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June 19, 2026

MEMORANDUM FOR: HCD Pipeline Project Sponsors

FROM: Jenny Cho, Deputy Director
Division of Federal Financial Assistance

SUBJECT: **Community Development Block Grant - Disaster Recovery Multifamily Housing Accelerator Round Two Project Solicitation and Program Policies and Procedures**

The California Department of Housing and Community Development (Department or HCD) is announcing the release of this Disaster Recovery Multifamily Housing Accelerator (DR-ACCEL) Round Two Project Solicitation in the amount of $63,629,664 in Community Development Block Grant - Disaster Recovery (CDBG-DR) funding.

CDBG-DR funding was appropriated by Congress and distributed to the State by the U.S. Department of Housing and Urban Development (HUD) to aid in the long-term recovery efforts in California following a presidentially-declared flood disaster FEMA DR-4683 in 2023. The Department's 2023 CDBG-DR Action Plan (Action Plan) established the DR-ACCEL Program as one of the eligible uses of the CDBG-DR funds. The Action Plan was approved by HUD on July 15, 2024.

On May 27, 2025, HUD published an Allocation Announcement Notice in the Federal Register, Vol 90, (90 FR 21328) providing additional funds for FEMA DR-4683 pursuant to the Disaster Relief Supplemental Appropriations Act, 2025 (Division B of Public Law 118-158). The Department's 2023 CDBG-DR Action Plan (Action Plan) Amendment 2 (APA2) allocates funds for this DR-ACCEL Round Two Project Solicitation.

This DR-ACCEL Round Two Project Solicitation and Policies and Procedures document establishes policies and procedures for the use of funds to support shovel-ready projects that, despite having an existing HCD Loan Commitment from one or more HCD loan programs, are unable to move forward due to funding gaps.

A. Background

The purpose of DR-ACCEL is to address projects with funding gaps so they may move into construction. Funding available under this Project Solicitation is derived from CDBG-DR funds. No bond sale or similar financial arrangements are involved.

HUD requires that 80 percent of CDBG-DR funding be spent within areas designated as Most Impacted and Distressed (MID areas). HCD will spend 100 percent of the 2023 DR Allocation, including the mitigation set-aside, in the HUD MID areas for DR-4683. Data sources relating to these MID counties are further explained in the Unmet Needs Assessment section of the Action Plan. Low-and-moderate income (LMI) renters receive the least amount of resources after disasters yet face the largest need for housing. The housing programs were allocated based on data from Disaster Case Manager Providers (DCMPs). Based on data provided by DCMPs, the largest group of LMI populations impacted by DR-4683 are renters, who plan on continuing renting.

The following counties constitute the MID areas for DR-4683: Merced, Santa Cruz, San Joaquin, San Luis Obispo, and Ventura. Data sources relating to these MID counties are further explained in the Unmet Needs Assessment section of the Action Plan.

One of the prioritization criteria is distance to DR-4683 flooded areas. Projects closest to DR-4683 and not in 100-year flood plain areas will receive more points for this program.

B. Eligibility

Eligibility under this Project Solicitation is limited to projects that have an Existing HCD Loan Commitment of a direct loan from at least one of the HCD multifamily housing programs specified in Section II(A)(1), and provide evidence satisfactory to HCD that, with a DR-ACCEL award, the Project will be able to start construction within 180 days of award.

Please refer to Section II Program Requirements for complete information on eligible applicants and projects.

C. Application Submittal and Award Timeframes

DR-ACCEL applications will be accepted via the Department's online program portal beginning June 19, 2026 and ending July 03, 2026. All application materials **must be submitted electronically** via the Program Portal on the Department's website no later than **4:00 p.m. Pacific Standard Time on July 03, 2026.** Specific submittal instructions will be included in the application form, which is expected to be available on the website no later than June 19, 2026. Personal deliveries will not be accepted. No facsimiles, late submittals, incomplete applications, application revisions, courier deliveries, or walk-in application packages will be accepted.

D. Technical Assistance

The Department will conduct a pre-application conference call with eligible applicants. The DR-ACCEL application and pre-application conference call details will be posted on the Department's website at https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/disaster-recovery-multifamily-housing-program-dr-mhp. If you have any questions, please email DR-MHP@hcd.ca.gov.

NOTE: This Solicitation was revised on November 2, 2026 to insert the option for a 20-year forgivable loan in section II.F.3.

Community Development Block Grant - Disaster Recovery

Multifamily Housing Accelerator Round Two

Project Solicitation and Policies and Procedures

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CDBG-DR Multifamily Housing Accelerator
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I. Overview

A. Funding Available

The California Department of Housing and Community Development (Department or HCD) is announcing the availability of $63,629,664 for the DR-ACCEL Round Two Project Solicitation. This Project Solicitation and Policies and Procedures document establishes policies and procedures for the use of funds to support shovel-ready multifamily new construction projects that, despite having received one or more program direct loan awards from specified HCD multifamily loan programs, are unable to move forward due to funding gaps.

Community Development Block Grant – Disaster Recovery (CDBG-DR) funding was appropriated by Congress and distributed to the State by the U.S. Department of Housing and Urban Development (HUD) to aid in the long-term recovery efforts in California following FEMA DR-4683, a presidentially-declared flood disaster.

B. DR-ACCEL Timeline

DR-ACCEL Timeline	
Threshold Application Release	May 1, 2026
Threshold Application Due	May 12, 2026
Letter of Intent to Award	May 2026
Project Solicitation Release	June 19, 2026
Full Application Release	June 19, 2026
Full Application Due Date	July 3, 2026
Award Announcements	August 2026
Standard Agreement Execution	February 2027
Commencement of Construction	March 2027
Construction End	October 2029 (30 Months)
Lease-Up	January 2029
Permanent Conversion	April 2030
Project Closeout	May 2030
DR23 Grant Closeout	July 15, 2030

C. Authorizing Legislation and Applicable Law

CDBG-DR funds for FEMA DR-4683 were appropriated by Congress through the Disaster Relief Supplemental Appropriations Act, 2023 (Division B of Public Law 117-43) and remaining funding made available through Public Law 117-32. This CDBG-DR funding was provided to the Department under FEMA DR-4683, pursuant to Federal Register, Vol. 88, (88 FR 82982) published November 27, 2023. The Department's 2023 CDBG-DR Action Plan (Action Plan) established DR-ACCEL as one of the eligible uses of the CDBG-DR funds. The Action Plan was approved by HUD on July 15, 2024.

On May 27, 2025, HUD published an Allocation Announcement Notice in the Federal Register, Vol 90, (90 FR 21328) providing additional funds for FEMA DR-4683 pursuant to the Disaster Relief Supplemental Appropriations Act, 2025 (Division B of Public Law 118-158). The Department's 2023 CDBG-DR Action Plan (Action Plan) Amendment 2 (APA2) allocates $63,629,664 for this DR-ACCEL Round Two Project Solicitation.

This DR-ACCEL Round Two Project Solicitation serves as the Department's policies and procedures for administration of the DR-ACCEL Round Two program. As such, the Project Solicitation and Policies and Procedures (collectively, Project Solicitation) establishes the terms, conditions, forms, procedures, and other mechanisms that the Department deems necessary to exercise its powers and to perform its duties pursuant to the Action Plan.

Any DR-ACCEL awards will tie into the Existing HCD Loan Commitment. Therefore, the regulations, guidelines, and other terms of the Existing HCD Loan Commitment shall govern the Project's recorded regulatory agreement and other loan documents. DR-ACCEL-specific terms, conditions, and restrictions will be expressly incorporated into the Existing HCD Loan Commitment's loan documents. DR-ACCEL-specific terms and conditions will be memorialized in either a DR-ACCEL Standard Agreement or in the Standard Agreement for the Existing HCD Loan Commitment.

HCD is solely responsible for making awards to successful applicants, facilitating execution of appropriate agreements including regulatory agreements to restrict DR-ACCEL units within a project for a period of not less than 55-years, and overseeing compliance with all requirements of the DR-ACCEL Round Two Project Solicitation.

HCD reserves the right to amend, modify, or rescind this Project Solicitation or adjust the amount of funds offered herein in its sole and absolute discretion. The Department will only amend this Project Solicitation as necessary and in accordance with the DR23 Action Plan.

II. Program Requirements

A. Eligible Project

To be eligible for a DR-ACCEL award, the Project must have received an award letter from a qualifying multifamily housing loan program that is directly administered by the Department. Such award shall have been issued on or before the closing date for the DR-ACCEL round two threshold application, and the award must not have expired, or been terminated, disencumbered, or otherwise held to be void.

1. Qualifying HCD funding programs include the following:

- Affordable Housing and Sustainable Communities Program (loan only)
- HOME Investment Partnerships Program (loan only)
- HOME Investment Partnerships Program – American Rescue Plan (loan only)
- Housing for a Healthy California Program (loan only)
- Joe Serna, Jr. Farmworker Housing Multifamily New Construction (loan only)
- Multifamily Housing Program
- National Housing Trust Fund (loan only)
- Supportive Housing Multifamily Housing Program
- Transit-Oriented Development Implementation Program (loan only)
- Veterans Housing and Homelessness Prevention Program

No Place Like Home (NPLH) funded projects do not qualify for an award under DR-ACCEL, unless the NPLH award is a loan that is administered by the Department. NPLH awards administered by entities other than the Department are not eligible for an award under DR-ACCEL, unless the project also receives a loan award from one of the other qualifying HCD funding programs identified in this Project Solicitation.

Homekey funded projects do not qualify for an award under DR-ACCEL, unless they have a program award from another qualifying HCD program.

2. It is the duty and responsibility of each Applicant to review the provisions, requirements, and limitations of all funding sources applied for and obtained for a particular project, program, or activity to ensure that each and every requirement of those funding sources is compatible with all program requirements and restrictions. Incompatibility of funding sources will result in the denial or cancellation of an award, or may result in the placement of conditions or limitations on an award, all as determined by the Department in its sole and absolute discretion.

3. In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a National Objective. For DR-ACCEL, all projects will meet the Low- to Moderate-Income (LMI) National Objective. While proposed projects may be mixed-income, CDBG-DR funds will only be applied to the affordable units

restricted for occupancy by LMI households.

B. Eligible Applicants

All DR-ACCEL applications must be submitted by and include all Sponsors and Applicants associated with the Existing HCD Loan Commitment.

C. Eligible Uses of Funds and Project Costs

HCD's costs to implement DR-ACCEL are eligible Activity Delivery costs, including staff time and consultant charges.

DR-ACCEL funds shall be used to pay the lenders on the project (e.g., construction lender) at permanent conversion for the following documented DR-ACCEL Eligible Project costs incurred by Sponsors:

- Property acquisition costs;
- Architectural, appraisal, engineering, environmental, legal and other consulting costs, and fees, which are directly related to the planning and execution of the Project and which are incurred through third-party contracts;
- Escrow, title insurance, recording and other related costs;
- Building permits, and state and local fees;
- Local development impact fees;
- Developer fees, as set forth in the UMR;
- Mobilization, demolition, site prep, and clean up;
- Interest and financing costs;
- Residential construction costs; and
- Onsite improvements related to the Project.

Ineligible Project costs for Sponsors include, but are not limited to:

- Costs incurred between the date of application and environmental clearance (e.g., Authority to Use Grant Funds) that constitute an adverse environmental impact or that limit the choice of reasonable alternatives pursuant to 24 CFR 58.22(a);
- Application development costs;
- Advances of any type, including construction;
- Facility operating or maintenance expenses;
- Furnishings;
- Reserves and contingencies;
- Offsite Improvements, except where the improvement is contiguously

adjacent to the Project parcel and serves the housing.

