



CalHome General Program
NOFA Date: December 23, 2019 (Amended)
Questions and Answers (Q&A)
Last Updated: January 21, 2020

CalHome General Round 1 Q&A

This Questions and Answers (Q&A) document represents key information and inquiry responses provided to potential applicants for the first round of the CalHome Program. The questions and answers published below provide clarification and additional detail on the CalHome Program Guidelines and application process.

This is the first Q&A document published in preparation for the first round of funding. Responses shall be updated weekly and posted on the HCD website with responses in [blue](#).

For additional questions and inquiries regarding the CalHome Program, please email the CalHome NOFA / Awards Section at CalHomeNOFA@hcd.ca.gov. Answers to questions received in this inbox will be answered via email and posted in a subsequent Q&A document.

Questions are organized into the following categories (categories to be added as additional questions are received):

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General

1. Will HCD be issuing another NOFA for CalHome in 2020/21?

There is not a definitive date for a future NOFA at this time.

Mobile Home

2. Can Mortgage Assistance be used for mobile homes in a park?

For this NOFA round the Department allocated funds for mobile homes in a mobile home park under the Owner-Occupied Rehabilitation program. If it is determined there is a need for Mortgage Assistance for mobile homes in a mobile home park, then the Department will consider including this type of assistance in future NOFA rounds.

3. What is the loan limit for the mobile home replacement?

Mobile home assistance is under Owner Occupied Rehabilitation and the maximum loan amount is \$75,000 except if the home is in need of full reconstruction, then the loan amount can go to \$125,000.

4. Previously the loan for a mobile home was due and payable in 20 years, with 10% of the original principle to be forgiven annually for each additional year beyond the 10th year that the home is owned and continuously occupied by the borrower. Where can we find that in the guidelines or NOFA?

This can be found on NOFA page 8 under section E. 1b (Eligible Uses of Funds).

ADU/JADU

5. What is the difference between MA with ADU/JADU and a standalone ADU/JADU Program?

Mortgage Assistance ADU/JADU is when a buyer purchases an existing property with an ADU/JADU on the primary residence. Owner Occupied Rehabilitation



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ADU/JADU allows the homeowner to add an ADU/JADU without having to rehabilitate their primary residence.

6. Do ADU/JADU need to be rented at an affordable rent? Are low income homeowners who already have an ADU eligible?

The 7745 Underwriting requirements must be followed at a minimum. Additional requirements are permissible providing that they do not violate state, federal, and local law, and do not otherwise conflict with any requirements of the CalHome Program.

7. To meet experience threshold for ADU program, what do you expect to see?

HCD expects applicants to submit documentation showing that the applicant, or its Administrative Subcontractor, has successfully administered a local Owner-Occupied Rehabilitation Program, new construction development involving multiple Homeownership units (including single-family subdivisions), or an ADU/JADU Program for a minimum of two years within the four years immediately preceding the application. Please keep in mind that this is in addition to the requirements of 7717. Also refer to Table 1 on page 3 of the amended NOFA.

8. It seems constructing a new ADU is "rehabilitation" but is that the case even it is a new detached ADU?

Yes, construction of a new attached/detached ADU on the property owned would be Owner - Occupied Rehabilitation.

Application

9. In the past our NOFA application was disqualified due to our resolution wording. Our Resolution reads an upcoming 2019-2020 NOFA for CalHome will this be ok?

We cannot advise on the language in your resolution, it is best to discuss the wording with your own legal counsel. There is also a link in the current application that provides a sample resolution, please utilize this tool.



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10. Can applicants who apply alone and receive an award, add an admin subcontractor post award?

Yes, you can add and admin subcontractor post award, only if you are able to meet the points threshold as an applicant without the admin subcontractor.

11. Can programs that receive funding this round apply in future rounds to add capital to programs up and running?

Each round is scored separately so you can be a current or past awardee and still apply for future funds each round, base on NOFA eligibility requirements.

12. Is there any way to earn additional feasibility points?

For Project Development Loans, Self-Help Technical Assistance and ADU/JADU there is a way to earn more points. Please see NOFA pages 18 -19.

