



HOMEKEY Round 3 (FY 2022-23)

NOFA Webinar

Department of Housing and Community Development
April 20th, 2023



Webinar Agenda

I. Welcome

II. Housekeeping

III. Opening remarks

IV. Program overview

V. Q and A



Webinar Housekeeping

- Attendees have been muted on entry
- For Zoom technical support, please call 800-945-8206
- For program-related questions, please use the Q&A box
 - At the end of the presentation, we will share and discuss questions
- This webinar is being recorded and will be posted on the [Homekey webpage](#).



Opening Remarks

Gustavo Velasquez, Director
California Department of Housing
and Community Development



Program Requirements

Presenter: *Carolyn Pivrotto, Program Manager*
Kourtni Awwad, Specialist

- Section 100: Available Funding
- Section 200: Eligible Applicants
- Section 201: Eligible Uses
- Section 201: Eligible Residents (target populations)
- Section 202: Eligible Projects
- Section 203: Homekey Allocations
- Section 203: Geographic Distribution
- Section 204: Application Timeline
- Section 205: Maximum Grant Amounts and Capital Funding Match
- Section 206: Operating Subsidies and Match
- **New:** Section 207: Funding Limits
- Section 208: Affordability Covenants



Section 100. Available Funding

| | Funding Details |
|----------------------|--|
| Homekey Round 3 NOFA | <ul style="list-style-type: none">• Approximately \$736 million in funds<ul style="list-style-type: none">• \$435 million is derived from the Coronavirus State Fiscal Recovery Fund (CSFRF), established by the federal American Rescue Plan Act of 2021 (ARPA)• \$301 million state General Fund• Over-the-counter application process with a threshold score of 100 or greater needed.• Technical Assistance.• Awards made on a rolling, first come, first served basis.• Closes July 28, 2023 |



Section 203. Homekey Allocations

| Category | Round 3 Allocation | |
|--|----------------------|---|
| Total Homekey Allocation | \$736,000,000 | |
| Geographic Allocation | \$549,830,418 | |
| Homeless Youth Allocation at 10% of NOFA | \$75,759,808 | |
| Discretionary Reserve at 10% of NOFA | \$73,598,850 | |
| NEW: Rural Target at 5% of NOFA | \$36,799,425 | (rural areas defined by CA Health and Safety Code Section 50199.21) |



Section 203. Geographic Distribution

| Region | PIT Count | Severely Rent-Burdened ELI | Round 3 Allocation |
|--------------------|-----------|----------------------------------|-----------------------|
| Los Angeles County | 69,144 | 415,350 | \$211,813,531 |
| Bay Area | 38,118 | 199,165 | \$111,112,027 |
| Southern CA | 15,672 | 203,610 | \$68,783,638 |
| San Joaquin Valley | 12,085 | 105,430 | \$43,252,159 |
| Sacramento Area | 12,379 | 70,340 | \$37,158,338 |
| San Diego County | 8,427 | 95,570 | \$34,345,268 |
| Central Coast | 8,113 | 37,165 | \$22,657,376 |
| Balance of State | 7,583 | 32,265 | \$20,708,081 |



Section 203. Discretionary Reserve

- Overages:
 - Cover overages from Regional or other allocations where funds are available but are insufficient to fully fund the next eligible project
 - High-scoring projects
 - From oversubscribed regions, to the extent funds are available
 - **NEW:** Single family home scattered site Projects:
 - Up to four Projects
 - \$10 million funding maximum per project
 - Awarded for applications submitted by June 30, 2023
- * Scattered site projects can also be funded from the general funding pool



Section 203. Homeless Youth and Rural Target Allocations

- Youth Allocation
 - Projects can be 100% youth assisted units or a mix of youth assisted and general Homekey-Assisted units
 - Units that are youth assisted will be funded from the youth allocation, whether in a project that is 100% youth or not
 - The youth allocation stays in place until the close of the NOFA

NEW: Rural Target Allocation

- Funding for Projects located in Rural Area jurisdictions.
- At close of the application period, any unused funds from this allocation will be reallocated to the Discretionary Reserve.

Note: Tribal Entities are encouraged to apply to forthcoming Homekey Tribal Entity NOFA which will be released under separate cover later in 2023.



