

File No. 150333

Committee Item No. 8  
Board Item No. \_\_\_\_\_

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee Date May 20, 2015

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | MOU  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Grant Information Form                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
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Completed by: Linda Wong Date May 15, 2015  
Completed by: Linda Wong Date \_\_\_\_\_

1 [Accept and Expend Grant - CalHome Program - \$925,000]

2  
3 **Resolution authorizing the Mayor's Office of Housing and Community Development to**  
4 **accept and expend the CalHome Program grant from the California Department of**  
5 **Housing and Community Development to expend program income from associated**  
6 **loan repayments to assist low-income first-time homebuyers and low-income**  
7 **homeowners in a total amount of \$925,000 for the period following Board approval**  
8 **through September 24, 2017.**

9  
10 WHEREAS, The California Department of Housing and Community Development  
11 (HCD) issued a Notice of Funding Availability (NOFA) for the CalHome program established  
12 by Chapter 84, Statutes of 2000 (SB 1656, Alarcon), and codified in Chapter 6 (commencing  
13 with Section 50650) of Part 2 of Division 31 of the Health and Safety Code (the "statute"); and

14 WHEREAS, Pursuant to the Statute, HCD is authorized to approve funding allocations  
15 utilizing monies made available by the State legislature to the CalHome program, subject to  
16 the terms and conditions of the Statute and the CalHome Program Regulations adopted by  
17 HCD in April 2004; and

18 WHEREAS, The City submitted an application as authorized by Board of Supervisors'  
19 Resolution No. 213-14 on June 24, 2014, to request from HCD an allocation of \$1,500,000  
20 through the CalHome Program; and

21 WHEREAS, The City was awarded on November 14, 2014, an allocation of \$925,000  
22 through the CalHome Program in order to provide Mortgage Assistance Loans and Owner  
23 Occupied Rehab loans to income-qualifying borrowers; and

24 WHEREAS, There is no matching funds requirement for this grant; and

1           WHEREAS, HCD permits the City to retain loan delivery fees to cover administrative  
2 costs, totaling approximately 6.4% of the award, but does not allow other indirect costs; and

3           WHEREAS, The terms of the grant program stipulate that repayment proceeds from  
4 the initial loans are to be dedicated for a revolving loan pool to extend new loans to low-  
5 income homebuyers and low-income homeowners; and

6           WHEREAS, No amendment of the Annual Salary Ordinance is required by the  
7 acceptance of this grant, now, therefore, be it

8           RESOLVED, That the Director of the Mayor's Office of Housing and Community  
9 Development of the City is hereby authorized, on behalf of the Mayor, to accept and expend  
10 the CalHome Program funds to assist first time, low-income homebuyers to purchase below-  
11 market rate residences and to assist existing low-income homeowners to rehabilitate single  
12 family residences by providing CalHome down payment assistance loan funds and CalHome  
13 rehabilitation loan funds to eligible applicants purchasing or rehabilitating a home in the City;  
14 and, be it

15           FURTHER RESOLVED, That the City agrees to use the CalHome funds for eligible  
16 activities in the manner presented in the application as approved by HCD and in accordance  
17 with program regulations cited above, and, be it

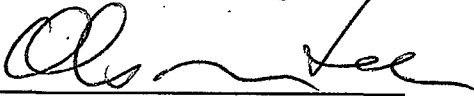
18           FURTHER RESOLVED, That the City and County of San Francisco authorizes the  
19 Director of the Mayor's Office of Housing and Community Development or his designee, to  
20 execute in the name of the City, the Standard Agreement and all other documents required by  
21 the HCD for participation in the CalHome Program, and any amendments thereto; and, be it

22           FURTHER RESOLVED, That within thirty (30) days of the Standard Agreement being  
23 fully executed by all parties, the Mayor's Office of Housing and Community Development shall  
24 provide the final Standard Agreement to the Clerk of the Board for inclusion into the official file.  
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Recommended:

Mayor's Office of Housing and Community Development

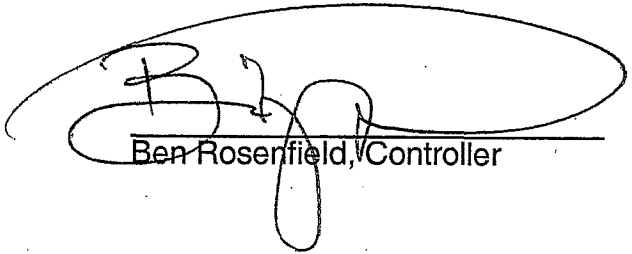


Olson Lee, Director

Approved:



Edwin M. Lee, Mayor



Ben Rosenfield, Controller

Mayor's Office of Housing and Community Development  
City and County of San Francisco



Edwin M. Lee  
Mayor

Olson Lee  
Director

**TO:** Angela Calvillo, Clerk of the Board of Supervisors  
**FROM:** Olson Lee, Director, Mayor's Office of Housing and Community Development  
**DATE:** February 23, 2015  
**SUBJECT:** Accept and Expend Resolution for 2014 CalHOME Grant Award No. 9868  
**GRANT TITLE:** 2014-CALHOME-9868

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Attached please find the original and 4 copies of each of the following:

- Proposed resolution; original signed by Department, Mayor, Controller
- Grant information form
- Grant budget
- Grant application (summary)
- Grant award letter from funding agency
- Other (Explain):

**Departmental representative to receive a copy of the adopted resolution:**

Name: Maria Benjamin  
Phone: 701-5511  
Interoffice Mail Address: Maria.Benjamin@sfgov.org

Certified copy required Yes  No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

**File Number:** 150333  
(Provided by Clerk of Board of Supervisors)

**Grant Resolution Information Form**  
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: FY2014 CalHome Program
2. Department: Mayor's Office of Housing and Community Development (MOHCD)
3. Contact Person: Maria Benjamin Telephone: 701-5511
4. Grant Approval Status (check one):  
 Approved by funding agency  Not yet approved
5. Amount of Grant Funding Approved or Applied for: \$925,000
6. a. Matching Funds Required: \$0  
b. Source(s) of matching funds (if applicable):
7. a. Grant Source Agency: California Department of Housing and Community Development  
b. Grant Pass-Through Agency (if applicable): N/A
8. Proposed Grant Project Summary:  
The award will be used to implement and administer MOHCD's BMR DALP (Below Market Rate Downpayment Assistance Loan Program) and CalHome Property Rehabilitation Loan Program (CPRLP). The BMR DALP program will provide down-payment and closing cost assistance to low-income first time homebuyers of Below Market Rate (BMR) units. The CPRLP will provide low-income homeowners a payment deferred, low interest loan to address deferred maintenance, code deficiencies, and accessibility modifications.
9. Grant Project Schedule, as allowed in approval documents, or as proposed:  
Start-Date: Upon HCD approval End-Date: September 24, 2017
10. a. Amount budgeted for contractual services: \$0  
b. Will contractual services be put out to bid? N/A  
c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? N/A  
d. Is this likely to be a one-time or ongoing request for contracting out? N/A
11. a. Does the budget include indirect costs?  
 Yes  No  
b. 1. If yes, how much? \$0  
b. 2. How was the amount calculated? N/A  
c. 1. If no, why are indirect costs not included?  
 Not allowed by granting agency  To maximize use of grant funds on direct services  
 Other (please explain):

The grantor allows grantees to charge a Delivery Fee for each loan, made to cover the grantee's administrative costs. This Delivery Fee does not cover our full direct cost for operating the program.  
c. If no indirect costs are included, what would have been the indirect costs? General operating costs

12. Any other significant grant requirements or comments:

The CalHome program requires annual and quarterly progress reports. Grant Code : MOHCAL

**\*\*Disability Access Checklist\*\* (Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Existing Site(s)      | <input checked="" type="checkbox"/> Existing Structure(s) | <input checked="" type="checkbox"/> Existing Program(s) or Service(s) |
| <input type="checkbox"/> Rehabilitated Site(s) | <input type="checkbox"/> Rehabilitated Structure(s)       | <input type="checkbox"/> New Program(s) or Service(s)                 |
| <input type="checkbox"/> New Site(s)           | <input checked="" type="checkbox"/> New Structure(s)      |   |

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

Comments:

For capital projects, ADA compliance and review is required before the project can commence and before any funds are expended. MOHCD works closely with MOD to obtain project-by-project approvals as necessary.

