development of a subdivision, following the sale of the individual lots, shall be subsequently granted in the form of mortgage write down assistance to individual agricultural worker homebuyers that meet the program requirements pursuant to CCR §7228. The program grant requested must not exceed the total that will be subsequently granted to eligible agricultural workers.

Note: The Department reserves the right to reduce the amount of funding for any given project, based upon analysis of proposed financing, the project’s need for the program loan/grant, and the amount of funding available to the program.

## **Loan Terms and Requirements.**

### **Rental Housing.**

Pursuant to CCR §7211, the term of a loan shall be 55 years commencing on the date of recordation of the program loan documents, shall bear simple interest at 3 percent per annum, and shall be evidenced by a promissory note and secured by a deed of trust.

Subordination of the Department's lien for a Rental Housing Development shall be in accordance with the Uniform Multifamily Regulations (UMR), Title 25, CCR §8315 and CCR §7230.

The limits on developer fees specified in the UMR §8312 shall apply, except that:

1. Section 8312(d) shall not apply; and
2. For projects utilizing 4 percent tax credits, developer fee payments shall not exceed the amount that may be included in project costs pursuant to CCR Title 4, §10327. In addition, the developer fee paid from development funding sources shall not exceed the following:
  - a. For acquisition and/or rehabilitation Projects or adaptive reuse projects, the lesser of the amount of developer fee in project costs or \$2 million.
  - b. For new construction projects, the base limit shall be the lesser of the amount that may be included in project costs or \$2.2 million. To arrive at the final limit on developer fee paid from development funding sources, the base limit shall then be multiplied by a ratio that is the average of: (1) the difference between two and the project's high-cost ratio, as calculated pursuant to CCR Title 4, §10317(i)(6) or successor language; and (2) 100 percent.

Loan payments are deferred for the full term of the loan, except that: (1) residual receipt payments shall be required to the extent there is available cash flow pursuant to UMR §8314; and (2) the monitoring fee described below. The uses of operating income shall be governed by UMR §8314, except that the aggregate of the developer fee paid from sources and paid as first-priority use of operating income shall not exceed \$3.5 million.

Pursuant to HSC §50517.5(2), the Department shall require annual payments to cover the costs of project monitoring. For the first 30 years of the loan term, the required payment shall be 0.42 percent of the outstanding loan principal per annum.

## **E. Grant Terms and Requirements.**

Pursuant to CCR §7226, the term of a grant shall be as follows:

1. Single-Family Homeownership Projects: 20 years commencing on the date of recordation of the Standard Agreement.

2. Owner-occupied rehabilitation: 20 years commencing on the date of execution of the Standard Agreement.

The Standard Agreement shall contain at minimum the conditions as defined CCR §7226 (b).

The Department will authorize the reconveyance of the housing development to individual agricultural households for the purpose of homeownership contingent upon the conditions as defined by CCR §7228 having been met.

Subordination of the Department's lien shall be in accordance with CCR §7230.

A grantee may terminate a Standard Agreement if the conditions of CCR §7236 have been met.

#### **IV. Application, Workshops, Review, and Appeals.**

##### **A. Application Workshops and Submission Process.**

Application forms, webinar details, and related program information are available at <http://www.hcd.ca.gov/grants-funding/active-funding/fwhg.shtml>. To receive information on webinar(s) and other updates, please subscribe to the Department's [listserv](#). Questions may be directed to [Serna@hcd.ca.gov](mailto:Serna@hcd.ca.gov).

The Department will conduct webinar(s) and provide technical assistance for this round of application submissions. For the list of webinar dates, times, and registration, please refer to the Department's website at <http://www.hcd.ca.gov/grants-funding/active-funding/fwhg.shtml>. Technical Assistance requests and webinar questions should be directed to [Serna@hcd.ca.gov](mailto:Serna@hcd.ca.gov).

Applications must meet eligibility, threshold, and application requirements upon submission of the application. It is the applicant's responsibility to ensure that the submitted application is clear, complete, and accurate.

Department staff may request clarifying information. If the Department deems the application incomplete, or it fails threshold or eligibility requirements, the applicant may correct the application, but the application will be deemed a new application received on the date of resubmission, or on last date of the NOFA application period, whichever comes first.

The Department will accept applications OTC, meaning the first complete and eligible application received will be the first to be reviewed and considered for funding.

Application materials must be submitted electronically to the Department's website. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <https://www.hcd.ca.gov/grants-funding/active-funding/lhtf.shtml>. The application instructions and submittal portal will be available beginning April 5, 2021. The Department no longer accepts hardcopy submittals of the Application Workbooks or supplemental documentation.

Applicants must upload all application materials to the Department's website no later than **11:59 p.m. Pacific Daylight Time on July 6, 2021**. The online support and technical assistance will close at 5:00 p.m. (PST), on July 6, 2021.

