**File No.** 250397 **Committee Item No.** 14
**Board Item No.** 24

# COMMITTEE/BOARD OF SUPERVISORS

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**Committee:** Budget and Finance Committee **Date** April 30 2025
**Board of Supervisors Meeting** **Date** May 6, 2025

## Cmte Board

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| ☒ | ☒ | **Resolution** |
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**OTHER** (**Click on hyperlinks to be forwarded to the Legislative Research Center to view the entirety of voluminous documents**)

| | | |
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| ☒ | ☒ | CA Assembly Bill 140 7/19/2021 |
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| ☐ | ☐ | |
| ☐ | ☐ | |
| ☐ | ☐ | |
| ☐ | ☐ | |
| ☐ | ☐ | |

**Completed by:** Brent Jalipa **Date** April 24, 2025
**Completed by:** Brent Jalipa **Date** May 1, 2025

[Apply for Grant - California Department of Housing and Community Development - Homekey+ Grant Program - 1035 Van Ness Avenue - Not to Exceed $37,500,000]

**Resolution approving and authorizing the Department of Homelessness and Supportive Housing to jointly apply with 1035Vets, LLC to the California Department of Housing and Community Development for the Homekey+ Grant for the property located at 1035 Van Ness Avenue in a total amount not to exceed $37,500,000 or the maximum award amount allowable under the Notice of Funding Availability, whichever is greater, on behalf of the City and County of San Francisco.**

WHEREAS, The California Department of Housing and Community Development ("HCD") issued a Notice of Funding Availability ("NOFA") dated November 26, 2024, and Amended January 31, 2025, for grant funds under the Homekey+ Program authorized by Health and Safety Code, Section 50675.1.3 (Assembly Bill No. 140 (2021-2022 Reg. Sess.), § 20.); Health and Safety Code, Section 50675.1.5 (Assem. Bill No. 531 (2023-2024 Reg. Sess.); Section 14184.402 of the Welfare and Institutions Code; Section 5891.5 of the Welfare and Institutions Code; and Round 5 and 6 of the Homeless Housing, Assistance and Prevention (HHAP) grant program. (Assem. Bill No. 129 (Chapter 40, Statutes 2023) and Assem. Bill No. 166 (Chapter 48, Statutes 2024), ("Homekey+"); a copy of the NOFA is on file with the Clerk of the Board of Supervisors in File No. 250397; and

WHEREAS, HCD is authorized to administer Homekey+ funds pursuant to the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code); and

WHEREAS, Since the inception of the Homekey grant program in 2024, the City has been awarded approximately $239,000,000 in Homekey grant funds that has supported the

acquisition and operation of approximately 897 new units of permanent supportive housing serving adults, youth, and families; and

WHEREAS, Permanent supportive housing is the most effective, evidence-based solution to ending chronic homelessness and, also prevents new incidents of homelessness among highly vulnerable people with long experiences of homelessness; and

WHEREAS, Homeless veterans comprise a significant proportion of homeless individuals in San Francisco, and Swords to Plowshares provides housing and support services to homeless veterans; and

WHEREAS, Additional permanent supportive housing furthers the City's commitment to dismantling systemic racial inequities that disproportionately effect communities of color and contribute to the loss of stable housing; and

WHEREAS, HSH has worked closely with Swords to Plowshares and the San Francisco Veterans Administration Health Care System to significantly reduce the number of homeless veterans in San Francisco; and

WHEREAS, Swords to Plowshares has formed 1035Vets, LLC, a California limited liability company ("1035Vets LLC"); and

WHEREAS, Pursuant to that certain Purchase and Sale Agreement between 1035Vets LLC and San Francisco Care Center, L.P. dated as of April 3, 2025, 1035Vets LLC intends to acquire the real property and improvements located at 1035 Van Ness Avenue, Assessor Parcel Number Block 0714, Lot 028 (the "Property"), for the purpose of operating permanent supportive housing; and

WHEREAS, The Department of Homelessness and Supportive Housing ("HSH"), on behalf of the City and County of San Francisco ("City" or "Applicant"), desires to jointly apply for the Homekey+ grant funds with 1035Vets LLC for the purpose of acquiring,

rehabilitating and operating the Property in a total amount not to exceed $37,500,000 or the maximum award amount allowable under the NOFA, whichever is greater; and

WHEREAS, Upon completion of the rehabilitation, the Property would provide approximately 124 units of permanent supportive housing to serve homeless veterans with either serious mental illness or substance use disorder diagnosis; and

WHEREAS, HSH intends to submit an application jointly with 1035Vets LLC for Homekey+ grant funds ("Application") to HCD for review and consideration; and

WHEREAS, In order to be considered for an award of Homekey+ grant funds, the City must submit a Resolution approved by the Board of Supervisors authorizing the City to apply for Homekey+ grant funds with the Application; and

WHEREAS, Homekey+ funding allocations are subject to the terms and conditions of the NOFA, the Application, and upon award, the HCD approved STD 213, Standard Agreement, and all other legal requirements of the Homekey+ Program; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby authorizes HSH and the HSH Executive Director or their designee, on behalf of the City, to submit an Application to HCD in response to the NOFA to apply for Homekey+ grant funds for capital and capitalized operating funds in a total amount not to exceed $37,500,000, or the maximum award amount allowable under the NOFA, whichever is greater; and, be it

FURTHER RESOLVED, That the Board of Supervisors acknowledges that if the Application is approved, HSH will seek Board of Supervisors approval to accept and expend the Homekey+ grant funds and to authorize execution of a Standard Agreement, and any other documents required or deemed necessary to secure the Project Homekey+ funds under the terms of the Project Homekey+ program guidelines.

/s/

Shireen McSpadden

Executive Director

Department of Homelessness and Supportive Housing

# 2024 Homekey+ Program

## Notice of Funding Availability (NOFA)

**November 26, 2024**

**Funding Application**

## State of California

Gavin Newsom, Governor

## Business, Consumer Services and Housing Agency

Tomiquia Moss, Secretary

https://www.bcsh.ca.gov/

## Department of Housing and Community Development (HCD)

Gustavo Velasquez, Director

651 Bannon Street, Sacramento, CA 95811 Telephone: (916) 263-2771

Homekey@hcd.ca.gov

Homekey+ Program

https://www.hcd.ca.gov

# Instructions

When opening this file, a yellow banner at the top may appear with a button that says, "Enable Editing", and/or "Enable Macros". It is essential that you click this box(es) so that the macros are enabled. Enabling macros is necessary for full workbook/application functionality.

**WARNING: Partial functionality** of this application/workbook **WILL BE LOST** when using **Apple Mac Computers**. The Department **highly** recommends using PC Computers and Microsoft Office 2013 or newer to complete the application.

Document

Microsoft has recently added blocking of macros by default, if this happens when you open the application, please follow the instructions in the Word document added as an icon to the right (double-click to open).

**When completing this Application, it is required not to skip/jump to other sheets, start entering data from top to bottom and left to right when selecting a new sheet to work with.**

Application materials must be submitted electronically via HCD portal system. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at Homekey+ | California Department of Housing and Community

**Homekey applications will be accepted as set forth in the NOFA.**

Application must be on the Department's forms and cannot be altered or modified by the Applicant. Excel Application must be in Excel format, not a PDF document.

If the Applicant discover any errors within application, use the Application Support sheet and email the entire workbook to AppSupport@hcd.ca.gov

**It is recommended that Applicant(s) start from left to right and top to bottom for a better understanding and functionality of this application.**

Additional instructions and guidance are given throughout the Application in "**red**" text and in **cell comments**. Cell Notes/Comments are very important to read as some of these will provide directions for completing your application.

| | |
|---|---|
| "Yellow" cells | are for Applicant input. It is very important that you answer **ALL** yellow cells, failure to provide all information may disqualify your application from consideration or may negatively impact your point score. |
| "Orange" cells | are **required** attachments. Failure to provide the required attachments and documentation may disqualify your application from consideration or may negatively impact your point score. Electronically attached files must use the naming convention in the Application. |
| "Red" cells | indicate the Applicant(s) has failed to meet a requirement of the program, threshold, scoring, upload, or certification. |
| "Blue" cells | are self-score points awarded in the "Scoring" worksheet. These are automated calculations based on the inputs provided by the Applicant. |

**Disclosure of Application:** The application is a public record, which may be available for public review pursuant to the California Public Records Act (CPRA) (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code). After final Homekey+ Awards have been issued, HCD may disclose any materials provided by the Applicant to any person making a request under the CPRA. HCD cautions Applicants to use discretion in providing information not specifically requested, including but not limited to bank account numbers, personal phone numbers, and home addresses. By providing this information to HCD, the Applicant is waiving any claim of confidentiality and consents to the potential disclosure of submitted material upon request.

## Project Overview

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| Homekey Summary (auto populated from "Max Funds & Unit Mix Award", and "Scoring" worksheets) | | | | | |
|---|---|---|---|---|---|
| Gap Financing Project type? | FALSE | New construction cost containment Project type? | FALSE | | |
| Capital Baseline Award | $0 | Additional Contribution | $0 | **Total Requested Capital Award** | $0 |
| Operating Subsidy | $0 | 50% Relocation Costs | $0 | **Total Requested Operating Subsidy** | $0 |
| **Total Requested Homekey Award (capital + operating + 50% relocation costs)** | | | | | $0 |
| Number of Doors at Acquisition | 0 | Number of Units Proposed in the Project | 0 | Number of Assisted Units | 0 |
| Number of At-Risk of Homelessness Units | 0 | Number of Chronically Homeless Units | 0 | Number of Homeless Units | 0 |
| Number of Homeless Youth or Youth at Risk of Homelessness Units | 0 | Number of Units accessible to persons with hearing or vision disabilities | | | 0 |
| Number of Units accessible to persons with mobility disabilities | 0 | Veteran Units | 0 | Non HK+ units | 0 |

"**Optional answer**" will not affect application review or ranking. Applicant(s) or Joint Venture Entity meets CDLAC Definition of BIPOC Organization? per CDLAC 523(f)(1)(B), TCAC 10327(c)(2)(E)?

| **Eligible Applicant** | Entity name | | | |
|---|---|---|---|---|
| Eligible applicant type | | Organization type | | |
| File Name | 02a. App1 Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | Uploaded to HCD? | |
| File Name | 02b. App1 Authorizing Resolution | Authorizing Resolution | Uploaded to HCD? | |
| File Name | 02c. App1 Signature Block | Signature Block - upload in Microsoft Word Document. | Uploaded to HCD? | |
| File Name | 02d. App1 TIN Form | Completed Government TIN form. | Uploaded to HCD? | |

| | | |
|---|---|---|
| **Co-Applicant #1** | Entity name | |
| **Co-Applicant #2** | Entity name | |
| **Co-Applicant #3** | Entity name | |
| **Co-Applicant #4** | Entity name | |
| **Managing General Partner** | Entity name | |
| **Administrative General Partner #1** | Entity name | |
| **Administrative General Partner #2** | Entity name | |
| **Manager of LLC** | Entity name | |

Are there affiliate or subsidiary entities that provide operational or financial support to the Applicant or Co-Applicants?

Is the Applicant an affiliate or subsidiary of another entity such as a parent company?

Will the Applicant rely on related party entity(ies) to develop, construct, or operate the proposed Project?

| | | | | | |
|---|---|---|---|---|---|
| Project Development Type | | Housing Type | Permanent Housing | Geographic Region | |
| Project Name | | Project Address | | | |
| Project County | | Project City | | State: CA | Project Zip |

| (APNs): | | | Census Tract(s) | | |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |

**Has the Applicant(s) applied, plan to apply, or been awarded other HCD program funds for this proposed Project?**

Utilizing Tax Credits?

Is Project located in a Rural Area as defined by H&S Code §50199.21? Applicant must use the TCAC Method for determining rural status. Documentation of rural status (2025)

Project Description: be as specific as possible and be sure to include eligible uses, relocation needs, Homekey+ operating subsidy and match.

## Project Overview

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### §201. Eligible Uses

Applicants acknowledges the "Eligible Uses" of the Homekey+ funds.

i. The list of eligible uses are as follows: (Applicants, please select all the items below for which the Homekey+ funds will be utilized for. Select "Yes" or "No") to all below.

a. Acquisition or Rehabilitation, or Acquisition and Rehabilitation, of motels, hotels, hostels, apartments or homes, assisted living residences, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to Permanent Supportive Housing (PSH).

b. Master leasing of properties for PSH.

c. Conversion of units from nonresidential to residential PSH. (i.e. adaptive reuse) and conversion of Interim Housing to PSH.

d. New construction of dwelling units (see §501).

e. Gap financing (**Strictly for** §502 ***project types*** **only**, please read and understand this section before selecting "Yes").

f. The purchase of affordability covenants and restrictions for units.

g. Relocation costs for individuals who are being displaced because of the Homekey+ Project.

h. Capitalized operating subsidies for PSH units purchased, converted, constructed, or altered with funds provided pursuant to HSC §50675.1.3.

ii. Applicant acknowledges that the **Ineligible** uses include all those stated at §201(ii).

### §202. Eligible Projects

Homekey+ funds Permanent Supportive Housing (PSH) and will require a 55-year affordability term. HCD welcomes and will consider a variety of innovative housing solutions as eligible Projects, including excess state-owned property developments. The following list of eligible Projects is not exhaustive.

Eligible Project Type

### §205. Capital Award and Match

i. Additional Contribution Amount – Capital Match

Beyond the baseline amount, the Eligible Applicant may leverage a 1:1 local match to provide up to $100,000 in additional funds per door/Unit. Capital match may be obtained from any source, including any federal, state, local, private, or philanthropic source.

Will the Applicant(s) be providing local match, up to $100,000 in additional funds per door?

### §301. Additional Application Materials

In addition to requirements detailed in §300, to be eligible for Homekey+ funding, an application shall demonstrate to HCD the following:

i. Applicants and Co-Applicants must be in good standing with the State of California and all agencies and departments thereof. By way of example and not limitation, an Applicant and Co-Applicant must be qualified to do business in the State of California and must be in good standing with the California Secretary of State and the California Franchise Tax Board. Applicants that are delinquent in meeting the material requirements of previous Department awards may, in the Department's reasonable discretion, fail threshold review. Certificate of Good Standing dated within 30 days of application due date must be submitted with the application.

**NOTE**: A certificate of good standing from the California Secretary of State is requested above and under the Applicant and Co-Applicants entity name.

ii. Completed Certification and Legal Disclosure Statement

iii. Signature Block for all Applicants entities in Word Format

iv. Payee Data Record STD204 (except for Eligible Applicants)

v. Taxpayer Identification Number (FI$Cal TIN Form)

vi. EIN Verification (IRS form SS-4) (except for Jurisdictions)

vii. Tax-Exempt State from IRS or FTB (if applicable)

**NOTE**: These items above (**ii-vii**) are requested above and under the Applicant and Co-Applicants entity name.

viii. CEQA Determination (if applicable)

ix. NEPA Authority to Use Grant Funds (if applicable)

**NOTE**: These items above (**viii-xi**) are requested at the "Project Overview" sheet, starting with row 474.

x. Phase 2 Environmental Report if needed as stated in Phase I ESA report (if Applicable)

**NOTE**: This item above (**x**) is requested at "Threshold Requirements" sheet at row 123.

xi. A letter from the local county behavioral health department describing the support for the Project (capital, operating or service commitments, referrals, stakeholder collaboration, etc.). If the letter can't be secured, Applicant must describe efforts to obtain the letter.

Will the Applicant secure and provide the Department with letter from the local county behavioral health department describing the support for the Project (capital, operating or service commitments, referrals, stakeholder collaboration, etc.)?

Is the Project a scattered site housing Project? UMR §8303(b)

### §304. Recording, Income and Underwriting Requirements

i. Homekey+ may fund all units in a Project or a portion of the units. If seeking Homekey+ funding for a portion of the units in a Project, Applicants must identify committed sources for the non-Homekey+ units. The non-Homekey+ units are not required to serve the Homekey+ Target Population and may therefore be restricted at higher AMI levels, which may help promote Project feasibility.

Will Homekey+ be funding **all units** in the proposed Project?

At time of acquisition, are there tenants residing at the Project site?

iii. Applicant(s) acknowledges and understand that at year 15 from the recordation of the Affordability Covenant, in circumstances where the Grantee has not waived their right and Grantee has exhausted available operating funding and demonstrated to HCD that the Project is no longer feasible, HCD may approve an increase in income levels, to the minimum extent required for fiscal integrity, in five percent increments of Assisted Units up to 50 percent AMI. **AND**

a. HCD reserves the right to set restrictions on the unit mix, rent levels, and other factors deemed necessary. To the maximum extent possible, these changes shall minimize the impact on the lowest income Project residents and shall be phased in as gradually as possible. If, following any increase in rents and income limits, or modification of Target Population occupancy requirements, new resources become available, or market demand changes, allowing reversion to the former income and rent limits or Target Population occupancy requirements, HCD may re- impose these income limits and rent limits or Target Population occupancy requirements, in whole or in part, subject to an analysis of Project

iv. In addition to §300 above, Applicants purchasing Affordability Covenants and restrictions will also be evaluated on the following requirements:

Will the Applicants be purchasing Affordability Covenants and restrictions?

vi. As described in §101, the Project shall comply with the UMRs (Cal. Code Regs., tit. 25, § 8300 et seq.), to the extent those regulations are consistent with Homekey+ requirements, and shall meet the following Homekey+ underwriting requirements:

a. Applicants acknowledges and certifies to the following: In analyzing Project feasibility, Projects planning to use Tenant Based Vouchers (TBV) for rental income/subsidy sources shall limit projected TBV revenue sources to no more than 50% of the Project's assisted housing units in the application. Nothing in this NOFA shall be construed to conflict with or limit the operation of state law prohibiting discrimination against tenants based on source of income. Refer to §508 for non-discrimination policy requirements.

b. Applicants acknowledges that for Projects that do not have debt service, Project cashflow shall not exceed 12 percent of Operating Expenses in the first 15 years of operations.

### Article V – Additional Program Requirements

Homekey+ Projects proposing to serve Veterans may also serve other qualifying members of the Target Population. The Veterans units will be funded from the Veterans allocation, and the remaining units will be funded from the other applicable allocation(s).

Per §500 Veterans Assisted Units, is this Application/Project proposing to serve Veteran Units?

Existing Doors versus proposed Units (include Manager's Units)

| Beds | 0 Bdrm | 1 Bdrm | 2 Bdrm | 3 Bdrm | 4 Bdrm | 5 + Bdrm | Total # Doors /Units | Total # Bedrooms | Total # Buildings | Total # Mgr. Units | Total # of Parking Spaces |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Existing | | | | | | | 0 | 0 | | | |
| Proposed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |

| Building types | New Construction Units | New Construction Stories | New Construction Bldgs. | Rehabilitation Units | Rehabilitation Stories | Rehabilitation Bldgs. |
|---|---|---|---|---|---|---|
| Townhouse/Row House | | | | | | |
| One or Two Story Walk-Up | | | | | | |
| Mid-Rise (3-5 stories) | | | | | | |
| High-Rise (6+stories) | | | | | | |
| Detached Single Family | | | | | | |
| Duplex/4-Plex | | | | | | |
| Non-Residential Bldg(s) | | | | | | |
| Totals | 0 | | 0 | 0 | | 0 |

| Unit Size | Baths | Layout | Avg. Sq. Ft. | All Doors / Units |
|---|---|---|---|---|
| 0 Bdrm. | | | | 0 |
| 1 Bdrm. | | | | 0 |
| 2 Bdrm. | | | | 0 |
| 3 Bdrm. | | | | 0 |
| 4 Bdrm. | | | | 0 |
| 5 Bdrm. | | | | 0 |
| | | | Total Doors / Units | 0 |

Applicant Notes

### Amenities

Unit Amenities/Features

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Air Conditioning | | Refrigerator | | Range | | Microwave | | Disposal |
| | Dishwasher | | Walk-In Closet | | Fenced Rear Yard | | Ceiling Fans | | Curtains/Blinds |
| | Fireplace | | Emergency Call | | Free Cable TV | | Storage Area | | Lofts |
| | Balcony | | Patio | | (Other) | | (Other) | | (Other) |

Project Amenities

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Elevator(s) | | | Laundry Rms. | | | Washers | | | Dryers | | |

## Project Overview

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Community Room | | Community Kitchen | | Computer Room | | High Speed Internet |
| | Fitness Room | | Picnic/BBQ Area(s) | | Tot Lot/Playground | | Sports Court |
| | Tennis Court | | Swimming Pool | | Jacuzzi/Sauna | | Bike Parking |
| | (Other) | | (Other) | | (Other) | | (Other) |

Security & Other

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Gated Entry | | Bldg. Card Key | | Security Patrol | | Security Cameras |

Describe any mandatory charges to tenants beyond allowable Rents.

List type of furnishings provided in each unit.

### Miscellaneous Information

Residential Space

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Residential Units | | Common Areas | | Community Room | | Leasing Office | | Additional Storage Space | |
| Subtotal Residential SF | 0 | | | | | | | | |
| Maintenance Shop | | Childcare Center | | Service Area | | Service Office | | | |
| (Other) | | (Other) | | (Other) | | (Other) | | | |
| Total Residential SF | 0 | | | | | | | | |

Residential Parking

Free Residential Parking Spaces

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Uncovered Tenant Parking | | Covered Tenant Parking | | Enclosed Tenant Parking | | Tenant Guest Spaces | |
| Subtotal Parking Spaces | 0 | | | | | | |

Extra Spaces Tenants may Rent

| | | | |
|---|---|---|---|
| Extra Parking Spaces Tenants may Rent | | Total Handicap Parking Spaces | |
| Grand Total Parking Spaces | 0 | | |

Commercial Space

Commercial Square Feet

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Commercial Area | | Offices | | Childcare Center | | Storage Space | | (Other) | |
| Total Commercial SF | 0 | | | | | | | | |

Parking Spaces for Commercial Tenants

| | | | | | |
|---|---|---|---|---|---|
| Uncovered Parking | | Covered Parking | | **Total Spaces** | **0** |

Describe other available parking for commercial patrons

### Income from sources other than residential Rents and subsidies

Laundry

| | |
|---|---|
| No. of Units Using Central Laundry | |
| Weekly Assumed Income Per Unit | |
| **Annual Total Laundry Income** | $0 |

Residential Parking

| | |
|---|---|
| Tenant Rental Spaces | 0 |
| Monthly Income Per Space | |
| **Annual Residential Parking Income** | $0 |

Commercial Parking

| | |
|---|---|
| Number of Rental Spaces | 0 |
| Monthly Income Per Space | |
| **Annual Commercial Parking Income** | $0 |

Other Leased Spaces

| Residential | Lease Terms | | Rent//Mo. | Annual Gross |
|---|---|---|---|---|
| | | | | $0 |
| | | | | $0 |
| | | | | $0 |
| | | | | $0 |
| **Commercial** | | | | |
| | | | | $0 |
| | | | | $0 |
| | | | | $0 |
| | | | | $0 |
| | | | Total Income from Other Leased Spaces | $0 |

### Monthly utility allowance

| Utilities | Type of Utility (Select from dropdown) | Does the owner or tenant pay utilities? | Enter Allowances for Tenant or Homeownership Paid Utilities by Bdrm. Size: 0 bdrm | 1 bdrm | 2 bdrms | 3 bdrms | 4 bdrms | ≥5 bdrms |
|---|---|---|---|---|---|---|---|---|
| Heating | | | | | | | | |
| Cooking | | | | | | | | |
| Other Electric | | | | | | | | |
| Air Conditioning | | | | | | | | |

## Project Overview

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Water Heating | | | | | | | | |
| Water | | | | | | | | |
| Sewer | | | | | | | | |
| Trash | | | | | | | | |
| Other | | | | | | | | |
| **Total Tenant Utility Allowance** | | | $0 | $0 | $0 | $0 | $0 | $0 |

### Source for utility allowances

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Local PHA? | | Name: | | | | | | Effective date: | |
| HUD? | | Utility Company (Actual Survey)? | | CUAC? | | Other? | | | |
| Applicant Notes: | | | | | | | | | |
| | | | | | | | | | |
| File Name | 16. Utility allowance | Schedule of utility allowances. | | | | | | Uploaded to HCD? | |

### §504 Housing First

The Eligible Applicant shall certify to employ the core components of Housing First, as set forth at Welfare and Institutions Code §8255, subdivision (b), in its property management and tenant selection practices. Projects shall accept tenants regardless of sobriety, participation in services or treatment, history of incarceration, credit history, or history of eviction in accordance with practices permitted pursuant to Housing First practices, including local Coordinated Entry System prioritization protocols, or other federal or state Project funding sources.

### §505 Tenant Referrals

Referrals to Homekey+ Assisted Units shall be made through the local Coordinated Entry System (CES), or another comparable prioritization system based on greatest need for housing and services, to determine the most appropriate referral. Homekey+ units should be reserved for serving the Target Population where households are more appropriately served by PSH, including referrals from persons exiting encampments. Households with lower levels of need may be better served by other housing and less intense service interventions.

Applicants must demonstrate efforts to coordinate with their local county behavioral health department, to ensure the referral process to the Homekey+ units is aligned with the requirements of this NOFA.

If referrals will be made using a prioritization system other than CES, the Applicant must describe the plan for tenant referrals in detail, including which agency is responsible for managing the referral approach and what stakeholders are involved in the prioritization process. Awardees are encouraged to consider an alternative referral system consisting of referrals for persons exiting encampments, incarceration, or treatment facilities. Prioritization for Homekey+ units should be based on greatest need factors and assessments established by the local jurisdiction in collaboration with the Continuum of Care (CoC). CoC collaboration in Project and Supportive Services design is also strongly encouraged to help target and serve those with the greatest need.

Will referrals be made using a prioritization system other than CES?

### §505 Participation in the Homeless Management Information System (HMIS)

If awarded Homekey+ funds, Applicants hereby certifies to comply with the following:

Pursuant to Assembly Bill 977 (Statutes of 2021-22), Grantees who have been awarded HCD funding under the Homekey+ program must enter Universal and Common Data Elements as defined by HUD, on the individuals and families served into the Homeless Management Information System (HMIS). For more information about this requirement visit

Homelessness Program Data Reporting | California Department of Housing and Community Development

Any health information provided to, or maintained within, the statewide Homeless Management Information System shall not be subject to public inspection or disclosure under the California Public Records Act (Division 10 (commencing with §7920.000) of Title 1 of the Government Code). “Health information” means “protected health information” as defined in Part 160.103 of Title 45 of the Code of Federal Regulations, and “medical information,” as defined in subdivision (j) of §56.05 of the Civil Code.

### §507 Relocation

In addition to the Relocation Assistance Narrative required in §300 submitted at the time of application, before the Homekey+ Award will be disbursed, Grantee must submit either:

a. A Department-approved relocation plan; or

b. An HCD-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement (certificate of no-relocation), which has been duly executed and approved by HCD.

Grantee must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Grantee must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law.

HCD will identify its form, substance, and submittal requirements for these relocation documents in the Homekey+ application materials. Where the Grantee’s activities will or may result in displacement, the Grantee’s development budget shall include enough funds to pay all costs of relocation benefits and assistance. Any modifications to the foregoing process requirements must be approved in advance by HCD in writing.

Does the proposed Project trigger State Relocation Assistance Law?

### §508 Non-Discrimination and Accessibility

Grantees shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this NOFA.

**NOTE**: A written non-discrimination policy is required at "Threshold Requirements" sheet.

Grantees certifies to comply with the requirements of the Americans with Disabilities Act of 1990 (U.S.C § 12101 et seq.). All developments shall adhere to the accessibility requirements set forth in California Building Code Chapter 11A and 11B and the Americans with Disabilities Act, Title II and Title III. In addition, developments shall adhere to either the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 8, or HUD's modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 F.R. 29671 (5/23/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Notice"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the Project and be available in a sufficient range of sizes and amenities consistent with 24 CFR part 8.26.

## Project Overview

V2 3/10/25

Applicants are further advised that while Homekey+ incorporates the MHP guidelines, as explained in §101, as a courtesy and point of emphasis, HCD directs prospective Applicants to §7314 (a) and (b) of the MHP guidelines, which further articulates Fair Housing, Nondiscrimination, and Accessibility requirements. HCD also suggests Applicants review its April 2021 Affirmatively Furthering Fair Housing document at the following link.

Fair Housing

### §509 Prevailing Wages

Applicant certifies that the Project will comply with California's prevailing wage law (Lab. Code, §1720 et seq.)?

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. Prior to disbursing the Homekey+ funds, HCD will require a certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law, or a certification that the development is exempt from prevailing wage as defined in Government Code 65913.4(a)(9). The certification must verify that prevailing wages have been or will be paid, and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and the Grantee. The Department will not disburse funds for Rehabilitation or construction until the certification is signed by the general contractor.

### §510 Environmental Clearances

Projects, including phased Projects, that satisfy the requirements HSC 50675.1.5, shall be exempt from the California Environmental Quality Act (CEQA) Projects under this section are considered a "use by right", which are specifically exempt from CEQA (CA Public Resources Code §21000 et seq.). (HSC 50675.1.5(e)(2)(A)). Moreover, HSC 50675.1.5(c) specifically exempts HCD actions taken to "provide financial assistance or insurance for the development and construction of Projects" from CEQA review. HCD encourages Eligible Applicants to fully engage with HCD's technical assistance and to review the CEQA exemption set forth at HSC §50675.1.5 and the provision for land use consistency and conformity set forth at HSC §50675.1.3, subdivision (i).

Applicants should consult with their counsel for legal advice in construing application of the foregoing exemptions to their Project. It is entirely within an Applicant's discretion to determine whether to use the statutory CEQA exemption, whether the exemption applies to the Applicant's proposed activity, or whether some other mechanism applies and could be used to satisfy obligations under CEQA.

Applicants must provide National Environmental Act (NEPA) clearance, as applicable. According to the National Environmental Policy Act (NEPA), Grantees must consider environmental impacts early in the planning process before decisions are made, and actions are taken. The Project must assess environmental impacts if a Project has applied for HUD assistance (HOME, CDBG, PBVs, Choice Neighborhoods Grant, ShelterCare Plus, etc.). HUD's regulations prohibit grant recipients and their partners/contractors from committing or spending HUD or non-HUD funds on an activity that could limit the choice of reasonable alternatives before completing the environmental review process. The prohibition of choice-limiting actions does not apply to commitments of non-federal funds before the Project has applied for HUD funding.
When an application is submitted for a federal grant/loan, all activity must stop until the environmental review process is complete.

There is no flexibility or waiver of NEPA environmental review requirements. The Project must receive an Authority to Use Grant Funds (AUGF) before the Project proceeds with the acquisition or physical activities, including non-HUD-funded activities. A choice-limiting action can result in a violation that jeopardizes HUD funding for the Project.

The prohibition on choice-limiting actions prohibits physical activity, including acquisition, Rehabilitation, and construction, as well as contracting for or committing to any of these actions before completion of the environmental review. Some examples of choice-limiting actions are: see §510

HCD does not determine which Projects will require NEPA clearance. Applicants shall provide HCD a status of any required NEPA review at the time of application. For more information, visit the HUD Exchange, review HCD's Environmental Review Guidance by clicking, or contact HCD's Environmental Services Team at NEPA@hcd.ca.gov.

HUD Exchange HCD's Environmental Review Guidance

| | | | | |
|---|---|---|---|---|
| File Name | 19. CEQA | Copy of CEQA Determination Documents (if applicable). | Uploaded to HCD? | |
| File Name | 20. NEPA | NEPA Authority to Use Grant Funds issued by the Responsible Entity if the project is proposing use of federal funds.<br>Note: Not required at time of application, but required prior to disbursements. | Uploaded to HCD? | |

### Project milestones

Please provide the actual or anticipated completion date for the following performance milestones for each applicable Capital Project. If a milestone is not applicable to a Capital Project, please enter "N/A"

**Note**: It is acknowledged that some of the following milestones may have already been achieved. For those milestones which have previously been met, please enter the month and year completed. For those milestones not yet completed, please provide a projected completion date (MM/DD/YY) for each of the applicable items below. If not applicable to the specific Capital Project, please indicate "NA" below.

| Homekey+ milestones | Homekey+ Date |
|---|---|
| Completion of all necessary environmental clearances, including those required under CEQA and NEPA. | |
| Obtaining all necessary and discretionary public land use approvals. | |
| Submission of Final Construction Drawings and Specifications to the appropriate local building department or permitting authority. | |
| Commencement of construction. | |
| Construction completion. | |
| Start lease up | |
| Complete Occupancy | |
| Complete capital expenses | |
| Program funds fully disbursed. | |
| *Have all milestone dates been entered above?* | |

| Applicant comments: |
|---|
| |

**Development Team Contacts and Legislative Information**

| Contact Type | Entity Legal Name | Eligible Applicant Type | Organization Type | Address | City | State | Zip Code | Auth Rep Name | Title | Email | Phone # | Contact Name | Title | Email | Phone # | Contact Address | City | State | Zip Code |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Eligible Applicant | | | | | | | | | | | | | | | | | | | |
| Property Management Agent | | | | | | | | | | | | | | | | | | | |
| Financial Consultant | | | | | | | | | | | | | | | | | | | |
| Lead (primary) Service Provider | | | | | | | | | | | | | | | | | | | |
| Legal Counsel | | | | | | | | | | | | | | | | | | | |
| General Contractor | | | | | | | | | | | | | | | | | | | |
| Architect | | | | | | | | | | | | | | | | | | | |
| Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Other (Specify) | | | | | | | | | | | | | | | | | | | |
| Other (Specify) | | | | | | | | | | | | | | | | | | | |

## Development Sources

| | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Construction Totals | | $0 | $0 | $0 | Construction Terms | | | Permanent Terms | | | | | | | | | Details of Deferred Costs | |
| | | | Permanent Totals | | $0 | $0 | $0 | | | | Interest Rate | | Repayment Terms | | | $0 | $0 | $0 | $0 | | |
| **Construction** | Committed? | Source Name (**lien priority order**) | Source Type | Lien No. | Residential Amount | Commercial Amount | Total Amount | Interest Rate | Required Payment | Loan Term (months) | Rate | Type | Amortizing Period (yrs.) | Type | Due in (yrs.) | Required Residential Debt Service | Required Commercial Debt Service | Tax-Exempt Amount | Deferred Amount | Description | |
| Construction | No | Homekey+ Grant | State-HCD | | $0 | $0 | | | | | | | | | | | | | | | |
| | | Deferred Developer Fees | | | | | | | | | | | | | | | | | | | |
| Construction | Yes | Other Deferred Costs | | | $0 | | | | | | | | | | | | | | | | |
| | | Developer Fee Contribution | | | | | | | | | | | | | | | | | | | |
| | | GP Equity | | | | | | | | | | | | | | | | | | | |
| Construction | Yes | Gross Tax Credit Equity | | | | | | | | | | | | | | | | | | | |
| **Permanent** | | | | | | | | | | | | | | | | | | | | | |
| Permanent | No | Homekey+ Grant | State-HCD | | $0 | $0 | | | | | | | | | | | | | | | |
| | | Deferred Developer Fees | | | | | | | | | | | | | | | | | | | |
| | | Developer Fee Contribution | | | | | | | | | | | | | | | | | | | |
| | | GP Equity | | | | | | | | | | | | | | | | | | | |
| Permanent | Yes | Gross Tax Credit Equity | | | | | | | | | | | | | | | | | | | |

Applicant Comments: Include a description of unusual or extraordinary circumstances that have resulted in higher than expected Project costs and provide a justification as to why these costs are reasonable.

## Annual Income and Expenses

Employee Information

Comments

| No. | FTE | Employee Job Title | Salary/Wages | Value of Free Rent | |
|---|---|---|---|---|---|
| | | On-Site Manager(s) | | | |
| | | On-Site Assistant Manager(s) | | | |
| | | Supportive Services Staff Supervisor(s) | | | |
| | | Supportive Services Coordinator, On-Site | | | |
| | | Other Supportive Services Staff (inc. Case Manager) | | | |
| | | On-Site Maintenance Employee(s) | | | |
| | | On-Site Leasing Agent/Administrative Employee(s) | | | |
| | | On-Site Security Employee(s) | | | |
| | | Other (specify) | | | |
| | | Other (specify) | | | |
| | | Other (specify) | | | |
| | | Other (specify) | | | |
| | | Total Salaries and Value of Free Rent Units | $0 | $0 | |
| 6711 | | Payroll Taxes | | Show free rent as an expense? | |
| 6722 | | Workers Compensation | | | |
| 6723 | | Employee Benefits | | | |
| | | Employee(s) Payroll Taxes, Workers Comp. & Benefits | $0 | | |
| | | Total Employee(s) Expenses | $0 | | |
| | | | | | |
| | | | | | |

Employee Units

| Income Limit | Job Title(s) of Employee(s) Living On-Site | Unit Type (No. of bdrms.) | Square Footage | |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | Total Square Footage | 0 | |

Annual Operating Budget

| Acct. No. | Revenue - Income | Residential | Commercial | Comments |
|---|---|---|---|---|
| 5120/5140 | Rent Revenue - Gross Potential | | $0 | |
| | Restricted Unit Rents | $0 | | |
| | Unrestricted Unit Rents | $0 | | |
| 5121 | Tenant Assistance Payments | | | |
| | Rental Subsidy Program Name (Specify) | $0 | | |
| | Rental Subsidy Program Name (Specify) | $0 | | |
| | Rental Subsidy Program Name (Specify) | $0 | | |
| | Rental Subsidy Program Name (Specify) | $0 | | |
| | Operating Subsidies (Specify) | | | |
| | Operating Subsidies (Specify) | | | |
| | Operating Subsidies (Specify) | | | |
| | Operating Subsidies (Specify) | | | |
| | Operating Subsidies (Specify) | | | |
| | Operating Subsidies (Specify) | | | |
| | Operating Subsidies (Specify) | | | |
| | Operating Subsidies (Specify) | | | |
| 5910 | Laundry and Vending Revenue | $0 | | |
| 5170 | Parking Spaces | $0 | $0 | |
| 5990 | Miscellaneous/Other Rent Revenue | $0 | $0 | |
| | Gross Potential Income (GPI) | $0 | $0 | |
| | | | | |
| | Vacancy Rate: Restricted Units | 5.0% | | |
| | Vacancy Rate: Unrestricted Units | 5.0% | | |
| | Vacancy Rate: Tenant Assistance Payments | 5.0% | | |
| | Vacancy Rate: Other (Specify) | 5.0% | | |
| | Vacancy Rate: Laundry & Vending & Other Income | 5.0% | | |

## Annual Income and Expenses

| | | | | |
|---|---|---|---|---|
| | Vacancy Rate: Commercial Income | | 50.0% | |
| 5220/5240 | Vacancy Loss(es) | $0 | $0 | |
| | Effective Gross Income (EGI) | $0 | $0 | |
| Acct. No. | Expenses | Residential | Commercial | Comments |
| | | | | |
| Administrative Expenses: 6200/6300 | | | | |
| 6203 | Conventions and Meetings | | | |
| 6210 | Advertising and Marketing | | | |
| 6250 | Other Renting Expenses | | | |
| 6310 | Office/Administrative Salaries -- from above | $0 | | |
| 6311 | Office Expenses | | | |
| 6312 | Office or Model Apartment Rent | | | |
| 6320 | Management Fee | | | |
| 6330 | Site/Resident Manager(s) Salaries -- from above | $0 | | |
| 6331 | Administrative Free Rent Unit -- from above | $0 | | |
| 6340 | Legal Expense -- Project | | | |
| 6350 | Audit Expense | | | |
| 6351 | Bookkeeping Fees/Accounting Services | | | |
| 6390 | Miscellaneous Administrative Expenses | | | |
| 6263T | Total Administrative Expenses | $0 | $0 | |
| Acct. No. | Expenses | Residential | Commercial | Comments |
| Utilities Expenses: 6400 | | | | |
| 6450 | Electricity | | | |
| 6451 | Water | | | |
| 6452 | Gas | | | |
| 6453 | Sewer | | | |
| | Other Utilities (specify) | | | |
| 6400T | Total Utilities Expenses | $0 | $0 | |
| Operating and Maintenance Expenses: 6500 | | | | Comments |
| 6510 | Payroll -- from above | $0 | | |
| 6515 | Supplies | | | |
| 6520 | Contracts | | | |
| 6521 | Operating & Maintenance Free Rent Unit -- from above | $0 | | |
| 6525 | Garbage and Trash Removal | | | |
| 6530 | Security Contract | | | |
| 6531 | Security Free Rent Unit -- from above | $0 | | |
| 6546 | Heating/Cooling Repairs and Maintenance | | | |
| 6548 | Snow Removal | | | |
| 6570 | Vehicle & Maintenance Equipment Operation/Reports | | | |
| 6590 | Miscellaneous Operating and Maintenance Expenses | | | |
| 6500T | TOTAL Operating & Maintenance Expenses | $0 | $0 | |
| Taxes and Insurance: 6700 | | | | Comments |
| 6710 | Real Estate Taxes | | | |
| 6711 | Payroll Taxes (Project's Share) -- from above | $0 | | |
| 6720 | Property and Liability Insurance (Hazard) | | | |
| 6729 | Other Insurance (e.g. Earthquake) | | | |
| 6721 | Fidelity Bond Insurance | | | |
| 6722 | Worker's Compensation -- from above | $0 | | |
| 6723 | Health Insurance/Other Employee Benefits--from above | $0 | | |
| 6790 | Miscellaneous Taxes, Licenses, Permits & Insurance | | | |
| 6700T | Total Taxes and Insurance | $0 | $0 | |
| Supportive Services Costs: 6900 | | | | Comments |
| 6990 | Staff Supervisor(s) Salaries - from above | $0 | | |
| 6990 | Services Coordinator Salaries, On-Site - from above | $0 | | |
| 6990 | Other Supportive Services Staff Salaries - from above | $0 | | |
| 6990 | Supportive Services Admin Overhead | | | |
| 6990 | Tenant Transportation (per SSP) | | | |
| 6990 | Staff training (per SSP) | | | |
| 6990 | Equipment | | | |
| 6990 | Supplies | | | |

## Annual Income and Expenses

| | | | | |
|---|---|---|---|---|
| 6990 | Travel | | | |
| 6990 | Office Rent/Occupancy Costs (don't include rent/leasing costs for SH units) | | | |
| 6990 | Training | | | |
| 6990 | Other Supportive Services Costs (specify) | | | |
| 6990 | Other Supportive Services Costs (specify) | | | |
| 6900T | Total Supportive Services Costs | $0 | $0 | |
| | Total Operating Expenses | $0 | $0 | Comments |
| Funded Reserves: 7200 | | Residential | Commercial | |
| 7210 | Required Replacement Reserve Deposits | $0 | | |
| 7220 | Other Reserves (specify) | | | |
| 7230 | Other Reserves (specify) | | | |
| 7240 | Other Reserves (specify) | | | |
| | Total Reserves | $0 | $0 | |
| | Ground Lease | Residential | Commercial | |
| | Ground Lease | | | |
| | Total Ground Lease | $0 | $0 | |
| | Net Operating Income | $0 | $0 | |
| Financial Expenses: 6800 | | | | Comments |
| 6820 | 1st Mortgage Debt Service | | | |
| 6830 | 2nd Mortgage Debt Service | | | |
| 6840 | 3rd Mortgage Debt Service | | | |
| 6890 | Other HCD .42% (Specify) | | | |
| 6890 | Other HCD .42% (Specify) | | | |
| 6890 | Bond Issuer Fee | | | |
| 6890 | Miscellaneous Financial Expenses (specify) | | | |
| 6890 | Miscellaneous Financial Expenses (specify) | | | |
| 6890 | Miscellaneous Financial Expenses (specify) | | | |
| 6890 | Miscellaneous Financial Expenses (specify) | | | |
| 6800T | Total Financial Expenses | $0 | $0 | |
| | Cash Flow | $0 | $0 | |
| 7190 | Asset Management/Similar Fees | | | |

| Total Operating Expenses Per Unit | Per Year | Per Month | |
|---|---|---|---|
| Without any Adjustments | $0 | $0 | |
| With the Value of Rent-Free Units Included | $0 | $0 | |
| Without RE Taxes, Social Services Coordinator or Social Services/Social Programs and With the Value of Rent Fee Units Included | $0 | $0 | |

## Development Budget

| DEVELOPMENT COST | Total Project Costs | Residential Costs | Commercial Costs | Comments and explanation of basis changes |
|---|---|---|---|---|
| LAND COST/ACQUISITION | | | | |
| Land Cost or Value | $0 | | | |
| Demolition | $0 | | | |
| Legal | $0 | | | |
| Land Lease Rent Prepayment | $0 | | | |
| Total Land Cost or Value | $0 | $0 | $0 | |
| Existing Improvements Cost or Value | $0 | | | |
| Off-Site Improvements | $0 | | | |
| Total Acquisition Cost | $0 | $0 | $0 | |
| Total Land Cost / Acquisition Cost | $0 | $0 | $0 | |
| Predevelopment Interest/Holding Cost | $0 | | | |
| Assumed, Accrued Interest on Existing Debt (Rehab/Acq) | $0 | | | |
| Excess Purchase Price Over Appraisal | $0 | | | |
| REHABILITATION | | | | |
| Site Work | $0 | | | |
| Structures | $0 | | | |
| General Requirements | $0 | | | |
| Contractor Overhead | $0 | | | |
| Contractor Profit | $0 | | | |
| Prevailing Wages | $0 | | | |
| General Liability Insurance | $0 | | | |
| Urban Greening | $0 | | | |
| Other Rehabilitation (Specify) | $0 | | | |
| Other Rehabilitation (Specify) | $0 | | | |
| Other Rehabilitation (Specify) | $0 | | | |
| Total Rehabilitation Costs | $0 | $0 | $0 | |
| NEW CONSTRUCTION | | | | |
| Site Work | $0 | | | |
| Structures | $0 | | | |
| General Requirements | $0 | | | |
| Contractor Overhead | $0 | | | |
| Contractor Profit | $0 | | | |
| Prevailing Wages | $0 | | | |
| General Liability Insurance | $0 | | | |
| Urban Greening | $0 | | | |
| Other New Construction (Specify) | $0 | | | |
| Other New Construction (Specify) | $0 | | | |
| Other New Construction (Specify) | $0 | | | |
| Other New Construction (Specify) | $0 | | | |
| Other New Construction (Specify) | $0 | | | |
| Other New Construction (Specify) | $0 | | | |
| Other New Construction (Specify) | $0 | | | |
| Total New Construction Costs | $0 | $0 | $0 | |
| ARCHITECTURAL FEES | | | | |
| Design | $0 | | | |
| Supervision | $0 | | | |
| Total Architectural Costs | $0 | $0 | $0 | |
| Total Survey & Engineering | $0 | | | |
| CONSTRUCTION INTEREST & FEES | | | | |
| Construction Loan Interest | $0 | | | |
| Origination Fee | $0 | | | |
| Credit Enhancement/Application Fee | $0 | | | |
| Bond Premium | $0 | | | |
| Cost of Issuance | $0 | | | |
| Title & Recording | $0 | | | |
| Taxes | $0 | | | |
| Insurance | $0 | | | |
| Employment Reporting | $0 | | | |
| Other Construction Int. & Fees (Specify) | $0 | | | |
| Other Construction Int. & Fees (Specify) | $0 | | | |
| Total Construction Interest & Fees | $0 | $0 | $0 | |
| PERMANENT FINANCING | | | | |
| Loan Origination Fee | $0 | | | |

## Development Budget

| DEVELOPMENT COST | Total Project Costs | Residential Costs | Commercial Costs | Comments and explanation of basis changes |
|---|---|---|---|---|
| Credit Enhancement/Application Fee | $0 | | | |
| Title & Recording | $0 | | | |
| Taxes | $0 | | | |
| Insurance | $0 | | | |
| Other Perm. Financing Costs (Specify) | $0 | | | |
| Other Perm. Financing Costs (Specify) | $0 | | | |
| Total Permanent Financing Costs | $0 | $0 | $0 | |
| Subtotals Forward | $0 | $0 | $0 | |
| LEGAL FEES | | | | |
| Legal Paid by Applicant | $0 | | | |
| Other Attorney Costs (Specify) | $0 | | | |
| Other Attorney Costs (Specify) | $0 | | | |
| Other Attorney Costs (Specify) | $0 | | | |
| Total Attorney Costs | $0 | $0 | $0 | |
| RESERVES | | | | |
| Operating Reserve | $0 | $0 | | |
| Replacement Reserve | $0 | $0 | | |
| Transition Reserve Pool Fee | $0 | $0 | | |
| Rent Reserve | $0 | | | |
| Other Reserve Costs (Specify) | $0 | | | |
| Other Reserve Costs (Specify) | $0 | | | |
| Other Reserve Costs (Specify) | $0 | | | |
| Total Reserve Costs | $0 | $0 | $0 | |
| CONTINGENCY COSTS | | | | |
| Construction Hard Cost Contingency | $0 | | | |
| Soft Cost Contingency | $0 | | | |
| Total Contingency Costs | $0 | $0 | $0 | |
| OTHER PROJECT COSTS | | | | |
| TCAC App/Allocation/Monitoring Fees | $0 | | | |
| Environmental Audit | $0 | | | |
| Local Development Impact Fees | $0 | | | |
| Permit Processing Fees | $0 | | | |
| Capital Fees | $0 | | | |
| Marketing | $0 | | | |
| Furnishings | $0 | | | |
| Market Study | $0 | | | |
| Accounting/Reimbursable | $0 | | | |
| Appraisal Costs | $0 | | | |
| Broadband Readiness | $0 | | | |
| Other Costs (Specify) | $0 | | | |
| Other Costs (Specify) | $0 | | | |
| Other Costs (Specify) | $0 | | | |
| Other Costs (Specify) | $0 | | | |
| Other Costs (Specify) | $0 | | | |
| Total Other Costs | $0 | $0 | $0 | |
| SUBTOTAL PROJECT COST | $0 | $0 | $0 | |
| DEVELOPER COSTS | | | | |
| Developer Overhead/Profit | $0 | | | |
| Consultant/Processing Agent | $0 | | | |
| Project Administration | $0 | | | |
| Broker Fees Paid to a Related Party | $0 | | | |
| Construction Oversight by Developer | $0 | | | |
| Other Developer Costs (Specify) | $0 | | | |
| Total Developer Costs | $0 | $0 | $0 | |
| TOTAL PROJECT COST | $0 | $0 | $0 | |
| | | | Eligible Basis: | |

Scroll to the Right for more data input (sources) ---------->

Residential Sources and Uses Budget

| USES OF FUNDS | Total Cost from Dev Budget | Homekey+ Grant | | | | | | | | | | | | Deferred Developer Fees | Developer Fee Contribution | GP Equity | Gross Tax Credit Equity | Total Residential Sources | Residential Costs Total | Commercial Costs Total | Commercial Sources | | Residential Cost Difference Dev Budget vs. Sources |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LAND COST/ACQUISITION | | | | | | | | | | | | | | | | | | | | | | | |
| Land Cost or Value | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Demolition | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Legal | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Land Lease Rent Prepayment | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Land Cost or Value | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Existing Improvements Cost or Value | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Off-Site Improvements | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Acquisition Cost | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Land Cost / Acquisition Cost | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Predevelopment Interest/Holding Cost | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Assumed, Accrued Interest on Existing Debt (Rehab/Acq) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Excess Purchase Price Over Appraisal | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| REHABILITATION | | | | | | | | | | | | | | | | | | | | | | | |
| Site Work | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Structures | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| General Requirements | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Contractor Overhead | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Contractor Profit | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Prevailing Wages | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| General Liability Insurance | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Urban Greening | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Rehabilitation (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Rehabilitation (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Rehabilitation (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Rehabilitation Costs | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Relocation Expenses** | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| NEW CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | |
| Site Work | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Structures | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| General Requirements | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Contractor Overhead | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Contractor Profit | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Prevailing Wages | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| General Liability Insurance | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Urban Greening | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other New Construction (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other New Construction (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other New Construction (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other New Construction (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other New Construction (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other New Construction (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other New Construction (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total New Construction Costs | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| ARCHITECTURAL FEES | | | | | | | | | | | | | | | | | | | | | | | |
| Design | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Supervision | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Architectural Costs | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Survey & Engineering | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |

CONSTRUCTION INTEREST & FEES

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Construction Loan Interest | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Origination Fee | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Credit Enhancement/Application Fee | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Bond Premium | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Cost of Issuance | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Title & Recording | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Taxes | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Insurance | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Employment Reporting | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Construction Int. & Fees (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Construction Int. & Fees (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Construction Interest & Fees | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

PERMANENT FINANCING

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Loan Origination Fee | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Credit Enhancement/Application Fee | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Title & Recording | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Taxes | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Insurance | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Perm. Financing Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Perm. Financing Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Permanent Financing Costs | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| *Subtotals Forward* | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

LEGAL FEES

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Legal Paid by Applicant | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Attorney Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Attorney Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Attorney Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Attorney Costs | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

RESERVES

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating Reserve | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Replacement Reserve | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Transition Reserve Pool Fee | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Rent Reserve | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Reserve Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Reserve Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Reserve Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Reserve Costs | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

CONTINGENCY COSTS

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Construction Hard Cost Contingency | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Soft Cost Contingency | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Contingency Costs | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

OTHER PROJECT COSTS

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TCAC App/Allocation/Monitoring Fees | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Environmental Audit | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Local Development Impact Fees | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Permit Processing Fees | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Capital Fees | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Marketing | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Furnishings | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Market Study | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Accounting/Reimbursable | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Appraisal Costs | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Broadband Readiness | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Other Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Other Costs | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| SUBTOTAL PROJECT COST | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

DEVELOPER COSTS

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Developer Overhead/Profit | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Consultant/Processing Agent | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Project Administration | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Broker Fees Paid to a Related Party | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Construction Oversight by Developer | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Other Developer Costs (Specify) | $0 | | | | | | | | | | | | | | | | | $0 | $0 | $0 | | | $0 |
| Total Developer Costs | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| TOTAL PROJECT COST | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

| | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL PROJECT COSTS | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

Explain unusual or extraordinary circumstances that have resulted in higher than expected Project costs; provide a justification as to why these costs are reasonable.

| ed | Target Population | | |

# Supportive Services Plan

**§302 Supportive Services Requirements**

To be eligible to receive funding, all applications must include a Project-specific Supportive Services plan, that shall be consistent with any representations made in the application, and it shall meet the Homekey+ Program Requirements. HCD in its sole discretion shall make the determination (1) if the Supportive Services plan is sufficiently complete to pass threshold and (2) if the Supportive Services plan and property management plan is compliant with Housing First and other evidence-based practices for each unique Target Population served by the Project. For example, Projects serving Veterans must incorporate evidence-based practices specific to Veterans.