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Eugene Flannery

(Name)

Environmental Compliance Manager

(Title)

Date Reviewed: 2-23-15

Eugene T. Flannery  
(Signature Required)

**Department Head or Designee Approval of Grant Information Form:**

Olson Lee

(Name)

Director

(Title)

Date Reviewed: 2/23/2015

Olson Lee  
(Signature Required)

## CalHOME 2014 Grant Budget

Sources	
2014 Grant Amount	\$925,000.00
Uses	
Direct Loans	\$ 865,739
Loan Delivery Fees	\$ 59,261
<b>Total Uses</b>	<b>\$ 925,000</b>

	Estimated Number of Loans at Maximum Loan Amount	Maximum Loan Amount	Subtotal	Estimated Delivery Fee	Total
<b>Mortgage Assistance Loans</b>	11.0	\$ 57,000	\$ 627,000	\$ 33,000	\$ 660,000
<b>Owner Occupied Rehab Loans</b>	6.0	\$ 39,790	\$ 238,739	\$ 26,261	\$ 265,000
			<b>\$ 865,739</b>	<b>\$ 59,261</b>	<b>\$ 925,000</b>
<b>Mortgage Assistance Loans</b>					
	<b>Number of Loans</b>	<b>Loan Amount</b>	<b>Loan Amount Total</b>	<b>Delivery Fee</b>	<b>Delivery Fee Total</b>
	11	\$ 57,000	\$ 627,000	\$ 3,000	\$ 33,000
	<i>** Delivery Fee for MA loans is fixed at \$2650 for each \$57,000 loan.</i>				\$ 33,000
<b>Owner Occupied Rehab Loans</b>					
	<b>Number of Loans</b>	<b>Loan Amount</b>	<b>Loan Amount Total</b>	<b>Delivery Fee Total</b>	
	6	\$ 39,790	\$ 238,740	\$ 26,261	
	<i>** Delivery Fee for OOR loans is 11% of the loan.</i>			\$ 26,261	



# CalHome Program

## Application for General Program Funding NOFA

### Mortgage Assistance and/or Owner-Occupied Rehabilitation

California Department of Housing and Community Development  
Financial Assistance Division  
P.O. Box 952054, Sacramento, CA 94252-2054  
Or  
2020 West El Camino Ave, Suite 500  
Sacramento, CA 95833

This application, if approved for funding, will be a part of your Standard Agreement with the Department of Housing and Community Development (HCD). In order to be considered for funding, all sections of this application, including attachments and exhibits, must be complete and accurate. **Application forms must not be modified.** No facsimiles, incomplete applications, or application revisions will be accepted prior to, or after the application deadline. Applications must meet all eligibility requirements upon submission. Applications containing material internal inconsistencies will not be rated and ranked. Use **Exhibit A**, Attachment Checklist, as an aid in completing the application. HCD must receive in its office a complete original application in a three ring binder **no later than July 10, 5:00 P.M. 2014.**

For purpose of this NOFA, this will be a Program NOFA which will include first-time homebuyer mortgage assistance activities and owner-occupied activities.

#### SECTION I. APPLICATION SUMMARY:

- A. Name of Applicant: City and County of San Francisco, Mayor's Office of Housing and Community Development
- B. Applicant Address: 1 South Van Ness Avenue, 5<sup>th</sup> Floor  
City: San Francisco Zip Code: 94103
- C. Chief Executive Name and Title: Olson Lee, Director
- D. Contact Person Name and Title: Maria Benjamin, Director of Homeownership Programs
- E. Phone Number: (415) 701-5500 FAX: (415) 701-5501 E-Mail: maria.benjamin@sfgov.org
- F. Proposed Activity:

You may apply for one or two program activities, the aggregate amount of both activities may not exceed the maximum application amount, and the amount for any one activity may not be less than the minimum activity amount, as specified in the NOFA. The maximum amount is \$1 Million for most jurisdictions or \$1.5 Million for High Population Areas. Only apply for the amount that you know you can use. Recipients who do not use at least 95% of their funds will be penalized in future funding rounds for not meeting performance goals. Localities shall only be eligible to apply for an award of CalHome funds for a local program within its jurisdictional boundaries. A nonprofit corporation may propose programs in a county or counties in which they have operated a housing program within the past 4 years, or in a county or counties for which the nonprofit corporation has an existing 523 technical assistance services agreement with the United States Department of Agriculture.

Activity: Submit Appropriate Attachment Number	No. of CalHome Assisted Units Proposed	County or Counties of Activity	Census Tracts if Proposing 100% Rural Activity*
1.FTHB Mortgage Assistance Program	17	San Francisco	N/A
2.Owner-Occupied Rehabilitation Program	8	San Francisco	N/A
<b>Total</b>	25		

\* If your activity is located entirely within a rural census tract or non-metro county as defined in the CalHome Program Regulations and you want to receive consideration for the rural set-aside, you must provide the census tract or tracts or list the non-metro county information in the table above. If the proposed area is rural, applicants must indicate census tract numbers in order to receive consideration under the rural set-aside. Programs in rural census tracts must document that their program is located in a rural area. Follow the steps outlined below to determine if your proposed program is located in a rural area, and to document this rural area status. Programs located in the following counties do not have to provide documentation of their rural status, and will be considered rural applicants:

Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Trinity and Tuolumne.

Below are two alternate ways to qualify if your site is not located within one of the counties listed above:

**Alternative 1: Rural Housing Services (RHS) Eligible Area** – With an established address, go to the USDA Rural Development website to qualify if the site is RHS-eligible:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

Once on the website, look to the left hand side of this page and click on "Income and Property Eligibility". On the page that follows, under "Property Eligibility", click on your program type (single family) and follow the instructions so that you may enter your program address. If your program is RHS-eligible, you will be able to print a map indicating that the program is eligible. Submit this documentation with your application.

If your program is not listed as RHS eligible, or if you do not yet have a site address, go to Step 2.

**Alternative 2, Step 1: Small City Status** - Is your program located within or adjoining a city with a population of 40,000 or less that is not part of a Census-designated urbanized area?

Go to the State Department of Finance website to verify the city's population estimate:

<http://www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php>

If the city has a population of 40,000 or less, print the page of Table E-1 which indicates this, and go to Step 3. If the city is more than 40,000, STOP. Your program may not be located in a rural area. Proceed to Step 2 to confirm if your area is rural or not.