- Construction or any other costs related to any non-residential component of the Project, except as otherwise approved on a case-by-case basis by the Department; and
- Reimbursement of Sponsor's capital investment or prepaid expenses.

HCD reserves the right in its sole and absolute discretion to approve or deny the applicability and eligibility of costs on a per-application basis depending on the specific needs of the Project. HCD requires that construction costs are reasonable and consistent with current market costs for the area where the multifamily construction will take place. The Department will require verification of no Duplication of Benefits in accord with DR-ACCEL requirements. The Department reserves the right to disallow costs that do not constitute reasonable project costs, as determined by the Department in its sole and absolute discretion. All costs must be eligible, reasonable, and necessary.

Additionally, HCD will not allow capitalized reserves in excess of those approved in connection with the Existing HCD Loan Commitment, nor local agency fees or payments that would only have been required if bonds were issued or that were not shown in the application for the Existing HCD Loan Commitment. HCD reserves the right, consistent with applicable law, to require prior written approval from HCD for all reserve withdrawals, whether the reserve was required by HCD or not. DR-ACCEL funds may not be used to fund capitalized reserves.

D. Limits on financing and unit mix changes

DR-ACCEL funds are not intended to supplant local public agency funds. Accordingly, any local agency resources shown as committed in the applications for any Existing HCD Loan Commitments must be included in the financing proposed in the DR-ACCEL application at the same or higher level of funding as previously identified. This includes sites provided at below market-rate cost as well as funds.

Similarly, DR-ACCEL funds are not intended to supplant Performing Debt. The amount and terms of Performing Debt shown in the DR-ACCEL application must generally remain the same or be higher and more restrictive than the amount and terms shown in previous HCD applications unless there are extenuating circumstances that are clearly explained in writing by the Applicant and agreed to in writing by HCD in its sole and absolute discretion. Requests for reducing Performing Debt or the term of the Performing Debt will be reviewed on a case-by-case basis and are not a guaranteed approval. Reduced principal loan amounts of Performing Debt must include a corresponding reduced amount in the development budget.

The Department requires unit mixes (number of units at various AMI levels and bedroom counts) to remain substantially the same as shown in the most recent

Department application.

E. Threshold application requirements

1. Proposed project must have received an award letter on or before the closing date for the DR-ACCEL round two threshold application from a qualifying multifamily housing loan program listed in Section II.A.1 of this document, directly administered by the Department, and the award must not have expired, or been terminated, disencumbered, or otherwise held to be void.

2. The proposed project must be located in a MID area, as designated in DR-4683.

DR-4683 MID Counties		
Merced	San Joaquin	Santa Cruz
San Luis Obispo	Ventura	

3. Project shall not have Commenced Construction.

4. Compliance with the requirements specified in this Project Solicitation.

5. Timely submittal of a complete DR-ACCEL application, using unaltered application forms and including uploading any required attachments.

6. Each private entity Applicant shall submit an authorizing resolution that, in the Department's reasonable determination, materially comports with the DR-ACCEL requirements and is legally sufficient. In addition, each private entity Applicant shall submit a complete set of its organizational documents (and all amendments thereto).

7. Private entity Applicants and all Sponsors must be qualified to do business in, and in good standing with, all agencies, departments, and instrumentalities of the State of California, including but not limited to the California Secretary of State.

8. The proposed project must demonstrate financial feasibility for the 20-year or 55-year DR-ACCEL loan term.

9. The project must comply with all applicable federal cross-cutting requirements, including but not limited to, prevailing wages, Section 3, and environmental review.

10. If located in a floodplain, the project must meet the CDBG-DR elevation requirements and maintain flood insurance into perpetuity.

11. Projects may not be located in the floodway.

F. Funding Amounts and Terms

1. Funds Available

The maximum amount of DR-ACCEL funds available under this Project Solicitation is $63,629,664. HCD reserves the right to adjust the amount of funds available hereunder, or the amount of any specific project funding, at any time without prior notice.

2. Application evaluation process

The application review process consists of three phases: 1) initial threshold application review; 2) full application review; 3) rating and ranking; and 4) Project feasibility review. Applications meeting threshold requirements will be invited to submit a full application to be rated in accordance with the Application Scoring Criteria listed in Section II.G below and ranked in order of their point scores.

Eligible Projects will be scored based on the policy objectives included in the Action Plan approved by HUD.

Awards will be issued to the highest-ranking projects for which a complete funding gap may be filled that would allow the project to move forward to the closing table without the need for any other additional funding commitments. Any remaining funds may be awarded to the highest-ranking project in which the award would not fully fund the project. The Department reserves the right to adjust the amount awarded to fully fund projects to the extent possible.

Based on the threshold application process to confirm that projects meeting the criteria in Section I.E.1 and I.E.2 above have remaining gaps and would be eligible to submit a full application under this Project Solicitation, there were five (5) eligible applicants. The eligible applicants reported remaining funding gaps that did not exceed the maximum amount of DR-ACCEL funds available pursuant to Section I.F.1 below. Therefore, all five (5) eligible projects shall receive an award provided they otherwise meet all the conditions of this Project Solicitation.

3. Assistance Terms

DR-ACCEL funds shall be used for post-construction, permanent financing only. There are two loan options available:

55-Year Residual Receipts Loan Option

The initial term of the residual receipts loan shall be 55 years, commencing on the date of recordation of the loan documents for the DR-ACCEL funds, which will be expressly incorporated into the Existing HCD Loan Commitment's loan documents. The DR-ACCEL residual receipts loan shall have the following terms:

a. Loans shall bear simple interest on the unpaid principal balance at a rate that is the lesser of:

- 3 percent per annum; or,
- If a Project has received an allocation of tax credits, the maximum rate that allows the DR-ACCEL loan to be treated as debt for federal or state low-income housing tax credit purposes, or that avoids the inability to syndicate due to projected negative capital account balances, but only if the change in interest rate:
    - Materially increases the feasibility of the Project; and
    - Ensures long-term affordability for the residents.

The Department may require a third-party tax professional to verify the necessity for reducing the interest rate below three (3) percent, the cost of which shall be borne by the Sponsor.

b. Interest shall accrue from the date that DR-ACCEL funds are disbursed by the Department to or on behalf of the Sponsor.

c. The Department shall permit the deferral of accrued interest for such periods and subject to such conditions as will enable the Sponsor to maintain Affordable Rents, maintain the Fiscal Integrity of the Project, and pay allowable Distributions pursuant to UMR Section 8314.

d. All DR-ACCEL loan payments shall be applied in the following order:

- Any expenses incurred by the Department to protect the property or the Department's security interest in the property, or incurred due to the Sponsor's failure to perform any of the Sponsor's covenants and agreements contained in the deed of trust or other loan documents;
- Payment of accrued interest; and
- Reduction of principal.

e. The total outstanding principal and interest, including deferred interest, shall be due and payable in full to the Department at the end of the 55-year loan term in accordance with the terms of the Department's loan documents, including any extension granted by the Department.

20-Year Forgivable Loan Option

The DR-ACCEL forgivable loan shall be a post-construction, permanent financing loan. The term of the forgivable loan shall be 20 years, commencing on the date of recordation of the loan documents for the DR-ACCEL funds at Permanent Loan Conversion, which will be expressly incorporated into the Existing HCD Loan Commitment's loan documents. The DR-ACCEL forgivable loan shall have the following terms:

a. The loan shall bear interest at a rate of zero percent (0%) per annum for the full 20-year term.

b. No residual receipts or other periodic payments shall be required during the

term of the loan.

c. The loan will be forgiven by the Department at the end of the 20-year term if all of the following are true at that time, as determined by the Department in its sole and absolute discretion:

- The Sponsor and Borrower (if a separate entity) remain in good standing with all agencies, departments, and instrumentalities of the State of California, including the California Secretary of State;
- The Project is not in default under the terms of any of the Department's loan documents for the Project or any other Department Standard Agreement or loan document;
- The Project continues to be occupied by Low- to Moderate-Income households at Affordable Rents; and
- Negative points have not been assessed against the Sponsor and Borrower (if a separate entity) during the previous five (5) years in connection with any Department-assisted project.

d. The loan shall be subject to full repayment if, during the 20-year term, the Project is (i) converted to market-rate housing; or (ii) sold or refinanced with a distribution of net equity.

e. The amount of any funds expended by the Department for the purpose of curing or averting a default will be added to the loan amount secured by the Project and shall be payable to the Department upon demand.

f. Forgiveness of the loan shall not terminate or shorten the Affordability Period. The income, occupancy, and rent restrictions set forth in the recorded Regulatory Agreement shall remain in effect for the full 55-year Affordability Period.

4. Developer Fee Limits

The total developer fee for a Project, regardless of the number of other HCD funding sources, shall not exceed the lesser of:

a. The amount approved by HCD as payable from development funding sources under the terms of the Existing HCD Loan Commitment.

b. For Projects not utilizing low-income housing tax credits, Developer Fee payments shall be the lesser of 15 percent of the project's unadjusted eligible basis and 15 percent of the basis for non-residential costs included in the project allocated on a pro rata basis or two million five hundred thousand dollars ($2,500,000) pursuant to California Code of Regulations, Title 4, Division 17, Chapter 1, Section 10327, Paragraph (c), sub Paragraph (2), subsection (A).

c. For Projects not utilizing low-income housing tax credits which restrict for

Special Needs Population(s), the greater of 1) 15 Low-Income Units or 2) 25% of the Low-Income Units restricted in the project, the maximum developer fee is the lesser of fifteen percent (15%) of the project's unadjusted eligible basis and fifteen percent (15%) of the basis for non-residential costs included in the project allocated on a pro rata basis or two million eight hundred thousand dollars. ($2,800,000) pursuant to 4 CCR 10327 (c)(2)(A).

d. For Projects utilizing either 9% or 4% competitive low-income housing tax credits, Developer Fee payments shall not exceed the amount that may be included in project costs pursuant to California Code of Regulations, Title 4, Division 17, Chapter 1, Section 10327.

5. Commencement of Construction Deadline

All DR-ACCEL awarded projects must Commence Construction no later than 180 calendar days from the date of award, except if another funding source included among the project funding sources has a more lenient deadline that is documented and acceptable to the Department. Commencement of Construction means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling. The Department may, in its sole and absolute discretion, extend this deadline due to conditions beyond the control of the Sponsor, for a reasonable period.

Failure to meet the applicable Commencement of Construction deadline, or any Department-approved extension thereof, will result in the forfeiture of the DR-ACCEL award. Such failure will also cause the Department to assess negative points when scoring any future application by the Sponsor for Department funding, unless the Sponsor secures a CDLAC/TCAC allocation, and the DR-ACCEL funds are disencumbered by the Department's deadline.

Within one (1) month after Commencement of Construction, the Sponsor shall submit documentary evidence to the Department that construction commenced within the 180-day time period. If the Department extends the deadline for Commencement of Construction, as authorized, the Sponsor's deadline for submitting the foregoing documentary evidence shall be extended in the same increment as the extension for Commencement of Construction. Qualifying forms of documentary evidence include, but are not limited to:

- Recordation of a notice of commencement;
- Date- and time-stamped photographs;
- Physical inspection report; or
- Other documentation subject to the approval of the Department.

