

HOME 2024 NOFA NATIVE AMERICAN ENTITY APPLICATION WORKSHOP FOR MULTIFAMILY RENTAL & FIRST-TIME HOMEBUYER (FTHB) PROJECTS

February 4, 2025

California Department of Housing and
Community Development



WELCOME

HOME 2024 NOFA Native American Entity Multifamily
Rental & First-Time Homebuyer Projects Application
Workshop Webinar





Welcome and Remarks from Division of Federal Financial Assistance Leadership

**Nicole “Niki” McCay
Housing and Community Development Manager II**

HOME Projects Team

Francesca Wander
JT Marcell

Kris Genilo
Soledad Sandoval

Stephany Booth

Albert Rollin

Robert Rystad



A few words from ...

Mary Lindeblad-Fry (Colville) – Tribal Affairs Senior Specialist

Zachary Ferguson – Tribal Affairs Senior Specialist



NOFA APPLICATION INQUIRIES

For consistency and transparency,
questions must be submitted to the
HOME NOFA email inbox.

Questions will be reviewed, researched,
and answered.

Email to **HOMENOF@hcd.ca.gov**



A Few Housekeeping Items...

- The chat is disabled for participants, so please put your questions in the Q&A.
- We are taking questions only in the Q&A and will answer them at the end of each section.
- We will take one break of approximately 10 minutes about midway through.



NOFA Deadlines

Application Submittal Period

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



Presentation Overview

- **NOFA Overview and What's New**
 - eCivis Application Portal
 - Funding Availability
 - Application Limits
- **Threshold Requirements**
- **Scoring**
- **Project Feasibility**
 - Financial Feasibility
 - National Environmental Policy Act (NEPA)
 - Relocation



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](#)



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



New This Year

GREAT NEWS!

- This year, Native American Entity NOFA applications are over-the-counter, rather than competitive.
- The application period is much longer, through September 24, 2025.
- We can help you before, during, and after you submit an application, since it's over-the-counter.
- We will review your applications in the order received, and qualified projects will be awarded funds.
- Any funds not awarded will roll over to the competitive solicitation's funding.



New This Year

2022-2023 NOFA	2024 NOFA
Scoring factors all listed in NOFA	Scoring factors all in new NOFA Appendix D
Max CHDO Operating Funds = \$200,000	Max CHDO Operating Funds = \$75,000



New This Year

2022-2023 NOFA	2024 NOFA
<p>Funding Limits by Project Activity: Rental: \$12 million</p> <p>First-Time Homebuyer (FTHB): \$3M</p>	<p>Funding Limits by Project Activity: Rental: \$4.5 million</p> <p>First-Time Homebuyer (FTHB): \$2 million</p>
<p>Max State Recipient General Admin = \$150,000</p> <p>Project-Related Soft Costs (formerly “ADC”) = \$50,000</p>	<p>General Administrative Funds (State Recipients only): \$50,000</p> <p><u>plus</u></p> <p>Project-Related Soft Costs (State Recipients only): \$50,000</p>



New This Year

2022-2023 NOFA

Table 8 – Monitoring Fees	
Number of Units	2023
12 or fewer	\$6,077
13 to 24	\$9,888
25 to 36	\$12,051
37-48	\$12,360
49-60	\$14,781
61 or more	\$17,304

2024 NOFA

Table 10 – Estimated 2025 Monitoring Fees	
Number of HOME Units	Annual Fee
12 or fewer	\$ 6,447
13 to 24	\$10,491
25 to 36	\$12,740
37 to 48	\$13,113
49 to 60	\$15,681
61 or more	\$18,358



NOFA Overview Definitions

- To meet the definition of an **eligible jurisdiction**, Applicants must meet the following criteria:
 - Are proposing projects or programs that will be located or carried out in the Applicant's defined service area. Generally, this will be within the Applicant's city limits, a county's unincorporated area, or an Indian Reservation, rancheria, or service area of a tribally designated housing agency.



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 Entity – Non-Federally Recognized Tribe” (“NAE-NFRT”) means any Tribal Government which is an Indian Tribe located in California that is not a federally recognized tribe and 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, and has formed and controls a special purpose entity in compliance with 25 C.C.R. § 8313.2; or (2) listed on the contact list maintained by the California Native American Heritage Commission for the purposes of consultation pursuant to Government Code (GC) § 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 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 Entity Applicants

Native American Entities - Federally Recognized Tribes (NAE-FRTs) may apply as the following:

- State Recipient*
- Developer

*The 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.



Native American Entity Applicants

Native American Entity - Non-Federally Recognized Tribes (NAE-NFRTs) may apply as only the following:

- Developer*

*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 which conforms with the requirements of 25 C.C.R. § 8313.2.



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-Eligible Projects

**All Projects must be in an area listed in HOME 2024
NOFA Appendix A (State HOME-eligible areas)**

State Recipients, CHDOs, & Developers:

- Rental Multifamily New Construction Projects
- Rental Multifamily Rehabilitation Projects (with or without acquisition)
- Rental Multifamily Acquisition-Only Projects (only if no rehabilitation is needed)

State Recipients and CHDOs only:

- First-Time Homebuyer Projects



NOFA Overview

Application Combination and Limits (1 of 2) (NOFA pages 25-27)

E. Activity Combination and Limits

State Recipients (excluding Developers and CHDOs) may apply for multiple eligible activities as follows:

1. One rental Project and one FTHB Project; or
2. One rental Project and any combination of eligible program activities; or
3. One FTHB Project and any combination of eligible program activities, except for a FTHB program.



NOFA Overview

Application Combination and Limits (2 of 2) (NOFA pages 25-27)

CHDOs may apply for multiple eligible activities as follows:

1. One rental Project and one FTHB Project; or
2. One rental FTHB Project and one FTHB program activity for infill new construction.

Developers (not applying through a State Recipient) may submit one application pursuant to this NOFA.

This application may consist of only one eligible activity as follows:

1. One rental rehabilitation Project, with or without acquisition; or
2. One rental new construction Project, with or without acquisition.

NOTE: Using both HOME FTHB project activity funds and HOME FTHB program activity funds for the same Project is not permitted.



NOFA Overview

Application Amount Limits

Rental Project Limits:

- Rental New Construction Projects: \$4,500,000
- Rental Rehab with or without Acquisition: \$4,500,000
- Rental Acquisition-Only Projects: \$4,500,000

First-Time Homebuyer Project Limits:

\$2,000,000



NOFA Overview

Administrative, Project Related Soft Costs, and CHDO Operating Funds Limits

- State Recipients:
 - **\$50,000** General administrative funds
plus
 - **\$50,000** Project-Related Soft Costs (formerly Activity Delivery funds)
- CHDOs:
 - **\$75,000** CHDO Operating Funds





Questions?