**Step 2: Census Map** - If the proposed program is located in an incorporated city of 40,000 or less, or in the unincorporated area adjoining that small city, the program may be considered rural if the program's census tract is not designated "as an urbanized area" or "part of an urbanized area."

a) Go to the Census Bureau's 2010 Census website at:

<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>

b) Under "Access Data by Geography" select the "street address" link (regardless of whether the program has an established address).

c) On the subsequent screen, enter the program's address or that of another nearby property located within the same census tract (as close to the program as possible). Select "Go" and additional information will display at the bottom of the page.

d) Select "Census Tract" in the Geographies section of the enhanced screen and select "Map It."

e) Print the census tract map provided and your jurisdiction's population estimate from Table E-1, (see Step 1 above), and submit these two documents with the application. The map may show the census tract as "urban" according to the legend provided with the map. However, the census tract will only be considered urban if the map includes bold face type with a "UA" designation. If the map includes no such designation, or shows the census tract as urban but has a "UC" designation, the census tract is still considered rural.

If you tried both of these alternatives and the end result shows that your program is not classified as rural but you believe that it should be considered rural, or if you have other questions, problems, or concerns in determining rural designation pursuant to the above process, please contact Raymond Victor at (916)263-2725.

G. Proposed Grant Amount:

\*\$1,500,000.00

\* If the grant request is over \$1,000,000 (up to \$1,500,000), the city, county, or nonprofit will need to provide the following: The name of the city or unincorporated areas of counties with a population of over 400,000. If a County operates their programs in the small cities within the county as well as the unincorporated areas, we will allow the aggregate population of the unincorporated areas plus these small cities to be combined for determining the maximum award amount only where we have letters/resolutions from the included small cities verifying the County's authority to operate with the cities. A list of cities and unincorporated areas of counties in California with population over 400,000 is included in this application labeled **Exhibit D**. Please provide the required documentation as **Attachment 3**.

H. Brief Description of Each Program Activity Applied for:

The Mayor's Office of Housing and Community Development will utilize this Mortgage Assistance Program award to provide down-payment assistance loans to the purchasers of Below Market Rate (BMR) units. The Mortgage Assistance loans will be payment deferred, accrue 0% interest and will be due with a share of appreciation upon resale or in 30 years, whichever comes first. BMR units are priced as affordable to households earning 90% of the Area Median Income, while CalHome loans will be made available to households earning at or below 80% of the HCD low income limits, thus filling a substantial affordability gap and making the dream of homeownership available to lower income households. The maximum loan amount will be \$57,000. This is especially important in the Latino, African American and the Asian communities in San Francisco, where the average household income is lower than that of the area median for the entire population.

The owner-occupied rehabilitation loans will be payment deferred, 3% interest and due in 30 years or upon sale of the property, transfer of title, or non-occupancy, whichever comes first. Loans from this CalHome award will be made available to households earning 80% of AMI or below, thus providing affordable financing to households who would otherwise not be able to afford property rehabilitation. The maximum loan amount will be \$50,000 and will not exceed a 105% post-work loan to value (LTV). This type of financing is especially important to low-income homeowners whose properties are dilapidated and are faced with health and safety issues and sanctions from local building inspection and health departments. The CalHome loan will address minor to intermediate rehabilitation work and will most likely be coupled with existing programs to address a more holistic rehabilitation, including healthy home and energy efficiency retrofits.

## **SECTION II. LEGISLATIVE REPRESENTATIVES:**

A form is included in this application labeled **Exhibit B**. Please complete the information on this form and attach as **Attachment 5**.

## **SECTION III. GOVERNING BOARD RESOLUTION:**

Attach the resolution, duly executed by the governing board of the local public agency or nonprofit corporation, granting authority to make an application to HCD for a funding commitment from the CalHome Program. Label as **Attachment 6** Governing Board Resolution. Please review the sample resolution which is included in this application package as **Exhibit C**. Be sure that the resolution authorizes a signatory for submittal of this application and the resolution is an action of the governing body of the applicant. If someone signs the application other than the person authorized in the resolution, submit evidence that shows that the person signing has the authorization to sign. Such evidence could be in the form of an ordinance or code, or an opinion from the applicant's legal counsel. Include such authorization with **Attachment 6**.

**SECTION IV. APPLICANT INFORMATION:**

A. The applicant is a (check one): [ ] City [ ] County [✓] City and County [ ] Nonprofit Corporation

1. If a Nonprofit Corporation, Submit copies of:

IRS approval of 501(c) (3) status: as **Attachment 7a**

Secretary of State Letter of Good Standing: as **Attachment 7b**

Articles of Incorporation: as **Attachment 7c**

Bylaws: as **Attachment 7d**

List of names of Board of Directors: as **Attachment 7e**

Financial Statements (for the last 2 fiscal years, one of which must be must be audited): as **Attachment 7f**

**SECTION V. ACTIVITY ATTACHMENT:**

Applicants must complete at least one attachment:

Attachment 1, First-Time Homebuyer Mortgage Assistance, or

Attachment 2, Owner-Occupied Rehabilitation Program

These attachments are part of this application. At least one must be completed and must be included or the application will not be complete and will be ineligible for funding consideration.

**SECTION VI. APPLICANT CERTIFICATION AND COMMITMENT OF RESPONSIBILITY:**

As the official designated by the governing body, I hereby certify that if approved by HCD for a CalHome Program funding allocation, the City and County of San Francisco, Mayor's Office of Housing and Community Development (Applicant name) assumes the responsibilities specified in the CalHome Program Regulations and certifies that:

- A. It possesses the legal authority to apply for the allocation and to execute their proposed program or project;
- B. Before committing funds to a homebuyer/homeowner, it will evaluate the funding eligibility in accordance with CalHome Program Regulations and will not invest any more CalHome funds in combination with other governmental assistance than is necessary to provide affordable housing;
- C. The Applicant **does not** have any unresolved audit findings for prior HCD or federally-funded housing or community development projects or programs;
- D. There are **no** pending lawsuits that would impact the implementation of this program or project;
- E. It will comply with all statutes and regulations governing the CalHome Program;
- F. The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct;
- G. It has the ability to perform the duties for the activity(s) applied for in accordance with Section 7718 of the CalHome Program Regulations.

I authorize the Department of Housing and Community Development to contact any agency, whether or not named in this application, which may assist in determining the capability of the Applicant. All information contained in this application is acknowledged to be public information. (This certification must be signed by the person authorized in the Resolution.)

\*Signature: \_\_\_\_\_ Title: Director

Type Name: Olson Lee

Date: \_\_\_\_\_

\*Must be signed by authorized signatory per the resolution.

## EXHIBIT A

### Attachment Checklist

Please tab each attachment required by the application and place the attachments behind the completed application in a three ring binder according to the corresponding number listed below.

Check if Included	Attachment No.	Attachment Title
✓	1	Program: First-time Homebuyer Mortgage Assistance Program
✓	Exhibit 1-1	First-time Homebuyer Mortgage Assistance Program-Program Narrative
✓	Exhibit 1-1A	First-time Homebuyer Mortgage Assistance Program- Award Letters
✓	Exhibit 1-1B	First-time Homebuyer Mortgage Assistance Program-Resolutions
✓	Exhibit 1-1C	First-time Homebuyer Mortgage Assistance Program-Program Activities
✓	Exhibit 1-1D	First-time Homebuyer Mortgage Assistance Program-Program Financials
✓	Exhibit 1-1E	First-time Homebuyer Mortgage Assistance Program-Program Manual
✓	2	Program: Owner-Occupied Rehabilitation Program
✓	Exhibit 2-1	Owner-Occupied Rehabilitation Program –Program Narrative
✓	Exhibit 2-1A	Owner-Occupied Rehabilitation Program –Award Letters
✓	Exhibit 2-1B	Owner-Occupied Rehabilitation Program –Resolutions
✓	Exhibit 2-1C	Owner-Occupied Rehabilitation Program –Program Activities
✓	Exhibit 2-1D	Owner-Occupied Rehabilitation Program –Program Financials
✓	Exhibit 2-1E	Owner-Occupied Rehabilitation Program -Manual
✓	Exhibit 2-2	Owner-Occupied Rehabilitation Program – Loan Servicing Experience if there are no loans in the portfolio
✓	3	Documentation regarding population over 400,000 for requesting funds over \$1,000,000 (up to \$1,500,000)
✓	4	Additional Documentation
✓	5	Legislative List
✓	6	Copy of Resolution authorizing this application. As a time-saver, the Resolution may also authorize execution of the contract and other documents needed to process a loan
✓	Bonus-A	Energy Efficient/Green Building Standards
✓	Bonus-B	Universal Design Standards
N/A		<b>Nonprofit corporations must provide the following information:</b>
N/A	7a	IRS approval of 501(c)(3) status
N/A	7b	Copy of current certification of 501(c)(3) status with Secretary of State that is less than one year old
N/A	7c	Copy of Articles of Incorporation
N/A	7d	Copy of Bylaws
N/A	7e	List of officers and Board of governing body of Applicant
N/A	7f	Financial Statements (one of the last 2 years must be audited)

