

California Department of
Housing and Community Development

**HOME 2024 NOFA
NATIVE AMERICAN
ENTITIES PROGRAM
ACTIVITIES APPLICATION
WORKSHOP WEBINAR**

January 28, 2025





Welcome and Remarks from Division of Federal Financial Assistance Leadership

**Janice Waddell
Assistant Deputy Director, Annual Programs**

**Willa Darley Chapin
Housing Policy & Program Administration Branch Chief**

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Housing and Community Development Manager II**



HOME Program Activities Team

Kelly Underwood
HOME Program Manager

Vicki Balanco
Jaime Gonzalez

Celina Castilleja
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HOME Program Representatives

Jay Cortese
HOME Program Senior Specialist



A few words from...

Zachary Ferguson — Tribal Affairs Senior Specialist



Today's Agenda

Program Overview

- Funding and Goals

Program Requirements Part I

- Eligible Applicants
- Eligible Activities
- Expenditure Rates

Program Requirements Part II

- Use of Funds and Forms of Assistance
- Underwriting
- Property Standards

Application Scoring and Evaluation

- Threshold and Minimum Requirements
- 50 percent rule
- Scoring Factors
- eCivis application overview for Program Activities



NOFA Deadlines

Application Submittal Period (extended for tribal entities)

**January 31, 2025
through September 24, 2025, 5:00
p.m. PST**

NOFA Overview

Funding Availability

In round numbers:

- \$35 million available (approximately)
 - 55% for rental projects = \$19.9 million
 - 5% FTHB projects = \$1.8 million
 - 40% for Program Activities = \$14.5 million
- 50% reserved for rural areas = \$17.6 million
- 15% reserved for CHDOs = \$5.3 million
- 20% for Native American Entities Target = \$7 million*

*(for Program Activities and Project Activities)





OVERVIEW

Roughly \$7 Million in HOME Funds are available for Program and Project Activities

for...

Low Income Households earning at or below 80% AMI

Very-Low Income Households earning at or below 50% AMI

to...

Increase the supply of Affordable Housing

Expand Homeownership Opportunity and Improve Existing Housing



eCivis Application Portal

HOME Applications must be accessed, starting January 31, 2025, through the eCivis Grants Network Portal – Programs Available for Solicitation page at:

https://gn.ecivis.com/GO/gn_redir/T/vyjsqf2kekyx

- [eCivis Grants Management System User manual](#)
- [eCivis Grants Management System External User Webinar](#)

All links are available on our HOME website at

<https://www.hcd.ca.gov/grants-and-funding/programs-active/home-investment-partnerships-program>



New This Year

2022-2023 NOFA	2024 NOFA
Tribal Entities 20% Target, but same application deadline	Tribal Entities over-the-counter, so much later application deadline
Scoring factors were in the NOFA	Scoring factors are in the new NOFA Appendix D
Bonus 7.5% General Admin for TBRA, for total of 10% General Administration (with overall cap)	Same, but no overall cap, so even lower scorers will receive bonus 7.5% General Admin for TBRA!



IMPORTANT TO KNOW

Homebuyer Education Training

- All homebuyer education training MUST be facilitated by a HUD-certified housing counselor employed by a HUD-certified housing counseling service.
<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cf m?webListAction=search&searchstate=CA>



IMPORTANT TO KNOW (cont.)

Federal Single Audit Requirements

If exempt from requirements of the 2 CFR 200.512 Single Audit Report, must upload a copy of exemption letter (sent to federal clearinghouse) with HOME application. Otherwise, must upload Single Audit Report or else evidence of a Single Audit in process, with eCivis application.



