

Homekey Program

Overview



California Department of Housing and Community Development

July 24, 2020

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Agenda

- Opening Remarks
- NOFA Overview
 - Key Concepts
 - Evaluation Criteria
 - Program Requirements
 - Oversight and Reporting
 - Technical Assistance
 - CEQA and Land Use
 - Application
- Frequently Asked Questions

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Webinar Participation

- Within each section, we will provide answers to frequently asked questions.
- Submit questions/comments in the “chat” on the right side of your screen.
- At the end of our presentation, we will share and discuss comments, as time permits.
- HCD Tech Support Number: 916-823-1103.

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Opening Remarks

- Lourdes M. Castro Ramírez, Secretary, California Business, Consumer Services and Housing Agency
- Geoffrey Ross, Assistant Deputy Director, California Department of Housing and Community Development

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Homekey Program Design

- **Equity** Directed Options
 - Promote equitable access to the program via eligible uses of program funds
 - Acknowledge racial disparities exist in serving those experiencing homelessness
- **Flexibility** in the funding model
 - Create immediate housing opportunities but also allow for longer-term investments.
 - Anticipate projects will seek additional funding sources
- **Informed** program design with stakeholder input
 - HCD received 200 survey responses and conducted 30 stakeholder calls
 - Provide opportunity for a variety of local partners to apply⁵

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Summary: Homekey Program

Grant amounts:	\$600 M Grant Funds <ul style="list-style-type: none"> • \$550 million, the state's direct allocation of the federal Coronavirus Relief Fund (CRF); must be expended by grantees by December 30, 2020; and • \$50 million is state General Fund and must be expended by grantees by June 30, 2022.
Applicants:	Cities, counties, or any other Local Public Entity (alone or partner with housing development sponsor)
Target Population	Households experiencing or at risk of homelessness (24 CFR Part 578.3) and impacted by COVID19.
Technical Assistance	Requirement for Pre-Application Consultations: intended to provide the applicant with Technical Assistance and support.
Key Program Anticipated Dates:	<ul style="list-style-type: none"> • Priority application period: July 16th – August 13th • Final applications due: September 29th • Final Awards: October 2020 <p>Grantees must close escrow by the CRF expenditure deadline.</p>

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Eligible Applicants

- Cities, Counties, or other Local Public Entities, including housing authorities or federally recognized tribal governments within California (Health and Safety Code section 50079)
- “Local public entity” also includes two or more local public entities acting jointly.

FAQ: Does the local public entity need to own these properties?

Answer: The local public entity must be the lead applicant, but a development partner could be the property owner.

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Eligible Uses

1. Acquisition or rehabilitation of motels, hotels, or hostels
2. Master Leasing of properties
3. Acquisition of other sites and assets, including existing residential uses which could be converted to permanent or interim housing
4. Conversion from nonresidential to residential
5. Purchase of affordability covenants and restrictions
6. Relocation costs during rehabilitation of existing units
7. Capitalized operating subsidies for units purchased, converted or altered*

*limited to Projects awarded from the \$50 million State General Fund

FAQ: If the applicant acquires a hotel or motel, does this need to be a Project Roomkey property?

Answer: No.

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Eligible Projects

Interim or Permanent Housing Projects:

- ✓ Nonresidential structures
- ✓ Adult residential facilities
- ✓ Multifamily rental housing projects with five or more housing units
- ✓ Shared housing or scattered site housing

The list is not exhaustive. HCD will consider a variety of other forms of housing as eligible projects.

*FAQ: What if I acquire a building that is already occupied by residents?
Answer: This is allowable, but California's relocation law is applicable.*

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Geographic Distribution

Eight Geographic Regions	PIT Count	Severely Rent-burdened ELI	CRF Allocation	GF Allocation
Los Angeles County	58,936	415,970	\$161,572,217	\$14,688,383
SF Bay Area	35,028	213,910	\$91,134,470	\$8,284,952
Southern California (w/o LA)	15,360	200,095	\$55,577,540	\$5,052,504
San Joaquin Valley	10,271	105,370	\$32,987,450	\$2,998,859
Central Coast	8,439	38,395	\$20,025,927	\$1,820,539
Sacramento Area	8,381	73,780	\$25,125,077	\$2,284,098
San Diego County	8,102	94,480	\$27,690,283	\$2,517,298
Balance of State	7,254	32,140	\$17,087,036	\$1,553,367

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Homekey Project Prioritization

During the 30-day priority application period, applications will be sorted into one of two tiers.