**Part I. Tenant Selection**

The plan is required by Section §302(d)(a) and must be compliant with Section §504 and §508. Using the titled sections below, the narrative should be as specific as possible, delineating the roles of property management and the support service provider and how these functions will be coordinated. Your description should clearly and conclusively document processes to ensure compliance with the Homekey+ NOFA for Tenant Selection and Housing First Practices.

**Section 1: Tenant Selection Criteria**

Target Population and Eligibility Criteria

a. Do you use Housing First Practices?

b. Describe the criteria that will be used to ensure that tenants are eligible to occupy the Homekey+ Assisted Units.

c. Description of the Target Population to be served, and identification of any additional subpopulation target or occupancy preference for the Project (all sub-population targeting must be approved by HCD prior to standard agreement issuance and must be consistent with federal and state fair housing requirements).

d. Describe any additional eligibility criteria other than those indicated above, i.e., information needed to determine if the tenant can comply with lease terms. NOTE: Selection criteria designed to assess anything other than the ability to comply with lease terms generally run afoul of fair housing laws designed to protect equal access to housing for people with disabilities.

See Between the Lines: A Question and Answer Guide on Legal Issues in Supportive Housing Chapter 4.

e. Identify all disclosures that will be provided to applicants/tenants. Example: Megan's Law disclosures, HMIS reporting, etc.

**Section 2: Referrals (NOFA §505, Tenant Referrals)**

The following prompts address the required use of the Coordinated Entry System (CES) for all referrals into Homekey+ Assisted Units or an alternate comparable prioritization system based on greatest need. Note that use of standard waiting lists is prohibited, in that both of these systems must prioritize referrals based on highest acuity needs, rather than first-come first served. Applicants must demonstrate efforts to coordinate with their local county behavioral health department to ensure the referral process to the Homekey+ Assisted Units is aligned with the requirements of this NOFA.

a. Describe how the local CES will be used to fill Homekey+ Assisted Units based on the use of a standardized assessment tool which prioritizes those with the highest need and the most barriers to housing retention. Include the CES agency's name, primary staff person's name, and contact information. If the local CES is not yet operational, describe when it will be established and the plan to use it.

b. If using a separate comparable prioritization system than CES please describe that system. Prioritization for Homekey+ units should be based on greatest need factors and assessments established by the local jurisdiction in collaboration with the Continuum of Care (CoC). CoC collaboration in Project and Supportive Services design is also strongly encouraged to help target and serve those with the greatest need.

**Section 3: Housing First Certification §504**

The Eligible Applicant shall certify to employ the core components of Housing First, as set forth at Welfare and Institutions Code §8255, subdivision (b), in its property management and tenant selection practices. Complete the checklist below to certify compliance with Housing First.

**Tenant Screening**

1. If the project cannot serve someone, it works through the coordinated entry process to ensure that those individuals or families have access to housing and services elsewhere.
2. The project does everything possible not to reject an individual or family based on poor credit or financial history, poor or lack of rental history, minor criminal convictions, or behaviors that are interpreted as indicating a lack of "housing readiness."
3. Access to the project is not contingent on sobriety, minimum income requirements, lack of a criminal record, completion of treatment, participation in services, or any other unnecessary condition not imposed by the terms of the funding itself.
4. People with disabilities are offered clear opportunities to request reasonable accommodations within applications and screening processes and during tenancy. Building and units include physical features that accommodate disabilities.

**Housing-Based Voluntary Services**

1. If serving youth experiencing homelessness, services use a positive youth development model and culturally competent services to engage with tenants.
2. Services are informed by a harm-reduction philosophy that recognizes that substance use/ addiction are a part of some tenants' lives. Tenants are engaged in non-judgmental communication regarding substance use and are offered education regarding safer practices and how to avoid risky behaviors.
3. Case managers and service coordinators who are trained in and actively employ evidence-based practices for client engagement, including, but not limited to, motivational interviewing and client-centered counseling.
4. Participation in services or compliance with service plans are not conditions of tenancy but are reviewed with tenants and regularly offered as a resource to tenants. Housing and service goals and plans are highly tenant driven.
5. Supportive services emphasize engagement and problem-solving over therapeutic goals.

**Housing Permanency**

1. Substance use in and of itself, without other lease violations, is not considered a reason for eviction.
2. Tenants in supportive housing are given reasonable flexibility in paying their share of rent on time and offered special payment arrangements for rent arrears and/or assistance with financial management, including representative payee arrangements.
3. Every effort is made to provide a tenant the opportunity to transfer from one housing situation, program, or project to another if tenancy is in jeopardy. Whenever possible, eviction back into homelessness is avoided.
4. Program Requires Housing Providers to Provide Tenants with Leases and Reflects Tenants' Rights & Responsibilities Of Tenancy Under CA Law (including eviction protections).
5. §302(d)(b) Applicants certifies to provide and maintain written policies and procedures covering: §302(d)(b)(1-5)

**Part II. Supportive Services Detail**

**Section 1: Lead Service Provider Information**

If already identified, list the supportive service provider(s) for the Target Population and any proposed sub-populations to be served by the Project. If more than one Provider will be offering services, clearly identify who the Lead Service Provider is and describe how services will be coordinated.

| Provider Name | Populations the Provider will serve | Services Provider will offer |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

Describe any known conflicts and/or the mitigation strategy for when Homekey+ funding or other program requirements conflict with Housing First practices, as applicable.

If your tenant households will include minor children and/or adult dependents, describe any additional criteria that will be used to ensure prospective tenants are eligible to occupy the Homekey+ Assisted Units.

**Section 2: Supportive Services Chart**

Required Services List and describe all services as required in §302 to be offered to tenants of the Homekey+ Assisted Units.

| Resident Service | Service Description | Frequency | Hours | Service Provider | Off-site Service Location |
|---|---|---|---|---|---|
| List each service separately | Describe service, including the degree to which services are provided. | Frequency of services provided | Provide the hours of availability | Provider's Name | If service is on-site, leave blank. Enter distance, in miles, to off-site service and list resident commuting options. Reasonable access is access that does not require walking more that one-half mile. |
| Case management | | | | | |
| Peer support activities | | | | | |
| Mental health care | | | | | |
| Substance use services | | | | | |
| Behavioral health services | | | | | |
| Physical health services | | | | | |
| Assistance obtaining benefits and essential documentation | | | | | |
| Education and employment services | | | | | |
| If applicable,<br><br>Veteran specific Supportive Services (required for Veteran serving projects) | | | | | |
| Supportive Services for people with co-occurring conditions | | | | | |
| Recreational and social activities | | | | | |
| Potential out-placements for higher level of care | | | | | |
| Other services, such as housing retention skills, legal assistance, family connection services, access to food and clothing, representative payee services, adult day care, financial counseling, etc. | | | | | |
| Parenting education, childcare, DV support in compliance with required services in Sect 302 | | | | | |
| Other Residential Services (specify) | | | | | |
| Other Residential Services (specify) | | | | | |
| Other Residential Services (specify) | | | | | |

| | | | |
|---|---|---|---|
| File Name: | 22. LSP Contract | Lead Service Provider Contract, Agreement or Letter of Intent. | Uploaded to HCD? |
| File Name: | 22. LSP NonApplicant Contract | Lead Service Provider Contract, Agreement or Letter of Intent (non-Applicant provider). | Uploaded to HCD? |

**Section 3: Supportive Services Coordination**

1. Describe the accessibility of Supportive Services, whether they are on-site or off-site, the frequency, and travel time required to access the Supportive Services including both public and private transportation services (e.g. van owned by the provider). Ensure transportation costs for off-site Supportive Services are reflected in the Project budget.

2. Describe how the Supportive Services will be provided in a manner that is culturally and linguistically competent for persons of different races, ethnicities, sexual orientations, gender identities, and gender expressions. This includes explaining how services will be provided to Homekey+ tenants who do not speak English, or have other communication barriers, including sensory disabilities, and how communication among the services providers, the property manager and these tenants will be facilitated. Additionally, describe how services will accommodate trauma-based, barriers to services. Responses should be as specific as possible in addressing the specific populations served by the Project. For example, if the Project will have Veteran serving units, responses should evidence competency in Supportive Service delivery to Veterans. If available, provide documentation, in the form of Memorandum of Understanding, Memorandum of Agreement, letters of support or contracts demonstrating who will be responsible for ensuring access to services and how accessibility will be accomplished.

Describe initial and periodic training plans associated with the above item including who will be trained, the type of training, cost, and how often training occurs.

3. Describe how you will engage with tenant and/or participant to encourage voluntary participation in services as well as in community building, such as resident councils or similar forums. Included a description of tenant/participant outreach, engagement and retention strategies to be used.

Describe initial and periodic training plans associated with the above item including who will be trained, the type of training, cost, and how often training occurs.

4. Describe how the Supportive Services will be provided in a manner that demonstrates cultural competency in working with families with children, including single parent households.

Describe initial and periodic training plans associated with the above item including who will be trained, the type of training, cost, and how often training occurs.

5. Describe how the Supportive Services will be provided in a manner that demonstrates cultural competency in working with people who identify as female.

Describe initial and periodic training plans associated with the above item including who will be trained, the type of training, cost, and how often training occurs.

6. Describe how the Supportive Services will be provided in manner that demonstrates cultural competency in working with people identifying as LGBTQ.

Describe initial and periodic training plans associated with the above item including who will be trained, the type of training, cost, and how often training occurs.

7. Describe how the Supportive Services will be provided in a manner that demonstrates cultural competency in working with people experience Post Traumatic Stress Disorder or sexual trauma (or military sexual trauma as applicable).

Describe initial and periodic training plans associated with the above item including who will be trained, the type of training, cost, and how often training occurs.

8. Describe how the Supportive Services will be provided in a manner that demonstrates cultural competency in working with people who have survived domestic violence and clients with trauma histories.

Describe initial and periodic training plans associated with the above item including who will be trained, the type of training, cost, and how often training occurs.

9. Provide a description of plans and measures to ensure the safety and security of residents and staff (e.g., guest and visitor policies, policies on the violation of safety rules, staff training, and building design features intended to promote security).

10. The property manager and LSP shall have three or more years of experience serving persons of each unique Target Population of people with Behavioral Health Challenges. If a property manager or LSP is not yet selected for the proposed Project, the Eligible Applicant shall certify that this requirement will be reflected in any future solicitation or memorandum of understanding (MOU) (see Section 305 for points awarded). If the property management and/or LSP has three or more years serving persons experiencing homelessness, but not Veterans experiencing homelessness, HCD in its sole discretion may deem the property manager and/or LSP to have met this requirement, provided the property manager and/or LSP agrees to completing a training provided by CalVet.

Projects with Youth-Assisted Units must jointly apply and/or partner with a nonprofit corporation(s), including community-based organization(s), with at least three years of experience serving current or former Foster Youth, Homeless Youth, or Youth at Risk of Homelessness.

Describe how your experience meets this criteria, including any need for training by CalVet.

## Part III. Staffing

**Section 1a: Staffing Description**

Describe the overall staffing pattern, including the roles and responsibilities for each position listed in the Staffing Chart below. List the target populations served through each position.

**Section 1b: Staffing Chart**

List all staff positions that will provide services to the tenants of the Homekey+ Assisted Units. Include any staff positions of partnering organizations who have committed time to the Project. Include the services coordination staff. For each position, list the position title, minimum requirements, the full-time equivalent (FTE), the organization under which the position resides, and the location of the position (on-site or off-site). Do not include staff which serve non-Homekey+ Units and supervisors, peer support positions, or HMIS Administration positions. If a staff position serves both tenants in Homekey+ and non-Homekey+ units, include only that portion (i.e., % FTE) of the staff position dedicated to Homekey+ Assisted Units. Attach a copy of each positions duty statement, if these documents are available.

**NOTE: Indicate which staff position will be responsible for Homeless Management Information System data entry and CoC coordination.**

| Title | Minimum requirements | Total FTE: 0.0 | Employing Organization | Location |
|---|---|---|---|---|
| List each staff position | List minimum required staff preparation include (education & experience). | Indicate FTE staff positions for Homekey+ units (half-time is 0.5) | List which organization will employ each staff position | Select "On-Site" or "Off-Site" |
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| File Name: | 23. LSP resumes | Provide resumes of Supportive Services staff who will be overseeing Case Managers on the Project. Not required for Assisted Units with Veterans Affairs Supportive Housing (HUD-VASH) vouchers | Uploaded to HCD? | |
|---|---|---|---|---|

**Section 2: Staffing Ratios**

1. Complete case manager staffing ratio chart to show how many staff are assigned per client (for example 2:1, 3:1, etc.). Include all case management. Provide only the number of ongoing direct service staff positions that will provide services to the tenants of the Homekey+ Assisted Units, (for example, case manager, psychiatric nurse, services coordinator, etc.). Do not include supervisors, peer support positions, or HMIS Administration positions.

| Population Type: | Chronically Homeless (cannot exceed 20 to 1 ratio) | Homeless (cannot exceed 15 to 1 ratio) | At-Risk of Homelessness (cannot exceed 40 to 1 ratio) | Homeless Youth, or Youth at Risk of Homelessness (cannot exceed 15 to 1 ratio) | Veterans Chronically Homeless (cannot exceed 20 to 1 ratio) | Veterans Homeless (cannot exceed 15 to 1 ratio) | Veterans At-Risk of Homelessness (cannot exceed 40 to 1 ratio) | Veterans Homeless Youth, or Youth at Risk of Homelessness (cannot exceed 15 to 1 ratio) | Totals Units |
|---|---|---|---|---|---|---|---|---|---|
| **Units Serving Subpopulation** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| **Staff Serving Subpopulation** | | | | | | | | | **0** |
| **Case Manager Ratio** | | | | | | | | | |

Describe staffing ratio special circumstances below.

## Part IV. Supportive Services and Property Management Budget

Provide a line item supportive services budget for the Project using the format below. Complete both income and expense portions of the budget on a yearly basis. Include all costs associated with implementing your SSP, including any in-kind services. Include income and expenses for all staff positions and partnering organizations who have committed time to the Project. Total expenses should equal total income. Add expense item categories & lines as necessary. Don't include costs associated with providing services in non-Homekey+ Assisted Units. If costs are associated with both Homekey+ & non-Homekey+ Assisted Units, include only the Homekey+ Assisted Units portion.

Staff Salaries: List by title of position. (This list must match the Staffing Chart above.)

| Expense Item | | | Amount | Type | Funding Status | % of Total Budget |
|---|---|---|---|---|---|---|
| *On-Site Manager(s)* | FTE | 0.00 | $0 | | | 0.00% |
| *On-Site Assistant Manager(s)* | FTE | 0.00 | $0 | | | 0.00% |
| *Supportive Services Staff Supervisor(s)* | FTE | 0.00 | $0 | | | 0.00% |
| *Supportive Services Coordinator, On-Site* | FTE | 0.00 | $0 | | | 0.00% |
| *Other Supportive Services Staff (inc. Case Manager)* | FTE | 0.00 | $0 | | | 0.00% |
| *On-Site Maintenance Employee(s)* | FTE | 0.00 | $0 | | | 0.00% |
| *On-Site Leasing Agent/Administrative Employee(s)* | FTE | 0.00 | $0 | | | 0.00% |
| *On-Site Security Employee(s)* | FTE | 0.00 | $0 | | | 0.00% |
| *Other (specify)* | FTE | 0.00 | $0 | | | 0.00% |
| *Other (specify)* | FTE | 0.00 | $0 | | | 0.00% |
| *Other (specify)* | FTE | 0.00 | $0 | | | 0.00% |
| *Other (specify)* | FTE | 0.00 | $0 | | | 0.00% |
| *Fringe Benefits* | | | $0 | | | 0.00% |
| ***Total Staff Expenses*** | | | **$0** | | | **0.00%** |

| Expense Item | Amount | Type | Funding Status | % of Total Budget |
|---|---|---|---|---|
| *Tenant Transportation (per SSP)* | $0 | | | 0.00% |
| *Staff training (per SSP)* | $0 | | | 0.00% |
| *Equipment* | $0 | | | 0.00% |
| *Supplies* | $0 | | | 0.00% |
| *Travel* | $0 | | | 0.00% |
| *Office Rent/Occupancy Costs (don't include rent/leasing)* | $0 | | | 0.00% |
| *Training* | $0 | | | 0.00% |
| *Other Supportive Services Costs (specify)* | $0 | | | 0.00% |
| *Other Supportive Services Costs (specify)* | $0 | | | 0.00% |
| Supportive Services Admin Overhead | $0 | | | 0.00% |
| Security Contract | $0 | | | 0.00% |
| ***Total Expenses*** | **$0** | | | **0.00%** |

## Part V. Property Management Plans and Tenant Selection

**Section 1: Property Management Plans and Tenant Selection**

The Property Management Plan and tenant selection policies submitted with the Homekey+ application will be evaluated for the following consistent with state Housing First requirements. These documents must identify, describe, and utilize Housing First and low-barrier tenant selection processes that prioritize those with the highest needs for available housing. The descriptions of the use of Housing First and tenant selection in this SSP must be consistent with the Property Management Plan and the tenant selection policies. The Property Management Plan and tenant selection policies should address the following and be consistent with state Housing First requirements, as well as and other Homekey+ program requirements:

| | | |
|---|---|---|
| 1. Applicant eligibility and screening standards | Included in Property Management Plan? | |
| 2. Confidentiality | Included in Property Management Plan? | |
| 3. Substance abuse policy | Included in Property Management Plan? | |
| 4. Communication between property manager and supportive services staff | Included in Property Management Plan? | |
| 5. Eviction policies and eviction prevention procedures | Included in Property Management Plan? | |
| 6. Process for assisting tenants to apply for different forms of cash and non-cash benefits to aid the household in retaining their housing, if needed | Included in Property Management Plan? | |
| 7. How applicants and residents will be assisted in making reasonable accommodation requests, in coordination with the services provider and persuasive to outside entities, such as Housing Authorities, to ensure that persons with disabilities have access to and can maintain housing | Included in Property Management Plan? | |
| 8. Policies and practices to facilitate Voluntary Moving On strategies | Included in Property Management Plan? | |
| 9. Appeal and Grievance Procedures | Included in Property Management Plan? | |
| 10. Payment of rent by residents during periods of hospitalization. | Included in Property Management Plan? | |
| 11. Coordination with property management for resolution of complaints from tenants or on behalf of tenants. | Included in Property Management Plan? | |
| 12. Use of best practices in service delivery for each unique Target Population served by the Project, including but not limited to critical time intervention; trauma-informed care and de-escalation; motivational interviewing; peer support; case conferencing; and providing care in a culturally competent manner. | Included in Property Management Plan? | |
| 13. Supportive Services for Youth Assisted Units must also include a Positive Youth Development (PYD) model and trauma-informed care. Services may include, but are not limited to, case management, income supports, educational and employment counseling, life skills, legal assistance, health and wellness, and family connection services. Youth Assisted Units occupied by a tenant over age 25 shall be replaced with a comparable unit in the same Project, if available. When a tenant older than 25 moves out of a unit restricted for Youth, the Youth Assisted Unit shall go back to serving Homeless Youth. | Included in Property Management Plan? | |

| File Name | 24. Property Management Plan | Submit Property Management Plan and Tenant Selection Policies | Uploaded to HCD? | |
|---|---|---|---|---|

## Part VI. Measurable Outcomes and Plan for Evaluation

Specific target populations will likely have varying outcomes and evaluation strategies. List outcomes and evaluations plans specific to each target population.

**Section 1: Measurable Outcomes**

Outcomes are what you expect to happen for the people served by your Project. Outcomes are sometimes called results. Outcome objectives are time-specific measurable goals that identify how you know if you are achieving your desired results. Outcome objectives are sometimes called outcome benchmarks or indicators. Categorize the outcomes for your Project into the following three categories:

| Category | Outcomes | Outcome Objectives |
|---|---|---|
| **Residential Stability:** Tenants maintain permanent housing (see examples in cell comments to the right) | | |
| **Increased Skills and/or Income:** Tenants gain job-related skills, participate in job-related training and/or education, gain at/paid part-time or full-time supported employment, gain access to mainstream service/income support Programs for which they are eligible (see examples in cell comments to the right) | | |
| **Greater Self- Determination:** Tenants gain daily living skills and ability to plan and advocate for themselves to maximize independence and self-sufficiency (see examples in cell comments to the right) | | |
| Other (specify) | | |

**Section 2: Plan for Evaluation**

Describe your evaluation plan, including how you intend to collect, track and analyze data on the effectiveness of your Project, including the outcomes Projected above. Indicate who will analyze the data and perform your Program evaluation. (e.g., staff, consultant, etc.).

Applicant Comments

**End of Document**

| Project Name | | Number of Project Units: | 0 |
|---|---|---|---|

## HCD Reserve Requirements

### Replacement Reserve Calculator UMR §8309

| | | | |
|---|---|---|---|
| (a) | 0.6% of New construction costs (structures excluding contractor profit, overhead, and general requirements and insurance): | $0 | $0 |
| | $500 per unit: (This is a placeholder for rehab projects and may be subject to higher amount) | $500 | $0 |
| (b) | Replacement Reserve Amount = *New construction: lesser of (a) and (b); Rehab: (b)* | | $0 |
| | HCD Required Replacement Reserve Amount - *included in "Operating budget"* tab | | $0 |

### Operating Reserve Calculator

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | Total Operating Expenses Excluding On-Site Service Coordinator Salaries. | | | | TAX CREDIT Project 3 Month Reserve Required | NON-TAX CREDIT Project 4 Month Reserve Required |
| | (a) Total Operating Expenses: | $0 | Amount subject to reserve calculation: *(a - b)* | $0 | **$0** | **$0** |
| | (b) *Minus:* On-Site Service Coordinator Salaries*:* | $0 | | | | |
| 2 | Replacement Reserve amount from *above* : *(Cell AJ10)* | | | $0 | **$0** | **$0** |
| 3 | Debt Service (including all HCD 0.42% Fees and Bond Issuer Fee) | | | | | |
| | **Name of Lender** *Operating Budget cells (D138 to D147)* | | | Annual Debt Service Amount | TAX CREDIT Project 3 Month Reserve Required | NON-TAX CREDIT Project 4 Month Reserve Required |
| | 1st Mortgage Debt Service | | | $0 | $0 | $0 |
| | 2nd Mortgage Debt Service | | | $0 | $0 | $0 |
| | 3rd Mortgage Debt Service | | | $0 | $0 | $0 |
| | Other HCD .42% (Specify) | | | $0 | $0 | $0 |
| | Other HCD .42% (Specify) | | | $0 | $0 | $0 |
| | Bond Issuer Fee | | | $0 | $0 | $0 |
| | Miscellaneous Financial Expenses (specify) | | | $0 | $0 | $0 |
| | Miscellaneous Financial Expenses (specify) | | | $0 | $0 | $0 |
| | Miscellaneous Financial Expenses (specify) | | | $0 | $0 | $0 |
| | Miscellaneous Financial Expenses (specify) | | | $0 | $0 | $0 |
| | Other (Specify) | | | | $0 | $0 |
| | **Totals** | | | $0 | **$0** | **$0** |
| | **UMR Required Operating Reserve Amount:** | | | | **$0** | **$0** |

If Reserve amounts are different than the required amount, enter Reserve amounts and how they are calculated below:

### Construction Hard Cost Contingency Calculator UMR §8310

## Program Threshold Requirements

### Article III. Threshold and Scoring Criteria

### §300. Threshold Requirements

Applicants acknowledges that to be eligible to receive Homekey+ funding, all applications must meet the threshold requirements of this Section. HCD reserves the right to request clarification of unclear or ambiguous statements made in an application and other supporting documents.

**i.** Applicant(s) acknowledges that Applications may be submitted independently by an Eligible Applicant, as defined in §200 and Article VII. Alternatively, each Eligible Applicant may apply jointly with a Co-Applicant, as specified.

**Applicant(s) acknowledges that no additions of Co-Applicants or special purpose entities will be considered subsequent to the date of application, including after Standard Agreement execution.**

§200. Eligible Applicants

iii. Pursuant to CA HSC § 50237 and 50241, HHAP Homekey+ Supplemental eligible applicants are:

a. California's 14 largest cities with a population of 300,000 or more as of January 1, 2022.

Is the Applicant or Co-Applicant one of these 14 largest cities, mentioned below, with a population of 300,000 or more as of January 1, 2022?

| | | | | |
|---|---|---|---|---|
| Anaheim | Irvine | Oakland | San Diego | Santa Ana |
| Bakersfield | Long Beach | Riverside | San Francisco | Stockton |
| Fresno | Los Angeles | Sacramento | San Jose | |

b. California's 58 Counties — County

c. The entities in a. and b. must have:

1 A compliant housing element as defined in Government Code §65589.9, at the time a Homekey+ application is submitted; and

Applicant(s) certifies to have a compliant housing element as defined in Government Code §65589.9.

2 An approved HHAP regionally coordinated homelessness action plan.

Applicant(s) certifies to have an approved HHAP regionally coordinated homelessness action plan.

d. Tribal Entities

**ii.** Applicant(s) certifies that the proposed Projects must serve persons qualifying or households that include persons qualifying as members of the Target Population?

**iii.** Applicant(s) certifies to submit a completed application workbook with all worksheets, documents and supplemental information.

**iv.** Applicant(s) certifies to include a Project-specific Supportive Services Plan, that shall be consistent with any representations made in the application, and it shall meet the Homekey+ Program Requirements noted in NOFA §302?

**v.** Project Ownership Structure submitted with the application workbook that demonstrates the relationship of the Applicants, Co-applicants and project entities within the ownership structure.

**Article VI – Definitions**

xxxix. "Project Ownership Structure" means a Project-specific entity organizational chart that shows the ownership relationship between the Project Applicants and all Project entities (including the special purpose entity). This document is used by HCD to connect the Project Ownership Structure with the provided legal organizational documents (i.e. Operating Agreement, Limited Partnership Agreement, By Laws, etc.) to ensure the Primary Applicant or Co-Applicant has legal control over the Project site. This is NOT a staff organizational chart. The Project Ownership Structure chart must be provided with the application.

| File Name | 26. Project Ownership Structure | Provide a "Project Ownership Structure" chart. | Uploaded to HCD? | |
|---|---|---|---|---|

**vi.** Applicant(s) certifies to submit all required documents from each Eligible Applicant and Co-Applicant as applicable, including but not limited to:

**a.** A duly executed resolution authorizing the entity to apply for funds and to participate in the Homekey+ Program in connection with each discrete Project; attested to by a person other that the person identified as the authorized signatory. If there is more than one authorized signatory identified, state whether one or all signatories are required to submit and execute program documents. If the application is being signed by a designee of the authorized signatory, the Applicant must also submit a designee letter or other proof of signing authority. The resolutions should materially comport with the Homekey+ resolution templates that will be available on the Homekey+ website when the application is released.

**b.** Organizational documents supporting the resolutions submitted with the application. Eligible Applicants are exempted from this requirement. Notwithstanding the foregoing, HCD reserves the right to request additional documentation at any point to verify any entity's authority and/or organizational structure. For a complete list of organizational documents, refer to Appendix B.

**NOTE**: These documents are requested at "Project Overview" sheet under the Applicant and Co-Applicant entity names.

**vii.** Applicants shall provide a written non-discrimination policy that complies with the requirements in §508 - Accessibility and Non-Discrimination.

**viii.** Applications shall provide a statement how the Project will address equity that must answer the following question: *What specific actions will the Applicant take to ensure equitable access to housing and services for groups that are overrepresented among residents experiencing homelessness in its jurisdiction and region*? Examples of what applicants should consider include race, ethnicity, age (e.g. youth, elderly), disability status, LGBTQ+ status, etc. The response shall reference the latest Continuum of Care (CoC) Homelessness Management Information System (HMIS) demographics data to explain. Please see the Homekey+ website for the template at the time of Application release. Homekey + website

| File Name | 28. Equity Statement | Provide Racial & Gender Equity statement by answering the above question. | Uploaded to HCD? | |
|---|---|---|---|---|

**ix.** Applications shall provide a statement how the Project will engage the Target Population that must answer the following question: *How did/will the Applicant engage with the Target Population to inform the design of the Project operations and Supportive Services*? Please see Homekey+ website for guidance documents at the time of Application release. Homekey + website

| File Name | 29. Engaging the Target Population Statement | Provide a response to the question above. | Uploaded to HCD? | |
|---|---|---|---|---|

**x.** The Applicant shall have site control of the property at the time of application, and such control shall not be contingent on the approval of any other party. The status and nature of the Applicant's title and interest in the property shall be subject to HCD's approval. Site control may be evidenced by one of the following:

**Site Control** UMR §8303 and §8316

At time of application, does Applicant, or its wholly controlled affiliate have site control pursuant to UMR §8303?

| Type of site control: | Date | Expires | Extensions Available | Purchase Price | Total Land Area | |
|---|---|---|---|---|---|---|
| | | | | | | acres |
| | | | | | | acres |
| | | | | | | acres |
| | | | | | | acres |
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| Current owner | Current owner street address | City | State | Zip code |
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Below, provide details for unusual site control special circumstances, and for applications with multiple or non-contiguous parcels, scattered sites, lot line adjustments, air rights parceling, phased projects, or other complex land transactions, including unique value calculations and explanations as applicable:

Below, describe planned and completed property transfers occurring in connection with development of the proposed Project.

Ground Lease planned?

| File Name | 30. Site Control | Documentation of site control in accordance with UMR §8303, including a summary explanation of site control and values for applications with multiple or non-contiguous parcels, scattered sites, lot line adjustments, phased projects, or other complex land and acquisition transactions, see Article III, §300(x)(a-h). | Uploaded to HCD? | |
|---|---|---|---|---|

§300(h). For Applicants proposing sites that will require a use change, lot split or other local approvals for permanent housing, include a commitment and plan to facilitate or expedite those processes, to not delay expenditure and occupancy requirements.

Does the proposed Project require a use change, lot split or other local approvals for permanent housing?

**xi.** A preliminary title report **for each site**, dated within 90 days of application submission.

| File Name | 34. Preliminary Title Report | Provide a preliminary report dated within 90 days of application due date. For projects developed in Indian country, an attorney's opinion regarding chain of title and current title status is acceptable in lieu of a title report. | Uploaded to HCD? | |
|---|---|---|---|---|

**xii** Applicant(s) certifies to provide a detailed development plan that supports acquisition of a site, completion of rehabilitation or construction, occupancy, and fund expenditure before all program deadlines, factoring in entitlements, permits, procurement, potential construction delays and supply chain issues, and demonstrates evidence of strong organizational and financial capacity to develop the Project. Please see Homekey+ website for guidance at the time of application release.

| File Name | 35. Development Plan | Provide a detailed development plan that supports acquisition of a site, completion of rehabilitation or construction, occupancy, and fund expenditure before all program deadlines, factoring in entitlements, permits, procurement, potential construction delays and supply chain issues, and demonstrates evidence of strong organizational and financial capacity to develop the Project. | Uploaded to HCD? | |
|---|---|---|---|---|

**viii** Applicants shall provide an appraisal for **each** site if necessary, prepared no earlier than 12 months prior to application submission date for all Projects seeking acquisition funds from Homekey+ or if property value will be used as local match. The appraisal must comply with the Homekey+ requirements outlined in the Homekey+ Appraisal Guidance document, which will be available on the Homekey+ website.

| File Name | 36. Appraisal | Applicants shall provide an appraisal prepared no earlier than 12 months prior to application submission date for all Projects seeking acquisition funds from Homekey+ or if property value will be used as local match. The appraisal must comply with the Homekey+ requirements outlined in the Homekey+ Appraisal Guidance document, which will be available on the Homekey+ website. | Uploaded to HCD? | |
|---|---|---|---|---|

Add comments with regards to Appraisal. Homekey+ Appraisal Guidance.

**xv.** For Projects seeking funding for master leasing and purchase of Affordability Covenants, Applicant shall provide a market study prepared no earlier than 12 months prior to application submission which conforms to TCAC guidelines, and/or a rent roll, and/or other supporting documentation.

Is the Applicant(s) seeking funding for master leasing and purchase of Affordability Covenants?

xvii Relocation Assistance Narrative. Applicant shall submit a concise, sufficiently detailed narrative to demonstrate its consideration of, and early engagement with, applicable relocation assistance laws and requirements. An Applicant's unsupported conclusion that relocation law does not apply or that the Project Site is vacant does not sufficiently demonstrate such consideration and engagement. The Applicant must support any representation that relocation law does not apply or that the Project Site is vacant by including either an explanation that supports this representation or supporting documentation that establishes that the property is vacant. This Relocation Assistance Narrative will be evaluated by HCD to determine whether a relocation plan is required by law or whether a certificate of no-relocation can be issued.

The Relocation Assistance Narrative does not take the place of these two documents. Grantee shall submit either a relocation plan or a certificate of no-relocation as a condition of disbursement. See §507 and Homekey+ website for more information and template, which will be uploaded when the application is released.

Template on the Homekey website.

| File Name | 42. Relocation narrative | Applicant's Relocation Assistance Narrative shall include or identify the following: §300(xvii)(a-i) | Uploaded to HCD? | |
|---|---|---|---|---|

xviii Applicant(s) certifies to provide all Enforceable Funding Commitments (EFCs) as defined by Article VII (xviii) for:

a. Development costs with specific funding sources, including federal, state, local, private, or philanthropic sources for the proposed Project.

b. Rental subsidies, operations, and service costs with specific funding sources, including federal, state, local, private, or philanthropic sources for ongoing sustainability. For projects applying for a program operating Award (see §206) EFCs must be fully committed to match the numbers of years of the operating award. Please see §305(3)(a) for potential points and the Homekey+ website for EFC templates, which will be posted at the time of application release.

Homekey + website

xix Applicant(s) acknowledges that the Eligible Applicant or Co-Applicant applying for Homekey+ funding is the entity that HCD relies upon for experience and capacity, and will control the Project during acquisition, development, and occupancy?

The Eligible Applicant or Co-Applicant shall demonstrate the following minimum experience and capacity requirements:

a. Development, ownership, or operation of a Project similar in scope and size to the proposed Project; or development, ownership, or operation of at least two affordable rental housing Projects in the last 10 years, with at least one of those Projects containing at least one unit housing a tenant or who qualifies as a member of the Target Population.

Applicant(s) certifies that it has successfully Developed, owned, or operated a Project similar in scope and size to the proposed Project?

b. The property manager and Lead Service Provider (LSP) shall have three or more years of experience serving persons of the Target Population. If a property manager or LSP is not yet selected for the proposed Project, the Eligible Applicant shall certify that this requirement will be reflected in any future solicitation or memorandum of understanding.

Has the Applicant(s) selected a **property manager** for the proposed Project?

Has the Applicant(s) selected a **Lead Service Provider** for the proposed Project?

c. Statement confirming experience administering a Project in accordance with the core components of Housing First (Welfare & Institutions Code § 8255).

| File Name | 44. Housing First Statement | Provide relevant experience administering a Project in accordance with the core components of Housing First (Welfare & Institutions Code § 8255). | Uploaded to HCD? | |
|---|---|---|---|---|

d. Current capacity to develop, own, and operate the proposed Project. For purposes of satisfying this requirement, an Applicant has "capacity" if it has adequate staff, capital, assets, and other resources to efficiently meet the operational needs of the Project; to maintain the fiscal integrity of the Project; and to satisfy all legal requirements and obligations in connection with the Project. Evidence of permanent supportive housing experience and capacity must be reasonably acceptable to the Department in form and substance.

Applicant)s) certifies to have current capacity to develop, own, and operate the proposed Project.

xx Did the Eligible Applicant and all Co-Applicants attended a pre-application consultation with HCD prior to applying, as required in §401?

Date of pre-application consultation:

xxi One-for-one replacement of assisted housing.

a. If the acquired housing or site is to be redeveloped/repositioned as part of the Local Public Entity's overall goal to address the needs of the Target Population and the community, the Applicant shall provide as part of the application a commitment to ensure one-for-one replacement of units.

Will the acquired housing or site be redeveloped/repositioned as part of the Local Public Entity's overall goal to address the needs of the Target Population and the community?

In addition to the Threshold Requirements above, Applicant(s) acknowledge, understand, and agree to comply, with the following sections of the 2024 Homekey+ NOFA.

§200 Affordability Covenant
§203 Allocations and Geographic Distribution
§204 Program Deadlines
§400 Application Process and Submission

## Cash Flow Analysis

*Is Income from Restricted Units based on Restricted or Proposed Rents?* Restricted Rents

| INCOME FROM HOUSING UNITS | Inflation | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Restricted Unit Rents | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Unrestricted Units | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Rental Subsidy Program Name (Specify) | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Rental Subsidy Program Name (Specify) | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Rental Subsidy Program Name (Specify) | | $0 | | | | | | | | | | | | | | | | | | | |
| Rental Subsidy Program Name (Specify) | | $0 | | | | | | | | | | | | | | | | | | | |
| Operating Subsidies (Specify) | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Operating Subsidies (Specify) | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Operating Subsidies (Specify) | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Operating Subsidies (Specify) | | | | | | | | | | | | | | | | | | | | | |
| Operating Subsidies (Specify) | | | | | | | | | | | | | | | | | | | | | |
| Operating Subsidies (Specify) | | | | | | | | | | | | | | | | | | | | | |
| Operating Subsidies (Specify) | | | | | | | | | | | | | | | | | | | | | |
| Operating Subsidies (Specify) | | | | | | | | | | | | | | | | | | | | | |
| GROSS POTENTIAL INCOME - HOUSING | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

| OTHER INCOME | Inflation | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Laundry & Vending | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Income | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Commercial Income | 2.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| GROSS POTENTIAL INCOME - OTHER | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| GROSS POTENTIAL INCOME - TOTAL | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

| VACANCY ASSUMPTIONS | Inflation | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Vacancy Rate: Restricted Units | 5.0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Vacancy Rate: Unrestricted Units | 5.0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Vacancy Rate: Tenant Assistance Payments | 5.0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Vacancy Rate: Other (Specify) | 5.0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Vacancy Rate: Laundry & Vending & Other Income | 5.0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Vacancy Rate: Commercial Income | 50.0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| TOTAL VACANCY LOSS | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| EFFECTIVE GROSS INCOME | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

| OPERATING EXPENSES & RESERVE DEPOSITS | Inflation | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential Exp. (w/o Real Estate Taxes & Sup. Services) | 3.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Real Estate Taxes | 3.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Supportive Services Costs | 3.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Replacement Reserve | 0.0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Reserves | 0.0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Ground Lease | 2.0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Commercial Expenses | 3.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| TOTAL EXPENSES & RESERVES | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| NET OPERATING INCOME | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

| DEBT SERVICE | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1st Mortgage Debt Service | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Bridge Loan (repaid from Investor equity) | | | | | | | | | | | | | | | | | | | | |
| 2nd Mortgage Debt Service | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 3rd Mortgage Debt Service | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other HCD .42% (Specify) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other HCD .42% (Specify) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Bond Issuer Fee | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Miscellaneous Financial Expenses (specify) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Miscellaneous Financial Expenses (specify) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Miscellaneous Financial Expenses (specify) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Miscellaneous Financial Expenses (specify) | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| TOTAL REQUIRED DEBT SERVICE | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

| CASH FLOW after all debt service | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **DEBT SERVICE COVERAGE RATIO** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |

| USE OF CASHFLOW AFTER DEBT SERVICE | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Asset Mgmt./ Similar Fees | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Deferred Developer Fee prior to distributions & residual receipt payments | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Cash available for residual receipts loans and sponsor/Applicant distributions | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Sponsor Distributions | 50% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| HCD Residual Payment | 50% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Residual Payments | 0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Residual Payments | 0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Residual Payments | 0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Residual Payments | 0% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 12% of Operating Expenses | | $0 | | | | | | | | | | | | | | | | | | | |
| Asset Mgmt/Similar Fees | 3.5% | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Cumulative paid Deferred Dev. Fee | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

| | |
|---|---|
| Total Deferred Developer Fee budgeted for payment prior to distributions and residual receipt payments | |

Comments

Total Project/**Self** Score: **0.00**
Total **Possible** Score: **176.00**

## §305. Scoring Criteria

In addition to meeting the other minimum Homekey+ Program Requirements outlined in Article III, ***Applicants must score a minimum of 100 points to be eligible for funding***. Points earned from the application scoring criteria will be incorporated into the project report and the Standard Agreement. Applicants should select criteria based on what accurately represents the Project and is achievable. By earning these points, the Applicant commits to the deliverable throughout the tenure of Homekey+ Project. Scores will be based on the following:

**1.** Site Control (**Up to 20 Points**) — **0**

**a.** Identification of the site suitable for development and evidence of site control, or a plan and timeline for obtaining site control along with other supporting evidence (e.g., letter of intent, an exclusive negotiating agreement, ground lease, etc.). **NOTE**: §300-303 of this NOFA further outline site control requirements related to specific Project type. — 0

| | | |
|---|---|---|
| Type of site control | 1 | |
| Type of site control | 2 | |
| Type of site control | 3 | |
| Type of site control | 4 | |
| Type of site control | 5 | |

**2.** Cost Containment (**Up to 15 Points**) — **0**

**a.** For any Project where the average total cost per Assisted Unit is below baseline per door of $200,000, one (1) point will be assigned for every $10,000 under the baseline amount. (**up to 10points**)

Total Units: 0 | Total Development Costs: $0 | Average total cost per Assisted Unit: $0 | Points Assigned: 0

**b.** Utilizing Publicly Owned Land: **5 points** will be awarded to Project that is located on a site selected under Excess Sites (Executive Order N-06-19) or any land declared as Surplus Land by a local agency. — 0

New Construction or Conversion Project? FALSE

Is Project located on a site selected under Excess Sites (Executive Order N-06-19) or any land declared as Surplus Land by a local agency?

**3.** Sustained Operating Leverage (**Up to 45 Points**) — **0**

Documented commitment of non-Homekey+ rental or operating subsidies (including funded services) that will be used to maintain the ongoing affordability and sustainability of operations of the Project. Sources include, but not limited to, Project-based vouchers, VASH vouchers, Mainstream vouchers, Faircloth to RAD conversions, tenant-based vouchers, or locally funded rental assistance.

**a.** Score is based on weighted subsidy type, percentage of costs covered, and length of commitment. Applications will need to score at least 10 points to be prioritized by the Homekey+ Program. See §400 on the process and determination for Projects that will be prioritized in Homekey+. — 0.00

*Does the proposed project score at least 10 points to be prioritized by the Homekey+ Program*. — No

- Project operation subsidies: Up to one (1) point for each year through year fifteen (15). (**up to 15 points**)

Applicant certifies that for each point assigned below, documentation meeting the EFC requirements in Article VII of this NOFA will be provide along with the Application for verification/score purposes?

| **Complete sheets** "Operating Budget" & "Cash Flow" before this chart. | | | | Yearly score --> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Subsidy Name | Subsidy Type | Weight | Years | # Units | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| N/A | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | Funding Required | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | Gap | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE | FALSE |

**b.** Homekey+ Award Utilization: — 0

Applications that request less Homekey+ Operating Award than the Maximum Eligible Award amount will earn more points. Applications that do not request an operating Award will automatically earn 20 points. (**up to 20 points**):

- Two (2) points for each 10% increment of Maximum Eligible Homekey+ Operating Award not utilized.

Maximum Eligible Award amount (for this Project) for Homekey operating funds. $0

Homekey+ Operating Award/request for this Project: $0 | Percentage of Unutilized Amount: 0.00%

- No Homekey+ Operating Award Requested (**20 points**) | Applicant requesting an operating Homekey+ subsidy award

**c.** Mental Health Services Act or Behavioral Health Services Act funds committed to the Project as evidenced by a letter from the local county behavioral health department meeting the EFC requirements in Article VII of this NOFA. (**10 points**) — 0

Does the Applicant have a Mental Health Services Act or Behavioral Health Services Act funds committed to the Project?

**4.** Experience and Coordination (**Up to 40 Points**) — **0**

**a.** Demonstration of Applicant or member(s) of development team's experience in development, ownership, or operation of a Project(s) similar in scope and size to the proposed Project. **NOTE**: §300-303 of this NOFA further outline threshold experience requirements.

- Five (5) points awarded for each additional Project beyond the base threshold requirement (development, ownership, or operation of affordable rental housing or interim Projects in the last ten (10) years serving at least one member of the Target Population). (**up to 15 points**) — 0

Does the Applicants have additional Projects beyond the base threshold requirement (development, ownership, or operation of affordable rental housing or interim Projects in the last ten (10) years serving at least one member of the Target Population)?

**b.** Documented evidence of LSP's experience helping persons address barriers to housing stability and providing other support services, not necessarily within a housing Project. The LSP may be an Applicant, or a member of the development team described in Applicant's response to point category 4.c., below. LSP experience must be with the specific population(s) with Behavioral Health Challenges housed within the Homekey+ units to count toward points in this section (e.g., families, singles, veterans, Homeless Youth, Chronically Homeless) and must describe how the Supportive Services are culturally and linguistically competent for persons of different races, ethnicities, sexual orientations, gender identities, gender expressions, ages, and disabilities. **NOTE**: §300-303 of this NOFA further outline threshold experience requirements.

- One point awarded for each year of service experience, after 3 years. (**up to 10 points**) — 0

How many lines/rows would you need to show the LSP experience?

| Name of the LSP providing experience | Exp. **Not** within a housing project? | Project Name and Address | Project completion date | Date LSP started providing services. | Project Development Type | # of Units | Housing Type | Target Population | Other Population Type(s) | # of Units restricted to Target Population | Years providing services |
|---|---|---|---|---|---|---|---|---|---|---|---|

**c.** Commitment letter(s), MOU(s) or other formal agreement between the Primary and Co-Applicant(s) and/or other involved partners documenting how the complete development and management team (which includes the Applicant, developer, property manager, LSP, etc.) are connected and will work together on the Project. Applicants are encouraged to complete due diligence checklists to ensure all members of the team are aware of roles and responsibilities. (**15 Points**) — 0

| File Name: | 52. Commitment Letters, MOU(s) or other formal agreement | Provide documentation as stated above, be sure to include all as described therein this section. | Uploaded to HCD? |
|---|---|---|---|

**5.** Community Impact (**Up to 40 Points**) — **0**

**a.** Assisted Units include units for large family housing types (10 points)

- At least 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)). (**10 points**) — 0

Points will be provided based on just this single TCAC Regulation (4 CCR § 10325(g)(1)(A). Applicants should still meet to meet the below (B-H)

Percentage of Assisted Units with **two-bedroom** or larges Units: 0.00%

Applicant(s) certifies that one-bedroom Low-Income Units must include at least 450 square feet and two bedroom Low-Income Units must include at least 700 square feet of living space. Three-bedroom Low-Income Units shall include at least 900 square feet of living space and four-bedroom Low-Income Units shall include at least 1,100 square feet of living space, unless these restrictions conflict with the requirements of another governmental agency to which the project is subject to approval. These limits may be waived for rehabilitation projects, at the discretion of the Executive Director prior to the application submission. Bedrooms shall be large enough to accommodate two persons each and living areas shall be adequately sized to accommodate families based on two persons per bedroom;

**b.** Applicant waives any potential accommodation by HCD to increase income limits at year 15 from the recordation of the Affordability Covenant, as described in §304(iii). (**up to 20 points**) — 0

Applicants certifies to waive any potential accommodation by HCD to increase income limits at year 15 from the recordation of the Affordability Covenant, as described in §304(iii).

**c.** The extent to which the Project commits to being accessible to persons with disabilities. (**up to 10 points**) — 0

- Exceeds the state and federal accessibility requirements set forth in §508, specifically providing a minimum of 15 percent of units with features accessible to persons with mobility disabilities, as defined in 24 C.F.R. §8.22 and the parallel ADAAG 2010 and CBC provisions; (**5 points**)

Number of Units that Exceeds the state and federal accessibility requirements for persons with mobility disabilities: 0% of total Project Units

- A minimum of 10 percent of units with features accessible to persons with hearing or vision disabilities, as defined in 24 CFR Part 8.22 and the parallel ADAAG 2010 and CBC Chapter 11B provisions. (**5 points**)

Number of Units that Exceeds the state and federal accessibility requirements for persons with hearing or vision disabilities: 0% of total Project Units

**6.** Site Selection (**Up to 40 Points**) — **0**

| File Name: | 53. Amenities Map | If applicable, provide a radius map with the amenities identified by markers | Uploaded to HCD? |
|---|---|---|---|

Site Selection (**Up to 12 points**; for Rural Projects: **up to 16 points**; for Youth Projects: **up to 15 points**) — 0

**a.** Is the Project site located within 1/2 mile of a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop? (4 points)

The Project site is in proximity to essential services:

**b.** Grocery store – a full-scale grocery store/supermarket where staples, fresh meat, and fresh produce are sold. (**up to 2 points**)

The Project site is in proximity to

**NOTE**: If applying for TCAC, it is advisable that the grocery store be at least 25,000 gross interior square feet.

**c.** Health facility – a medical clinic (not merely a private doctor's office) with a physician, physician's assistant, or nurse practitioner on-site for a minimum of 40 hours each week, or hospital (health facilities operated by Veterans Health Administration qualify if project is veteran serving). (**up to 1 point**)

The Project site is in proximity to

**NOTE**: A qualifying medical clinic must accept Medi-Cal payments, or Medicare payments, or Health Care for the Homeless, or have an equally comprehensive subsidy program for low-income patients.