PROGRAM REQUIREMENTS

(Part 1)

Eligible Applicants
Eligible Activities





NOFA Overview Definitions

- **“Local agency”** means a city, county, city and county, or duly constituted governing body of an Indian Reservation or rancheria and includes any governmental agency or local public entity (See California Health and Safety Code (HSC) section 50077).
- **“Local public entity”** 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. (See HSC section 50079)

NOFA Overview Definitions

“Native American Entity” (“NAE”) means an “Indian Tribe” or a “Tribally Designated Housing Entity” that is any of the following:
a) Applicant meets the definition of Indian Tribe under Section 4103(13)(B) of Title 25 of the United States Code; b) Applicant meets the definition of Tribally Designated Housing Entity under 25 U.S.C. 4103(22); or c) If Applicant is not a federally recognized tribe as identified above, Applicant is either: (1) Listed in the Bureau of Indian Affairs Office of Federal Acknowledgment Petitioner List, pursuant to 25 C.F.R. Part 83.1; or (2) An Indian Tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of consultation pursuant to GC Section 65352.3, and (3) has formed and controls a special purpose entity in compliance with 25 C.C.R. § 8313.2.



NOFA Overview Definitions

“Native American Entity – Federally Recognized Tribe (“NAE-FRT”) means any Tribal Government which is a federally recognized tribe as defined at 25 U.S.C. section 4103(13)(B) and includes a duly constituted governing body of an Indian Reservation or Rancheria as Health and Safety Code section 50077 and 50079; or is a Tribally Designated Housing Entity under 25 U.S.C. section 4103(22).



NOFA Overview Definitions

“Native American Lands” means real property located within the State of California that meets the following criteria: (1) is trust land for which the United States holds title to the tract or interest in trust for the benefit of one or more tribes or individual Indians, or is restricted Indian land for which one or more tribes or individual Indians holds fee title to the tract or interest but can alienate or encumber it only with the approval of the United States; and the land may be leased for housing development and residential purposes under federal law; or (2) lands outside the jurisdiction of tribal government owned or co-owned by a Native American Entity in accordance with 25 C.C.R. § 8201(y).



NOFA Overview Definitions

“Native American Entity (NAE) Service Area” means the area where the Project is located within the NAL and includes lands outside the NAE tribal government jurisdiction up to 100 miles from the boundary of the NAE trust or restricted land as defined at 25 U.S.C. 2201 that is within non-entitlement jurisdictions.



Native American Entities Applicants

Only Native American Entities - Federally Recognized Tribes (NAE-FRTs) may apply for Program Activities, as a State Recipient.

Native American Entity Non-Federally Recognized Tribes (NAE-NFRTs) may apply as only a Special Purpose Entity Developer for HOME funds for project activities by forming a Special Purpose Entity.

“Special Purpose Entities” means the legal entity or combination of legal entities with continuing control of the HOME Project and conforms with the requirements of 25 C.C.R. § 8313.2.





Native American Entities Eligibility for Program Activities

Question:

Why are only federally recognized tribes able to apply for Program Activities?

Answer:

HOME Final Rule at 24 CFR section 92.201(b)(2): “*A unit of general local government designated by a State to receive HOME funds from a State is a State recipient.*” HUD has ruled that it would consider only a federally recognized tribe to be a unit of general local government and thus eligible as a State Recipient.



AB 1010

AB 1010 (Ch. 660, Sta. 2019) enables tribes to request that HCD modify or waive State financing statutory, regulatory, or HOME NOFA requirements, subject to the limitations of AB 1010, applicable law, and the California Constitution.

Requested modifications or waivers must be consistent with program compatibility or be an instance of avoiding an unnecessary administrative burden and are evaluated on a case-by-case basis.

AB 1010 authority does not apply to federal statutes or regulations.