Tier 1 - Interim and permanent housing projects that can be occupied 90 days from the time the property is acquired or leased and where permanent housing solutions are the outcome.

Tier 2 - Projects that cannot be occupied within 90 days and may take longer to reach the desired outcome.

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Maximum Grant Amounts

All Projects can request up to \$100K per door


Tier One Projects only

- Contribute 1:1 or 2:1 local match to receive an additional \$50K per door or \$100K per door.
- Max at \$350K per door.

Homekey	Applicant Contribution	Total Per Door
FIRST \$ 100,000 – ALL PROJECTS	No Match Required	\$100,000
NEXT \$ 50,000 (TIER ONE PROJECTS)	1:1, Up to \$50,000	\$200,000
NEXT \$ 50,000 (TIER ONE PROJECTS)	2:1, Up to \$100,000	\$350,000

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24-Month Operating Subsidy

- The total amount for each project requesting the 24-month operating subsidy shall not exceed \$1,000 per month per unit to address project operating deficits attributable to the Assisted Units.
- Subsidy funds must be expended by June 30, 2022.


FAQ: Is the operating subsidy part of the \$100,000-200,000 per door grant maximum?

Answer: No, the operating subsidy is in addition to the per door grant amount.

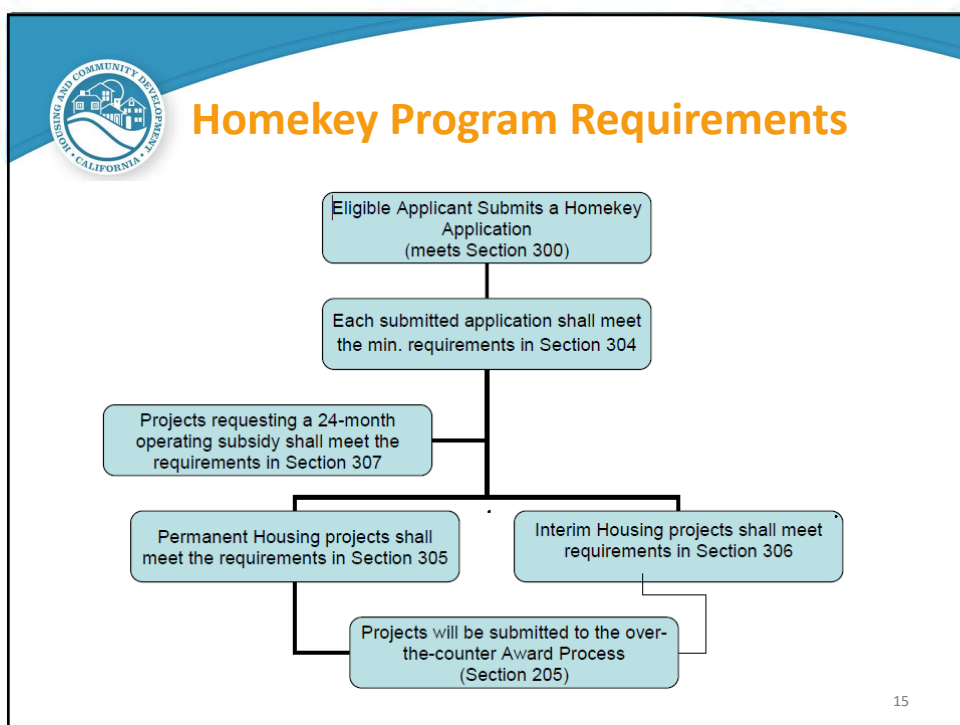
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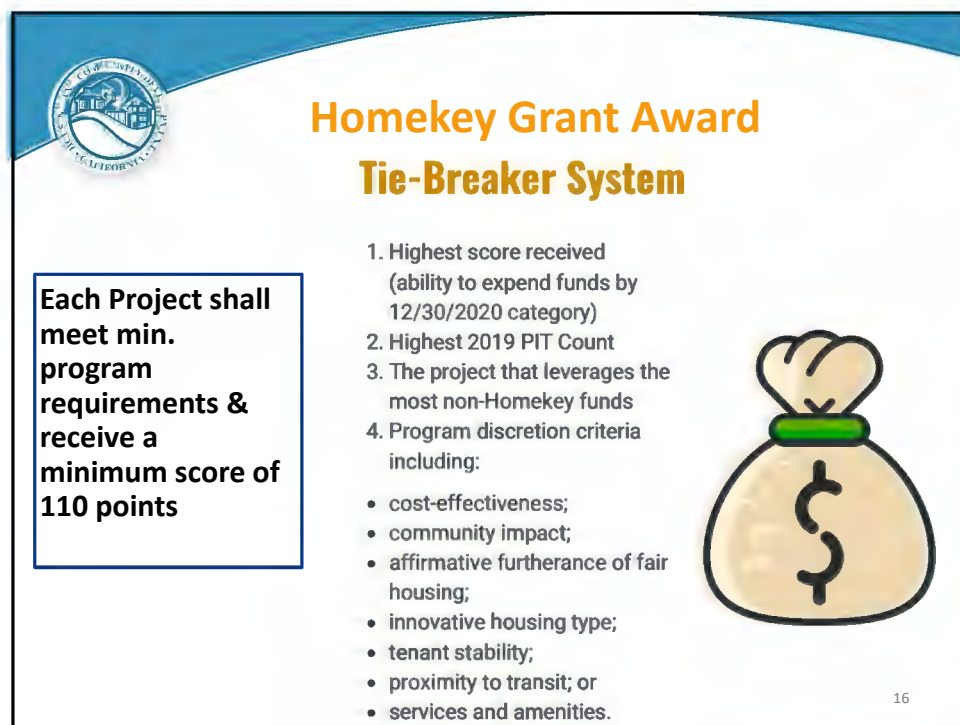
Homekey Evaluation Criteria



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Evaluation Criteria

Ability to expend funds by December 30, 2020 - (Category 1, Up to 50 pts):

- Evidence of site control, or a plan and timeline for obtaining site control – up to 20 pts
- A proposed development vision identifying the financial and regulatory mechanisms to be used to maintain the ongoing affordability of the Project - up to 20 pts
- An overview of the planned and timeline for any required entitlements, permits, environmental clearances - up to 10 points

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Evaluation Criteria

Demonstration of the development team's experience and capacity to acquire and operate the Project. (Category 2, Up to 40 pts)