Section 200. Eligible Applicants

- Eligible Applicant or Lead Applicant (required)
 - Cities, counties, housing authorities, and all other state, regional, and Local Public Entities
 - Tribal Entities
- Co-Applicant (optional)
 - Another local public entity, and/or
 - A non-profit for for-profit corporation
 - **NEW:** Special purpose entity (see Section 8313.2 of the Uniform Multifamily Regulations)



Section 201. Eligible Uses

- Acquisition and/or rehabilitation of, but not limited to:
 - Motels and hotels
 - Apartments or homes
 - Manufactured housing
 - Commercial properties
 - Other buildings with existing uses that could be converted to permanent or interim housing.



Section 201. Eligible Uses (cont.)

- Other eligible uses:
 - Master leasing of properties for non-congregate housing
 - The purchase of affordability covenants and restrictions for units
 - Relocation costs
 - Capitalized operating subsidies for units purchased, converted, constructed, or altered with funds provided pursuant to HSC section 50675.1.3
 - New construction of dwelling units



Section 201. Eligible Residents

- Target Population
 - Individuals and families who are experiencing homelessness or who are At Risk of homelessness as defined in Health and Safety Code Section 50675.1.3 subsection (I), and
 - **NEW:** Grantees using HOME-ARP funds to include those Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking and Other Populations as defined in HUD notice 21-10.
- Subpopulations
 - Chronically Homeless, per Title 24 CFR Part 578.3
 - Homeless Youth or Youth At Risk of Homelessness, per Title 24 CFR 578.3

Note: Extremely Low-Income (ELI) residents occupying a project at acquisition are considered Homekey eligible.



Section 202. Eligible Projects

- Interim or Permanent Housing Projects:
 - Conversion of non-residential structures
 - Multifamily rental housing projects
 - Shared housing or scattered site housing

The list is not exhaustive. HCD will consider other forms of housing as eligible projects.



Section 202. Eligible Projects (cont.)

- Projects may be a mix of Homekey Assisted Units and non-Homekey Assisted Units; Homekey can fund and restrict a portion of a Project's total units.
 - However, Homekey Assisted Units must be a minimum of 51% of a Project's total units

Note: Existing Homekey Assisted Units, previously awarded under the first and second rounds of Homekey funding, are ineligible for funding under this NOFA.



Section 204. Homekey Capital Award Expenditure Deadline

- Homekey capital award must be spent within 8 months of date of award
 - **NEW:** Up to a 7-month extension may be available upon request
- All rehabilitation and construction must be completed within 12 months of award
- Full occupancy must be within by 15 months of the award



Section 205. Maximum Grant Amounts and Capital Funding Match

Presenter: *Kourtni Awwad, Specialist*

| Unit Size – Baseline Capital Amounts | |
|--|---|
| STUDIO OR ONE-BEDROOM UNITS | \$150K per Door |
| TWO-BEDROOM UNITS | \$175K per Door |
| THREE-BEDROOM OR LARGER | \$200K per Door |
| Sub-Populations Served – Baseline Capital Amounts | |
| ASSISTED UNITS – CHRONIC HOMELESSNESS | \$200K per Door |
| ASSISTED UNITS – HOMELESS YOUTH or YOUTH AT RISK OF HOMELESSNESS | \$175K per Door |
| Local Match – Additional Contributions | |
| BEYOND THE APPLICABLE BASELINE AMOUNT | May leverage a 1:1 local match to provide up to \$100K in additional per Door |



Section 205. Maximum Grant Amount Examples

| Assisted Unit by Size | Total Cost Per Door | Homekey Baseline Award | Amount Not Covered in Baseline Award | Applicant Contribution (Local Match) | Total Homekey Contribution |
|------------------------------------|---------------------|------------------------|--------------------------------------|--------------------------------------|---|
| STUDIO OR ONE-BEDROOM UNITS | \$200K / door | \$150K / door | \$50K / door | \$25K / door | \$150K Baseline + \$25K Additional \$175K / door |

| Assisted Unit by Sub-Population | Total Cost Per Door | Homekey Baseline Award | Amount Not Covered in Baseline Award | Applicant Contribution (Local Match) | Total Homekey Contribution |
|--|---------------------|------------------------|--------------------------------------|--------------------------------------|---|
| ASSISTED UNITS – CHRONIC HOMELESSNESS | \$300K / Door | \$200K / door | \$100K / door | \$50K / door | \$200K Baseline + \$50K Additional \$250K / Door |

Note: See Appendix A of the NOFA for a full list of examples.