For any assistance or support in submitting an AB 1010 waiver request, please contact the HOME Program team or the California Indian Assistance Program (CIAP) at CIAP@hcd.ca.gov



HOME RULES

HOME Limits (all posted on HCD limits page)

- HOME Income Limits
- HOME Homeownership Value Limits
- HOME Maximum Per-Unit Subsidy Limits

Federal Overlays

- NEPA (details later in this webinar)
- Procurement (Admin Subs) vs. Subrecipients
- 2 CFR Part 200 (Uniform Admin. Requirements)



ELIGIBLE ACTIVITIES (Overview)

- First-Time Homebuyer (FTHB)
 - Acquisition Only
 - (Acquisition with Rehab is no longer HOME-eligible)
 - Infill New Construction
- Owner-Occupied Rehabilitation (OOR)
- Tenant-Based Rental Assistance (TBRA)

Note: CHDOs can apply for only FTHB



ELIGIBLE ACTIVITIES

First-Time Homebuyer (FTHB) *Acquisition Only*

- Down payment and closing cost assistance (“gap”)
- Must cause borrower payment to be within debt-to-income ratio minimums/maximums
- Must be “standard” home (no health & safety or code issues at closing)
- Assistance amount must not exceed HOME Maximum Per-Unit Subsidy Limits (currently \$252,994 for 2-BR, \$327,293 for 3-BR, and \$359,263 for 4-5 BR)
- Home price must not exceed current HOME Homeownership Value Limits in the city and county areas to be served



ELIGIBLE ACTIVITIES

First-Time Homebuyer (FTHB) Program Infill New Construction

- This is building homes within built-out neighborhoods.
- Scattered sites with no more than four dwellings within 2000 feet of one another as required by NEPA.
- Application must document availability of grant funds or building sites currently owned by applicant if costs will exceed appraised value.



ELIGIBLE ACTIVITIES

Owner-Occupied Rehabilitation (OOR) program

- Must be owner-occupied
- Must be primary residence
- Must start as “substandard” (with health & safety and/or code violation(s)) and be made into “standard”
- General Property Improvements limited to 15% of costs
- HOME Test for Reconstruction approval required if cheaper to tear down and rebuild than to repair.



ELIGIBLE ACTIVITIES

Tenant-Based Rental Assistance (TBRA)

- Rental subsidies (beyond 30% of household monthly income under the certificate model, or 10-40% of gross income under the voucher model)
- Security Deposit Assistance
- Utility Deposit Assistance (but not alone)
- Rent plus Utility Allowance can't exceed Rent Standard (90-110% of HUD's published area Fair Market Rents)
- At least 90% of households must be at or below 60% of Area Median Income (AMI). Up to 10% could be between 60 and 80%).



ELIGIBLE ACTIVITIES

Tenant-Based Rental Assistance (TBRA) Continued...

- Must document “Rent Reasonableness” (comparable)
- Must perform Housing Quality Standards (HQS) inspection and clear the unit
- Must use Adjusted Monthly Income, not Gross Monthly Income, for gap calculation purposes
- Must recertify income annually, and whenever informed that income changed by a certain percentage.



ELIGIBLE ACTIVITIES

Tenant-Based Rental Assistance (TBRA) Continued...

- May not exceed 24 months, but is renewable
- Must offer 12 months minimum but could have as short as a 6-month agreement with evidence in file this is applicant's request
- Must execute Lease Addendum and a VAWA (Violence Against Women Act) Addendum, for tenant protection
- Must also execute Written Agreements with Landlord and with Tenant



PROGRAM ACTIVITIES

FUNDING LIMITS

- Minimum and maximum Application Amount for new HOME Program Activities applicants = \$500,000

Included Administration and Project-Related Soft Costs



Questions?

(Type them or raise your hand)



Break



PROGRAM REQUIREMENTS (Part 2)



**USE OF FUNDS
FORMS OF ASSISTANCE
UNDERWRITING
PROPERTY STANDARDS**



ELIGIBLE USES OF FUNDS

First-Time Homebuyer (FTHB)

- Loan as gap financing behind a 30+ year fixed rate primary mortgage loan only!
- **Project-Related Soft Costs/”Activity Delivery Costs” (“ADC”):** Up to 6.5% of the HOME borrower assistance amount.
- Soft costs can be up to 6.5% of total development costs for FTHB Infill New Construction.