**d.** Library – a book-lending public library. (**up to 1 point**)

The Project site is in proximity to

**e.** Pharmacy – may be included in a grocery store or health facility. (**up to 2 points**)

The Project site is in proximity to

**f.** A public park or a community center accessible to the general public. (**up to 1 point**)

The Project site is in proximity to

**g.** High speed internet service, with a minimum average download speed of 25 megabits/second must be made available to each Unit for a minimum of 15 years, free of charge to the tenants, and available within six months of the Project's placed-in-service date. Documentation of internet availability must be included in the application. (**up to 3 points**)

At proposed Project site, Applicants certifies to provide High speed internet service as described above?

**h.** For Projects with units serving Homeless Youth: community colleges, universities, trade schools, apprenticeship programs, employment programs, childcare centers for parenting youth, and/or community centers for youth (e.g., LGBTQ+ centers, drop-in youth centers). (up to 2 points)

Number of Homekey Assisted Units for Homeless Youth | Are there at least **two amenities** located within 1 mile radius as described above?

**7.** Relocation Impacts (**Up to -20 Points**) — **0**

**a.** For any Project resulting in the permanent displacement of residents (not businesses or farm operations).

Does the proposed Project trigger State Relocation Assistance Law? 0 | Total Project Units

Will the proposed Project be resulting in the **permanent** displacement of residents?

**8.** Negative Points

**a.** Negative Points assessed by HCD to the Applicant pursuant to the Department's Negative Points Policy.

**General NOTE**: In the event of program oversubscription, where Applicants have the same score and the same date and time stamp, HCD may consider additional criteria as a tiebreaker, including, but not limited to, cost-effectiveness, community impact (i.e. meeting the needs of individuals with behavioral health challenges), affirmatively furthering fair housing, innovative housing types, tenant stability and proximity to transit, and services and amenities.

End of Document

2025 TCAC Threshold Basis Limit (TBL) for HCD Developer Fee UMR §8312(b)&(c) and HCD High Cost Test for HCD Limits on Development Costs 2017 UMR §8311(a) & (b) Complete all yellow shaded cells below.

Project Name: County: Project's Proposed Tax Credits:

HCD Phase: Origination

| Unit Size | 2025 TCAC Threshold Basis Limits (TBL) | # of Units | Basis x Number of Units | | |
|---|---|---|---|---|---|
| | | | | TOTAL **UNADJUSTED** THRESHOLD BASIS LIMIT (TBL): | $0 |
| SRO/Studio | $0 | 0 | $0 | TOTAL **HCD** ADJ. THRESHOLD BASIS LIMIT: | $0 |
| 1 Bedroom | $0 | 0 | $0 | Adjusted Threshold Basis Limit multiplied by 160%: | $0 |
| 2 Bedrooms | $0 | 0 | $0 | HCD HIGH COST TEST RESULT: | 0% |
| 3 Bedrooms | $0 | 0 | $0 | | |
| 4+ Bedrooms | $0 | 0 | $0 | **Total Eligible Basis** | $0 |

| Manager Units in Project: | 0 | TOTAL UNITS: | 0 |
|---|---|---|---|

ADJUSTMENTS Cal Code of Reg §10327(c)(5)(A-F)

| | | | |
|---|---|---|---|
| (A) | Adjustment for Projects paid in whole or part out of public funds subject to a legal requirement for the payment of state or federal prevailing wages or financed in part by a labor-affiliated organization requiring the employment of construction workers who are paid at least state or federal prevailing wages (20%). | | $0 |
| | For Projects certifies that (1) they are subject to a Project labor agreement within the meaning of §2500(b)(1) of the Public Contract Code, or (2) they will use a skilled and trained workforce as defined by §25536.7 of the Health and Safety Code to perform all onsite work within an apprenticeable occupation in the building and construction trades (5%). | | $0 |
| (B) | For New construction Projects required to provide parking beneath residential units (not "tuck under" parking) or through construction of an on-site parking structure of two or more levels (10%). | | $0 |
| (C) | For Projects where a day care center is part of the development (2%). | | $0 |
| (D) | For Projects where 100 percent of the units are for Special Needs populations (2%). | | $0 |
| (E) | Project applying under §10325 or §10326 of the TCAC regulations that includes one or more of the features below (up to 10%). | | $0 |
| (F) | Project requires seismic upgrading of existing structures, and/or requires toxic or other environmental mitigation as certified by the Project architect/ engineer (lesser of costs or 15% basis adjustment). | | $0 |
| | If Yes, select type of work: | Enter Certified Costs of Work: | |
| (G) | Local development impact fees required to be paid to local government entities. Certification from local entities assessing fees also required. **WAIVED IMPACT FEES ARE INELIGIBLE.** | | |
| (H) | Projects where at least 95% of the Project's upper floor units are serviced by an elevator (10%). | | $0 |
| (I) | Projects wherein at least 95% of the building(s) is constructed as Type I as defined in the California Building Code, in which case, the Type III 10% increase below is not allowed (15%). | | $0 |
| (J) | Projects wherein at least 95% of the building(s) is constructed as (1) a Type III as defined in the California Building Code, or (2) a Type III/Type I combination, in which case, the Type I 15% increase above is not be allowed (10%). | | $0 |
| (K) | Projects within a county with an unadjusted 9% threshold basis limit for a 2-bedroom unit equal or less than $500,000 and within a census tract designated on the TCAC/HCD Opportunity Map as Highest or High Resource (10%). | No | $0 |
| | County Eligibility: | TCAC/HCD Opportunity Area Map Tract ID #: | Opportunity Map Resource Level: |

**End of Document**

2 4
3 5
4 6
5 7
6 8

2025 BASIS LIMITS

| County | SRO & STUDIO | 1 BEDROOM | 2 BEDROOMS | 3 BEDROOMS | 4+ BEDROOMS |
|---|---|---|---|---|---|
| Alameda | $473,390 | $545,814 | $658,400 | $842,752 | $938,878 |
| Alpine | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Amador | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Butte | $319,236 | $368,076 | $444,000 | $568,320 | $633,144 |
| Calaveras | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Colusa | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Contra Costa | $473,390 | $545,814 | $658,400 | $842,752 | $938,878 |
| Del Norte | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| El Dorado | $331,890 | $382,666 | $461,600 | $590,848 | $658,242 |
| Fresno | $307,732 | $354,812 | $428,000 | $547,840 | $610,328 |
| Glenn | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Humboldt | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Imperial | $324,988 | $374,708 | $452,000 | $578,560 | $644,552 |
| Inyo | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Kern | $307,732 | $354,812 | $428,000 | $547,840 | $610,328 |
| Kings | $307,732 | $354,812 | $428,000 | $547,840 | $610,328 |
| Lake | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Lassen | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Los Angeles | $437,727 | $504,695 | $608,800 | $779,264 | $868,149 |
| San Francisco | $689,665 | $795,177 | $959,200 | $1,227,776 | $1,367,819 |
| San Joaquin | $307,732 | $354,812 | $428,000 | $547,840 | $610,328 |
| San Luis Obispo | $404,366 | $466,230 | $562,400 | $719,872 | $801,982 |
| San Mateo | $532,060 | $613,460 | $740,000 | $947,200 | $1,055,240 |
| Santa Barbara | $404,366 | $466,230 | $562,400 | $719,872 | $801,982 |
| Santa Clara | $532,060 | $613,460 | $740,000 | $947,200 | $1,055,240 |
| Santa Cruz | $404,366 | $466,230 | $562,400 | $719,872 | $801,982 |
| Shasta | $319,236 | $368,076 | $444,000 | $568,320 | $633,144 |
| Sierra | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Siskiyou | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Solano | $384,234 | $443,018 | $534,400 | $684,032 | $762,054 |
| Sonoma | $384,234 | $443,018 | $534,400 | $684,032 | $762,054 |
| Stanislaus | $307,732 | $354,812 | $428,000 | $547,840 | $610,328 |
| Sutter | $331,890 | $382,666 | $461,600 | $590,848 | $658,242 |
| Tehama | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Trinity | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |

| | | | | | |
|---|---|---|---|---|---|
| Tulare | $307,732 | $354,812 | $428,000 | $547,840 | $610,328 |
| Tuolumne | $352,022 | $405,878 | $489,600 | $626,688 | $698,170 |
| Ventura | $404,366 | $466,230 | $562,400 | $719,872 | $801,982 |
| Yolo | $331,890 | $382,666 | $461,600 | $590,848 | $658,242 |
| Yuba | $331,890 | $382,666 | $461,600 | $590,848 | $658,242 |

# HCD 2024 Developer Fee Calculator - 04/03/2024

## TCAC regulations - 04/03/2024

Project Name:

Project Phase: Origination

ADMINISTRATIVE NOTICE NO. 24-03

Per "ADMINISTRATIVE NOTICE NO. 24-03", does the proposed Project have a previous HCD award to which the new Developer Fee not apply?

## Certification & Legal Disclosure

**On behalf of the entity identified in the signature block below, I certify that:**

1. The information, statements and attachments included in this application are, to the best of my knowledge and belief, true and correct.

2. I possess the legal authority to submit this application on behalf of the entity identified in the signature block.

3. The following is a complete disclosure of all identities of interest - of all persons or entities, including affiliates, that will provide goods or services to the Project either (a) in one or more capacity or (b) that qualify as a "Related Party" to any person or entity that will provide goods or services to the Project. "Related Party" is defined in Section 10302 of the California Code of Regulations (CTCAC Regulations):

4. As of the date of application, the Project, or the real property on which the Project is proposed (Property) is not party to or the subject of any claim or action at the State or Federal appellate level.

5. I have disclosed and described below any claim or action undertaken which affects or potentially affects the feasibility of the Project.

In addition, I acknowledge that all information in this application and attachments is public, and may be disclosed by the State.

| Printed Name | Title of Signatory | Signature | Date |
|---|---|---|---|
| | | | |

### Legal Disclosure

For purposes of the following questions, and with the exceptions noted below, the term “Applicant” shall include the applicant and joint applicant, and any subsidiary of the applicant or joint applicant if the subsidiary is involved in (for example, as a guarantor) or will be benefited by the application or the project.

In addition to each of these entities themselves, the term “Applicant” shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, directors, principals and senior executives of the entity if the entity is a corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company. For projects using tax-exempt bonds, it shall also include the individual who will be executing the bond purchase agreement.

The following questions must be responded to for each entity and person qualifying as an "Applicant," or "joint applicant" as defined above.

***Explain all positive responses on a separate sheet and include with this questionnaire in the application.***

***Exceptions:***

Public entity applicants without an ownership interest in the proposed project, including but not limited to cities, counties, and joint powers authorities with 100 or more members, are not required to respond to this questionnaire.

Members of the boards of directors of non-profit corporations, including officers of the boards, are also not required to respond. However, chief executive officers (Executive Directors, Chief Executive Officers, Presidents or their equivalent) must respond, as must chief financial officers (Treasurers, Chief Financial Officers, or their equivalent).

| **Civil Matters** | |
|---|---|
| 1. Has the applicant filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against it, defaulted on a loan or been foreclosed against in *past ten years*? | |
| 2. Is the applicant currently a party to, or been notified that it may become a party to, any civil litigation that may materially and adversely affect (a) the financial condition of the applicant’s business, or (b) the project that is the subject of the application? | |
| 3. Have there been any administrative or civil settlements, decisions, or judgments against the applicant within the past ten years that materially and adversely affected (a) the financial condition of the applicant’s business, or (b) the project that is the subject of the application? | |
| 4. Is the applicant currently subject to, or been notified that it may become subject to, any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency? | |
| 5. In the past ten years, has the applicant been subject to any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency that resulted in a settlement, decision, or judgment? | |
| **Criminal Matters** | |
| 6. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, felony charges against the applicant? | |
| 7. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, misdemeanor charges against the applicant for matters relating to the conduct of the applicant’s business? | |
| 8. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, criminal charges (whether felony or misdemeanor) against the applicant for any financial or fraud related crime? | |
| 9. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, that could materially affect the financial condition of the applicant’s business? | |
| 10. Within the past ten years, has the applicant been convicted of any felony? | |
| 11. Within the past ten years, has the applicant been convicted of any misdemeanor related to the conduct of the applicant’s business? | |
| 12. Within the past ten years, has the applicant been convicted of any misdemeanor for any financial or fraud related crime? | |

| Printed Name | Title of Signatory | Signature | Date |
|---|---|---|---|
| | | | |

# Local Approvals and Environmental Review Verification

To the Applicant: Submit this form to the agency or department of local government responsible for administration of the items listed. This form may be submitted to more than one agency or department if necessary. If an item is not required, include the reason why in box provided.

| | |
|---|---|
| Project Applicant/Co-Applicant: | |
| Applicant/Co-Applicant Address: | |
| Applicant/Co-Applicant City: | |
| Project Name: | |
| Project Address/site: | |
| Project City: | |
| Project County: | |
| Assessor Parcel Numbers (APNs): | FALSE |

To the local jurisdiction: The Applicant named above has submitted an application to the State Dept. of Housing and Community Development (HCD) requesting funding for the Project named above, under the Homekey+ Program. Projects submitted for program funding are subject continuous, over the Counter basis, with exceptions noted in Section 400. Project readiness is a component of that process. Verification of items listed below will be used in evaluating Homekey+ applications.

Is this Project approved "by right"?

| | | Applicable for this Project | % Complete | Approved Date |
|---|---|---|---|---|
| CEQA Environmental Clearance is in progress, approved, or determined to be unnecessary | **CEQA** | | | |
| NEPA Environmental Clearance is in progress, approved, or determined to be unnecessary | **NEPA** | | | |

Specify in the box below, items not required and explain why (include documentation, if applicable):

| | Required for this Project? | Under Review? | Verified as Completed and date completed |
|---|---|---|---|
| All necessary, discretionary, and non-discretionary public land use approvals except building permits and other ministerial approvals are: | | | |

Specify in the box below, items not required and explain why (include documentation, if applicable):

Dated:

| | |
|---|---|
| Statement Completed by (please print): | |
| Signature: | |
| Title: | |
| Agency or Department: | |
| Agency or Department Address: | |
| Agency or Department Phone: | |

## Full list of Uploads

Green checkmark =

X mark, means not a
responsibility of the

| FILE NAME | | FILE DESCRIPTION | | |
|---|---|---|---|---|
| **HCD Excel Application** | | | | |
| File Name | 01. HK Application Workbook | HK Application Excel Workbook. | | ✓ |
| **"Project Overview" Sheet/Tab** | | | | |
| File Name | 02a. App1 Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | | ✗ |
| File Name | 02b. App1 Authorizing Resolution | Authorizing Resolution | | ✗ |
| File Name | 02c. App1 Signature Block | Signature Block - upload in Microsoft Word Document. | | ✗ |
| File Name | 02d. App1 TIN Form | Completed Government TIN form. | | ✗ |
| File Name | 03a. Co-App1 Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | | ✗ |
| File Name | 03b. Co-App1 OrgDoc1, Co-App1 OrgDoc2, etc. | Reference: Entity Org Docs Worksheet. | | ✗ |
| File Name | 03c. Co-App1 Authorizing Resolution | Authorizing Resolution | | ✗ |
| File Name | 03e. Co-App1 Signature Block | Signature Block - upload in Microsoft Word Document. | | ✗ |
| File Name | 03f. Co-App1 Cert of Good Standing | Dated 30 days or less from the application due date. | | ✗ |
| File Name | 03g. Co-App1 EIN Verification | EIN Verification (IRS form SS-4) (except jurisdictions) | | ✗ |
| File Name | 03h. Co-App1 Tax-Exempt Status | Evidence of tax-exempt status from IRS and FTB for Corporations (Non-Profits Only). | | ✗ |
| File Name | 03i. Co-App1 Payee Data Record | Completed Payee Data Record. | | ✗ |
| File Name | 03j. Co-App1 TIN Form | Completed Government TIN form (jurisdictions only). | | ✗ |
| File Name | 04a. Co-App2 Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | | ✗ |
| File Name | 04b. Co-App2 OrgDoc1, Co-App2 OrgDoc2, etc. | Reference: Entity Org Docs Worksheet. | | ✗ |
| File Name | 04c. Co-App2 Authorizing Resolution | Authorizing Resolution | | ✗ |
| File Name | 04e. Co-App2 Signature Block | Signature Block - upload in Microsoft Word Document. | | ✗ |
| File Name | 04f. Co-App2 Cert of Good Standing | Dated 30 days or less from the application due date. | | ✗ |
| File Name | 04g. Co-App2 EIN Verification | EIN Verification (IRS form SS-4) (except jurisdictions) | | ✗ |
| File Name | 04h. Co-App2 Tax-Exempt Status | Evidence of tax-exempt status from IRS and FTB for Corporations (Non-Profits Only). | | ✗ |
| File Name | 04i. Co-App2 Payee Data Record | Completed Payee Data Record. | | ✗ |
| File Name | 04j. Co-App2 TIN Form | Completed Government TIN form (jurisdictions only). | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 05a. Co-App3 Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | | ✗ |
| File Name | 05b. Co-App3 OrgDoc1, Co-App3 OrgDoc2, etc. | Reference: Entity Org Docs Worksheet. | | ✗ |
| File Name | 05c. Co-App3 Authorizing Resolution | Authorizing Resolution | | ✗ |
| File Name | 05e. Co-App3 Signature Block | Signature Block - upload in Microsoft Word Document. | | ✗ |
| File Name | 05f. Co-App3 Cert of Good Standing | Dated 30 days or less from the application due date. | | ✗ |
| File Name | 05g. Co-App3 EIN Verification | EIN Verification (IRS form SS-4) (except jurisdictions) | | ✗ |
| File Name | 05h. Co-App3 Tax-Exempt Status | Evidence of tax-exempt status from IRS and FTB for Corporations (Non-Profits Only). | | ✗ |
| File Name | 05i. Co-App3 Payee Data Record | Completed Payee Data Record. | | ✗ |
| File Name | 05j. Co-App3 TIN Form | Completed Government TIN form (jurisdictions only). | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 06a. Co-App4 Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | | ✗ |
| File Name | 06b. Co-App4 OrgDoc1, Co-App4 OrgDoc2, etc. | Reference: Entity Org Docs Worksheet. | | ✗ |
| File Name | 06c. Co-App4 Authorizing Resolution | Authorizing Resolution | | ✗ |
| File Name | 06e. Co-App4 Signature Block | Signature Block - upload in Microsoft Word Document. | | ✗ |
| File Name | 06f. Co-App4 Cert of Good Standing | Dated 30 days or less from the application due date. | | ✗ |
| File Name | 06g. Co-App4 EIN Verification | EIN Verification (IRS form SS-4) (except jurisdictions) | | ✗ |
| File Name | 06h. Co-App4 Tax-Exempt Status | Evidence of tax-exempt status from IRS and FTB for Corporations (Non-Profits Only). | | ✗ |
| File Name | 06i. Co-App4 Payee Data Record | Completed Payee Data Record. | | ✗ |
| File Name | 06j. Co-App4 TIN Form | Completed Government TIN form (jurisdictions only). | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 07a. MGP Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | | ✗ |
| File Name | 07b. MGP OrgDoc1, MGP OrgDoc2, etc. | Reference: Entity Org Docs Worksheet. | | ✗ |
| File Name | 07c. MGP Resolution | Authorizing Resolution. | | ✗ |
| File Name | 07e. MGP Signature Block | Signature Block - upload in Microsoft Word Document. | | ✗ |
| File Name | 07f. MGP Cert of Good Standing | Dated 30 days or less from the application due date. | | ✗ |
| File Name | 07g. MGP Tax-Exempt Status | Evidence of tax-exempt status from IRS and FTB for Corporations (Non-Profits Only). | | ✗ |
| File Name | 07h. MGP Payee Data Record | Completed Payee Data Record. | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 08a. AGP1 Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | | ✗ |
| File Name | 08b. AGP1 OrgDoc1, AGP1 OrgDoc2, etc. | Reference: Entity Org Docs Worksheet. | | ✗ |
| File Name | 08c. AGP1 Resolution | Authorizing Resolution. | | ✗ |
| File Name | 08e. AGP1 Signature Block | Signature Block - upload in Microsoft Word Document. | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 08f. AGP1 Cert of Good Standing | Dated 30 days or less from the application due date. | | ✗ |
| File Name | 08g. AGP1 Tax-Exempt Status | Evidence of tax-exempt status from IRS and FTB for Corporations (Non-Profits Only). | | ✗ |
| File Name | 08h. AGP1 Payee Data Record | Completed Payee Data Record. | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 09a. AGP2 Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | | ✗ |
| File Name | 09b. AGP2 OrgDoc1, AGP2 OrgDoc2, etc. | Reference: Entity Org Docs Worksheet. | | ✗ |
| File Name | 09c. AGP2 Resolution | Authorizing Resolution. | | ✗ |
| File Name | 09e. AGP2 Signature Block | Signature Block - upload in Microsoft Word Document. | | ✗ |
| File Name | 09f. AGP2 Cert of Good Standing | Dated 30 days or less from the application due date. | | ✗ |
| File Name | 09g. AGP2 Tax-Exempt Status | Evidence of tax-exempt status from IRS and FTB for Corporations (Non-Profits Only). | | ✗ |
| File Name | 09h. AGP2 Payee Data Record | Completed Payee Data Record. | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 10a. MLLC Cert & Legal Disclosure | Reference: Applicant Certification Worksheet. | | ✗ |
| File Name | 10b. MLLC OrgDoc1, MLLC OrgDoc2, etc. | Reference: Entity Org Docs Worksheet. | | ✗ |
| File Name | 10c. MLLC Resolution | Authorizing Resolution. | | ✗ |
| File Name | 10e. MLLC Signature Block | Signature Block - upload in Microsoft Word Document. | | ✗ |
| File Name | 10f. MLLC Cert of Good Standing | Dated 30 days or less from the application due date. | | ✗ |
| File Name | 10g. MLLC Tax-Exempt Status | Evidence of tax-exempt status from IRS and FTB for Corporations (Non-Profits Only). | | ✗ |
| File Name | 10h. MLLC Payee Data Record | Completed Payee Data Record. | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 11. LLC OA | Operating Agreement | | ✗ |
| File Name | 11. LP-1 | Certificate of Limited Partnership (LP-1) | | ✗ |
| File Name | 11. LP-2 | Amendment to Certificate of Limited Partnership (LP-2) | | ✗ |
| File Name | 11. LPA | Limited Partnership Agreement | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 12. Letter local county BHD | Provide the Department with letter from the local county behavioral health department describing the support for the Project (capital, operating or service commitments, referrals, stakeholder collaboration, etc.) | | ✗ |
| File Name | 13. Unsuccessful tax credit-bonds | Provide evidence if your unsuccessful application for tax credit/bonds. | | ✗ |
| File Name | 14. Existing HCD Award | Provide a copy of your existing HCD award letter - Upload as Capital EFCs | | ✗ |
| File Name | 15. Tax Credit Reservation | If the Project has already received a tax credit reservation, upload documentation - Upload as Capital EFCs | | ✗ |
| File Name | 16. Utility allowance | Schedule of utility allowances. | | ✗ |
| File Name | 17. CES Participation, CoC and Subsidy Form | Provide a plan for tenant selection, and it shall be reasonably detailed and comprehensive. | | ✗ |
| File Name | 18. Relocation Plan | Relocation Plan. | | ✗ |
| File Name | 19. CEQA | Copy of CEQA Determination Documents (if applicable). | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 20. NEPA | NEPA Authority to Use Grant Funds issued by the Responsible Entity if the project is proposing use of federal funds.<br>Note: Not required at time of application, but required prior to disbursements. | | ✗ |

| "Max Funds & Unit Mix" Sheet/Tab | | | | |
|---|---|---|---|---|
| File Name | 21. Funding Limit Exemption Form | Provide justification for the need in excess funding above the funding limits. Applicants asserting the Project is in a high-cost area shall provide data from HUD, the United States Census Bureau, or another authoritative source to validate the assertion. | | ✗ |

| "Supportive Services Plan" Sheet/Tab | | | | |
|---|---|---|---|---|
| File Name: | 22. LSP Contract | Lead Service Provider Contract, Agreement or Letter of Intent. | | ✗ |
| File Name: | 22. LSP NonApplicant Contract | Lead Service Provider Contract, Agreement or Letter of Intent (non-Applicant provider). | | ✗ |
| File Name: | 23. LSP resumes | Provide resumes of Supportive Services staff who will be overseeing Case Managers on the Project. Not required for Assisted Units with Veterans Affairs Supportive Housing (HUD-VASH) vouchers | | ✗ |
| File Name | 24. Property Management Plan | Submit Property Management Plan and Tenant Selection Policies | | ✗ |

| "Threshold Requirements" Sheet/Tab | | | | |
|---|---|---|---|---|
| File Name | 25. Tribal Entity Waiver | Modifications or waivers as provided for in HSC §50406, subdivision (p) (Assembly Bill 1010 (Chapter 660, Statutes of 2019). | | ✗ |
| File Name | 26. Project Ownership Structure | Provide a "Project Ownership Structure" chart. | | ✗ |
| File Name | 27. Non-Discrimination Policy | Provide a non-discrimination policy. | | ✗ |
| File Name | 28. Equity Statement | Provide Racial & Gender Equity statement by answering the above question. | | ✗ |
| File Name | 29. Engaging the Target Population Statement | Provide a response to the question above. | | ✗ |
| File Name | 30. Site Control | Documentation of site control in accordance with UMR §8303, including a summary explanation of site control and values for applications with multiple or non-contiguous parcels, scattered sites, lot line adjustments, phased projects, or other complex land and acquisition transactions, see Article III, §300(x)(a-h). | | ✗ |
| File Name | 31. Indian Country Verification | Documentation verifying land is located in Indian Country as defined by 18 USC 1151. | | ✗ |
| File Name | 32. Fee or Trust Land Verification | Documentation verifying land is located on Fee or Trust Land. | | ✗ |
| File Name | 33. Project Use Change - Lot Split | For Projects that require a use change, lot split or other local approvals for permanent housing, include a commitment and plan to facilitate or expedite those processes, to not delay expenditure and occupancy requirements. | | ✗ |
| File Name | 34. Preliminary Title Report | Provide a preliminary report dated within 90 days of application due date. For projects developed in Indian country, an attorney's opinion regarding chain of title and current title status is acceptable in lieu of a title report. | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name | 35. Development Plan | Provide a detailed development plan that supports acquisition of a site, completion of rehabilitation or construction, occupancy, and fund expenditure before all program deadlines, factoring in entitlements, permits, procurement, potential construction delays and supply chain issues, and demonstrates evidence of strong organizational and financial capacity to develop the Project. | | ✗ |
| File Name | 36. Appraisal | Applicants shall provide an appraisal prepared no earlier than 12 months prior to application submission date for all Projects seeking acquisition funds from Homekey+ or if property value will be used as local match. The appraisal must comply with the Homekey+ requirements outlined in the Homekey+ Appraisal Guidance document, which will be available on the Homekey+ website. | | ✗ |
| File Name | 37. Rehab Description | Narrative description of current condition of structure(s) and overall scope of work. | | ✗ |
| File Name | 38. PNA or CAN | PNA or CNA prepared by a qualified independent third-party contractor. | | ✗ |
| File Name | 39. Market Study | Provide a Market Study dated within the 12 months from Application submission. | | ✗ |
| File Name | 40. Env. Report 1 | Environmental Site Assessment Phase I (prepared or updated no earlier than 12 months prior to the application due date). | | ✗ |
| File Name | 41. Env. Report 2 | If Environmental Site Assessment Phase I requires a Phase II study, submit a Phase II (prepared or updated no earlier than 12 months prior to the application due date). | | ✗ |
| File Name | 42. Relocation narrative | Applicant's Relocation Assistance Narrative shall include or identify the following: §300(xvii)(a-i) | | ✗ |
| File Name | 43. EFC #1, EFC #2, etc. | Provide a letter or other document for all funding commitments for developement and operating sources. | | ✗ |
| File Name | 44. Housing First Statement | Provide relevant experience administering a Project in accordance with the core components of Housing First (Welfare & Institutions Code § 8255). | | ✗ |
| File Name | 45. One-for-one Replacement | Provide a letter of commitment to ensure one-for-one replacement of units. | | ✗ |
| File Name | 46. Existing Unit Mix | Provide an existing unit mix of the current site including residential/commercial shared space. (Units, kitchens, rooms, bathrooms, Unit Amenities/Features, parking spaces, etc. | | ✗ |
| File Name | 47. Aerial Site Map | Provide an arerial map indicating the original target housing location and all proposed housing location(s). | | ✗ |
| File Name | 48. Justification outside the neighborhood | Provide justification explaining why it is necessary to locate this replacement housing outside the target neighborhood (i.e., offsite) and how doing so supports and enables the Target Population to maintain housing. | | ✗ |

| "Scoring" Sheet/Tab | | | | |
|---|---|---|---|---|
| File Name: | 49. Excess state-owned property | Provide documentation/agreement for ground lease with the state to create affordable housing on Excess state-owned property. | | ✗ |
| File Name: | 50. Local Surplus Land | Provide documentation that the proposed Project is located on a site designated as surplus land by a local government. For written compliance with the Surplus Land Act – either an exempt surplus findings letter or standard surplus disposition findings letter from HCD. | | ✗ |
| File Name: | 51. MHSA/BHSA letter | Provide a letter from the local county behavioral health department meeting the EFC requirements in Article VII of this NOFA. | | ✗ |

| | | | | |
|---|---|---|---|---|
| File Name: | 52. Commitment Letters, MOU(s) or other formal agreement | Provide documentation as stated above, be sure to include all as described therein this section. | | ✗ |
| File Name: | 53. Amenities Map | If applicable, provide a radius map with the amenities identified by markers | | ✗ |
| File Name: | 54. High Speed Internet | Provide documentation of high speed internet availability. | | ✗ |

| "Certification & Legal" Sheet/Tab | | | | |
|---|---|---|---|---|
| File Name | 55. Cert-Legal Explanation | Letter of explanation for any "Yes" answers or red shaded items above. Copy this sheet and upload separate from the application. | | ✗ |

| OTHER | | | | |
|---|---|---|---|---|
| File Name | 56. Other 1, Other 2, Other 3, etc. | Any other documentation that would assist HCD to understand and/or assist with Threshold, Scoring, or Program Requirements. | | ✓ Only if ap |

## Application Development Team (ADT) Support Form

V2 3/10/25

Please complete the "yellow" cells in the form below and email a copy to: **AppSupport@hcd.ca.gov** **and** **Homekey.Help@hcd.ca.gov**. A member of the Application Development Team will respond to your request.

| Full Name: | | Date Requested: | | Application Version Date: | 3/10/25 |
|---|---|---|---|---|---|

| Organization: | | Email: | | Contact Phone: | |
|---|---|---|---|---|---|

| Issue # | Sheet/Tab name | Section | Cell# | Describe the issue/error or suggestion | Urgency | ADT Status | Status Date |
|---|---|---|---|---|---|---|---|
| 1 | | | | | | | |
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| 10 | | | | | | | |

# HOMEKEY+

## 835 TURK STREET (FILE 250396)

## 1035 VAN NESS AVENUE (FILE 205397)

APRIL 30, 2025

Sheila Nickolopoulos
Director of Policy & Legislative Affairs

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT (MOHCD)

Emily Cohen
Deputy Director

DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING (HSH)

# HOMEKEY

**Homekey** was a statewide effort to sustain and rapidly expand housing for persons experiencing homelessness or at risk of homelessness.

- Launched during pandemic to meet urgent housing needs.
- Acquire and convert hotels, motels, multi-family apartments, and more, into permanent or interim housing.
- $239 Million for 897 PSH units in San Francisco.

897 new units of PSH across 8 sites

240 units for Families

101 units for Young Adults

556 units for Adults

# PROPOSITION 1

## Proposition 1

- Proposition 1 passed by California voters in March 2024.
- The Behavioral Health Services Act (policy) and Behavioral Health Bond (funding).
- The Bond authorizes **$6.4 billion** to finance behavioral health treatment beds, supportive housing, community sites, and funding for housing veterans with behavioral health needs.

# HOMEKEY +

## Homekey+

- **$1.972 billion** in from Prop 1 for HomeKey+
- Homekey+ is the permanent housing component of the Bond and will be administered by HCD.
- Focuses on quick delivery of permanent affordable housing, generally within 12 months of award.
- Homekey+ will serve Veterans and other individuals with a behavioral health challenge who are at- risk of, or experiencing, homelessness.

- **Homekey+ NOFA released November 2024**
  - Prop 1 funding targets homeless and Veteran populations, permanent housing only, local funding match required.
  - Program changes include requirement to serve persons with serious mental illness or substance use disorder (and related commitments from County DPH's).

# 835 TURK

- 112 units and private baths, acquired by the City in March 2022
- Five Keys School & Programs operates the building through a Ground Lease with HSH as permanent supportive housing (PSH) for formerly homeless adults

**$18M Homekey+ (rehab and operations)**

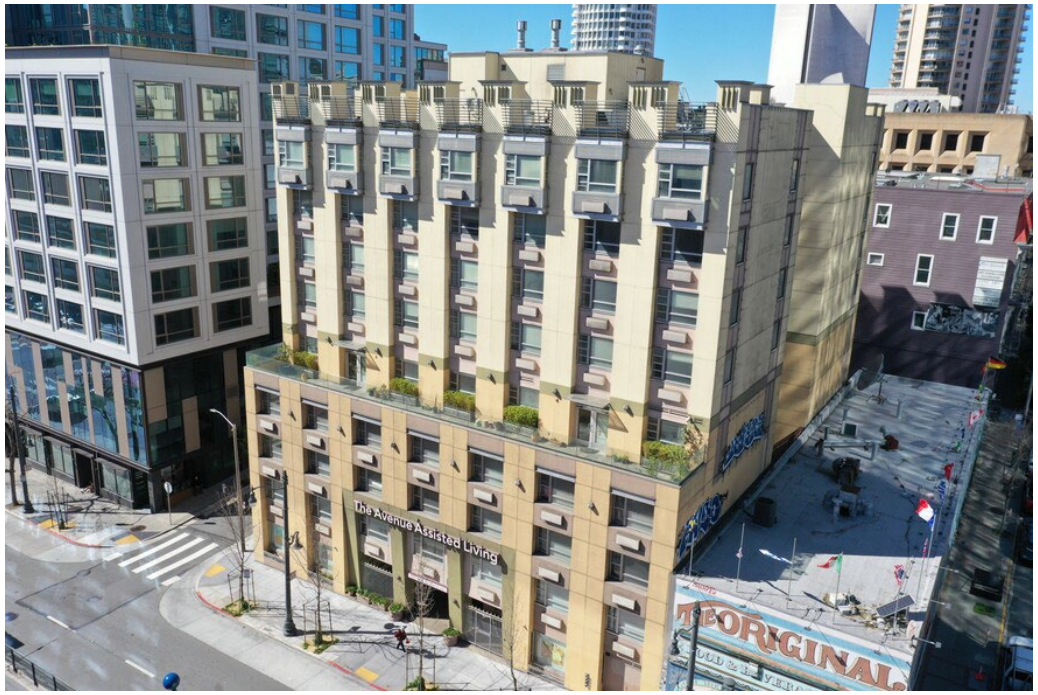
- Critical structural improvements and creation of 6 disability access units for a new total of 106 units
- 53 units will be supported by Homekey+, eligible to formerly homeless adults with mental health and/or substance use challenges
- Existing operating dollars through Prop C funding

# 1035 VAN NESS

- Former assisted living facility, 9-story building with 106 units with private baths and small kitchenettes.
- Swords to Plowshares to own, operate, and maintain as PSH through grant agreements with HSH.

**$32.5M Homekey+ (acquisition and rehab)**

- Acquisition through partnership with Housing Accelerator Fund (HAF), MOHCD, and HSH.
- Conversion into 124 units of PSH for formerly homeless veterans with mental health or substance use challenges.
- Operating funds through SFHA's VASH program.



# NEXT STEPS

These projects are a joint effort of MOHCD and HSH and we will be working in close partnership to move these forward.

- **May 30, 2025:** Application deadline to State HCD for Homekey+ funds

- **Summer/Fall 2025:** HCD announces Homekey+ awards
  - City agencies will return to the Board with Accept and Expend legislation if awarded HK+ funding, along with any funding and contract approvals such as Ground Leases or Grant Agreements.

- **Fall 2025:** tentative start of construction, contingent on funding

# THANK YOU

Sheila Nickolopoulos
Director of Policy & Legislative Affairs

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT (MOHCD)

Emily Cohen
Deputy Director

DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING (HSH)

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**
**DIVISION OF STATE FINANCIAL ASSISTANCE**
651 Bannon St, Suite 400
Sacramento, CA 95811
www.hcd.ca.gov

November 26, 2024
Amended January 31, 2025

**MEMORANDUM FOR**: Potential Applicants

**FROM:** Jennifer Seeger, Deputy Director
Division of State Financial Assistance

**SUBJECT:** **Homekey+ Program**
**2024 Notice of Funding Availability**

The California Department of Housing and Community Development (HCD or Department), in collaboration with the California Department of Veterans Affairs (CalVet), is pleased to announce the **availability of approximately $2.145 billion of Homekey+ grant funding** through this Notice of Funding Availability (NOFA).

Proposition 1, passed by California voters in March 2024, is a critical step in advancing the state's goals to reduce homelessness and protect our most vulnerable populations through important changes to the Mental Health Services Act (MHSA). Proposition 1 includes the Behavioral Health Services Act (BHSA) and the Behavioral Health Infrastructure Bond Act (BHIBA). Homekey+ is the Permanent Supportive Housing component of the BHIBA.

Homekey+ will support the development of Permanent Supportive Housing for Veterans and individuals with mental health or substance use disorder challenges who are at-risk of or experiencing homelessness. Building on the success of both Roomkey and approximately $3.572 billion awarded over three rounds of Homekey, Homekey+ continues a statewide effort to sustain and rapidly expand Permanent Supportive Housing for persons experiencing homelessness.

Like other programs administered by the State of California that serve people experiencing homelessness, Homekey+ requires the use of Housing First, which is an evidenced-based model that quickly and successfully connects individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry or continued tenancy, such as sobriety, treatment or service participation requirements. With safe, affordable housing, and supportive services to address Behavioral Health Challenges, California's most vulnerable residents will have the foundation they need to thrive.

The Homekey+ funding available in this NOFA is **to provide Permanent Supportive Housing for individuals or households with an individual who is Homeless, Chronically Homeless, or At Risk of Homeless, and who are also living with a Behavioral Health Challenge.** Homekey+ also establishes allocations for Veterans

and for Youth relative to that Target Population. Homekey+ is largely derived from Proposition 1 bond funds established by the BHIBA (AB 531, Chapter 789, Statutes of 2023).

For this NOFA, as detailed in the table below, an estimated $1.033 billion in Proposition 1 bond funds is available for Veteran-serving Projects. Additionally, an estimated $1.11 billion is available for Projects serving the Target Populations, of which $805 million is derived from Proposition 1 and approximately $307 million is available from the Homeless Housing, Assistance, and Prevention (HHAP) Homekey+ Supplemental funding, made available in the 2023-24 and 2024-25 state budgets.

| Description of Project Type | Funds Available |
|---|---|
| Veteran-serving projects | $1.033 billion |
| All other Target Population Projects | $1.11 billion |

**Tribal Applicants: Please note that a separate Tribal Homekey+ NOFA of approximately $121 million for tribal applicants is available on the Department's** Tribal Homekey+ Program website.

Homekey+ provides housing to persons with Behavioral Health Challenges. Although Homekey+ largely remains similar to prior Homekey rounds, there are important differences to note. Homekey+ will only fund Permanent Supportive Housing; Interim Housing is no longer an eligible use. Homekey+ Projects are supported by laws that allow for a streamlined, ministerial approval process, provided certain conditions are met. However, it is important to note that these conditions have changed significantly from prior rounds of Homekey, as described in Appendix C. In addition to Appendix C, there are a variety of other development streamlining paths in state law that Applicants may wish to consider, which will be available on the Homekey+ website at the time of application release.

A hallmark of prior rounds of Homekey has been producing housing quickly and cost-effectively, mostly through adaptive reuse. HCD will continue to retain and build upon these principles and will offer funding for Permanent Supportive Housing Projects that incorporate cost-containment strategies in new construction Projects. As with the rest of the Homekey+ NOFA, this new construction cost containment pilot will fund Permanent Supportive Housing only. Homekey+ also introduces new flexibility to fund shovel-ready Projects with prior HCD or other awards in need of gap financing to commence construction. Please see Sections 501 and 502 for the new construction and gap financing requirements.

Homekey+ Projects receiving an Award must complete construction within 12 months, starting 60 days from the date of the Award letter, with the exception of new construction and gap financing Projects, which must complete construction within 24 months, starting 60 days from the date of the Award letter (see NOFA Section 204 for more details on all program deadlines).

Appropriate services, as specified in Section 302 “Supportive Services Requirements”, are critical to serving eligible populations in this NOFA. All applicants will need to demonstrate coordination or efforts to coordinate with the county behavioral health department in their community. In addition, Veteran-serving Projects will need to have cultural competency and experience serving Veterans or commit to completing a certification training to gain these competencies.

Lastly, this NOFA prioritizes Projects that commit to sustainable operations. Applicants are encouraged to discuss operating match capacity and local services partnerships during the required pre-application consultation. The NOFA affords HCD the right to prioritize funding for applications that are complete and commit to greater amounts of operational match, regardless of the order of applications received, as outlined in Sections 400-403.

To receive information on the upcoming Homekey+ NOFA webinar and other updates, please click here subscribe to HCD’s Homelessness Prevention Programs listserv.

If you want to learn more, Please visit HCD’s Homekey+ website at Homekey+ | California Department of Housing and Community Development Resources such as guidance and templates mentioned within this NOFA will be published to the website with the release of the Homekey+ Application.

If you have any questions, please submit them to Homekey@hcd.ca.gov.

# Homekey+

## 2024 Notice of Funding Availability (AMENDED)

**Gavin Newsom, Governor**
**State of California**

**Tomiquia Moss, Secretary**
**Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director**
**California Department of Housing and Community Development**
651 Bannon St, Suite 400 Sacramento, CA 95811

Website: Homekey+ | California Department of Housing and Community Development
Homekey+ Program Email: Homekey@hcd.ca.gov

November 26, 2024
Amended January 31 2025

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# Homekey +
## Notice of Funding Availability
## (AMENDED)

### Article I. Program Overview

Section 100. Notice of Funding Availability (NOFA)

The California Department of Housing and Community Development (HCD), in collaboration with the California Department of Veterans Affairs (CalVet), is pleased to announce the availability of approximately $2.145 billion in Homekey+ funding. Homekey+ aims to sustain and rapidly expand the inventory of Permanent Supportive Housing (PSH) for Veterans, young people, and other individuals and their households, with mental health and/or substance use disorder challenges who are at-risk of or experiencing homelessness. All units must be reserved for individuals (and their households, if applicable) with a Behavioral Health Challenge regardless of whether they are serving Veterans, Homeless Youth, or other eligible populations under Title 24 CFR 578.3. Behavioral Health Challenge is defined in the California Welfare and Institutions Code Section 5965.02 to include but not be limited to a serious mental illness, as described in subdivision (c) or (d) of Section 14184.402, or a substance use disorder, as described in Section 5891.5. Enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed. Please see Article VII of this NOFA under the Behavioral Health Challenge definition for the specific statutory language.

Recent estimates using Point-in-Time Count data from the Terner Center for Housing Innovation show that Black people in California experienced the highest rate of homelessness, about 205 people per 10,000—almost five times higher than the state's overall homelessness rate of 44 per 10,000. Native Hawaiian and Pacific Islander, Native American and Indigenous, and multiracial people also experienced disparate homelessness rates compared to the state's overall population. The pandemic made racial disparities even more apparent. California's homeless population is also aging rapidly, with adults 50+ the fastest growing age group. However, California's sustained investment in Veterans housing has resulted in significant reductions in the number of Veterans experiencing homelessness. In fact, California had the largest decrease in the country between 2010 and 2022. Homekey+, as with prior Homekey rounds, recognizes these trends and impacts and encourages Applicants to examine disproportionate impacts in their own communities and to develop strategies to address them, particularly for populations experiencing a Behavioral Health Challenge. Pursuant to Welfare and Institutions Code 8255, Homekey+ Projects are required to follow Housing First, which is an evidence-based model that connects homeless persons to permanent housing without preconditions or barriers to entry and continued tenancy, as outlined in Section 504 of this NOFA.

Homekey+ is an opportunity for Local Public Entities, including state and regional entities, to newly construct PSH, or acquire and convert to PSH a broad range of building types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, and manufactured housing.

There is approximately $2.145 billion in Homekey+ funding that is derived from Proposition 1 bond funds established by the Behavioral Health Infrastructure Bond Act (BHIBA) (AB. 531, Chapter 789, Statutes of 2023), and the Homeless Housing Assistance and Prevention (HHAP) program Homekey Supplemental funding, made available in the 2023-24 and 2024-25 state budgets. For this NOFA, an estimated $1.033 billion in Proposition 1 bond funds are available for Projects for Veterans with a Behavioral Health Challenge. Additionally, an estimated $1.11 billion is available for Projects serving all eligible populations, of which, $805 million is derived from Proposition 1 and approximately $307 million is available from the HHAP Homekey+ Supplemental funding.

Section 101. Authorizing Legislation and Applicable Law

AB 140 (2021-2022 Reg. Sess.) and AB 531 (2023-2024 Reg. Sess.) provide the statutory basis for the Homekey+ Program. AB 140 added Section 50675.1.3 to the Health and Safety Code (HSC). AB 531 added Section 50675.1.5 to the HSC, and it added Chapter 4 (commencing with Section 5965) to Part 7 of Division 5 of the Welfare and Institutions Code.

AB 531 provides for the funding of Permanent Supportive Housing for individuals or households with an individual who is Homeless, Chronically Homeless, or At Risk of Homeless, and who are also living with a Behavioral Health Challenge. AB 531 also establishes allocations for Veterans and for Youth relative to that Target Population. AB 531 provides that such Homekey+ funds shall be disbursed in accordance with Section 50675.1.3 of the HSC, among other laws. AB 531 further provides an exemption pathway for Homekey+ Projects from the California Environmental Quality Act (CEQA). Please see Section 510 and Appendix C for details on this pathway.

HSC section 50675.1.3, subdivision (e) states: “The Department of Housing and Community Development may adopt guidelines for the expenditure of the funds appropriated to HCD, and for the administration of this program. The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.”

Assembly Bill 129 (Chapter 40, Statutes 2023) and Assembly Bill 166 (Chapter 48, Statutes 2024) established Round 5 and 6, respectively, of the Homeless Housing Assistance Prevention (HHAP). In accordance with HSC Section 50232, subdivision (h), the administration of HHAP 5 funds is not subject to the rulemaking provisions of the Administrative Procedure Act (APA) ((Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code)). In accordance with HSC Section 50239, subdivision (h), the administration of HHAP 6 funds is not subject to the rulemaking provisions of the APA. HCD is utilizing money from HHAP 5 and HHAP 6 to supplement this NOFA. This funding will be awarded to eligible cities, counties, and Tribal Entities pursuing the eligible uses of Homekey+ and meeting the HHAP eligible applicant requirements detailed in Section 200.

This NOFA serves as HCD’s guidelines for the expenditure of Homekey+ funds and the administration of the Homekey+ Program. Under this NOFA, references to “Homekey+” means both the guidelines for Homekey+ funded by Proposition 1 and for HHAP. As such, this NOFA establishes the terms, conditions, forms, procedures, and other mechanisms that HCD deems necessary to exercise its powers and to perform its duties pursuant to the

Homekey+ Program. The matters set forth herein are regulatory mandates and are adopted as regulations that have the dignity of statutes. (*Ramirez v. Yosemite Water Company, Inc.* (1999) 20 Cal. 4th 785, 799 [85 Cal.Rptr.2d 844].)

The Multifamily Housing Program (MHP) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the HSC), and as subsequently amended, is hereby incorporated by reference. In accordance with HSC Section 50675.1.3, subdivision (d), in the event of a conflict between this NOFA and the MHP, the provisions of this NOFA are controlling.

The MHP Final Guidelines (MHP Guidelines), effective May 18, 2023, and as subsequently amended, are hereby incorporated by reference. In the event of a conflict between any of this NOFA and the MHP Guidelines, the provisions of this NOFA are controlling.

California Code of Regulations (CCR) Title 25, Section 42 requires an onsite manager, maintenance, or other responsible person for rental housing of 16 or more units, as specified in Section 302 Supportive Services requirements, of this NOFA.

The following administrative notices, policies, and guidance are hereby incorporated herein by reference and shall be deemed to have the same force and effect as if set forth in full herein:

- HCD's "Disencumbrance Policy" (Administrative Notice No. 2022-02), dated March 30, 2022, as amended on December 19, 2022, and as may be subsequently amended;
- HCD's "Negative Points Policy" (Administrative Notice No. 2022-01), dated March 31, 2022, as amended on November 9, 2022 and April 3, 2023, and as may be subsequently amended;
- HCD's "Repeal of Stacking Prohibition of Multiple Department Funding Sources" (Administrative Notice No. 21-06), dated August 20, 2021, and as may be subsequently amended, with the exception noted in Section 207 Funding Limits; and
- The Program's "Homekey Appraisal Guidelines" and as may be subsequently amended.

The Uniform Multifamily Regulations (UMRs) (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended, are hereby incorporated by reference, except to the extent that any UMR provision would be inconsistent with the provisions of this NOFA.

All other criteria and matters set forth within the NOFA shall also govern Tribal Entity applications submitted under this NOFA, unless and except to the extent expressly provided to the contrary by terms set forth within this NOFA and subject to any potential modification or waiver under or pursuant to Assembly Bill No. 1010 (Chapter 660, Statutes 2019), which is set forth in HSC §50406, subdivision (p).

Section 102. Program Timeline

Homekey+ funds will generally be available to Eligible Applicants on a continuous, Over the Counter basis, with exceptions noted in Section 400. The following table summarizes the anticipated Homekey+ program timeline. HCD reserves the right to modify the projected timeline at any time.