**Exhibit B**

**LEGISLATIVE REPRESENTATIVES**

Indicate all Legislators who represent any portion of the proposed service area. If you have vacancies in your legislative seats, please list your district number and district address.

**A. Members of the State Assembly:**

District number: 17  
Name: Tom Ammiano  
District Address: 455 Golden Gate Ave., STE 14300  
City: San Francisco  
Zip Code: 94102

District number: 19  
Name: Philip Y. Ting  
District Address: 455 Golden Gate Ave., STE 14600  
City: San Francisco  
Zip Code: 94102

**B. Members of the State Senate:**

District number: 8  
Name: District 8  
District Address: 455 Golden Gate Ave., STE 14200  
City: San Francisco  
Zip Code: 94102

District number: 11  
Name: Mark Leno  
District Address: 455 Golden Gate Ave., STE 14800  
City: San Francisco  
Zip Code: 94102

**C. Members of the U.S. House of Representatives:**

District number: 12  
Name: Nancy Pelosi  
District Address: 90 7<sup>th</sup> Street, Ste. 2-800  
City: San Francisco  
Zip Code: 94103

District number: 14  
Name: Jackie Speier  
District Address: 155 Bovet Road, Suite 780  
City: San Mateo  
Zip Code: 94402



**EXHIBIT C**

**SAMPLE GOVERNING BOARD RESOLUTION**

RESOLUTION NO. \_\_\_\_\_

THE GOVERNING BOARD OF

\_\_\_\_\_

(Title of Applicant)

HEREBY AUTHORIZES THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM.

WHEREAS:

- A. \_\_\_\_\_ (name of applicant), a [political subdivision of the State of California or nonprofit public benefit corporation], wishes to apply for and receive an allocation of funds through the CalHome Program; and
- B. The California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the Health and Safety Code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD in April 2004; and
- C. The \_\_\_\_\_ (name of applicant) wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$ \_\_\_\_\_.

IT IS NOW THEREFORE RESOLVED THAT:

- 1. The \_\_\_\_\_ (name of applicant) shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on \_\_\_\_\_ which will request a funding allocation for the following activities:

**(Briefly describe the proposed activities, including dollar amount of each)**

located in \_\_\_\_\_  
[Program/project location(s)]

- 2. If the application for funding is approved, the \_\_\_\_\_ (name of applicant) hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.

3. The \_\_\_\_\_ (name of applicant) authorizes  
\_\_\_\_\_ [office or position titles of authorized person(s)] to  
execute in the name of the \_\_\_\_\_ (name of Applicant), the application,  
the Standard Agreement, and all other documents required by HCD for participation in the CalHome  
Program, and any amendments thereto.

PASSED AND ADOPTED THIS \_\_\_\_ Day of \_\_\_\_\_, 20 \_\_\_\_\_, by the following vote:

AYES: \_\_\_\_\_ NAYS: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_ ABSENT: \_\_\_\_\_

The undersigned \_\_\_\_\_ (title of officer) of the \_\_\_\_\_  
(name of applicant) there before named does hereby attest and certify that the foregoing is a true and full  
copy of a resolution of the Governing Board adopted at a duly convened meeting on the date above-  
mentioned, which has not been altered, amended or repealed.

---

Signature

Date

NOTES:

1. This is intended to be a sample resolution authorizing submittal of an application to HCD. **Applicants may use their own format if it contains all of the authorizations contained in this sample.**
2. The sample resolution should be modified by nonprofit organizations as appropriate to meet the corporate structure of the nonprofit organization.
3. **The person attesting to the signing of the resolution cannot be the same person who is authorized to execute documents in the name of the applicant.**
4. The resolution must be the original or a certified copy of the original.

## EXHIBIT D

### **Cities and unincorporated areas of counties in California with population over 400,000:**

- City of Los Angeles
- City of San Diego
- Unincorporated Los Angeles County
- City of San Jose
- City and County of San Francisco
- Unincorporated Sacramento County
- City of Long Beach
- Unincorporated Riverside County
- Unincorporated San Diego County
- City of Fresno
- City of Sacramento

In our current NOFA, these jurisdictions will be able to apply for an aggregate maximum award of \$1,500,000.

Regarding the situation where the County operates their programs in the small cities within the county as well as the unincorporated areas, we would allow the aggregate population of the unincorporated areas plus these small cities to be combined for determining the maximum award amount only where we have letters/resolutions from the included small cities verifying the County's authority to operate within the cities.

# CalHome Program Application

## Attachment 1 First-Time Homebuyer Mortgage Assistance Program

This Application form is for homebuyer mortgage assistance to first-time homebuyers of new or existing homes, or for purchase of existing homes to be rehabilitated by the homebuyer. An applicant may only apply for funds under this attachment when it will be providing the services required in Section 7729 of the program regulations.

### SECTION I. APPLICANT INFORMATION

Name: City and County of San Francisco, Mayor's Office of Housing and Community Development

### SECTION II. FIRST-TIME HOMEBUYER PROGRAM EXPERIENCE

- A. Provide the following information for each year of first-time homebuyer program operation for 12 consecutive months, by calendar year. Applicant organizations should only list those homebuyer units for which they provided the mortgage assistance services.

PERMANENT FINANCING FUNDING SOURCE(S)							NO. OF PURCHASE ESCROWS UNDERWRITTEN AND CLOSED	AVERAGE AMOUNT OF ASSISTANCE PROVIDED PER BUYER					
YEAR	DALP	CITY 2ND LOAN	CalHome BMR-DALP	MA / ADDI	TND	PIC/FR DALP		DALP	CITY 2 <sup>ND</sup> LOAN	CalHome BMR-DALP	MA / ADDI	TND	PIC
2013	20	2	28	2	3	1/4	62	\$79,739	\$58,875	\$31,890	\$12,755	\$20,000	\$20,000
2012	17	-	19	9	2	-	47	\$63,124	-	\$35,122	\$13,556	\$20,000	-
2011	26	1	-	8	4	1	40	\$71,495	\$79,000	-	\$15,137	\$20,000	\$20,000
2010	17	2	1	2	12	5	44	\$67,315	\$55,000	\$36,000	\$10,000	\$20,000	\$20,000
2009	70	0	33	-	14	4	125	\$99,882	*	\$34,689	-	\$20,000	\$20,000
2008	39	1	21	-	7	4	73	\$110,207	\$43,000	\$32,520	-	\$20,000	\$20,000
2007	20	15	-	-	-	-	35	\$108,185	\$127,500	-	-	-	-
2006	41	5	-	39	-	-	85	\$48,061	\$80,079	-	\$17,501	-	-
2005	36	11	-	34	-	-	81	\$55,748	\$77,868	-	\$16,680	-	-
2004	-	16	-	-	-	-	16	-	\$85,016	-	-	-	-