(we'll address questions in the Q&A)

Threshold Requirements

**California Department of Housing and
Community Development**

HOME 2024 NOFA Native American Entity Multifamily
Rental & First-Time Homebuyer Projects Application
Workshop Webinar



Threshold Factors

- Application submitted via eCivis by **September 24, 2025, by 5 p.m. (Pacific Time)**
- Eligible Applicants:
 - Native American Entities, as either:
 - State Recipients (federally recognized Tribes only); or
 - Developers (subject to terms of this NOFA)
 - Cities and Counties on NOFA Appendix A, as State Recipients (SRs)
 - Developers (*cannot apply for FTHB Projects*)
 - CHDOs:
 - Non-profit corporations that meet all HUD CHDO certification requirements.
 - Must be the Project Owner, Sponsor, or Developer



Threshold Factors

- Eligible Project Location
 - Project must be located within a State HOME-eligible jurisdiction on NOFA Appendix A, or on Tribal trust land
 - Cities may apply for Projects within only their city limits, and Counties may apply for projects within only their unincorporated areas.
- Eligible Activities
 - Rental new construction
 - Development of a specific multifamily project on a specific site by a specific Developer
 - Rental new construction projects may be with or without acquisition

NOTE: Transitional housing is not allowed.



Threshold Factors

- Eligible Activities (continued)
 - Rental rehabilitation project
 - Funds provided to rehabilitate a specific rental project on a specific site by a specific Developer, with or without acquisition of the property.
 - Rental Acquisition-Only project
 - Acquisition of a specific multifamily rental Project that meets all HOME requirements including property standards.

NOTE: Transitional housing is not allowed.



Threshold Factors

Eligible Activities (continued)

- First-Time Homebuyer Project
 - Construction financing must include the following:
 - New construction to develop homes on specific site(s)
 - 100 percent of the HOME investment must roll over to permanent financing to eligible first-time homebuyers

NOTE: Developers are not eligible for this activity, unless applying to do so as an HCD-certified CHDO



Threshold Factors

- Application must include:
 - Market Study (All Rental Project Applicants)
 - Appraisal (All Applicants)
 - Phase I/II Environmental Review (New Construction only)
 - Physical Needs Assessment (Rehab, Acquisition-Only)
 - Lead-Based Paint & Mold (Rehab, Acquisition-Only)
 - Asbestos (Rehab, Acquisition-Only)
 - Market Comparables (FTHB)



Threshold Factors

- The Applicant must demonstrate its capacity for carrying out activities assisted with HOME funds.
- Applicant's Site Control must be documented.
- Cities, Counties, local public housing authorities, and certain Tribal entities must provide documentation satisfactory to the Department that they comply with the federal Single Audit submittal requirements at 2 CFR section 200.512. Outstanding findings may impact the Department's ability to grant an award through this NOFA.



Threshold Factors

- There must be no pending litigation for project.
- Applicant and any member of its program or project team must not be on the list of federally-debarred contractors.
- Applicant must have no unresolved audit findings pursuant to 25 C.C.R. § 8204(a)(1)(D)(ii) and (2)(C)(i).



Trust Land Site Control

- Long-term ground lease must meet the requirements of 25 C.C.R. § 8316) for rental to low-income families in accordance with 24 C.F.R. § 92.252.
- Tribal Trust land site control must be evidenced by a title status report (TSR) or an attorney's opinion regarding chain of title and current title status



Site Control

IMPORTANT!

When applying for project activities, the Applicant (not the ultimate borrower) must demonstrate documented site control of the Project at the time of application.



Site Control

- Property must be held in Fee Simple or Leasehold
- Long-term ground lease must meet the requirements of 25 C.C.R. § 8316 for rental to low-income families in accordance with 24 C.F.R. § 92.252.
- Must provide:
 - Grant Deed (if applicable)
 - Purchase or Lease Agreement (with Amendments)
 - Option Agreements
 - Disposition and Development Agreements (DDAs)
 - Exclusive Right to Negotiate
 - Conditional Contracts



Acceptable Forms of Site Control

There are five acceptable forms of site control that avoid “choice-limiting” NEPA problems.

1. Site purchase or long-term lease must be consistent with the UMR requirements, prior to submitting the HOME application.
2. Option to Purchase must be conditioned on the Responsible Entity's determination to proceed with project, based on the results of a subsequent environmental review, and the receipt of an “Authority to Use Grant Funds”.
 - The cost to secure the site control document must be a nominal portion of the purchase price.



Acceptable Forms of Site Control (continued)

3. Purchase Agreement, DDA, Option to Lease, or Exclusive Right to Negotiate may not be conditioned upon NEPA clearance or any other federal requirement.
4. A conditional purchase contract may be used for an existing single-family home (1 to 4 units) or an existing multifamily residential project.
5. A leasehold interest on the Project property must comply with all Program requirements, including compliance with 25 C.C.R. § 8316;



Acceptable Forms of Site Control (continued)

For more information, please refer to HUD's CPD Notice 98-1 and Assistant Secretary Mercedes Marquez' August 26, 2011, memo on HCD's HOME webpage under Resources.

- CPD Notice may be found at:
<https://archives.hud.gov/offices/cpd/affordablehousing/lawsandregs/notices/98-1.pdf>
- Memo may be found at:
<https://www.hud.gov/sites/dfiles/CPD/documents/HUD-Memo-Guidance-on-Options-and-Conditional-Contracts-for-Purchase-of-Real-Property-for-Environmental-Reviews-Conducted.pdf>



Scoring

California Department of Housing and Community Development

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Scoring Categories

Scoring Category	Maximum Applicable Points
Housing Element	50
Formula reallocation (HUD declined)	50
Rural area	50
Capacity	Up to 450
Community Need	Up to 250
Project Feasibility	Up to 200
Project Readiness	300
State Objectives	200
TOTAL APPLICABLE POINTS	1550



**There is a minimum score requirement of
930 points**



Housing Element - 50 Points

- Native American Entities are exempt from this requirement and will receive full points



Formula Reallocation

50 points

- Native American Entities are not eligible for these points.

Rural Area

50 Points

- Activities proposed in a rural community including Tribal Trust Land shall receive full points.
- No points awarded to non-rural applicants.