- Demonstration of the development team's experience to acquire and/or rehabilitate and operate the project. (Up to 10 pts)
- A map of how the development team is connected and a description of how the team will work together. (Up to 10 pts)
- Development, ownership, or operation of a project similar in scope and size to the proposed Project. (Up to 10 pts)
- A demonstration of the range of on-site and off-site supportive services for the target population. (Up to 10 pts)

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Evaluation Criteria

Demonstration of how the Project will address racial equity, other systemic inequities, state and federal accessibility requirements, and serve the Target Population. (Category 3, Up to 25 pts)

- A description and supporting evidence of how the Project will address racial equity and inequities, including any local disproportionate impact of COVID-19 and homelessness by race and other protected classes. (Up to 15 pts)
- The extent to which the Project exceeds the state and federal accessibility requirements. (Up to 5 pts)
- Three or more years of experience serving persons of the target population. (Up to 5 pts)

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Evaluation Criteria

A demonstration of the Project's community impact and site selection. (Category 4, Up to 45 points)

- A demonstration of the Project's impact on the community by a reduction of at least 5 percent of the local 2019 Point-in-Time Count. (Up to 10 points)
- A Tier One project and requires no rehabilitation, or the rehabilitation and the occupancy can be completed within 30 days after acquisition. (Up to 10 points)
- The Project is expected to acquire and maintain 100 or more units for the target population. (Up to 5 points)
- For any Project below \$350K per door, if the Applicant contributes more than a minimum match (Up to 10 pts)
 - 1 extra point for every \$5,000 per door in match contributed

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Evaluation Criteria

A demonstration of the Project's community impact and site selection. (Category 4, Up to 45 points, cont.)