No late applications, incomplete applications, or facsimiles will be accepted.

## **B. Content of Applications.**

The program application shall be submitted on Department forms without alteration or modification and shall include all reports and documents specified in the application checklist.

Please note: The application package shall be submitted with all required documents and reports with tabs and labels consistent with the application checklist.

## **C. Threshold.**

At time of application, applicants must meet the following initial threshold requirements:

1. Be an eligible applicant pursuant to CCR §7205;
2. Have an eligible project pursuant to CCR §7204;
3. Have site control pursuant to CCR §7207 in the name of the applicant, or an entity controlled by the applicant, by any means set forth in [UMR 8303\(a\)](#). Where site control is in the name of another entity, documentation, which clearly demonstrates the applicant's control (i.e. the entity's organizational documents) is required. UMR 8303 notwithstanding, all forms of site control shall extend until at least four months after application submission;
4. The application is complete pursuant to CCR §7217, and UMR 8300 et seq. (if applicable), including submission of all required documents and reports; and
5. Be in good standing with the Department.
6. Market Study prepared in accordance with TCAC 2019 Market Study Guidelines if applying for Rental Housing Development Project.
7. Preliminary Title Report that is no more than six months old if applying for Rental Housing Development Project.
8. Current financial statement for nonprofit organization applicants.
9. A resolution authorizing the application for the grant with original signatures of the authorized officials of the applicant organization.
10. Pursuant to Chapter 866, statutes 2019 (AB 1783), funding is prohibited for use in housing H-2A workers. See AB 1783 (2019-2020 Reg. Sess.), effective January 1, 2020, as modified by AB 107 (2019-2020 Reg. Sess.).

Only applications meeting the initial threshold requirements will move forward to the second stage, which is financial feasibility review. Financial feasibility will include

determining if proposed projects are consistent with the program statutes and program guidelines, including underwriting and site and design criteria as outlined in CCR §7210 and UMR §8310.

Additional information may be solicited from the applicant during this process.

## **D. Appeals.**

### **1. Basis of Appeals.**

- a. Upon receipt of the Department's notice that an application has been determined to be incomplete, or it fails threshold or eligibility requirements, applicants under this NOFA may appeal such decision(s) to the Department pursuant to this section.
- b. No applicant shall have the right to appeal a decision of the Department relating to another applicant's eligibility, award, denial of award, or any other matter related thereto.
- c. The appeal process provided herein applies solely to decisions of the Department made in this program NOFA and does not apply to any decisions made with respect to any previously issued NOFAs or decisions to be made pursuant to future program NOFAs.

### **2. Appeal Process and Deadlines.**

- a. Process. In order to lodge an appeal, applicants must submit to the Department, by the deadline set forth in subsection (b) 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(s) of the application that provide clarification and substantiation for the basis of the appeal. Once the written appeal is submitted to the Department, no further information or materials will be accepted or considered thereafter.

Appeals are to be submitted to the Department either via email at [Serna@hcd.ca.gov](mailto:Serna@hcd.ca.gov) or at the following address:

California Department of Housing and Community Development  
Attn: FWHG Program Staff Appeals  
2020 W. El Camino Avenue, Suite 650  
Sacramento, California 95833

The Department will accept appeals through a carrier service that provide date stamp verification of delivery such as the U.S. Postal Service, UPS, FedEx, or other carrier services. Deliveries must be received during Department weekday (non state holiday) business hours of 9:00 a.m. to 5:00 p.m. Pacific Daylight Time. Emails to the email address listed above will be accepted so long as the email time stamp is prior to the appeal deadline.

- b. Filing deadline. Appeals must be received by the Department no later than five business days from the date of the Department's eligibility, or threshold

review determination letters representing the Department's decision made in response to the application.

### **3. Decision.**

Any request to amend the Department's decision shall be reviewed for compliance with the February 25, 2021 Notice of Guidelines, the February 26, 2021 program NOFA, and any subsequent clarifying documents such as the program responses to "Frequently Asked Questions." It is the Department's intent to render its decision in writing within 15 business days of receipt of the Applicant's written appeal. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department with respect to the appeal.

### **4. Effectiveness.**

In the event that the applicable statutes or guidelines governing the program contain an existing process for appealing decisions of the Department with respect to NOFA awards made under such programs, this section shall be inapplicable, and all appeals shall be governed by such existing authority.

## **E. Disclosure of Application.**

(Chapter 1473, [Statutes of 1968](#))

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act Statutes of 1968, Chapter 1473. As such, any materials provided will be disclosable to any person making a request under this Act. The Department cautions applicants to use discretion in providing information not specifically requested, including but not limited to, bank accounts, personal phone numbers and home addresses. By providing this information to the Department, the applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

## **V. Award Announcements and Contracts.**

### **A. Award Announcements.**

The Department will notify successful applicants (awardees) by Electronic Mail beginning in June 2021.