Capacity

Max 450 Points

Prior Applicant Experience

50 Points

- Applicant must demonstrate experience implementing local, state, or federal affordable housing and/or community development projects.
- Needs to be during the last 7 calendar years (1/1/2018 – 12/31/2024, plus 2025 year-to-date).



Capacity (continued)

Native American Entities: Experience may include implementation of affordable housing and/or community development activities under the NAHASDA program.

- 10 points for each project completed creating 2 or more units of affordable housing
- 10 points awarded for each project completed as defined in the HOME Supplemental Application
- Maximum of 50 points



Capacity (continued)

Prior Development Team Experience up to 200 Points

- The Development team needs to show project experience developing the same or similar type of subsidized projects.
- Needs to be during the last 5 calendar years (1/1/2020 – 12/31/2024).



Capacity (continued)

Prior Performance

200 Points

All applicants start with **200 points** in this category.

- Points may be deducted, if applicable, from the following four sub-factor categories once review of the application takes place.
 1. Project Reporting Deadlines
 2. Applicant Reporting
 3. Material Misrepresentation
 4. Monitoring Noncompliance
- The Department's look-back period for all four factors will be 1/1/2020 – 12/31/2024.



Capacity (continued)

Prior Performance

1. Project Reporting Deadlines

Any HOME Project contract awarded that failed to meet project deadlines will be deducted points.

- Permanent Financing Deadline
- Project Set-Up Deadline
- Construction Loan-Closing Deadline
- Project Completion Deadline
- Expenditure Deadline



Capacity (continued)

Prior Performance

2. Applicant Reporting

HOME Projects that failed to submit the following reports will have up **50 points** deducted.

- Monthly Reports
- Annual reports
- Quarterly Program Income (PI) reports
- Project Completion reports



Capacity (continued)

Prior Performance

3. Material Misrepresentation

Any omission or misrepresentation made by an applicant, that could jeopardize the Department from funding a project or place the Department at risk of a HUD monitoring finding shall have a **200-point** deduction.



Capacity (continued)

Prior Performance

4. Monitoring Noncompliance

- There are two noncompliance categories
 - **Monitoring – 100 points** will be deducted if any applicant has failed to remedy any HOME monitoring findings and concerns.
 - **Late Reports** – points will be deducted for any 2022/2023 NOFA Project applications that the Applicant, owner, and managing general partner failed to submit timely reports
 - State Recipients – Annual Monitoring Report
 - State Recipients – Annual Report
 - Developers – Annual Operating Budget
 - Developers – Annual Report



Community Need and Project Feasibility

Max 450 points

- **Community Need**

- Up to 250 points will be awarded by activity type based on the date in [Appendix C](#) found in HOME NOFA webpage.

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

- **Project Feasibility**

- Self-Evaluation Worksheet (150 pts)
 - State and federal requirements (including UMRs for rental projects)
- Highest percentage of HOME-assisted units (50 pts)
 - $\text{HOME Units} / \text{Total Units} = \%$



2024 Appendix C – RNC

Appendix C							
Community Need Data for All State HOME Eligible Jurisdictions							
For 2024 HOME NOFA							
Data are from the U.S. Census Bureau, American Community Survey							
Rating points for Rental New Construction							
	70 Points MAX		70 Points MAX		110 Points MAX		250 Max Points
Jurisdiction	Renters in Poverty	Points Awarded	Renters Overcrowded	Points Awarded	Rental Vacancy Rate	Points Awarded	Total Points Awarded
Alpine County, California	10.26%	42	0.00%	35	27.27%	55	132
Amador County, California	6.54%	35	3.77%	49	4.32%	88	172
Butte County, California	23.46%	49	1.64%	42	6.91%	77	168
Calaveras County, California	14.26%	42	0.64%	42	4.75%	88	172
Colusa County, California	17.84%	42	2.50%	42	3.77%	99	183
Del Norte County, California	26.67%	49	0.83%	42	0.00%	110	201
El Dorado County, California	16.56%	42	1.55%	42	6.70%	77	161
Glenn County, California	29.09%	56	0.92%	42	7.29%	77	175
Humboldt County, California	19.82%	42	2.72%	42	2.90%	99	183
Imperial County, California	33.68%	56	4.46%	49	3.23%	99	204
Inyo County, California	13.03%	42	1.08%	42	3.46%	99	183
Kings County, California	21.62%	49	3.48%	42	1.65%	110	201
Lake County, California	24.53%	49	2.40%	42	2.87%	99	190
Lassen County, California	19.07%	42	0.56%	42	5.14%	88	172
Madera County, California	31.42%	56	6.24%	56	3.54%	99	211
Mariposa County, California	28.41%	49	0.69%	42	10.56%	55	146
Mendocino County, California	22.39%	49	2.76%	42	2.34%	99	190
Merced County, California	25.49%	49	3.45%	42	3.19%	99	190
Modoc County, California	25.20%	49	0.00%	35	0.00%	110	194
Monterey County, California	17.10%	42	0.00%	35	25.71%	55	132



2024 Appendix C – Rehab

Appendix C

Community Need Data for All State HOME Eligible Jurisdictions

For 2024 HOME NOFA

Data are from the U.S. Census Bureau, American Community Survey

Rating points for Rental Rehab Projects

Jurisdiction	140 Points MAX		110 Points MAX		250 Max Points
	Renters in Poverty	Points Awarded	Renter-occupied units built pre-1980	Points Awarded	Total Points Awarded
Alpine County, California	10.26%	84	51.25%	77	161
Amador County, California	6.54%	70	53.46%	77	147
Butte County, California	23.46%	98	54.18%	77	175
Calaveras County, California	14.26%	84	47.11%	77	161
Colusa County, California	17.84%	84	52.05%	77	161
Del Norte County, California	26.67%	98	45.12%	77	175
El Dorado County, California	16.56%	84	49.70%	77	161
Glenn County, California	29.09%	112	61.34%	88	200
Humboldt County, California	19.82%	84	64.50%	88	172
Imperial County, California	33.68%	112	43.32%	66	178
Inyo County, California	13.03%	84	71.15%	99	183
Kings County, California	21.62%	98	41.86%	66	164
Lake County, California	24.53%	98	48.31%	77	175
Lassen County, California	19.07%	84	56.07%	77	161
Madera County, California	31.42%	112	46.93%	77	189