- The Project Site is located within 1/3 mile of public transit or alternate transit (up to 4 points)
- The Project Site is located in proximity (within 1/2 mile or 1 mile for projects in rural areas) to essential services:
 - Grocery store (2 points)
 - Health facility accepting Medi-Cal payments – (1 point)
 - Pharmacy (2 points)
 - A book lending public library (2 points)

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Homekey Program Requirements



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Other Program Requirements

- The purchase of existing residential units or affordability covenants and restrictions
 - Units to be restricted to the target population for no fewer than 20 years.
 - Provide a plan to cover operations and service costs for five years and the ultimate use of the site for ten years
- Master leasing projects
 - Adequate site control of the property
 - Demonstrate the range of onsite and off-site supportive services to participants
 - Provide a plan to cover operations and service costs for five years and the ultimate use of the site for ten years
- Match
 - Five-year commitment to provide operating funds for the proposed Project.

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Other Program Requirements

- Housing First
 - Comply with core components upon occupancy
- Article 34
 - Not applicable for projects awarded with CRF funds
- Funds are subject to the State Prevailing Wage

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Other Program Requirements

- Accessibility and Non-Discrimination
 - Compliance with the tenant screening and affirmative marketing requirements contained in the Americans with Disabilities Act, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act.
 - California and Federal accessibility requirements set forth in California Building Code Chapter 11A and 11B, the Americans with Disabilities Act, Title II and Uniform Federal Accessibility Standards (UFAS) standards.
 - Providing a minimum of 5 percent of units with features accessible to persons with mobility disabilities and a minimum of 2 percent of units with features accessible to persons with hearing or vision disabilities

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Reporting Requirements and Oversight

- Grantees will be required to provide:
 - Progress reports of the development plan
 - Any updates or substantial changes to the timeline.
 - Reporting data outlined in Section 402
- HCD will disburse funds to cover critical expenditures incurred from March 1, 2020 to December 30, 2020.

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Technical Assistance



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Pre-application Consultation

- Required **prior** to submitting application
- Only **eligible applicants** can request these consultations
- Email Homekey@hcd.ca.gov – short intake survey
- Assist in an expedited review of the application
- Discuss eligible applicant's:
 - Status and consideration of activities
 - As needed, guidance and state support of proposed activities
- Identify Technical Assistance next steps
- Current requests/scheduling

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Technical Assistance

NOFA or Application Requirement	Services provided, include:
General requirements, documentation	General NOFA and application overview
Funding Considerations	Strategic advising and braiding funds
Data, research and Analysis	Site, Neighborhood and Risk Data, or related maps
Land Use Conformity / Entitlements / Planning connections (Housing Elements or APR)/ CEQA	Strategic advising
Fair Housing and Equity	Data, analysis and integration of equity strategies
Real property services	The Department of General Services (DGS) provides centralized services to state departments including real estate due diligence, property acquisitions and sales, environmental reviews, hazardous materials surveys and remediation, design, construction project management, and inspections. DGS can provide counsel, advice, or similar services for local governments in support of their own acquisitions, upon request.
Wage and Labor Requirements	Skilled and Trained Workforce Requirements, Apprenticeship Programs, Local Prevailing Wage Requirements
Continuum of Care Support	Coordinated entry and other TA to COC

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FAQs

- FAQ document - coming soon!
 - <https://www.hcd.ca.gov/grants-funding/active-funding/Homekey.shtml#tta>
- Regular updates
- Open to other types of support

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CEQA and Land Use Exemptions



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CEQA Exemption Requirements

Homekey project must satisfy a number of requirements to use this exemption:

- Unit acquisition must be paid for exclusively with public funds;
- Any rehabilitation and construction must use a skilled and trained workforce;
- The project must provide housing to persons experiencing or at risk of homelessness; and
- The project must not increase the original footprint of the project by more than 10%.