**Table 1: Anticipated Timeline for Homekey+ Applications**

| | |
|---|---|
| NOFA release | November 26, 2024 |
| Stakeholder Webinar | January 2025 |
| Application release | Late January 2025 |
| Final application due date | For gap financing Projects: ~~March 14~~ April 3, 2025.<br><br>For all others, May 30, 2025, or until funds are exhausted, whichever occurs first. |
| Award announcements | Continuous, expected to begin June 2025 |
| Standard Agreements | All required documentation is due no later than 45 days from a Conditional Award letter, with SA execution to occur no later than 90 days from the date all required documentation is received. |
| Disbursement of funds | Continuous after Standard Agreement execution, satisfaction of all conditions precedent to disbursement, and completion of a request for funds form. |
| Homekey+ Annual Report | Annually by March 31st, starting after construction completion. |

## Article II. Program Requirements

Section 200. Eligible Applicants

Each of the following entities may apply independently, or each entity may apply jointly with a nonprofit or for-profit corporation, a limited liability company (LLC), and/or a limited partnership (LP) as a Co-Applicant. This includes Applicants applying for gap financing. Under California Code of Regulations Title 25, Section 8313.2. HCD permits Co-Applicants to also be Special Purpose Entities (SPEs). A Special Purpose Entity (SPE) is an entity formed to develop, own, and operate a Project while isolating financial risk. The entity's sole asset is the property, and its sole purpose is to own and manage the property or assets. Please see Sections 300 and 301, and Article VII for more information and required SPE documents.

Eligible Applicants include the following, with the exception noted for HHAP in item (iii.):

i. Cities, counties, cities and counties, and all other state, regional, and Local Public Entities, including councils of government, metropolitan planning organizations, Public Housing Authorities, and regional transportation planning agencies designated in Section 29532.1 of the Government Code.

ii. Tribal Entities.

Tribal Entities are eligible under this NOFA but are also encouraged to apply for Homekey+ via a forthcoming Homekey+ Tribal Entity NOFA of approximately $121 million, to be released under separate cover in November 2024 and available on the Department's Tribal Homekey+ Program website, that will be developed exclusively for and in consultation with Tribes.

The requirements set forth in this NOFA are subject to AB 1010 (Stats. 2019, c. 660), which is set forth in HSC Section 50406, subdivision (p). Accordingly, and pursuant to HSC Section 50406, subdivision (p), **(a)** where the provisions of Tribal law, Tribal governance, Tribal charter, or difference in Tribal Entity or legal structure would cause a violation or not satisfy the requirements of this NOFA, said requirements may be modified as necessary to ensure program compatibility; and **(b)** where provisions of Tribal law, Tribal governance, Tribal charter, or difference in Tribal Entity legal structure or agency create minor inconsistencies (as determined by the Director of HCD or a duly authorized designee thereof) with the requirements set forth in this NOFA, HCD may waive said requirements, as deemed necessary, to avoid an unnecessary administrative burden. Matters set forth or otherwise provided for in this NOFA that may be modified or waived include, without limitation, threshold scoring requirements and any other matters set forth in HSC Section 50406, subdivision (p)(2). Tribal Applicants are accordingly encouraged to discuss any such potential modifications or waivers and their options in that regard at the pre-application consultation.

iii. Pursuant to CA HSC Sections 50237 and 50241, HHAP Homekey+ Supplemental eligible applicants are:

a. California's 14 largest cities with a population of 300,000 or more as of January 1, 2022.

b. California's 58 Counties

c. The entities in a. and b. must have:

1. A compliant housing element as defined in Government Code Section 65589.9, at the time a Homekey+ application is submitted; and

2. An approved HHAP regionally coordinated homelessness action plan.

d. Tribal Entities

Section 201. Eligible Uses

Awarded funds must be used to provide housing for the Target Population of individuals or households including a person who is experiencing a Behavioral Health Challenge and experiencing or At Risk of Homelessness. Projects targeting funds allocated for Veterans Projects must provide housing for Veteran households including experiencing a Behavioral Health Challenge and experiencing or At Risk of Homelessness.

Nothing in the Homekey+ NOFA precludes Applicants from pursuing Projects that include both Homekey+ and non-Homekey+ units, however, Homekey+ will only fund the units that meet the guidelines of the Homekey+ NOFA.

Prospective Applicants are further advised that Projects may contain a mix of eligible Homekey+ subpopulations, including Veterans, non-Veterans, Homeless Youth, etc.

i. The list of eligible uses is as follows:

a. Acquisition or Rehabilitation, or Acquisition and Rehabilitation, of motels, hotels, hostels, apartments or homes, assisted living residences, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to Permanent Supportive Housing (PSH).

b. Master leasing of properties for PSH.

c. Conversion of units from nonresidential to residential PSH. (i.e. adaptive reuse) and conversion of Interim Housing to PSH.

d. New construction of dwelling units (see Section 501).

e. Gap financing (see Section 502).

f. The purchase of affordability covenants and restrictions for units.

g. Relocation costs for individuals who are being displaced because of the Homekey+ Project.

h. Capitalized operating subsidies for PSH units purchased, converted, constructed, or altered with funds provided pursuant to HSC Section 50675.1.3.

ii. Ineligible uses include:

a. Interim Housing.

b. Existing Homekey Assisted Units, previously awarded under Rounds 1, 2 and 3 of Homekey, are ineligible for funding under this NOFA, with the exception of the following:

1. Previously funded Homekey Projects that will expand to create new PSH units, or

2. Previously funded Interim to Perm Homekey Assisted Units are eligible for gap financing under Section 502 of this NOFA, if the units are currently occupied and need funding to convert from Interim Housing to PSH.

c. The Homekey+ program is intended to support the development of PSH units and will not fund congregate shelter.

d. Licensed behavioral health care facilities, which may be eligible for Proposition 1 funding through the Department of Health Care Services (DHCS).

Section 202. Eligible Projects

Homekey+ funds Permanent Supportive Housing (PSH) and will require a 55-year affordability term. HCD welcomes and will consider a variety of innovative housing solutions as eligible Projects, including excess state-owned property developments. The following list of eligible Projects is not exhaustive.

i. Conversion of nonresidential structures to residential dwelling units.

ii. Conversion of commercially zoned structures, such as office or retail spaces, to residential dwelling units.

iii. Conversion of buildings with existing residential or interim uses that will be used to create PSH units.

iv. Multifamily rental housing Projects.

v. Scattered site housing on multiple contiguous or non-contiguous sites is permitted as long as the resulting housing has common ownership, financing, and property management.

vi. PSH units in a shared housing setting. Shared housing is a structure shared by two or more households where each household resides in a separate private bedroom that can be locked and has a lease, with all the rights and responsibilities of tenancy.

vii. Any of the Eligible Projects above, developed in excess state-owned properties.

Section 203. Allocations and Geographic Distribution

Unless otherwise indicated, all NOFA provisions and scoring criteria shall govern the allocations in this NOFA. HCD will deploy unused funds from any undersubscribed allocation and region to fund applications in the manner described in the Discretionary Reserve. HCD will also redeploy undersubscribed and unused funds, as specified at Section 400 of this NOFA. Table 2 shows the funding available in this NOFA by allocation.

**Table 2: Homekey+ Funding Allocations**

| Allocation (% of appropriation) | Veterans | General Population | NOFA Total |
|---|---|---|---|
| Youth - 8% | $85,200,000 | $102,320,000 | $187,520,000 |
| Rural - 5% | $53,250,000 | $63,950,000 | $117,200,000 |
| Discretionary Reserve - 10% | $106,500,000 | $127,900,000 | $234,400,000 |
| Available for Regions | $788,100,000 | $817,586,000 | $1,605,686,000 |
| **Totals** | **$1,033,050,000** | **$1,111,756,000** | **$2,144,806,000** |

i. Allocations

a. Youth At Risk of or Experiencing Homelessness

Pursuant to HSC Section 50675.1.3, subdivision (c), HCD shall allocate not less than eight percent (8%) of the Homekey+ funding appropriated, for Projects serving Homeless Youth, or Youth at Risk of Homelessness, as defined in 24 Code of Federal Regulations (CFR) part 578.3.

b. Rural Target Allocation

HCD will allocate five percent (5%) of the appropriated Homekey+ funding for Projects in Rural Area jurisdictions as set forth in HSC Section 50199.21.

c. Discretionary Reserve

HCD will allocate ten percent (10%) of available Homekey+ funds for a Discretionary Reserve to address the following:

1. Covering overages from other allocations, where there are funds available, but the funds are insufficient to fully fund the next eligible Project in the region or allocation.

2. Funding high scoring Projects from oversubscribed regions. Awards will not be made until application period closes to the extent funds are available.

d. Geographic Distributions

Homekey+ aims to equitably offer opportunities throughout the state for Eligible Applicants to apply to this NOFA. After distributing funds to the Homeless Youth, Rural Target and Discretionary Reserve Allocations, this NOFA allocates the balance of the funds geographically. The Homekey+ geographic regions outlined in Table 3 below are largely aligned with California's Councils of Government (COGs).

Each region's share of the Homekey+ allocation is calculated based on its proportionate share of Veterans and other persons experiencing homelessness as indicated by the sheltered and unsheltered 2023 Homeless Point-in-Time Count (PIT), plus each region's proportionate share of Extremely Low Income (ELI) renter households that are paying more than 50 percent of their income for rent (Severely Rent-Burdened), sourcing data from the 2022 American Community Survey (ACS) Integrated Public-use Microdata Sample. In order to most accurately account for need, the regional funding allocations in this NOFA consist of a distribution for Projects serving the general population and a distribution for Veterans. The Veteran PIT and Severely Rent-Burdened figures are deducted from the general population numbers as to not double count Veterans.

**Table 3: Homekey+ Geographic Regions**

| Counties by Region | | | | | |
|---|---|---|---|---|---|
| **Balance of State** | Alpine | **Bay Area** | Alameda | **San Diego County** | |
| | Amador | | Contra Costa | **San Joaquin Valley** | Fresno |
| | Butte | | Marin | | Kern |
| | Calaveras | | Napa | | Kings |
| | Colusa | | San Francisco | | Madera |
| | Del Norte | | San Mateo | | Merced |
| | Glenn | | Santa Clara | | San Joaquin |
| | Humboldt | | Solano | | Stanislaus |
| | Inyo | | Sonoma | | Tulare |
| | Lake | **Central Coast** | Monterey | **Southern California** | Imperial |
| | Lassen | | San Benito | | Orange |
| | Mariposa | | San Luis Obispo | | Riverside |
| | Mendocino | | Santa Barbara | | San Bernardino |
| | Modoc | | Santa Cruz | | Ventura |
| | Mono | **Los Angeles County** | | | |
| | Nevada | **Sacramento County** | El Dorado | | |
| | Plumas | | Placer | | |
| | Shasta | | Sacramento | | |
| | Sierra | | Sutter | | |
| | Siskiyou | | Yolo | | |
| | Tehama | | Yuba | | |
| | Trinity | | | | |
| | Tuolumne | | | | |

Table 4 shows the regional allocations resulting from deducting the Veterans PIT and Veterans who are Severely Rent-Burdened from the general population

numbers. Table 5 shows the regional allocations for units and Projects serving Veterans. Table 6 below shows the total funding available in this NOFA by regional allocation.

**Table 4: Homekey+ Geographic Allocation for General Population**
***Figures do not include Veterans**

| Region | 2023 PIT Count* | Severely Rent-Burdened* | Allocation |
|---|---|---|---|
| Balance of State | 7,665 | 22,714 | $28,990,773 |
| Bay Area | 34,643 | 203,285 | $161,667,416 |
| Central Coast | 7,138 | 43,253 | $33,727,136 |
| Los Angeles County | 71,236 | 381,880 | $321,433,030 |
| Sacramento Area | 11,455 | 61,717 | $51,781,757 |
| San Diego County | 9,450 | 95,499 | $56,293,533 |
| San Joaquin Valley | 12,499 | 90,772 | $63,635,222 |
| Southern California | 16,247 | 174,940 | $100,057,133 |
| **Total** | **170,333** | **1,074,060** | **$817,586,000** |

**Table 5: Homekey+ Geographic Allocation for Veterans**

| Region | 2023 Veteran PIT Count | Severely Rent-Burdened Veterans | Veteran Allocation |
|---|---|---|---|
| Balance of State | 582 | 2,277 | $41,923,051 |
| Bay Area | 2,013 | 7,388 | $141,592,331 |
| Central Coast | 405 | 1,252 | $26,847,679 |
| Los Angeles County | 4,282 | 12,382 | $277,863,641 |
| Sacramento Area | 752 | 2,266 | $49,438,314 |
| San Diego County | 814 | 7,939 | $91,905,882 |
| San Joaquin Valley | 606 | 3,781 | $53,520,342 |
| Southern California | 1,135 | 7,763 | $105,008,761 |
| **Total** | **10,589** | **45,048** | **$788,100,000** |

**Table 6: Summary of Homekey+ Regional Allocations (Tables 4 and 5)**

| Region | Veteran Allocation | General Population Allocation | Total Allocation |
|---|---|---|---|
| Balance of State | $41,923,051 | $28,990,773 | $70,913,823 |
| Bay Area | $141,592,331 | $161,667,416 | $303,259,747 |
| Central Coast | $26,847,679 | $33,727,136 | $60,574,815 |
| Los Angeles County | $277,863,641 | $321,433,030 | $599,296,672 |
| Sacramento Area | $49,438,314 | $51,781,757 | $101,220,070 |
| San Diego County | $91,905,882 | $56,293,533 | $148,199,415 |
| San Joaquin Valley | $53,520,342 | $63,635,222 | $117,155,564 |
| Southern CA | $105,008,761 | $100,057,133 | $205,065,894 |
| **Totals** | **$788,100,000** | **$817,586,000** | **$1,605,686,000** |

Section 204. Program Deadlines

Awardees will be subject to the following deadlines, summarized in Table 7. The dates begin 60 days after the Homekey+ Conditional Award letter date to allow time for Standard Agreement execution. If the due date falls on a weekend or holiday, then the due date becomes the next business day after the weekend or holiday. Construction Completion can be proven by a Temporary Certificate of Occupancy, Certificate of Completion, or Contractor scope of work with signed statement of completion. Occupancy completion is proven by Rent Roll or other forms of verification to prove units are occupied.

**Table 7: Program Deadlines***

| Eligible Uses | Break Ground (if applicable) | Complete Construction | Complete Expenditure | Complete Occupancy |
|---|---|---|---|---|
| **New Construction and Gap Financing** | 6 months | 24 months | 27 months | 27 months |
| **All other Eligible Uses in Section 201** | N/A | 12 months | 15 months | 15 months |

*Deadlines begin 60 days from date of Award letter and may only change upon HCD approval.

i. New construction and gap financing Projects must break ground within 6 months.

ii. All Eligible Uses in Section 201, except new construction and gap financing, must be completed in 12 months. New construction and gap financing projects must be completed in 24 months.

iii. Capital Expenditure for all Eligible Uses in Section 201, except new construction and gap financing, must be completed within 12 months. Capital Expenditure for new construction and gap financing must be completed within 24 months. Any project type may request an expenditure deadline extension to Occupancy completion.

iv. Full occupancy must be achieved 90 days upon completing construction. For acquisition of new construction projects with no Rehabilitation, occupancy must be achieved within six (6) months of acquisition. HCD reserves the right to recommend special conditions for longer occupancy timeframes for large Projects (over 75 units) up to an additional three (3) months.

v. All Awards for Operating Expenses must be expended within ten (10) years from initial occupancy. HCD may, in its sole and absolute discretion, extend the expenditure deadline up to a total of 15 years.

HCD may, in its sole and absolute discretion, approve an extension of the acquisition, Rehabilitation, construction, and/or occupancy deadlines if the Grantee demonstrates, to HCD's satisfaction, that the relevant delay is caused by reasonably unforeseeable events, conditions, or circumstances. Construction labor shortages and supply chain issues do not constitute reasonably unforeseeable events, conditions, or circumstances for purposes of an extension request. Extension requests shall be submitted in electronic format on a form provided by HCD.

HCD may reimburse eligible costs incurred beginning on March 5, 2024, with the exception of operating costs. Applicants are encouraged to discuss their options at the required pre-application consultation.

Section 205. Capital Award and Match

Homekey+ will fund a maximum grant amount per door, pursuant to the conditions of this Section, which includes both the acquisition cost and any needed Rehabilitation or new construction. **The Award will be the lower of the following: (1) the maximum grant amount, or (2) the sum of the acquisition amount and any additional construction or Rehabilitation expenses, as supported by an appraisal and such other reasonable documentation required by HCD.** For new construction and conversion of office, commercial, or other non-residential structures into residential dwelling units, Homekey+ will fund a maximum grant amount per completed Assisted Unit serving the Target Population, or an amount as supported by an appraisal, whichever is lower. "Assisted Unit," as defined in Article VII, refers to units that are available to serve the Target Population after the construction or conversion of the property.

For PSH Projects that are not seeking gap funding under Section 502, HCD will contribute a baseline amount of $200,000 per door for each Assisted Unit and Manager's Unit. This baseline contribution does not require capital match.

Note that Homekey+ will fund "doors" based upon the number of units at the time of acquisition which may differ from the number of units that are available in the final Project. For those Projects that undergo a conversion, the number of doors may need to be reduced in the Project to accommodate kitchenettes, additional bedrooms, space for Supportive Services, and other amenities.

In situations where units at acquisition are combined to make larger Assisted Units, Awards will be calculated according to the number of doors at acquisition. In situations where multi-bedroom (two or more bedrooms) units at acquisition are divided into smaller Assisted Unit sizes, Awards will default to the number of Assisted Units created after the conversion of the property. Manager's Units may be included in the calculation for the capital Award only.

i. Additional Contribution Amount – Capital Match

Beyond the baseline amount, the Eligible Applicant may leverage a 1:1 local match to provide up to $100,000 in additional funds per door. For example, where the Applicant shows $100,000 or more in matching funds, HCD will fund

no more than $300,000 for an Assisted Unit serving the Target Population. Appendix A shows how maximum funding Awards from Homekey+ vary with different Applicant contribution levels. Capital match may be obtained from any source, including any federal, state, local, private, or philanthropic source.

For the purchase of Affordability Covenants and restrictions, and for master-leasing, HCD may size the Award per door based on a recent market study within the past year which conforms to guidelines adopted by the California Tax Credit Allocation Committee (TCAC), and/or a rent roll, and/or other supporting documentation. For these uses, the maximum Homekey+ contribution per door shall not exceed the maximum amounts referenced in this Section for acquisition, Rehabilitation, and new construction.

For relocation costs, HCD will pay for one-half of the relocation cost per door in addition to the capital Award. For example, if a Project includes $15,000 in relocation costs, then HCD will pay for $7,500 of that relocation cost.

Section 206. Operating Awards and Match

Homekey+ will fund a maximum operating grant amount per door, pursuant to the conditions of this Section:

i. Where an Award for Operating Expenses is requested, the total amount of operating Award per Assisted Unit shall not exceed $1,400 per month for the duration of the operating Award, as described below.

ii. The total duration of the operating Award is tied to the amount of the Applicant's fully committed matching funds. Sources are only considered fully committed when an EFC meets the standard in Article VII demonstrating that a contract or commitment of funds is guaranteed at the time of application.

   a. If Projects can demonstrate a commitment of three years of non-Homekey+ operating funds for Assisted Units, HCD will provide an operating Award sized for up to three years.

   b. If Projects can demonstrate a commitment of four years of non-Homekey+ operating funds for Assisted Units, HCD will provide an operating Award sized for up to four years.

   c. If Projects can demonstrate a commitment of five or more years of non-Homekey+ operating funds for Assisted Units, HCD will provide an operating Award sized for up to five years.

iii. Operating Awards are determined based on need, exclusive of items referenced in subsection (v). The amounts and durations referenced in (i) and (ii) represent maximums. To be eligible to receive an operating Award based on need, the Applicant must submit documentation showing that additional sources of operating funding were sought but were unavailable to support Project operations. The Applicant must demonstrate that they:

a. Identified all possible federal, state, and local sources of rental assistance and other operating assistance to support operating the Assisted Units; and

b. Submitted unfunded applications or other written requests to the appropriate entity to secure Project-based rental or other operating assistance to support operating the Assisted Units; or

c. Can provide other evidence from the appropriate entities that rental assistance and other operating assistance is not available to support operating the Assisted Units.

d. Applicants must also commit to continuing to seek operating funding in future years as funding becomes available. Applicants are encouraged to collaborate with their county behavioral health department to secure housing intervention services funded by the Behavioral Health Services Act, which becomes available in July 2026.

iv. Awards for Operating Expenses may pay for a Project's necessary, recurring Operating Expenses in an amount approved by HCD. Operating Expenses should be included in the Project's submitted budget. Qualifying expenses can include a variety of expenses such as utilities, maintenance, management fees, taxes, licenses, and Supportive Services costs.

v. Awards for Operating Expenses shall <u>not</u> pay for the following expenses:

a. Costs associated with non-Assisted Units, including Manager's Units.

b. Debt service.

c. UMR-required reserve account initial and/or annual deposits.

d. Deposits to reserves beyond those required by HCD under the UMRs, including reserves required by other Project financing sources.

e. Distributions.

f. Developer fees.

g. Under no circumstances may Homekey+ operating funds be used for or in connection with a limited partner buyout, substitution, or assignment of ownership interest.

vi. The Homekey+ funded portion of the Award for Operating Expenses must be expended no later than ten (10) years from initial occupancy as per Section 204, with the Grantee establishing a capitalized operating subsidy reserve (COSR) and expending the eligible Operating Expenses, as outlined in this

NOFA. HCD has the sole right to extend the expenditure deadline up to a total of 15 years. The deposit of the Homekey+ Award for Operating Expenses into the COSR does not count as expended.

vii. Eligible Applicants are required to demonstrate a minimum three (3)-year commitment to provide operating funds for the proposed Project to qualify for the Homekey+ Award for Operating Expenses. As noted in (ii.), additional local match may result in additional Homekey+ funding, for a period up to five (5) years. Eligible Applicants may include funds from the Homekey+ Award for Operating Expenses in the Project budget for up to ten years from occupancy, as described in (vi.). Non-Homekey+ sources may be obtained from any source, including any federal, state, local, private, or philanthropic source. Applicants are encouraged to consider:

a. HUD funded Project-based Vouchers (PBV), Housing Choice Vouchers (HCV), and Veterans Affairs Supportive Housing (HUD-VASH) Vouchers;

b. Mainstream Vouchers;

c. Foster Youth to Independence Vouchers (FYI);

d. Faircloth to Rental Assistance Demonstration (RAD) conversions;

e. Homeless Housing Assistance and Prevention Program (HHAP) funding;

f. Permanent Local Housing Allocation (PLHA) funding;

g. Transitional Housing Program (THP) or Transitional Housing Program Plus (THP-Plus) funding;

h. Mental Health Services Act (MHSA) funding;

i. Behavioral Health Services Act (BHSA) funding; and

j. HOME-ARP funding.

The preceding list of potential match sources is <u>not</u> exhaustive. Operating match requirements and the Project's potential match sources will be discussed during the required pre-application consultation.

Additionally, the following requirements apply to operating match contributions:

viii. The Eligible Applicant must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match Homekey+ funds; and

ix. If State General Funds are used to satisfy the matching requirements of another program, then funding from that program may not be used to fulfill the matching requirements of the Homekey+ program.

Section 207. Funding Limits

i. In addition to the funding limits described throughout this NOFA, Homekey+ will implement additional funding limits as follows:

a. Any Co-Applicant that is not an Eligible Applicant will be limited to a maximum of four (4) Homekey+ Awards. At the sole discretion of the Director of HCD or the Director's designee, requests for an exemption to this limit may be approved based on factors including, but not limited to, CalVet consultation as applicable, Co-Applicant capacity and Co-Applicant performance on prior HCD awards.

b. Per Project Funding Limit:

1. Single Family Scattered-Site Projects shall be limited to $10 million total per Project, as detailed in Section 303.

2. For other Projects, exclusive of gap financing projects described in Section 502, no more than $35 million in total HCD sources may be used per Project.

The Project funding limits applies to Homekey+ capital and operating funds, and to all HCD sources of permanent loans for onsite development costs and operating costs. Grants from other HCD programs are excluded from this per Project funding limit.

At the sole discretion of the Director of HCD or the Director's designee, with CalVet consultation as applicable, per Project funding limit requests in excess of $10 million for Single Family Scattered Site Projects and $35 million for all other Projects, may be approved as an exemption to the Project funding limits, if the Project uniquely advances state policy priorities, is high scoring, is located in high or highest resource areas as identified in the 2023 Opportunity Maps – Adopted January 2023, and/or is located in a high-cost region. Applicants asserting the Project is in a high-cost area shall provide data from HUD, the United States Census Bureau, or another authoritative source to validate the assertion. All exemption requests shall not exceed ten percent (10%) above the per Project funding limit.

To request an exemption to the limits in 1 and 2, Applicants must submit justification at the time of application. The justification will be reviewed with the application package in accordance with Section 400. A form to request an exemption will be available on the Homekey+ website when the Homekey+ application is released.

ii. HCD's Repeal of Stacking Prohibition of Multiple Department Funding Sources memo (Administrative Notice Number: 21-06), dated August 20, 2021, is hereby incorporated by this reference as if set forth in full herein, and it shall be applicable. Applicants must ensure that all HCD funding sources in the Project

are represented pursuant to the memo. Homekey+ Awards shall not be layered with other HCD funding sources in a manner that causes either the per unit or total Project funding to exceed the total development cost.

a. Projects applying under gap financing Section 502, are excluded from the limits within the memo.

Section 208. Affordability Covenant

The Grantee shall duly encumber all Projects with a 55-year Affordability Covenant for Permanent Supportive Housing that (a) is recorded in first position against the Project real property for the benefit of the state, regional, local, or tribal Grantee, (b) restricts the use, operation, occupancy, and affordability of the Project in accordance with all applicable requirements of this NOFA and all other Homekey+ Program Requirements, (c) duly names HCD as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof, (d) incorporates the Homekey+ Program Requirements by reference, and (e) is otherwise in form and substance acceptable to HCD.

No exceptions will be made to the requirement to record the Affordability Covenant in first position.

The Affordability Covenant must be approved by HCD prior to disbursement and recorded as part of the escrow transaction. Upon its execution, the Affordability Covenant shall be binding, effective, and enforceable against all successors, transferees, and assignees, and it shall continue in full force and effect for a period of not less than 55 years after a certificate of occupancy or its equivalent has been issued for the Project, or if no such certificate is issued, from the date of initial occupancy of the Project.

Permanent Supportive Housing Projects located on Tribal trust land shall be duly encumbered with an Affordability Covenant containing all of the terms listed above excepting that they shall have an initial term of 50 years to match the period of affordability restrictions under the Low-Income Housing Tax Credit (LIHTC) program, commencing with the date of recordation of HCD's Affordability Covenant. Prospective applicants are advised to also review the Tribal Entity Homekey+ NOFA for Tribal applicants, which may have different requirements.

## Article III. Threshold and Scoring Criteria

Section 300. Threshold Requirements

To be eligible to receive Homekey+ funding, all applications must meet the threshold requirements of this Section. HCD reserves the right to request clarification of unclear or ambiguous statements made in an application and other supporting documents.

i. Applications may be submitted independently by an Eligible Applicant, as defined in Section 200 and Article VII. Alternatively, each Eligible Applicant may apply jointly with a Co-Applicant, as specified. No additions of Co-Applicants or special purpose entities will be considered subsequent to the date of application, including after Standard Agreement execution.

ii. Projects must serve persons qualifying or households that include persons qualifying as members of the Target Population.

iii. Applicants must submit a completed application workbook with all worksheets, documents and supplemental information.

iv. Applications must include a Project-specific Supportive Services Plan, that shall be consistent with any representations made in the application, and it shall meet the Homekey+ Program Requirements noted in NOFA Section 302.

v. Project Ownership Structure submitted with the application workbook that demonstrates the relationship of the Applicants, Co-applicants, and Project entities within the ownership structure.

vi. Required documents from each Eligible Applicant and Co-Applicant as applicable, including but not limited to:

   a. A duly executed resolution authorizing the entity to apply for funds and to participate in the Homekey+ Program in connection with each discrete Project; attested to by a person other that the person identified as the authorized signatory. If there is more than one authorized signatory identified, state whether one or all signatories are required to submit and execute program documents. If the application is being signed by a designee of the authorized signatory, the Applicant must also submit a designee letter or other proof of signing authority. The resolutions should materially comport with the Homekey+ resolution templates that will be available on the Homekey+ website when the application is released.

   b. Organizational documents supporting the resolutions submitted with the application. Eligible Applicants are exempted from this requirement. Notwithstanding the foregoing, HCD reserves the right to request additional documentation at any point to verify any entity's authority and/or organizational structure. For a complete list of organizational documents, refer to Appendix B.

vii. Applicants shall provide a written non-discrimination policy that complies with the requirements in Section 508.

viii. Applications shall provide a statement how the Project will address equity that must answer the following question: What specific actions will the Applicant take to ensure equitable access to housing and services for groups that are overrepresented among residents experiencing homelessness in its jurisdiction and region? Examples of what applicants should consider include race, ethnicity, age (e.g. youth, elderly), disability status, LGBTQ+ status, etc. The response shall reference the latest Continuum of Care (CoC) Homelessness Management Information System (HMIS) demographics data to explain. Please see the Homekey+ website for the template at the time of Application release.

ix. Applications shall provide a statement how the Project will engage the Target Population that must answer the following question: How did/will the Applicant engage with the Target Population to inform the design of the Project operations and Supportive Services? Please see Homekey+ website for guidance documents at the time of Application release.

x. The Applicant shall have site control of the property at the time of application, and such control shall not be contingent on the approval of any other party. The status and nature of the Applicant's title and interest in the property shall be subject to HCD's approval. Site control may be evidenced by one of the following:

a. Fee title, evidenced by a current title report dated within 90 days of application submission showing the Applicant holds fee title, or for Tribal trust land, a title status report (TSR) or an attorney's opinion regarding chain of title and current title status.

b. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all Homekey+ Program Requirements.

c. A leasehold estate held by a Tribal Entity in federal Tribal trust lands property, or a valid sublease thereof that has been or will be approved by the Bureau of Indian Affairs.

d. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency.

e. A fully executed sales contract, or other enforceable agreement for the acquisition of the property.

f. A letter of intent, executed by a sufficiently authorized signatory of the Eligible Applicant, that expressly represents to HCD, without condition or reservation, that, upon successful application, the Eligible Applicant shall purchase or otherwise acquire a sufficient legal interest in the property to

accomplish the purpose of the award. The letter of intent must also be acknowledged by the party selling or otherwise conveying an interest in the subject property to the Eligible Applicant.

If this form of evidence is relied upon at the time of application, HCD may impose additional milestones, in the Standard Agreement, regarding increased evidence of eventual site control closer to the likely close of escrow.

g. Other forms of site control that give HCD assurance (equivalent to items a. through f. above) that the Applicant will be able to complete the Project in a timely manner and in accordance with all the Program's objectives and requirements.

h. For Applicants proposing sites that will require a use change, lot split or other local approvals for Permanent Supportive Housing, include a commitment and plan to facilitate or expedite those processes, to not delay expenditure and occupancy requirements.

xi. Applicants shall provide a preliminary title report for each site, dated within 90 days of application submission.

xii. Applicants shall provide a detailed development plan that supports acquisition of a site, completion of Rehabilitation or construction, occupancy, and fund expenditure before all program deadlines, factoring in entitlements, permits, procurement, potential construction delays and supply chain issues, and demonstrates evidence of strong organizational and financial capacity to develop the Project. Please see Homekey+ website for guidance at the time of application release.

xiii. Applicants shall provide an appraisal prepared no earlier than 12 months prior to application submission date for all Projects seeking acquisition funds from Homekey+ or if property value will be used as local match. The appraisal must comply with the Homekey+ requirements outlined in the Homekey+ Appraisal Guidance document, which will be available on the Homekey+ website.

xiv. All Projects seeking funding for Rehabilitation must submit the following:

a. Rehabilitation narrative of current condition of structure(s) and overall scope of work; and

b. Physical Needs Assessment (PNA) or equivalent prepared by a qualified independent third-party contractor and dated within 12 months prior to application submission.

xv. For Projects seeking funding for master leasing and purchase of Affordability Covenants, Applicant shall provide a market study prepared no earlier than 12 months prior to application submission which conforms to TCAC guidelines, and/or a rent roll, and/or other supporting documentation.

xvi. All Projects seeking funding for Rehabilitation and new construction are

required to submit a Phase I Environmental Site Assessment (ESA) which was prepared or updated no earlier than 12 months prior to application submission.

xvii. Relocation Assistance Narrative. Applicant shall submit a concise, sufficiently detailed narrative to demonstrate its consideration of, and early engagement with, applicable relocation assistance laws and requirements. An Applicant's unsupported conclusion that relocation law does not apply or that the Project Site is vacant does not sufficiently demonstrate such consideration and engagement. The Applicant must support any representation that relocation law does not apply or that the Project Site is vacant by including either an explanation that supports this representation or supporting documentation that establishes that the property is vacant. This Relocation Assistance Narrative will be evaluated by HCD to determine whether a relocation plan is required by law or whether a certificate of no-relocation can be issued. The Relocation Assistance Narrative does not take the place of these two documents. Grantee shall submit either a relocation plan or a certificate of no-relocation as a condition of disbursement. See Section 507 and Homekey+ website for more information and template, which will be uploaded when the application is released.

Applicant's Relocation Assistance Narrative shall include or identify the following:

a. A diagrammatic sketch of the Project site that illustrates the boundaries of the Project Site and all existing improvements thereon.

b. Clear, recent, high-resolution photographs of the Project site and all improvements thereon (e.g., exterior and interior photos of the buildings, parking lots, billboards).

c. The Projected dates of any Homekey+-funded acquisition, construction, Rehabilitation, demolition, or similar development activities at the Project site.

d. A description of any persons, businesses, or farm operations that will or may be displaced from the Project site by the foregoing development activities. Applicant shall specify whether any such displacement will be permanent or temporary.

    1. If no such displacement will occur, Applicant shall conclude the narrative by expressly confirming that Applicant's eligible use(s) of the funds will not result in the displacement of any persons, businesses, or farm operations from the Project site.

    2. If such displacement will occur, Applicant shall further develop the narrative by including the additional elements set forth at (e) – (i) below.

e. A description and evidence of attempts made to maintain the tenure of

existing residents that may qualify under the criteria for the Target Population.

f. A description of the aggregate relocation needs of the persons, businesses, or farm operations that will or may be displaced by the Homekey+ funded activities.

g. A brief description of how those relocation needs will be met, as well as the Applicant's projected timeline for fully meeting those needs, including the dates of planned notices to displaced persons, businesses, or farm operations.

h. An identification of the Applicant's relocation consultant and/or relocation services provider in connection with the Project site. Applicant shall also submit legible copies of its contract or letter of intent with or to the relocation consultant and/or relocation services provider.

i. Applicant's cost estimate (and associated funding strategy) for providing relocation assistance and benefits to the persons, businesses, or farm operations that will or may be displaced by the Homekey-funded activities.

xviii. Enforceable Funding Commitments (EFCs) as defined by Article VII (xvii) for:

a. Development costs with specific funding sources, including federal, state, local, private, or philanthropic sources for the proposed Project.

b. Rental subsidies, operations, and service costs with specific funding sources, including federal, state, local, private, or philanthropic sources for ongoing sustainability. For projects applying for a program operating Award (see Section 206) EFCs must be fully committed to match the numbers of years of the operating award. Please see Section 305(3)(a) for potential points and the Homekey+ website for EFC templates, which will be posted at the time of application release.

xix. The Eligible Applicant or Co-Applicant applying for Homekey+ funding is the entity that HCD relies upon for experience and capacity, and will control the Project during acquisition, development, and occupancy. The Eligible Applicant or Co-Applicant shall demonstrate the following minimum experience and capacity requirements:

a. Development, ownership, or operation of a Project similar in scope and size to the proposed Project; or development, ownership, or operation of at least two affordable rental housing Projects in the last 10 years, with at least one of those Projects containing at least one unit housing a tenant who qualifies as a member of the Target Population.

b. The property manager and LSP shall have three or more years of experience serving persons of the Target Population. If a property

manager or LSP is not yet selected for the proposed Project, the Eligible Applicant shall certify that this requirement will be reflected in any future solicitation or memorandum of understanding.

c. Statement confirming experience administering a Project in accordance with the core components of Housing First (Welfare and Institutions Code Section 8255).

d. Current capacity to develop, own, and operate the proposed Project. For purposes of satisfying this requirement, an Applicant has “capacity” if it has adequate staff, capital, assets, and other resources to efficiently meet the operational needs of the Project; to maintain the fiscal integrity of the Project; and to satisfy all legal requirements and obligations in connection with the Project. Evidence of Permanent Supportive Housing experience and capacity must be reasonably acceptable to HCD in form and substance.

xx. The Eligible Applicant and all Co-Applicants shall attend a pre-application consultation with HCD prior to applying, as required in Section 401.

xxi. One-for-one replacement of assisted housing:

a. If the acquired housing or site is to be redeveloped/repositioned as part of the Local Public Entity's overall goal to address the needs of the Target Population and the community, the Applicant shall provide as part of the application a commitment to ensure one-for-one replacement of units.

b. If acquired units will be subsequently combined to add kitchens, create larger units, and/or create units with additional bedrooms, the Applicant will provide such information in the application and ensure an approximate equivalence of square footage available for the benefit of Project residents.

c. If the acquired site is going to be demolished before any occupancy by the Target Population, no one-for-one replacement commitment needs to be provided. The unit mix will be evaluated based on the Project proposal.

d. The application shall include a site map indicating the original acquired housing location and all proposed housing location(s). If all proposed housing will be located within the neighborhood, no additional documentation is necessary.

e. If replacement housing is proposed outside the neighborhood of the acquired site, the application must also include a justification explaining why it is necessary to locate this replacement housing outside the neighborhood of the acquired site (i.e., offsite) and how doing so supports

and enables the Target Population to maintain housing.

Section 301. Additional Application Materials

In addition to requirements detailed in Section 300, to be eligible for Homekey+ funding, an application shall demonstrate to HCD the following:

i. Applicants and Co-Applicants must be in good standing with the State of California and all agencies and departments thereof. By way of example and not limitation, an Applicant and Co-Applicant must be qualified to do business in the State of California and must be in good standing with the California Secretary of State and the California Franchise Tax Board. Applicants that are delinquent in meeting the material requirements of previous HCD Awards may, in HCD's reasonable discretion, fail threshold review. A Certificate of Good Standing, dated within 30 days of application due date, must be submitted with the application.

ii. Completed Certification and Legal Disclosure Statement

iii. Signature Block for all Applicants entities in Word Format

iv. Payee Data Record STD204 (except for Eligible Applicants)

v. Taxpayer Identification Number (FI$Cal TIN Form)

vi. EIN Verification (IRS form SS-4) (except for Jurisdictions)

vii. Tax-Exempt State from IRS or FTB (if applicable)

viii. CEQA Determination (if applicable)

ix. NEPA Authority to Use Grant Funds (if applicable)

x. Phase 2 Environmental Report if needed as stated in Phase I ESA report (if Applicable)

xi. A letter from the local county behavioral health department describing the support for the Project (capital, operating or service commitments, referrals, stakeholder collaboration, etc.). If the letter can't be secured, Applicant must describe efforts to obtain the letter.

Section 302: Supportive Services Requirements

To be eligible to receive funding, all applications must include a Project-specific Supportive Services plan, that shall be consistent with any representations made in the application, and it shall meet the Homekey+ Program Requirements. HCD in its sole discretion shall make the determination (1) if the Supportive Services plan is sufficiently complete to pass threshold and (2) if the Supportive Services plan and property management plan is compliant with Housing First and other evidence-based practices for each unique Target Population served by the Project. For example,

Projects serving Veterans must incorporate evidence-based practices specific to Veterans. Applications must include:

i. A description of the Supportive Services to be offered, how frequently each service will be offered or provided depending on the nature of the service, who is anticipated to be providing the services, and the location, whether on or off-site, and general hours of availability of the Supportive Services. Applicants must ensure that the Supportive Services are made available to Homekey+ tenants in a manner that is voluntary, flexible, and individualized, so Homekey+ tenants may continue to engage with Supportive Services providers, even as the intensity of services needed may change. Furthermore, access to or continued occupancy in housing cannot be conditioned on participation in Supportive Services or on sobriety. Adaptability in the level of services should support tenant engagement and housing retention. Behavioral health treatment services co-located onsite of Homekey+ Project sites are allowable however, tenants in Homekey+ funded housing cannot be mandated to receive behavioral health services as a condition of housing, pursuant to Housing First.

   a. The following Supportive Services shall be made available to Homekey+ tenants based on tenant need. The lead service provider for the Project shall coordinate the provision of, referral, or linkage to services needed by individual tenants. The following required services must be provided onsite at the Project or offsite at another location easily accessible to tenants. Easily accessible to tenants means access does not require walking more than one-half mile and shall include a plan and budget for transportation to off-site Supportive Services where tenants are not able to walk less than one-half mile:

      1. A Lead Service Provider (LSP) meeting the experience requirements described in Section 302(c) of this NOFA should be selected prior to application submittal. If the LSP has been selected, a formal commitment must be established and maintained between the Applicant and the LSP. The commitment may be a commitment letter(s) or MOU, and must detail roles and responsibilities of all parties and must be consistent with organizational charts and the property management plan detailed in Section 302(ii). If the LSP has not been selected at the time of application submittal, the commitment must be submitted to the Department prior to Standard Agreement execution. If the LSP and Applicant are the same organization, the Applicant shall provide a document signed by an authorized signatory defining roles and responsibilities in implementing all elements of the Supportive Services plan. Designated Supportive Services staff shall not also be property management staff. HCD may request additional information to further demonstrate the distinction between roles (see Section 305 for potential points). In the event of a change to the LSP, the Applicant or Grantee shall provide the new formal commitment to the Department no later than 30 days after the date that the new LSP

commits Supportive Services to the Project.

2. Case management performed by a Case Manager, as defined in Article VII. Definitions. For Projects with Assisted Units serving Target Populations that require intensive services, specifically including high acuity Homeless and Chronically Homeless populations, services to be provided must include at a minimum, on-site comprehensive case management as well as on or off-site mental health care, physical health care and substance use services. Where one or more of the Restricted Units are limited under HCD Regulatory Agreements to occupancy, comprehensive case management shall be provided with staffing at ratios of full-time Case Managers directly providing services to tenants, as indicated below in Table 8.

**Table 8: Required Caseload Ratios**

| Population | Minimum Ratio |
|---|---|
| Homeless Youth, or Youth at Risk of Homelessness | 1:15 |
| Chronic Homelessness | 1:20 |
| Disability Homelessness | 1:25 |

3. Peer support activities, including 24/7 telephone, online, or in- person support.

4. Mental health care, including but not limited to assessment, crisis counseling, individual and group therapy, and peer support groups.

5. Substance use services, including but not limited to treatment, relapse prevention, and peer support groups. NOTE: Co-locating outpatient behavioral health treatment services onsite of Homekey+ Project sites are potentially allowable however, tenants in Homekey+ funded housing cannot be mandated to receive behavioral health services as a condition of housing, pursuant to Housing First. Additionally, these outpatient services should be available to individuals outside of Homekey+ housing to prevent creating unlicensed residential Mental Health or Substance Use Disorder treatment programs.

6. Support in linking to physical health care, including but not limited to access to routine and preventive health and dental care, medication management and medication assisted treatment, and wellness services.

7. Benefits counseling and advocacy, including but not limited to assistance in accessing and maintaining SSI/SSD, enrolling in and maintaining Medi-Cal and CalFresh;

8. Veteran serving projects shall coordinate, or make efforts to coordinate, with the applicable County Veteran Service Officer for benefits counseling and advocacy

9. Basic housing retention skills (including but not limited to unit maintenance and upkeep, identifying safety concerns in the unit, understanding lease terms, and money management).

10. Supportive Services for persons with co-occurring mental and physical disabilities or co-occurring mental and substance use disorders not listed above.

11. Recreational and social activities, including peer-led groups and events.

12. Educational services, including assessment, GED, school enrollment, assistance accessing higher education benefits and grants, and assistance in obtaining reasonable accommodations in the education process.

13. Employment services, such as supported employment, job readiness, job skills training, job placement, and retention services, or programs promoting volunteer opportunities for those unable to work, and

14. Obtaining reasonable access to other needed services, such as legal services, or access to food and clothing.

15. Projects serving 16 or more units in a single site must include an onsite manager, maintenance, or other responsible person, as required by California law 25 CCR §42. Applicants seeking an exemption from this requirement must demonstrate that they will provide an equivalent number of desk or security staff, who are not tenants, capable of responding to emergencies for the hours when property management staff is not working.

16. Physical health care, including but not limited to access to routine and preventative health and dental care.

17. Potential out-placements, should they become appropriate alternatives for current Homekey+ residents, either because a higher level of care is required (i.e., residential treatment facilities and hospitals), or because Permanent Supportive Housing is no longer required (i.e., other affordable housing or market rate housing).

18. Representative payee.

19. Legal assistance.

20. Attendant care.

21. Adult day care.

22. Parenting education, childcare, and family legal and counseling services including, but not limited to, family reunification.

23. Financial counseling, and

24. Domestic violence support, including but not limited to access to temporary shelter, family and individual counseling, and legal support.

b. Applicants shall provide and maintain written policies and procedures covering:

1. Payment of rent by residents during periods of hospitalization.

2. Coordination with property management for resolution of complaints from tenants or on behalf of tenants.

3. Use of best practices in service delivery for each unique Target Population served by the Project, including but not limited to critical time intervention; trauma-informed care and de-escalation; motivational interviewing; peer support; case conferencing; and providing care in a culturally competent manner.

    i. Supportive Services for Youth Assisted Units must also include a Positive Youth Development (PYD) model and trauma-informed care. Services may include, but are not limited to, case management, income supports, educational and employment counseling, life skills, legal assistance, health and wellness, and family connection services.

    Youth Assisted Units occupied by a tenant over age 25 shall be replaced with a comparable unit in the same Project, if available. When a tenant older than 25 moves out of a unit restricted for Youth, the Youth Assisted Unit shall go back to serving Homeless Youth.

4. Initial and ongoing staff training in all of the above, and in the operator's program philosophy, values, and principles.

5. Description of each unique Target Population to be served by the Project, and identification of any additional subpopulation target or occupancy preference for the Homekey+ Project that the Applicant wishes to undertake beyond what is permitted under the Target Population requirements.

c. The property manager and LSP shall have three or more years of experience serving persons of each unique Target Population of people with Behavioral Health Challenges. If a property manager or LSP is not yet selected for the proposed Project, the Eligible Applicant shall certify that this requirement will be reflected in any future solicitation or memorandum of understanding (MOU) (see Section 305 for points awarded). If the property management and/or LSP has three or more years serving persons experiencing homelessness, but not Veterans experiencing homelessness, HCD in its sole discretion may deem the property manager and/or LSP to have met this requirement, provided the property manager and/or LSP agrees to completing a training provided by CalVet.

   Projects with Youth Assisted Units must jointly apply and/or partner with a nonprofit corporation(s), including community-based organization(s), with at least three years of experience serving current or former Foster Youth, Homeless Youth, or Youth at Risk of Homelessness.

d. A tenant engagement plan (i.e., plan to encourage voluntary tenant participation in services as well as in community building, such as resident councils or similar forums) including a description of tenant outreach, engagement and stability strategies to be used. A tenant satisfaction survey shall be conducted at least annually to inform and improve services, building operations, and property management. Applicant shall make tenants aware of when summary of survey data will be prepared and shall share the results with tenants.

e. A description of plans and measures to ensure the safety and security of residents and staff (e.g., guest and visitor policies, policies on the violation of safety rules, staff training, and building design features intended to promote security);

f. For Supportive Services provided offsite, the plan must describe what public or private transportation options will be offered to tenants in order to provide them reasonable access to these services. Reasonable access is access that does not require walking more than one-half mile. Reasonable access shall include a plan and budget for transportation to off-site Supportive Services where tenants are not able to walk less than one-half mile.

g. Description of how the Supportive Services will be culturally and linguistically competent for persons of different races, ethnicities, sexual orientations, gender identities, gender expressions, age, and disabilities. This includes explaining how services will be provided to Homekey+ tenants who do not speak English, or have other communication barriers, including sensory and/or cognitive disabilities, and how communication among the LSP, the property manager and these tenants will be facilitated. The services need to include reasonable accommodation and auxiliary aids and services for effective communications.

h. A staffing plan with staffing levels sufficient to meet the needs of each unique Target Population served by the Project and in accordance with section 302(ii)(a)(1).

i. Estimated itemized budget, and sources of funding for Supportive Services.

j. Identification of outcome measures to be tracked, description of the data to be collected for each measure, and explanation of the methods for data collection and entry. Sample forms may be requested by HCD.

k. Other information and documentation needed by HCD to evaluate credentials of the proposed LSP and the Supportive Services to be offered for consistency with the Program.

l. HCD may request necessary updates to the Supportive Services plan or related documents, including fully executed written agreements. All updates must be approved prior to occupancy as determined by milestones listed in the Standard Agreement. Grantees who fail to provide all requested updates by Standard Agreement Execution shall be subject to withholding a portion of the Homekey+ Award until the Supportive Services plan is approved by HCD.

ii. Property management and tenant selection policies submitted with the Homekey+ application will be evaluated for the following, consistent with state Housing First requirements and any other state and federal fair housing laws as applicable. These documents must identify and describe alignment with Housing First tenant screening, selection, and other practices consistent with Welfare and Institutions Code Section 8255(b). The descriptions of the use of Housing First and tenant selection in this Supportive Services plan shall be consistent with the property management and tenant selection policies. Applicants should review Assembly Bill No. 1991 (Chapter 645, Statutes of 2022) to inform the Project's property management and tenant selection policies. The property management and tenant selection policies should address the following and be consistent with state Housing First requirements, as well as other Homekey+ Program Requirements:

a. Applicant eligibility and screening standards including identification of any and all roles in screening activities, including third-parties, and a clear description of those roles. This should include the process for verifying tenants have a Behavioral Health Challenge or suspected Behavioral Health Challenge. Verification can be from county behavioral health staff, qualified supportive service staff, etc.

b. Confidentiality.

c. Substance misuse policy.

d. Compliance with harm reduction principles.

e. Communication between property manager and LSP staff, as well as the

Project owner.

f. Eviction policies and eviction prevention procedures, including how property management and LSP staff will work together to prevent evictions.

g. Process for assisting tenants to apply for different forms of cash and non-cash benefits to aid the household in retaining their housing, if needed.

h. How potential tenants and in-place tenants will be assisted in making reasonable accommodation requests, in coordination with the LSP and persuasive to outside entities, such as Housing Authorities, to ensure that persons with disabilities have access to and can maintain housing.

i. Policies and practices to facilitate voluntary moving on strategies.

j. Emergency plan for onsite emergencies and natural disasters.

k. Appeal and Grievance Procedures to include how tenants are made aware of these procedures.

Section 303. Single-Family Scattered Site Housing Requirements

HCD may Conditionally Award up to $10 million per Single-Family Scattered Site Project for acquisition, Rehabilitation, and an Award for Operating Expenses. Applications may include up to five (5) sites each. Additional funding may be approved at the discretion of the Director or his/her designee, as specified in Section 207. Applicants for this Project type must meet all requirements identified in Homekey+ NOFA Sections 202(vi), 202(v), and UMR Section 8303(b). Additionally, applications must:

i. Submit all documents required in Article III with the following exceptions:

a. Eligible Projects under this Project type must meet the following threshold requirement, sixty (60) days from the date of the Conditional Award to be considered for an Award. Failure to meet this requirement will rescind the Conditional Award.

1. Evidence of site control for each site, as defined in Section 300(x).

2. A preliminary title report for each site, dated within 60 days of submittal, as defined in Section 300(xi).

b. Eligible Projects under this Project type must meet the following threshold requirements, ninety (90) days from the date of the Conditional Award to be considered for an Award. Failure to meet these requirements will rescind the Conditional Award.