2024 Appendix C – FTHB (1 of 2)

Appendix C

Community Need Data for All State HOME Eligible Jurisdictions

For 2024 HOME NOFA

Data are from the U.S. Census Bureau, American Community Survey

For total Community Need Score for FTHB Project, add score from "FTHB Proj County Data" tab;
for total Community Need Score for FTHB Program add score from "TBRA & FTHB Progr County Data" tab

Rating Points for FTHB Homebuyer Project or Program - jurisdiction part

	85 Points MAX		25 Points MAX		110 Max Points
Jurisdiction	Owners in Poverty	Points Awarded	Owners Overcrowded	Points Awarded	Total Points Awarded
Alpine County, California	6.25%	60	1.13%	15	75
Amador County, California	3.84%	51	0.58%	15	66
Butte County, California	4.80%	51	0.51%	15	66
Calaveras County, California	6.90%	60	0.80%	15	75
Colusa County, California	4.61%	51	0.33%	15	66
Del Norte County, California	2.85%	43	0.46%	15	58
El Dorado County, California	3.38%	51	0.38%	15	66
Glenn County, California	3.59%	51	0.67%	15	66
Humboldt County, California	6.87%	60	0.92%	15	75
Imperial County, California	8.32%	60	2.52%	20	80
Inyo County, California	10.08%	68	0.30%	15	83
Kings County, California	7.42%	60	1.10%	15	75
Lake County, California	4.84%	51	1.13%	15	66
Lassen County, California	8.79%	60	0.16%	15	75
Madera County, California	6.90%	60	1.79%	18	78



2024 Appendix C – FTHB (2 of 2)

Appendix C				
Maximum Purchase Price/After-Rehab Value Limits ("Value Limits") and Median HH Income				
For 2024 HOME NOFA FTHB Projects only				
Data are from HUD'S HOME Maximum Purchase Price/After-Rehab Value Limits for Newly-Constructed Housing and from the State Median Income Limits, 2024				
Rating Points for FTHB Homebuyer Project - county part				
County Name	HOME Value Limit for New One-Family Structure	Median Income for Household of Four	Ratio of HOME Value Limit to Median Income for Household of Four	Total Points Awarded for FTHB Project (140 MAX)
Alpine	\$414,000	\$105,688	3.92	90
Amador	\$399,000	\$100,813	3.96	90
Butte	\$392,000	\$90,625	4.33	100
Calaveras	\$404,000	\$94,625	4.27	100
Colusa	\$392,000	\$87,875	4.46	105
Del Norte	\$392,000	\$87,875	4.46	105
El Dorado	\$554,000	\$117,875	4.70	110
Fresno	\$394,000	\$87,875	4.48	105
Glenn	\$392,000	\$87,875	4.46	105
Humboldt	\$409,000	\$88,313	4.63	110
Imperial	\$392,000	\$87,875	4.46	105
Inyo	\$392,000	\$87,875	4.46	105



Project Readiness

Project Development Plan (PDP) New Construction Project 300 Points

Market Study	35 Points
Property Appraisal	10 Points
Phase I/II	35 Points
Floodplain Analysis	25 Points
Preliminary Construction Cost	5 Points
Zoning	40 Points
Relocation General Information Notice and Relocation Plan	30 Points
Local Approval	80 Points
Water/Sewer	5 Points
Permanent Financing Commitments	25 Points
Design Process	10 Points



Project Readiness

Project Development Plan (PDP) Rehab Project 300 Points

Market Study	10 Points
Property Appraisal	30 Points
Floodplain Analysis	25 Points
Preliminary Construction Cost	20 Points
Lead/Mold/Asbestos Reports	25 Points
Relocation General Information Notice and relocation plan	75 Points
Local Approval	1 Points
Physical Assessment	74 Points
Permanent Financing Commitments	35 Points
Design Process	5 Points



Project Readiness

Project Development Plan (PDP) Rental Acquisition-Only Project - 300 Points

Market Study	35 Points
Property Appraisal	40 Points
Phase I/II Environmental Report	45 Points
Floodplain Analysis	25 Points
Property Standards Certification	5 Points
Relocation General Information Notice and relocation plan	30 Points
Zoning Verification	40 Points
Water/Sewer available	5 Points
Permanent Financing Commitments	75 Points



Project Readiness

Project Development Plan (PDP) Homebuyer Project 300 Points

Market Study	40 Points
Appraisal	10 Points
Phase I/II Environmental Report	30 Points
Floodplain Analysis	55 Points
Construction Cost Estimate	5 Points
Local Government Approval	75 Points
Impact Fees	30 Points
Zoning Verification	10 Points
Design Progress	10 Points
Financing Commitments	35 Points



State Objective Points

For the state objective scoring, there are three sub-factors for which Applicants can receive points, up to 200 points maximum. As applications are reviewed and rated, points will be awarded for the following objectives:

- 1. Committed financing**
- 2. Recovery Assistance for Natural Disaster Survivors**
- 3. Policy objectives**
 - Special Needs Populations
 - Homelessness
 - Extremely Low-Income



State Objective Points (Continued)

1. Committed Financing – Up to 100 points

- Applications will be scored based on the percentage of non-HOME permanent financing committed to the Project by the application due date (10 points will be awarded for each 10 percent (10%) increment).
 - For Projects anticipating applying for **any type of tax credits**, a future tax credit award will not be considered as committed financing and are thus not eligible for these points.
 - However, if the Applicant has 50 percent (50%) of its non-HOME permanent financing committed to the Project by the application due date and intends to also apply for tax credits in the future, the application will receive 50 points out of a possible 100 points.



State Objective Points (Continued)

2. Recovery Assistance for Natural Disaster Survivors- 30 points (1 of 2)

- Project located in the state-declared disaster areas directly impacted by the Borel Fire (<https://www.fema.gov/disaster/5522>), as may be amended. The state-declared disaster area is the following counties: Kern (County); or
- Project located in the state-declared disaster areas directly impacted by the Park Fire (<https://www.fema.gov/disaster/5519>), as may be amended. The state-declared disaster areas are the following counties: Butte (County); Tehama (County); or



State Objective Points (Continued)

2. Recovery Assistance for Natural Disaster Survivors- 30 points (2 of 2)

- Project located in the federally-declared disaster areas receiving Individual Assistance (“IA”) pursuant to the HUD memorandum dated May 17, 2023, referencing the federally-declared disaster areas under title IV of the Stafford Act, DR-4699-CA dated April 3, 2023, as may be amended (<https://www.fema.gov/disaster/4699>); or
- Project has been issued an award or conditional award from the Department’s 2017 or 2018 Disaster Recovery Multifamily Housing Program (DR-MHP).