\* Grant Right of First Refusal

- B. For years 2009 through 2013, provide a narrative of applicant's history and experience with the proposed activity, including evidence of program operation for each year listed: e.g., board resolution authorizing the program; award letters; program financial pages from annual audit, annual reports or other evidence that will demonstrate program operation. **(Attach as Exhibit 1-1)**

**SECTION III. LOAN UNDERWRITING EXPERIENCE**

- A. For the years 2009 through 2013, the total number of homebuyer loans applicant has underwritten and closed, which included preparation of loan documents and escrow instructions. # 316

**SECTION IV. LOAN SERVICING EXPERIENCE**

- A. For the years 2009 through 2013, the total number of homebuyer loans closed for which the applicant was the named beneficiary on the loan documents. # 316
- B. As of the CalHome NOFA issuance date, the total number of homeowner loans in the applicant's portfolio. # 904
- C. Number of loans identified in B. above that are being directly serviced by the applicant. # 904
- D. Number of loans identified in B. above that are being serviced by a third party. # 0
- E. As of the CalHome NOFA issuance date, the total number of homebuyer loans the applicant is servicing for another entity. # 0
- F. If there are zero loans identified in C, D **and** E, submit a narrative identifying how loans will be serviced, how the servicing activities will be funded or provided and the procedures for implementing loan servicing operations. **In addition** to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 5 years, for contracting loan servicing with a third party who is in the business of loan servicing; 2) a commitment letter from a third party, who is in the business of loan servicing, willing to provide loan servicing at no cost to the applicant; or 3) the résumé of a current employee(s) of the applicant that describes the employee(s)'s experience in homeowner loan servicing. **(Attach as Exhibit 1-2)**

**SECTION V. PROGRAM TARGETING**

- A. Number of homebuyers to be assisted with this application for CalHome funds # 13
- B. Program will be operated **entirely within a federally defined Qualified Census Tract(s) located in Appendix B in the training manual** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):  
Yes \_\_\_\_\_ No ✓  
Federally defined Qualified Census tract(s) No. \_\_\_\_\_
- C. Nonprofit corporations must list the county or counties in which the program will be operated.  
county/counties \_\_\_\_\_
- D. Provide the data source used to project median sales price: HUD – By definition, Below Market Rate (BMR) units are sold at a price specified in the planning approvals or other use restrictions which may be lower than the fair market value of comparable units.

SECTION VI. FINANCING AND AFFORDABILITY

A. Proposed Permanent Financing (other than CalHome) (check all that apply):

[x] Conventional      [ ] FHA            [ ] CalHFA      [ ] USDA-Rural Development
[ ] Federal HOME      [x] Other

Describe the financing structure, first mortgage and any subordinate financing in addition to CalHome that will finance the purchase of the properties.

Table with 2 columns: Source of Financing, Proposed Lien Position. Rows: Conventional loan provided by participating lenders (1st), BMR Lien (2nd), CalHome Program (3rd).

B. Projected Average Housing Cost and Affordability:

- 1. Expected Average Sales Price, Less Homebuyer Equity: \$325,000
2. Less Average CalHome Mortgage Assistance to be given: \$57,000
3. Less Average Other Mortgage Assistance to be received, if any: \$N/A
4. Average First Mortgage: \$251,750
5. Estimated Monthly Payment on First Mortgage (PITI): \$2,156.31
Payment includes average HOA monthly dues of \$450.00
6. Annual Income Needed to Support above Payment \$81,450
(Base on the homebuyer paying 30% of gross annual income for PITI)

SECTION VII. CONTRIBUTED LABOR PROGRAMS – Self-Help, Volunteer Labor and Youth Construction Training Labor.

Important Note: Only complete this section, if the applicant meets the two-year minimum experience requirement for operation of a program, a minimum of 500 hours of onsite contributed construction labor per assisted unit must be provided, and that financed purchase of homes involving this type of construction or developed homes involving this type of construction and the entire program will be restricted to units involving this type of construction.

A. Check if project involves any of the following types of contributed onsite construction labor:

- 1. Self-Help labor: Yes \_\_\_\_\_ No \_\_\_\_\_
No. of hours of guaranteed self-help onsite construction labor per unit: \_\_\_\_\_ hrs

2. Volunteer labor: Yes \_\_\_\_\_ No \_\_\_\_\_  
No. of hours of guaranteed volunteer onsite construction labor per unit: \_\_\_\_\_ hrs

3. A youth construction skills training program: Yes \_\_\_\_\_ No \_\_\_\_\_  
Name of program: \_\_\_\_\_

No. of hours of guaranteed youth construction training onsite construction labor per unit,  
provided by participants age 16 to 24 years old only: \_\_\_\_\_ hrs

4. If the answer to A. 1, 2 or 3 above is yes, indicate the minimum number of onsite  
construction labor hours per unit to be provided by the homebuyer: \_\_\_\_\_ hrs

B. Describe the criteria for participation in your contributed labor program. **(Attach as Exhibit 1-4)**

C. Attach a copy of the agreement form used for the contributed labor program. **(Attach as Exhibit 1-4a)**

D. Provide description of activities performed by contributed labor participants. **(Attach as Exhibit 1-4b)**

E. Provide description of activities normally contracted out. **(Attach as Exhibit 1-4c)**

F. What percentage of total onsite construction labor per unit will be performed by contributed labor:  
\_\_\_\_\_ %

Please provide evidence of previous administration of the type of contributed labor program proposed in this application. This could include, but not be limited to, the nonprofit corporation charter or a copy of the board resolution authorizing the program supported by documentation of completed projects; or copies of contracts with contributed labor participants. **(Attach as Exhibit 1-4d)**

## SECTION VIII. HOMEBUYER EDUCATION

A. Does the applicant currently provide homebuyer education classes?  
Yes \_\_\_\_\_ No  \_\_\_\_\_

If not, describe arrangements for providing homebuyer education in Attachment 4 - Additional Documentation.

**SECTION IX. BONUS POINTS FOR NEW POLICY OBJECTIVES  
MORTGAGE ASSISTANCE ACTIVITIES ONLY**

**A. Energy Efficient / Green Building features (Attach as Bonus Exhibit A)**

Bonus points will be given in the scoring of this application for applicants that use their mortgage assistance loans for home purchase transactions where the units purchased are developed by including the mandatory or voluntary exclusively green building measures (see Appendix A4 at [http://www.hcd.ca.gov/codes/sh/2010\\_CA\\_Green\\_Bldg.pdf](http://www.hcd.ca.gov/codes/sh/2010_CA_Green_Bldg.pdf)). For the submission of your application, you may self-certify that you intend to meet the CALGreen Tier 1 or Tier 2 design criteria (see application self-certification check list and attach as Bonus Exhibit A of the Application). An architect or the local inspection agency must certify that the design actually meets the criteria for CALGreen Tier 1 or Tier 2 specified in the Code. If bonus points are assigned to your application for this, it will be a condition of your contract and will affect all loans.

Yes       ✓                            No



**B. Targeting homeownership units that meet universal design standards (Attach as Bonus Exhibit B)**

Bonus points will be given in the scoring of this application for applicants that use their mortgage assistance loans exclusively for home purchase transactions where the units purchased are developed by meeting the following universal design standards:

- Provide at least one no-step entrance with beveled threshold. This may be at the front, side or back of the unit.
- Make doorways throughout the unit at least 32 inches wide and hallways at least 36 inches clear width.
- Reinforce walls around the toilet, bathtub and shower stall in order that grab bars may be added at a later time, if needed.
- Install light switches and electrical controls no higher than 48 inches and electrical plugs no lower than 15 inches above the floor.
- Install lever handles on all doors and plumbing fixtures.