1. Relocation Assistance Narrative, as defined in Section 300(xvii).

2. Appraisal for each site, as noted in Section 300(xiii).

3. All Projects seeking funding for Rehabilitation must submit the following, as noted in Section 300(xiv):

4. Rehabilitation narrative of current condition of structure(s) and overall scope of work; and

5. Physical needs assessment (PNA) or equivalent evidence of Rehabilitation costs prepared by a qualified independent third-party contractor for each site.

6. All Projects seeking funding for Rehabilitation and new construction are required to submit a Phase I ESA or equivalent, as noted in Section 300(xvi).

7. One-for-one replacement of assisted housing, as defined by Section 300(xxi), including a site map, as defined in Section 300(xxi)(d).

8. Meet the minimum points score required in Section 305 of 100 points.

c. Eligible Projects under this Project type must submit updates to the following threshold documents, previously submitted at the time of application as required by Article III, ninety (90) days from the date of the Conditional Award to be considered for an Award. Updates are limited to those pertaining to the identification of Project sites. Failure to meet these requirements will rescind the Conditional Award:

1. Authorizing resolutions, as defined in Section 300(vi)(a);

2. Supportive Services Plan including budget, as defined in Section 302.

3. Overview of plan and timeline for any required entitlements, permits, and environmental clearances, as defined in Section 300(xii) and supported by updated Local and Environmental Verification forms for each site, as required by the application;

4. Equity statement, as defined in Section 300(viii).

5. Engaging the Target Population statement, as defined in Section 300(ix).

6. Development plan, as defined in Section 300(xii).

7. Rehabilitation description, as defined in Section 300(xiv).

8. Enforceable Funding Commitment(s), as defined in Section 300(xviii) and Article VII.

9. Application workbook updates. Including unit mix, development and operating budgets, and all other necessary areas to complete the application package, as defined in Section 300(iii).

10. All Grantees must coordinate disbursement of funds into an escrow account. Funds shall only be disbursed once all special conditions of disbursement are satisfied and HCD has determined that the Project has sufficiently demonstrated the unification of all sites into one Project, with a single owner and property manager.

Section 304. Recording, Income and Underwriting Requirements

i. Homekey+ may fund all units in a Project or a portion of the units. If seeking Homekey+ funding for a portion of the units in a Project, Applicants must identify committed sources for the non-Homekey+ units. The non-Homekey+ units are not required to serve the Homekey+ Target Population and may therefore be restricted at higher AMI levels, which may help promote Project feasibility.

ii. If, at the time of acquisition, an existing tenant's household income is at or below 50 percent AMI, but the tenant does not qualify as a member of the Target Population, the tenant may remain in place and the unit may still be funded by Homekey+. An Applicant may not include units in the Homekey+ application intended for Veterans if the existing tenant household is not a Veteran or a member of a Veteran's household. When, in the course of normal tenant turnover, the ineligible household moves from the unit, the unit shall thereafter be occupied by the Target Population. There should be no more than 49 percent of the Assisted Units that do not meet the Target Population at the time of acquisition. An existing household who meets the Target Population definition or was a member of the Target Population at the time they moved into the property will not be counted towards the 49 percent cap. Evidence confirming that existing tenants qualify as either at or below 50 percent AMI or Target Population will be required of the Applicant.

iii. At year 15 from the recordation of the Affordability Covenant, in circumstances where the Grantee has not waived their right and Grantee has exhausted available operating funding and demonstrated to HCD that the Project is no longer feasible, HCD may approve an increase in income levels, to the minimum extent required for fiscal integrity, in five percent increments of Assisted Units up to 50 percent AMI.

   a. HCD reserves the right to set restrictions on the unit mix, rent levels, and other factors deemed necessary. To the maximum extent possible, these changes shall minimize the impact on the lowest income Project residents and shall be phased in as gradually as possible. If, following any increase in rents and income limits, or modification of Target Population

occupancy requirements, new resources become available, or market demand changes, allowing reversion to the former income and rent limits or Target Population occupancy requirements, HCD may re- impose these income limits and rent limits or Target Population occupancy requirements, in whole or in part, subject to an analysis of Project feasibility.

iv. In addition to Section 300 above, Applicants purchasing Affordability Covenants and restrictions will also be evaluated on the following requirements:

a. The Grantees that purchase Affordability Covenants and restrictions for existing residential units shall restrict those units to individuals and households with an individual with Behavioral Health Challenges and who are Homeless or who are At Risk of Homelessness, as defined in 24 CFR part 578.3. Such restriction shall run for 55 years.

v. In addition to Section 300 above, master leasing Projects will also be evaluated on the following requirements:

a. The Grantee shall provide a 15-year plan from the recordation of the Affordability Covenant to cover operations and service costs for the Project with specific funding sources (government/philanthropic/private).

vi. As described in Section 101, the Project shall comply with the UMRs (Cal. Code Regs., tit. 25, § 8300 et seq.), to the extent those regulations are consistent with Homekey+ requirements, and shall meet the following Homekey+ underwriting requirements:

a. In analyzing Project feasibility, Projects planning to use Tenant Based Vouchers (TBV) for rental income/subsidy sources shall limit projected TBV revenue sources to no more than 50% of the Project's assisted housing units in the application. Nothing in this NOFA shall be construed to conflict with or limit the operation of state law prohibiting discrimination against tenants based on source of income. Refer to section 508 for non-discrimination policy requirements.

b. Projects that do not have debt service, Project cashflow shall not exceed 12 percent of Operating Expenses in the first 15 years of operations.

Section 305. Scoring Criteria

In addition to meeting the other minimum Homekey+ Program Requirements outlined in Article III, Applicants must score a **minimum of 100 points to be eligible for funding**. Points earned from the application scoring criteria will be incorporated into the project report and the Standard Agreement. Applicants should select criteria based on what accurately represents the Project and is achievable. By earning these points, the Applicant commits to the deliverable throughout the tenure of Homekey+ Project. Scores will be based on the following:

**Table 9: Homekey+ Application Scoring Criteria**

| Categories and Maximum Point Scores | Evaluation Criteria |
|---|---|
| 1. Site Control<br><br>**(Up to 20 points)** | a. Identification of the site suitable for development and evidence of site control, or a plan and timeline for obtaining site control along with other supporting evidence (e.g., letter of intent, an exclusive negotiating agreement, ground lease, etc.). **NOTE**: Sections 300-303 of this NOFA further outline site control requirements related to specific Project type. **(up to 20 points)**<br><br>- Fee title (20 points)<br>- Leasehold (20 points)<br>- Option agreement/sales contract (20 points)<br>- Exclusive negotiating agreement (15 points)<br>- Letter of intent (15 points)<br>- Other forms approved by HCD (10 points) |
| 2. Cost Containment<br><br>**(Up to 15 points)** | a. For any Project where the average total cost per Assisted Unit is below baseline per door of $200,000, one (1) point will be assigned for every $10,000 under the baseline amount. **(up to 10 points)**<br><br>b. Utilizing Publicly Owned Land: 5 points will be awarded to Project that is located on a site selected under Excess Sites (Executive Order N-06-19) or any land declared as Surplus Land by a local agency. **(5 points)** |

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| 3. Sustained Operating Leverage<br><br>**(Up to 45 points)** | Documented commitment of non-Homekey+ rental or operating subsidies (including funded services) that will be used to maintain the ongoing affordability and sustainability of operations of the Project. Sources include, but not limited to, Project-based vouchers, VASH vouchers, Mainstream vouchers, Faircloth to RAD conversions, tenant-based vouchers, or locally funded rental assistance. **(up to 45 points)**<br><br>a. Score is based on weighted subsidy type, percentage of costs covered, and length of commitment. Applications will need to score at least **10 points** to be prioritized by the Homekey+ Program. See Section 400 on the process and determination for Projects that will be prioritized in Homekey+.<br><br>- Project operation subsidies: Up to one (1) point for each year through year fifteen (15). **(up to 15 points)**<br><br>Weighted Point Value by Subsidy Type<br>Project-Based Rental Subsidy: 1<br>Committed Operating Subsidy: 1<br>Renewable Source*: 0.75<br>Tenant Based Voucher: 0.5<br>Supportive Services / Healthcare Reimbursement: 0.5<br>Intent to pursue funding: 0.25<br>**For years that are uncommitted or not allocated. Years with existing current subsidy will be considered Committed Operating Subsidy.*<br><br>b. Homekey+ Award Utilization:<br><br>Applications that request less Homekey+ Operating Award than the Maximum Eligible Award amount will earn more points. Applications that do not request an operating Award will automatically earn 20 points. **(up to 20 points):**<br><br>- Two (2) points for each 10% increment of Maximum Eligible Homekey+ Operating Award <u>not</u> utilized.<br><br>- No Homekey+ Operating Award Requested (20 points)<br><br>c. Mental Health Services Act or Behavioral Health Services Act funds committed to the Project as evidenced by a letter from the local county behavioral health department meeting the EFC requirements in Article VII of this NOFA. **(10 points)** |

| Categories and Maximum Point Scores | Evaluation Criteria |
|---|---|
| 4. Experience and Coordination<br><br>**(Up to 40 points)** | a. Demonstration of Applicant or member(s) of development team's experience in development, ownership, or operation of a Project(s) similar in scope and size to the proposed Project. **NOTE**: Sections 300-303 of this NOFA further outline threshold experience requirements.<br><br>- Five (5) points awarded for each additional Project beyond the base threshold requirement (development, ownership, or operation of affordable rental housing or interim Projects in the last ten (10) years serving at least one member of the Target Population). **(up to 15 points)**<br><br>b. Documented evidence of LSP's experience helping persons address barriers to housing stability and providing other support services, not necessarily within a housing Project. The LSP may be an Applicant, or a member of the development team described in Applicant's response to point category 4.c., below. LSP experience must be with the specific population(s) with Behavioral Health Challenges housed within the Homekey+ units to count toward points in this section (e.g., families, singles, veterans, Homeless Youth, Chronically Homeless) and must describe how the Supportive Services are culturally and linguistically competent for persons of different races, ethnicities, sexual orientations, gender identities, gender expressions, ages, and disabilities. **NOTE:** Sections 300-303 of this NOFA further outline threshold experience requirements.<br><br>- One point awarded for each year of service experience, after 3 years. **(up to 10 points)**<br><br>c. Commitment letter(s), MOU(s) or other formal agreement between the Primary and Co-Applicant(s) and/or other involved partners documenting how the complete development and management team (which includes the Applicant, developer, property manager, LSP, etc.) are connected and will work together on the Project. Applicants are encouraged to complete due diligence checklists to ensure all members of the team are aware of roles and responsibilities. **(15 Points)** |

| Categories and Maximum Point Scores | Evaluation Criteria |
|---|---|
| 5. Community Impact<br><br>**(Up to 40 points)** | a. Assisted Units include units for large family housing types **(10 points)**<br><br>- At least 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)), (10 points)<br><br>b. Applicant waives any potential accommodation by HCD to increase income limits at year 15 from the recordation of the Affordability Covenant, as described in Section 304(iii). **(up to 20 points)**<br><br>- At least 25% of Assisted Units restricted (3 points)<br>- At least 50% of Assisted Units restricted (5 points)<br>- At least 75% of Assisted Units restricted (10 points)<br>- 100% of Assisted Units restricted (20 points)<br><br>c. The extent to which the Project commits to being accessible to persons with disabilities. **(up to 10 points)**<br><br>- Exceeds the state and federal accessibility requirements set forth in Section 508, specifically providing a minimum of 15 percent of units with features accessible to persons with mobility disabilities, as defined in 24 C.F.R. Section 8.22 and the parallel ADAAG 2010 and CBC provisions; (5 points)<br><br>- A minimum of 10 percent of units with features accessible to persons with hearing or vision disabilities, as defined in 24 CFR Part 8.22 and the parallel ADAAG 2010 and CBC Chapter 11B provisions. (5 points) |

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| 6. Site Selection<br><br>**(Up to 40 points)** | Site Selection **(Up to 12 points; for Rural Projects: up to 16 points; for Youth Projects: up to 15 points**)<br><br>a. The Project site is located within 1/2 mile of a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop OR the Project includes an alternative transportation service for residents (e.g., van or dial-a-ride service), if costs of obtaining and maintaining the van and its service are included in the budget and the operating schedule is either on demand by tenants or a regular schedule is provided. **(4 points)**<br><br>The Project site is in proximity to essential services:<br><br>b. Grocery store – a full-scale grocery store/supermarket where staples, fresh meat, and fresh produce are sold. **(up to 2 points)**<br>- within 1/2-mile radius of Project (2 points)<br>- within 1 mile radius of Project (1 point)<br>- within 1 mile radius for Projects in Rural Areas (2 points)<br>- within 2 miles radius for Projects in Rural Areas (1 point)<br><br>NOTE: If applying for TCAC, it is advisable that the grocery store be at least 25,000 gross interior square feet.<br><br>c. Health facility – a medical clinic (not merely a private doctor's office) with a physician, physician's assistant, or nurse practitioner on-site for a minimum of 40 hours each week, or hospital (health facilities operated by Veterans Health Administration qualify if project is veteran serving). **(up to 1 point)**<br>- within 1/2-mile radius of Project (1 point)<br>- within 1 mile radius of Project (1/2 point)<br>- within 1 mile radius for Projects in Rural Areas (1 point)<br>- within 2 miles radius for Projects in Rural Areas (1/2 point)<br><br>A qualifying medical clinic must accept Medi-Cal payments, or Medicare payments, or Health Care for the Homeless, or have an equally comprehensive subsidy program for low-income patients.<br><br>d. Library – a book-lending public library**. (up to 1 point)**<br>- within 1/2-mile radius of Project (1 point)<br>- within 1 mile radius of Project (1/2 point)<br>- within 1 mile radius for Projects in Rural Areas (1 point)<br>- within 2 miles radius for Projects in Rural Areas (1/2 point) |

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| 6. Site Selection (continued)<br><br>**(Up to 40 points)** | e. Pharmacy – may be included in a grocery store or health facility. **(up to 2 points)**<br><br>- within 1/2-mile radius of Project (2 points)<br>- within 1 mile radius of Project (1 point)<br>- within 1 mile radius for Projects in Rural Areas (2 points)<br>- within 2 miles radius for Projects in Rural Areas (1 point)<br><br>f. A public park or a community center accessible to the general public. **(up to 1 point)**<br><br>- within 1/2-mile radius of Project (1 point)<br>- within 1 mile radius of Project (1/2 point)<br>- within 1 mile radius for Projects in Rural Areas (1 point)<br>- within 2 miles radius for Projects in Rural Areas (1/2 point)<br><br>g. High speed internet service, with a minimum average download speed of 25 megabits/second must be made available to each Unit for a minimum of 15 years, free of charge to the tenants, and available within six months of the Project's placed-in-service date. Documentation of internet availability must be included in the application. **(up to 2 points)**<br><br>- 2 points<br>- 3 points for rural Projects<br><br>h. For Projects with units serving Homeless Youth: community colleges, universities, trade schools, apprenticeship programs, employment programs, childcare centers for parenting youth, and/or community centers for youth (e.g., LGBTQ+ centers, drop-in youth centers). **(up to 2 points)**<br><br>- at least two amenities located within 1 mile radius of Project (2 points) |
| 7. Relocation Impacts<br><br>**(Up to -20 points)** | a. For any Project resulting in the permanent displacement of residents (not businesses or farm operations), as outlined below:<br><br>- The Project permanently displaces existing residents in 5% of total units. (- 5 points)<br>- Applicants lose one point (up to an additional 15 points) for each additional percentage point of households displaced out of total units. |

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| 8. Negative Points | a. Negative Points assessed by HCD to the Applicant pursuant to the Department's Negative Points Policy. |

In the event of program oversubscription, where Applicants have the same score and the same date and time stamp, HCD may consider additional criteria as a tiebreaker, including, but not limited to, cost-effectiveness, community impact (i.e. meeting the needs of individuals with behavioral health challenges), affirmatively furthering fair housing, innovative housing types, tenant stability and proximity to transit, and services and amenities.

## Article IV. Application Submission, Review, and Award Process

### Section 400. Application Process and Submission

For Over the Counter (OTC) processing, except for the prioritization criteria enumerated below, applications will be accepted and evaluated on a first-come, first-served basis at any time from the release of the application until the final application due date, or until the available funds are exhausted, whichever occurs first. Funds will be awarded to Applicants that successfully meet threshold criteria and the minimum point score, with HCD reserving the right to prioritize applications that demonstrate Project readiness and committed long-term sustainable operating sources, regardless of the timestamp of the application submission.

Homekey+ application materials must be submitted electronically to HCD's website. Applications must be on HCD's forms and HCD's forms cannot be altered or modified by the Applicant. Excel forms must be submitted in Excel format, not as a PDF document. Supplemental documents should follow program guidance documents or templates provided on the Homekey+ website.

Electronic Submission - Requirements for uploading the Homekey+ application and required supporting documentation, including naming conventions, are described in the Homekey+ application instructions/checklist tab. Per Section 102, Applicants must upload all complete application materials to HCD's website no later than 5:00 p.m. Pacific Time on the due date.

HCD reserves the right to prioritize the review and awarding of applications based on the following criteria:

i. Demonstrate Project Readiness by providing a completed and accurate application workbook; providing all required support documentation and application materials at time of application submission; identifying all Special Purpose Entities and other entities that will be a party to the Project and Standard Agreement; and confirming that all Project entities are appropriately listed as Co-Applicants and are formed at the time application; and

ii. Applications have a minimum of 10 points in Section 305(3)(a) of the Application Scoring Criteria to demonstrate to HCD the Project has operating and rental subsidies to support long-term operations for the Project.

iii. Applications not achieving a minimum score of 10 points in Section 305(3)(a), but which have higher scores than other submitted applications.

Application packages that do not meet the above-mentioned criteria may be placed on hold for Award consideration by HCD and may not be considered for funding.

i. Applications will be prioritized as described in Section 203 and Section 400.

ii. HCD will evaluate applications for compliance with the minimum Homekey+ Program Requirements set forth in this NOFA.

iii. After each Applicant has been certified to meet the minimum Homekey+ Program Requirements, each Project must receive a minimum overall score of 100 points, as outlined in Section 305, to be considered for a funding Award.

iv. Each Applicant and Co-Applicant shall submit an authorizing resolution that, in HCD's reasonable determination, materially comports with the Program's requirements and is legally sufficient. In addition, each Co-Applicant shall submit a complete set of its organizational documents (including any amendments thereto). HCD will not execute the Standard Agreement until it receives the foregoing documentation, as specified.

v. Applicant shall self-acknowledge the ability to obtain the insurance coverages outlined in Section 606 of this NOFA.

vi. The application is a public record, which may be available for public review pursuant to the California Public Records Act (CPRA) (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code). After final Homekey+ Awards have been issued, HCD may disclose any materials provided by the Applicant to any person making a request under the CPRA. HCD cautions Applicants to use discretion in providing information not specifically requested, including but not limited to bank account numbers, personal phone numbers, and home addresses. By providing this information to HCD, the Applicant is waiving any claim of confidentiality and consents to the potential disclosure of submitted material upon request.

vii. HCD reserves the right to do the following:

   a. Score an application as submitted even if information is missing from the application.

   b. Consult with CalVet on any Veteran serving Project's Application.

   c. Request clarification of unclear or ambiguous statements made in an application or request additional clarifying documentation or information; and

   d. Upon the final application due date or the date when funds are exhausted, whichever is earlier, deploy unused funds from an undersubscribed allocation to fund other Eligible Applicants for other subsets of the Target Population.

viii. HCD will review, and score based on information provided in the application. If there is a significant departure from the application after a Project has been awarded, HCD may re-evaluate the Project's score, reduce the grant amount, or assign negative points to the Applicant.

Section 401. Required Pre-Application Consultation and Technical Assistance

HCD requires all Eligible Applicants and Co-Applicants to engage in a pre-application consultation with HCD prior to applying. The consultation will allow the prospective Applicant to provide basic information about the proposed Project, along with other applicable programmatic considerations, including those related to site acquisition; operating match requirements; the CEQA, land use and land entitlements; local county behavioral health department coordination and other services partnerships; and long-term financing approaches. Applicants will be able to request a pre-application consultation using the pre-application survey to meet with Homekey+ program staff prior to applying. Information on pre-application consultations will be available and posted on the Homekey+ website.

Section 402. Award Process

HCD will send a Conditional Award Commitment and Acceptance of Terms and Conditions letter (Conditional Award letter) to the successful Applicant. This Conditional Award may only be accepted by timely delivery of a fully executed Acceptance of Terms and Conditions of Conditional Award form to the Department. Funds will be disbursed after the Standard Agreement has been fully executed and approved by HCD and after the Grantee has satisfied all conditions precedent to disbursement.

Please see Section 102 for further details on Standard Agreement and fund disbursement timelines.

HCD must be notified and invited to participate in any and all groundbreakings, grand openings, and press conferences related to the Award by emailing HCD Homekey@hcd.ca.gov. Awardees must follow all marketing/promotional guidelines from HCD. Please see Appendix D for details on communication procedures.

Section 403. Appeals

i. Basis of Appeals.

a. Applicants may appeal HCDs written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an Award.

b. At the sole discretion of HCD, HCD's written determination may include a request for clarifying and/or corrective information. For purposes of this Section, "clarifying information" includes information and/or documentation that resolves ambiguities in any application materials that will inform HCD's determinations.

c. No Applicant shall have the right to appeal a decision of HCD relating to another Applicant's application (e.g., eligibility, Award).

d. If the Applicant is subject to negative points assessment, HCD shall notify the Applicant in writing within the point score letter and will provide

opportunity to appeal negative points assessment, or any disagreed points assessment, pursuant to the appeals process as set forth in the NOFA. Any request to appeal HCD's decision regarding an application shall be reviewed for compliance with the Guidelines and the NOFA. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of HCD.

e. Any request to appeal HCDs decision regarding an application shall be reviewed for compliance with this NOFA. All decisions rendered shall be made by the Branch Chief or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of HCD.

f. The appeal process provided herein applies solely to decisions of HCD made pursuant to this NOFA.

ii. Appeal Process and Deadlines.

a. Process: To file an appeal, Applicants must submit to HCD, by the deadline set forth below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the Applicant must provide a detailed reference to the area or areas of the application that provide(s) clarification and substantiation for the basis of the appeal. No new or additional information will be considered if this information would result in a competitive advantage to an Applicant. Once the written appeal is submitted to HCD, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to HCD at homekeyappeals@hcd.ca.gov according to the deadline set forth in HCD's written determination letter.

b. Filing Deadline: Appeals must be received by HCD no later than 5:00 p.m. five (5) business days from the date of HCD's written determination letter made in response to the application.

## Article V. Additional Program Requirements

Section 500. Veterans Assisted Units

i. Homekey+ Projects proposing to serve Veterans may also serve other qualifying members of the Target Population. The Veterans units will be funded from the Veterans allocation, and the remaining units will be funded from the other applicable allocation(s).

ii. The remaining units should still be used to house the most vulnerable Veterans, and the Grantee is required to demonstrate a good faith effort to place the Target Population in Veteran units. Good faith efforts include 1) adequate marketing of vacant units for at least 90 days prior to the commencement of initial lease-up or at least 60 days after a unit turns over, 2) partnering with local homeless and Veterans service providers to identify the Target Population, 3) coordination with the local Continuum of Care to receive prioritized Target Population referrals, 4) coordination with the U.S. Department of Veterans Affairs to identify the Target Population, and 5) documented contacts with the Target Population, along with their Case Manager(s), who were referred to the Project with vacant Veteran units and choose not to lease the unit.

iii. HCD reserves the right to review documentation that substantiates the timing and frequency of such good faith efforts, including the date that the Grantee was notified of the vacancy, whenever such documentation exists and provide a descriptive timeline in the absence of documents to evidence activities such as phone calls and meetings. Documentation by the Grantee of these good faith efforts, along with information about Applicants that were not matched with a unit, is required as part of the Secondary Tenant process.

iv. If units cannot be filled with Veterans at or below 30% AMI, Secondary Tenants can be housed. Secondary Tenants are defined in statute as either: Veterans experiencing homelessness with an income of up to 60% of the AMI. Rents for any redesignated units are determined by income that corresponds to the Secondary Tenant's household income.

v. Upon vacancy, the Grantee is required to redesignate the next vacant unit as a PSH unit available to Veterans with incomes at or below 30% AMI with the goal of returning the Project into compliance with the unit mix required by the Project's Standard Agreement.

vi. For new construction the vacancy period will be measured from the date the Certificate of Occupancy or Temporary Certificate of Occupancy is issued and for Rehabilitation Projects the vacancy period will be measured from the date the Notice of Completion is issued. Vacancy for previously occupied Homekey+ units during regular Project operations will be measured from the

vii. date the Grantee or their operator takes possession of the unit. The Grantee or their operator may use the time from abandonment noticing timeframes and unlawful detainers at its discretion.

viii. In no instance shall a Project have less than 30% of its Veterans units leased to 30% AMI households*. <u>In no instance shall a Project have less than 30% of its Veterans units leased to 30% AMI households*.</u>

ix. <u>HUD-VASH Special Rule:</u> On August 13, 2024, HUD published the "Section 8 Housing Choice Vouchers: Revised Implementation of the HUD Veterans Affairs Supporting Housing Program (VASH)"[1] ("special rule") that provides a new requirement to exclude Veterans' service-connected disability benefits from household income calculations for the purpose of determining income eligibility. This rule for VASH applicants applies for both Project-based and tenant-based vouchers. Homekey+ income determinations for VASH applicants must exclude Veterans' service-connected disability income and therefore are excluded from the Homekey+ Secondary Tenant alternative requirements and process. Eligible HUD-VASH program tenants are not considered Secondary Tenants and are not counted against the cap on the number of Veteran units that can be leased to Secondary Tenants under this policy.

The purpose of this is to resolve issues with matching unhoused Veterans with vacant PSH units restricted to Veterans, while retaining the program's original intent of serving the highest need Veterans experiencing homelessness.

**Veterans who are experiencing homelessness that are eligible to occupy veteran 30% AMI units after excluding VA service-connected disability benefits are recognized as eligible tenants. They are not treated as Secondary Tenants.*

x. Each Veteran Project shall establish a goal of no amount less than five percent of total construction costs for work performed, or supplies provided to be spent with entities certified by the California Department of General Services (DGS) as a Disabled Veteran Business Enterprise (DVBE).

Pursuant to a five percent DVBE goal on total construction, each Project shall identify a DVBE Specialist who shall coordinate directly with CalVet in the identification and use of DVBEs.

Upon the commencement of construction, the Project shall submit a report to the Department and CalVet on DVBE plan implementation. This report will include: (A) The total amount budgeted for construction costs; (B) The names and addresses of DVBE contractors, subcontractors and/or suppliers that have received or are scheduled to receive payment.

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[1] Section 8 Housing Choice Vouchers: Revised Implementation of the HUD Veterans Affairs Supporting Housing Program Development, 89 Fed. Reg. 65769 (Aug. 13, 2024) (amending 24 CFR Parts 982 and 983).

Upon completion of construction, the DVBE Specialist shall submit a report to the Department and Calvet detailing actual payments to DVBEs.

If the lead applicant is an established DVBE Reciprocity Partner [dgs.ca.gov] with DGS before the start of construction, then the Project shall only submit to the Department and Calvet a report detailing actual payments to DVBEs upon completion of construction.

Section 501. New Construction Cost Containment

A hallmark of Homekey has been producing housing quickly and cost-effectively, mostly through adaptive reuse. HCD will continue to retain and build upon these principles by requiring that Applicants seeking funding for new construction incorporate cost-containment strategies and commit to Total Development Cost (TDC) per unit caps.

New construction cost containment Projects will be eligible for the same Award structure as outlined in Section 205, but in addition must agree to and provide evidence that the Project can be completed based on the applicable TDC per unit cap. The TDC per unit cap is inclusive of the Homekey+ Award and all other capital sources and expenditures, with the exceptions of land costs, COSRs, and other required reserves.

TDC per unit caps will be the lesser of: $450,000 per unit, OR the 2024 TCAC Basis Limits for the applicable county where the Project is located and unit size.

Like other Homekey+ Project types, Awards will be in the form of a grant and will provide up to 80% of the funds upfront. Unlike other Homekey+ Project types which must complete construction within 12 months starting 60 days from the date of Award, all new construction Projects awarded must commence construction within 6 months, starting 60 days after the Homekey+ Award, and have a temporary certificate of occupancy (TCO) no later than 24 months, starting 60 days from the date of Award. The remaining 20% of funds will be disbursed upon submission of the TCO.

Applicants are advised that Homekey+ new construction Projects are not contemplated to be paired with tax credits or other highly competitive sources which are not secured by the date of application, in light of the above 6-month and 24-month deadlines. Rather, like other Homekey+ Project types, the Project must be fully funded and ready to proceed following a Homekey+ Award.

Applicants are further advised that construction shall not be contingent or reliant on any reasonably foreseeable externalities or timelines not disclosed in the application. Grantees unable to meet critical milestone dates within applicable cure periods will be in breach of the Standard Agreement and may be subject to negative points under HCD's Negative Point Policy.

As with all Homekey+ applications, a Local Public Entity must be the lead entity and may apply with a Co-Applicant developer.

Section 502. Gap Financing

Consistent with the Homekey principles of flexibility and innovation, HCD will accept gap financing applications from Projects which meet, or could meet, the population targeting requirements of Homekey+, but have not started construction. The intent is to move Projects forward that are otherwise “shovel ready” and thereby quickly increase the number of units available.

Projects within this use must be submitted by the application due date listed in the program timeline table above. At the close of the application period, the applications will be prioritized as follows:

i. Projects with an Existing HCD Award Commitment with a pending disencumbrance per HCD’s disencumbrance policy within 6 months of the date of this NOFA.

ii. Projects with an Existing HCD Award Commitment with at least one prior unsuccessful application for tax credit/bonds ranked by total HCD funds committed.

iii. All other HCD funded Projects ranked by total amount of HCD funds committed.

    a. All prior Homekey Projects awarded as “interim to permanent”, seeking funding to convert interim units to Permanent Supportive Housing, fall into this category. Only Projects that complied with the terms of the original Homekey “interim to permanent” award by completing construction and are currently achieving full on-site occupancy as interim housing will qualify for this funding. HCD at its sole discretion will determine compliance.

iv. All other Projects that are stalled due to an unsuccessful tax credit/bond application ranked by total amount of public resources committed (may include resources such as local or federal funding, donated land, etc.).

HCD will rank projects within each priority based on total gap per unit. Depending on total demand for this typology, HCD reserves the right prioritize funding for Priority (i.), above, either in full or partially, and to not fund or fund a subset of,otherwise eligible Projects from ii, iii, and/or iv above. All prospective Applicants are encouraged to use cost containment strategies to seek the lowest amount of gap financing possible that will allow the Project to commence and complete construction.

Qualifying HCD funding programs include the following:

a. Affordable Housing and Sustainable Communities Program

b. Community Development Block Grant Program – Disaster Recovery

c. HOME American Rescue Plan

d. HOME Investment Partnerships Program

e. Homekey

f. Housing for a Healthy California Program Article I

g. Infill Infrastructure Grant Program

h. Joe Serna, Jr. Farmworker Housing Grant Program

i. Local Government Matching Grants Program

j. Multifamily Housing Program

k. Multifamily Super NOFA

l. National Housing Trust Fund

m. No Place Like Home Program – competitive and non-competitive HCD-administered funds and Alternative Process County funded Projects

n. Permanent Local Housing Allocation Competitive Allocation

o. Veterans Housing and Homelessness Prevention Program

All prior HCD award(s) must not have expired, or been terminated, disencumbered, or otherwise held to be void.

As with all other Homekey+ Projects, a Local Public Entity is required as a lead Applicant. In addition, the gap financing application must include all Sponsors in connection with Existing HCD Award Commitment(s).Homekey+ gap financing funds are not intended to supplant Performing Debt. The amount and terms of Performing Debt shown in the Homekey+ gap financing application must generally remain the same or be higher and more restrictive than the amount and terms shown in previous HCD applications unless there are extenuating circumstances that are clearly explained in writing by the Applicant and agreed to in writing by HCD.

For the purposes of this gap financing Projects only, Homekey+ will award no more than $450,000 per unit, inclusive of any Operating Award needed to buy down units originally contemplated as higher than 30% AMI. Any amount over $450,000 per unit will be required to provide an Enforceable Funding Commitment at the time of application.

Applicants may seek gap financing for all units or a portion of units. If Applicants seek gap financing for only a portion of units, an alternative, non-Homekey+ source is required at the time of application to fill any capital gaps associated with the non Homekey+ units. All units funded by Homekey+ will be required to serve the Target Population.

Funds shall be used only for expenses that would be categorized as Project costs by the federal low-income housing tax credit program, including, but not limited to, commercial costs and reasonable reserves. HCD reserves the right to disallow costs that do not constitute reasonable Project costs, as determined by HCD in its sole and absolute discretion.

Gap financing applications should request the full capital amount needed to proceed with and complete construction, thereby avoiding the need to apply for tax credits or seek other sources of funds.

Homekey+ gap financing awards are not intended to supplant local public agency funds. Accordingly, any local agency resources shown as committed in the applications for any Existing HCD Award Commitments must be included in the financing proposed in the Homekey+ gap financing application at the same or higher level of funding as previously identified.

Homekey+ Gap Financing Terms, Deadlines, and Restrictions

Requests for reducing Performing Debt or the term of the Performing Debt will be reviewed on a case-by- case basis and are not a guaranteed approval. Reduced principal loan amounts of Performing Debt must include a corresponding reduced amount in the development budget.

i. Gap financing awards will be in the form of a grant. All Homekey+ gap financing awarded Projects must commence construction no later 6 months, starting 60 days from the date of the Homekey+ Conditional Award letter. For the purposes of the Homekey+ Award, commencement of construction means the first land-disturbing activity associated with a Project, including land preparation such as clearing, grading, and filling, or the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building. HCD may, in its sole and absolute discretion, extend this deadline due to conditions beyond the control of the Sponsor, for a period not to exceed 90 days.

ii. The Homekey+ gap financing awarded Project must receive, and submit evidence to HCD, a temporary certificate of occupancy (TCO) within 24 months, starting 60 days from the Homekey+ Award.

iii. All Homekey+ gap financing Grantees are prohibited from applying for or receiving a tax credit allocation on a Homekey+ funded Project for a period of 20 years from the Homekey+ Conditional Award date for that Project. This prohibition will be memorialized in the Homekey+ Standard Agreement and in amendments to the Standard Agreements for any Existing HCD Award Commitment.

iv. If, following a Homekey+ application and award, a Sponsor syndicates and sells a portion of their ownership interest to a partner or equivalent party seeking tax losses associated with the Project, nine-tenths of the gross proceeds of that sale shall be remitted to HCD. Negative points may be assessed to the Sponsor in the event the Project is sold or refinanced with a distribution of net equity.

Section 503. Article XXXIV

Homekey+ provides permanent supportive housing for persons (including Veterans and Youth) who are homeless, chronically homeless, or at risk of homelessness, and who are living with a Behavioral Health Challenge. As such, article XXXIV, section 1of the California Constitution is not applicable to Homekey+ funded development, consistent with Health and Safety Code sections 37000-37002.

Section 504. Housing First

The Eligible Applicant shall certify to employ the core components of Housing First, as set forth at Welfare and Institutions Code Section 8255, subdivision (b), in its property management and tenant selection practices. Projects shall accept tenants regardless of sobriety, participation in services or treatment, history of incarceration, credit history, or history of eviction in accordance with practices permitted pursuant to Housing First practices, including local Coordinated Entry System prioritization protocols, or other federal or state Project funding sources.

Section 505. Tenant Referrals

Referrals to Homekey+ Assisted Units shall be made through the local Coordinated Entry System (CES), or another comparable prioritization system based on greatest need for housing and services, to determine the most appropriate referral. Homekey+ units should be reserved for serving the Target Population where households are more appropriately served by PSH, including referrals from persons exiting encampments. Households with lower levels of need may be better served by other housing and less intense service interventions.

Applicants must demonstrate efforts to coordinate with their local county behavioral health department, to ensure the referral process to the Homekey+ units is aligned with the requirements of this NOFA.

If referrals will be made using a prioritization system other than CES, the Applicant must describe the plan for tenant referrals in detail, including which agency is responsible for managing the referral approach and what stakeholders are involved in the prioritization process. Awardees are encouraged to consider an alternative referral system consisting of referrals for persons exiting encampments, incarceration, or treatment facilities. Prioritization for Homekey+ units should be based on greatest need factors and assessments established by the local jurisdiction in collaboration with the Continuum of Care (CoC). CoC collaboration in Project and Supportive Services design is also strongly encouraged to help target and serve those with the greatest need.

Section 506. Participation in the Homeless Management Information System (HMIS)

Pursuant to Assembly Bill 977 (Statutes of 2021-22), Grantees who have been awarded HCD funding under the Homekey+ program must enter Universal and Common Data Elements as defined by HUD, on the individuals and families served into the Homeless

Management Information System (HMIS). For more information about this requirement visit Homelessness Program Data Reporting | California Department of Housing and Community Development

Any health information provided to, or maintained within, the statewide Homeless Management Information System shall not be subject to public inspection or disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code). "Health information" means "protected health information" as defined in Part 160.103 of Title 45 of the Code of Federal Regulations, and "medical information," as defined in subdivision (j) of Section 56.05 of the Civil Code.

Section 507. Relocation

In addition to the Relocation Assistance Narrative required in Section 300 submitted at the time of application, before the Homekey+ Award will be disbursed, Grantee must submit either:

i. An HCD-approved relocation plan; or

ii. An HCD-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement (certificate of no-relocation), which has been duly executed and approved by HCD.

Grantee must comply with all applicable federal, state, and local relocation law. Pursuant to relocation law, a Grantee must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law.

HCD will identify its form, substance, and submittal requirements for these relocation documents in the Homekey+ application materials. Where the Grantee's activities will or may result in displacement, the Grantee's development budget shall include enough funds to pay all costs of relocation benefits and assistance. Any modifications to the foregoing process requirements must be approved in advance by HCD in writing.

Section 508. Non-Discrimination and Accessibility

Grantees shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits

of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this NOFA.

Grantees shall comply with the Fair Housing Amendments Act (42 U.S.C § 3601 et seq.), the California Fair Employment and Housing Act (Gov. Code, § 12900 et seq. and Cal. Code of Regs. Tit. 2, §§ 12264 – 12271), the Unruh Civil Rights Act (Civ. Code, § 51), Government Code section 11135, Government Code section 8899.50, Government Code § 65583 et seq., Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), and all regulations promulgated pursuant to those statutes, including 24 C.F.R. Part 8, 24 C.F.R. Part 100 and its design and construction requirements, including ANSI A117.1 Standards and the March 6, 1991 Fair Housing Accessibility Guidelines, in conjunction with the June 28, 1994 Supplement to Notice of Fair Housing Accessibility Guidelines: Questions and Answers About the Guidelines, 28 C.F.R. Part 35, and 28 CFR Part 36.

Grantees shall comply with the requirements of the Americans with Disabilities Act of 1990 (U.S.C § 12101 et seq.). All developments shall adhere to the accessibility requirements set forth in California Building Code Chapter 11A and 11B and the Americans with Disabilities Act, Title II and Title III. In addition, developments shall adhere to either the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 8, or HUD's modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 F.R. 29671 (5/23/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Notice"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the Project and be available in a sufficient range of sizes and amenities consistent with 24 CFR part 8.26.

Applicants are further advised that while Homekey+ incorporates the MHP guidelines, as explained in Section 101, as a courtesy and point of emphasis, HCD directs prospective Applicants to Section 7314 (a) and (b) of the MHP guidelines, which further articulates Fair Housing, Nondiscrimination, and Accessibility requirements. HCD also suggests Applicants review its April 2021 Affirmatively Furthering Fair Housing document at this link.

## Section 509. Prevailing Wages

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. Prior to disbursing the Homekey+ funds, HCD will require a certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law, or a certification that the development is exempt from prevailing wage as defined in Government Code 65913.4(a)(9). The certification must verify that prevailing wages have been or will be paid, and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and the Grantee. The Department will not disburse funds for Rehabilitation or construction until the certification is signed by the general contractor.

Section 510. Environmental Clearances

Projects, including phased Projects, that satisfy the requirements HSC 50675.1.5, shall be exempt from the California Environmental Quality Act (CEQA) Projects under this section are considered a "use by right", which are specifically exempt from CEQA (CA Public Resources Code section 21000 *et seq.*). (HSC 50675.1.5(e)(2)(A)). Moreover, HSC 50675.1.5(c) specifically exempts HCD actions taken to "provide financial assistance or insurance for the development and construction of Projects" from CEQA review. HCD encourages Eligible Applicants to fully engage with HCD's technical assistance and to review the CEQA exemption set forth at HSC section 50675.1.5 and the provision for land use consistency and conformity set forth at HSC section 50675.1.3, subdivision (i).

Applicants should consult with their counsel for legal advice in construing application of the foregoing exemptions to their Project. It is entirely within an Applicant's discretion to determine whether to use the statutory CEQA exemption, whether the exemption applies to the Applicant's proposed activity, or whether some other mechanism applies and could be used to satisfy obligations under CEQA.

Applicants must provide National Environmental Act (NEPA) clearance, as applicable. According to the National Environmental Policy Act (NEPA), Grantees must consider environmental impacts early in the planning process before decisions are made, and actions are taken. The Project must assess environmental impacts if a Project has applied for HUD assistance (HOME, CDBG, PBVs, Choice Neighborhoods Grant, ShelterCare Plus, etc.). HUD's regulations prohibit grant recipients and their partners/contractors from committing or spending HUD or non-HUD funds on an activity that could limit the choice of reasonable alternatives before completing the environmental review process. The prohibition of choice-limiting actions does not apply to commitments of non-federal funds before the Project has applied for HUD funding. When an application is submitted for a federal grant/loan, all activity must stop until the environmental review process is complete.

There is no flexibility or waiver of NEPA environmental review requirements. The Project must receive an Authority to Use Grant Funds (AUGF) before the Project proceeds with the acquisition or physical activities, including non-HUD-funded activities. A choice-limiting action can result in a violation that jeopardizes HUD funding for the Project.

The prohibition on choice-limiting actions prohibits physical activity, including acquisition, Rehabilitation, and construction, as well as contracting for or committing to any of these actions before completion of the environmental review. Some examples of choice-limiting actions are:

- Acquisition
- Rehabilitation
- Demolition
- Site improvements (including site clearance/grubbing)
- Leases or Transfers
- Entering into contracts such as construction bidding
- A change in Project conditions or unexpected conditions arise

Choice-Limiting Actions are not:

- Plans or designs
- Activities necessary to support an application for federal, state, Tribal, or local permits
- Option agreement on a proposed property (make sure that the contract is contingent on environmental review clearance and don't close escrow before the review process is complete)

HCD does not determine which Projects will require NEPA clearance. Applicants shall provide HCD a status of any required NEPA review at the time of application. For more information, visit the HUD Exchange, review HCD's Environmental Review Guidance by clicking here, or contact HCD's Environmental Services Team at NEPA@hcd.ca.gov.

Section 511. Land Use

HSC Section 50675.1.5 outlines the criteria by which a Homekey+ Project shall be a use by right and subject to a streamlined, ministerial review process. Appendix C provides the full list of criteria for 50675.1.5. Applicants should consult with their counsel for legal advice in the application of the law to their Project. HCD may also request documentation that Applicants have considered the law in their development planning.

Section 512. State Requirements

All Assisted Units and other Units of the Projects must meet all 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.

Section 513. Grantee Liability

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.] of this NOFA) shall be bound by the Homekey+ Program Requirements; and shall remain jointly and severally liable to HCD 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.

## Article VI. Project Operations

### Section 600. Project Oversight

As specified by HCD and upon request, Grantees shall provide progress reports in connection with completed milestones and any updates to the timeline for completion of the Project. Grantees shall promptly notify HCD upon any changes to the Project development, changes to the Project and changes in Grantee organization, authorization, or capacity.

### Section 601. Reporting

Grantees shall submit a Homekey+ annual report (annual report) to HCD following Standard Agreement execution. The annual report will be due no later than March 31 for the prior calendar year of January 1 to December 31. The annual report will continue to be required for at least five years following full occupancy of the Project and until the Homekey+ operating subsidy has been fully expended. The report shall be in such form and contain such information as required by HCD in its sole and absolute discretion. At minimum, the Annual Report shall include the following data:

i. The amount of funds expended for the Project.

ii. The location of any properties for which the funds are used.

iii. The number and bed size of useable housing units produced, or planned to be produced, using the funds.

iv. The number of individuals housed, or likely to be housed, using the funds.

v. The number of units, and the location of those units, for which operating subsidies have been, or are planned to be, capitalized using the funds.

vi. Any lessons learned from the use of the funds.

vii. Proposed changes to the program to address lessons learned.

viii. An explanation of how funding decisions were made for acquisition, conversion, or Rehabilitation Projects, or for COSRs, including what metrics were considered in making those decisions.

ix. Total project development costs

x. Total operating costs

If a Project received an operating Award, Grantees shall also report their operating expenditures in the annual report.

In addition to the foregoing, the Grantee shall submit to HCD such periodic reports, updates, and information as deemed necessary by HCD to monitor compliance and/or perform program

evaluation. Any requested data or information shall be submitted in electronic format on a form provided by HCD.

The Grantee shall ensure that the expenditure of Homekey+ funds is consistent with the requirements of the Program. HCD shall monitor the expenditures to ensure that those expenditures comply with this NOFA.

HCD may request the repayment of funds or pursue any other remedies available, at law or in equity, for failure to comply with Program requirements or contractual commitments.

Grantees receiving an Award for Veteran Assisted Units shall submit any additional information as requested by HCD or CalVet, including but not limited to staffing and training details, tenant demographic and veteran-oriented data, and tenant survey results.

Section 602. Disbursement of Grant Funds

HCD may disburse funds to cover Homekey+-critical expenditures that were incurred prior to Homekey+ application pursuant to Section 204. Homekey+ program funds will be disbursed to the Grantee after HCD has approved the relocation plan or issued a certificate of no-relocation, received a request for funds from the Grantee, received and approved an Affordability Covenant for recordation at close of escrow, and approved a fully executed Standard Agreement between the Grantee and HCD. The Grantee cannot request funds for rehabilitation or construction until they have provided a certification of compliance with prevailing wage laws signed by the Grantee and their selected general contractor, as detailed in Section 509.

The Standard Agreement will set forth the general conditions of disbursement, any conditions precedent to disbursements (e.g., proof of recordation of the Affordability Covenant, documentation requirements for pre-Standard Agreement expenditures or conditional performance measures), and HCD's remedies upon an event of default. The Standard Agreement will also identify which of the Co-Grantees will be the designated payee.

Homekey+ funds awarded to an Applicant may not be transferred to another entity to expend on an eligible use unless that other entity is a signatory on the Standard Agreement.

All Homekey+ funds must be wired to an escrow company. The Applicant shall identify the name and address of the escrow company, the name of the escrow officer, the escrow number, and any other information requested by HCD. The appropriate Affordability Covenant must be on file and approved by HCD to be included in the escrow transaction for recordation. The Grantee may only request awarded operating funds, if applicable, after providing confirmation that construction and/or Rehabilitation on the Project is completed, and the Project is ready to begin leasing up. HCD reserves the right to disburse funds prior to construction completion if the Grantee sufficiently demonstrates need for Homekey+ operational funds prior to construction completion.

Section 603. Legal Documents

Upon the Award of Homekey+ funds to a Project, HCD shall enter into one or more agreements with the Grantee, including a Standard Agreement, which shall encumber funds from the Homekey+ program, subject to specified conditions. The agreement or agreements shall include, but not be limited to:

i. A description of the approved Project and the permitted uses of funds.

ii. The amount and terms of the program grant.

iii. The use, income, occupancy, and rent restrictions to be imposed on the Project through the Affordability Covenant.

iv. Performance milestones, and other progress metrics, governing the completion of the Project, along with the remedies available to HCD in the event of a failure to meet such milestones or metrics.

v. Provisions governing the manner, timing, and conditions of the disbursement of the program grant.

vi. Special conditions imposed as part of HCD's approval of the Project.

vii. Terms and conditions required by federal and state law.

viii. Requirements for reporting to HCD.

ix. Remedies available to HCD in the event of a violation, breach, or default of the agreement; and

x. Provisions regarding Grantee liability. Specifically, the Grantee will remain liable to HCD for compliance with and the performance of all Program requirements regardless of any HCD-approved transfer or assignment of interest. Likewise, each co-Grantee will remain jointly and severally liable to HCD for compliance with and the performance of all Program requirements regardless of any HCD- approved transfer or assignment of interest, and notwithstanding the co- Grantees' identification of a designated payee.

The agreement will also include such other provisions as are necessary to ensure adherence to the objectives and requirements of the program.

Section 604. Sales, Transfers, and Encumbrances

An Applicant(s) shall not sell, assign, transfer, encumber, or convey the awarded Project, or any interest therein or portion thereof, without the express prior written approval of HCD, which may be granted, delayed, or withheld in HCD’s sole and absolute discretion. 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.

Section 605. Defaults and Grant Cancellations

Funding commitments may be canceled by HCD under any of the following conditions:

i. The objectives and requirements of the Homekey+ program cannot be met, and the implementation of the Project cannot proceed in a timely fashion in accordance with the timeframes established in the Standard Agreement or the regulatory agreement.

ii. In the event of a breach or violation by the Grantee, HCD may give written notice to the Grantee to cure the breach or violation. If the breach or violation is not cured to the satisfaction of HCD within a reasonable time period, HCD, at its option, may declare a default under the relevant document and may seek legal remedies for the default including the following:

   a. HCD may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the Project in accordance with Homekey+ Program Requirements; and

   b. HCD may seek such other remedies as may be available under the relevant agreement or at law, or in equity.

Section 606. Insurance Requirements

i. Commercial General Liability

Due at time of disbursement, Applicants shall maintain general liability on an occurrence form with limits not less than $1,000,000 per occurrence and $2,000,000 aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the Applicant's limit of liability. The policy must name the State of California and the California Department of Housing and Community Development, as well as the respective appointees, officers, agents, and employees of each, as additional insureds, but only with respect to work performed under the contract.

If available in the open market at a reasonable cost, the policy shall also include an endorsement for physical abuse and child/sexual molestation coverage. Coverage shall include actual or threatened physical abuse, mental injury, sexual molestation, negligent hiring, employment, supervision, investigation, reporting to proper authorities, and retention of any person for whom the Applicant is responsible. This insurance shall apply separately to each insured against which claim is made, or suit is

brought subject to the Applicant's limit of liability. Coverage shall include the cost of defense and the cost of defense shall be provided outside the coverage limit.

If available in the open market at a reasonable cost, the policy shall also include an endorsement for assault and battery.

ii. Automobile Liability

If Applicable. Due at time of Application and at time of disbursement. Applicant shall maintain motor vehicle liability with limits not less than $1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. The policy must name the “State of California and the California Department of Housing and Community Development”, as well as the respective appointees, officers, agents, and employees of each, as additional insureds, but only with respect to work performed under the contract.