State Objective Points (Continued)

3. Policy objectives 70 Points

I. Special Needs Populations

Awarded to proposed rental projects with funding commitments that target Special Needs populations, using any of the following funding:

- HUD 811
- HUD Supportive Housing Program
- State Mental Health Services Act (MHSA)
- HCD – No Place Like Home Program
- HCD – Veterans Housing and Homelessness Program
- HCD – National Housing Trust Fund Program
- HCD – Multifamily Housing Program
- HCD – Joe Serna, Jr. Farmworker Housing Grant Program
- HCD – Homekey/Homekey + Program
- May also be awarded to projects that provide project-based rental assistance, under the terms of an MHSA or Veterans Affairs
- Supportive Housing Voucher (HUD-VASH)

NOTE: If serving Special Needs or Homeless populations, the Projects must include supportive services in accordance with the “Core components of Housing First” under Welfare and Institutions Code § 8255.



State Objectives Points (continued)

3. Policy objectives 70 Points (continued)

II. Homelessness

- Points shall be awarded to applications that propose rental Projects primarily serving people experiencing Homelessness and/or those At Risk of Homelessness as defined in at 24 C.F.R. § 578.3.
- NOTE: If serving Special Needs or Homeless populations, the Projects must include supportive services in accordance with the “Core components of Housing First” under Welfare and Institutions Code § 8255.

-OR-



State Objectives Points (continued)

3. Policy objectives 70 Points (continued)

III. Extremely Low-Income (ELI)

- Points shall be awarded to applications that propose rental Projects primarily serving 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.

NOTE: This scoring category is not applicable to Homebuyer Projects. Homebuyer Projects will automatically receive full points in this category.



State Objectives Points (continued)

#3: Policy Objectives - Scoring Chart

Table – Subfactor #3 Scoring Breakdown	
Percent of Units Committed to Special Needs, Homeless, or ELI Families	Points
51% or more	70
41-50%	60
31-40%	50
26-30%	40
21-25%	30
16-20%	20
10-15%	15
6-10%	10
1-5 %	5





Questions?

(we'll address questions in the Q&A)

Break



Scoring Information & Documentation

**California Department of Housing
and Community Development**

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Scoring

New this year:

- Scoring factors are in the new NOFA Appendix D, instead of in the body of the NOFA
- The Rental Supplement has been updated, and includes both Applicant and Developer Experience



Project Readiness

Max 300 points

- Start with the updated HOME Rental Supplement document
- There are 5 categories for scoring:
 - Project Development Plan (**PDP**)
 - Zoning
 - Local Government Approvals
 - Design Progress
 - Permanent Financing



Project Readiness Project Development Plan (PDP)

Points Awarded if PDP Item:

- Included with application
- “Recent” – shelf life varies!
- Meets basic requirements
 - Correct standard
 - Qualified preparer
 - Rental New Construction (RNC)
 - Rehabilitation Projects



Project Readiness PDP Items

- Market Study
- Appraisal
- Phase I/II/VES (RNC Only)
- Floodplain Analysis
- LBP/Asbestos/Mold (Rehab Only)
- Construction Cost Estimate (RNC Only)
- Scope of Work and Cost Estimate (Rehab Only)
- Physical Needs Assessment (PNA) (Rehab Only)
- Relocation



PDP: Market Study

- Prepared in 2024
- Meets TCAC 2024 Market Study Guidelines and HCD requirements
 - ***Don't lose points!!*** “This report prepared in accordance with the 2024 California Tax Credit Allocation Committee Guidelines”

2024 California Tax Credit Allocation Committee
Guidelines - [2024 Market Study Guidelines \(ca.gov\)](https://www.ca.gov/2024/02/24/tax-credit-allocation-committee-guidelines/)



PDP: Appraisal

- Prepared no earlier than 2024 for scoring points
- Required for all acquisitions
- Not required if land is donated
 - No land costs in Development Budget
 - Not a capital contribution
- Value of capital contribution supported by appraisal



PDP: Phase I/VES and Phase II Site Assessments

New Construction Only

- Phase I/VES
 - Prepared no earlier than 2023
 - ASTM Standard E1527-21
- Phase II (if required by Phase I)
 - Prepared no earlier than 2023
 - ASTM Standard E1903-19



PDP: Floodplain Analysis

- FEMA Flood Hazard Determination Form OMB No. 1660-0040 (or later)
- Prepared in 2024
- Must be prepared by a flood certification service or other qualified 3rd party
- Flood cert required on ALL projects



PDP: Floodplain Analysis

- If any portion of site is in a floodplain:
 - Demonstrate Floodplain Incidental to Project
 - FEMA Flood Hazard Determination Form
 - Indicates NO buildings floodplain
 - Recorded covenants or restrictions required
 - Have obtained FEMA Conditional Letter of Map Revision (CLOMR)
 - Letter included in application
 - Intend to obtain a CLOMR
 - Narrative/explanation of intent included
 - CLOMR required prior to loan closing



PDP: Floodplain Analysis

- Intent to build in the floodplain:
 - Frowned on by HUD!
 - 8-Step Process, which includes
 - Analysis of alternate sites considered and rejected—“no practicable alternatives”
 - Analyze positive and negative impacts of building the project in floodplain, and
 - Describe mitigation measures to minimize negative impacts to people and property,
 - Supporting documentation is required.
 - Yes, this also applies to rehab projects!



PDP: Preliminary Cost Estimate

New Construction Only

- Prepared in 2024
- Must be uploaded via eCivis Portal
- Estimate must be consistent with Development Budget, or an explanation must be provided to support any differences
- Preparer/Signer – ***not*** limited to Architect



PDP: Preliminary Cost Estimate

Detailed Scope of Work Rehabilitation Projects Only

- Prepared no more than 6 months prior to application due date listed in the NOFA
- Project must meet local codes and rehab standards
- Consistent with PNA-identified immediate needs
- Includes work identified in PNA as needed in the first 5 years of the project
- Use same Cost Estimate form for RNC projects



PDP: Physical Needs Assessment

Rehabilitation Projects Only

- Prepared no earlier than 2024
 - Fannie Mae Guidelines
 - HUD Mark-to-Market Program
 - Meet Additional HOME requirements
 - For USDA RD projects the USDA RD Capital Needs Assessment is acceptable
- Appropriately licensed architect or engineer in business of performing PNAs



PDP: Property Standards Certification

Acquisition-Only Projects

Applicant must complete form located in the HOME Rental Project Supplemental Application, providing certification that the property to be acquired meets all HOME requirements, including property standards pursuant to 24 C.F.R. § 92.251 and all applicable local codes and standards.