13. Are we only using the new CalHome guidelines and not the CalHome handbook?

The CalHome handbook is being revised based on the new guidelines. Please utilize the two governing documents which are the NOFA (12/23/2019) and CalHome guidelines (11/27/2019).

14. If my agency submits 2 applications for CalHome funding, do we need to provide separate attachments, and resolutions for each application? Or can we provide one copy for each?

Provide a copy for each application as these will be treated as separate applications.

15. Please explain what you are looking for and how we get the information from the websites listed that will determine Yes or NO response on the Community Revitalization section of the application.

Community Revitalization is a grant that certain cities applied and were awarded. The only cities that have Choice Neighborhood in CA are San Francisco, LA and



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Sacramento. There are certain neighborhoods within these cities that are Choice Neighborhoods. Link has been sent to applicant. Will work on correcting the link in the application.

16. In the application worksheet, the cell for Federal Promise zone is red because no area in San Mateo County is a promise zone. Does this mean our application will be rejected?

No, your application will not be rejected for this.

17. What is project vs activity? Can we apply for a FTHB assistance and rehab program in one application or do we need to submit 2 applications?

Program Activities-sometimes just called activities or programs-refer to CalHome Program functions governed by Articles 3, 4, 5, 6, 7, and 8 of the Guidelines. Generally, these are accomplished through grants directly to applicants. The term projects, or project development loan (PDL), refers to program functions governed by Article 9. As the name implies, PDLs are always loans.

Applicants may apply for two program activities in a single application. While applicants may apply for a PDL and a program activity, they must submit separate applications. Please see page 10 of the NOFA.

18. For Disaster relief victims, is the disaster area determined Federally or by the State?

Assembly Bill 101 authorizes HCD to use appropriated funds to make grants to local agencies or nonprofit corporations to assist households that meet certain income requirements and are victims of a disaster, provided that the disaster was proclaimed by the Governor, as specified, received a special appropriation of federal emergency supplemental assistance, or declared by the President.

19. We are submitting an application for an OOR Program and would like to utilize an Administrative Subcontractor to assist meeting the capacity and experience qualification. The non-profit that we would like to use is located within our county and is planning to submit their own application for an OOR Program that would not include the city as part of its service area. My understanding from the NOFA and the guidelines is that this situation would not present a conflict because there



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would not be an overlap of service area between the two applications. Would you please clarify and confirm if that is correct?

HCD will be following what is listed on page of 10 of the NOFA Section G – Rating. “Applicants may serve as Administrative Subcontractors for Localities. However, Applicants cannot serve as Administrative Subcontractors in the areas where they are awarded CalHome funds to develop a CalHome Program or project. Applicants are required to provide Service Area Maps with their Applications.”

20. Is only one program application for MA required when requesting funding to cover activities in 7 counties?

If you are applying for a specific project, the sites would be continuous or scattered in the same city/county. If it is a program (MA) you do not have site locations and potential properties receiving assistance nor the potential borrowers have been identified. In a project the potential properties are identified. If the property sites each grouping is a single project and they would require separate applications.

Capacity

21. Our City has not had an active OOR program > 4yrs. What is best way to be competitive in our app without prior CalHome?

Please review Sections 7717 and 7732 of the Guidelines.

22. We completed one rehab in 18/19 will this qualify under OOR for a minimum of 2 years within 4 year immediately preceding application?

Please refer to program guidelines section 7732 for experience/capacity requirements.

23. Would small rehab grants of \$5000 CDBG count towards organizational capacity?

Yes, this could count towards organizational capacity.



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24. Would small rehab grants of \$5000 CDBG count towards new construction and substantial rehab of multi - family capacity?

No this would not be able to count towards new construction and substantial rehab of multi - family affordable housing

25. Can a staff person who has experience working an OOR program be credited towards scoring for capacity?

No this could not be a credit towards scoring for capacity.

26. Would demonstrated previous experience and capability with youth construction training programs through the local workforce investment board, fulfill any of the Section 7755 b5 scoring requirements?

Any previous experience would need to be documented for the past recent 4 years and would need to be applicable to the activity applied for.