Source: Health & Safety Code 50675.1.2

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CEQA Exemption's Short Life

- The Homekey CEQA exemption expires July 1, 2021.
- The exemption applies to the entire project, including future phases of the project.
- A technical advisory has been prepared to help you understand the exemption and potential best practices for taking the full advantage of the exemption.
 - "CEQA Streamlining Question and Answer"

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Land Use Streamlining

All Homekey projects are--

- "deemed consistent and in conformity with any applicable local plan, standard, or requirement"
- "allowed as a permitted use, within the zone in which the structure is located" and
- "shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals."

Source: Health & Safety Code 50675.1.1(g)

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Application Process



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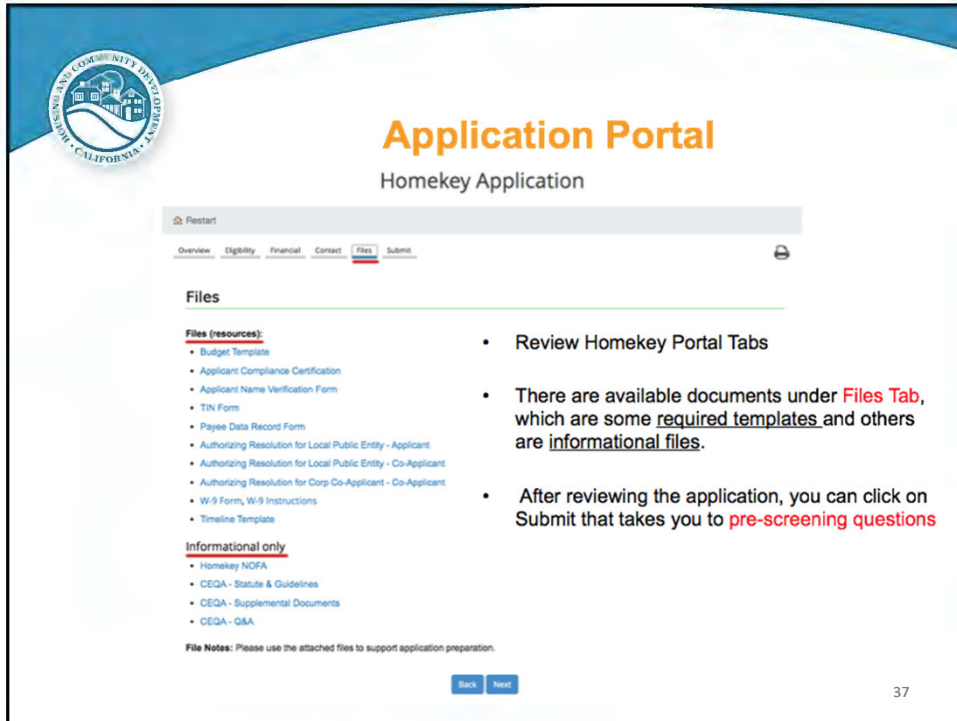
Online Submission

Content:

- a) Viewing/Reading Homekey Application Portal Tabs
- b) Pre-reviewing Application Sections Before Starting your Submission
(There is no option to save an incomplete application and come back to complete and submit)
- c) Identifying Required Documents (some required documents are templates available on files tab and some should be provided by applicant as supporting files)
- d) Providing Required Documents (Prepare them ahead of time)
- e) Completing Submission Process (The system doesn't let you move to the next page if there is any missing required item)
- f) Printing your Application Submission (Failure in printing your application means you need to start over in terms of making a modification/updating)

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Application Portal
Homekey Application