If Applicant will not have or use any commercially owned vehicles during the term of the Standard Agreement, by signing the Standard Agreement, the Applicant certifies that the Applicant and any appointees, employees, subcontractors, or servants possess valid automobile coverage in accordance with California Vehicle Code sections 16450 to 16457, inclusive. HCD reserves the right to request proof at any time.

iii. Workers’ Compensation and Employer’s Liability

Due at time of disbursement, Applicant shall maintain statutory worker’s compensation and employer’s liability coverage for all its employees who will be engaged in the performance of the contract. In addition, employer’s liability limits of $1,000,000 are required. By signing the Standard Agreement, Applicant acknowledges compliance with these regulations. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California and the California Department of Housing and Community Development must be attached to the certificate.

iv. Builder's Risk/Installation Floater

Due at time of disbursement and prior to starting construction, if there is installation or construction of property/materials on or within the facility at any time during the term of the Standard Agreement, the Applicant shall maintain in force, at its own expense, Builders Risk/Installation Floater covering the labor, materials, and equipment to be used for completion of the work performed under this contract against all risks of direct physical loss, excluding earthquake and flood, for an amount not less than the full amount of the property and/or materials being installed and/or constructed on or within the facility. The Applicant agrees as a provision of the contract

to waive all rights of recovery against the state.

v. Property Insurance

Due at time of acquisition and/or construction completion, the Applicant shall maintain fire, lightning and extended coverage insurance on the facility which shall be in a form of a commercial property policy, in an amount equal to one hundred percent (100%) of the then current replacement cost of the facility, excluding the replacement cost of the unimproved real property constituting the site. The extended coverage endorsement shall, as nearly as practicable, include but not be limited to loss or damage by an explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism, and malicious mischief and such other hazards as are normally covered by such endorsement.

vi. Self-Insured

Due at time of disbursement, if a state, regional, or Local Public Entity is the sole Applicant, and if that entity is self-insured in whole or in part as to any of the above-described types and levels of coverage, then that entity shall provide HCD with a written acknowledgment of this fact before execution of the Standard Agreement. If, at any time after the execution of the Standard Agreement, the state, regional, or Local Public Entity abandons its self- insured status, that entity shall immediately notify HCD of this fact and shall comply with all of the terms and conditions of this Section pertaining to insurance requirements. HCD may accept evidence of self-insurance from other Eligible Applicants in its sole and absolute discretion.

## Article VII. Definitions

Below are the definitions for purposes of the Homekey+ program:

i. “Affordability Covenant” means the legally binding 55-year instrument which (a) is recorded in first position against the Project real property for the benefit of the state, regional, local, or Tribal Grantee; (b) imposes use, operation, occupancy, and affordability restrictions on the real property and improvements; (c) duly names HCD as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof, (d) incorporates the Homekey+ Program Requirements by reference, and (e) is otherwise in form and substance acceptable to HCD. Upon its execution, the Affordability Covenant shall be binding, effective, and enforceable against all successors, transferees, and assignees, in accordance with Section 208 of this NOFA, after a certificate of occupancy or its equivalent has been issued for the Project, or if no such certificate is issued, from the date of initial occupancy of the Project. Affordability Covenants on Tribal trust land are addressed separately under Section 208 of this NOFA.

ii. "Applicant" means the “Eligible Applicant,” as that term is defined in this NOFA, as well as the Eligible Applicant’s Co-Applicant(s), if applicable. As allowed or required by context, the term “Applicant” shall refer to all such entities in their individual and/or collective capacity.

iii. "Area Median Income" or "AMI" means the most recent applicable county median family income published by the California Tax Credit Allocation Committee (TCAC) or HCD.

iv. "Assisted Unit" means a Homekey+-funded residential dwelling unit in PSH that is subject to rent, income, occupancy, or other restrictions associated with Homekey+ requirements. See also “Youth Assisted Unit.”

v. "At Risk of Homelessness" has the same meaning as defined in Title 24 CFR Part 578.3.

vi. "Award" means the portion of program funds available for a Grantee to expend toward eligible program uses.

vii. “Behavioral Health Challenge” is defined within the California Welfare and Institutions Code (WIC) Section 5965.01, subdivision (b). The term includes, but is not limited to a serious mental illness, as described in subdivision (c) or (d) of Section 14184.402 and below, **however enrollment in Medi-Cal as a beneficiary is not a conditions for Homekey+ housing.** Behavioral Health Challenge may also include a substance use disorder, as described in Section 5891.5, subdivision (c)..

For those who meet the criteria of this definition, enrollment in Medi-Cal as a Beneficiary is not a condition for Homekey+ housing.

**WIC §14184.402(c)**, defines “serious mental illness” pursuant to the following criteria for individuals that are 21 years of age or older:

(1) The [individual] has one or both of the following:

(A) Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities.

(B) A reasonable probability of significant deterioration in an important area of life functioning; and

(2) The beneficiary's condition as described in paragraph (1) is due to either of the following:

(A) A diagnosed mental health disorder, according to the criteria of the current editions of the Diagnostic and Statistical Manual of Mental Disorders and the International Statistical Classification of Diseases and Related Health Problems.

(B) A suspected mental disorder that has not yet been diagnosed.

**WIC §14184.402 (d.)** defines “serious mental illness” pursuant to either of the following criteria for individuals that are under 21 years of age:

(1) The [individual] has a condition placing them at high risk for a mental health disorder due to experiencing trauma evidenced by scoring in the high-risk range under a trauma screening tool approved by the (non-HCD) department, involvement in the child welfare system, juvenile justice involvement, or experiencing homelessness; OR

(2) The [individual] meets both of the following requirements:

(A) The [individual] has at least one of the following:

(i) A significant impairment.

(ii) A reasonable probability of significant deterioration in an important area of life functioning.

(iii) A reasonable probability of not progressing developmentally as appropriate.

(iv) A need for specialty mental health services, regardless of presence of impairment, that are not included within the mental health benefits that a Medi-Cal managed care plan is required to provide; AND

(B) The beneficiary's condition as described in subparagraph (A) is due to one of the following:

(i) A diagnosed mental health disorder, according to the criteria of the current editions of the Diagnostic and Statistical Manual of Mental Disorders and the International Statistical Classification of Diseases and Related Health Problems.

(ii) A suspected mental health disorder that has not yet been diagnosed.

(iii) Significant trauma placing the beneficiary at risk of a future mental health condition, based on the assessment of a licensed mental health professional.

**WIC §5891.5, subdivision (c.) (1).:**

(c)(1) For purposes of this section, "substance use disorder" means an adult, child, or youth who has at least one diagnosis of a moderate or severe substance use disorder from the most current version of the Diagnostic and Statistical Manual of Mental Disorders for Substance-Related and Addictive Disorders, with the exception of tobacco-related disorders and non-substance-related disorders.

viii. “Case Manager” is a social worker or other qualified person who has or is supervised by a person with a relevant master’s degree. At its sole discretion, the Department may approve Supportive Service plans where Case Managers cannot be supervised by a person with a master’s degree. A Case Manager facilitates individualized service planning, and the assessment, coordination, monitoring, referral, and advocacy of services to meet tenants’ Supportive Services needs, including, but not limited to, access to medical and mental health services, substance use disorder treatment and services, vocational training, employment, home and community-based services and crisis management and interventions. Resident service coordinators are not Case Managers. For Homekey+ tenants who are also HUD-VASH program participants, the Case Manager for services will be the applicable U.S. Department of Veterans Affairs (VA) Case Manager (or third-party provider selected by the VA), in accordance with the HUD-VASH Program.

ix. "Chronic Homelessness" means a person who is chronically homeless, as defined in Title 24 CFR Part 578.3.

x. "City" means a City or City and County that is legally incorporated to provide local government services to its population. A City can be organized either under the general laws of this state or under a charter adopted by the local voters.

xi. “Co-Applicant” means the nonprofit corporation, for-profit corporation, limited liability company (LLC), and/or limited partnership (LP) that is jointly applying for Homekey+ funds with a state, regional, or Local Public Entity, or with a Tribal Entity.

xii. “Conditional Award” or “Conditional Award Commitment and Acceptance of Terms and Conditions letter” means a letter specifying the portion of program funds available for a Grantee to expend toward eligible program uses once the Grantee has acknowledged and fulfilled the terms and conditions.

xiii. "Continuum of Care" means the same as defined by Title 24 CFR Part 578.3.

xiv. “Coordinated Entry System” means a centralized or coordinated process developed pursuant to Section 578.7 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019, designed to coordinate homelessness program tenant intake, assessment, and provision of referrals. To satisfy this subdivision, a centralized or coordinated assessment system shall cover the geographic area, be easily accessed by individuals and families seeking housing or services, be well advertised, and include a comprehensive and standardized assessment tool.

xv. "HCD" means the California Department of Housing and Community Development.

xvi. “Discretionary Reserve” means the same as in Section 203 (i)(c) and will be prioritized in the manner described in Section 400 of this NOFA.

xvii. “Eligible Applicant” means a City; county; a City and county; any other state, regional, and Local Public Entity, including a council of government, metropolitan planning organization, and regional transportation planning agency designated in Section 29532.1 of the Government Code; or a Tribal Entity(ies) as defined in this NOFA. For purposes of this definition, a “Local Public Entity” is further defined in accordance with HSC section 50079. As allowed or required by context, “Applicant” shall be interpreted to include any of the foregoing entities, as well as that entity’s Co-Applicant. Upon receiving an Award of Homekey+ funds, the Eligible Applicant and any Co-Applicant(s) will, both individually and collectively, be referred to as the “Grantee” for purposes of this NOFA. Please see Section 200 for specific eligible applicant requirements for Homekey+ HHAP Supplemental Funds.

xviii. "Enforceable Funding Commitment" (EFC) means a letter or other document, in form and substance satisfactory to HCD, which evidences an enforceable commitment of funds or a reservation of funds by a Project funding source, and which contains the following:

a. The name of the Applicant.

b. The Project name.

c. The Project site address, assessor's parcel number, or legal description; and

d. The amount, interest rate (if any), and terms of the funding source including eligible and ineligible costs.

The Enforceable Funding Commitment may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional. Examples of unacceptable general conditions include phrases such as "subject to senior management approval," or a statement that omits the word "commitment," but instead indicates the lender's "willingness to process an application" or indicates that financing is subject to loan committee approval of the Project.

Contingencies in commitment documents based upon the receipt of tax-exempt bonds or low-income housing tax credits will not disqualify a source from being counted as committed. EFC types include sustained sources such as Project-based vouchers, Renewable Sources such as Continuum of Care, tenant-based subsidies like tenant-based vouchers, or intent to pursue sources like private funding or HHAP sources exceeding expiration and yet to be announced in the legislature.

Where local sources may be dependent upon future budget allocations or are in the process of being allocated, please submit one of the two documents below. For further information on this, please see Definition (xl.) on Renewable Sources below. Applicants can demonstrate funding commitments by submitting one of the following:

i. An executed authorizing resolution from the governing body of the Local Public Entity describing the commitment or intent to commit the funds to the Eligible Project (by name) upon allocation approval, or

ii. A formal letter, on official letterhead, from the Local Public Entity's governing body or from an official with authority, that demonstrates the Local Public Entity's intent to commit funds to the Eligible Project (by name) upon allocation approval. These funding commitments will be noted in the Homekey+ Standard Agreement.

xix. “Existing HCD Award Commitment” means the existing commitment of Department funds to the Project, as well as the Department loan program making that commitment.

xx. “Extremely Low Income” or “ELI” has the same meaning as in Title 24 CFR Part 93.2.

xxi. “Foster Youth” means a child or nonminor dependent, as defined by Section 475 of Title IV-E of the Social Security Act (42 U.S.C. Sec. 675(8)) and subdivision (v) of Section 11400 of the Welfare and Institutions Code, who has been removed from the custody of their parent, legal guardian, or Indian custodian pursuant to Section 361 or 726 of the Welfare and Institutions Code, and who has been ordered into any placement described in paragraphs (2) to (9), inclusive, of subdivision (e) of Section 361.2 of, or paragraph (4) of subdivision (a) of Section 727 of, the Welfare and Institutions Code.

xxii. "Grantee" means the Eligible Applicant (and, if applicable, the Co-Applicant) that has been awarded funds under Homekey+, and that will be held responsible for compliance with and performance of all Homekey+ Program Requirements. The Grantee may comprise one or more entities, so long as the Grantee structure includes an “Eligible Applicant,” as that term is defined in this NOFA. All such entities shall, in their individual and collective capacity as the “Grantee,” be bound by the Homekey+ Standard Agreement and each and every one of the Homekey+ program terms, conditions, and requirements.

xxiii. “Homekey+ Program Requirements” means the following, all as amended and in effect from time to time:

a. the Homekey+ Program Notice of Funding Availability

b. Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code.

c. the Grantee’s application for Homekey+ funding.

d. the Project report prepared by HCD in reliance on the representations and descriptions included in the Grantee’s application for Homekey+ funding.

e. the award letter issued by HCD to the Grantee.

f. the relevant STD 213, Standard Agreement for the Homekey+ funding; and

g. all other applicable law.

xxiv. "Homeless" has the same meaning as defined in Title 24 CFR Part 578.3.

xxv. “Homeless Youth” means a child, youth, or current or former Foster Youth through the age of 25 who qualifies as “Homeless” under any of the relevant definitions set forth or identified in Title 24 CFR Part 578.3.

xxvi. "Housing First" has the same meaning as in Welfare and Institutions Code section 8255, including all the core components listed therein.

xxvii. "HUD" means the U.S. Department of Housing and Urban Development.

xxviii. "Interim Housing" means any facility whose primary purpose is to provide a temporary shelter for the Homeless in general or for specific populations identified in this NOFA and which does not require occupants to sign leases or occupancy agreements. Interim Housing is not an eligible use under this NOFA with the exception noted in Section 201.

xxix. “Lead Service Provider” or “LSP” is the organization that has overall responsibility for the provisions of Supportive Services and implementation of the Supportive Services plan in the Project. The LSP may directly provide comprehensive case management services or contract with other agencies that provide services. For HUD-VASH tenants, the LSP will enable the applicable Veterans Affairs Case Manager to administer services in accordance with the HUD-VA Supportive Housing (VASH) Program.

xxx. “Local Public Entity” is defined in accordance with HSC section 50079, and means any county, City, City and county, the duly constituted governing body of an Indian reservation or rancheria, Tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. “Local Public Entity” also includes two or more Local Public Entities acting jointly.

xxxi. “Manager’s Unit” is a unit in which the onsite manager of the Project resides. A Manager’s Unit will not be an Assisted Unit. Manager’s Units may be included for Homekey+ funding under the development budget, however no Manager’s Unit may be included in funding requests for a Homekey+ operating award. Manager’s Units shall be restricted to households at or below 60% AMI.

xxxii. "NOFA" means this Notice of Funding Availability.

xxxiii. "Operating Expenses" means the amount approved by HCD that is necessary to pay for the recurring expenses of the Project, such as utilities; maintenance; management fees; taxes; licenses; and Supportive Services costs, which may

include staffing and service coordination. Operating Expenses do not include debt service or required reserve account deposits.

xxxiv. “Performing Debt” refers to non-government, long-term (or permanent) financing of a Project intended to generate a profit for a private or non-profit lender requiring ongoing mandatory debt service payments.

xxxv. "Permanent Supportive Housing" or “PSH” means housing with no limit on length of stay, that is occupied by the Target Population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community, as defined at California Government Code Section 65582 (g) , except that "Permanent Supportive Housing" shall include associated facilities if used to provide services to housing residents.

xxxvi. "Point-in-Time Count" or “PIT” means a count of sheltered and unsheltered Homeless persons on a single night conducted by Continuums of Care as prescribed by HUD.

xxxvii. “Positive Youth Development” (PYD) is an intentional, prosocial approach that engages youth within their communities, schools, organizations, peer groups, and families in a manner that is productive and constructive; recognizes, utilizes, and enhances young people’s strengths; and promotes positive outcomes for young people by providing opportunities, fostering positive relationships, and furnishing the support needed to build on their leadership strengths.

xxxviii. "Project" means a structure or set of structures providing housing with common financing, ownership, and management.

xxxix. “Project Ownership Structure” means a Project-specific entity organizational chart that shows the ownership relationship between the Project Applicants and all Project entities (including the special purpose entity). This document is used by HCD to connect the Project Ownership Structure with the provided legal organizational documents (i.e. Operating Agreement, Limited Partnership Agreement, By Laws, etc.) to ensure the Primary Applicant or Co-Applicant has legal control over the Project site. This is NOT a staff organizational chart. The Project Ownership Structure chart must be provided with the application.

xl. "Rehabilitation" means repairs and improvements to a substandard residential structure necessary to make it meet Rehabilitation standards. As used in this section, “substandard residential structure” has the same meaning as the term “substandard building,” as defined in HSC Section 17920.3. “Rehabilitation” also includes improvements and repairs made to a residential structure acquired for the purpose of preserving its affordability and use by the Target Population.

xli. “Renewable Sources” means funding sources that are dependent upon future budget allocations, competitive applications, or are in the process of being allocated. Per UMR Section 8310 (i) HCD may assume funds may be renewed, where the renewal of the rental assistance or operating assistance is likely. The Homekey+ Program will evaluate the following to determine whether renewal is likely:

a. The number of years that the funding has been renewed and/or that the Homekey+ Applicant has received the renewal; and

b. Any back-stop funds or alternative funds the Project may utilize should the funds fail to renew.

xlii. “Rural Area” in accordance with HSC Section 50199.21, means an area, which, on January 1 of any calendar year satisfies any of the following criteria:

a. The area is eligible for financing under the Section 515 program, or successor program, of the Rural Development Administration of the United States Department of Agriculture.

b. The area is located in a nonmetropolitan area as defined in HSC Section 50090; or

c. The area is either:

i. An incorporated City having a population of 40,000 or less as identified in the most recent Report E-1 published by the Demographic Research Unit of HCD of Finance; or

ii. An unincorporated area which adjoins a City having a population of 40,000 or less, provided that the City and its adjoining unincorporated area are not located within a census tract designated as an urbanized area by the United States Census Bureau. HCD shall assist in determinations of eligibility pursuant to this subdivision upon request. With respect to areas eligible under subdivision (b) and this subdivision, the committee may rely upon the recommendations made by HCD. Any inconsistencies between areas eligible under subdivisions (a) and (b), and this subdivision, shall be resolved in favor of considering the area a Rural Area. Eligible and ineligible areas need not be established by regulation.

xliii. “Secondary Tenant” is defined as 1) Veterans who are Homeless whose incomes are up to 50% AMI and are receiving income as a result of service-connected disability benefits, or 2) Veterans experiencing homelessness with an income of up to 60% AMI.

xliv. “Severely Rent-Burdened” means being Extremely Low-Income (under 30% AMI) and paying more than 50% of income for rent.

xlv. “Sponsor” means the definition of “Sponsor” at UMR Section 8301(s), which is: the legal entity or combination of legal entities with continuing control of the Project. Where the borrowing entity is or will be organized as a limited partnership, Sponsor includes the general partner or general partners who have effective control over the operation of the partnership, or, if the general partner is controlled by another entity, the controlling entity. Sponsor does not include the seller of the property to be developed as the Project, unless the seller will retain control of the Project for the period of time necessary to ensure Project feasibility as determined by the Department.

xlvi. “Standard Agreement” means the STD 213, Standard Agreement, and all exhibits thereto.

xlvii. “Supportive Services” means social, health, educational, income support, employment, and housing stability services and benefits; coordination of community building and educational activities; individualized needs assessment and case management; and individualized assistance with obtaining services and benefits.

xl. "Target Population" means individuals, or households with an individual, who are experiencing homelessness or who are At Risk of Homelessness as defined under part 578.3 of Title 24 of the Code of Federal Regulations and who have or are suspected of having a Behavioral Health Challenge. These individuals and households must include a person described in subdivision (c) or (d) of Section 14184.402, or a person with a substance use disorder, as described in Section 5891.5. However, enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed. For Veteran-serving Projects the Target Population also includes Veterans.

xli. “Tribal Entity(ies)” means an Applicant that is any of the following:

a. Applicant meets the definition of Indian Tribe under Section 4103(13)(B) of Title 25 of the United State Code.

b. Applicant meets the definition of Tribally Designated Housing Entity under 25 USC 4103(22).

c. If not a federally recognized Tribe, either:

i. Applicant is listed in the Bureau of Indian Affairs Office of Federal Acknowledgement petitioner list pursuant to Section 82.1 of Title 25 of the Federal Code of Regulations.

ii. Applicant is an Indian Tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of consultation pursuant to Section 65352.3 of the Government Code.

iii. Has organized a separate legal entity, either a non-profit or for-profit entity, in compliance with CCR Title 25, Section 8301(s) and it has demonstrated to the satisfaction of the Department that the separate legal entity is controlled by the Tribal Applicant.

xlii. "Unit" means a residential unit that is used as a primary residence by its occupants, including individual units within the Project.

xliii. “Veteran” means a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable and who is experiencing or at risk of homelessness as defined in Title 24 CFR Part 578.3.

xliv. “Youth Assisted Unit” means an Assisted Unit serving Homeless Youth, or Youth at Risk of Homelessness, as defined in Title 24 CFR Part 578.3. Pursuant to Section 203, Youth Assisted Units may also serve current and former Foster Youth through the age of 25.

xlv. “Youth at Risk of Homelessness” means a child, youth, or current or former Foster Youth through the age of 25 who qualifies as “At Risk of Homelessness” or “Homeless” under any of the relevant definitions set forth or identified at Part 578.3 of Title 24 of the Code of Federal Regulations.

# APPENDIX A: Homekey+ Capital Contributions

| Assisted Unit, 1:1 Match | Homekey+ Capital Contributions | | |
|---|---|---|---|
| | Total Cost Per Door * | Maximum Homekey+ Contribution | Applicant Contribution |
| Homekey+ Target Population and Manager's Units | $180,000 | $180,000 | $0 |
| | $190,000 | $190,000 | $0 |
| | $200,000 | $200,000 | $0 |
| | $220,000 | $210,000 | $10,000 |
| | $240,000 | $220,000 | $20,000 |
| | $260,000 | $230,000 | $30,000 |
| | $280,000 | $240,000 | $40,000 |
| | $300,000 | $250,000 | $50,000 |
| | $320,000 | $260,000 | $60,000 |
| | $340,000 | $270,000 | $70,000 |
| | $360,000 | $280,000 | $80,000 |
| | $380,000 | $290,000 | $90,000 |
| | $400,000+ | $300,000 | $100,000+ |

* The total cost per door referenced in the table above includes all eligible capital expenses, including acquisition, Rehabilitation, and new construction costs.

## APPENDIX B: Homekey+ Organizational Document Requirements

| | Documents to submit with Application | Needed to pass Threshold | Needed to pass Feasibility |
|---|---|---|---|
| **All Applicants** | Certification & Legal Disclosure | | x |
| | Signature Block (in Word document format) | | x |
| | Payee Data Record (STD 204) (except jurisdictions) | | x |
| | EIN Verification (IRS form SS-4) (except jurisdictions) | | x |
| | Tax-Exempt Status from IRS and FTB (if applicable) | | x |
| **Eligible Applicant or Co-Applicant** | Project Ownership Structure (*only one needed*) | x | |
| **Eligible Applicant (Jurisdiction)** | Authorizing Resolution | x | |
| | Taxpayer Identification Number (FI$Cal TIN Form) | x | |
| **Tribal Entity** | Authorizing Resolution | x | |
| | Tribe Formation Documents (constitution, charters, etc.) | x | |
| | Federal Register of Indian Entities Recognized (if applicable) | x | |
| **Corporation** | Authorizing Resolution | x | |
| | Articles of Incorporation | x | |
| | Certificate of Amended Articles of Incorporation, if applicable | x | |
| | Corporate Bylaws (all amendments and/or restatements) | x | |
| | Restated Articles of Incorporation | x | |
| | Cert of Good Standing (dated within 30 days of app due date) | | x |
| | Statement of Information | | x |
| | Shareholder Agreements (if applicable) | | x |
| **Limited Liability Company** | Authorizing Resolution | x | |
| | Articles of Organization including restatements (LLC-1) | x | |
| | Certificate of Amended Articles of Organization (LLC-2) if applicable | x | |
| | Operating Agreement | x | |
| | Cert of Good Standing (dated within 30 days of app due date) | | x |
| **Limited Partnership** | Authorizing Resolution | x | |
| | Certificate of Limited Partnership (LP-1) | x | |
| | Amendment to Certificate of Limited Partnership (LP-2) | x | |
| | Limited Partnership Agreement | x | |
| | Cert of Good Standing (dated within 30 days of app due date) | | x |
| LLC: Manager of LLC if applicable | See org doc requirement based on organization type | x | |
| | | | |
| Limited Partnership: MGP | See org doc requirement based on organization type | x | |
| Limited Partnership: AGP | See org doc requirement based on organization type | x | |

| | Documents to submit with Application | Needed to pass Threshold | Needed to pass Feasibility |
|---|---|---|---|
| Limited Partnership: LP or GP | See org doc requirement based on organization type | x | |

## APPENDIX C: Homekey+ Streamlining

### State of California Health and Safety Code Section 50675.1.5: Streamlined Ministerial Review Process (excerpt from Homekey+ authorizing statute)

50675.1.5. (a) (1) Notwithstanding any other law, projects to provide housing pursuant to paragraph (1) or (2) of subdivision (a) of Section 5965.04 of the Welfare and Institutions Code, shall be a use by right and shall be subject to the streamlined, ministerial review process, pursuant to subdivision (b), if it meets all of the following criteria:
(A) It is located in a zone where multifamily residential use, office, retail, or parking are a principally permitted use.
(B) At least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses.
(C) It satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4 of the Government Code.
(D) It is not on a site or adjoined to any site where more than one-third of the square footage on the site is dedicated to industrial use.
(E) The development will meet the following objective zoning standards, objective subdivision standards, and objective design review standards:
(i) The applicable objective standards shall be those for the zone that allows residential use at a greater density between the following:
(I) The existing zoning designation for the parcel if existing zoning allows multifamily residential use.
(II) The zoning designation for the closest parcel that allows residential use at a density deemed appropriate to accommodate housing for lower income households in that jurisdiction as specified in paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code.
(ii) The applicable objective standards shall be those in effect at the time that the development application is submitted to the local government pursuant to this section.
(iii) A development proposed pursuant to this section shall be eligible for the same density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios applicable to a project that meets the criteria specified in subparagraph (G) of paragraph (1) of subdivision (b) of Section 65915 of the Government Code.
(F) No housing units were acquired by eminent domain.
(G) The housing units will be in decent, safe, and sanitary condition at the time of their occupancy.
(H) The project meets the labor standards contained in Sections 65912.130 and 65912.131 of the Government Code.
(I) The project provides housing for persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code and their families.
(J) Long-term covenants and restrictions require the housing units to be restricted to persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code for no fewer than 30 years.
(2) (A) For purposes of this subdivision, parcels only separated by a street or highway shall be considered to be adjoined.

(B) For purposes of this subdivision, “dedicated to industrial use” means any of the following:
(i) The square footage is currently being used as an industrial use.
(ii) The most recently permitted use of the square footage is an industrial use.
(iii) The site was designated for industrial use in the latest version of a local government’s general plan adopted before January 1, 2022.
(b) The project shall be subject to the following streamlined, ministerial review process:
(1) (A) If the local government determines that a development submitted pursuant to this section is consistent with the objective planning standards specified in this section, it shall approve the development.
(B) If a local government determines that a development submitted pursuant to this section is in conflict with any of the objective planning standards specified in this section, it shall provide the development proponent written documentation of which standard or standards the development conflicts with, and an explanation for the reason or reasons the development conflicts with that standard or standards, within the following timeframes:
(i) Within 60 days of submission of the development proposal to the local government if the development contains 150 or fewer housing units.
(ii) Within 90 days of submission of the development proposal to the local government if the development contains more than 150 housing units.
(C) If the local government fails to provide the required documentation pursuant to subparagraph (B), the development shall be deemed to satisfy the required objective planning standards.
(D) (i) For purposes of this section, a development is consistent with the objective planning standards if there is substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.
(ii) For purposes of this section, a development is not in conflict with the objective planning standards solely on the basis that application materials are not included, if the application contains substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.
(E) The determination of whether a proposed project submitted pursuant to this section is or is not in conflict with the objective planning standards is not a “project” as defined in Section 21065 of the Public Resources Code.
(2) Design review of the development may be conducted by the local government’s planning commission or any equivalent board or commission responsible for design review. That design review shall be objective and be strictly focused on assessing compliance with criteria required for streamlined, ministerial review of projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submittal of the development to the local government and shall be broadly applicable to developments within the jurisdiction. That design review shall be completed as follows and shall not in any way inhibit, chill, or preclude the ministerial approval provided by this section or its effect, as applicable:
(A) Within 90 days of submittal of the development proposal to the local government pursuant to this section if the development contains 150 or fewer housing units.
(B) Within 180 days of submittal of the development proposal to the local government pursuant to this section if the development contains more than 150 housing units.

(c) Division 13 (commencing with Section 21000) of the Public Resources Code shall not apply to actions taken by HCD of Housing and Community Development, the State Department of Health Care Services, or a local agency to provide financial assistance or insurance for the development and construction of projects built pursuant to this section.
(d) The applicant shall file a notice of exemption with the Office of Planning and Research and the county clerk of the county in which the project is located in the manner specified in subdivisions (b) and (c) of Section 21152 of the Public Resources Code.
(e) For purposes of this section, the following definitions shall apply:
(1) “Objective zoning standards,” “objective subdivision standards,” and “objective design review standards” mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal. These standards may be embodied in alternative objective land use specifications adopted by a City or county, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances.
(2) “Use by right” means a development project that satisfies both of the following conditions:
(A) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.
(B) The development project is not a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

## APPENDIX D: Homekey+ Grantee Publicity Guidelines

Grantees are required to acknowledge HCD in all publications, websites, signage, invitations, and other media-related and public-outreach products and events related to the Homekey+ Project. HCD staff will provide their respective logo file(s) and guidance on their usage directly to the Grantees.

i. Long-form written materials, such as reports, must include the following standard language about HCD and Homekey+:

   a. Housing stability is vital to mental health wellness. With safe, affordable housing and Supportive Services to address Behavioral Health Challenges California's most vulnerable residents will have the foundation they need to thrive. With funding allocated from the passage of Proposition 1 and HHAP Supplemental funds, HCD will expand on the success of its Homekey program through Homekey+ to help support the development of PSH for Veterans and individuals (or households with individuals) who are At Risk of or experiencing homelessness and with mental health or substance use challenges.

ii. Informational materials that do not qualify as long-form, but include at least a paragraph of text, such as press releases, media advisories, short case studies, some flyers, etc., should include the following language:

   a. Long version: Homekey+ is funded by almost $2.145 billion from Proposition 1 bond and HHAP supplemental funds, allowing HCD to expand on the success of its Homekey program to help support the development of Permanent Supportive Housing for Veterans and individuals At Risk of or experiencing homelessness and with mental health or substance use challenges.

   b. Short version: Funded by Proposition 1 and HHAP, Homekey+ creates Permanent Supportive Housing for Californians with Behavioral Health Challenges.

iii. Grantees may at times produce promotional materials that are primarily visual in nature, such as banners, signage, certain flyers, and sharable images for social media. In such cases, when including the boilerplate language acknowledging Homekey+ support is not practical, Grantees should instead include the official logo of HCD preceded by the words "Funded by."

iv. Grantees are required to identify a point of contact for all press inquiries and communications needs related to the Project and provide the name, phone number, and email address of this individual to HCD.

v. Grantees are encouraged to distribute a press release after grant decisions are made public by the HCD or Governor's Office and any embargo lifted, and for other major milestones throughout the lifecycle of the Project. All press releases must be approved by HCD prior to distribution, and HCD must be alerted and invited to participate in any and all groundbreakings, grand openings, and press conferences related to the Award by emailing HCD Homekey@hcd.ca.gov.

vi. Grantees are required to prepare one or more two- to four-page documents that provide a summary of the Project components and tell the story of the Homekey+ development process and/or implementation. All such materials must be approved by HCD prior to distribution. These materials may be displayed on the Homekey+ website.

vii. Applicants and Grantees are encouraged to use social media to share the process of creating a Homekey+ proposal and to inform the public throughout implementation. @California_HCD and @CAbcsh should be tagged on all posts related to the Homekey+ grant. Use of the hashtags #Homekey+ and #WhereFoundationsBegin is encouraged.

# Bill Text: CA AB140 | 2021-2022 | Regular Session | Chaptered
California Assembly Bill 140 ***(Prior Session Legislation)***

**Bill Title:** Housing.

**Spectrum:** Committee Bill

**Status:** *(Passed)* 2021-07-19 - Chaptered by Secretary of State - Chapter 111, Statutes of 2021. [AB140 Detail]

**Download:** California-2021-AB140-Chaptered.html

**Assembly Bill No. 140**

CHAPTER 111

An act to amend Section 14671.2 of, and to add Section 12334 to, the Government Code, to amend Sections 37001, 50216, 50217, 50220.6, 50221, 50675.1, and 53559 of, to add Sections 50218.6, 50218.7, 50220.7, 50220.8, 50223, 50675.1.3, and 53559.3 to, to add Chapter 7 (commencing with Section 50250) and Chapter 8 (commencing with Section 50255) to Part 1 of, to add Chapter 3.15 (commencing with Section 50515.06), Chapter 5.5 (commencing with Section 50606), Chapter 6.6 (commencing with Section 50672), Chapter 8.2 (commencing with Section 50704.80), and Chapter 8.6 (commencing with Section 50720) to Part 2 of, Division 31 of, and to add and repeal Section 50675.1.4 of, the Health and Safety Code, to add Section 1785 to the Labor Code, and to add Sections 8257.1 and 8257.2 to the Welfare and Institutions Code, relating to housing, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[ Approved by Governor July 19, 2021. Filed with Secretary of State July 19, 2021. ]

## LEGISLATIVE COUNSEL'S DIGEST

AB 140, Committee on Budget. Housing.

(1) Existing law defines the duties of the Treasurer, which include, but are not limited to, receiving and keeping the vaults of the State Treasury, paying warrants drawn by the Controller in certain circumstances, and keeping an account of all money received and disbursed.

This bill would require the Treasurer, in consultation with other specified state agencies, to develop a framework for the California Dream For All Program, the goals of which would include, but would not be limited to, making home ownership more affordable. The bill would require the Treasurer to submit a report outlining the framework for the program to the Legislature. The bill would also state the intent of the Legislature that the program include certain elements.

(2) Existing law authorizes the Director of General Services, with the consent of the state agency concerned and the approval of the governing body of any concerned local agency, to lease state-owned real property when the Director of General Services deems that leasing serves a beneficial public purpose limited to the development of housing, including emergency shelters or park and recreation facilities. Existing law requires that at least 25% of the housing units developed on state property leased pursuant to these provisions be available for the term of the lease to persons and families of very low, low, and moderate income, as provided.

This bill would remove the above-described requirement that the leasing receive the approval of the governing body of any concerned local agency. The bill would expand the list of beneficial public purposes for which property may be leased to include permanent supportive housing and traditional housing.

This bill would instead require that a minimum of 20% of housing units developed pursuant to these provisions be made available for the term of the lease to, and occupied by, lower income households and very low income households, as provided. The bill would authorize the Director of Housing and Community Development to prescribe alternative minimum percentages in each income category in specified instances.

This bill would authorize the Director of General Services to permit commercial development on property leased pursuant to these provisions if the Director of Housing and Community Development deems the commercial development necessary for the successful delivery of housing to lower income households and deems the commercial development to provide community benefits. The bill would, upon a written formal recommendation from the Director of Housing and Community Development that it is in the best interest of the state and reasonably necessary to facilitate the development of affordable housing, authorize the Director of General Services to permit phased development, subject to specified terms and conditions, or to sell property or portions of a property that have been leased pursuant to these provisions for housing to a lessee for the purposes of affordable homeownership, consistent with specified affordability provisions.

(3) The California Constitution prohibits the development, construction, or acquisition in any manner of a low-rent housing project by any state public body, as defined, until a majority of the qualified electors of the city, town, or county in which it is proposed to develop, construct, or acquire the same, voting upon that issue, approve the project by voting in favor at an election. The California Constitution, for purposes of this prohibition, defines low-rent housing project to mean any development composed of urban or rural dwellings, apartments, or other living accommodations for persons of low income, financed in whole or in part by the federal government or a state public body or to which the federal government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise. Existing law establishes exclusions from this definition of "low-rent housing project," including a development that consists of the acquisition, rehabilitation, reconstruction, alterations work, or any combination thereof, of

lodging facilities or dwelling units using moneys received from the Coronavirus Relief Fund established by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

This bill would expand that exclusion to include developments that consist of new construction and developments using moneys received from the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (ARPA) or moneys appropriated and disbursed pursuant to specified programs or to fund the uses and to accomplish objectives under specified law, thereby excluding these developments from the scope of the above-described constitutional provision.

(4) Existing law establishes the Department of Housing and Community Development (department) in the Business, Consumer Services, and Housing Agency. The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. That law requires the department, in consultation with each council of governments, to determine the existing and projected need for housing in each region and further requires the appropriate council of governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county, as provided.

This bill would establish the Regional Early Action Planning Grants Program of 2021 developed and administered by the department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, for the purpose of providing regions with funding, including grants, for transformative planning and implementation activities. The bill, upon appropriation, would require funds for the grants to be distributed in accordance with state planning priorities and considering geographic equity among regions of the state to specified entities, including councils of governments, certain regional entities, and multiagency working groups, as described, to be used for eligible transformative planning and implementation activities, as provided. The bill would specify that eligible entities shall determine the use of the funds and suballocations within their boundaries in a manner that appropriately addresses their unique housing, land use, transportation, climate change, equity and other planning priorities in compliance with eligible uses of these funds. The bill would authorize, in consultation with the department, any entity that receives an allocation of funds to suballocate moneys directly to eligible entities in the form of grants, as prescribed. The bill would require the department to set aside up to 5% of the total appropriation for program administration, as specified.

This bill would authorize, until December 31, 2022, an eligible entity to request an allocation of funds by submitting an application containing specified information, including an explanation of how the proposed uses will meet the definition of transformative planning and implementation activities and an explanation of how the proposed uses will implement and achieve the housing goals that also result in per capita vehicle miles traveled reductions. The bill would authorize, if appropriated funds remain unallocated after December 31, 2022, the department to, at its discretion, make those funds available through a subsequent notice of funding availability in which funds are offered on a competitive basis, as prescribed. The bill would authorize, commencing January 1, 2022, certain eligible entities to request up to 10% of the funding available to it in advance of a full request for funding in order to develop and accelerate the implementation of certain program requirements as described in the application.

This bill would require entities that receive funds to submit an annual report to the department, and to make that report publicly available on their internet website, containing specified information regarding the uses of funds allocated under the program. The bill would require, not later than June 30, 2025, each eligible entity that receives an allocation of funds to submit a final report on the use of those funds to the department. The bill would require the department to maintain records of specified information relating to the funds, and provide that information publicly on its internet website. The bill would require recipients of funds to post, make available and update, as appropriate on their websites, land use maps and vehicle miles traveled generation maps produced in the development of their adopted sustainable

communities strategy; collaborate, and share progress, templates, and best practices with the department and fellow recipients in implementation of funds; and to expend those funds no later than June 30, 2024.

This bill would authorize the department to monitor expenditures and activities of an applicant, as the department deems necessary; to ensure compliance with program requirements; to request the repayment of funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements; and in collaboration with the Office of Planning and Research, Strategic Growth Council, and the State Air Resources Board, to implement the program through the issuance of forms, guidelines, application materials, funding allocation methodologies, and one or more notices of funding availability, as provided. The bill would specify that the department's decision to approve or deny an application or request for funding pursuant to the program, and its determination of the amount of funding to be provided or request for repayment or other remedies for failure to comply with program requirements, would be final.

(5) Existing law requires the Department of Housing and Community Development to administer various housing programs, including the Multifamily Housing Program, as described below. Existing law creates the Housing Rehabilitation Loan Fund and continuously appropriates moneys in that fund for, among other purposes, making deferred-payment rehabilitation loans for financing all or a portion of the cost of rehabilitating existing housing to meet rehabilitation standards, as provided.

This bill would authorize the department, upon appropriation, to make loans or grants, or both loans and grants, to rehabilitate, capitalize operating subsidy reserves for, and extend the long-term affordability of department-funded housing projects that have affordability restriction that has expired, that have an affordability restriction with a remaining term of less than 5 years, or are otherwise at risk for conversion, as provided. The bill would authorize the department to adopt guidelines to implement this program and exempt those guidelines from the rulemaking provisions of the Administrative Procedure Act. The bill would authorize the department to establish loan processing or transaction fees for loans or grants authorized under these provisions.

This bill would authorize the department, upon appropriation, to award a forgivable loan or grant to a qualified rental housing development to replace federal and state low-income housing credit equity, as specified. The bill would define "qualified rental housing development" for these purposes to mean a qualified low-income housing project that received an award letter from specified multifamily housing programs administered by the department. The bill would require that a loan awarded under these provisions be provided with an interest rate of zero. The bill would authorize the department to determine the terms under which a loan or grant awarded under these provisions is subject to repayment. The bill would require a rental housing development that receives a grant or loan under these provisions to commence construction within 180 days of issuance of an award letter, and would authorize the department to issue a 90-day extension, as specified. The bill would authorize the department to adopt guidelines to implement this program and exempt those guidelines from the rulemaking provisions of the Administrative Procedure Act.

This bill would require any loan repayments under either of the loan programs established by the bill's provisions to be deposited in the Housing Rehabilitation Loan Fund, to be used for the purposes of the Multifamily Housing Program. By increasing the amount of money deposited in a continuously appropriated fund, this bill would make an appropriation.

(6) Existing law establishes the Multifamily Housing Program administered by the Department of Housing and Community Development. Existing law requires assistance for projects under the program to be provided in the form of deferred payment loans to pay for eligible costs of specified types of development, as provided. Existing law requires that funds appropriated in the 2020 Budget Act or an act related to the 2020 Budget Act, including specified moneys received under specified law, to provide housing for individuals and families

who are experiencing homelessness or who are at risk of homelessness and who are impacted by the COVID-19 pandemic, be disbursed in accordance with the Multifamily Housing Program for specified uses, as provided, but exempts assistance provided under these provisions from the requirement to provide assistance under that program in the form of deferred payment loans.

This bill would require that funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases be disbursed in accordance with the Multifamily Housing Program for specified uses, and would provide that the above-described deferred payment loan requirement under the program would not apply to assistance provided pursuant to these provisions, as specified. The bill would authorize the department to adopt guidelines for the expenditure of funds appropriated to the department under these provisions. The bill would require the department to report to the Legislature on the use of the funds in the department's annual report, including, among other things, an explanation of how funding decisions were made and the number of individuals housed, or likely to be housed, using the funds.

Existing law, the California Environmental Quality Act (CEQA), requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment.

This bill would, until July 1, 2024, exempt from CEQA a project described above and funded pursuant to these provisions if certain requirements are met, including that the project proponent submits to the lead agency a letter of support from a county, city, or other local public entity for any proposed rehabilitation, construction, or major alteration work. If the lead agency determines that a project is not subject to CEQA and the lead agency determines it will approve or carry out the project, the bill would require the lead agency to file a notice of exemption, as specified.

(7) Existing law establishes, among various other programs intended to address homelessness in this state, the Homeless Housing, Assistance, and Prevention program for the purpose of providing jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Existing law provides for the allocation of funding under the program among continuums of care, cities, and counties in 2 rounds, the first of which is administered by the Business, Consumer Services, and Housing Agency and the 2nd of which is administered by the Homeless Coordinating and Financing Council.

This bill would provide for the allocation of a total of $2,000,000,000 in a 3rd and 4th round of funding under the program, to be administered by the council. Upon appropriation, the bill would require the council to distribute $1,000,000,000 in the 2021–22 fiscal year and $1,000,000,000 in the 2022–23 fiscal year. The bill would require the council to allocate up to 80% of the amount available for each fiscal year to cities, counties, and continuums of care, in a manner similar to existing provisions of the program and used for similar purposes, to set aside up to 18% for awarding bonus funds, as provided, and to allocate the remaining 2% to federally recognized tribal governments, as provided. Except as provided, the bill would require that all round 3 program funds be expended by June 30, 2026, and that all round 4 program funds be expended by June 30, 2027. The bill would require that any round 3 program funds not expended by June 30, 2026, be available for round 4 of the program and that any round 4 programs not expended by June 30, 2027, revert to the General Fund. The bill would require a recipient of a round 3 or round 4 program allocation, including tribal recipients, to expend funds on evidence-based solutions that address and prevent homelessness among eligible populations, as specified.

For allocations of round 3 program funds to cities, counties, and continuums of care, the bill would require the council to issue a standard agreement for applicants to apply for funding no later than September 15, 2021, and would require applicants to submit an agreement within 30 days after the date the council issues that agreement. Upon receipt of an agreement, the bill would require the council to allocate 20% of the eligible city's, county's, or continuum of care's allocation of round 3 funds, or 25% of that allocation if the city, county, or continuum of care applies jointly with a counterpart entity or entities, as provided. In order to receive the balance of its round 3 allocation, the bill would require the applicant to submit an application to the council by June 30, 2022, that includes a local homelessness action plan and specific outcome goals developed in accordance with specified requirements. The bill would require the council to either approve the application or return it to the applicant with written, detailed comments and request specified amendments to the application within 30 days. The bill would require a recipient to contractually obligate not less than 50% of round 3 program allocations no later than May 31, 2024, except that the bill would require a recipient that is a county to contractually obligate the full amount of its allocation by that date, and would require the reversion of funds not contractually obligated in accordance with this requirement, as provided. The bill would require recipients to demonstrate whether they have successfully met their outcome goals no later than June 30, 2024, and provide for the award of bonus funds to jurisdictions that have met those goals.

For allocations of round 4 program funds to cities, counties, and continuums of care, the bill would require the council to make applications available no later than September 30, 2021, and would require the applicant to submit an application to the council within 60 days after the date the council makes those applications available. The bill would require that the application include an updated local homelessness action plan and new specific outcome goals developed in accordance with specified requirements. The bill would require the council to either approve the application or return it to the applicant with written, detailed comments and request specified amendments to the application within 30 days. Upon approval of an application, the bill would require the council to disburse 50% of an eligible city's, county's, or continuum of care's total allocation of round 4 funds. The bill would require a recipient to contractually obligate not less than 75%, and to expend not less than 50%, of its initial round 4 program allocation no later than May 31, 2025, and would require the reversion of funds not contractually obligated in accordance with this requirement, as provided. Upon demonstration by a recipient city, county, or continuum of care that it has complied with the requirement to contractually obligate and expend a minimum amount of its round 4 program allocation, the bill would require the council to disburse to that recipient the remaining 50% of its total round 4 allocation. The bill would require recipients to demonstrate whether they have successfully met their outcome goals no later than June 30, 2025, and provide for the award of bonus funds to jurisdictions that have met those goals.

The bill would make various conforming changes to the Homeless Housing, Assistance, and Prevention program with respect to round 3 and round 4 of the program, as described above.

(8) Existing law requires a recipient of funds under the Homeless Housing, Assistance, and Prevention program, by January 1 of the year following receipt of the funds and annually on that date thereafter until all funds have been expended, to submit a report to the Business, Consumer Services, and Housing Agency that includes specified information, including the number of homeless individuals served by the program funds in that year. Existing law, beginning in 2021, requires applicants to provide additional information for round 1 and round 2 of program allocations, as provided. Existing law requires an applicant that receives a round 1 program allocation to submit a final report to the agency no later than January 1, 2026. Existing law requires the agency to post the information received under these provisions on its internet website and provide notice to specified committees of the Legislature.

This bill would revise these provisions to require recipients under the program to submit an annual report and a final report on round 1 program allocations to the council instead of the agency. The bill would also require the council, rather than the agency, to post this information on its internet website and provide notice to specified committees of the Legislature. The bill, beginning with round 3 of the

program, would require applicants to provide additional information for all rounds of program allocations relating to the applicant's outcome goals, as described above. The bill would require a recipient that receives a round 3 program allocation to submit a final report to the council no later than October 1, 2026, and a recipient that receives a round 4 program allocation to submit a final report to the council no later than October 1, 2027.

(9) Existing law requires the Governor to create the Homeless Coordinating and Financing Council, and specifies the duties of the coordinating council to include creating partnerships among state agencies and departments, local government agencies, and specified federal agencies and private entities, for the purpose of arriving at specific strategies to end homelessness.

This bill would establish, upon appropriation by the Legislature, the Encampment Resolution Funding program to assist cities, counties, and continuums of care in ensuring the safety and wellness of people experiencing homelessness in encampments, to provide encampment resolution grants to resolve critical encampment concerns and transition individuals into safe and stable housing, and to encourage a data-informed, coordinated approach to address encampment concerns. The bill would authorize a continuum of care, city, or county to submit a specified application to the council for a program grant, and would require the council to prioritize funding applicants that demonstrate a commitment to cross-systems collaboration and innovative efforts to resolve encampment issues or have 50 or more individuals living in the encampment. The bill would require the Homeless Coordinating and Financing Council to administer the program in accordance with a specified timeline, and would require the council to award initial grants by March 1, 2022. The bill would require grant recipients to provide specified data elements, including health information, in a manner consistent with state and federal law, to their local Homeless Management Information System for tracking in the statewide Homeless Data Integration System.

(10) Existing law specifies the duties of the Homeless Coordinating and Financing Council, including creating partnerships among state agencies and departments, local government agencies, and specified federal agencies and private entities, for the purpose of arriving at specific strategies to end homelessness.

This bill, upon appropriation by the Legislature, would require the coordinating council to conduct, or contract with an entity to conduct, a statewide assessment to, among other things, identify state programs that provide housing or services to persons experiencing homelessness or at risk of homelessness, as defined, and collect and analyze data from those programs necessary to provide a comprehensive view of the homelessness response system. The bill would authorize local governments to collaborate with the coordinating council or other entity conducting the assessment to share existing data from existing local analyses of system needs or gaps to complement other data requested. The bill would require the council to submit an interim report by July 1, 2022, and a final report by December 31, 2022, on the assessment to specified legislative committees. The bill would require a state agency with a member on the coordinating council to provide the requested data within 60 days, as specified.

(11) Existing law establishes the Homeless Housing, Assistance, and Prevention program for the purpose of providing jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. Existing law commits the administration of this program with the Homeless Coordinating and Financing Council.

This bill would create the Family Homelessness Challenge Grants and Technical Assistance Program, which would be administered by the Homeless Coordinating and Financing Council. The program would provide one-time grants and technical assistance to local jurisdictions for the purpose of addressing and ending family homelessness. The bill would prescribe various elements of the program, including when applications are required to be available, when applications are required to be submitted to the council, and when the council is required to act upon them. The bill would prescribe percentages of funds, to be available upon appropriation by the Legislature, that would be

applied to 2 rounds of competitive grants, as specified, intensive technical assistance to local jurisdictions, as specified, and administrative expenses. Among other things, the bill would require that program funds be expended by June 30, 2026, and would require funds that are not expended by this date to revert to the General Fund. The bill would exempt the administration of the program from the Administrative Procedure Act. The bill would require recipients of program funds to provide specified data to their local Homeless Management Information System for tracking in the statewide Homeless Data Integration System. The bill would authorize the council to specify the form and substance of the data, and would provide that health information would not be subject to public inspection or disclosure. The bill would require all recipients of funds to provide information and products developed with grant funds on service delivery models in support of the overall program goal to create scalable solutions to family homelessness, as specified.

(12) Existing law authorizes the Director of General Services to dispose of surplus state real property, as defined, by sale, lease, exchange, or a sale combined with an exchange, or other manner of disposition of property, subject to legislative authorization and specified requirements.

Executive Order No. N-06-19 required the Department of General Services to create a digitized inventory of all state-owned parcels that are in excess of foreseeable needs, as provided. The executive order also required the Department of General Services, in consultation with the Department of Housing and Community Development, to issue requests for proposals on individual parcels and accept proposals from certain developers of affordable housing, as provided.