Yes  \_\_\_\_\_ No  \_\_\_\_\_

# CalHome Program Application

## Attachment II

### Owner-Occupied Rehabilitation Program

This Application form is for rehabilitation of owner-occupied homes. An applicant may only apply for funds under this attachment when it will be providing the services required in Section 7733 and Section 7735 of the program regulations.

#### SECTION I. APPLICANT INFORMATION

Name: Mayor's Office of Housing and Community Development, Lead Hazard Control and Housing Rehabilitation Program

#### SECTION II. OWNER-OCCUPIED REHABILITATION PROGRAM EXPERIENCE

- A. Provide the following information for each year of owner-occupied rehabilitation program operation for 12 consecutive months, by calendar year. Applicant organizations should only list those rehabilitated units for which they provided the rehabilitation services including loan underwriting and escrow closing.

Year	NO. OF HOME REHABILITATIONS COMPLETED				NO. OF ESCROWS CLOSED BY APPLICANT ORGANIZATION				AVERAGE AMOUNT OF ASSISTANCE PROVIDED PER OWNER			
	CF	CH	UP	CAL	CF	CH	UP	CAL	CF	CH	UP	CAL
2013	0	0	0	0	0	0	0	5	0	0	0	\$195,000
2012	0	0	0	2	0	0	0	2	0	0	0	\$37,500
2011	0	0	0	7	0	0	0	7	0	0	0	\$46,429
2010	1	6	0	13	1	6	0	13	\$25,000	\$75,600	\$0	\$37,883
2009	0	3	10	6	0	3	10	6	\$0	\$99,000	\$2,653	\$27,333
2008	2	14	16	7	2	14	16	7	\$18,500	\$93,948	\$2,429	\$98,096
2007	4	5	3	1	5	6	3	0	\$12,268	\$107,640	\$3,367	\$45,600
2006	1	9	5	0	6	6	5	0	\$15,000	\$91,437	\$1,590	\$0
2005	8	7	71	0	3	4	71	0	\$8,625	\$60,417	\$1,869	\$0
2004	4	24	38	0	4	24	38	0	\$11,563	\$64,098	\$1,686	\$0

- B. For years 2009 through 2013, provide a narrative of applicant's history and experience with the proposed activity, including evidence of program operation for each year listed: e.g., board resolution authorizing the program; award letters; program financial pages from annual audit, annual reports or other evidence that will demonstrate program operation. **(Attach as Exhibit 2-1)**

**SECTION III. LOAN UNDERWRITING EXPERIENCE**

- A. For the years 2009 through 2013, the total number of homeowner rehabilitation loans applicant has underwritten and closed, which included preparation of loan documents and escrow instructions. # 92

**SECTION IV. LOAN SERVICING EXPERIENCE**

- A. For the years 2009 through 2013, the total number of all types of homeowner rehabilitation loans closed for which the applicant was the named beneficiary on the loan documents. # 66
- B. As of the CalHome NOFA issuance date, the total number of homeowner rehabilitation loans in the applicant's portfolio. # 402
- C. Number of loans identified in B. above that are being directly serviced by the applicant. # 402
- D. Number of loans identified in B. above that are being serviced by a third party. # 0
- E. As of the CalHome NOFA issuance date, the total number of homeowner loans the applicant is servicing for another entity. # 0
- F. If there are zero loans identified in C, D **and** E, submit a narrative identifying how loans will be serviced, how the servicing activities will be funded or provided and the procedures for implementing loan servicing operations. **In addition** to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 5 years, for contracting loan servicing with a third party who is in the business of loan servicing; 2) a commitment letter from a third party, who is in the business of loan servicing, willing to provide loan servicing at no cost to the applicant; or 3) the résumé of a current employee(s) of the applicant that describes the employee(s)'s experience in homeowner loan servicing. **(Attach as Exhibit 2-2)**

**SECTION V. PROGRAM TARGETING**

- A. Number of homeowners to be assisted with this application for CalHome funds # 13
- B. Program will be operated **entirely within a federally defined Qualified Census Tract(s) located in Appendix B in the training manual** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):  
Yes  No
- Federally defined Qualified Census tract(s) No.
- C. Nonprofit corporations must list the county or counties in which the program will be operated.  
County/counties N/A

**SECTION VI. FINANCING**

A. Subordinate Financing (other than CalHome) (check all that apply):

Describe the financing structure for any subordinate financing to be provided in addition to the CalHome loan. Do not list the CalHome loan:

Source of Financing	Proposed Lien Position*
Conventional First Mortgage Loan	1 <sup>st</sup>
HELOC – Equity Line of Credit (if any)	2 <sup>nd</sup>
CalHome Loan	3 <sup>rd</sup>

**\*Note: Assume the existence of a first mortgage.**

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 400, 95833

P. O. Box 952054

Sacramento, CA 94252-2054

(916) 263-2771 / FAX (916) 263-2763

[www.hcd.ca.gov](http://www.hcd.ca.gov)

NOV 14 2013

Mr. Olson Lee, Director  
City and County of San Francisco  
1 South Van Ness Avenue, 5th Floor  
San Francisco, California 94103

Dear Mr. Lee:

Congratulations on your CalHome General Program Award. Attached is an electronic copy of the Standard Agreement number **14-CALHOME-9868**, which includes the following:

**Standard Agreement (STD. 213) and Exhibits A, B, and D****STD. 213 - Cover page****Exhibit A**, Authority, Purpose and Scope of Work**Exhibit B**, Budget Detail and Payment Provisions**Exhibit C**, State of California General Terms and Conditions – GTC 610

*Exhibit C is now incorporated by reference, please see the Std. 213 for additional information.*

**Exhibit D**, CalHome General Terms and Conditions

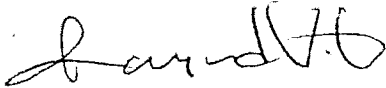
For expeditious handling of the contract, please complete the following:

1. Print **five (5)** copies of the Std. 213 (Cover page only—Do not print Exhibits for HCD).
2. The person authorized by the Resolution must provide an **original signature, printed name, title and date** in the lower left-hand section entitled, "Contractor", on each copy of the five Std. 213s. If the Resolution did not authorize a designated official to sign the Std. 213 and any amendments thereto, your governing body must adopt a Resolution authorizing a designated official(s) to sign the Std. 213 and any subsequent amendments and submit the original with the signed Std 213s to the Department.
3. Return the five signed copies of the Std. 213 to the following address:  
Department of Housing and Community Development  
Business & Contracts Services Branch  
Contracts Office  
2020 W. El Camino Avenue, Room 330  
Sacramento, CA 95833
4. Maintain a complete electronic version of the Std. 213 and Exhibits A through D for your pending file. **Note: The contract is not effective until it is signed by the Grantee's designated official and the Department.**

City and County of San Francisco  
14-CALHOME-9868  
Page 2

Please accept my best wishes for a successful program or project. Please contact the CalHome Program at (916) 263-2725 if you have any questions regarding this Agreement or the provisions therein.

Sincerely,

A handwritten signature in black ink, appearing to read "Raymond Victor". The signature is fluid and cursive, with the first name "Raymond" written in a larger, more prominent script than the last name "Victor".