Section 205. Maximum Grant Amounts and Capital Funding Match (cont.)

| Relocation and Other Uses | |
|---|--|
| AFFORDABILITY COVENANTS & RESTRICTIONS and FOR MASTER-LEASING | Size the award per door based on a recent market study within the past year and/or rent roll to support the award amount. |
| RELOCATION COSTS | HCD will pay for one-half of the relocation cost per door. |



Section 206. Operating Subsidies and Match

| Operating Subsidy is Requested | |
|---|--|
| ASSISTED UNITS – CHRONIC HOMELESS, HOMELESS YOUTH, AND YOUTH AT RISK OF HOMELESSNESS | Up to \$1,400 per month |
| ALL OTHER ASSISTED UNITS | Up to \$1,000 per month |
| Duration | |
| COMMITMENT OF <u>THREE YEARS</u> – NON-HOMEKEY OPERATING FUNDS FOR ASSISTED UNITS | HCD will provide <u>two years</u> of operating subsidy |
| COMMITMENT OF <u>FOUR OR MORE YEARS</u> OF NON-HOMEKEY OPERATING FUNDS FOR ASSISTED UNITS | HCD will provide <u>three years</u> of operating subsidy |

Note: The Homekey funded portion of the operating subsidy must be expended by June 30, 2026



NEW: Section 207. Funding Limits

- Per project limit of \$35 Million in Department sources
 - Excludes other Department grants
 - Exemption request form will be available at:
<https://www.hcd.ca.gov/grants-and-funding/homekey/program-forms>
 - Repeal of Stacking Prohibition memo
- Single family home scattered site limit up to \$10 Million
 - Funded from the Discretionary allocation
 - Funding available for up to 4 awards



Section 208. Affordability Covenant

- Interim Housing
 - **NEW:** 30-year use restriction
- Permanent Housing
 - 55-year affordability covenant

Only exception is for projects located on tribal trust land for a period of 50 years



III. Threshold and Scoring Criteria

Presenters: *Angela Marin, Homekey Section Chief*
Micah Metts-Houston, Housing Policy Development Specialist
Matthew Dwight, Homekey Program Representative

- Section 300. Threshold Requirements
 - Site control, development plan, appraisal, complete application, etc.
 - Supportive Services Plan
- **NEW:** Section 301. Interim Housing Requirements
- **NEW:** Section 302. Single-Family Scattered Site Housing Requirements
- Section 303. Other Requirements
- Section 304. Application Scoring Criteria

Note: Please see the Round 3 Notice of Funding Availability for a comprehensive list of the program requirements.



Section 300. Threshold Requirements

- i. Eligible applicant to submit application identifying all co-applicants
- ii. Project must serve the Target Population
- iii. **Updated.** Supportive Services Plan
- iv. Non-discrimination policy
- v. Plan for entitlements, permits, and environmental clearances
- vi. **Updated.** Statement of actions that the Applicant take to ensure equitable access for groups that are overrepresented in the homelessness data
- vii. **Updated.** Statement of how Applicant plans to engage the Target Population in the Project design
- viii. Evidence of site control
- ix. Title report dated within 15 days of the application submittal
- x. Eligible Applicant or Co-Applicant are the entities that the Dept relies upon for experience and capacity and control the Project
- xi. Detailed development plan



Section 300. Threshold Requirements, continued

- xii. Units must meet all applicable state and local building standards
- xiii. Applicants must be in good standing
- xiv. Complete application
- xv. **Updated.** Appraisal must follow new guidelines
- xvi. If Rehabilitation, narrative and PNA required
- xvii. If Master Leasing, market study and/or rent roll, or supporting documentation
- xviii. All Rehab and new construction must include Phase 1
- xix. Relocation Assistance Narrative
- xx. Enforceable Funding Commitments (EFCs) for all costs associated with the project
- xxi. Demonstrated experience and capacity of applicant team
- xxii. One-for-one replacement of assisted housing plan, if applicable



Section 300. (iii) Supportive Services Plan

Presenter: *Micah Metts-Houston, Specialist*

- Description, frequency, availability, provider, and location of services
- Description of the Target Population
- **New:** Tenant/participant engagement plan
- Transportation plan
- Estimated itemized budget



New: Section 300. (iii) Staffing Plan

- Staffing plan with required case manager ratios:
 - Chronically homeless – 20:1
 - Homeless w/disability – 25:1
 - Youth – 15:1
 - At-risk – 40:1



Section 300. (iii) Property Management Plan

- Property Management plan consistent with Housing First
 - Applicant screening standards
 - Confidentiality
 - Substance use policy
 - Communication between property manager and supportive services staff
 - Reasonable accommodation
 - Eviction policy
 - Process for assisting tenants apply for benefits
 - Voluntary Moving On strategies
 - Appeal and Grievance procedures



New: Section 301. Interim Housing Requirements

- Interim project types must submit additional information to demonstrate need for this use.
 - Data on shelter bed availability, unsheltered homelessness count, and permanent housing connections.
 - How proposed Project aligns with its jurisdiction's Local Homelessness Action Plan, with the Applicant either as a direct recipient of HHAP or as a participant in the region and Continuum of Care
- Interim project types may convert to permanent housing upon approval of the Department, and as per the requirements in the NOFA.