Restart

Overview Eligibility Financial Contact **Files** Submit

Files

Files (resources):

- Budget Template
- Applicant Compliance Certification
- Applicant Name Verification Form
- TIN Form
- Payee Data Record Form
- Authorizing Resolution for Local Public Entity - Applicant
- Authorizing Resolution for Local Public Entity - Co-Applicant
- Authorizing Resolution for Corp Co-Applicant - Co-Applicant
- W-9 Form, W-9 Instructions
- Timeline Template

Informational only

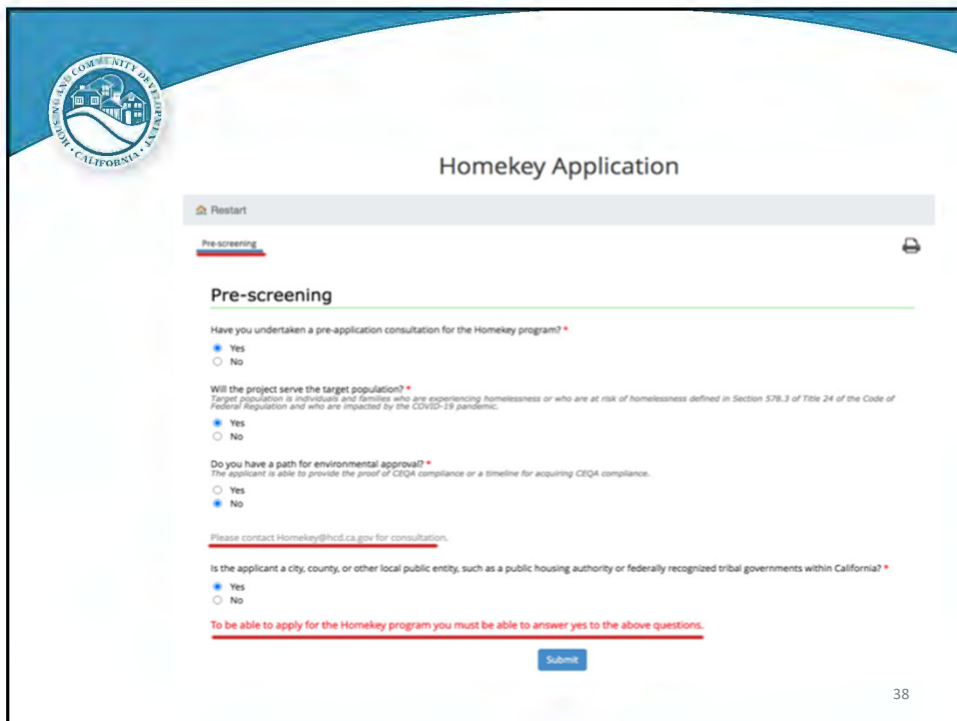
- Homekey NOFA
- CEQA - Statute & Guidelines
- CEQA - Supplemental Documents
- CEQA - Q&A

File Notes: Please use the attached files to support application preparation.

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Homekey Application

Restart

Pre-screening

Pre-screening

Have you undertaken a pre-application consultation for the Homekey program? *

☒ Yes
☐ No

Will the project serve the target population? *

Target population is individuals and families who are experiencing homelessness or who are at risk of homelessness defined in Section 578.3 of Title 24 of the Code of Federal Regulation and who are impacted by the COVID-19 pandemic.

☒ Yes
☐ No

Do you have a path for environmental approval? *

The applicant is able to provide the proof of CEQA compliance or a timeline for acquiring CEQA compliance.

☐ Yes
☒ No

Please contact Homekey@hcd.ca.gov for consultation.

Is the applicant a city, county, or other local public entity, such as a public housing authority or federally recognized tribal governments within California? *

☒ Yes
☐ No

To be able to apply for the Homekey program you must be able to answer yes to the above questions.