27. Is a 523 self-help technical assistance grant agreement with USDA a mandatory requirement?

It is not a mandatory requirement. The effect of a 523 grant is as follows:

1. Non-profit Corporations may submit it as part of the application showing that they have satisfied 7717(a)(2). HCD will determine whether it does so satisfy the requirement.

2. The grant may be submitted as part of the application showing that they have satisfied 7736. HCD will determine whether it does so satisfy the requirement.

28. How will we be scored if we have not completed a rehab/reconstruction loans in the last 4 years, but have administered successful CalHome programs in the last 10 years and continue to monitor over 50 outstanding loans?

HCD cannot advise on pre-scoring of your application. Monitoring loans will not be sufficient for the capacity requirement.

29. If we use a PDL and use a portion of the loan to provide Mortgage Assistance do we need to meet the PDL eligibility guidelines of developing two similar projects



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within the last 4 years and the FTHB MA requirement of administering a Homebuyer program for a minimum of 2 years with the last 4 years?

PDL Applicants must meet the program PDL requirements in Article 9. Applicants do not also, as a separate matter, need to satisfy the Mortgage Assistance requirements

30. How does HCD define the administration of OOR Program? We would like to know if maintenance of our loan portfolio 100 loans, be considered administration under the capability criteria?

Administering a program is identifying the eligible households, overseeing the rehabilitation and doing the loan, then servicing the loan. Maintenance of a loan portfolio is not considered program experience.

31. How can an NPC show that they have experience running an OOR program if they used private funding in the past? Is there a list of documentation that should be provided with the application?

Provide HCD with any documents you have to evidence you have the capacity/experience for the activity that you are applying for, and HCD staff will review your documentation.

Post Award

32. Is there requirement for lien position of CalHome?

Because the program provides gap financing, the Guidelines anticipate that CalHome may not be in first position. Please see Section 7731(a)(3). However, the ultimate decision as to whether the CalHome loan may be subordinate to another lender is with the recipient, subject to the CalHome underwriting requirements.

33. Are loan terms for ADU/JADU 30 years deferred at 3%? For OOR are the activity delivery fees 20%?

Yes, for ADU/JADU the loan term is 30 years at 3% deferred interest. Yes, the OOR activity delivery fee can be 20% of the award.



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34. Will there be a CalHome application training manual for this application? Past NOFA's had this.

No, an application training manual will not be available for this NOFA round.

35. Will funding be allocated per region?

Yes, the CalHome statutes require equitable geographic distributions.

36. If recipient of CalHome will bear simple interest in its administration of the loan, do recipients need to provide a TIL to buyer at time of loan funding? If so, will this document be required as part of legal documents to be evidenced as "other appropriate security instruments" acceptable to the dept. at time of inspection of reuse account and long-term loan servicing of the program?

Yes, you should provide a Truth in Lending disclosure as you are the lender. It is not considered a security interest document. We would expect to see a Deed of Trust used as a security document.

37. Is there a maximum sales price for the FTHB program?

Please refer to the Median Area Sales price for your County and Guidelines Section 7753.

38. Can homebuyer education be done online?

Yes, online class allowed if it meets the CalHome curriculum.

39. Do all borrowers need to attend a Homebuyer education class?

Yes, all borrowers must attend the homebuyer education class.

40. Can the Activity Delivery Fee be used to pay staff to Underwrite CalHome loans?

Yes, the Activity delivery fee can be used to pay this cost.

41. What is the maximum DTI that a borrower can have?



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DTI needs to be established by the applicant in their individual guidelines and submitted to HCD for approval. In the past we did not like to see a DTI that exceeded 43%.

42. Do the up to 10% Activity Delivery Fees that are talked about in the NOFA get taken out of the Total funds requested or do you ask for them on top of the MA amount requested? For example: If I'm asking for \$2,200,000, would I input that amount as MA Funds Requested and then take 10% of that amount as my Activity Delivery Fee or would I input \$2.2 Million plus \$220,000(10% of Grant) for a total of \$2,420,000 for Activity Delivery fee?

The 10% Activity Delivery Fee is 10% of your total award amount.