New: Section 302. Single-Family Scattered Site Housing

- Section 300 Threshold applies to this eligible use at the time of application, except, after the Department's issuance of a Conditional Award, the applicant must submit:
 - Within sixty (60) days: Site control
 - Within ninety (90) days:
 - Relocation Assistance Narrative
 - Appraisal
 - If rehabilitation required, a narrative outlining current condition and scope of work and physical needs assessment
 - Phase 1 Environmental Site Assessment



Section 303. Other Requirements

- Homekey may fund all units in a project or a portion of the units.
- **New:** At time of acquisition, Project can include 49% of existing residents at 50% AMI. After normal tenant turnover, unit to be occupied by Target Population.
- Allowance to at year 15 of affordability covenant, the Department may approve an income level float up.
- The Department reserves the right to set restrictions on the unit mix, rent levels, and other factors deemed necessary.
- If purchasing Affordability Covenants, 55 years restriction applies.
- If Master Leasing, Grantee must provide a 15-year operating plan.



Section 304: Application Scoring Criteria

Presenter: *Matthew Dwight, Homekey Program Representative*

| Category | Points |
|---|--------------|
| 1. Ability to secure site & demonstration of sustained operating leverage | 70 |
| 2. Experience & Coordination | 40 |
| 3. Community Impact and Site Selection | 76 |
| 4. Relocation Impacts | (up to - 20) |
| 5. Negative Points | TBD |
| Total Max Points | 186 |

NEW Note: Applicants must score a minimum of 100 points to be eligible for funding.



1. Ability to secure site & demonstrate sustained operating leverage (70 pts)

| | Evaluation Criteria |
|---|--|
| <p>a. Site Control (20 points max)</p> | <ul style="list-style-type: none"> • Fee title/leashold (20 points) • Option agreement/sales contract (20 points) • Exclusive negotiating agreement (15 points) • Letter of intent (15 points) |
| <p>b. Non-Homekey Operating Subsidy Commitment (40 points max)</p> | <p>NEW i) 1.5 points for each 5 % increment of Non-Homekey operating subsidies covering operating expenses in the first 5 years. (up to 30 points)</p> |



1. Ability to secure site & demonstrate sustained operating leverage (70 pts)

| Evaluation Criteria | | | | | | | | | |
|--|--|------------------------------|--|------------------|---|--|-----|--------------------------|------|
| <p>b. Non-Homekey Operating Subsidy Commitment - cont'd</p> | <p>NEW ii) Length and strength of operating funding leverage. 1 point for each year beyond the first 5 years through year 15 of Project operations (up to 10 points)</p> <table border="1" data-bbox="937 658 2068 839"> <thead> <tr> <th colspan="2">Weighted Point Value by Type</th> </tr> </thead> <tbody> <tr> <td>Sustained source</td> <td>1</td> </tr> <tr> <td>Subsidy carried by the tenant or participant</td> <td>0.5</td> </tr> <tr> <td>Intent to pursue funding</td> <td>0.25</td> </tr> </tbody> </table> | Weighted Point Value by Type | | Sustained source | 1 | Subsidy carried by the tenant or participant | 0.5 | Intent to pursue funding | 0.25 |
| Weighted Point Value by Type | | | | | | | | | |
| Sustained source | 1 | | | | | | | | |
| Subsidy carried by the tenant or participant | 0.5 | | | | | | | | |
| Intent to pursue funding | 0.25 | | | | | | | | |
| <p>c. Average assisted unit cost below minimum baseline (10 points max)</p> | <p>For projects with the average total cost per Assisted Unit are below the minimum baseline, 1 point for every \$10,000 under the baseline amount. (up to 10 points)</p> | | | | | | | | |



2. Experience and Coordination (40 points)

| | Evaluation Criteria |
|---|--|
| <p>a. Applicant / development team's experience (15 points max)</p> | <p>5 points are awarded for each additional project beyond the base threshold requirement (affordable rental housing or interim Projects in the last 10 years serving at least one member of the target population).</p> |
| <p>b. Demonstration of service provider's experience (10 points max)</p> | <p>1 point award for each year of service experience after 3 years.</p> |
| <p>c. Commitment letter(s) or MOU(s) (15 points)</p> | <p>Letter or MOU documenting how the development team are connected and will work together to complete the project.</p> |

Note: Sections 300-303 of this NOFA outline threshold experience requirements.