Raymond Victor  
Program Manager  
CalHome Program

STATE OF CALIFORNIA  
**STANDARD AGREEMENT**  
 STD 213 (Rev 06/03)

AGREEMENT NUMBER <b>14-CALHOME-9868</b>
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME  
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

---

CONTRACTOR'S NAME  
**City and County of San Francisco**

2. The term of this Agreement is: **Upon HCD Approval through 09/24/2017**

3. The maximum amount of this Agreement is: **\$925,000.00**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A - Authority, Purpose and Scope of Work	2
Exhibit B - Budget Detail and Payment Provisions	1
Exhibit C - State of California General Terms and Conditions*	GTC - 610
Exhibit D - HCD Additional Contract Terms	5
Exhibit E - Special Terms and Conditions	0
Exhibit F - Additional Provisions	0

**TOTAL NUMBER OF PAGES ATTACHED: 8 pages**

Items shown with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <http://www.documents.dgs.ca.gov/ols/GTC-610.doc>

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>CONTRACTOR</b>		<b>California Department of          General Service          Use Only</b>
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc)		
<b>City and County of San Francisco</b>		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		
<b>1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103</b>		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME		
<b>Department of Housing and Community Development</b>		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
<b>Lindy Suggs, Contracts Manager, Business &amp; Contract Services Branch</b>		
ADDRESS		
<b>2020 W. El Camino Ave, Sacramento, CA 95833</b>		

Exempt per: SCM 4.04.A.3 (DGS Memo dated 6/12/81)

**EXHIBIT A**

**AUTHORITY, PURPOSE AND SCOPE OF WORK**

**1. Authority & Purpose**

This Standard Agreement (hereinafter "Agreement") will provide official notification of a Grant award under the General CalHome Program ("Program") administered by the State Department of Housing and Community Development ("Department") as authorized by and pursuant to Chapter 6 of Part 2 of Division 31 of the Health and Safety Code, commencing with Section 50650 (the "CalHome Statutes") and regulations found in Title 25 of the California Code of Regulation, Division 1, Chapter 7, Subchapter 9 commencing with Section 7715 ("CalHome Regulations"), all as amended and in effect from time to time.

- A. In accepting this Grant award, the Contractor agrees to comply with the following:
- 1) CalHome Statutes;
  - 2) CalHome Regulations;
  - 3) Terms and conditions of the CalHome General Program Notice of Funding Availability ("NOFA") dated April 29, 2014, which is incorporated herein by reference;
  - 4) Representations contained in the Contractor's application made in response to the NOFA ("Application"); and
  - 5) Terms and conditions of this Agreement.
- B. All funds provided through this Agreement are general obligation bond funds, pursuant to the Housing and Emergency Shelter Trust Fund Act of 2006. As such, pursuant to Government Code Section 16727, Contractor shall ensure that expenditures of the proceeds of the Program grant or loan are limited to those costs associated with the acquisition, rehabilitation or construction of capital assets.

**2. Scope of Work**

- A. Contractor shall perform the Scope of Work ("Work") as described in the Application, which is on file at the Department of Housing and Community Development, Division of Financial Assistance, 2020 W. El Camino, Room 330, Sacramento, California and which is incorporated herein by reference. All written materials or alterations submitted as addenda to the original Application and which are approved in writing by the CalHome Program Manager or higher Departmental official, as appropriate, are hereby incorporated as part of the Application. In the event of a conflict between the description of the Work in the Application and as described in this Exhibit, the description in this Exhibit shall prevail. The Department reserves the right to require the Contractor to modify any or all parts of the Application in order to comply with the CalHome Statutes or Regulations. The Department reserves the right to review and approve all Work to be performed by the Contractor in relation to this Agreement. Any proposed amendment to the Work must be submitted in writing for review and approval by the Department. Any approval shall not be presumed unless such approval is made by the Department in writing.
- B. The Work shall generally consist of providing Mortgage Assistance loans and/or Owner-Occupied Rehabilitation loans to low and very low income homeowners.



**EXHIBIT A**

**3. Amount of Agreement**

The amount of this Agreement for the Work described herein shall not exceed \$925,000.00

**4. Completion Dates**

This Agreement shall expire on September 24, 2017. All funds remaining unexpended upon termination shall be disencumbered from this Agreement.

**5. Department Contract Coordinator**

The coordinator of this Agreement for the Department is the CalHome Program Manager, or their designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the following address:

Department of Housing and Community Development  
Division of Financial Assistance  
CalHome Program Manager  
2020 W. El Camino Avenue, Suite 400  
Sacramento, California 95833  
Phone: (916) 263-2725

**6. Contractor Contract Coordinator**

The coordinator of this Agreement for the Contractor is listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the contact at the following address:

City and County of San Francisco  
Olson Lee, Director  
1 South Van Ness Avenue, 5th Floor  
San Francisco, California 94103  
415-701-5500  
kate.hartley@sfgov.org

**7. Special Conditions**

None

**EXHIBIT B**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

**1. Disbursement Process**

- A. Payments to Contractor for Mortgage Assistance or Owner Occupied Rehabilitation shall be on an advance or reimbursement basis. Upon the effective date of this Agreement, and upon submission of the required draw request form(s) and submission of any documentation required by the Department, as identified in Paragraph 1.C of this Exhibit, Contractor may obtain an advance, in an amount not to exceed 25 percent (25%) of the total amount provided under this Agreement. As these funds are used for eligible expenditures, the Contractor shall forward all required documentation to the Contract manager. When two-thirds (2/3) of the initial disbursement of CalHome Program funds on hand have been expended, the Contractor may request the next advance of 25% of the total amount provided under this Agreement. This procedure of advances shall continue until the total amount provided under this Agreement is expended and is subject to the requirements of Exhibit A, Paragraph 4, of this Agreement.
- B. The Department reserves the right to request copies of any documentation at any time prior to, or after the processing of any draw request.
- C. As a condition of the first draw of funds for Mortgage Assistance, Contractor shall submit the following for the Department's review and approval:
- 1) Program guidelines describing the Contractor's Mortgage Assistance Program per Regulations Section 7730(a);
  - 2) Written procedures for long-term loan servicing;
  - 3) Written procedures for Homebuyer Education;
  - 4) A copy of Contractor's Reuse Account plan;
  - 5) An executed twenty (20) year Monitoring Agreement on a form to be provided by the Department ("20-year Monitoring Agreement"); and
  - 6) Copies of Promissory Note and Deed of Trust that will be used by the Contractor.
- D. As a condition of the first draw of funds for Owner-Occupied Rehabilitation, Contractor shall submit the following for the Department's review and approval:
- 1) Program guidelines describing the Contractor's Owner-Occupied Rehabilitation program per Regulations Section 7735(a);
  - 2) Written procedures for long-term loan servicing;
  - 3) A copy of Contractor's Reuse Account plan;
  - 4) An executed twenty (20) year Monitoring Agreement on a form to be provided by the Department ("20-year Monitoring Agreement"); and
  - 5) Copies of Promissory Note and Deed of Trust that will be used by the Contractor.

**EXHIBIT D**

**CALHOME TERMS AND CONDITIONS**

**1. Effective Date and Commencement of Work**

This Agreement is effective upon approval by the Department which is the date stamped in the lower right hand corner of page one of this Agreement. The Contractor agrees that Work shall not commence, nor any costs to be paid with CalHome funds be incurred or obligated by any party prior to execution of this Agreement by the Department, completion of all required environmental clearances, and compliance with the applicable conditions of this Agreement. The Contractor agrees that the Work shall be completed in accordance with the dates specified in Exhibit A, Paragraph 4. This Agreement shall terminate on the date set forth in Exhibit A, Paragraph 4.