Submit

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Required Steps

Application Title:

- Provide the title of your project

Number of Applicant/Co-applicant:

- Clarify **if you have Co-applicant** and who is the primary Applicant

Contacts:

- Then identify **primary contact** for each applicant in the contact section
- Provide the **Legislative contacts** in the next section through the dropdown windows

Pre-screening Application **Contacts** Legislative Contacts Projects Sites Project Evaluation Environmental Requirements Budget Worksheet
 Duplication of Benefits Additional Information Applicant Compliance Certification Print and Submit

Application

Application Title *


Please, type the title of your project.

Is the applicant: *

☒ Single applicant

☐ Co-applicants/Partnership

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Project

Geographical Location:

- Geographical location** is auto populated based on the entered project address.

Project:

- Identify **project type** and project **benefit type/s** (permanent housing or interim housing)

Escrow Information:

- Provide **escrow information** if it is available now

Pre-screening Application **Contacts** Legislative Contacts **Projects** Sites Project Evaluation Environmental Requirements Budget Worksheet
 Duplication of Benefits Additional Information Applicant Compliance Certification Print and Submit

Geographical Location

The geographical location is automatically determined based on the primary Applicant address.

Geographical Location

Project Type


Please select project types below according to requirements of eligible projects outlined in the HOPA. The below list of eligible Projects is not exhaustive. The Department will consider a variety of other forms of housing as eligible Projects. Interested applicants should discuss other projects types with the Department during the pre-application consultation. *

Project Benefit Type(s) and number of beneficiaries of this activity

Indicate project benefit type(s) *

Permanent Housing (see HOPA section-305 for requirements)
 Interim Housing (with no plan for conversion to permanent housing or no coordinated exit strategy to permanent housing (see HOPA section-305 for requirements))
 This field is required

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Site/Readiness

Number of Site/s:

- Identify **number of site/s** considered for this project
- Provide the **evidence of site control** or a plan for obtaining site control

Site Address/es:

- Add **site address** for each site separately
- Identify **proposed activity** for each site
- Describe the activity** according to the provided instruction

Pre-screening Application Contacts Legislative Contacts Project **Sites** Project Production Environmental Requirements

Budget Worksheet Duplication of Benefits Additional Information Applicant Compliance Certification Print and Submit

Site and Readiness

How many sites are part of your project?

This field is required

Does the applicant have Evidence of Site Control?

Select one of the applied choices


☐ Yes

☐ No

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Project Evaluation

Evaluation Criteria/Requirements:

- You need to provide **answers to all questions** in this section, however some question do not show any allocated points.
- Provide **supporting documents** for questions with file attachment options
- Pay attention to possible **sub-questions** and dropdown options
- Some question are **auto-populated**; for instance: Q6-A that is linked to your selected site control evidence

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Pre-screening Application Contacts Legislative Contacts Projects Sites **Project Evaluation** Environmental Requirements Budget Worksheet

Duplication of Benefits Additional Information Applicant Compliance Certification **Print and Submit**

Project Evaluation

This evaluation applies to the applicant and/or the development team.

- Does the applicant have experience in acquiring and managing affordable housing? *
 - ☐ Yes
 - ☐ No
 - The field is required*
- Does the applicant have committed and intended sources for Homekey? *
 - ☐ Yes
 - ☐ No
 - The field is required*
- Does the applicant have the corresponding capital match? *

The first \$150K per door of capital requires no match; the next \$50K per door of capital requires a 1:1 match; the final \$50K per door of capital requires 2:1 match.

 - ☐ Yes
 - ☐ No
 - The field is required*
- Does the applicant intend to apply for the 24 month operating subsidy? *

These dollars need to be expended by June 30, 2022.

 - ☐ Yes
 - ☐ No
 - The field is required*
- Does the applicant have the remainder of the required contribution to demonstrate a five-year match in operating costs? *
 - ☐ Yes
 - ☐ No
 - The field is required*

6. Ability to expend funds by December 30, 2020. (Up to 50 points)

A - Identification of a site suitable for development and evidence of site control, or a plan and timeline for obtaining site control along with other supporting evidence (e.g., letter of intent, an exclusive negotiating agreement, ground lease, etc.)