Failure to submit qualifying documentary evidence within the specified timeframes may result in forfeiture of the award and/or an assessment of negative points relative to any future application for Department funding.

6. Project Approval

DR-ACCEL Project Awards shall be approved by the Department's Internal Loan Committee (ILC) based on information included in the HCD staff report, known as the Project Report. The Project Report will include the project criteria approved by the Department at the time of the Award of DR-ACCEL Loan funds. The project criteria may be amended only upon HCD's written approval in its sole discretion. Amendments made to the Project criteria after ILC issues an award may result in a complete re-review of the Project and the potential imposition of additional conditions and restrictions by the Department.

7. Legal Documents

a. Standard Agreement

Upon the award of DR-ACCEL funds to a project, the Department shall enter into one or more agreements with the Sponsor(s), including an STD 213, Standard Agreement, which shall encumber funds from DR-ACCEL, subject to specified conditions. The agreement or agreements shall include, but not be limited to, the following provisions:

i. A description of the approved Project and the permitted uses of funds;

ii. The amount and terms of the DR-ACCEL loan;

iii. The income, occupancy, and rent restrictions to be imposed on the Project through a regulatory agreement recorded against the property of the Project;

iv. Performance milestones, and other progress metrics, governing the completion of the Project, along with the remedies available to the Department in the event of a failure to meet such milestones or metrics;

v. Special conditions imposed as part of the Department's approval of the Project;

vi. Terms and conditions required by federal and state law;

vii. Requirements for reporting to the Department;

viii. Remedies available to the Department in the event of a violation, breach, or default of the agreement; and

ix. Provisions regarding Sponsor liability. Specifically, the Sponsor will remain liable to the Department for compliance with and the performance of all DR-ACCEL requirements regardless of any Department-approved transfer or assignment of interest. Likewise, each co-Sponsor will remain jointly and severally liable to the Department for compliance with and the performance of all DR-

ACCEL requirements regardless of any Department-approved transfer or assignment of interest.

The agreement or agreements will also include such other provisions as are necessary to ensure adherence to the objectives and requirements of DR-ACCEL program.

b. Regulatory Restrictions and Loan Documentation

i. DR-ACCEL terms, conditions, and restrictions will be expressly incorporated into the loan documents of the Existing HCD Loan Commitment.

ii. The Department will append and incorporate a DR-ACCEL exhibit into the Existing HCD Loan Commitment's loan regulatory agreement to be recorded against the property. The exhibit will set forth the project's DR-ACCEL-specific requirements, terms, and conditions. The exhibit will impose, for a 55- year period, the same income, occupancy, and rent restrictions that were represented in the Sponsor's most recent application to TCAC/CDLAC, if applicable, and it will require the same service amenities that were represented in that application. If the Sponsor did not apply to TCAC/CDLAC, then the exhibit will impose, for a 55-year period, the same income, occupancy, and rent restrictions as set forth in the most recent Existing HCD Loan Commitment(s). Projects receiving DR-ACCEL awards shall be deed restricted by a Regulatory Agreement for a minimum affordability period of 55-years. A Developer may be required to repay all, or a portion of the funds received if the Project does not meet the affordability requirements for the entire period specified in the agreement. The regulations, guidelines, and other terms of the most recent Existing HCD Loan Commitment(s) shall govern the integrated regulatory agreement, except that DR-ACCEL will regulate and restrict all units identified as affordable housing units to the same income, occupancy, and rent restrictions as set forth in the most recent Existing HCD Loan Commitment(s). If the most recent Existing HCD Loan Commitment was structured with market rate unrestricted units, then DR-ACCEL will not restrict or regulate those units. In all cases, the Department may expressly approve alternative DR-ACCEL restrictions and required service amenities for the purpose of maintaining consistency with all Existing HCD Loan Commitments. The regulations, Guidelines, and other terms of the Existing HCD Loan Commitment shall govern the integrated regulatory agreement.

iii. DR-ACCEL requirements, terms, and conditions will also be incorporated into the promissory note and deed of trust of the Existing HCD Loan Commitment, as well as any other of the Existing HCD Loan Commitment's loan documents, as necessary and appropriate. All such documents will be executed and recorded, as appropriate, at

permanent financing close of escrow. For projects secured by leasehold security, leases must meet the requirements of UMR §8316, and both the Borrower and the fee owner of the property must execute the Department's form template lease rider without modification. The lease rider amends the lease and must be recorded on the fee estate.

iv. Cross-Default. If, in connection with the DR-ACCEL-funded Project, the Sponsor defaults in the performance or observance of any Department loan term, condition, or restriction during the term of any Department contract or regulatory period, and such default continues beyond any cure period provided with respect thereto, the Department will avail itself of any and all remedies available to it under any and all Department terms, conditions, restrictions, and agreements relative to the Project, to include those of the Existing HCD Loan Commitment. A default under the DR-ACCEL loan may, at the election of the Department in its sole discretion, constitute a default under any other HCD-issued loans for the Project, and vice-versa.

8. Affirmative Marketing Plan

Sponsors shall advertise Projects and units to fill vacant units or to develop a waiting list of interested applicants for the subsidized housing provided by the Project. DR-ACCEL applications, where applicable, must include an Affirmative Marketing Plan developed using the Affirmative Fair Housing Marketing Plan (AFHMP) Form HUD-935.2A. Affirmative Marketing involves special outreach and advertising efforts designed to communicate the availability of DR-ACCEL-assisted housing to those groups or individuals who might otherwise be unlikely to apply. Those groups are identified through analysis of local housing market area demographics using statistics readily available from the U.S. Census Bureau and determining appropriate advertising and outreach efforts to be followed by Sponsors to reach out to those least likely to apply for the housing opportunity. Affirmative marketing efforts must begin at least 90 days prior to initial occupancy.

HCD has determined that in addition to the required demographic analysis, individuals and families that were impacted by the disasters, low-income immigrants, persons with limited English proficiency, and Section 8 Housing Choice Voucher holders are least likely to apply. Examples of renters impacted by the disasters include renters that have lost rental units or have been displaced due to the impacts of DR-4683.

Affirmative Marketing Plans submitted with applications shall demonstrate that the proposed Projects will affirmatively further fair housing and adequately address the tenant market in ways that are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, non-minority areas in response to natural hazard-related impacts.

To prepare the Affirmative Marketing Plan:

a. Sponsors shall download Form HUD-935.2A.

b. Review the form and its instructions.

c. Identify the Census Tract where the housing is located.

d. Determine the Census Tract(s) that comprise the Housing Market Area (generally multiple Census Tracts comprising a City or portion of a County). Develop a map to represent this market area.

e. Determine the Census Tract(s) that comprise the Expanded Housing Market Area (generally multiple Census Tracts that comprise an entire County and often areas that extend beyond jurisdictional boundaries).

f. Using CPD Maps or U.S. Census Bureau data, complete Form HUD-935.A Worksheet 1, listing the number of residents in each category (existing Project residents if applicable, Project wait list applicant data if applicable, residents of the Census Tract, residents of the designated Housing Market Area, and finally residents of the Expanded Housing Market Area).

g. Based on the data evaluation in Worksheet 1, to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or Disability. If there is significant underrepresentation of any demographic group among Project residents or current applicants (for existing housing) in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. To identify underrepresented groups least likely to apply for housing in newly constructed Projects that do not currently have existing occupants or waitlists, evaluate the Census Tract data against the Housing Market Area and the Expanded Housing Market Area to identify underrepresented groups in the Census Tract. Note that individuals and families that were impacted by the disasters and Section 8 Housing Choice Voucher holders shall be considered among those who are underrepresented and least likely to apply.

h. Worksheet 2 shall not be used. Residency Preference Areas shall not be established for DR-ACCEL Projects.

i. Complete Worksheet 3 to identify each targeted underrepresented population and the specific community contacts to be consulted for the purpose of effectuating Affirmative Marketing. To reach out to individuals and families that were impacted by the disasters and to Section 8 Housing Choice Voucher holders, the AFHMP shall, to the extent feasible, identify non-profit caseworkers who were on the ground during the disaster, contact area public housing agencies, advertise through TV / Radio / Newspapers / Billboards / 211 system. Within the interest list and application, data shall be collected to determine if a prospective applicant was impacted by the disasters or is a Section 8 Housing Choice Voucher holder.

j. Complete Worksheet 4 to identify appropriate advertising methods (publications, outlets) for each targeted population.

k. Review and update the AFHMP every five years, or when there are significant changes to the demographics of the Project or the local housing market area.

9. Completing an Environmental Review

An environmental review must be performed on the Project prior to federal funds being disbursed. Sponsors shall prepare the appropriate level of environmental review and submit the environmental review document, complete with appropriate citations and supporting analysis and studies, to HCD for review at Sponsor's expense. The environmental review shall document compliance with 24 CFR Part 58, NEPA, and all related laws, authorities, and executive orders.

For DR-ACCEL, HCD is the Responsible Entity and will review Sponsor-submitted Environmental Review Records (ERR) for compliance with 24 CFR Part 58 requirements prior to submitting a Request for Release Of Funds (RROF) to HUD. HUD shall grant the authority to use funds. The conversion to Exempt must be documented and documentation must be submitted to the Department as part of the ERR.

Sponsors are also responsible for working with the City or County where the Project is located to ensure compliance with CEQA, including the submission or designation of applicable waivers to the CEQA Clearinghouse with a copy to HCD.

Pursuant to 87 FRN 6364, HCD may accept another federal agency's environmental review. The DR-ACCEL will not provide funding for Projects that have a Finding of Significant Impact (FOSI).

For a Project located on Native American Lands, the Department will be the lead agency and will prepare any exemption documentation for all other Projects subject to CEQA. The lead agency shall document Project compliance.

No work may start on a proposed Project, or proposed site acquisition, if applicable, before both the federal and state environmental review processes are completed, even if that work/acquisition is being done using non-federal funds. Subsequent to submission of an application by a Sponsor to HCD for the use of DR-ACCEL funds, there can be no **choice-limiting actions** on the part of the Sponsor/Developer/owner until environmental clearance is received in the form of an Authority to Use Grant Funds (AUGF) or environmental clearance letter issued by HUD or the Department.

The concept of prohibiting **"choice-limiting"** actions is to prevent the

Sponsor/Developer/owner from investing in a Project before all necessary environmental clearances are obtained. Market studies, environmental studies, plan development, engineering or design costs, inspections and tests are not considered "choice-limiting" actions. **"Choice-limiting actions"** are defined as any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives, such as acquisition of the Project property by the Sponsor/Developer/owner (or any subsidiary of the Sponsor), construction, demolition of buildings, or rehabilitation or reconstruction of buildings. Per 24 CFR Part 58.22, failure to comply with the prohibition against committing funds or taking physical action (using either HUD funds or non-HUD funds) before the completion of the environmental review process could result in loss of HUD assistance, cancellation of the Project, reimbursement by the Sponsor/owner to HUD for the amount expended, or suspension of the disbursement of funds for the affected activity.

To process the environmental review for each Project:

a. Sponsors must submit all ERRs and RROF, if applicable, to HCD for review at submission of the Project application (if available) or following Project approval by HCD. HUD provides guidance on preparation of ERRs on its website.

b. Upon receipt, review and approval of a completed ERR, HCD will publish the Notice of Intent – Request for Release Of Funds (NOI-RROF) and process the RROF to HUD. Alternatively, for Categorically Excluded, Subject to Part 58.5 reviews, HCD may issue an environmental clearance letter to the Sponsor.

c. Upon receipt of the AUGF from HUD or HCD's issuance of the environmental clearance letter, HCD and the Sponsor may enter into a Standard Agreement and Sponsor may incur Project costs and drawdown funds.