**2. Amount and Form of Funding**

- A. For the purposes of performing the Work, the Department agrees to provide to the Contractor the amount specified in Exhibit A, Paragraph 3. In no instance shall the Department be liable for any costs for the Work in excess of this amount, nor for any unauthorized or ineligible costs.
- B. The Department shall provide funds to the Contractor to be used for the following eligible activities as further described in the NOFA, and specified in Exhibit A, Paragraph, 2.B:
  - 1) Grants for Mortgage Assistance low or very low income first time homebuyers, including Mortgage Assistance for Acquisition with Rehabilitation;
  - 2) Grants for Owner-Occupied Rehabilitation for low or very low income homeowners; and/or
  - 3) Homeownership Project Development Loans which may convert to Grants pursuant to the loan terms defined in Section 7746 of the Regulations.

**3. Permitted Uses of Funds**

The Contractor shall use funds provided pursuant to this Agreement only for performance of the Work, and consistent with the requirements of the NOFA and the Regulations.

**4. Termination and Breach**

- A. In the event of the Contractor's failure to satisfy or comply with any term or condition in this Agreement or with respect to the 20-year Monitoring Agreement as specified in Exhibit B, Paragraph 1.C.5), within the time and in the manner specified, after written notice to the Contractor by the Department specifying:
  - 1) the breach;
  - 2) the action required to cure such breach; and
  - 3) a date, not less than fifteen (15) days from the date of receipt of such notice by the Contractor, by which such breach must be cured.

**EXHIBIT D**

- B. In the event of such breach the Department may also take such action or seek such remedies as provided in the 20-year Monitoring Agreement.
- C. Unless otherwise approved by the Department, upon termination of this Agreement, the Contractor shall complete all the Work in progress and terminate any other activities that were to be paid for with CalHome Program funds. Any unexpended funds received by the Contractor shall be returned to the Department within fifteen (15) days of the notice of termination.

**5. Insurance**

- A. Prior to the disbursement of funds under this Agreement and thereafter during the term hereof, the Contractor shall obtain, carry, and maintain in force, comprehensive general liability insurance in the amount not less than one million dollars (\$1,000,000) for injury to or death of one person, one million dollars (\$1,000,000) for injury to or death of more than one person in one accident, and adequate property damage insurance. All insurance carriers must meet the requirements of the State of California Department of Insurance.
- B. Upon demonstration of cause satisfactory to the Department, the requirements of Paragraph 5.A above may be satisfied by the Contractor providing evidence of an alternative to conventional insurance sufficient to provide equivalent protection.

**6. Inspections**

- A. The Contractor shall inspect any Work performed hereunder to ensure the Work is being and has been performed in accordance with the applicable federal, state and/or local requirements, any applicable construction contract, and this Agreement. The Contractor agrees to require that all Work found by such inspections not conformed to the applicable requirements be corrected, and to withhold payment to the construction contractor or subcontractor until it is so corrected.
- B. The Department reserves the right to inspect any site upon which the Work is being performed. The Contractor shall include a provision permitting the Department or its agents or any subcontractor for performance of the Work.

**7. Signs**

- A. Contractor shall place a sign on the Property during construction that shall include the Department as one of the entities providing financing to the development.
- B. During the construction period the Department may place one or more signs on the Property stating that it is providing financing for the development.

**8. Reporting Requirements**

- A. During the term of this Agreement, and no later than thirty (30) days after the end of each calendar quarter, the Contractor shall submit to the Department a performance report on a form provided by the Department.

**EXHIBIT D**

- B. During the term of this Agreement, and no later than thirty (30) days after June 30 of each year, the Contractor shall submit, upon request of the Department, an annual performance report on a form provided by the Department.
- C. During the term of this Agreement, the Department reserves the right to request other forms or reports as necessary or required.

**9. Audit/Retention and Inspection of Records**

- A. Contractor shall retain all books and records pertaining to performance of this Agreement for a minimum of three years after the expiration of this Agreement and any and all amendments hereto, or for three years after the conclusion or resolution of any and all audits or litigation relevant to this Agreement, whichever is later.
- B. Contractor shall adequately document each transaction to permit the determination, through an audit if requested by the Department, of the accuracy of the records and the allowability of the expenditures paid in whole or in part, with CalHome funds. If the allowability of an expenditure cannot be determined because records or documentation are inadequate, the questionable expenditure will be disallowed. The Contractor shall reimburse the Department for the amount of any disallowed expenditures of the Contractor or its agents or subcontractors. Determination by the Department of allowability of any expenditure shall be final.
- C. The Department does not require a routine audit of the Contractor's financial records; provided, however, the Contractor shall comply with any reasonable demand by the Department for an audit of the Contractor's activities related to this Agreement. If the Department provides the auditor, the Department will pay for the cost of the audit; otherwise, the Contractor shall pay the cost of the audit.
- D. Contractor agrees that the Department or its delegatee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. Contractor agrees to provide the Department or its delegatee with any relevant information requested and shall permit the Department or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with Government Code section 8546.7. Contractor further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

**10. Monitoring Agreement**

Upon the Department's approval of Recipient's Loan Servicing Plan and CalHome Program Reuse Account Plan, the Recipient shall enter into the 20-year Monitoring Agreement. The 20-year Monitoring Agreement allows the Department to obtain necessary reporting information; review and approve changes to Loan Servicing Procedures or CalHome Program Reuse Account Plans; and, to perform monitoring of CalHome Program operations and accounts.

**EXHIBIT D****11. Compliance with Laws and Guidelines**

Contractor agrees at all times to act with respect to the CalHome Program, CalHome activities, and use of funds committed herein shall be in conformity with all laws applicable to the CalHome Program including those of the State of California, all federal laws, all local rules or ordinances, all requirements of the CalHome Program including the CalHome Statutes and Regulations.

**12. Disencumbering Funds**

Funds authorized by this Agreement shall be disencumbered in whole or in part if funds are not expended within the time frames specified in Exhibit A, Paragraph 4.

**13. Waiver**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. Any remedy afforded in this Agreement shall be taken and construed as cumulative, and in addition to, any other remedy provided therein or by law. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Contractor of such provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

**14. Litigation**

- A. If any provision of this Agreement, or underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Contractor shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

**15. Prevailing Wage**

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, Contractor shall ensure that the requirements of Chapter 1 (commencing with section 1720) of part 7 of the Labor Code (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.
- B. For the purposes of this requirement "construction work" includes, but not limited to the rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. (Note: For the purposes of this requirement "in support of construction work" includes, but not limited to the work performed during the design and preconstruction phases of construction (i.e. development,) including, but not limited to, inspection and land surveying work under contract and paid for, in whole or in part, through this Agreement. Development related work "in support of construction work" such as involving employment of trades/crafts like a field soil tester, laborer, electrical utility lineman, tree trimmer, driver(on/off-hauling to/from construction site shall be paid prevailing wages pursuant to

**EXHIBIT D**

California Labor Code, part 7, Chapter 1.) All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Contractor and a licensed building contractor, Contractor shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *EW* Mayor Edwin M. Lee *EW*  
RE: Accept and Expend – FY2014 CalHome Grant 9868 -- \$925,000.00  
DATE: March 31, 2015

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Attached for introduction to the Board of Supervisors is a resolution authorizing the Mayor's Office of Housing and Community Development to accept and expend the FY2014 CalHome grant from the California Department of Housing and Community Development in a total amount of \$925,000.00 and to expend program income from associated loan repayments to assist low-income first-time homebuyers and low-income homeowners.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

*EW*  
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