ELIGIBLE USES OF FUNDS

Owner-Occupied Rehab (OOR)

- Loan/Grant funds to borrowers for rehabilitation or reconstruction of substandard homes.
- **Project-related Soft Costs/"ADC":** up to 24% of the HOME loan/grant amount for OOR (or higher, with clear time/expense documentation).



ELIGIBLE USES OF FUNDS

Tenant-Based Rental Assistance (TBRA)

- Grant funds to tenants for monthly rental assistance and/or security deposits, and utility deposits.
- **Project-Related Soft Costs/”ADC”**: up to 5% per household for income certification and unit inspection costs only



ELIGIBLE USES OF FUNDS

General Administration Funds

- **2.5 percent of HOME award, plus bonus 7.5% for TBRA funds.**
 - For all documented time and expenses for HOME program and project administration beyond available project-related soft costs



INELIGIBLE USE OF FUNDS

- Refinancing existing debt
- Expenses incurred after the Final Expenditure Deadline
- Payment of delinquent property taxes
- Expenses incurred prior to execution of Standard Agreement (except NEPA) if not pre-approved by HOME Manager



FORMS OF ASSISTANCE

HOME LOANS

- 0-3% simple interest
- Deferred payments (no payments for life of the loan)



FORMS OF ASSISTANCE

HOME GRANTS

- TBRA
- Relocation Payments
- Lead-based Paint Hazard Evaluation and Reduction



FORMS OF ASSISTANCE

HOME GRANTS Owner-Occupied Rehab

- Maximum 100% combined loan-to-value
- Maximum rehab grant is 25% of HOME Maximum Per-Unit Subsidy Limit
- HCD advance written approval is required on each project



UNDERWRITING STANDARDS

FTHB INFILL NEW CONSTRUCTION

Underwriting analysis to include:

- Reasonableness of profit or return to developer
- Project cost reasonableness
- Market analysis
- Experience and financial capacity
- Firm financial commitments in place to fully fund the project



PROPERTY STANDARDS

Infill New Construction

- All State & local codes, ordinances, zoning, on non-trust land.

Rehabilitation

- Establish rehab standards
- Major Systems
- Each must have remaining useful life of at least 5 years



PROPERTY STANDARDS

Down Payment Assistance (Acquisition Only)

- Health & Safety and local code compliance (on non-Trust land, at least)

TBRA

- Must meet Housing Quality Standards (HQS) using HUD checklist



PROPERTY STANDARDS

Manufactured Housing

- Reconstruction: requires permanent foundation and utility hookups.
- Rehab: requires foundation and anchoring to meet State and local codes
- Lease period at least equal to Affordability Period for purchase



ENVIRONMENTAL REVIEW

NEPA

- National Environmental Policy Act 24 CFR part 58.
- No funds may be committed to a HOME-funded project before the completion of the environmental review for that project (this is not programmatic, except for General Admin)..



Questions?

(Type them or raise your hand)

Application Review





APPLICATION EVALUATION

Minimum Requirements Threshold

- Application received by the deadline (one per Program Activity, starting this NOFA round)
- Eligible applicant
- Eligible activity
- Eligible use of funds
- Complete Application



APPLICATION EVALUATION

Minimum Requirements Threshold

- Has no unresolved audit findings (pursuant to State HOME Regulations)
- Is compliant with submittal requirements of 2 CFR Section 200.512 Single Audit Reporting
 - Applicant is responsible for verifying submission status with SCO. If exempt, Exemption letter is required with application. If not, upload your Single Audit with your eCivis application, which was a new requirement starting last year.
- Not on the federal list of Debarred Contractors



APPLICATION EVALUATION

Minimum Requirements Threshold

- Amount of funds requested between minimum and maximum (\$500,000 for those with no prior HOME Program Activities grants)
- Application forms have not been modified

SCORING



Good news!