The applicant has submitted (Up to 20 points)
Plan and timeline for obtaining site control

B - A proposed development vision that identifies the financial and for regulatory mechanisms to be used to maintain the ongoing affordability of the Project.

Does the applicant have a proposed development vision identifying the financial and regulatory mechanisms to be used to maintain the ongoing affordability of the project? (Up to 30 points) *

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Print and Submit

Print:

- Print your application by clicking the **Printer icon** located on the top right corner of the window
- Failure to print** means that you **cannot update your application** and instead a new application has to be submitted.

Submit:

You cannot submit the application if there is any missing required item/s (answer or supporting document)

- When you submit your application (and if you print the application) you will see an **application update** option under Submit tab in the portal.

Pre-screening Application Contacts Legislative Contacts Projects Sites **Project Evaluation** Environmental Requirements Budget Worksheet

Duplication of Benefits Additional Information Applicant Compliance Certification **Print and Submit**

You must print your application.

If you do not print your application you cannot update your application. **Failure to print means that a new application has to be submitted.**

You can print your application by clicking the **PRINTER** icon located on the top right corner of this window. Once the new tab opens you can use the **PRINT** function of your browser.

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Questions



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FAQ: Interim and Tiering

FAQ: Do all interim housing applications fit within Tier One?

Answer: No. Tier 1 projects are those which can be occupied 90 days from the time the property is acquired or leased and where permanent housing solutions are the outcome. Interim and permanent housing with new units, including conversion of non-residential structures to residential uses will be considered in Tier 1.

Likewise, we fully recognize that interim housing is a viable project type, so long as it has exits to permanent housing

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FAQ: Permanent Housing

FAQ: In the NOFA, does Permanent housing mean Permanent Supportive Housing (PSH)?

Answer: No. Permanent housing in Homekey means households will have leases in a services-connected setting. While we welcome PSH applications, we understand that some acquisitions are not ready to be converted to provide PSH immediately.

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Other Questions?

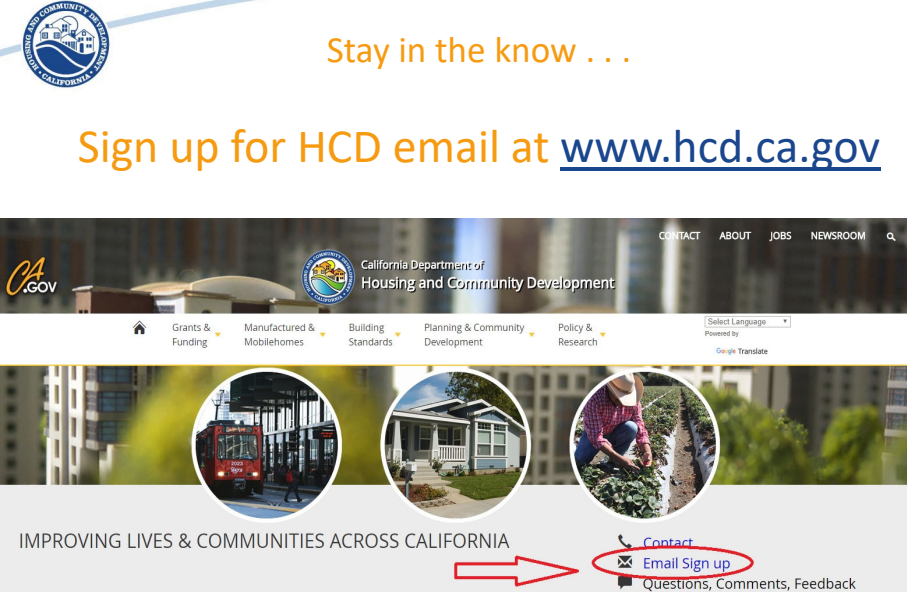
Today, from the chat...

After today

- FAQs posted on HCD website next week.
- Homekey@hcd.ca.gov

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Contact
Email Sign up
Questions, Comments, Feedback

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Email us at Homekey@HCD.CA.GOV

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