PDP: Lead, Asbestos & Mold Reports

Rehabilitation and Acquisition-Only Projects

- All three reports prepared no earlier than 2024
- By a properly-certified or accredited preparer
- To earn points all required reports must be submitted



PDP: Lead-based Paint Report

Rehabilitation and Acquisition-Only Projects

- If built prior to January 1, 1978
- Prepared by a certified lead-based paint inspector/assessor and mitigation must demonstrate compliance with the HOME rehabilitation standards



PDP: Asbestos Report

Rehabilitation and Acquisition-Only Projects

- Requires analysis from environmental laboratory accredited by the *National Institute of Standards and Technology Asbestos Program*



PDP: Mold Report

Rehabilitation and Acquisition-Only Projects

- Based on a thorough building inspection
 - Inspect and test “hidden areas” if needed
- Prepared by a third party having sufficient qualifications and expertise to competently prepare the report



PDP: Relocation General Information Notice (GIN) & Plan

- One copy of actual GIN
- Tenant Notification List
- Proof of Delivery
- Relocation Plan
 - Prepared/Updated in 2024



Zoning, Local Approvals & Fees

- Three forms to upload via eCivis application portal
 - Verification of Zoning and Other Local Approval
 - Verification of Local Development Impact Fees
 - Verification of Water and Sewer Availability
- Applicant completes only the project information; local official completes the remainder
- If an item is not applicable, a clear and documented explanation must be included
- Signed by Developer and Local Official



Zoning, Local Approvals, & Fees

Points awarded (Rental New Construction):

Zoning Verification	40 points
<u>ALL</u> Local Approvals Obtained*	80 points
<u>Both</u> water and sewer available	5 points

Points awarded (Rental Rehab):

Zoning Verification	40 points
<u>ALL</u> Local Approvals Obtained*	1 point

Points awarded (Rental Acquisition-Only):

Zoning Verification	40 points
<u>Both</u> water and sewer available	5 points

Points awarded (First-Time Homebuyer Project):

Zoning Verification	10 points
<u>ALL</u> Local Approvals Obtained*	75 points
Impact Fees	5 points

***NOTE: Expected approval dates do not receive points; approvals must have been received by the time of (and submitted with) the application. Any items that are “not applicable” must be clearly documented.**



Zoning, Local Approvals, & Fees

Regarding “All Local Approvals Obtained” and “N/A”
from prior slide...

Expected Local Approval dates do not receive points;
approvals must have been received by the time of (and
submitted with) the application.

Also, any items that are “not applicable” must be clearly
documented.



Design Progress

- Executed agreement with architectural firm
- Letter from architect or construction specialist stating status of plans and specifications:
 - Ready to submit to planning dept.
 - Preliminary Plans and Specifications
 - Conceptual (Elevation and Floor Plans)



Permanent Financing

Points will be awarded on a sliding scale based on a percentage of committed perm financing committed, as evidenced by enforceable Commitment Letters.

Rental New Construction

<1	0% = 0 pts
10-19.99%	= 5 pts
20-49.99%	= 10 pts
50-100%	= 25 pts

Rental Rehab

<10%	= 0 pts
10-19.99%	= 5 pts
20-49.99%	= 20 pts
50-100%	= 35 pts

Rental Acq. Only

<10%	= 0 pts
10-19.99%	= 15 pts
20-49.99%	= 40 pts
50-100%	= 75 pts



% Non-HOME Financing Committed

Max 25 points New Construction, 35 for Rehab, 75 for Acquisition Only

- **Permanent Financing**
 - Enforceable Commitment
 - No conditions or qualifiers (other than standard conditions)
 - Must include borrower's name, project name, address or legal description
 - Must state loan terms





Questions?

(we'll address questions in the Q&A)

Project Feasibility: Financial Feasibility

California Department of Housing and Community Development

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Income Limits, Rent Limits, HOME per-unit Subsidy Limits, and FTHB HOME Homeownership Value Limits

The current HOME Income Limits, Homeownership Value Limits, Rent Limits, and Maximum Per-Unit Subsidy limits are located on the Department's website at:

<https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>

(in the CDBG, HOME and NHTF/HHC Article I – Income, Value, Subsidy, and Rent Limits folder)



HOME 2024 Income Limits

2024 State HOME Income Limits - Effective June 1, 2024									
*Percentages may not be mathematically related to each other due to rounding									
		Number of Persons in Household							
County	Income Category*	1	2	3	4	5	6	7	8
Alameda	30% Limits	\$32,700	\$37,400	\$42,050	\$46,700	\$50,450	\$54,200	\$57,950	\$61,650
	Very Low Income 50%	\$54,500	\$62,300	\$70,100	\$77,850	\$84,100	\$90,350	\$96,550	\$102,800
	60% Limits	\$65,400	\$74,760	\$84,120	\$93,420	\$100,920	\$108,420	\$115,860	\$123,360
	Low Income 80%	\$84,600	\$96,650	\$108,750	\$120,800	\$130,500	\$140,150	\$149,800	\$159,500
Alpine	30% Limits	\$22,200	\$25,400	\$28,550	\$31,700	\$34,250	\$36,800	\$39,350	\$41,850
	Very Low Income 50%	\$37,000	\$42,250	\$47,550	\$52,850	\$57,050	\$61,300	\$65,550	\$69,750
	60% Limits	\$44,400	\$50,700	\$57,060	\$63,420	\$68,460	\$73,560	\$78,660	\$83,700
	Low Income 80%	\$59,200	\$67,650	\$76,100	\$84,550	\$91,350	\$98,100	\$104,850	\$111,650
Amador	30% Limits	\$21,200	\$24,200	\$27,250	\$30,250	\$32,700	\$35,100	\$37,550	\$39,950
	Very Low Income 50%	\$35,300	\$40,350	\$45,400	\$50,400	\$54,450	\$58,500	\$62,500	\$66,550
	60% Limits	\$42,360	\$48,420	\$54,480	\$60,480	\$65,340	\$70,200	\$75,000	\$79,860
	Low Income 80%	\$56,450	\$64,550	\$72,600	\$80,650	\$87,150	\$93,600	\$100,050	\$106,500
Butte	30% Limits	\$19,050	\$21,800	\$24,500	\$27,200	\$29,400	\$31,600	\$33,750	\$35,950
	Very Low Income 50%	\$31,750	\$36,300	\$40,850	\$45,350	\$49,000	\$52,600	\$56,250	\$59,850
	60% Limits	\$38,100	\$43,560	\$49,020	\$54,420	\$58,800	\$63,120	\$67,500	\$71,820
	Low Income 80%	\$50,750	\$58,000	\$65,250	\$72,500	\$78,300	\$84,100	\$89,900	\$95,700
Calaveras	30% Limits	\$19,900	\$22,750	\$25,600	\$28,400	\$30,700	\$32,950	\$35,250	\$37,500