10. Construction Standards / Requirements

All residential construction Projects, where applicable, must comply with the housing construction codes of the State of California. All units developed under DR-ACCEL must meet these codes as well as any locally adopted codes and ordinances. Housing construction codes for building in California follow federal and state laws, regulations, and adaptions for construction of single family and multifamily units. The State Housing Law Program within HCD continuously refines the building standards to ensure they comply with new or changing laws and regulations and develops statewide building standards for new construction of all building types and accessories. The State Housing Law Program also develops the building standards necessary to provide accessibility in the design and construction of all housing other than publicly funded housing. The building standards are published as the California Building Standards Code under the California Code of Regulations, Title 24, and construction standards in the Standard Agreement must meet or exceed all applicable requirements for housing

or building construction.

a. California Building Codes (CBC)

All residential construction Projects, where applicable, shall comply with the housing construction codes of the State of California, including all units developed under DR-ACCEL. Housing construction codes for building in California follow federal and state laws, regulations, and adaptions for construction of single family and multifamily units.

b. California Green Buildings Standards Code (CALGreen)

CALGreen is California's first green building code, enacted as mandatory in 2011, and adopted to address five divisions of building construction and improve public health, safety and general welfare. The divisions addressed are as follows: planning and design, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality. CALGreen applies to the planning, design, operation, construction, use, and occupancy of nearly every newly constructed building or structure in the state, as well as additions and alterations to existing buildings that increase the building's conditional area, interior volume, or size.

HCD determined that CALGreen meets the standards as equivalent comprehensive green building program per 87 FRN 6364, II.B.2.a. "Green and resilient building standard for new construction and reconstruction of housing" and has received HUD concurrence. As a mandatory standard, all Sponsors are required to follow CALGreen requirements for construction permits and approvals. Sponsors shall ensure access to local verifications that demonstrate CALGreen compliance in the Project plans and in the constructed development at construction closeout.

The most recent CAL Green code, guides, and checklists are available on the State website.

c. Wildland Urban Interface Building Codes (WUI codes)

California continues to be a national leader in implementing statewide policy to both prepare for climate change and reduce greenhouse gas emissions and has dedicated substantial resources to mitigating the impacts of climate change. Housing resilience measures are set forth in state legislation, including requirements for local building codes, such as the Wildland-Urban Interface building codes (WUI codes) addressing wildfire risk since 2005.

In accordance with the Federal Register Notice requirement to support the adoption and enforcement of modern and/or resilient building codes and mitigation of hazard risk, structures located in any Fire Hazard Severity Zone within State Responsibility Areas, any Local Agency Very-High Fire

Hazard Severity Zone, or any Wildland Urban Interface Fire Area designated by the enforcing agency must comply with WUI codes, found in Title 24, Chapter 7a of the California Building Code, which offer specific material, design and construction standards to maximize ignition resistance.

d. National Floodplain Elevation Standards

Sponsors must comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor (including the basement) at least two feet above the one percent base flood elevation level and comply with the requirements of 87 FRN 6364, Section II.B.2.c. "Elevation standards for new construction, reconstruction, and rehabilitation of substantial damage, or rehabilitation resulting in substantial improvements" as well as Executive Order 11988 and 24 CFR Part 55. Additionally, Sponsors with Projects approved to build within a 100-year floodplain must obtain and maintain flood insurance in perpetuity, per part 24 CFR Part 58.6, as a condition of federal assistance.

e. Resilient Home Construction Standards

Sponsors are strongly encouraged to incorporate Resilient Home Construction Standards, meaning that Projects meet an industry-recognized standard such as those set by the FORTIFIED Home Silver and Bronze levels. The Department will consider any other standard that results in a discounted or reduced hazard insurance rate to be cost reasonable.

11. Rent Standards

DR-ACCEL uses the annual Multifamily Tax Credit Subsidy Projects (MTSP) Regular Income and Rent Limits published by HCD annual for each county, to determine the rent standard. DR-ACCEL awards will tie into the Existing HCD Loan Commitment, therefore the maximum rent to be charged shall be consistent with the requirements of the existing HCD Loan Commitment. DR-ACCEL will waive the MTSP rent standards to be compatible with the rent standards of other sources as described in the existing HCD Loan Commitment. The unit mix and rent standards shall remain substantially consistent with approved applications for existing HCD Loan Commitments, even if the Sponsor ultimately did not secure the funding from all proposed regulating sources.

If an Affordable Unit receives a Federal or State project-based rental subsidy and a very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (*i.e.*, tenant contribution plus project-based rental subsidy) is the rent allowable under the

Federal or State project-based rental subsidy program.

12. Use of Operating Income

Notwithstanding UMR Section 8314(a)(1), first-priority use of operating income remaining after payment of approved current and prior year operating expenses, reserve deposits and mandatory debt service shall be payment of any:

a. Approved deferred Developer Fee, provided that the aggregate of the Developer Fee paid from sources and paid as deferred shall not exceed $3,500,000, or for projects receiving Low Income Housing Tax Credits, the maximum allowed by TCAC/CDLAC, whichever is higher.

b. Asset management, partnership management, and similar fees, including fees paid to investors, in an amount not to exceed the aggregate sum of:

   - An amount for the current year, equal to $38,168 for 2023 and increased at the rate of 3.5 percent for each subsequent year, plus

   - Unpaid asset management, partnership management, and similar fees accrued for a period not to exceed three project fiscal years following the year during which they are earned, up to the difference between the limit for the year and the amount paid for that year; and

   - Supportive Services Costs that the UMR would allow to be paid as operating costs, but that other funding sources do not.

   Where there is a difference between the provisions of the UMR and this Project Solicitation, the provisions of this Project Solicitation shall prevail in the use of operating cash flow. Any operating income remaining after the payments listed in the previous subsection (A) shall be applied in accordance with UMR Section 8314(a)(2).

   The requirements of UMR Section 8314(b) through 8314(h) shall apply.

13. Reporting Requirements

In addition to the reports required in connection with the Existing HCD Loan Commitment, the Sponsor shall timely submit the reports prescribed below. The Department reserves the right to request additional detail and support for any report made. Reports must be made timely according to the dates identified, in the formats provided by the Department, and via the Department's Grants Network unless otherwise specified at the discretion of the Department. The Sponsor's performance under the Standard Agreement will be assessed based in part on whether Sponsor has submitted the reports on a timely basis.

a. Within one (1) month of Commencement of Construction, the Sponsor shall submit documentary evidence to the Department that construction

commenced by the Commencement of Construction Deadline. If the Department extends the Commencement of Construction Deadline, as authorized, the Sponsor's deadline for submitting the foregoing documentary evidence shall be extended in the same increment as the extension of the Commencement of Construction Deadline. Qualifying forms of documentary evidence include the following:

i. Recordation of a notice of commencement;
ii. Date- and time-stamped photographs;
iii. Physical inspection report; or
iv. Other documentation subject to the approval of the Department.

Failure to submit qualifying documentary evidence within the specified timeframes may result in forfeiture of the award, and/or an assessment of negative points relative to any future application for Department funding.

b. Monthly Activity Report: Sponsor must submit a Monthly Activity Report, in the form and format prescribed by the Department, that addresses the following, at a minimum: (1) a description of the current status of the Project, including number of units leased, and demographics of the Households assisted; (2) a description of activities to be undertaken in the next reporting period; (3) a description of problems or delays encountered in Project and course of action taken to address them; (4) a description of actions taken to achieve Project expenditure deadlines; (5) a summary of Project fiscal status, including award amount, funds drawn, and remaining balance, and (6) Compliance with the 24 CFR Part 75 Section 3 requirements, including the number of hours worked on the project by targeted Section 3 workers and Section 3 workers, as applicable. Unless otherwise waived in writing by the Department, Monthly Activity Reports must begin on the 10th calendar day of the second month following execution of the Standard Agreement and must continue through the receipt and approval by the Department of the Project Completion Report, detailed below.

c. Semi-Annual Labor Standards Report: During the term of construction for each Project, on or about April 1st and October 1st, or as otherwise specified by the Department, the Sponsor shall submit the Labor Standards Cover Memo, the HUD Form 4710 and the Davis-Bacon Labor Standards Report 5.7 (if applicable). These forms are located on the Department's website and are also available upon request.

d. Project Completion Report: At the completion of construction and once a Project is placed in service, the Sponsor must submit a Project Completion Report that includes the total number of units built and leased, affordable units built and leased, DR-ACCEL units built and leased, an

accomplishment narrative, and the tenants' names, demographics and income for each DR-ACCEL unit. The Project Completion Report shall also include a Section 3 Summary Report of the total number of labor hours worked by all contractors and subcontractors, the total number of labor hours worked by Section 3 workers, and the total number of labor hours worked by Targeted Section 3 workers, as required pursuant to 24 CFR 75.25(a), as applicable. In the event that the number of Section 3 worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's twenty-five percent (25%) standard, and/or that the number of Section 3 targeted worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's five percent (5%) standard, Sponsor shall provide additional reporting on the qualitative nature of its activities and those its contractors and subcontractors pursued, as defined at 24 CFR 75.25(b).

e. Affordability Period Reporting: Once a Project is placed in service and through the Affordability Period, the Sponsor must timely submit the reports prescribed below. The Department reserves the right to request additional detail and support for any report made. Reports must be made according to the dates identified, in the formats provided by the Department, and via the Department's Grants Network unless otherwise specified at the discretion of the Department. The Sponsor's performance under the Standard Agreement will be assessed based in part on whether it has submitted the reports on a timely basis.

   i. Annual Beneficiary Report: Sponsor must submit an Annual Beneficiary Report providing the household size, tenants demographics household annual income, and unit rents for each DR-ACCEL unit.

   ii. Annual Audit: Sponsors shall provide an annual audit of the Project prepared by an independent certified public accountant.

   iii. Annual Operating Budget and Schedule of Rental Income: Sponsor shall submit proposed operating budgets and Schedule of Rental Income (SRI) to the Department prior to occupancy and annually thereafter. These operating budgets and SRI shall be subject to Department approval, be consistent with related and supporting documentation, and comply with the following requirements:

      a. For the Initial Operating Year, the Sponsor shall operate the Project in accordance with the initial operating budget and SRI, which were approved by the Department prior to permanent loan closing. Such budget shall show all anticipated Operating Income, debt service, Operating Expenses and amount payable to reserves for the Initial Operating Year. Such SRI shall set forth the rent roll, which will identify each tenant household (by unit number or other method of household identification that is acceptable to the Department), as well as the

following information in connection with each tenant household: size, demographics, income, current Rent, and proposed Rent adjustments (including utility allowances, if applicable). Such SRI shall provide estimated income projections for DR-ACCEL Assisted Units, Affordable Units, non-Assisted Units, and Commercial Space or use.

b. For as long as deemed necessary by the Department to ensure compliance with Program requirements, but for no less than the full term of the recorded Regulatory Agreement, the Sponsor shall submit to the Department for its approval, 60 days prior to the end of each Project fiscal year, a proposed operating budget and SRI on forms provided by the Department. The proposed annual operating budget and SRI, together, shall set forth the borrowing entity's estimates for the upcoming year of Operating Income, Operating Expenses, debt service amounts payable to reserves, and proposed Rent adjustments. The Department, at its sole discretion, may request in situations, such as, but not limited to, resyndication, change of ownership, or change of Project fiscal year, submission of limited budget information, such as a proposed Rent schedule, proposed management fees, and reserve deposit amounts. The Department may re-impose the requirement for submission of complete operating budgets where necessary to ensure compliance with program requirements.

c. The initial and subsequent proposed operating budgets shall be subject to the approval of the Department based on its determination that the budget line items are reasonable and necessary, considering costs for comparable Rental Housing Developments and prior year budgets. Actual expenditures in excess of the approved budget amount shall be subject to Department approval.

d. The initial and subsequent proposed SRI shall be subject to approval of the Department based on its determination that the proposed rents are in accordance with these guidelines and applicable regulations and statutes.

e. For Projects with non-DR-ACCEL Assisted Units or Commercial Space, all budgets submitted pursuant to this section shall show income and uses of income allocated among DR-MHP Assisted Units, Affordable Units, non-Restricted Units, and Commercial Space. The allocation method used for each budget line item shall be subject to Department approval and shall apportion income and expenses in a manner that accurately reflects the particular physical, operational, and economic characteristics of the Project.

iv. At any time during the term of the Standard Agreement, HCD may perform or cause to be performed, at HCD's expense, an independent financial audit of any and all phases of the Sponsor's Project. At HCD's request, the Sponsor shall provide, at its own expense, a financial audit

prepared by a certified public accountant.