3. Community Impact and Site Selection (76 pts)

| | Evaluation Criteria |
|--|--|
| <p>a. Project serves specific sub-populations (20 points)</p> | <ul style="list-style-type: none"> • 25% or more of Assisted Units are reserved for those experiencing Chronic Homelessness (20 points); OR • 50% or more of Assisted Units are reserved for those experiencing Homelessness (20 points); OR • 25% or more of Assisted Units are reserved for Homeless Youth or Youth at Risk of Homelessness (20 points) |
| <p>b. Assisted Units include units for large family housing types (10 points)</p> | <ul style="list-style-type: none"> • At least twenty-five percent (25%) of the Assisted Units in the Project shall be three-bedroom or larger units, AND • At least an additional twenty-five percent (25%) of the Assisted Units in the Project shall be two-bedroom or larger units, consistent with TCAC Regulations (4 CCR § 10325(g)(1)(A-I)) |



3. Community Impact and Site Selection (76 pts)

| | Evaluation Criteria |
|---|--|
| <p>c. Applicant waives raising income limits after year 15 (20 points max)</p> | <p>If Project is Permanent, the Applicant waives any potential accommodation by the Department to increase income limits at year 15 from the recordation of the Affordability Covenant, as described in Section 303 (ii).</p> <ul style="list-style-type: none"> • At least 25% of Assisted Units restricted (3 points) • At least 50% of Assisted Units restricted (5 points) • At least 75% of Assisted Units restricted (10 points) • 100% of Assisted Units restricted (20 points) |
| <p>d. Accessibility (10 points max)</p> | <ul style="list-style-type: none"> • Provide a minimum of 15% of units with features accessible to persons with mobility disabilities. (5 points) • A minimum of 10% of units with features accessible to persons with hearing or vision disabilities. (5 points) |



3. Community Impact and Site Selection (76 pts)

| | Evaluation Criteria |
|---|--|
| <p>e. Site Selection (up to 12 points)</p> | <ul style="list-style-type: none"> • Transit OR Alternative Transportation Service (4 pts) • Grocery Store (up to 2 pts) • Health facility (up to 1 pt) • Public Library (up to 1 pt) • Pharmacy (up to 2 pts) • NEW Public Park (up to 1 pt) • NEW High Speed Internet (2 pts; or 3 pts for Rural Projects) |
| <p>(Rural Projects: Up to 16 pts) (Youth Projects: Up to 15 pts)</p> | <p>Projects with units serving Homeless Youth, at least 2 of the following amenities serving Youth within 1 mile radius of project (2 pts):</p> <ul style="list-style-type: none"> • Community colleges, universities, trade schools, apprenticeship programs, employment program childcare centers for parenting youth, and/or community for youth (e.g., LGBTQ+ centers, drop-in centers) |



4. Relocation Impacts

| | Evaluation Criteria |
|--|---|
| c. For projects resulting in permanent displacement of residents (up to -20 points) | <ul style="list-style-type: none">• Permanently displaces existing residents in 5% of total units (-5 points)• Lose 1 point (up to additional -15 points) for each additional percentage point of households displaced out of total units. |



NEW 5. Negative Points

- Applies to HCD loans and grants.
- An Applicant will be assessed negative points to their total score by the Department.
 - Negative points may be assessed from Round 1 & 2 Homekey Projects that are currently non-compliant or have failed to meet required program deliverables.
 - Negative points may also be assessed to applicants for HCD awarded projects failing to comply with other HCD Program requirements.
 - For complete information see: [Negative Points Policy](#) (Administrative Memo 22-01)
- HCD will notify the Applicant if Negative Points have been assessed.
 - Applicants have the opportunity to appeal as set by the NOFA.