### **B. Contracts.**

Successful applicants (awardees) will enter into Standard Agreements with the Department. The Standard Agreement contains relevant terms and conditions for the funding of the Award, including reporting requirements. Failure to meet the terms and conditions could result in disencumbrance of funds and cancellation of the contract.

The Standard Agreement will include all the relevant state and federal requirements, as well as specific information about the Award and the work to be performed.

The Department has set a goal to deliver Standard Agreements to awardees within 90 days following the date of award announcements. To facilitate efficient processing

of Standard Agreements, awardees are strongly urged to submit organizational documents of the borrower or grantee with their application.

## **VI. Other State Requirements.**

### **A. Pet Friendly Housing Act of 2017.**

Housing funded through this program is subject to the Pet Friendly Housing Act of 2017 (HSC §50466). Each awardee will be required to submit a signed and dated certification that residents of the program-funded housing development will be authorized to own or otherwise maintain one or more common household pets as required by HSC §50466. Pursuant to this statute, “common household pet” means a domesticated animal, such as a dog or cat, commonly kept in the home for pleasure rather than for commercial purposes.

### **B. State Prevailing Wages.**

Program funds awarded under this NOFA are subject to State Prevailing Wage law as set forth in Labor Code Sections 1771, 1720-1781 and require the payment of prevailing wages unless the project meets one of the exceptions of Labor Code 1720 as determined by the Department of Industrial Relations (DIR). The DIR can be contacted via its website at: <https://www.dir.ca.gov/oprl/DPreWageDetermination.htm>. Applicants are urged to seek professional advice as to how to comply with the State Prevailing Wage Law.

### **C. Relocation.**

Both the applicant and the Department must comply with applicable Relocation Law, which is detailed pursuant to GC §7260 et seq., the CCR, Title 25, Section 6000 et seq., and if federal law is applicable (depending on project financing), 49 Code of Federal Regulations, Part 24 of the Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs (the “URA”) (collectively referred to herein forth as “Relocation” or “Relocation Law”)

Relocation Law provides important protections and assistance for displaced persons and entities affected by the acquisition, rehabilitation, or demolition of real property for government-funded projects. Relocation Law ensures that those displaced individuals and entities whose real property is acquired, or who move (even if temporarily), as a direct result of projects receiving government funds, are treated fairly and equitably, and receive assistance in moving from the property they occupy. The Department seeks to ensure that displaced persons, which includes tenants, businesses, and homeowners, do not suffer disproportionately as a result of programs designed for the benefit of the public as a whole.

At the NOFA application stage, it is too premature to conduct a detailed relocation review. At this stage, the Department only needs to confirm that relocation is properly budgeted. Due to the importance of satisfying Relocation Law, the applicant is encouraged to employ the services of a relocation consultant to procure a good faith estimate of the potential relocation cost, which may, or may not, necessitate a relocation plan. The Department has found that the services of a professional relocation consultant may save an awardee money and time in the loan process.

The importance of satisfying relocation cannot be understated. Failure to follow the relocation requirements will result in the project not being funded by the Department. Applicants cannot circumvent Relocation Law to avoid relocation payment assistance by simply not renewing leases, which is not permissible under Relocation Law. At the construction loan close stage, the Department will notify all lenders that failure to satisfy relocation, particularly the improper displacement of individuals or entities, could jeopardize Department funding.

#### **D. Housing First Practices.**

Housing First is an evidence-based model designed to permanently house an individual and make available optional supportive services to help them remain stably housed. Housing First means that housing is made available with very low barriers to entry and applicants are not rejected due to poor credit, financial history, lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of housing readiness. Supportive services providers shall also utilize Housing First principles and offer services as needed and/or requested on a voluntary basis. Housing shall not be contingent upon participation in services. Applicants will certify and document adherence to Housing First practices in the application, property management plan, and supportive services plan. Adherence to Housing First practices shall be subject to periodic compliance monitoring.

### **VII. Other Terms and Conditions.**

#### **A. Right to Modify and Suspend.**

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including without limitation, the amount of funds available hereunder.

If such an action occurs, the Department will notify all interested parties via listserv and will post the revisions to the Department's website. Subscriptions to the Department's email list are available at: [http://www.hcd.ca.gov/HCD\\_SSI/subscribe-form.html](http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html).

#### **B. Conflicts.**

In the event of any conflict between the terms of this NOFA and either applicable state or federal law or regulation, the terms of the applicable state or federal law or regulation shall control. Applicants are deemed to have fully read and understand all applicable state and federal laws, regulations and guidelines pertaining to FWHG, and understand and agree that the Department shall not be responsible for any errors or omissions in the preparation of this NOFA.