14. Defaults and Cancellations

In the event of a breach or violation by the Sponsor and/or borrower, the Department may give written notice to the Sponsor to cure the breach or violation. If the breach or violation is not cured to the satisfaction of the Department within a reasonable time period, the Department, at its option, may declare a default under the relevant document and any other HCD agreement that is cross-defaulted and may seek legal remedies for the default including, without limitation, the following:

a. The Department may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation, the appointment of a receiver to complete the project in accordance with DR-ACCEL requirements, or the commencement of foreclosure proceedings under the power of the sale clause in the deed of trust; and

b. The Department may seek such other remedies as may be available under the relevant agreement, at law, or in equity.

G. Application Scoring Criteria

The Action Plan that was approved by HUD on July 15, 2024 included the following scoring criteria for DR-ACCEL applications:

Scoring Criteria	Breakdown	Points
Number of Units	Highest points go to projects with the most Affordable Units.	Within the pool of applications, highest number of affordable units gets 5 points, next highest gets 4 points, etc.
Leverage	Points based on lowest per unit request for program funds.	5 points = less than $100k/unit 4 points = $101k - $200k/unit 3 points = $201k - $300k/unit 2 points = $301k - $400k/unit 1 point = $401k – 500k/unit 0 points = $501k+

Scoring Criteria	Breakdown	Points
Readiness	Demonstrated readiness to commence construction within 180 calendar days of award. Confirmed site control, entitlements, funding commitments, and documentation of one of the following with respect to the National Environmental Policy Act (NEPA) pursuant to 24 CFR Part 58: • A Complete Draft Environmental Assessment with source documentation; • A Complete Draft NEPA Categorically Excluded – Subject to 58.5 review with source documentation; or • A signed Authority to Use Grant Funds from HUD, the State, or other appropriate federal agency, supported with the underlying environmental review document and source documentation.	Up to 20 points 5 points may be scored by each criterion: confirmed site control, entitlements, funding commitments and environmental review.
Distance from DR-4683 floods	Points based on the Project's proximity to the impacted areas.	5 points = 0-10 miles 4 points = 11-20 miles 3 points = 21-30 miles 2 points = 31-40 miles 1 point = 41-50 miles 0 points = 51+ miles HCD will determine each project's proximity to DR-4683 flooding based on agency geospatial data.

Tiebreaker Scoring System	
Homeless, Special Needs and Other Population Targeting	The tiebreaker is only applied to projects that are tied. The tiebreaker score is a standalone score. For each tied project, the highest score of the following two (2) criteria will be used to determine the ranking of the tied projects. Homeless Targeting: 0.3 points awarded for each percentage of total project units restricted to occupancy by households experiencing homelessness, including: 1) At Risk of Homelessness, as defined in 24 CFR Part 578.3; 2) 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; 3) homeless youth as defined in Government Code Section 12957, subdivision (e)(2). ; or Large Family, ELI and Special Needs Targeting: 0.2 points awarded for each percentage of total project units that are not restricted to occupancy by households experiencing homelessness and are either: 1. 3+ bedrooms 2. Restricted to occupancy by ELI households 3. Restricted to a Special Needs population, as defined herein.

III. Insurance Requirements

Sponsor and Contractors shall comply with all requirements outlined in the (A) General Provisions section and (B) Project Insurance Requirements outlined in this section. These requirements are in addition to, and not in lieu of, any other insurance coverages required elsewhere in this Agreement. No payments will be made under this Agreement until the Sponsor fully complies with all requirements. No payments will be made under the terms of any Project until the Sponsor confirms to the Department that all Contractors on the specified Project fully comply with all requirements. The Department reserves the right to waive or adjust required insurance coverages from time to time in its sole discretion.

A. General Provisions Applying to All Policies

1. Coverage Term – Sponsor's coverage needs to be in force for the complete term of the Agreement, unless otherwise noted herein. The Contractor's coverage needs to be in force until a certificate of occupancy is issued for each Project. No work may be performed by Sponsor or a Contractor until, and unless, all insurances required by this Agreement are in full force and effect. If insurance expires during the term of the Agreement/affordability period/certificate of occupancy issuance, as applicable, a new certificate must be received by the Department at least thirty (30) days prior to the expiration of said insurance. Any new insurance must comply with the original terms of this Agreement.

2. Policy Cancellation or Termination & Notice of Non-Renewal – Sponsor is responsible to notify the Department within fifteen (15) business days prior to any actual or proposed cancellation, non-renewal or material change that affects the Project's required insurance coverages. No policy may be cancelled upon less than thirty (30) days' prior written notice from the insurer to the insured and the Department. New certificates of insurance are subject to the approval of the Department and the Sponsor agrees no Work or services will be commenced or performed prior to obtaining such approval. In the event Sponsor or Contractor fails to keep in effect at all times the specified insurance coverage, the Department may, in addition to any other remedies it may have, terminate this Agreement and/or Project upon the occurrence of such event, subject to the provisions of this Agreement.

3. Premiums, Assessments and Deductibles – Sponsor and Contractors for each Project are responsible for the payment of all premiums, policy assessments, deductibles or self-insured retentions associated with their respective insurance programs.

4. Primary Clause – Any required insurance contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the Department.

5. Insurance Carrier Required Rating – All insurance companies must carry an

AM Best rating of at least "A–" with a financial category rating of no lower than VII. If the Sponsor and/or Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required. Acceptance of self-insurance is within the sole discretion of the Department, and the Department reserves the right to require insurance from third-party commercial insurers.

6. Endorsements – Any required endorsements requested by the Department must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

7. Inadequate Insurance – Inadequate or lack of insurance does not negate the Sponsor's or Contractor's obligations under this Agreement or the terms specific to the relevant Project, nor does the availability or limits of any insurance policies required herein in any way limit the liability of Sponsor or any Contractor, to the Department hereunder, nor does it in any way limit the liability of such parties to the Department in regards to any indemnification obligations of such parties herein.

8. Available Coverages/Limits – All coverage and limits available to the Sponsor or Contractor shall also be available and applicable to the Department.

9. Satisfying a Self-Insured Retention – All insurance required by this Agreement and any required by the terms specific to the relevant Project must allow the Department to pay and/or act as the Sponsor's or Contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the Sponsor's or Contractor's agent in satisfying any SIR is at the Department's discretion.

10. Use of Subcontractors – In the case of Sponsor's or Contractor's utilization of subcontractors to complete the contracted scope of work for the relevant Project, Sponsor or Contractor shall include all subcontractors as insureds under Sponsor's or Contractor's insurance or supply evidence to the Department of subcontractor's insurance equal to policies, coverages, and limits required of Sponsor and Contractor.

B. Project Insurance Requirements

Sponsor and/or Contractor shall display evidence, as applicable for the relevant Project, of the following on a certificate of insurance evidencing the below coverages. No work shall be commenced on any Project prior to such coverages being in effect and the required certificate(s) have been provided to the Department.

1. Commercial General Liability – Sponsor and Contractor on a Project shall maintain commercial general liability insurance on an occurrence form with limits not less than $1,000,000 per occurrence for bodily injury and property damage liability combined with a $2,000,000 annual policy aggregate for the

duration of this Agreement. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought, subject to the Developer's or Contractor's limit of liability.

The policy must name The State of California, its officers, agents, and employees as additional insureds, but only with respect to work performed under this Agreement.

2. Automobile Liability – Sponsor and Contractor shall maintain, as applicable, business automobile liability insurance for limits not less than $1,000,000 combined single limit. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. Should the scope of the relevant Project involve transportation of hazardous materials, evidence of an MCS-90 endorsement is required.

   The policy must name The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under this Agreement.

3. Workers Compensation and Employer's Liability – Sponsor and Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of this Agreement and the relevant Project. In addition, employer's liability limits of $1,000,000 are required. By signing this Agreement, Sponsor acknowledges compliance with these regulations. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to certificate.

4. Flood Insurance – Sponsor shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). Sponsor shall ensure flood insurance coverage is provided for the Project if required by the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). The Department shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, that flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

5. Builders Risk Insurance – Sponsor or Sponsor's contractor on a Project shall maintain builders risk coverage prior to or upon commencement of construction of the Project, including any delivery and storage of materials to be incorporated into the Project, through the completion of construction and until property insurance can be secured. This coverage must cover all risk of physical damage or risk of loss for an amount equal to the full amount of the cost of construction. This coverage must include coverage for flood if the

Property is located in a Special Flood Hazard Area as determined by the Federal Emergency Management Agency. Additionally, Sponsor or Sponsor's general contractor must obtain a builder's risk installation floater for coverage of the contractor's labor, materials, and equipment to be used for completion of work performed under the construction contract. The minimum amount of coverage to be carried must be equal to the full amount of the cost of construction.

6. Property Insurance **–** Sponsor on a Project shall maintain including all risk coverage or standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements to the extent of full replacement value of the Project for the duration of the term of the Affordability Period. Coverage amount may be adjusted for fluctuation in replacement values. This coverage is required upon completion of construction of the Project and must name the Department as Loss Payee.

7. Additional Coverages. In the event that Sponsor and/or any of its Contractors will be engaging in any Hazardous Activity as part of the Project contemplated by this Agreement, then the party(ies) engaging in any Hazard Activity(ies) shall provide to the Department, prior to commencement of any such activity(ies), such insurance coverages in such forms and in such amounts as the Department may require in its sole discretion. Such coverages are in addition to all other insurance coverages required by this Agreement and shall be imposed on the Sponsor pursuant to this Agreement. For purposes of the provision, the term "Hazardous Activity" includes the following: (a) the removal, storage, and/or transportation of any "hazardous material", as such term is defined under federal, state, or local law, ordinance, regulation, or guideline, (b) the removal, storage, or transportation of lead-based paint, (c) blasting, (d) any activity which by its nature is abnormally dangerous, and (d) any "ultrahazardous activity" as defined in California case law. In addition to providing proof of such required coverages, the party(ies) engaging in the Hazardous Activity(ies) shall procure, at its expense prior to the commencement of any work, all required permits, licenses, consents, and approvals that are required for the lawful conduct of such activities, and shall provide adequate written proof thereof to the Department. No Hazardous Activity work may be commenced, or contracted for, prior to the provision of the required insurance coverages and licensure proof to the Department."