Contact the following DSFA branches to check for current standing & compliance:

- HCD Loans - Asset Management & Compliance (AMC) Branch
- State Grants or prior Homekey projects - State Grant Management (SGM)



Other Program Requirements

Presenter: *Micah Metts-Houston, Housing Policy Development Specialist*

| | |
|---|---|
| ARTICLE XXXIV | <ul style="list-style-type: none">• Not applicable for projects awarded with CSFRF funds |
| HOUSING FIRST | <ul style="list-style-type: none">• Comply with core components upon occupancy |
| TENANT SELECTION | <ul style="list-style-type: none">• Referrals through the local CES• CoC collaboration and program design is strongly encouraged |
| PARTICIPATION in STATEWIDE HDIS/HMIS | <ul style="list-style-type: none">• Participate in statewide HDIS /HMIS |



Other Program Requirements

Presenter: *Diedre Duncan, Homekey Section Chief*

| | |
|--|---|
| SECTION 504. RELOCATION PLAN | <ul style="list-style-type: none">• Must comply with all applicable federal, state, and local relocation law |
| SECTION 505. ACCESSIBILITY AND NON-DISCRIMINATION | <ul style="list-style-type: none">• Section 505• CA Building Code• UFAS or HUD's Alternative Standards• Adopt written non-discrimination policy• Comply with ADA, Fair Housing Act, CA FEHA, Unruh, Govt Code 11135, Section 504, 24 CFR Part 100, 24 CFR Part 8, 28, CFR Part 35 |
| SECTION 506. PREVAILING WAGES | <ul style="list-style-type: none">• Applicant's contemplated use of Homekey funds is subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). Applicant is urged to seek professional legal advice about the law's requirements. |



Section 507. Environmental Clearances

Homekey CEQA Exemption

CALIFORNIA ENVIRONMENTAL QUALITY ACT

- Unit acquisition must be paid for exclusively with public funds.
- Any rehabilitation and construction must use a skilled and trained workforce.
- The project must provide housing to persons experiencing or At Risk of homelessness.
- The project must not increase the original footprint of the project by more than 10%.
- The exemption applies to the entire project, including future phases of the project.
- A technical advisory has been prepared to help you understand the exemption and potential best practices for taking the full advantage of the exemption.



Section 507. Environmental Clearances

NEPA Clearance Required

NATIONAL ENVIRONMENTAL POLICY ACT

- **Applicants must provide National Environmental Policy Act (NEPA) clearance**, as applicable. This includes projects using **any** federal funding sources such as HOME, HTF, CDBG, Housing Vouchers (Section 8, PBV), Shelter Plus Care, etc.
- **NEPA requires Grantees to consider environmental impacts early in the planning process before decisions are made, and actions are taken.**



Section 508. Land Use

| All Homekey Projects are | |
|--------------------------|---|
| LAND USE EXEMPTION | <ul style="list-style-type: none">• Deemed consistent and in conformity with any applicable local plan, standard, or requirement• Allowed as a permitted use, within the zone in which the structure is located• Shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals |



Section 508. Land Use

| | |
|---|--|
| <p>Section 509. State Requirements</p> | <ul style="list-style-type: none">• Units must meet applicable state and local requirements pertaining to rental housing, including but not limited to, requirements for minimum square footage, and requirements related to maintaining the property in a safe and sanitary condition. |
| <p>Section 510. Grantee Liability</p> | <ul style="list-style-type: none">• All entities in the Grantee structure (to include the Eligible Applicant, any Co-Applicants, and any other entities added to the ownership structure of the Project pursuant to [Section 303 vi.) shall be bound by the Homekey Program Requirements; and shall remain jointly and severally liable to the Department for performance under the Standard Agreement and for compliance with all Homekey Program Requirements. This provision shall remain applicable notwithstanding any Department-approved transfer or assignment of interest, or any designation of a third party for the undertaking of all or any part of the Scope of Work in the Standard Agreement. |



IV. Application Submission, Review, and Award Process

Presenter: *Douglas Truong, Specialist*

- Section 400: Application Process and Submission
- Section 401: Pre-Application Consultation and Technical Assistance
- Section 402: Award Process
- Section 403: Appeals