This bill would, upon appropriation by the Legislature, establish the Excess Sites Local Government Matching Grants Program to be administered by the Department of Housing and Community Development. The bill would require the department to allocate grants of up to $10,000,000 to development partners selected under an Executive Order No. N-06-19 program to enter a ground lease with the state to create affordable housing on excess state-owned property and that will receive contributions from a local government in support of that affordable housing. The bill would require the department to award grant moneys based on several factors, including value of the local government contribution and the creation of new permanent housing options. The bill would authorize a selected developer and a local government to submit, for expeditious review, a joint application that includes, among other things, a budget demonstrating the amount of the local government's contribution and a commitment and strategy from the local government to support the selected developer, as specified. The bill would limit the total amount of moneys awarded under the program to $30,000,000, and would require the department to set aside up to 5% of appropriated moneys for program administration.

(13) Existing law requires the Department of Housing and Community Development to, among other things, administer various programs intended to fund the acquisition of property to develop or preserve affordable housing.

This bill would create the Foreclosure Intervention Housing Preservation Program, which would be administered by the Department of Housing and Community Development. The goal of the program would be to preserve affordable housing and promote resident ownership or nonprofit organization ownership of residential real property. The bill would also require the department to contract with one or more fund managers to manage the program until at least June 30, 2026, as specified. The bill would also authorize the department to hire one or more third-party consultants to assist with administering the program, so long as each consultant has demonstrated certain expertise. The bill would require the department to adopt guidelines for the administration of the program.

The bill would require the department, upon appropriation of funding by the Legislature, to provide eligible borrowers loans and grants to pay the acquisition costs and associated transaction costs of certain real property purchased through a trustee's sale, as specified, subject to a preforeclosure intervention sale, as defined, or subject to a foreclosure risk intervention sale. The bill would require that funds only

be expended for specified purposes and that borrowers who receive funds from a loan or grant made pursuant to the program ensure that vacant units are restricted in certain ways, including that the units are made available for rent or purchase by lower income households, as defined and specified. The bill would also allow loans made pursuant to the program to be partially or fully converted to grants if certain conditions are met. The bill would provide that any funds that are uncommitted or returned as of December 31, 2025, shall be made available for purposes of the Housing Preservation Program. The bill would provide that, notwithstanding the requirements of that program, uncommitted or returned funds may also be used to assist projects funded by the department or other public entities. The bill would require the department to report on the implementation of the Foreclosure Intervention Housing Preservation Program no later than May 15, 2023. The bill would require that loan principal and interest payments be deposited into the Housing and Rehabilitation Loan Fund, to be used for purposes of the program, including, but not limited to, loans or grants to pay for repairs, maintenance, or improvements on properties acquired pursuant to the program.

(14) Existing law establishes the Infill Infrastructure Grant Program of 2019, which requires the Department of Housing and Community Development, upon appropriation of funds by the Legislature, to establish and administer a grant program to allocate those funds to capital improvement projects that are an integral part of, or necessary to facilitate the development of, a qualifying infill project or qualifying infill area, as those terms are defined, pursuant to specified requirements. Existing law requires the department to administer a competitive application process for grants for selected capital improvement projects for large jurisdictions and requires the department to administer an over-the-counter application process for grants for capital improvement projects for small jurisdictions.

This bill would, upon appropriation of the Legislature, authorize the department to expend $250,000,000 for the Infill Infrastructure Grant Program of 2019. In this regard, the bill would allocate $160,000,000 of those funds for selected capital improvement projects for large jurisdictions under the program and $90,000,000 for over-the-counter grants for capital improvement projects for small jurisdictions under the program. The bill would authorize up to 5% of these funds to be set aside for program administration, including state operations expenditures and technical assistance.

(15) Existing law, the Planning and Zoning Law, requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified lands outside its boundaries, that includes, among other mandatory elements, a housing element. Existing law requires that the housing element include, among other things, an inventory of land suitable and available for residential development. Existing law requires that this inventory of land be used to identify sites throughout the community that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction’s share of the regional housing need for all income levels, as specified. Existing law specifies various densities deemed appropriate to accommodate housing for lower income levels under these provisions that vary based on a jurisdiction’s classification and provides for that classification, as specified.

Existing law requires that a qualifying infill project or qualifying infill area for which a capital improvement grant may be awarded under the Infill Infrastructure Grant Program of 2019 meet specified conditions, including that the project or area include average residential densities on the parcels to be developed that are equal to or greater than the densities described in the above-described provisions of the Planning and Zoning Law or, if the project is located in a rural area, as defined, 10 units per acre. Existing law, until January 1, 2023, authorizes a city with a population of greater than 100,000 in a standard metropolitan statistical area or a population of less than 2,000,000 to petition the Department of Housing and Community Development for an exception to the jurisdiction’s classification under the above-described provisions of the Planning and Zoning Law, if the city believes it is unable to meet the density requirements specified for purposes of the Infill Infrastructure Grant Program of 2019.

This bill would extend the operation of this authorization for a city to petition for an exception to its classification under these provisions from January 1, 2023, to January 1, 2026.

(16) Existing law establishes the Department of Industrial Relations within the Labor and Workforce Development Agency to, among other things, foster, promote, and develop the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment. Existing law requires that the department be conducted under the control of an executive officer known as the Director of Industrial Relations, who the Governor appoints subject to confirmation by the Senate. Among other things, existing law requires the director to determine the general prevailing rate of per diem wages in accordance with specified standards.

This bill would require the director to establish and maintain a strategic enforcement unit focused on construction, alteration, and repair projects. The bill would require that the unit enhance the department's enforcement of the Labor Code in construction, alteration, and repair projects, including projects funded pursuant to the provisions of the Multifamily Housing Program added by this bill, as described above, and other publicly funded residential construction projects. The bill would confer on the unit primary responsibility for enforcement of The Labor Code in construction projects subject to the provisions of the Multifamily Housing Program added by this bill. The bill would also require the unit to provide technical assistance to local public entities, as specified.

(17) This bill would make findings and declarations related to a gift of public funds.

(18) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(19) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

## Digest Key

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

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## Bill Text

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 12334 is added to the Government Code, to read:

**12334.** (a) As soon as April 1, 2022, but no later than one year after the effective date of this chapter, the Treasurer, in consultation with the California Housing Finance Agency, the California Department of Housing and Community Development, and other relevant stakeholders, shall develop a framework for a program called the California Dream For All Program, in accordance with the goals and

intent of this section, and submit a report outlining the framework for the program to the Legislature in accordance with Section 9795. The report shall include, but not be limited to, the structure of the program, the administering entity, the program's financial structure, the type of financial assistance offered to homeowners, and analysis of the feasibility of establishing the program, financial risks to the State of California and the costs and benefits of the program compared to available alternatives and existing programs and how these costs and risks compare to the costs and risks to society of continuing current barriers to homeownership for working families and not combating systemic racism and inequities that have kept generations from building wealth and thriving in the middle class.

(b) The goals of the California Dream For All Program shall include, but not be limited to, all of the following:

(1) Making home ownership more affordable by reducing the cost of home ownership by up to 45 percent for lower and moderate-income Californians, including, but not limited to, Californians impacted by generational barriers to home ownership due to systemic racism, Californians that lost homes during the Great Recession and have not returned to home ownership, and Californians with substantial higher education student loan debt.

(2) Enabling homebuilders and sellers of existing homes to sell homes at a price that is ultimately affordable to lower and moderate-income Californians while also profitable for homebuilders and sellers of existing homes.

(3) Evolving the program over time to be self-sustaining utilizing private investments to create a self-sustaining model.

(4) Establishing a program to support first-time home buyers purchase a home in partnership with another entity, with the home buyer owning the majority share, with generally all the rights and responsibilities of homeownership, and the other entity owning a minority share, primarily as an investment.

(c) It is the intent of the Legislature that the California Dream For All Program include the following elements:

(1) Income limits for Californians and price limits for homes eligible for the program, both on a regional basis.

(2) Options for initial capitalization for the California Dream For All Fund.

(3) Ongoing state financial support limited to nominal administrative costs.

(4) Potential incentives to encourage private participation.

(5) An option for participating lower and moderate-income Californians with higher education student debt to mitigate the impact of the combined student debt and home mortgage debt burden.

(6) Notwithstanding any other provision of the program, a requirement that any home buyers assisted through the program be responsible for all maintenance costs, ad valorem property taxes and special taxes, and insurance requirements for the home.

(d) It is the intent of the Legislature that the California Dream For All program be enacted through statute as early as 2022 based on, but not limited to, the report required by this section.

**SEC. 2.** Section 14671.2 of the Government Code is amended to read:

**14671.2.** (a) Notwithstanding Section 14670, the director, with the consent of the state agency concerned, may let for any period of time any real property or interest in real property that belongs to the state, when the director deems the letting serves a beneficial public purpose limited to the development of housing, including permanent supportive or traditional housing and emergency shelters or park and recreation facilities.

(b) Notwithstanding subdivision (a), the director may permit commercial development on property leased pursuant to this section for affordable housing purposes if the Director of Housing and Community Development deems the commercial development necessary for the successful delivery of housing to lower income households and deems the commercial development to provide community benefits, including community-serving retail and amenities.

(c) The leases under this section shall be let in accordance with procedures prescribed by the director that facilitate development of housing or park and recreation facilities when such use is compatible with current use and foreseeable future use of the property. All proposed leases shall be reviewed by the State Public Works Board.

(d) (1) In all cases, at least 20 percent of the housing units developed on state property leased pursuant to this section shall be available for the term of the lease to, and occupied by, lower income households, of which at least 10 percent shall be available to, and occupied by, very low income households.

(2) For each lease, the minimum percentage in each income category shall be prescribed by the Director of Housing and Community Development, taking into account economic feasibility and housing need in the jurisdiction or region where the property is located. The Director of Housing and Community Development may prescribe alternative minimum percentages in each income category in instances when the alternative income mix results in a greater net gain of units affordable to lower income households and does not result in less than 20 percent of all units being affordable to lower income households and less than 10 percent of all units being affordable to very low income households.

(e) Upon a written formal recommendation from the Director of Housing and Community Development that it is in the best interest of the state and reasonably necessary to facilitate the development of affordable housing, the director may permit phased development, subject to those terms, conditions, restrictions, and financial incentives and disincentives as the director determines are necessary to ensure that commitments for subsequent phases will be fulfilled.

(f) (1) Upon a written formal recommendation from the Director of Housing and Community Development that it is in the best interest of the state and reasonably necessary to facilitate the development of affordable housing, the director may sell property or portions of a property that have been leased for housing pursuant to this section to a lessee for the purposes of affordable homeownership consistent with the affordability provisions of this section.

(2) Not less than 30 days before entering into any lease when selling portions of state property is contemplated, the director shall notify the Chairperson of the Joint Legislative Budget Committee, or the chairperson’s designee, in writing of the director’s intention to enter into the agreement. The notification shall include a written finding of the director’s determination that the proposed sale is in the best interest of the state and is reasonably necessary to facilitate development of housing affordable to lower income households.

(g) In letting leases pursuant to this section, the director shall give preference to projects that provide for either the greatest number of units affordable to lower and very low income households, or that provide for more units affordable to lower and very low income

households than required by the Director of Housing and Community Development pursuant to subdivision (d).

(h) The director may enter into leases pursuant to this section at less than market value, provided that the cost of administering the lease is recovered. The Department of Housing and Community Development shall recommend to the director a lease amount that will enable the provision of housing for lower income households.

(i) All leases executed pursuant to this section shall contain a recital that the director has found the letting serves the required beneficial public purpose and complies with all provisions of this section, which recital shall be conclusive in favor of lessees from the state and their mortgagees.

(j) For purposes of this section:

(1) "Director" means the Director of General Services.

(2) "Lower income households" means the same as defined in Section 50079.5 of the Health and Safety Code.

(3) "Very low income households" means the same as defined in Section 50105 of the Health and Safety Code.

**SEC. 3.** Section 37001 of the Health and Safety Code is amended to read:

**37001.** The term "low-rent housing project," as defined in Section 1 of Article XXXIV of the California Constitution, does not apply to any development composed of urban or rural dwellings, apartments, or other living accommodations, that meets any one of the following criteria:

(a) (1) The development is privately owned housing, receiving no ad valorem property tax exemption, other than exemptions granted pursuant to subdivision (f) or (g) of Section 214 of the Revenue and Taxation Code, not fully reimbursed to all taxing entities; and (2) not more than 49 percent of the dwellings, apartments, or other living accommodations of the development may be occupied by persons of low income.

(b) The development is privately owned housing, is not exempt from ad valorem taxation by reason of any public ownership, and is not financed with direct long-term financing from a public body.

(c) The development is intended for owner-occupancy, which may include a limited equity housing cooperative as defined in Section 50076.5, or cooperative or condominium ownership, rather than for rental-occupancy.

(d) The development consists of newly constructed, privately owned, one-to-four family dwellings not located on adjoining sites.

(e) The development consists of existing dwelling units leased by the state public body from the private owner of these dwelling units.

(f) The development consists of the rehabilitation, reconstruction, improvement or addition to, or replacement of, dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by lower income households, as defined in Section 50079.5.

(g) The development consists of the acquisition, rehabilitation, reconstruction, improvement, or any combination thereof, of a rental housing development which, prior to the date of the transaction to acquire, rehabilitate, reconstruct, improve, or any combination thereof, was subject to a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households and maintains, or enters into, a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households.

(h) The development consists of the acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units using any of the following:

(1) Moneys received from the Coronavirus Relief Fund established by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136).

(2) Moneys received from the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2).

(3) Moneys appropriated and disbursed pursuant to Chapter 5.5 (commencing with Section 50606) of Part 2 of Division 31.

(4) Moneys appropriated and disbursed pursuant to Chapter 6.6 (commencing with Section 50672) of Part 2 of Division 31.

(5) Moneys appropriated and disbursed to fund the uses and accomplish the objectives specified in Section 50675.1.1 or 50675.1.3.

**SEC. 4.** Section 50216 of the Health and Safety Code is amended to read:

**50216.** For purposes of this chapter:

(a) “Agency” means the Business, Consumer Services, and Housing Agency.

(b) “Applicant” means a continuum of care, city, county, or tribe.

(c) “City” means a city or city and county that is legally incorporated to provide local government services to its population. A city can be organized either under the general laws of this state or under a charter adopted by the local voters.

(d) “Continuum of care” means the same as defined by the United States Department of Housing and Urban Development at Section 578.3 of Title 24 of the Code of Federal Regulations.

(e) “Coordinated Entry System” means a centralized or coordinated process developed pursuant to Section 578.7 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019, designed to coordinate homelessness program participant intake, assessment, and provision of referrals. In order to satisfy this subdivision, a centralized or coordinated assessment system shall cover the geographic area, be easily accessed by individuals and families seeking housing or services, be well advertised, and include a comprehensive and standardized assessment tool.

(f) “Council” means the Homeless Coordinating and Financing Council created pursuant to Section 8257 of the Welfare and Institutions Code.

(g) “Emergency shelter” has the same meaning as defined in subdivision (e) of Section 50801.

(h) “Homeless” has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019.

(i) “Homeless Management Information System” means the information system designated by a continuum of care to comply with federal reporting requirements as defined in Section 578.3 of Title 24 of the Code of Federal Regulations. The term “Homeless Management Information System” also includes the use of a comparable database by a victim services provider or legal services provider that is permitted by the federal government under Part 576 of Title 24 of the Code of Federal Regulations.

(j) (1) “Homeless point-in-time count” means the 2019 homeless point-in-time count pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations. A jurisdiction may elect to instead use their 2017 point-in-time count if they can demonstrate that a significant methodology change occurred between the 2017 and 2019 point-in-time counts that was based on an attempt to more closely align the count with HUD best practices and undertaken in consultation with HUD representatives. A jurisdiction shall submit documentation of this to the agency by the date by which HUD’s certification of the 2019 homeless point-in-time count is finalized. The agency shall review and approve or deny a request described in the previous sentence along with a jurisdiction’s application for homeless funding.

(2) For purposes of round 4 of the program described in Section 50218.7, “homeless point-in-time count” means the most recent point-in-time count that requires a sheltered and unsheltered count pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations completed by all applicants.

(k) “Homeless youth” means an unaccompanied youth between 12 and 24 years of age, inclusive, who is experiencing homelessness, as defined in subsection (2) of Section 725 of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)). “Homeless youth” includes unaccompanied youth who are pregnant or parenting.

(l) “Housing First” has the same meaning as in Section 8255 of the Welfare and Institutions Code, including all of the core components listed therein.

(m) “Jurisdiction” means a city, city that is also a county, county, continuum of care, or tribe, as defined in this section.

(n) “Navigation center” means a Housing First, low-barrier, service-enriched shelter focused on moving homeless individuals and families into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.

(o) “Program” means the Homeless Housing, Assistance, and Prevention program established pursuant to this chapter.

(1) “Round 1” of the program means the funding allocated under the program with moneys appropriated during the fiscal year beginning on July 1, 2019.

(2) “Round 2” of the program means the funding allocated under the program with moneys appropriated during the fiscal year beginning on July 1, 2020.

(3) "Round 3" of the program means the funding allocated under the program with moneys appropriated during the fiscal year beginning on July 1, 2021.

(4) "Round 4" of the program means the funding allocated under the program with moneys appropriated during the fiscal year beginning on July 1, 2022.

(p) "Program allocation" means the portion of program funds available to expand or develop local capacity to address immediate homelessness challenges.

(q) "Recipient" means a jurisdiction that receives funds from the council for the purposes of the program.

(r) "Tribe" or "tribal applicant" means a federally recognized tribal government pursuant to Section 4103 of Title 25 of the United States Code.

**SEC. 5.** Section 50217 of the Health and Safety Code is amended to read:

**50217.** (a) The Homeless Housing, Assistance, and Prevention program is hereby established for the purpose of providing jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing.

(b) Upon appropriation by the Legislature, the council shall distribute the following amounts in accordance with this chapter:

(1) For round 1 of the program, six hundred fifty million dollars ($650,000,000) in the 2019–20 fiscal year.

(2) For round 2 of the program, three hundred million dollars ($300,000,000) in the 2020–21 fiscal year.

(3) For round 3 of the program, one billion dollars ($1,000,000,000) in the 2021–22 fiscal year.

(4) For round 4 of the program, one billion dollars ($1,000,000,000) in the 2022–23 fiscal year.

(c) The council shall administer the program. The program shall provide grant funds to cities, counties, continuums of care, and tribes.

(d) The council's decision to approve or deny an application and the determination of the amount of funding to be provided shall be final.

(e) The council shall maintain and make available to the public on its internet website records of the following:

(1) The number of applications for program funding received by the council.

(2) The number of applications for program funding denied by the council.

(3) The name of each recipient of program funds.

(4) Each applicant receiving funds pursuant to this chapter shall provide a list of all awards to subrecipients.

(5) Annual reports filed by recipients pursuant to Sections 50221, 50222, and 50223.

(f) In administering this chapter, the council shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

**SEC. 6.** Section 50218.6 is added to the Health and Safety Code, to read:

**50218.6.** (a) Upon appropriation by the Legislature, one billion dollars ($1,000,000,000) of the funds administered pursuant to this chapter shall be made available in the 2021–22 fiscal year for implementing round 3 of the program, as follows:

(1) Not more than 80 percent, or eight hundred million dollars ($800,000,000), of the funding available pursuant to this section shall be available to applicants that are cities, counties, or continuums of care, as follows:

(A) Thirty percent, or two hundred forty million dollars ($240,000,000), of the funds described in this paragraph shall be available to continuums of care. The council shall calculate these allocations to a continuum of care based on each continuum of care's proportionate share of the state's total homeless population, based on the homeless point-in-time count. The council shall not award more than 40 percent of the allocation made pursuant to this subparagraph to a continuum of care.

(B) Forty-two percent, or three hundred thirty-six million dollars ($336,000,000), of the funds described in this paragraph shall be available to each city, or city that is also a county, that has a population of 300,000 or more, as of January 1, 2020, according to data published on the Department of Finance's internet website. The council shall calculate the allocation to a city based on the city's proportionate share of the total homeless population of the region served by the continuum of care within which the city is located, based on the homeless point-in-time count. The council shall not award more than 45 percent of the program allocation made pursuant to this subparagraph to a city. If more than one recipient within the continuum of care meets the requirements of this subparagraph, the proportionate share of funds shall be equally allocated to those jurisdictions.

(C) Twenty-eight percent, or two hundred twenty-four million dollars ($224,000,000), of the funds described in this paragraph shall be available to each county. The council shall calculate the allocation to a county based on the county's proportionate share of the total homeless population of the region served by the continuum of care within which the county is located, based on the homeless point-in-time count. The council shall not award more than 40 percent of the program allocation made pursuant to this subparagraph to a county.

(2) (A) Except as otherwise provided in subparagraph (C) of paragraph (3), not more than 18 percent, or one hundred eighty million dollars ($180,000,000), of the funding available pursuant to this section shall be set aside for awarding bonus funds pursuant to subdivision (g).

(B) The council shall determine bonus award allocations based on the proportionate share of the homeless population for each continuum of care, city, and county, based on the homeless point-in-time count, of each jurisdiction that is eligible for bonus funding pursuant to subdivision (g) relative to the total homeless population of all jurisdictions eligible for bonus funding, and using other factors necessary, so that the award allocation is equitable and reasonable for the mix of jurisdictions eligible for bonus funding.

(C) The council shall report to the chairs of the relevant fiscal and policy committees of both houses of the Legislature on the methodology used to determine the allocation of bonus funding within 30 days of making a determination on funding allocations. A report required to be submitted pursuant to this subparagraph shall be submitted in compliance with Section 9795 of the Government Code.

(3) Not more than 2 percent, or twenty million dollars ($20,000,000), of the funding available pursuant to this section shall be available to tribal applicants. Notwithstanding any other provision of this chapter, the funds described in this paragraph shall be allocated as follows:

(A) A tribe may apply for program funds and the council shall make allocations to tribes on the basis of need. Tribes that apply for program funds pursuant to subparagraph (B) shall be allocated funds up to their requested amount, or up to a total of twenty million dollars ($20,000,000) collectively among all tribal applicants. If the total request for funds exceeds this amount, the council shall determine an allocation methodology based on each tribal applicant's proportionate share of need relative to all tribes that submit an application for funding.

(B) A tribal applicant seeking funds pursuant to this section shall submit an application to the council, in the form and manner prescribed by the council, no later than June 30, 2023, with the following information:

(i) The amount of grant funds the tribe is requesting.

(ii) An explanation of the tribe's local need, including an estimation of the number of people who need homelessness services and the current resources that exist.

(iii) A description of what services on which the tribe plans to spend its grant funds. These activities shall be allowable pursuant to subdivision (e) of Section 50220.7.

(C) Any funds available to tribal applicants pursuant to this paragraph that are unallocated as of July 1, 2025, shall be allocated as bonus awards pursuant to paragraph (2).

(D) A tribal applicant may partner with a local continuum of care or coordinated entry system.

(b) An applicant applying for round 3 program funds pursuant to this section shall comply with the requirements set forth in Section 50220.6.

(c) A program recipient shall not use funding from the program allocated under this section to supplant existing local funds for homelessness services under penalty of disallowance or reduction, or both, of future program funds, as determined by the council.

(d) (1) No more than 5 percent, or fifty million dollars ($50,000,000), of the funds available pursuant to subdivision (a) shall be used to cover the council's costs of administration of this section, including state operations expenditures, statewide capacity building, providing ongoing training and technical assistance to recipients, and measuring data and performance.

(2) The council may expend administrative funds until December 31, 2026, to complete grant close-out activities.

(e) A program recipient shall use at least 10 percent of the funds allocated under this section for services for homeless youth populations.

(f) Moneys allocated pursuant to this section shall be expended in compliance with Housing First.

(g) (1) (A) If, by July 1, 2024, a recipient has met its outcome goals, as approved by the council in the recipient's application pursuant to subparagraph (C) of paragraph (3) of subdivision (b) of Section 50220.7, that recipient shall be eligible for bonus funding.

(B) The council shall determine whether a recipient has met its outcome goals, as approved by the council in the recipient's application pursuant to subparagraph (C) of paragraph (3) of subdivision (b) of Section 50220.7, through July 1, 2024. The council shall award bonus funding pursuant to this section as soon as data becomes available, but no later than November 1, 2024.

(2) The council may provide exceptions to the requirement to meet outcome goals pursuant to subparagraph (A) of paragraph (1) if the recipient demonstrates hardship by a disaster for which a state of emergency is proclaimed by the Governor pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code.

(h) Except as provided in paragraph (2) of subdivision (d), all round 3 program funds, including bonus funds, shall be expended by June 30, 2026.

**SEC. 7.** Section 50218.7 is added to the Health and Safety Code, to read:

**50218.7.** (a) Upon appropriation by the Legislature, one billion dollars ($1,000,000,000) of the funds administered pursuant to this chapter shall be made available in the 2022–23 fiscal year for implementing round 4 of the program, as follows:

(1) Not more than 80 percent, or eight hundred million dollars ($800,000,000), of the funding available pursuant to this section shall be available to applicants that are cities, counties, or continuums of care, as follows:

(A) Thirty percent, or two hundred forty million dollars ($240,000,000), of the funds described in this paragraph shall be available to continuums of care. The council shall calculate these allocations to a continuum of care based on each continuum of care's proportionate share of the state's total homeless population, based on the homeless point-in-time count. The council shall not award more than 40 percent of the allocation made pursuant to this subparagraph to a continuum of care.

(B) Forty-two percent, or three hundred thirty-six million dollars ($336,000,000), of the funds described in this paragraph shall be available to each city, or city that is also a county, that has a population of 300,000 or more, as of January 1, 2021, according to data published on the Department of Finance's internet website. The council shall calculate the allocation to a city based on the city's proportionate share of the total homeless population of the region served by the continuum of care within which the city is located, based on the homeless point-in-time count. The council shall not award more than 45 percent of the program allocation made pursuant to this subparagraph to a city. If more than one recipient within the continuum of care meets the requirements of this subparagraph, the proportionate share of funds shall be equally allocated to those jurisdictions.

(C) Twenty-eight percent, or two hundred twenty-four million dollars ($224,000,000), of the funds described in this paragraph shall be available to each county. The council shall calculate the allocation to a county based on the county's proportionate share of the total homeless population of the region served by the continuum of care within which the county is located, based on the homeless point-in-time count. The council shall not award more than 40 percent of the program allocation made pursuant to this subparagraph to a county.

(2) (A) Except as otherwise provided in subparagraph (C) of paragraph (3), not more than 18 percent, or one hundred eighty million dollars ($180,000,000), of the funding available pursuant to this section shall be set aside for awarding bonus funds pursuant to subdivision (g).

(B) The council shall determine bonus award allocations based on the proportionate share of the homeless population for each continuum of care, city, and county, based on the homeless point-in-time count, of each jurisdiction that is eligible for bonus funding pursuant to

subdivision (g) relative to the total homeless population of all jurisdictions eligible for bonus funding, and using other factors necessary, so that the award allocation is equitable and reasonable for the mix of jurisdictions eligible for bonus funding.

(C) The council shall report to the chairs of the relevant fiscal and policy committees of both houses of the Legislature on the methodology used to determine the allocation of bonus funding within 30 days of making a determination on funding allocations. A report required to be submitted pursuant to this subparagraph shall be submitted in compliance with Section 9795 of the Government Code.

(3) Not more than 2 percent, or twenty million dollars ($20,000,000), of the funding available pursuant to this section shall be available to tribal applicants. Notwithstanding any other provision of this chapter, the funds described in this paragraph shall be allocated as follows:

(A) A tribe may apply for program funds and the council shall make allocations to tribes on the basis of need. Tribes that apply for program funds pursuant to subparagraph (B) shall be allocated funds up to their requested amount, or up to a total of twenty million dollars ($20,000,000) collectively among all tribal applicants. If the total request for funds exceeds this amount, the council shall determine an allocation methodology based on each tribal applicant's proportionate share of need relative to all tribes that submit an application for funding.

(B) A tribal applicant seeking funds pursuant to this section shall submit an application to the council, in the form and manner prescribed by the council, no later than June 30, 2023, with the following information:

(i) The amount of grant funds the tribe is requesting.

(ii) An explanation of the tribe's local need, including an estimation of the number of people who need homelessness services and the current resources that exist.

(iii) A description of what services on which the tribe plans to spend its grant funds. These activities shall be allowable pursuant to subdivision (e) of Section 50220.7.

(C) Any funds available to tribal applicants pursuant to this paragraph that are unallocated as of July 1, 2025, shall be allocated as bonus awards pursuant to paragraph (2).

(D) A tribal applicant is encouraged to partner with a local continuum of care or coordinated entry system.

(b) An applicant applying for round 4 program funds pursuant to this section shall comply with the requirements set forth in Section 50220.6.

(c) A program recipient shall not use funding from the program allocated under this section to supplant existing local funds for homelessness services under penalty of disallowance or reduction, or both, of future program funds, as determined by the council.

(d) (1) No more than 5 percent, or fifty million dollars ($50,000,000), of the funds available pursuant to subdivision (a) shall be used to cover the council's costs of administration of this section, including state operations expenditures, statewide capacity building, providing ongoing training and technical assistance to recipients, and measuring data and performance.

(2) The council may expend administrative funds until December 31, 2027, to complete grant close-out activities.

(e) A program recipient shall use at least 10 percent of the funds allocated under this section for services for homeless youth populations.

(f) Moneys allocated pursuant to this section shall be expended in compliance with Housing First.

(g) (1) (A) If, by July 1, 2025, a recipient has met its outcome goals, as approved by the council in the recipient's application pursuant to subparagraph (B) of paragraph (2) of subdivision (b) of Section 50220.8, that recipient shall be eligible for bonus funding.

(B) The council shall determine whether a recipient has met its outcome goals, as approved by the council in the recipient's application pursuant to subparagraph (B) of paragraph (2) of subdivision (b) of Section 50220.8, through July 1, 2025. The council shall award bonus funding pursuant to this section as soon as data becomes available, but no later than November 1, 2025.

(2) The council may provide exceptions to the requirement to meet outcome goals pursuant to subparagraph (A) of paragraph (1) if the recipient demonstrates hardship by a disaster for which a state of emergency is proclaimed by the Governor pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code.

(h) Except as provided in paragraph (2) of subdivision (d), all round 4 program funds, including bonus funds, shall be expended by June 30, 2027.

**SEC. 8.** Section 50220.6 of the Health and Safety Code is amended to read:

**50220.6.** (a) Notwithstanding any law, a recipient that enters into an agreement as set forth in paragraph (10) of subdivision (a) of Section 50219, paragraph (7) of subdivision (b) of Section 50225.5, clause (iii) of subparagraph (B) of paragraph (3) of subdivision (b) of Section 50220.7, and subparagraph (C) of paragraph (3) of subdivision (b) of Section 50220.8 shall provide data elements, including, but not limited to, health information, in a manner consistent with federal law, to the statewide Homeless Management Information System when the system becomes available.

(b) (1) The council shall specify the form and substance of the required data elements.

(2) The council may, as required by operational necessity, amend or modify data elements, disclosure formats, or disclosure frequency.

(c) Any health information provided to, or maintained within, the statewide Homeless Management Information System shall not be subject to public inspection or disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(d) For purposes of this paragraph, "health information" means "protected health information," as defined in Part 160.103 of Title 45 of the Code of Federal Regulations, and "medical information," as defined in subdivision (j) of Section 56.05 of the Civil Code.

**SEC. 9.** Section 50220.7 is added to the Health and Safety Code, to read:

**50220.7.** (a) (1) No later than September 15, 2021, the council shall issue a standard agreement for applicants to apply for round 3 program funds, which shall include, at minimum, a requirement for applicants to submit an application that includes a local homelessness action plan and specific outcome goals based on the Homeless Management Information System performance metrics as described in subdivision (b).

(2) A standard agreement from an applicant shall be due to the council no later than 30 days from the date the council issues the standard agreement pursuant to paragraph (1).

(3) If an applicant does not submit a completed standard agreement by the deadline specified in paragraph (2), the council may distribute that applicant's share of round 3 program funds to an eligible overlapping jurisdiction, as determined by the council.

(4) (A) (i) Upon receipt of a standard agreement, and except as otherwise provided in clause (ii), the council shall allocate 20 percent of an eligible city's, county's, or continuum of care's total allocation pursuant to subdivision (a) of Section 50218.6.

(ii) (I) A city, city and county, single continuum of care, or county may apply jointly with a counterpart entity or entities. An applicant that applies jointly pursuant to this paragraph shall instead be allocated 25 percent of the jointly applying jurisdictions' total allocation pursuant to subdivision (a) of Section 50218.6.

(II) A joint application submitted pursuant to this clause shall include, at minimum, evidence of collaboration between the jointly applying applicants and an explanation of how the jointly applying applicants will administer the funds allocated to them pursuant to this section.

(B) A recipient may use initial funds awarded pursuant to this paragraph to complete the local homeless action plan, required as provided pursuant to paragraph (1) and in accordance with the requirements of subparagraph (A) of paragraph (3) of subdivision (b), including paying for any technical assistance or contracted entities to support the completion of the homeless action plan.

(5) Priority for initial funds, above the costs of completing the application, shall be for systems improvement, including, but not limited to, all of the following:

(A) Capacity building and workforce development for the jurisdiction's administering staff and providers, including technical assistance to culturally specific providers.

(B) Funding existing evidence-based programs serving people experiencing homelessness.

(C) Investing in data systems to meet reporting requirements or strengthen the recipient's Homeless Management Information System.

(D) Improving homeless point-in-time counts.

(E) Improving coordinated entry systems to eliminate racial bias or to create a youth-specific coordinated entry system.

(b) To receive the remaining balance of its round 3 program allocation, an applicant shall submit an application to the council by June 30, 2022, that includes a local homelessness action plan and specific outcome goals in accordance with the following requirements:

(1) The applicant shall engage with the council on its local plan and outcome goals before submitting a complete application.

(2) For city, county, and continuum of care applicants, local homelessness action plans pursuant to subparagraph (A) of paragraph (3) and outcome goals pursuant to subparagraph (C) of paragraph (3) shall be agendized at a regular meeting of the governing body, including receiving public comment, before being submitted to the council.

(3) A complete application submitted pursuant to this section shall provide the following information, in the form and manner prescribed by the council:

(A) A local homelessness action plan, which shall include all of the following:

(i) A local landscape analysis that assesses the current number of people experiencing homelessness and existing programs and funding which address homelessness within the jurisdiction, utilizing any relevant and available data from the Homeless Data Integration System, the United States Department of Housing and Urban Development's homeless point-in-time count, continuum of care housing inventory count, longitudinal systems analysis, and Stella tools, as well as any recently conducted local needs assessments.

(ii) Identification of the number of individuals and families served, including demographic information and intervention types provided, and demographic subpopulations that are underserved relative to their proportion of individuals experiencing homelessness in the jurisdiction.

(iii) Identification of all funds, including state, federal and local funds, currently being used, and budgeted to be used, to provide housing and homelessness-related services to persons experiencing homelessness or at imminent risk of homelessness, how this funding serves subpopulations, and what intervention types are funded through these resources.

(iv) Applicants may submit an analysis that was completed in the last three-years if it meets the requirements of this subparagraph, with any relevant updates to the current available funding.

(B) A narrative that includes the following:

(i) An outline of proposed uses of funds requested and an explanation of how the proposed use of funds will complement the funds and equitably close the gaps identified pursuant to subparagraph (A).

(ii) Evidence of connection with the local homeless Coordinated Entry System.

(iii) An agreement to participate in a statewide Homeless Data Integration System, and to enter individuals served by this funding into the local Homeless Management Information System, in accordance with local protocols.

(iv) A demonstration of how the jurisdiction has coordinated, and will continue to coordinate, with other jurisdictions, including the specific role of each applicant in relation to other applicants in the region.

(v) A demonstration of the applicant's partnership with, or plans to use funding to increase partnership with, local health, behavioral health, social services, and justice entities and with people with lived experiences of homelessness.

(vi) A description of specific actions the applicant will take to ensure racial and gender equity in service delivery, housing placements, and housing retention and changes to procurement or other means of affirming racial and ethnic groups that are overrepresented among residents experiencing homelessness have equitable access to housing and services.

(vii) A description of how the applicant will make progress in preventing exits to homelessness from institutional settings, include plans to leverage funding from mainstream systems for evidence-based housing and housing-based solutions to homelessness.

(viii) Specific and quantifiable systems improvements that the applicant will take to improve the delivery of housing and services to people experiencing homelessness or at risk of homelessness, including, but not limited to, the following:

(I) Capacity building and workforce development for the jurisdiction's administering staff and providers, including technical assistance to culturally specific providers.

(II) Strengthening the data quality of the recipient's Homeless Management Information System.

(III) Increasing capacity for pooling and aligning housing and services funding from existing, mainstream, and new funding.

(IV) Improving homeless point-in-time counts.

(V) Improving coordinated entry systems to eliminate racial bias or to create a youth-specific coordinated entry system.

(VI) Plans shall include strategies to meet outcome goals pursuant to subparagraph (C).

(C) (i) Applicants shall establish outcome goals that prevent and reduce homelessness over a threeyear period, informed by the findings from the local landscape analysis described in subparagraph (A) and the jurisdiction's base system performance measure from 2020 calendar year data in the Homeless Data Integration System. The outcome goals shall set definitive metrics, based on the United States Department of Housing and Urban Development's system performance measures, for achieving the following:

(I) Reducing the number of persons experiencing homelessness.

(II) Reducing the number of persons who become homeless for the first time.

(III) Increasing the number of people exiting homelessness into permanent housing.

(IV) Reducing the length of time persons remain homeless.

(V) Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing.

(VI) Increasing successful placements from street outreach.

(VII) Homeless Management Information System trackable data goals related to the outcome goals listed above as they apply to underserved populations and over-represented populations disproportionately impacted by homelessness.

(ii) Each applicant shall determine its outcome goals in consultation with the council, and shall not submit its final outcome goals before consulting with the council.

(iii) The council shall assess outcome goals in the application based on the information provided in the local homeless action plan and the applicant's baseline data on the performance metrics described in this subparagraph and determine whether the outcome goals adequately further the objectives of reducing and preventing homelessness pursuant to this subparagraph.

(iv) Initial outcome goals should be met no later than June 30, 2024, and outcome goals shall be updated regularly, as funding continues.

(c) The council may request additional documentation and information from the applicant during consultation consistent with respect to round 3 program allocations consistent with the requirements of subdivision (b).

(d) (1) Within 30 days of receiving the final applications pursuant to subdivision (b), the council shall either approve the application and issue the notice of award to allocate the remaining percent of an applicant's funding pursuant to subdivision (a) of Section 50218.6 or return it to the applicant with written, detailed comments and request one or more of the following specific amendments to the application:

(A) Greater detail on any aspect of the application so that the council can ensure fidelity with the applicant's proposed use of funds and agreed upon measurable outcome goals.

(B) Modifications or provision of additional information on the applicant's proposed funding plan to ensure alignment with the applicant's stated measurable outcome goals and with evidence-based solutions to reduce homelessness.

(C) Any other modifications or provision of information that would allow the council to better monitor and evaluate the applicant's ability to meet objective outcome standards in accordance with Sections 50221, 50222, and 50223.

(2) An applicant whose application has been returned pursuant to paragraph (1) shall respond to the council's requested amendments and submit a revised application within 30 days of receipt of the council's detailed comments and request for specific amendments. If the revised application differs from the council's requests, the applicant shall include an explanation of the differences and the rationale for departing from the council's requested amendments.

(3) The council shall have 30 days to approve a revised application if, as amended, it addresses the council's concerns or to provide the grantee with additional guidance and a deadline extension in the case of documented extenuating circumstance for further amending to fully address the council's concerns.

(e) Except as provided in subdivision (f), a recipient of a round 3 program allocation, including tribal recipients, shall expend funds on evidence-based solutions that address and prevent homelessness among eligible populations, including any of the following:

(1) Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees.

(2) Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves.

(3) Street outreach to assist persons experiencing homelessness to access permanent housing and services.

(4) Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing.

(5) Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations, including families and homeless youth.

(6) Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions.

(7) Prevention and shelter diversion to permanent housing, including rental subsidies.

(8) Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing noncongregate shelters, and operations of existing navigation centers and shelters based on demonstrated need. Demonstrated need for purposes of this paragraph shall be based on the following:

(A) The number of available shelter beds in the city, county, or region served by a continuum of care.

(B) The number of people experiencing unsheltered homelessness in the homeless point-in-time count.

(C) Shelter vacancy rate in the summer and winter months.

(D) Percentage of exits from emergency shelters to permanent housing solutions.

(E) A plan to connect residents to permanent housing.

(F) Any new interim sheltering funded by round 3 funds must be low barrier, comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code, and prioritize interventions other than congregate shelters.

(9) Improvements to existing emergency shelters to lower barriers and increase privacy.

(f) An applicant shall not use more than 7 percent of a round 3 program allocation for administrative costs incurred by the city, county, continuum of care, or tribe to administer its program allocation. For purposes of this subdivision, “administrative costs” does not include staff or other costs directly related to implementing activities funded by the program allocation.

(g) A recipient of a round 3 program allocation shall comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.

(h) Notwithstanding Section 27011 of the Government Code, or any other law governing the deposit of funds in the county treasury, a county may accept or deposit into the county treasury funds from any source for the purpose of administering a project, proposal, or program under this chapter.

(i) For purposes of Section 1090 of the Government Code, a representative of a county serving on a board, committee, or body with the primary purpose of administering funds or making funding recommendations for applications pursuant to this chapter shall have no financial interest in any contract, program, or project voted on by the board, committee, or body on the basis of the receipt of compensation for holding public office or public employment as a representative of the county.

(j) The council and recipients shall post final round 3 program applications to their respective internet websites within 30 days of disbursal to the applicant.

(k) (1) (A) Except as otherwise provided in subparagraph (B), a recipient shall contractually obligate not less than 50 percent of round 3 program allocations no later than May 31, 2024.

(B) Recipients that are counties shall contractually obligate the full amount of round 3 program allocation awarded to them by the council on or before the date specified in subparagraph (A). Any funds that are not contractually obligated by this date shall revert to the continuum of care that serves the recipient county.

(2) If less than 50 percent is obligated after May 31, 2024, recipients that are continuums of care and cities shall not expend any remaining portion of the 50 percent of round 3 program allocations required to have been obligated pursuant to subparagraph (A) of paragraph (1) unless both of the following occur:

(A) On or before June 30, 2024, the recipient submits an alternative disbursement plan that includes an explanation for the delay.

(B) The council approves the alternative disbursement plan submitted pursuant to subparagraph (A).

(3) On or before December 31, 2024, recipients that are continuums of care and cities shall return to the council any funds that have not been expended pursuant to an alternative disbursement plan approved pursuant to subparagraph (B) of paragraph (2), to be allocated as bonus awards by the council to eligible recipients in accordance with subdivision (g) of Section 50218.6.

(4) Recipients that do not meet the requirements of paragraph (1) shall not be eligible for bonus funding awarded pursuant to subdivision (g) of Section 50218.6.

(l) (1) No later than June 30, 2024, recipients shall demonstrate whether they have successfully met their outcome goals pursuant subparagraph (C) of paragraph (3) of subdivision (b).

(2) Jurisdictions that meet their outcome goals shall be eligible for bonus funding, as provided in subdivision (g) of Section 50218.6.

(3) Jurisdictions that have not met their outcome goals shall not be eligible for bonus funding and shall accept technical assistance from council staff. In addition, jurisdictions that have not met their outcome goals may also be required to limit the allowable uses of these program funds, as determined by the council.

(m) The council may request additional information from applicants, as needed, to meet other applicable reporting or audit requirements.

(n) In addition to requirements in Section 50222, the council may monitor the expenditures and programmatic activities of an applicant, as the council deems necessary, to ensure compliance with round 3 program requirements and adequate progress towards meeting outcome goals.

(o) The council may, as it deems appropriate or necessary, request the repayment of round 3 program funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

(p) Any remaining amounts of round 3 program allocation funds not expended by June 30, 2026, shall be available for round 4 of the program pursuant to Section 50218.7.

**SEC. 10.** Section 50220.8 is added to the Health and Safety Code, to read:

**50220.8.** (a) (1) The council shall make an application for round 4 program allocations available no later than September 30, 2022.

(2) Applications shall be due to the council no later than 60 days from the date the council makes those applications available pursuant to paragraph (1).

(3) Within 30 days of receiving an application pursuant to paragraph (2), the council shall either approve the application or return it to the applicant with written, detailed comments and request one or more of the following specific amendments to the application:

(A) Greater detail on any aspect of the application so that the council can ensure fidelity with the applicant's proposed use of funds and stated performance goals.

(B) Modifications or provision of additional information on the applicant's proposed funding plan to ensure alignment with evidence-based solutions to reduce homelessness.

(C) Any other modifications or provision of information that would allow the council to better monitor and evaluate the applicant's ability to meet objective performance standards in accordance with Sections 50221, 50222, and 50223.

(4) An applicant whose application has been returned pursuant to paragraph (3) shall respond to the council's requested amendments and submit a revised application within 30 days. Where the revised application differs from the council's requests, the applicant shall include an explanation of the differences and the rationale for departing from the council's requested amendments.

(5) The council shall have 30 days within which to approve the application if, as amended, it addressed the council's concerns or to provide the grantee with additional guidance and a deadline for further amending to fully address the council's concerns.

(b) To receive a round 4 program allocation, an applicant shall submit an application to the council. A complete application submitted pursuant to this section shall provide the following information, in the form and manner prescribed by the council:

(1) A local homelessness action plan that includes the following, with data updated from the local homelessness action plan included in an application for a round 3 program allocation pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 50220.7:

(A) A local landscape analysis that assesses the current number of people experiencing homelessness and existing programs and funding which address homelessness within the jurisdiction, utilizing any relevant and available data from the Homeless Data Integration System, the United States Department of Housing and Urban Development's homeless point-in-time count, continuum of care housing inventory count, longitudinal systems analysis, and Stella tools, as well as any recently conducted local needs assessments.

(B) Identification of the number of individuals and families served, including demographic information and intervention types provided, and demographic subpopulations that are underserved relative to their proportion of individuals experiencing homelessness in the jurisdiction.

(C) Identification of all funds, including state, federal and local funds, currently being used, and budgeted to be used, to provide housing and homelessness-related services to persons experiencing homelessness or at imminent risk of homelessness, how this funding serves subpopulations, and what intervention types are funded through these resources.

(2) (A) New outcome goals that are specific, ambitious, achievable, and quantifiable to prevent and reduce homelessness over a threeyear period, informed by the findings from the local landscape analysis described in subparagraph (A) of paragraph (1) and the jurisdiction's

outcome goals specified in its application for a round 3 program allocation pursuant to subparagraph (C) of paragraph (3) of subdivision (b) of Section 50220.7. The outcome goals shall be based on the United States Department of Housing and Urban Development's system performance measures, including:

(i) Reducing the number of persons experiencing homelessness.

(ii) Reducing the number of persons who become homeless for the first time.

(iii) Increasing the number of people exiting homelessness into permanent housing.

(iv) Reducing the length of time persons remain homeless.

(v) Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing.

(vi) Increasing successful placements from street outreach.

(vii) Homeless Management Information System trackable data goals related to the outcome goals listed above as they apply to underserved populations and overrepresented populations disproportionately impacted by homelessness.

(B) (i) Each applicant shall determine its outcome goals that build upon prior year goals in consultation with the council, and shall not submit its final outcome goals before consulting with the council.

(ii) The council shall assess outcome goals in the application based on the information provided in the local homeless action plan and the applicant's baseline data on the performance metrics described in this paragraph and determine whether the outcome goals adequately further the objectives of reducing and preventing homelessness pursuant to this paragraph, and may request additional documentation, information, or revisions to the outcome goals.

(C) Initial outcome goals should be met no later than June 30, 2025, and outcome goals shall be updated regularly, as funding continues.

(3) A narrative that includes the following:

(A) An outline of proposed uses of funds requested and an explanation of how the proposed use of funds will complement the funds and equitably close the gaps identified pursuant to paragraph (1).

(B) Evidence of connection with the local homeless Coordinated Entry System.

(C) An agreement to participate in a statewide Homeless Data Integration System, and to enter individuals served by this funding into the local Homeless Management Information System, in accordance with local protocols.

(D) A demonstration of how the jurisdiction has coordinated, and will continue to coordinate, with other jurisdictions, including the specific role of each applicant in relation to other applicants in the region.

(E) A demonstration of the applicant's partnership with, or plans to use funding to increase partnership with, local health, behavioral health, social services, and justice entities and with people with lived experiences of homelessness.

(F) A description of specific actions the applicant will take to ensure racial and gender equity in service delivery, housing placements, and housing retention and changes to procurement or other means of affirming racial and ethnic groups that are overrepresented among residents experiencing homelessness have equitable access to housing and services.

(G) A description of how the applicant will make progress in preventing exits to homelessness from institutional settings, include plans to leverage funding from mainstream systems for evidence-based housing and housing-based solutions to homelessness.

(H) Specific and quantifiable systems improvements that the applicant will take to improve the delivery of housing and services to people experiencing homelessness or at risk of homelessness, including, but not limited to, the following:

(i) Capacity building and workforce development for the jurisdiction's administering staff and providers, including technical assistance to culturally specific providers.

(ii) Strengthening the data quality of the recipient's Homeless Management Information System.

(iii) Increasing capacity for pooling and aligning housing and services funding from existing, mainstream, and new funding.

(iv) Improving homeless point-in-time counts.

(v) Improving coordinated entry systems to eliminate racial bias or to create a youth-specific coordinated entry system.

(vi) Plans shall include strategies to meet outcome goals pursuant to paragraph (2).

(4) For city, county, and continuum of care applicants, an application pursuant to this subdivision shall be agendized at a regular meeting by the governing body, including receiving public comment, before being submitted to the council.

(c) The council may request additional documentation and information from the applicant during consultation consistent with respect to round 4 program allocations consistent with the requirements of subdivision (b).

(d) (1) Within 30 days of receiving the final applications pursuant to subdivision (b), the council shall either approve the application and issue the notice of award to disburse 50 percent of an applicant's funding pursuant to subdivision (a) of Section 50218.7 or return it to the applicant with written, detailed comments and request one or more of the following specific amendments to the application:

(A) Greater detail on any aspect of the application so that the council can ensure fidelity with the applicant's proposed use of funds and agreedupon measurable outcome goals.

(B) Modifications or provision of additional information on the applicant's proposed funding plan to ensure alignment with the applicant's stated measurable outcome goals and with evidence-based solutions to reduce homelessness.

(C) Any other modifications or provision of information that would allow the council to better monitor and evaluate the applicant's ability to meet objective outcome standards in accordance with Sections 50221, 50222, and 50223.

(2) Upon approval of an application pursuant to this section, the council shall disburse 50 percent of an eligible city's, county's, or continuum of care's total allocation pursuant to subdivision (a) of Section 50218.7.

(e) Except as provided in subdivision (f), a recipient of a round 4 program allocation, including tribal recipients, shall expend funds on evidence-based solutions that address and prevent homelessness among eligible populations, including any of the following:

(1) Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees.

(2) Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves.

(3) Street outreach to assist persons experiencing homelessness to access permanent housing and services.

(4) Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing.

(5) Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations, including families and homeless youth.

(6) Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions.

(7) Prevention and shelter diversion to permanent housing, including rental subsidies.

(8) Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing noncongregate shelters, and operations of existing navigation centers and shelters based on demonstrated need. Demonstrated need for purposes of this paragraph shall be based on the following:

(A) The number of available shelter beds in the city, county, or region served by a continuum of care.