IV. Other State and Federal Requirements

A. State Prevailing Wage

When applicable, Sponsor shall ensure that the requirements of California Labor Code Chapter 1, commencing with Section 1720, Part 7 pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations ("DIR") are met. Projects may be exempt from these requirements under State Prevailing Wage rules; accordingly, Sponsors should thoroughly evaluate

the California Labor Code with their counsel and consult DIR as necessary to determine if the Project qualifies for any exemption based on the Project's unique attributes.

For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation, or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "Construction Contract"). Where the Construction Contract will be between the Sponsor and a licensed building contractor, the Sponsor shall serve as the "awarding body" as that term is defined in the California Labor Code. Where the Sponsor will provide funds to a third party that will enter into the Construction Contract with a licensed building contractor, the third party shall serve as the "awarding body."

The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in the California Labor Code Sections 1770-1784 or the Davis-Bacon Wage Determination. HCD does not make determinations of any wage rates. The California DIR publishes prevailing wage rates for the State and the U.S. Department of Labor publishes the Davis-Bacon prevailing wage rates.

B. Federal Labor Standards

Federally-Assisted Construction Contracts trigger the Davis-Bacon and Related Acts (DBRA) requirements. As required by Section 110 of the Housing and Community Development Act, and as outlined in HUD Handbook 1344.1 Rev 3, Federal Labor Standards Requirements in HUD Programs, Sponsors are responsible for ensuring compliance with Davis-Bacon (DBA) requirements as well as the Copeland Anti-Kickback Act, the Contract Work Hours and Safety Standards Act (CWHSSA) and the Fair Labor Standards Act (FLSA), collectively referred to herein as Davis-Bacon and Related Acts (DBRA). In general, DBRA requires payment of prevailing wages to laborers and mechanics on contracts, financed in whole or in part with CDBG-DR funds on residential Projects that include eight (8) or more units. Advertising for bids, bid solicitation and contracts are to incorporate Davis-Bacon Labor Standards and wage determinations, "Attention of Bidders" paragraph and CDBG-DR Compliance Provisions for Construction Contracts. Please reference the State's Grant Administration Manual, Section XII(E) for additional labor standards procedures and requirements.

C. Minority and Women Business Enterprise (M/WBE)

Per 2 CFR 200.321, Sponsors, contractors, and/or Developers, where applicable, must take all necessary affirmative steps to ensure that minority business, women's business enterprises, and labor surplus area firms are used when

possible. Affirmative steps include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
5. Using the services and assistance, as appropriate, of such organizations as the SBA and the Minority Business Development Agency of the Department of Commerce;
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) above;

   Sponsor shall collect information from all contractors subcontractors and report all contracts and subcontracts awarded to minority businesses, women's business enterprises and labor surplus area firms to HCD on an annual basis.

D. Section 3 of the HUD Act of 1968

Section 3 is a provision of the HUD Act of 1968 (implementing regulation at 24 CFR Part 75) that helps foster local economic development, neighborhood economic development, and individual self-sufficiency. Section 3 requires recipients of HUD housing and community development financial assistance to provide job training, employment and contracting to the greatest extent feasible, for low- or very low-income residents in connection with projects and activities in their neighborhoods. Projects assisted with DR-ACCEL funds in excess of $200,000 trigger Section 3 requirements. When triggered, best efforts must be made to extend Section 3 opportunities to verified Section 3 residents and business concerns to meet these minimum numeric goals: (1) Twenty-five percent (25%) of the total hours worked on a Section 3 project must be worked by Section 3 workers; and (2) Five percent (5%) of the total hours worked on a Section 3 project must be worked by Targeted Section 3 workers.

The Sponsor and the Sponsor's Contractors and consultants shall comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (HDA), and implementing regulation at 24 CFR, Part 75, where applicable. Tribal Entity Applicants are exempt from the requirements of Section 3 of the HDA and are permitted to comply with Indian preference requirements as set forth in 25 CFR. 1000.42.

The responsibilities outlined in 24 CFR Part 75.19 include:

- Implementing procedures designed to notify Section 3 workers about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.
- Notifying potential Contractors for Section 3 covered projects of the requirements of Part 75, Subpart C and incorporating the Section 3 clause set forth below in all solicitations and contracts.

E. Section 3 Clause

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR. Part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.

The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75.

The contractor acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program Regulatory Agreement, Declaration of Restrictive Covenant, or contracts.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.

Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

The contractor agrees to submit, and shall require its subcontractors to submit to them, annual reports detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 workers and Targeted Section 3 workers.

The Sponsor's Project Completion Report shall also include a Section 3 Summary Report of the total number of labor hours worked by all contractors and subcontractors, the total number of labor hours worked by Section 3 workers, and the total number of labor hours worked by Targeted Section 3 workers, as required pursuant to 24 CFR 75.25(a). In the event that the number of Section 3 worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's Twenty-five percent (25%) standard, and/or that the number of Section 3 targeted worker labor hours divided by the total labor hours worked by all workers on a Section 3 project does not meet or exceed HUD's Five percent (5%) standard, Sponsor shall provide additional reporting on the qualitative nature of its activities and those its contractors and subcontractors pursued, as defined at 24 CFR 75.25(b).

The standards for hours worked by Section 3 Workers and Targeted Section 3 Workers are subject to change by HUD as published in the Federal Register.

F. Broadband Infrastructure

Per 87 FRN 6364, Section II.B.2.d. "Broadband infrastructure in housing" any substantial rehabilitation or new construction of a building with more than four rental units must include installation of broadband infrastructure, except where the Sponsor documents that: 1) The location of the Project makes installation of broadband infrastructure infeasible; 2) The cost of installing broadband

infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or 3) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

G. Uniform Relocation Assistance and Real Property Acquisition Act

The Uniform Relocation Assistance and Real Property Acquisition Act ("URA") contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project in which HUD financial assistance is provided. The implementing regulations, 49 CFR Part 24, include steps which must be taken with tenant occupants, including those who will not be impacted by the HUD assisted activity.

Sponsor must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Sponsor must have a relocation plan prior to proceeding with any phase of a project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons or entities do not suffer a disproportionate impact as a result of projects, which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. In addition, before the DR-ACCEL Standard Agreement will be executed, Sponsor must have either: (1) a Department-approved relocation plan; or (2) a Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed and approved by the Department. The Department will identify its submittal requirements for these relocation documents in the DR-ACCEL application materials. Where the Sponsor's activities will or may result in displacement, the Sponsor's development budget shall include enough funds to pay all costs of relocation benefits and assistance. Any modifications to the foregoing process requirements must be approved in advance by the Department in writing.

H. Section 104(d)

The one for one-replacement provisions of Section 104(d) of the Housing and Community Project Act of 1974 as amended are applicable, except that these requirements are waived for owner-occupied lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation, pursuant to Section IV.F.1 of 2020 CDBG-DR Federal Register/Vol. 87, No. 23 (PDF).

If a Project site is occupied at the time the CDBG-DR application is made, the application must include: 1) an exhibit explaining either that no relocation of tenants will result, or 2) that such relocation will be temporary (supported by an adequately documented estimate of relocation costs), or 3) a written commitment to submit a relocation plan to HCD for approval as a condition precedent to entering into the Standard Agreement, as further discussed in Section 2.7 of this

document. In the event HCD determines that no relocation is required, the Sponsor will be required to execute and deliver to HCD a certificate of no relocation.

I. Prohibition Against Eminent Domain

Per the Federal Register Notice, CDBG-DR funds may not be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use as defined in per 87 FRN 6364, Section II.D.7.

J. Equal Opportunity Requirements and Responsibilities

Where applicable, the following Equal Opportunity Requirements and Responsibilities apply to the Project, unless exempted by other federal laws:

1. Sponsors that are federally recognized tribes and where Projects are located on Native American Land, are exempted by NAHASDA, 24. C.F.R. Section 1000.12, from compliance with the Equal Opportunity Requirements and Responsibilities set forth below, including but not limited to, the Architectural Barriers Act of 1968, Fair Housing Act, Affirmative Marketing requirements, Title VI of Civil Rights Act of 1964, and Title VIII of the Civil Rights Act of 1968 and the Age Discrimination Act.

2. Sponsors that do not qualify for the exemption stated above, must comply with all of the following:

    a. **Title VI of the Civil Rights Act of 1964:** This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance.

    b. **Title VII of the Civil Rights Act of 1968 (The Fair Housing Act):** This act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promote fair housing.

    c. **Restoration Act of 1987:** This act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, Disability or age in a program or activity which does not directly benefit from such assistance.

    d. **Section 109 of Title 1 of the Housing and Community Development Act of 1974 [42 U.S.C. 53091]:** This Section of Title 1 provides that no

person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title 1 of the Act.

e. **The Fair Housing Amendment Act of 1988:** This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.

f. **The Age Discrimination Act of 1975:** This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic.

g. **Section 504 of the Rehabilitation Act of 1973:** It is unlawful to discriminate based on Disability in federally assisted programs. This Section provides that no otherwise qualified individual shall, solely by reason of his or her Disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for first occupancy on or after March 13, 1991.

h. **The Americans with Disabilities Act of 1990 (ADA):** This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a Disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.

i. **Executive Order 11063:** This executive order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.

j. **Executive Order 11259:** This executive order provides that the administration of all federal programs and activities relating to housing and

urban development be carried out in a manner to further housing opportunities throughout the United States.

k. **The Equal Employment Opportunity Act:** This act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in federal court against private sector employers after the EEOC has investigated the charge, found "probable cause" of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.

l. **The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978:** This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal and referral. It is designed to assist employers, labor organizations, employment agencies, licensing and certification boards in complying with the requirements of federal laws prohibiting discriminatory employment.

m. **The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002):** This act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.

n. **Executive Order 11246:** This executive order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.

K. California's Preservation Notice Law

All Applicants, Sponsors, co-Sponsors, owners, and special purpose entities must, at all times, comply with, and not be in violation of, California's Preservation Notice Law (Gov. Code, §§ 65863.10, 65863.11, 65863.13).

For Projects located on Native American Lands, Tribal Entity Sponsor is not subject to the California Preservation Notice Law pursuant to NAHASDA at 25 U.S.C. section 4101 et seq..

L. Lead-Based Paint Hazards

Activity(ies) performed with assistance provided by HCD are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR, Part 35 (Lead Disclosure). Assistance provided under this program shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these regulations. The Sponsor shall be responsible for the notifications, inspections, and clearance certifications required under these regulations, including Tribal Entity Sponsors, pursuant to NAHASDA at 24 C.F.R. § 1000.40. Native American Entitles subject to NAHASDA are only required to comply with the Lead Based Paint Position

Prevention Act (PPA)24 C.F.R. Part 35, subparts A, B, H, J, K, M and R.

M. Pet Friendly Housing Act of 2017

Health and Safety Code § 50466 require each housing development that is financed on or after January 1, 2018, pursuant to this division, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local government ordinances related to public health, animal control, and animal anticruelty.

N. State Contracting Manual Provisions for Federally Funded Contracts

The provisions of State Contracting Manual (SCM), Vol. 1, Ch.3, Sec. 3.11 shall be incorporated into Standard Agreements for DR-ACCEL Funds, where applicable.