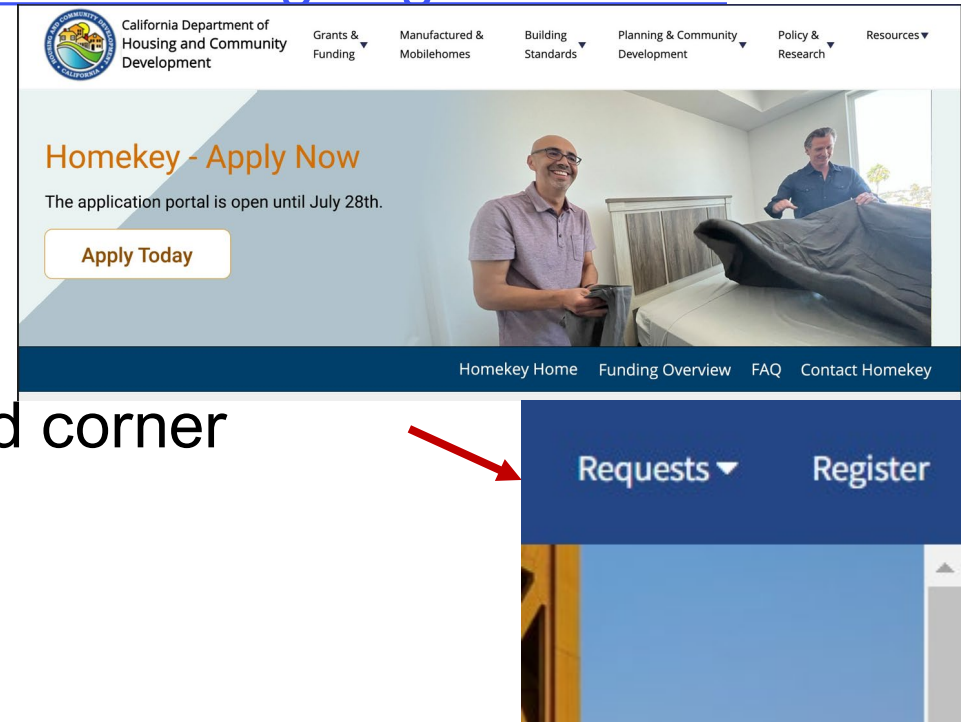
Section 400. Application Process and Submission

- Accepts application Over-the-Counter (OTC)
- Application releases week of April 24th
- Application deadline on July 28th at 5:00 p.m.
- Application materials must be submitted electronically to HCD's [website](#)
- Incomplete application packages will not be considered for funding, *but may be amended and resubmitted*



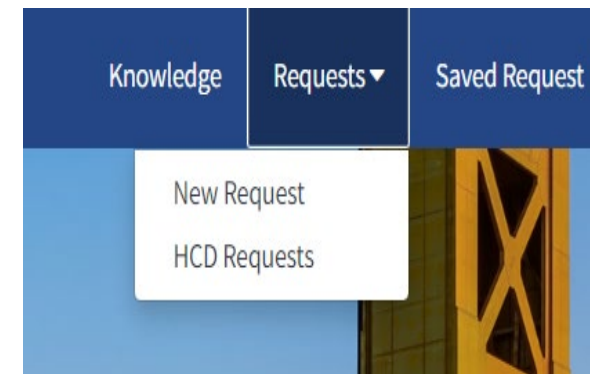
Section 400. Application Process and Submission (cont.)

- Open your browser and type in <https://www.hcd.ca.gov/grants-and-funding/homekey>
- Click “Apply Today”
- You must first register before you can use the Portal
- Click on the Register text in the right-hand corner
- Verification/Confirmation email



Section 400. Application Process and Submission (cont.)

- If you already have an account, Log In using your email and password
- Directed to the Application Portal
- If you are not readily directed to the Application Portal you are applying for, you can click on the Request text at the top of the screen and choose “New Request”
- The ServiceNow Instructions will be available on the Homekey website.



Section 400. Application Process and Submission (cont.)

- Complete application packages:
 - Completed application workbook
 - Required documents from Eligible Applicant and Co-Applicant as applicable, including but not limited to:
 - Executed resolutions
 - Payee Data Record or TIN form
 - Evidence of tax-exempt
 - Signature block uploaded in MS format
 - Organizational chart(s)
 - Organizational documents



Section 401. Pre-Application Consultation & Technical Assistance

- Required for all Eligible Applicants to engage in a [pre-application survey](#) prior to applying.
- Request consultation by emailing Homekey@hcd.ca.gov
 - Include “Pre-Application Consultation Request” in the subject line

Note: upon receiving your Pre-Application Consultation Request, the Department will email you a brief survey to learn more about your proposed Homekey project and any questions you have about the Homekey program. Please look for this email and complete the survey as soon as possible.