2024 HOME Program Per Unit Subsidy Limits

(Effective February 13, 2024)

The following HOME Program Subsidy Limits apply to all counties in California:

County Name	0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 & 5 Bedrooms
All Counties	\$181,488	\$208,049	\$252,994	\$327,293	\$359,263



2024 HOME Program Rent Limits

(Effective June 1, 2024)

2024 State HOME Rent Limits - Effective June 1, 2024								
County	Rent Category	Number of Bedrooms						
		Efficiency	1	2	3	4	5	6
Alameda	Low HOME Rent Limit	\$1,362	\$1,460	\$1,752	\$2,024	\$2,258	\$2,491	\$2,724
	High HOME Rent Limit	\$1,699	\$1,821	\$2,187	\$2,519	\$2,790	\$3,060	\$3,329
	For Information Only:							
	Fair Market Rent	\$1,825	\$2,131	\$2,590	\$3,342	\$3,954	\$4,547	\$5,140
	50% Rent Limit	\$1,362	\$1,460	\$1,752	\$2,024	\$2,258	\$2,491	\$2,724
	65% Rent Limit	\$1,699	\$1,821	\$2,187	\$2,519	\$2,790	\$3,060	\$3,329
Alpine	Low HOME Rent Limit	\$911	\$990	\$1,188	\$1,373	\$1,532	\$1,691	\$1,849
	High HOME Rent Limit	\$911	\$1,005	\$1,321	\$1,752	\$1,935	\$2,117	\$2,299
	For Information Only:							
	Fair Market Rent	\$911	\$1,005	\$1,321	\$1,862	\$2,168	\$2,493	\$2,818
	50% Rent Limit	\$925	\$990	\$1,188	\$1,373	\$1,532	\$1,691	\$1,849
	65% Rent Limit	\$1,183	\$1,289	\$1,524	\$1,752	\$1,935	\$2,117	\$2,299
Amador	Low HOME Rent Limit	\$882	\$945	\$1,135	\$1,310	\$1,462	\$1,613	\$1,764
	High HOME Rent Limit	\$1,126	\$1,135	\$1,347	\$1,669	\$1,843	\$2,015	\$2,187
	For Information Only:							
	Fair Market Rent	\$1,128	\$1,135	\$1,347	\$1,898	\$2,286	\$2,629	\$2,972
	50% Rent Limit	\$882	\$945	\$1,135	\$1,310	\$1,462	\$1,613	\$1,764
	65% Rent Limit	\$1,126	\$1,208	\$1,452	\$1,669	\$1,843	\$2,015	\$2,187
Butte	Low HOME Rent Limit	\$793	\$850	\$1,021	\$1,179	\$1,315	\$1,451	\$1,587
	High HOME Rent Limit	\$1,013	\$1,086	\$1,306	\$1,499	\$1,653	\$1,805	\$1,957
	For Information Only:							
	Fair Market Rent	\$1,049	\$1,091	\$1,428	\$2,012	\$2,423	\$2,786	\$3,150
	50% Rent Limit	\$793	\$850	\$1,021	\$1,179	\$1,315	\$1,451	\$1,587
	65% Rent Limit	\$1,013	\$1,086	\$1,306	\$1,499	\$1,653	\$1,805	\$1,957

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2024 HOME Program Homeownership Value Limits (FTHB Sales Price Limit)

2024 HOME Program Single-Family Homeownership Value Limits for New Homes (built within 12 months of acquisition) - Effective September 1, 2024	
County	One-Unit 95% Median Sales Price Limit
Alameda County	\$746,000
Alpine County	\$414,000
Amador County	\$399,000
Butte County	\$392,000
Calaveras County	\$404,000
Colusa County	\$392,000
Contra Costa County	\$712,000
Del Norte County	\$392,000
El Dorado County	\$554,000
Fresno County	\$394,000
Glenn County	\$392,000

***Note: these apply to only
First-Time Homebuyer Projects***



Project Feasibility

- New Multifamily Application Workbook is based on current HOME Loan/Rent limits
- HOME Rental Project Supplement to the Multifamily Application Workbook
- Regulatory Compliance:
 - Uniform Multi-Family Regulations (UMRs)
 - State and Federal HOME Regulations



Determining the loan limit: Subsidy Layering Analysis

- HOME Supplement
- Ratio Test: $\text{HOME Units} / \text{Total Units} = \%$
- Subsidy Limit: $\text{HOME Units} \times \text{per unit limit}$
- Cost Allocation: $\text{HOME sq. ft. multiplier} \times \text{TDC}$
- Maximum NOFA limit



New HOME 2024 NOFA Multifamily Application Workbook Tabs (1 of 2)

- Instructions
- HOME Cover Page
- Entity Org Docs
- Project Overview
- Unit Mix
- Contact List
- Development Sources
- Maximum Loan
- Development Budget (Includes Permanent Sources & Uses)
- Operating Budget
- Cash Flow
- Site and Neighborhood Standards



New HOME 2024 NOFA Multifamily Application Workbook Tabs (2 of 2)

- Reserves Calculator
- High-Cost Verification
- Management Certification
- Developer Fee
- Supportive Services Plan
- Supportive Services Costs
- Supportive Services Verification
- HOME Environmental Review
- HOME Scoring
- Sponsor Certification
- Document Checklist – Full List
- Workbook Support



New HOME 2024 NOFA Multifamily Application Workbook

Live Demonstration

- New HOME Multifamily Application Workbook
- eCivis

by Joseph McNicholas, Representative II



Caution!

HOME Multifamily Application Workbook's Worksheets are Linked!

- Complete Tabs in order
- Do not overwrite formulas
- Do not enter in white cells
- Workbook must be uploaded via eCivis portal



Rents and Unit Mix

- Enter rent for Manager's unit, only if actually charging rent for that unit
- Enter proposed rent, whether or not different from maximum rent
- Enter complete subsidy information for project-based subsidies only (tenant-based subsidies are not allowed)



Limitations on Senior Debt

- Balloon payments and “sandwich loans” must comply with the 2017 UMR Sections 8310 and 8315.
- Interest rate resets must have a cap and project must remain feasible at the cap rate upon reset.