IV. Appeals and Complaints

A. Basis of Appeals

1. Applicants may appeal HCD's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award (including point scoring and Tiebreaker).
2. At the sole discretion of the Department, the Department's written determination may include a request for clarifying and/or corrective information. For purposes of this section, "clarifying information" includes information and/or documentation that resolves ambiguities in any application materials that will inform the Department's threshold, scoring and feasibility determinations.
3. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's application (e.g., eligibility, award).
4. Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with this Project Solicitation. All decisions rendered shall be made by the Program Manager or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of HCD.
5. The appeal process provided herein applies solely to decisions of HCD made pursuant to this Project Solicitation.

B. Appeal Process and Deadlines

1. Process: To file an appeal, Applicants must submit to HCD, by the deadline set forth 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 or areas of the application that provide

clarification and substantiation for the basis of the appeal. No new or additional information will be considered if this information would result in a competitive advantage to an Applicant. Once the written appeal is submitted to HCD, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to HCD at DR-MHP@hcd.ca.gov according to the deadline set forth in HCD review letters.

2. Filing Deadline: Appeals must be received by HCD no later than five (5) business days from the date of HCD's threshold review, or initial score letters, as applicable, representing HCD's decision made in response to the application.

V. Award announcements and contracts

A. Award Announcements

The Department intends to announce awards in or around August 2026.

B. Disclosure of Application

Disclosure of Application Information provided in the application will become a public record available for review by the public pursuant to the California Public Records Act (Gov. Code, § 7920.00 et seq.). As such, any materials provided are subject to disclosure to any person making a records request under this Act. HCD cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, home addresses, and other personally-identifiable information. By providing this information to HCD, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

VI. Other Terms and Conditions

A. Right to Modify or Suspend

HCD reserves the right, at is sole discretion, to suspend, amend, or modify the provisions of this Project Solicitation at any time, including without limitation, the amount of funds available hereunder. If such an action occurs, HCD will notify all interested parties via HCD's email list and will post the revisions to the DR-MHP website. Please subscribe to HCD's email list at www.hcd.ca.gov/contact-us/email-signup.

B. Authority to Post Remediated Versions of Agreement

The Sponsor/Applicant of a Project receiving funds pursuant to this Project Solicitation hereby understands and acknowledges that the Department is obligated under federal law to post on the Department's website copies of all

CDBG-DR executed contracts. As posted, such contracts must be compliant with federal and state accessibility laws, including the California Government Code Section 11546.7 (2017 Assembly Bill 434) and the federal Americans with Disability Act, Section 508. The state law is the most stringent of the two, so all posted documents must meet Web Content Accessibility Guidelines 2.0 (WCAG 2.0) accessibility level.

To comply, the Department must utilize document remediation tools that provide the compliant formatting. All remediation will only change formatting, color schemes, and update any tables so that screen readers can properly read out the content of the table. Thus, during remediation, the appearance of this Agreement may change, but under no circumstances shall any terms or tenets of the Agreement be changed in any way.

Additionally, the Department shall offer website visitors the option to receive a scanned, un-remediated copy of this Agreement via email, which option Sponsor/Applicant also consents to.

The foregoing Sponsor/Applicant authorizations apply to both the original Standard Agreement as well as any and all subsequent amendments thereto.

C. Conflicts

It is the duty and responsibility of each Applicant to review the provisions, requirements, and limitations of all funding sources applied for and obtained for a particular project, program, or activity in order to ensure that each and every requirement of those funding sources is compatible with all program requirements and restrictions. Incompatibility of funding sources will result in the denial or cancellation of an award, or may result in the placement of conditions or limitations on an award, all as determined by the Department in its sole and absolute discretion.

Applicants are deemed to have fully read and to understand all applicable state and federal laws, regulations, and guidelines pertaining to DR-ACCEL, and to understand and agree that HCD shall not be responsible for any errors or omissions in the preparation of this Project Solicitation. In the event of a conflict between the terms of this Project Solicitation, and any applicable state, or federal law, the Project Solicitation, state, or federal law shall prevail and be controlling.

D. False, Fictitious or Fraudulent Claims

Warning: Any person who knowingly makes a false claim or statement to HUD or HCD may be subject to civil or criminal penalties under 18 U.S.C. §287, 1001 and 31 U.S.C. §3729.

E. Detecting, Preventing, and Reporting Fraud

Fraud is a white-collar crime that has a devastating effect on the CDBG-DR program because the program beneficiaries are victims of this crime when the program is abused. The Department of HCD wants to stop any criminal assault on the CDBG-DR programs it administers, and in doing so all CDBG-DR funds go to people it was designed to help and improve their living conditions.

F. Combating Fraud

The HUD Office of Inspector General (OIG) is committed to protecting HUD's programs, operations, and beneficiaries from dishonest individuals and organizations. HUD cannot combat fraud alone; they rely on HCD and NOFA Applicants to combat program fraud.

HUD also relies on Applicants for, and people receiving, HUD benefits, such as: tenants receiving rental assistance, borrowers with HUD insured loans, or residents having their communities restored using HUD grants.

The HUD OIG Hotline number is 1-800-347-3735. This is the primary means to submit allegations of fraud, waste, abuse, mismanagement, or Whistleblower-related matters for the program to the OIG.

HUD OIG accepts reports of fraud, waste, abuse, or mismanagement in the program from HUD employees, anyone administering the CDBG-DR program, anyone working in the program, contractors, and the public.

You can report mismanagement or violations of law, rules, or regulations by HUD employees or program participants. Fraud, Waste and Abuse in the program and its operation may be reported in one of the following four (4) ways:

1. By email to: hotline@hudoig.gov
2. By phone: Call toll free: 1-800-347-3735
3. By fax: 202-708-4829
4. By mail: Department of Housing & Urban Development Office of Inspector General Hotline Manager 400 Virginia Avenue, SW, Suite 120, Washington, DC 20024

VII. Program Expenditure Projections

Section III.A.2.C of the CDBG-DR Universal Notice requires the Department, as part of their development of program-specific policies and procedures, to develop projected expenditures and outcomes for each quarter of the grant. These must be posted on the Department's public website to ensure transparency and enable public tracking of performance. This allows HUD and the public to compare actual expenditures and outcomes to the projections. Program projected expenditures

and outcomes will be reviewed and adjusted as needed when an Action Plan Amendment revises program budgets, allocations, and/or expected outcomes. The expenditure and outcomes projections are located on the Department's website at the following link: https://www.hcd.ca.gov/funding/dr/dashboard-and-reporting/hud-reports

HCD will compare the actual expenditures and outcomes accomplished as part of the quarterly performance report against each program's projected expenditures and outcomes to monitor grant performance and adherence to expenditure timelines. These quarterly performance reports are available on the Department's website at the following link: https://www.hcd.ca.gov/funding/dr/dashboard-and-reporting/hud-reports

VIII. Definitions

Below are the definitions for purposes of the DR-ACCEL:

"Affordable Rents" means the annual Multifamily Tax Subsidy Projects (MTSP) Regular Income and Rent Limits published by HCD annually for each County, to determine rent limits.

"Affordable Unit" means a residential Unit that is used as a primary residence by its occupants that earn less than 65 percent of Area Median Income adjusted for household size as published by HCD annually in the MTSP Regular Income and Rent Limits, and pays an Affordable Rent that does not exceed the applicable published MTSP Rent Limit.

"Affordability Period" means the 55-year period of time that affordability restrictions shall be implemented and enforced, which shall be set forth in the Standard Agreement and/or Regulatory Agreement.

"Annual Income" means annual income as defined at 24 CFR Part 5.609.

"Applicant" means the entity or entities applying to the Department for DR-ACCEL funding of their Qualified Rental Housing Development. Such entity or entities must also be the Sponsor of the Qualified Rental Housing Development. Upon receiving an award of DR-ACCEL funds, the Applicant or co-Applicants will, both individually and collectively, be referred to as the "Sponsor" for purposes of this Project Solicitation.

"Area Median Income (AMI)" means the most recent applicable county median family income, adjusted by household size, as calculated by MTSP.

"Authorizing Resolution" means a formal resolution of the Applicant's/Sponsor's

highest governing authority, including but not limited to Boards, Commissions, General or Tribal council or other tribal leadership for Tribal Entities, authorizing the Applicant to accept the CDBG-DR funds and the responsibilities that attach, thereto, in general and authorizing persons performing specific roles to act on its behalf, including, but not limited to being a signatory of the HCD Standard Agreement and other supporting documents.

“Borrower” means the entity that incurs the obligation for the DR-ACCEL Loan that is subject to the requirements of this Project Solicitation.

“CALGreen” means California’s first green building code and first in the nation state- mandated green building code. It is formally known as the California Green Building Standards Code, Title 24, Part 11, of the California Code of Regulations.

“California Environmental Quality Act (CEQA)” means the state statute that requires state and local agencies to identify significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.

“CDBG-DR funds” means funds allocated to the State of California by HUD pursuant to a Public Law and Federal Register Notice(s) for disaster relief, long term recovery, restoration of infrastructure and housing, economic revitalization in the most impacted and distressed areas resulting from a major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act at 42 USC 5121 et seq.

“CDLAC” means the California Debt Limit Allocation Committee.

Code of Federal Regulations (CFR)” means the body of the general and permanent rules that the federal government’s executive departments and agencies publish in the Federal Register.

“Commencement of Construction” or “Commenced Construction” means the first land-disturbing activity associated with a project, including land preparation such as clearing, grading, and filling.

“Contractor” means a contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the Contractor, pursuant to 2 CFR section 200.331. See the definition of contract in § 200.1 of Part 200. Characteristics indicative of a procurement relationship between the non-Federal entity and a Contractor are when the Contractor meets at least one of the following:

- Provides the goods and services within normal business operations.

- Provides similar goods or services to many different purchasers.
- Normally operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the federal program.
- Is not subject to compliance requirements of the federal program as a result of the agreement, though similar requirements may apply for other reasons.

“Cross-Cutting Federal Requirements” means the federal regulations that apply to any project or program receiving federal funds, including HUD funding. These federal requirements pertain to financial management, procurement, environmental, labor, acquisition, relocation, fair housing, and non-discrimination.

“Davis-Bacon Wage Requirements” means the Davis Bacon and Related Acts (DBRA) which requires that all contractors and subcontractors performing work on federally assisted contracts in excess of $2,000 for construction, alteration, or repair (including painting and decorating) to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar Projects in the area. For housing projects receiving DR-ACCEL funds, the DBRA wage requirements apply to projects that include eight (8) or more dwelling units. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts. Contractors and subcontractors on DBRA prime contracts in excess of $150,000, or related DBRA contracts in excess of $100,000, are also required, pursuant to the Contract Work Hours and Safety Standards Act, to pay laborers and mechanics one and one-half times their basic rates of pay for all hours over 40 worked on a covered contract in a workweek.

"Department" or “HCD” means the California Department of Housing and Community Development, a political subdivision of the State of California.

“Department of Housing and Urban Development (HUD)” means the Federal department through which the CDBG-DR funds are distributed to HCD.

“Developer” means a private for-profit or nonprofit organization that owns or has site control over real property and arranges for design, financing, professional, technical, and construction services in connection with a housing project to develop affordable housing. See also: Sponsor.

“Director” means the director of the Department.

“DR-ACCEL Assisted Unit” means a Department-funded Affordable Unit that is subject to rent, income, occupancy, and other restrictions in accordance with DR-ACCEL requirements.

“Duplication of Benefits (DOB)” means any person, business concern, or other entity receiving financial assistance from multiple sources for a cumulative amount that exceeds the total need for the same recovery purpose as the CDBG-DR funds per Section 312 of the Stafford Act.