Section 402. Award Process

- Subject to fund availability, award letters will be issued on a rolling basis
- Execute Standard Agreement
- HCD may issue Homekey acquisition funds directly to an escrow company
 - Acquisition only
 - Name & address of the escrow company
 - Name of the escrow officer
 - Escrow number
 - Other information requested by HCD



Section 403. Appeals

- 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.
- Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with this NOFA.
- Appeal Process and Deadlines
 - Process
 - Filing Deadline
 - Decision



Section 600. Program Oversight

Presenter: Holly Kelley, Specialist

- HCD's State Grant Management branch (SGM) will monitor the Standard Agreement (Contract) once fully executed by the Department.
- Welcome Letter will be sent via email to Grantee by assigned SGM Representative after contract execution.
- Grantees shall promptly notify the Department upon any changes in Grantee organization, authorization or capacity.



Section 601. Reporting

- Milestone Reports

- Grantees will report all Performance Milestones from Exhibit E of the Standard Agreement as the Project achieves them using the Milestone Workbook located in the Monitoring and Disbursement section of the Homekey [website](#).

- Extensions

- Extension requests should be rare. Extension requests must be submitted in writing with proper documentation to substantiate an unforeseen circumstance. Extensions may be approved at the sole and absolute discretion of the Department as outlined in Section 204 of the Homekey Round 3 NOFA.
- Please note, construction, labor shortages and supply chain issues, as an example, are not considered unforeseen circumstances.

- Annual Reporting

- Each project shall submit an annual Homekey program and expenditure report to State Grant Management for five years following Standard Agreement execution, no later than January 31st for the prior calendar year.
- Please see section 601 (i-xii) of the Homekey for the minimum reporting requirements to expect from the Annual Report. You may review the Homekey Round 2 Annual Report for more details of what to expect, located in the Monitoring and Disbursement section of the Homekey [website](#).



Section 602. Disbursement of Grant Funds

- Pre-Disbursement Letter
 - SGM will email a Pre-Disbursement letter to the Grantee after award letter is issued.
 - The letter contains a list of documentation the Grantee must submit prior to award funds being disbursed. Submitting these documents promptly will help streamline disbursement after the contract is executed.
- Disbursement of Grant Funds
 - The Contract must be fully executed by the Department and all Pre-Disbursement items must be submitted and approved before funds may be requested.



Section 603. Legal Documents

- Standard Agreement
 - Upon the award of the Homekey funds to a Project, the Department shall enter into a Standard Agreement, which shall encumber funds from the Homekey program, subject to specified conditions. See Section 603i-x for what the agreement shall include.
 - The Standard Agreement will also include such other provisions as are necessary to ensure adherence to the objectives beyond what is mentioned in the NOFA.
 - Grantees are responsible to meet all Performance Milestones listed in Exhibit E of the Standard Agreement, as well as any Special Conditions within the Agreement.



Section 604. Sales, Transfers and Encumbrances

- An Applicant(s) shall not sell, assign, transfer, or convey the awarded Project, or any interest therein or portion thereof, without the express prior written approval of the Department.
- All Applicants and Co-Applicants must be signatories on the Standard Agreement and may not be removed, even upon an approved transfer to another entity.
 - Note: Ground leases are considered transfers and will require that the entity lessee be included as an applicant and named in the Standard Agreement.
- Eligible special purpose entities created for a Project must apply as a Co-Applicant at time of Application as outlined in Section 300(i) of the Homekey Round 3 NOFA.
- No additions of Co-Applicants or special purpose entities will be considered subsequent to the date of application. *exception in Section 301, 2. (i-iii)



Section 605. Default and Grant Cancellations

- Deviations from Standard Agreement requirements that are not approved by the Department could constitute a breach of contract.
- SGM will email the Grantee notices after 30, 60 and 90 days if a Performance Milestone or annual report is past due.
- Grantees will be given the opportunity to cure a breach, if possible.
 - Failure or inability to cure a breach of contract can result in assignment of Negative Points, potential bad standing status, or return of funds to the Department.

If you are unsure if your Project can meet Homekey Program deadlines, please schedule a pre-application consultation which may be requested by emailing Homekey@hcd.ca.gov



Q and A



Thank You

Homekey webpage can be found at:

[Homekey | California Department of Housing and Community Development](#)

Homekey Round 3 Application and application forms can be found at:

[Program Forms | California Department of Housing and Community Development](#)

For general Homekey NOFA and program questions email:

homekey@hcd.ca.gov.

For application specific assistance email your Excel application to:

Homekey.help@hcd.ca.gov

Homekey inbox: Homekey@hcd.ca.gov