Development Budget

Lesser of Land Cost or Value

Between unrelated parties

- Actual sales price and any amount over appraised value cannot be paid with HOME funds
- Reasonable “Verifiable Carrying Costs” are allowed for reimbursement of holding costs



Development Budget

- Environmental Remediation
- Relocation
- “Other” lines must be specified
- Contractor Overhead, Profit & General Requirements: Not to exceed 14% of construction costs as defined by TCAC



Development Budget

Construction Contingency minimums:

- New Construction – minimum of 5% of Total Construction Costs (excluding contractor liability insurance)
- Rehabilitation and Conversion projects – minimum of 10% of Total Construction Costs (excluding contractor liability insurance)



Development Budget Replacement Reserves

- Capitalized Replacement Reserves are not permitted for new construction unless required by another funding source.



Development Budget Transition Reserve (TR)

Transition Reserve: New Construction and Rehab projects

The Project will maintain an approved transition reserve account established to prevent tenant displacement in the event of the termination of rent subsidies. Borrower may participate the Pooled Transition Reserve.

HOME funds cannot be used to capitalize a transition reserve.

Please refer to the following memo for more information: [HCD Transition Reserve Policy - Amended \(ca.gov\)](#).



Operating Budget Replacement Reserves

- Rental New Construction - 0.6% of estimated construction costs or \$500 per unit
- Rental Rehabilitation - the deposits shall be consistent with the long-term needs identified in the Physical Needs Assessment or \$500 per unit



Operating Budget Financial Expenses

- Mandatory Debt Service
- MHP/MHSA debt service = .42% payment
- List ALL bond servicing fees under “Miscellaneous Financial Expenses”



HOME Monitoring Fees

- Pursuant to this NOFA, the Department will waive monitoring fees for Native American Entity Projects during the state period of affordability.



Cash Flow Analysis

- Do not change trending formulas!
- First Year Debt Service Coverage Ratio (DSCR) of 1.10 to 1.20.
- If greater than 1.20, cash flow must not be more than 12% of operating expenses.
- Must demonstrate positive cash flow for **20 years**.





Questions?

(we'll address questions in the Q&A)

Project Feasibility: NEPA

California Department of Housing and Community Development

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NEPA

- Choice-Limiting Actions (CLA)
 - 24 CFR section 58.22
 - Upon contemplation of federal funds, there is a prohibition against any activity that would have an adverse effect on the environment or limit the choices of reasonable alternatives
- Contemplation of Federal Funds = Upon Application



NEPA

- What does this mean?
 - From date of application, until the date Authority to Use Grant Funds (AUGF) is issued, all activity involving the project and site must stop.
 - Limitation applies to a broad range of activities, not just to the land itself.
 - Before undertaking any activity, consult with your HOME Representative.



NEPA

- Warnings!!!
 - Allow sufficient time to complete NEPA process
 - Mitigation may be required
 - Actions taken by seller could trigger a choice-limiting action
 - Environmental Review Clearance is also required for other federal funding sources



Project Feasibility: Relocation

California Department of Housing and Community Development

HOME 2024 NOFA Native American Entity Multifamily
Rental & First-Time Homebuyer Projects Application
Workshop Webinar



Relocation Plan

- Uniform Relocation Act
- Section 104(d) of HCD Act of 1974
- Anti-Displacement (economic displacement)
- Establish date of Initiation of Negotiation (ION) and provide ION date in application
- Costs included in Development Budget



Relocation General Information Notice (GIN) & Plan

If Relocation is triggered...

- One copy of actual GIN
- Tenant Notification List
- Proof of Delivery
- Relocation Plan
 - Prepared/Updated within 6 months of application submittal

If Relocation is not applicable, application must clearly state the reasons why it is not applicable

Note: In order to receive the points, you must have **all four** relocation items.



OTHER FEDERAL OVERLAYS

- Additional Federal Overlays May Apply
 - Labor Standards (Davis-Bacon)
(12 or more HOME units)
 - Section 3 Labor Compliance
 - 2 CFR Part 200 Procurement Standards
 - Single Audit Report (State Recipients only)
 - Violence Against Women Act (VAWA)
 - MBE/WBE
 - Build America, Buy America Act (BABA)
 - Affirmative Fair Housing





Questions?

(we'll address questions in the Q&A)

First-Time Homebuyer (FTHB) Projects Additional Information

**California Department of Housing and
Community Development**

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Rental & First-Time Homebuyer Projects Application
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First-Time Homebuyer HOME Loan Terms

HOME Loan:

- HOME Loan is minimum amount necessary for the gap financing
- Simple Interest, accrued interest may be forgiven (principal cannot be forgiven)
 - State Recipients: 0-3% interest
 - CHDO: 3% interest (HCD is lender to FTHB)
- Payments are deferred for the loan term
- Subject to Federal Period of Affordability



FTHB Financing Notes

- Resale Provisions are NOT Allowed
- Loan Agreements are required
 - Loan Agreements will detail Recapture Provisions
- Permanent Financing must meet the following requirements:
 - Primary Loan Terms:
 - Minimum of 30 years
 - Fixed rate
 - Fully amortized (no balloons or negative amortizing loans)
 - “Current Market Rate” = Freddie Mac Rate Plus 100 Basis Points: Link: [Mortgage Rates - Freddie Mac](#)
 - No Temporary Rate Buy-Downs



Income Limit for FTHB Projects

- For homebuyers assisted, incomes may not exceed 80% of AMI.
- Income limits are published annually by HUD.



Income Limits, Rent Limits, HOME per-unit Subsidy Limits, and HOME Homeownership Value Limits

The current HOME Income Limits, Homeownership Value Limits, Rent Limits, and Maximum Per-Unit Subsidy limits are located on the Department's website at:

<https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>

(in the CDBG, HOME and NHTF/HHC Article I – Income, Value, Subsidy, and Rent Limits folder)



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 a technical assistance consultation



HOME NOFA INQUIRIES AND CONTACTS

NOFA APPLICATION INQUIRIES

For consistency and transparency, questions must be submitted to the HOME NOFA email.

Questions will be reviewed, researched and answered.

Email to HOMENOF@hcd.ca.gov



Thank You!

HOME 2024 NOFA Native American Entity Multifamily
Rental & First-Time Homebuyer Projects Application
Workshop Webinar

