



2023/2024 Disaster Recovery Multifamily Housing Program (DR-MHP)

NOFA Frequently Asked Questions

This document represents the most frequently asked questions received during the Application webinars held September 23, 2025 and September 24, 2025, and those sent to the DR-MHP email inbox, DR-MHP@hcd.ca.gov through November 5, 2025.

1. **Are 1:1 consultations available to Sponsor/Applicant entities before the application deadline?**

Please send an email to DR-MHP@hcd.ca.gov to schedule a consultation.

2. **Can public agencies that also have development arms apply?**

Yes, provided the “development arm” meets the definition of Eligible Applicant. Eligible Applicants for DR-MHP Projects include nonprofit and for-profit Developers and Tribal Entities.

3. **Does Build America Buy America (BABA) apply to the 2023/2024 DR-MHP funding?**

No. Pursuant to [Notice CPD-25-01](#) “CPD Implementation Guidance for the Build America, Buy America Act’s Buy America Preference” Section IV, BABA does not apply to Community Development Block Grant – Disaster Recovery Funds (CDBG-DR). However, Applicants are cautioned that other federal financial assistance to the project may trigger BABA requirements.

4. **Is there any flexibility to the “Project Construction Start” of September 2026 referenced in the timeline, and the 180 calendar days from the date of award to complete construction loan closing?**

The Application Threshold Requirements listed in NOFA Section II.C. indicate “The application must demonstrate that the proposed Project is able to start construction within 180 calendar days of award of DR-MHP funds pursuant to Section 2.3.3 of the DR-MHP Policy.”

NOFA Section I.D specifies that “Awarded projects shall have 180 calendar days from the date of award to complete construction loan closing before the DR-MHP award expires. The Department, at its sole and absolute discretion, may grant an extension to the award for circumstances outside the control of the Applicant. Failure to meet this construction readiness requirement may result in the application of Negative Points to the Applicant and/or Sponsors, per the Department’s Negative Point Policy (Administrative Notice Number 2022-01) amended April 3, 2023.”

The NOFA requires projects to be able to start construction within 180 days of receiving an award.

5. **When does HCD anticipate announcing awards?**



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HCD anticipates making awards on or around February 2026.

6. **Do these funds trigger a National Environmental Policy Act (NEPA) review? Is the original source federal?**

Yes. NOFA Section I.A indicates Community Development Block Grant Disaster Recovery (CDBG-DR) funds are federal funding appropriated by Congress and distributed by the U.S. Department of Housing and Urban Development (HUD) to HCD to support long-term recovery efforts in California following Presidentially declared wildfire disasters (FEMA DR-4699 and DR4758). Please refer to section 2.16 of the DR-MHP Policy for specific requirements pertaining to NEPA.

7. **Do you require an appraisal if we already own the land?**

The Applicant must submit an Appraisal and a Market Study with their application pursuant to Section 2.7 of the DR-MHP Policy.

8. **For the appraisal, can we use an appraisal from within 120 days of the signing of a purchase and sale agreement being executed?**

The Department will accept appraisals dated within one year of the Application due date stated in the NOFA.

9. **Can projects apply for a Capitalized Operating Subsidy Reserve (COSR) through this NOFA?**

No. Section II.G of the NOFA and Section 2.5 of the DR-MHP Policy indicate that any type of reserve costs are not eligible uses of CDBG-DR funds under this NOFA.

10. **We are considering designating 10 percent of our units as project-based HUD-VASH units to be occupied by homeless veterans, many of whom have disabilities. Would homeless veterans qualify as a Special Needs population?**

Section 1.3 of the DR-MHP Policy defines Special Needs or Special Needs Populations. Special Needs or Special Needs Population(s) means one or more of the following groups who need Supportive Services to maintain and stabilize their housing: (1) people with disabilities; (2) At Risk of Homelessness, as defined in 24 CFR Part 578.3; (3) individuals with substance use disorders; (4) frequent users of public health or mental health services, as identified by a public health or mental health agency; (5) individuals who are fleeing domestic violence, sexual assault, and human trafficking; (6) individuals who are experiencing Homelessness and individuals experiencing Chronic Homelessness as defined under the federal Continuum of Care Program at 24 CFR Part 578.3; (7) homeless youth as defined in Government Code Section 12957, subdivision (e)(2); (8) families in the child welfare system for whom the absence of housing is a barrier to family reunification, as certified by a county; (9) individuals exiting from institutional settings or at risk of placement in an institutional setting; (10)



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Older Adults in Need of Supportive Services; or (11) other specific groups with unique housing needs as determined by the Department.

Special Needs Populations does not include “seniors or veterans” unless they otherwise qualify as a “Special Needs Population” as required by other statutory laws.

11. **One of the listed ineligible project costs is “Reimbursement of Sponsor’s capital investment or prepaid expenses.” What does this mean? Would this include all our prepaid architectural and engineering?**

Reimbursement of Sponsor’s capital investment or prepaid expenses is listed among the ineligible costs in Section II.G of the NOFA and Section 2.5 of the DR-MHP Policy. To be considered, the Department would need to perform an in-depth analysis of the eligibility of any pre-paid expenses that would otherwise qualify as eligible uses of funds (e.g., architectural and engineering costs) as part of the project feasibility underwriting during the application review stage.

12. **Is 2023/2024 DR-MHP subject to the 0.42 percent annual mandatory payment?**

Yes. The 2023/2024 Disaster Recovery Multifamily Housing Program Policies and Procedures Manual for the 2023/2024 NOFA (DR-MHP Policy) Section 2.10.2 (Interest Rate and Loan Repayments) and the 2023/2024 Notice of Funding Availability (2023/2024 NOFA) Section E set forth monitoring fee repayment requirements for the program.

13. **Do you have an example of an acceptable Marketing Plan, especially as it relates to have an example of how you would like this prioritization to be stated, please provide it for us.**

HCD's Housing Policy Division provides guidance to help local jurisdiction and developers comply with State Affirmatively Furthering Fair Housing requirement. Please visit our website for information regarding compliance with these laws.

14. **When will you provide a checklist of items needed for the application?**

The document upload checklist is included in the NOFA Application Workbook that was posted to our website on October 10, 2025.

15. **Will there be a future CDBG DR NOFA after the 2023/2024 awards are announced?**

HCD is in constant collaboration with HUD to communicate any and all unmet needs from the disasters. If and when any additional resources become available, HCD will publish an Action Plan Amendment detailing the uses and programs that will be funded.

Please refer to the Discovery Recovery & Mitigation Action Plans and Federal Register



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Notices page for updates: <https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notices-frns>.