- Scoring won't happen unless the total Tribal 20% target gets exceeded
- If it does, then applications will be scored, for consideration in the non-Tribal competitive NOFA





SCORING FACTORS

Maximum Points Possible = 950

Local Housing Element (n/a Tribes):

Local Housing Element in compliance with
State Housing Element Law by **April 21, 2022**

Points = 50 (Tribes get full points)



SCORING FACTORS

Rural Communities

- Based on the location of the proposed activities
- Submission of the required documents

Points = 50



SCORING FACTORS

Applicant Experience

Experience administering HOME and/or other qualified affordable housing or community development programs over last seven years

Maximum Points Possible = 100



SCORING FACTORS

Prior Performance Reporting: Factor #1 (n/a for Native American Entities without prior HOME grants)

- Annual Performance Reports
FY 21-22, 22-23, and 23-24
- Quarterly Performance Reports
16-HOME through 19-HOME Program
Activities contracts
- Program Income Statements
All 16-HOME through 19-HOME contracts
- Points deducted if late or not received, for each

Maximum Points Deducted = 50



SCORING AND RANKING FACTORS

Prior Performance Monitoring: Factor #2

Non-Compliance with Monitoring or
Contract Requirements
identified in the last 5 years
(1/1/20 thru 12/31/24)

Maximum Points Deducted = 100



SCORING FACTORS

Community Need:

Appendix C of the NOFA is based on U.S. Census Data for point scoring by activity type

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/home/home-2024-appendix-c-community-need-scores.xlsx>

Maximum Points Possible = 250



SCORING FACTORS

Project Feasibility

Activity-Specific Criteria

Up to 75 points

FTHB Program – number of affordable housing units sold in the last 12 months



SCORING FACTORS

Project Feasibility Activity-Specific Criteria (Continues)

Owner-Occupied Rehabilitation Program

- Number of overcrowded households
- Age of housing stock (U.S. Census Data)

TBRA Program

- Overpayment by low-income households (U.S. Census Data)



SCORING FACTORS

Program Feasibility

Awarded if Exhibit B6 Guidelines
Certification submitted

Points = 25



SCORING FACTORS

State Objectives

Higher (Program) Expenditure Rates (2016, 2018 and 2019 HOME Program Activities contracts):

- 90 points for expenditure rate of 75%+
- 60 points for expenditure rate of 50% – 74.99%

Maximum Points = 90



SCORING FACTORS

State Objectives

Homelessness or Extremely Low-Income

To get these points, indicate on our form in eCivis that:

- 1) Applicant is applying for TBRA; or
- 2) Proposed Program Activity will primarily serve (50% or more) people experiencing homelessness and/or those At Risk of Homelessness as defined in at 24 C.F.R. § 578.3; or
- 3) Proposed Program activity(ies) will primarily serve (50% or more) Extremely Low-Income Families, which means low-income families whose annual incomes do not exceed 30 percent of the median family income of a geographic area, as determined by HUD with adjustments for smaller and larger families.

Maximum Points = 110



Questions?

(Type them or raise your hand)



eCivis Application Portal

- Many struggled last year with our new MAIN/SUB format, so we're providing a demo today.
- Main takeaway for you: Everyone must complete one MAIN application in eCivis, and a SUB application for each Program Activity being applied for. Many failed to submit any SUB applications last year!
- Example: Applying for FTHB and OOR (submit 3 applications!):
 - Complete one MAIN application (formerly Part A)
 - Complete one SUB application for FTHB
 - Also complete one SUB application for OOR

eCivis Application Overview

by Vicki Balanco





Technical Assistance Consultations

- We're happy to meet anytime on Teams anytime before applications are due
- E-mail HOMENOF@hcd.ca.gov to request a call to schedule one



HOME PROGRAM CONTACTS

**Submit HOME Program Inquiries via email
to:**

HOMENOFA@hcd.ca.gov

**Kelly Underwood, HOME Program Manager
(916) 398-6773**

Kelly.Underwood@hcd.ca.gov

THANK YOU!