“Environmental Review Record (ERR)” means a permanent set of files containing all documentation pertaining to the environmental review compliance procedures conducted and environmental clearance documents as required by CEQA and National Environmental Policy Act (NEPA) regulations. (See also CEQA and NEPA).

“Existing HCD Loan Commitment” means the existing direct commitment of Department multifamily loan program funds to the Qualified Rental Housing Development that predated the Application for DR-ACCEL funds, as well as the Department program making that commitment as identified in Section II(A)(1) of this document.

“Federal Emergency Management Agency (FEMA)” means the agency of the United States Department of Homeland Security. The agency's primary purpose is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and state authorities.

“Federal Register” (FR) means the daily journal of the federal government containing federal regulations, proposed rules, executive orders, proclamations, and other Presidential documents.

“Federally-Assisted Construction Contract” means, in the context of CDBG-DR funds used for multifamily housing developments that include eight (8) or more dwelling units, the use of CDBG-DR funds to pay for construction contract costs, construction loan principal or interest, charges or fees to reduce the interest rate on a construction loan, or any other financing mechanism that pays for construction contracts, including provision of funds for permanent financing following construction. Pursuant to HUD’s Factors of Labor Standards Applicability, CDBG-DR funds used for real property acquisition, architectural and engineering fees, legal services, accounting services, construction management services, and other similar soft costs that are not a construction contract do not trigger Davis-Bacon.

“Household” means one or more persons occupying a housing unit.

“HSC” means the acronym for the California Health and Safety Code.

“HUD-Identified MID Area” means those cities, counties or other jurisdictions or geography identified by HUD as most impacted and distressed areas based on analysis of FEMA and state data as a result of major disasters. The MID Areas

covered by this Project Solicitation are those areas specified in Section II.E.2.

“Leverage” means all documented monetary and non-monetary contributions, other than DR-ACCEL funds, which have been assigned a measurable value and which are applied to the specific DR-ACCEL Project. Leverage does not include contributions toward the cost of non-low-income units and commercial space.

“Limited English Proficiency (LEP)” is a designation for persons that are unable to communicate effectively in English because their primary language is not English, and they have not developed fluency in the English language. A person with Limited English Proficiency may have difficulty speaking or reading English. A LEP person benefits from an interpreter who translates to and from the person’s primary language. A LEP person may also need documents written in English translated into his or her primary language so that person can understand important documents related to health and human services.

“Local Public Entity” is defined at Health and Safety Code section 50079, and 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, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In addition, and in accord with this Health and Safety Code definition, the term “Local Public Entity” also includes two or more local public entities acting jointly.

“Low- to Moderate-Income (LMI)” means low to moderate income people having Annual Income not more than the “moderate-income” level (80% Area Median Family Income) set by the federal government for the HUD-assisted housing programs. This income standard changes from year to year and varies by household size, county and the metropolitan statistical area. Pursuant to 25 U.S.C. 4103, the term “median income” means, with respect to an area that is an Indian area on Native American Lands, the greater of—(A) the median income for the Indian area, which the Secretary shall determine; or (B) the median income for the United States.

“Minority- and/or Women-Owned Business Enterprise (M/WBE)” means a business that is owned and controlled (minimum of 51% ownership) by a member of a minority group or women.

“Monthly Activity Reports” means reports submitted by the Sponsor that describe Project progress and/or beneficiaries served during a given reporting period.

“Monthly Financial Reports” the forms and processes required for a Sponsor to request DR-ACCEL funds.

“Most Impacted and Distressed (MID)” is an area that meets the definition of Most Impacted and Distressed set by HUD in the Federal Register Notices incorporated herein. For purposes of the unmet needs’ allocation, HUD has defined Most Impacted and Distressed as an area (county) that meets the following criteria:

1. Individual Assistance/Individual and Households Program (IHP) designation. HUD has limited allocations to those disasters where FEMA had determined the damage was sufficient to declare the disaster as eligible to receive IHP funding.
2. Concentrated damage. HUD has limited its estimate of serious unmet housing need to counties with high levels of damage, collectively referred to as ‘‘most impacted areas’’.

For 2023 DR-ACCEL funds, HUD defined Most Impacted and Distressed areas as all of Merced, Santa Cruz, San Joaquin, San Luis Obispo, and Ventura counties.

“Multifamily Project” A multifamily project or multifamily development is the same as Rental Housing Development defined below.

“National Environmental Policy Act (NEPA)” means the federal law establishing a broad national framework for protecting the environment. NEPA’s basic policy is to assure that all branches of government consider the environment prior to undertaking any major federal action that could significantly affect the environment. The governing statutes are contained in 42 U.S.C. sections 4321-4347 and the implementing regulations at 24 C.F.R. Parts 50 and 58.

“National Flood Insurance Program (NFIP)” means the program created by Congress in 1968 to reduce future flood damage through floodplain management and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP.

“Nonprofit” means the same as "Nonprofit Corporation" defined in H.S.C. §50091.

"Older Adults in Need of Supportive Services" individuals who are age 55 or older and who need Supportive Services to maintain and stabilize their housing, including individuals meeting the following criteria:

(1) Eligible under Medi-Cal 1915(c) waiver programs including the Home and Community-Based Alternatives Waiver, the Multipurpose Senior Services Program (MSSP), the AIDS Waiver, the Assisted Living Waiver, the Home and Community-Based Services for the Developmentally Disabled (HCBS-DD) Waiver, and the Self-Determination Program (SDP) Waiver;

(2) Eligible for services under the Program of All-Inclusive Care for the Elderly or Community-Based Adult Services (CBAS);

(3) Eligible for services through Enhanced Care Management or Community Supports (also known as “In Lieu of Services”) provided through Cal-AIM or similar programs;

(4) Eligible for services through the In-Home Supportive Services Program;

(5) Eligible for services similar to those listed in (1)-(4) above through the Department of Developmental Services (DDS) or the Regional Centers, including Independent Living Services and Supported Living Services;

(6) Older Veterans who need services similar to those listed in (1)-(5) above but are served through the VA; and/or

(7) Older adults at risk of institutionalization and eligible for long term care.

Eligibility for these programs must be established by the agency responsible for determining eligibility for the benefits provided by them

“Performing Debt” refers to non-government, long-term (or permanent) financing of a Rental Housing Development intended to generate a profit for a private or non-profit lender requiring ongoing mandatory debt service payments.

“Permanent Loan Conversion” means the Project has leased up to a minimum of 90 percent occupancy for a period of a minimum of 30 days in accordance with the applicable Department funding requirements; the units have been leased to the appropriate or designated populations identified, and they have met the terms and conditions of all Department funding awarded to the Project; and all construction period financing has converted to permanent financing.

“Performance Milestones” means the development schedule and/or milestones proposed by the Sponsor at time of application and as set forth in the Standard Agreement.

“Project” or “Rental Housing Development” means new construction of multifamily apartment complexes and mixed-use developments, which may include mixed-used development components. This also includes Scattered Site Projects as defined below.

“Project Completion Report” means the report that conveys the project completion information for inputting into HUD’s Disaster Recovery Grant Reporting (DRGR) system.

“Project Report” means the HCD staff report presented to and approved by the Department’s Internal Loan Committee. The Project Report sets forth the project criteria approved by the Department at the time of the Award of DR-ACCEL Loan funds. The project criteria may be amended only upon HCD’s written approval in

its sole discretion.

“Program” means the Disaster Recovery Multifamily Housing Accelerator Program (DR-ACCEL).

“Program Income” (PI) means gross income that is directly generated from Sponsor’s repayment of the DR-ACCEL Loan to the Department. Program Income is subject to the CDBG-DR rules.

“Program Portal” is a web-based portal to the DR-ACCEL overview, program-specific documents, and project application.

“Qualified Rental Housing Development” means a Rental Housing Development that received an award letter on or before the closing date for the DR-ACCEL round two threshold application from a qualifying multifamily housing loan program listed in Section II.A.1 of this document, directly administered by the Department, and the award must not have expired, or been terminated, disencumbered, or otherwise held to be void.

“Rental New Construction Project” means the new development of a specific multifamily project on a specific site using CDBG DR funds.

“Regulatory Agreement” means a legal document that the Department shall use to set forth the DR-ACCEL terms and affordability restrictions on rent and occupancy for a specific awarded Project for the development of affordable multifamily housing units in a manner consistent with the DR-ACCEL Program. The Regulatory Agreement shall be recorded against each Project’s real property in the official records of the county or counties in which the Project is located and shall have priority over all other liens, encumbrances and other matters of record for the duration of the 55-year affordability period except as may be approved by the Department.

“Rental Housing Development” means a structure or set of structures which collectively contains 5 or more Units, as provided in the UMR, Section 8301. “Rental Housing Development” does not include any “health facility” as defined by Section 1250 of the Health and Safety Code or any “alcoholism or drug abuse recovery or treatment facility” as defined by Section 11834.02 of the Health and Safety Code.

“Responsible Entity (RE)” means the agency receiving CDBG assistance as described in the ERR requirements at 24 CFR Part 58. The RE must complete the environmental review process. The RE is responsible for ensuring compliance with NEPA and the federal laws and authorities, for issuing the public notification, for submitting the request for release of funds and certification, when required, and for ensuring the Environmental Review Record (ERR) is complete. For the

purposes of the DR-ACCEL Program, HCD is the RE.

“Scattered Site Project” means a Project with five or more units on one or more contiguous or non-contiguous sites that meet the additional requirements in UMR Section 8303(b)(1)-(5).

“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) 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.

“Sponsor" is defined in accordance with Health and Safety Code sections 50675.2 and 50669. When the Sponsor comprises two or more entities, the entities may be referred to, both individually and collectively, as the “Sponsor”. Each such entity may also be referred to individually as a “Co-Sponsor.” the Sponsor structure shall include any Local Public Entity that is a Co-Sponsor of the Existing HCD Commitment; such Local Public entity shall execute the Standard Agreement as a duly authorized Co-Sponsor prior to construction loan closing. The Sponsor entities shall be bound by the DR-ACCEL Standard Agreement and by each and every one of the DR-ACCEL terms, conditions, and restrictions.

“Standard Agreement (SA)” means the written contractual agreement between the Department and the Sponsor to formally commit the DR-ACCEL funds to a Project, which sets forth the terms and conditions by which CDBG-DR-ACCEL funds are utilized in accordance with the Project Solicitation and applicable laws.

“Supportive Housing” means housing with no limit on length of stay, that is occupied by the target population and is linked to onsite or offsite services that assist the Supportive Housing resident that needs support in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

“Supportive Services” means social, health, educational, income support and employment services and benefits, coordination of community building and

educational activities, individualized needs assessment, and individualized assistance with obtaining services and benefits.

“TCAC” means the California Tax Credit Allocation Committee.

“Technical Assistance” means that HCD will provide technical assistance to awarded developers to ensure compliance with CDBG-DR requirements and consistency with the Project Solicitation.

“UMR” means the Uniform Multifamily Regulations (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended.

“Uniform Relocation Assistance and Real Property Acquisition Act (URA)” means the federal law that establishes minimum standards for federally funded programs and Projects that require the acquisition of real property (real estate) that result in the displacement of persons from their homes, businesses, or farms and entitles these displaced persons to relocation benefits and assistance.

“Unit” means a residential Unit that is used as a primary residence by its occupants, including efficiency Units as defined in the California Building Code.