(B) The number of people experiencing unsheltered homelessness in the homeless point-in-time count.

(C) Shelter vacancy rate in the summer and winter months.

(D) Percentage of exits from emergency shelters to permanent housing solutions.

(E) A plan to connect residents to permanent housing.

(F) Any new interim sheltering funded by round 4 funds must be low-barrier, comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code, and prioritize interventions other than congregate shelters.

(9) Improvements to existing emergency shelters to lower barriers and increase privacy.

(f) An applicant shall not use more than 7 percent of a round 4 program allocation for administrative costs incurred by the city, county, continuum of care, or tribe to administer its program allocation. For purposes of this subdivision, “administrative costs” does not include staff or other costs directly related to implementing activities funded by the program allocation.

(g) A recipient of a round 4 program allocation shall comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.

(h) Notwithstanding Section 27011 of the Government Code, or any other law governing the deposit of funds in the county treasury, a county may accept or deposit into the county treasury funds from any source for the purpose of administering a project, proposal, or program under this chapter.

(i) For purposes of Section 1090 of the Government Code, a representative of a county serving on a board, committee, or body with the primary purpose of administering funds or making funding recommendations for applications pursuant to this chapter shall have no financial interest in any contract, program, or project voted on by the board, committee, or body on the basis of the receipt of compensation for holding public office or public employment as a representative of the county.

(j) The council and recipients shall post final round 4 program applications to their respective internet websites within 30 days of disbursal to the applicant.

(k) (1) A recipient shall contractually obligate not less than 75 percent, and shall expend not less than 50 percent, of the initial round 4 program allocations made to it pursuant to paragraph (2) of subdivision (d) no later than May 31, 2025.

(2) Upon demonstration by a recipient city, county, or continuum of care that it has complied with the requirement to contractually obligated and expend a minimum amount of its round 4 program allocation pursuant to paragraph (1), and remains on track to meet its outcome goals, as determined by the council pursuant to Section 50223, the council shall disburse to that recipient the remaining 50 percent of its total allocation pursuant to subdivision (a) of Section 50218.7.

(3) If less than 75 percent of a recipient's round 4 program allocation made pursuant to paragraph (2) of subdivision (d) is obligated, or less than 50 percent of that amount is expended, after May 31, 2025, the recipient shall not contractually obligate or expend any remaining portion of its round 4 program allocations, and the council shall not allocate to the recipient the remaining 50 percent of its total allocation, unless both of the following occur:

(A) On or before June 30, 2025, the recipient submits an alternative disbursement plan that includes an explanation for the delay.

(B) The council approves the alternative disbursement plan submitted pursuant to subparagraph (A).

(4) On or before December 31, 2026, a recipient shall return to the council any funds that have not been expended pursuant to an alternative disbursement plan approved pursuant to subparagraph (B) of paragraph (3), to be allocated as bonus awards by the council to eligible recipients in accordance with subdivision (g) of Section 50218.7.

(5) Recipients that do not meet the requirements of paragraph (1) shall not be eligible for bonus funding awarded pursuant to subdivision (g) of Section 50218.7.

(l) (1) No later than June 30, 2025, recipients shall demonstrate whether they have successfully met their outcome goals pursuant to paragraph (2) of subdivision (b).

(2) Jurisdictions that meet their outcome goals shall be eligible for bonus funding, as provided in subdivision (g) of Section 50218.7.

(3) Jurisdictions that have not met their outcome goals shall not be eligible for bonus funding and shall accept technical assistance from council staff. In addition, jurisdictions that have not met their outcome goals may also be required to limit the allowable uses of these program funds, as determined by the council.

(m) The council may request additional information from applicants, as needed, to meet other applicable reporting or audit requirements.

(n) In addition to requirements in Section 50222, the council may monitor the expenditures and programmatic activities of an applicant, as the council deems necessary, to ensure compliance with round 4 program requirements and adequate progress towards meeting outcome goals.

(o) The council may, as it deems appropriate or necessary, request the repayment of round 4 program funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

(p) Any remaining amounts of round 4 program allocation funds, including bonus funds, not expended by June 30, 2027, shall revert to, and be paid and deposited in, the General Fund.

**SEC. 11.** Section 50221 of the Health and Safety Code is amended to read:

**50221.** (a) After receiving program funds, a recipient, by January 1 of the year following receipt of the funds and annually on that date thereafter until all funds have been expended, shall submit a report to the council on a form and method provided by the council, that includes all of the following, as well as any additional information the council deems appropriate or necessary:

(1) An ongoing tracking of the specific uses and expenditures of any program funds broken out by eligible uses listed, including the current status of those funds.

(2) The number of homeless individuals served by the program funds in that year, and a total number served in all years of the program, as well the homeless population served.

(3) The types of housing assistance provided, broken out by the number of individuals.

(4) Outcome data for an individual served through program funds, including the type of housing that an individual exited to, the percent of successful housing exits, and exit types for unsuccessful housing exits.

(b) No later than January 1, 2026, each applicant that receives a round 1 program allocation shall submit to the council a final report in a format provided by the council, as well as detailed uses of all program funds.

(c) The council shall post this information to its internet website within 30 days of receipt and provide notice to the Senate Housing Committee, Assembly Housing and Community Development Committee, and the appropriate Fiscal Committees.

**SEC. 12.** Section 50223 is added to the Health and Safety Code, to read:

**50223.** (a) Beginning with round 3 of the program, in addition to the data required under Sections 50221 and 50222, applicants shall provide the following information for all rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework, as established by the council:

(1) (A) Data on the applicant's progress towards meeting their outcome goals, which shall be submitted annually on December 31 of each year through the duration of the program.

(B) If the applicant has not made significant progress toward their outcome goals, the applicant shall submit a description of barriers and possible solutions to those barriers.

(C) Applicants that do not demonstrate significant progress towards meeting outcome goals shall accept technical assistance from the council and may also be required to limit the allowable uses of these program funds, as determined by the council.

(2) (A) A quarterly fiscal report of program funds expended and obligated in each allowable budget category approved in their application for program funds.

(B) If the applicant has not made significant progress toward their outcome goals, then the applicant shall report on their outcome goals in their quarterly report.

(3) The council shall compile and post a statewide report that aggregates each applicant's outcome goals into a single statewide set of metrics.

(b) No later than October 1, 2026, each recipient that receives a round 3 program allocation shall submit to the council a final report in a format provided by the council, as well as detailed uses of all program funds.

(c) No later than October 1, 2027, each recipient that receives a round 4 program allocation shall submit to the council a final report in a format provided by the council, as well as detailed uses of all program funds.

**SEC. 13.** Chapter 7 (commencing with Section 50250) is added to Part 1 of Division 31 of the Health and Safety Code, to read:

## CHAPTER 7. Encampment Resolution Funding Program

**50250.** For purposes of this chapter, the following definitions shall apply:

(a) "Agency" means the Business, Consumer Services, and Housing Agency.

(b) "Applicant" means a continuum of care or local jurisdiction

(c) "Continuum of care" has the same meaning as in Section 578.3 of Title 24 of the Code of Federal Regulations.

(d) "Council" means the Homeless Coordinating and Financing Council created pursuant to Section 8257 of the Welfare and Institutions Code.

(e) "County" includes, but is not limited to, a city and county.

(f) "Homeless" has the same meaning as in Section 578.3 of Title 24 of the Code of Federal Regulations.

(g) "Local jurisdiction" means a city, including a charter city, a county, including a charter county, or a city and county, including a charter city and county.

(h) “Program” means the Encampment Resolution Funding program established pursuant to this chapter.

(i) “Recipient” means an applicant that receives grant funds from the council for the purposes of the program.

**50251.** (a) The Encampment Resolution Funding program is hereby established to, upon appropriation by the Legislature, increase collaboration between the council, local jurisdictions, and continuums of care for the following purposes:

(1) Assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments.

(2) Provide encampment resolution grants to local jurisdictions and continuums of care to resolve critical encampment concerns and transition individuals into safe and stable housing.

(3) Encourage a data-informed, coordinated approach to address encampment concerns.

(b) The council shall administer the program.

(c) The council’s decision to approve or deny an application and the determination of the amount of funding to be provided shall be final and not subject to appeal.

(d) The council shall maintain records of the following:

(1) The number of applications for program grants received by the council.

(2) The number of applications for program grants denied by the council.

(3) The name of each recipient of a program grant.

(4) The amount of funds allocated to each applicant.

(e) The council may adopt regulations to implement this chapter. The adoption, amendment, or repeal of a regulation authorized by this subdivision is hereby exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

**50252.** (a) The council shall distribute moneys appropriated for purposes of the program in accordance with this chapter.

(b) Except as specified in subdivision (e), the council shall award the moneys appropriated as competitive grants to applicants to be used to support encampment resolution and rehousing efforts for local jurisdictions. Council staff shall develop and disseminate encampment resolution strategies, case studies, and learnings to local jurisdictions.

(c) Applicants may submit an application for a program grant to the council in a form and manner specified by the council. The application shall include, at a minimum, all of the following:

(1) Information on the number and demographics of the individuals living in the encampment that the applicant is requesting funding to help resolve.

(2) A description of why this specific encampment is being prioritized for resolution support.

(3) A description of how the applicant intends to collaborate with state and local partners to mitigate risk and address safety concerns, while ensuring a pathway for individuals living in encampments to move into safe and stable housing.

(4) A description of how the applicant intends to use these funds to connect all individuals living in the encampment to services and housing.

(5) A description of other local resources and funding streams that will be used to ensure the ongoing availability of services and housing support for people who are moved out of encampments into permanent housing.

(d) When determining grant awards, funding shall be prioritized for:

(1) Jurisdictions that can demonstrate a commitment to cross-systems collaboration and innovative efforts to resolve encampment issues, while focusing on protecting the health and well-being of the individuals living in those encampments.

(2) Jurisdictions that have 50 or more individuals living in the encampment that they are seeking to support with these funds.

(3) The intent of the council is to award grants, to the extent feasible, to a range of applicants that represent the diversity of communities across the state, including rural, urban, and suburban communities.

(e) Of the moneys available pursuant to subdivision (a), the council may expend up to 5 percent for administration of the program.

**50253.** (a) The council shall administer the program in accordance with the following timelines:

(1) The council shall make a program application available no later than October 31, 2021.

(2) Applications shall be due to the council no later than December 31, 2021.

(3) The council shall make initial award determinations no later than March 1, 2022.

(4) If not all funds have been awarded after the first round of grant awards, the council may accept additional applications and make additional awards until all funds have been allocated.

(b) Recipients of funds shall expend at least 50 percent of their allocation by June 30, 2023.

(1) Recipients who fail to expend their allocated funds in compliance with this subdivision shall return to the council no less than 25 percent of their total allocation amount for reallocation by the council during subsequent rounds of funding.

(c) Recipients shall expend all program funds no later than June 30, 2024. Any funds not expended by this date shall be returned to the General Fund.

**50254.** (a) Notwithstanding any other law, all recipients of funds pursuant to this chapter shall provide data elements, including, but not limited to, health information, in a manner consistent with state and federal law, to their local Homeless Management Information System

for tracking in the statewide Homeless Data Integration System.

(b) (1) The council shall specify the form and substance of the required data elements.

(2) The council may, as required by operational necessity, amend or modify data elements, disclosure formats, or disclosure frequency.

(c) Any health information or personal identifying information provided to or maintained within the statewide Homeless Data Integration System pursuant to this section shall not be subject to public inspection or disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(d) For purposes of this paragraph, "health information" includes "protected health information," as defined in Part 160.103 of Title 45 of the Code of Federal Regulations, and "medical information," as defined in subdivision (j) of Section 56.05 of the Civil Code.

(e) All recipients shall provide information and products developed with grant funds on service delivery models in support of the overall program goal to mitigate risk and address safety concerns in encampments, while ensuring a pathway for individuals living in encampments to move into safe and stable housing, in a format and timeframe specified by the council.

(f) The council shall evaluate the data and outcomes reported by recipients to assess efficacy of programs and identify scalable best practices for encampment resolution that can be replicated across the state.

(g) The council shall report to the chairs of the relevant fiscal and policy committees in both houses on the outcomes, learnings, and best practice models identified through this program. The report shall be submitted in compliance with Section 9795.

**SEC. 14.** Chapter 8 (commencing with Section 50255) is added to Part 1 of Division 31 of the Health and Safety Code, to read:

## CHAPTER 8. Family Homelessness Challenge Grants and Technical Assistance

**50255.** For purposes of this chapter:

(a) "Applicant" means a continuum of care, city, or county.

(b) "Continuum of care" has the meaning provided in Section 578.3 of Title 24 of the Code of Federal Regulations as that section read on May 1, 2021.

(c) "Council" means the Homeless Coordinating and Financing Council created pursuant to Section 8257 of the Welfare and Institutions Code.

(d) "County" includes, but is not limited to, a city and county.

(e) "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on May 1, 2018.

(f) "Local jurisdiction" means a city, including a charter city, a county, including a charter county, or a city and county, including a charter city and county.

(g) "Program" means the Family Homelessness Challenge Grants and Technical Assistance Program established pursuant to this chapter.

(h) "Recipient" means a jurisdiction that receives funds from the council for the purposes of the program.

**50256.** (a) The Family Homelessness Challenge Grants and Technical Assistance Program is hereby established for the purpose of providing one-time grants and technical assistance to local jurisdictions in order to address and end family homelessness.

(b) (1) Council staff shall administer the program, which shall provide grants and technical assistance. Technical assistance may be provided directly by council staff or through a contracted entity.

(2) The program shall give preference to proposals that promote rapid innovation, accelerate nascent programs, expand promising practices, and meet new demands and conditions for solutions targeted towards ending family homelessness. Program funding shall be prioritized for jurisdictions that can demonstrate cross-systems collaboration, multifunder initiatives, and innovative efforts that coordinate across funding streams and systems.

(c) The decision of the council to approve or deny an application and the determination of the amount of funding to be provided shall be final.

(d) The council shall maintain records of the following:

(1) The number of applications for program grants received by the council.

(2) The number of applications for program grants denied by the council.

(3) The name of each recipient of program funds.

(4) The amount of funds allocated to each applicant.

(e) In administering this chapter, the council shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

**50257.** (a) Upon appropriation by the Legislature, forty million dollars ($40,000,000) or whatever greater or lesser sum is appropriated for purposes of the program, shall be distributed in accordance with this subdivision.

(1) Seventy-five percent of the amount appropriated shall be distributed through two rounds of competitive grants to applicants to be used to accelerate efforts by local jurisdictions to eliminate family homelessness in their communities.

(A) Fifty percent of the amount referenced in this paragraph shall be distributed through the initial round of competitive grant funding.

(B) Fifty percent of the amount referenced in this paragraph shall be distributed through a second round of competitive grant funding. Recipients of the initial round of program funds that demonstrate adequate progress towards their program goals, remain in compliance with all requirements of this program, and demonstrate the most promising and innovative practices which could be scaled and replicated to support statewide efforts to eliminate family homelessness may apply for the second round of grant funding.

(2) Twenty percent of the amount appropriated shall be set aside for intensive technical assistance to local jurisdictions to support the state's efforts to reach functional zero for family homelessness.

(3) Of the amount appropriated pursuant to this subdivision, up to 5 percent may be expended by the council for the administration of the program. The council may utilize any unused funds from moneys set aside for program administration for technical assistance or to augment existing allocations.

(b) Applications for funding shall include a full description of how the applicant intends to use program funds for rapid innovation, accelerating nascent programs, expanding promising practices, or meeting new demands and conditions where practical work occurs for solutions targeted towards ending family homelessness, and any additional fiscal and programmatic information related to this grant as determined by the council.

**50258.** (a) (1) The council shall make available an application for the first round of allocations no later than March 1, 2022.

(2) Applications shall be due to the council no later than 60 days from the date the council makes those applications available pursuant to paragraph (1).

(3) Initial award determinations shall be made no more than 60 days after the deadline to submit applications.

(b) Recipients of funds shall expend at least 50 percent of their first-round allocation by June 30, 2024.

(1) Recipients who fail to expend their allocated funds in compliance with this subdivision shall repay to the council no less than 25 percent of their total allocation amount. The repayment amount shall be determined by the council based on its evaluation of the circumstances behind the failure to expend the allocated funds in compliance with this section. The repaid funds shall be reallocated by the council during the second round of funding.

(2) Any funds not distributed in the first round of awards or repaid pursuant to paragraph (1), shall be allocated in the second round of funding.

(c) (1) The council shall make available an application for the second round of allocations no later than December 31, 2023.

(2) Applications shall be due to the council no later than 60 days from the date the council makes the application available pursuant to paragraph (1).

(3) Initial award determinations shall be made no more than 60 days after the deadline to submit applications.

(d) If, after the second round of awards pursuant to this section, not all funds have been awarded, the council may make additional awards or augment existing allocations until all funds have been allocated.

(e) All program funds shall be expended by June 30, 2026. Any funds that are not expended by this date shall revert to, and be paid and deposited in, the General Fund.

**50259.** (a) All recipients of funds pursuant to this chapter shall provide data elements, including, but not limited to, health information, in a manner consistent with federal law, to their local Homeless Management Information System, for tracking in the statewide Homeless

Data Integration System.

(b) (1) The council shall specify the form and substance of required data elements.

(2) The council may, as required by operational necessity, amend or modify data elements, disclosure formats, or disclosure frequency.

(c) Any health information or personal identifying information provided to, or maintained within, the Homeless Data Integration System shall not be subject to public inspection or disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(d) For purposes of this paragraph, "health information" includes "protected health information," as defined in Part 160.103 of Title 45 of the Code of Federal Regulations, and "medical information," as defined in subdivision (j) of Section 56.05 of the Civil Code.

(e) All recipients of funds shall provide information and products developed with grant funds on service delivery models in support of the overall program goal to create scalable solutions to family homelessness in a format and timeframe as specified by the council.

**SEC. 15.** Chapter 3.15 (commencing with Section 50515.06) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

## CHAPTER 3.15. Regional Early Action Planning Grants Program of 2021

**50515.06.** For purposes of this chapter:

(a) "Department" means the Department of Housing and Community Development.

(b) "Program" means the Regional Early Action Planning Grants of 2021 established pursuant to this chapter.

(c) "Regional housing need assessment" means the existing and projected need for housing for each region, as determined by the department pursuant to Section 65584.01 of the Government Code.

(d) "Sustainable Communities Strategy" refers to the plan prepared by each metropolitan planning organization pursuant to paragraph (2) of subdivision (b) of Section 65080 of the Government Code.

(e) "Alternative Planning Strategy" refers to the document, if any, prepared by a metropolitan planning organization pursuant to paragraph (1) of subdivision (b) of Section 65080 of the Government Code.

(f) (1) "Transformative planning and implementation activities" means housing, planning, infrastructure investments supporting infill housing, and other actions that enable meeting housing goals that also result in per capita vehicle miles traveled reductions, including accelerating infill development, supporting residents through realizing multimodal communities, shifting travel behavior through reducing driving, and increasing transit ridership.

(2) Transformative planning and implementation activities shall be in furtherance of all of the following:

(A) State planning priorities, as described in Section 65041.1 of the Government Code.

(B) Affirmatively furthering fair housing pursuant to Section 8899.50 of the Government Code.

(C) Facilitating housing element compliance for the sixth cycle regional housing needs assessment pursuant to Section 65302 of the Government Code prepared in accordance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(D) A region's sustainable community strategy, as described in paragraph (2) of subdivision (b) of Section 65080 of the Government Code, or alternative planning strategy, as described in paragraph (2) of subdivision (b) of Section 65080 of the Government Code, as applicable.

(g) "Eligible entity" means any recipient of these funds either through direct allocation from the department or through a suballocation from a recipient. For the purposes of this chapter, an eligible entity can include a metropolitan planning organization (MPO), a single or multicounty council of governments (COG), a regional transportation planning agency (RTPA), a county, a city, a city and county, a transit agency or district, a county transportation agency, or a tribal entity.

(h) "Tribal entity" means an entity formed by the duly constituted governing body of a California Native American Tribe in Chapter 905 of the Statutes of 2004, as described in Section 21073 of the Public Resources Code.

**50515.07.** (a) (1) The Regional Early Action Planning Grants Program of 2021 is hereby established for the purpose of providing regions with funding, including grants, for transformative planning and implementation activities.

(2) Upon appropriation by the Legislature for this purpose, funds shall be distributed under the program in accordance with this chapter.

(b) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, shall develop and administer the program and, consistent with the requirements of this chapter, provide grants to eligible entities for implementing planning and implementation activities. The department shall seek input from the transportation and housing coordination workgroup established through Section 50407.5.

(c) Distribution and expenditures of funds shall be made consistent with the state planning priorities, established pursuant to Section 65041.1 of the Government Code, and shall consider geographic equity among regions of the state.

(d) Of the total amount of any moneys appropriated for purposes of this chapter, the department shall set aside up to 5 percent for program administration, including state operations expenditures and technical assistance, as well as expenditures by recipients of funding pursuant to Sections 50515.08 and 50515.09.

**50515.08.** (a) The funds described in paragraph (2) of subdivision (a) of Section 50515.07 shall be available only to the following entities before any suballocation:

(1) The Metropolitan Transportation Commission, representing the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, and the City and County of San Francisco.

(2) The Sacramento Area Council of Governments, representing the Counties of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba.

(3) The San Diego Association of Governments, representing the County of San Diego.

(4) The Southern California Association of Governments, representing the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

(5) The Association of Monterey Bay Area Governments, representing the counties of Monterey, San Benito and Santa Cruz.

(6) The San Luis Obispo Council of Governments, the Santa Barbara County Association of Governments, the Fresno Council of Governments, the Kern Council of Governments, the Kings County Association of Government, the Madera County Transportation Commission, the Merced County Association of Governments, the San Joaquin Council of Governments, the Stanislaus Council of Governments, the Tulare County Association of Governments, the Butte County Association of Governments, Shasta County Regional Transportation Agency, and the Tahoe Regional Planning Agency created by interstate compact and ratified by Title 7.4 (commencing with Section 66800) of the Government Code. Notwithstanding any other provision of this chapter, the eligible entities described in this paragraph may apply directly to the department for funds pursuant to the program.

(7) Eligible entities in the Counties of Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Tuolumne, and Trinity. Notwithstanding any other provision of this chapter, eligible entities within the counties listed in this paragraph or tribal entities may apply directly to the department for funds pursuant to the program. The department may approve a fiscal agent to receive funds on behalf of a consortium of entities listed in this paragraph.

(b) (1) The department shall calculate the amount of each maximum grant allocation in accordance with the methodology described in subdivision (a) of Section 50515.09.

(2) An eligible entity shall, in consultation with the department and consistent with the requirements of this chapter, determine the appropriate use of funds and suballocations within its boundaries in a manner that appropriately addresses its unique housing, land use, transportation, climate change, equity and other planning priorities.

(c) (1) Subject to paragraph (5), until December 31, 2022, an eligible entity described in subdivision (a) may request an allocation of funds pursuant to this section by submitting an application, in the form and manner prescribed by the department, developed in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, that includes all of the following information:

(A) An allocation budget for the funds provided pursuant to this section.

(B) The amounts retained by the eligible entity and any suballocations.

(C) An explanation of how the proposed uses will meet the definition of transformative planning and implementation activities and, as applicable, constitute high-impact and innovative projects and actions.

(D) An explanation of how the proposed uses will implement and achieve housing goals that also result in per capita vehicle miles traveled reductions in furtherance of the region’s sustainable communities strategy or alternative planning strategy, as applicable.

(E) The application shall reference one or more of the following categories of allowable uses of the funds:

(i) Accelerating infill development, including housing.

(ii) Supporting residents through realizing multimodal communities.

(iii) Shifting travel behavior through reducing driving.

(iv) Increasing transit ridership.

(F) An explanation of the targeted outreach the MPO has conducted to disadvantaged and historically underserved communities and how that outreach was incorporated into the proposed uses.

(2) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, shall review an application submitted pursuant to this subdivision in an expeditious manner. Upon approval of an application for funds pursuant to this subdivision, the department shall award the moneys for which the eligible entity qualifies.

(3) Commencing January 1, 2022, an eligible entity described in paragraphs (1) to (5) of subdivision (a), inclusive, as applicable, may request up to 10 percent of the funding available to it under this section in advance of a full request for funding made pursuant to paragraph (1) to develop and accelerate the implementation of the requirements described in paragraph (1), including, but not limited to, regional engagement in the development of the full application and of an education and outreach strategy. The department shall award funds requested pursuant to this paragraph to the relevant eligible entity in an expeditious manner after receiving that request.

(4) The department may develop a streamlined application procedure that accounts for the limited resources generally among the regional entities listed in paragraph (6) of subdivision (a).

(5) If an amount of funds described in paragraph (2) of subdivision (a) of Section 50515.07 remains unallocated after December 31, 2022, the department, at its discretion, may make those funds available through a subsequent notice of funding availability in which funds are offered on a competitive basis pursuant to this chapter. An eligible entity described in subdivision (a) may request an allocation of funds made available through the subsequent notice of funding availability by submitting an application, in the form and manner prescribed by the department.

(d) In consultation with the department, any entity that receives an allocation of funds pursuant to this section shall establish priorities and use those moneys for eligible transformative planning and implementation activities that include, but are not limited to, all of the following:

(1) Providing jurisdictions and other local agencies with technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents and other actions that accelerate infill housing production.

(2) Administering any programs described in this subdivision.

(3) Covering the costs of temporary staffing or consultant needs associated with the activities described in paragraphs (1) and (2), inclusive.

(4) Accelerating infill development, including through all of the following:

(A) Rezoning and encouraging development by updating planning documents and zoning ordinances, including general plans, community plans, specific plans, sustainable communities strategies, and local coastal programs.

(B) Revamping local planning processes to accelerate infill housing production and other infill development.

(C) Completing environmental clearance to eliminate the need for project-specific review for infill development.

(D) Establishing and funding an affordable housing catalyst fund, trust fund, or revolving loan fund for location efficient projects.

(E) Performing infrastructure planning and investing in upgrading infrastructure, including for sewers, water systems, transit, roads, or other public facilities necessary to enable reduction in per capita vehicle miles traveled, including accelerating housing production.

(5) Supporting residents through realizing multimodal communities, including through all of the following:

(A) Establishing and implementing a vision-zero policy and program, a safety plan, and a slow streets program.

(B) Developing bicycle and pedestrian infrastructure plans and other multimodal plans or policies.

(C) Investing in infrastructure projects and other programs to expand active transportation and implement bicycle or pedestrian plans.

(D) Producing multimodal corridor studies associated with developing specific planning documents or implementation actions.

(6) Shifting travel behavior through reducing driving, including through all of the following:

(A) Studying and implementing road pricing.

(B) Funding the establishment of a local vehicle miles traveled impact fee or regional vehicle miles traveled mitigation bank.

(C) Funding and implementing parking and transportation demand management programs or ordinances.

(D) Accelerating infill housing production near jobs, transit, and resources.

(7) Increasing transit ridership, including through all of the following:

(A) Funding and implementing actions to establish more seamless regional transit systems between and across communities, including establishing common fares, schedules, service design, and wayfinding.

(B) Developing and implementing multimodal access plans to and from transit facilities.

(C) Planning for additional housing near transit.

(f) (1) In consultation with the department, any entity that receives an allocation of funds pursuant to this section may suballocate moneys directly to eligible entities in the form of grants. Following awards to eligible entities, eligible entities shall award suballocations within 60 days.

(2) All suballocations pursuant to this subdivision shall consider geographic equity, including the needs of rural and urban communities, transformative and collaborative approaches, including through subregions, and the degree to which the suballocation will be in furtherance of all of the requirements of transformative planning and implementation activities described in paragraph (2) of subdivision (f) of Section 50515.06.

**50515.09.** (a) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 85 percent shall be available to the entities described in paragraphs (1) to (5), inclusive, of subdivision (a) of Section 50515.08 for transformative planning and implementation activities. The maximum amount that an entity may receive pursuant to this subdivision shall be determined as follows:

The maximum amount that an eligible entity may receive pursuant to this subdivision shall be based on the most recent Department of Finance P-2A County Population Projections as of July 1, 2021. Amounts shall be calculated based on aggregate 2030 projected population per each eligible applicant as a percentage of projected 2030 statewide population.

(b) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 5 percent shall be available to the eligible entities described in paragraph (6) of subdivision (a) of Section 50515.08 for transformative planning and implementation activities.

(c) Of the amount described in paragraph (2) of subdivision (a) of Section 50515.07, 5 percent shall be available as a competitive set aside available to all eligible entities for transformative planning and implementation activities that demonstrably exceed the requirements of this chapter and further multiple policy objectives. Scoring criteria for this competitive set aside will include, but are not limited to, the extent of acceleration of infill housing production and reduction of per capita vehicle miles traveled.

**50515.10.** (a) (1) Subject to paragraph (2), an eligible entity that receives an allocation of program funds pursuant to Section 50515.08 shall submit a report, in the form and manner prescribed by the department, to be made publicly available on its internet website, by April 1 of the year following the receipt of those funds, and annually thereafter until those funds are expended, that includes, but is not limited to, the following information:

(A) The status of the proposed uses and expenditures listed in the eligible entity’s application for funding and the corresponding impact, including, but not limited to, housing units accelerated and reductions in per capita vehicle miles traveled.

(B) All status and impact reports shall be categorized based on the eligible uses specified in Section 50515.08.

(2) The department may request additional information, as needed, to meet other applicable reporting or audit requirements.

(b) The department shall maintain records of the following and provide that information publicly on its internet website:

(1) The name of each applicant for program funds and the status of that entity’s application.

(2) The number of applications for program funding received by the department.

(3) The information described in subdivision (a) for each recipient of program funds.

(c) A recipient of funds under this program shall post, make available, and update, as appropriate on its internet website, land use maps and vehicle miles traveled generation maps produced in the development of its adopted sustainable communities strategy.

(d) A recipient of funds under this program shall collaborate and share progress, templates, and best practices with the department and fellow recipients in implementation of funds. To the greatest extent practicable, adjacent eligible entities shall coordinate in the development of applications, consider potential for joint activities, and seek to coordinate housing and transportation planning across regions.

(e) (1) A recipient of funds under the program shall expend those funds no later than June 30, 2024.

(2) No later than June 30, 2025, each eligible entity that receives an allocation of funds pursuant to Section 50515.08 shall submit a final report on the use of those funds to the department, in the form and manner prescribed by the department. The report required by this paragraph shall include an evaluation of actions taken in support of the entity's proposed uses of those funds, as specified in the entity's application, including, but not limited to, housing units accelerated and per capita reductions in vehicle miles traveled.

(f) The department may monitor expenditures and activities of an applicant, as the department deems necessary, to ensure compliance with program requirements.

(g) The department may, as it deems appropriate or necessary, request the repayment of funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.

(h) The department, in collaboration with the Office of Planning and Research, the Strategic Growth Council, and the State Air Resources Board, may implement the program through the issuance of forms, guidelines, application materials, funding allocation methodologies, and one or more notices of funding availability, as the department deems necessary, to exercise the powers and perform the duties conferred on it by this chapter. Any forms, guidelines, application materials, funding allocation methodologies, or notices of funding availability prepared or adopted pursuant to this section are exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(i) The department's decision to approve or deny an application or request for funding pursuant to the program, and its determination of the amount of funding to be provided or request for repayment or other remedies for failure to comply with program requirements, shall be final.

**SEC. 16.** Chapter 5.5 (commencing with Section 50606) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

## CHAPTER 5.5. Affordable Housing Preservation

**50606.** (a) It is the intent of the Legislature in enacting this chapter to provide the department the flexibility necessary to maintain the supply and quality of the affordable rental housing units for which there has already been a significant public investment.

(b) The Legislature finds and declares all of the following:

(1) Potential conversion of affordable housing to market rate housing is an ongoing and critical statewide problem.

(2) Additionally, loans made by the department that are reaching the end of their affordability periods are also at risk of converting to market rate rents.

(3) Lack of access to financial resources to rehabilitate and extend the affordability periods of housing projects increases the risk of conversion to market rate rents.

(4) As affordable housing converts to market rate rents, displaced tenants may be unable to obtain replacement affordable housing, which could exacerbate the state's homelessness crisis.

**50607.** (a) Upon appropriation by the Legislature for purposes of this chapter, the department may make loans or grants, or both loans and grants, to rehabilitate, capitalize operating subsidy reserves for, and extend the long-term affordability of department-funded housing projects that have an affordability restriction that has expired, that have an affordability restriction with a remaining term of less than five years, or are otherwise at risk for conversion.

(b) Notwithstanding any other law, if the department makes a loan or grant pursuant to this chapter to a project that has an existing loan issued by the department for a multifamily housing project, the department may additionally approve an extension of the existing loan, the reinstatement of a qualifying unpaid matured loan, the subordination of a loan made by the department to new indebtedness, or an investment of tax credit equity for purposes of funding necessary rehabilitation and extending the affordability of the project without complying with the requirements of Chapter 3.9 (commencing with Section 50560). The department may also forgive some or all of the accrued interest on the existing department loan if necessary to facilitate the department's new rehabilitation loan.

(c) The department may establish loan processing or transaction fees for loans or grants authorized by this chapter, as necessary, in an amount not to exceed the amount necessary to generate sufficient revenue to cover the cost of processing loan transactions under this chapter. However, the department may waive fees to the extent necessary for project feasibility.

(d) The department may adopt guidelines to implement this chapter. Any guidelines adopted pursuant to this section are hereby exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

**50608.** (a) For any loans issued pursuant to this chapter, principal and accumulated interest is due and payable upon completion of the term of the loan. The loan shall bear simple interest at the rate of 3 percent per annum on the unpaid principal balance. The department shall require annual loan payments in the minimum amount necessary to cover the costs of project monitoring. For the first 30 years of the loan term, the amount of the required loan payments shall not exceed 0.42 percent per annum.

(b) All moneys received by the department in repayment of loans made pursuant to this chapter, including interest and payments in advance in lieu of future interest, shall be deposited in the Housing Rehabilitation Loan Fund established by Section 50661. Moneys deposited in that fund pursuant to this subdivision shall be used for purposes of the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675)).

(c) The department may establish maximum loan-to-value requirements for some or all of the types of projects that are eligible for funding under this chapter.

(d) The department shall establish per-unit and per-project loan limits for all project types.

**50609.** (a) The department may designate an amount not to exceed 1.5 percent of funds appropriated for use pursuant to this chapter for the purposes of curing or averting a default on the terms of any loan or other obligation by the recipient of financial assistance, or

bidding at any foreclosure sale where the default or foreclosure sale would jeopardize the department's security in the rental housing development assisted pursuant to this chapter. The funds so designated shall be known as the "default reserve."

(b) The department may use default reserve funds made available pursuant to this section to repair or maintain any rental housing development assisted pursuant to this chapter that was acquired to protect the department's security interest.

(c) The payment or advance of funds by the department pursuant to this section shall be exclusively within the department's discretion, and no person shall be deemed to have any entitlement to the payment or advance of those funds. The amount of any funds expended by the department for the purposes of curing or averting a default shall be added to the loan amount secured by the rental housing development and shall be payable to the department upon demand.

**SEC. 17.** Chapter 6.6 (commencing with Section 50672) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

## CHAPTER 6.6. Loans and Grants to Qualified Rental Housing Developments

**50672.** It is the intent of the Legislature in enacting this chapter to expedite the construction and production of housing developments that have received a commitment of funds from multifamily housing programs administered by the department, but are unable to proceed because the developments have been unable to obtain tax credit and bond allocations.

**50672.1.** For purposes of this chapter:

(a) "Department" means the Department of Housing and Community Development.

(b) "Multifamily housing program" includes, but is not limited to, all of the following programs:

(1) The Joe Serna, Jr. Farmworker Housing Grant Program (Chapter 3.2 (commencing with Section 50515.2)).

(2) The CalHome Program (Chapter 6 (commencing with Section 50650)).

(3) The Multifamily Housing Program administered under Chapter 6.7 (commencing with Section 50675).

(4) The Infill Incentive Grant Program of 2007 (Section 53545.13).

(5) The Infill Infrastructure Grant Program of 2019 (Part 12.5 (commencing with Section 53559)).

(6) The Transit-Oriented Development Implementation Program (Part 13 (commencing with Section 53560)).

(7) Housing for a Healthy California Program (Part 14.2 (commencing with Section 53590)).

(8) The Veterans Housing and Homeless Prevention Act of 2014 (Article 3.2 (commencing with Section 987.001) of Chapter 6 of Division 4 of the Military and Veterans Code).

(9) The Affordable Housing and Sustainable Communities Program (Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code).

(10) The No Place Like Home Program (Part 3.9 (commencing with Section 5849.1) of Division 5 of the Welfare and Institutions Code).

(11) The HOME Investment Partnership Program (42 U.S.C. Sec. 12721 et seq.)

(12) The National Housing Trust Fund established pursuant to the Housing and Economic Recovery Act of 2008 (Public Law 110-289), and implementing federal regulations.

(c) "Program" means the program established under this chapter.

(d) "Rental housing development" means a "qualified low-income housing project," as defined in subsection (g) of Section 42 of the federal Internal Revenue Code (26 U.S.C. Sec. 42).

(e) "Qualified rental housing development" means a rental housing development that received an award letter from any multifamily housing program administered by the department.

**50672.2.** (a) (1) Upon appropriation by the Legislature for purposes of this chapter, the department may award a forgivable loan or grant to a qualified rental housing development to replace federal and state low-income housing credit equity contained in the application for which the development received the original award letter or, if applicable, a subsequent application to the California Tax Credit Allocation Committee.

(2) Of any moneys appropriated for purposes of this chapter, fifty million dollars ($50,000,000) shall be awarded to projects with an award letter from the Joe Serna, Jr. Farmworker Housing Grant Program (Chapter 3.2 (commencing with Section 50515.2)).

(3) The department may, in its sole discretion, adjust the grant or loan amount to account for reduction of fees associated with tax credit syndication, reasonable cost increases, or other financing sources obtained by the sponsor of the development.

(4) If funds provided under this chapter are provided as a loan, the loan shall have an interest rate of 0 percent.

(b) (1) A rental housing development that receives a grant or loan under this chapter shall commence construction within 180 days of issuance of an award letter for funds provided pursuant to this chapter.

(2) The department may, within its sole discretion, extend the 180-day requirement based on conditions beyond the control of the development sponsor, provided the revised construction commencement date is not more than 90 days beyond the 180-day period.

(c) (1) The department shall determine the terms under which a loan or grant is subject to repayment.

(2) The terms established by the department shall include, but not be limited to, conversion of the development to market rate housing or sale or refinancing of the development with a distribution of net equity.

(3) Repayments shall be deposited into the Housing Rehabilitation Loan Fund established by Section 50661 and shall be used for the purposes of the Multifamily Housing Program established by Chapter 6.7 (commencing with Section 50675).

(d) (1) The department may establish an application fee for the program.

(2) A loan or grant awarded pursuant to this chapter shall not be subject to any annual monitoring fees, except for the monitoring fees associated with the original multifamily housing program loan or loans provided by the department.

**50672.3.** In order to expedite the development of qualified rental housing developments that are ready to proceed to construction except for obtaining tax credit or bond allocations from the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee, the department may adopt guidelines to administer this chapter. Guidelines adopted pursuant to this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

**SEC. 18.** Section 50675.1 of the Health and Safety Code, as amended by Section 3 of Chapter 192 of the Statutes of 2020, is amended to read:

**50675.1.** (a) This chapter shall be known and may be cited as the Multifamily Housing Program.

(b) Assistance provided to a project pursuant to this chapter, excluding assistance provided pursuant to Section 50675.1.1 or 50675.1.3, shall be provided in the form of a deferred payment loan to pay for the eligible costs of development as hereafter described.

(c) Except as provided in paragraph (3), on and after January 1, 2008, of the total assistance provided under this chapter, the percentage that is awarded for units restricted to senior citizens, as defined in paragraph (1) of subdivision (b) of Section 51.3 of the Civil Code, shall be proportional to the percentage of lower income renter households in the state that are lower income elderly renter households, as reported by the United States Department of Housing and Urban Development on the basis of the most recent American Community Survey or successor survey conducted by the United States Census Bureau.

(1) The department shall be deemed to have met its obligation under this subdivision if the assistance awarded is not less than 1 percent below the proportional share.

(2) This subdivision does not require the department to provide loans to projects that fail to meet minimum threshold requirements under subdivision (b) of Section 50675.7.

(3) Assistance for projects funded pursuant to Section 50675.1.1 or 50675.1.3, and assistance for projects meeting the definition in paragraph (3) of subdivision (b) of Section 50675.14 shall be excluded from the total assistance calculation under this subdivision.

(4) The department shall determine the time period over which it will measure compliance with this section, but that period shall not be less than one year or two funding cycles, whichever period is longer.

(5) If, at the end of the time period determined by the department, the total amount of funding for which sponsors have submitted qualified applications is lower than the proportional share, the department may award the remaining funds to units that are not restricted to senior citizens.

(6) The department’s annual report to the Legislature submitted under Section 50408 shall include a breakdown of funding awards between units restricted to senior citizens and units that are not age-restricted.

(d) This chapter shall be administered by the department and the department shall establish the terms upon which loans or grants may be made consistent with the provisions of this chapter.

(e) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

**SEC. 19.** Section 50675.1 of the Health and Safety Code, as added by Section 4 of Chapter 192 of the Statutes of 2020, is amended to read:

**50675.1.** (a) This chapter shall be known and may be cited as the Multifamily Housing Program.

(b) Assistance provided to a project pursuant to this chapter, excluding assistance provided pursuant to Section 50675.1.1 or 50675.1.3, shall be provided in the form of a deferred payment loan to pay for the eligible costs of development as hereafter described.

(c) Except as provided in paragraph (3), on and after January 1, 2008, of the total assistance provided under this chapter, the percentage that is awarded for units restricted to senior citizens, as defined in paragraph (1) of subdivision (b) of Section 51.3 of the Civil Code, shall be proportional to the percentage of lower income renter households in the state that are lower income elderly renter households, as reported by the United States Department of Housing and Urban Development on the basis of the most recent American Community Survey or successor survey conducted by the United States Census Bureau.

(1) The department shall be deemed to have met its obligation under this subdivision if the assistance awarded is not less than 1 percent below the proportional share.

(2) This subdivision does not require the department to provide loans to projects that fail to meet minimum threshold requirements under subdivision (b) of Section 50675.7.

(3) Assistance for projects funded pursuant to Section 50675.1.1 or 50675.1.3, and assistance for projects meeting the definition in paragraph (3) of subdivision (b) of Section 50675.14 shall be excluded from the total assistance calculation under this subdivision.

(4) The department shall determine the time period over which it will measure compliance with this section, but that period shall not be less than one year or two funding cycles, whichever period is longer.

(5) If, at the end of the time period determined by the department, the total amount of funding for which sponsors have submitted qualified applications is lower than the proportional share, the department may award the remaining funds to units that are not restricted to senior citizens.

(6) The department's annual report to the Legislature submitted under Section 50408 shall include a breakdown of funding awards between units restricted to senior citizens and units that are not age-restricted.

(d) This chapter shall be administered by the department and the department shall establish the terms upon which loans or grants may be made consistent with the provisions of this chapter.

(e) In any notice of funding availability offered pursuant to this chapter, or for any funding that is to be offered by using rating and ranking criteria that is consistent with the Multifamily Housing Program or the CalHome program authorized by Chapter 6 (commencing with Section 50650), the department may require applicants to specify the source and amount of funding being applied for. The requirement may be set forth in either the application materials or notice of funding availability. Any requirement imposed by the department pursuant to this subdivision shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(f) Any reference outside this chapter to rating and ranking applications in a manner consistent with the Multifamily Housing Program or CalHome Program authorized by Chapter 6 (commencing with Section 50650), or administering funds consistent with the Multifamily Housing Program or CalHome Program, shall not be interpreted to authorize funding criteria or requirements that conflict with those that are or were approved by the voters through a statewide initiative or referendum.

(g) This section shall become operative on January 1, 2022.

**SEC. 20.** Section 50675.1.3 is added to the Health and Safety Code, to read:

**50675.1.3.** (a) Notwithstanding any other law, including subdivision (b) of Section 50675.1, funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined by this section, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases, shall be disbursed in accordance with the Multifamily Housing Program, including as grants to cities, counties, cities and counties, and all other state, regional, and local public entities, including councils of government, metropolitan planning organizations, and regional transportation planning agencies designated in Section 29532.1 of the Government Code, as necessary, for the following uses:

(1) Acquisition or rehabilitation, or acquisition and rehabilitation, of motels, hotels, hostels, or other sites and assets, including apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to permanent or interim housing.

(2) Master leasing of properties for noncongregant housing.

(3) Conversion of units from nonresidential to residential.

(4) New construction of dwelling units.

(5) The purchase of affordability covenants and restrictions for units.

(6) Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.

(7) Capitalized operating subsidies for units purchased, converted, or altered with funds provided by this section.

(b) Where possible, the funds described in subdivision (a) shall be allocated by the department in a manner that takes into consideration all of the following:

(1) Need geographically across the state.

(2) The demonstrated ability of the applicant to fund ongoing operating reserves.

(3) The creation of new permanent housing options.

(4) The potential for state, federal, or local funding for capitalized operating reserves to make additional housing units financially viable through this program.

(c) Not less than 8 percent of the funds described in subdivision (a) shall be available for projects serving homeless youth, or youth at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations.

(d) Any conflict between the other requirements of the Multifamily Housing Program created by this chapter and this section shall be resolved in favor of this section, as may be set forth in the guidelines authorized by this section.

(e) The Department of Housing and Community Development may adopt guidelines for the expenditure of the funds appropriated to the department, and for the administration of this program. The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) Up to 5 percent of the funds received from the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (ARPA) (Public Law 117-2) and appropriated for purposes of this section may be expended for the costs to administer the program, to the extent authorized by federal law.

(g) Up to 5 percent of any General Fund moneys appropriated for purposes of this section may be expended for the costs to administer this program.

(h) The department's annual report to the Legislature submitted under Section 50408 shall include, but not be limited to, all of the following:

(1) The amount of funds expended for the uses described in this section.

(2) The location of any properties for which the funds are used.

(3) The number of usable housing units produced, or planned to be produced, using the funds.

(4) The number of individuals housed, or likely to be housed, using the funds.

(5) The number of units, and the location of those units, for which operating subsidies have been, or are planned to be, capitalized using the funds.

(6) An explanation of how funding decisions were made for acquisition, conversion, or rehabilitation projects, or for capitalized operating subsidies, including what metrics were considered in making those decisions.

(7) Any lessons learned from the use of the funds.

(8) Proposed changes to the program to address lessons learned.

(i) Any project that uses funds received for any of the purposes specified in subdivision (a) shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and any applicable coastal plan, local or otherwise, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or any other discretionary reviews or approvals.

(j) A report to be submitted pursuant to subdivision (h) shall be submitted in compliance with Section 9795 of the Government Code.

(k) Upon an appropriation by the Legislature for the purposes described in this section, the department shall administer funding according to the timeline set forth below, subject to any modifications set forth by the guidelines:

(1) The department shall issue a notice of funding availability for the appropriated funding within three months of an appropriation. The department may thereafter accept funding applications and issue awards on a continuous, over-the-counter basis until the funding has been exhausted or as otherwise required by law.

(2) Each award shall be expended on the uses authorized at subdivision (a), and in accordance with all relevant representations and descriptions in the application, within eight months of the date of the award. Applicants may ask the department for an extension of this timeframe on the grounds and according to the procedures set forth in the guidelines. The director shall have reasonable discretion to approve or deny such an extension upon conducting a full and good faith review of the applicant's extension request.

(l) For purposes of this section, "individuals and families who are homeless or who are at risk of homelessness" means persons and families that meet the qualifying definitions under Part 578.3 of Title 24 of the Code of Federal Regulations.

(m) To advance the objectives specified in Section 50675.1.1 or this section, the department may expand the population served beyond the population specified in subdivision (l) as specified by the guidelines authorized by this section.

**SEC. 21.** Section 50675.1.4 is added to the Health and Safety Code, to read:

**50675.1.4.** (a) Notwithstanding any other law, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall not apply to any project, including a phased project, funded pursuant to Section 50675.1.3 if all of the following requirements, if applicable, are satisfied:

(1) No units were acquired by eminent domain.

(2) The units will be in decent, safe, and sanitary condition at the time of their occupancy.

(3) The project proponent shall require all contractors and subcontractors performing work on the project to pay prevailing wages for any proposed rehabilitation, construction, or major alterations in accordance with Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(4) The project proponent obtains an enforceable commitment that all contractors and subcontractors performing work on the project will use a skilled and trained workforce for any proposed rehabilitation, construction, or major alterations in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(5) The project proponent submits to the lead agency a letter of support from a county, city, or other local public entity for any proposed rehabilitation, construction, or major alteration work.

(6) Any acquisition is paid for, in whole or part, with public funds.

(7) The project provides housing units for individuals and families who are experiencing homelessness or who are at risk of homelessness.

(8) Long-term covenants and restrictions require the units to be restricted to persons experiencing homelessness or who are at risk of homelessness, which may include lower income and very low income households, as defined by Section 50079.5, for no fewer than 55 years.

(9) The project does not result in an increase in the existing onsite development footprint of structure, structures, or improvements by more than 10 percent. Any increase to the existing, onsite development footprint shall be exclusively to support the provision of or conversion to housing for the designated population, including, but not limited to, both of the following:

(A) Achieving compliance with local, state, and federal requirements.

(B) Providing sufficient space for the provision of services and amenities.

(b) If the lead agency determines that a project is not subject to the California Environmental Quality Act pursuant to this section, and the lead agency determines to approve or to carry out that project, the lead agency shall file a notice of exemption with the Office of Planning and Research and the county clerk of the county in which the project is located in the manner specified in subdivisions (b) and (c) of Section 21152 of the Public Resources Code.

(c) This section shall remain in effect only until July 1, 2024, and as of that date is repealed.

**SEC. 22.** Chapter 8.2 (commencing with Section 50704.80) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

## CHAPTER 8.2. Excess Site Local Government Matching Grants Program

**50704.80.** For purposes of this chapter, the following definitions shall apply:

(a) “Department” means the Department of Housing and Community Development.

(b) “Local government” means a city, county, city and county, or public housing authority.

(c) “Program” means the Excess Sites Local Government Matching Grants Program established under to this chapter.

(d) “Selected developer” means a development partner selected under the Executive Order No. N-06-19 program to enter a ground lease with the state to create affordable housing on excess state-owned property.

**50704.81.** (a) (1) The Excess Sites Local Government Matching Grants Program is hereby established for the purpose of providing selected developers with one-time grants for development activities to enable development on excess state-owned property.

(2) Upon appropriation by the Legislature, thirty million dollars ($30,000,000) shall be allocated under the program in accordance with this chapter.

(b) The department shall administer the program and, consistent with the requirements of this chapter, award grants to selected developers for predevelopment and development costs to accelerate housing production on excess state-owned properties, and to match local government contributions for predevelopment and development costs for selected developers.

(c) Of the total amount of any moneys appropriated under this chapter, the department shall set aside up to 5 percent for program administration, including state operations expenditures and technical assistance.

**50704.82.** Excess sites local government matching grants shall be available to selected developers that will receive contributions from local governments in accordance with the following:

(a) The moneys appropriated under this chapter shall be allocated to selected developers that will receive contributions from a local government in support of affordable housing development on excess state-owned properties.

(b) (1) A local government and a selected developer may jointly apply for a grant pursuant to this section by submitting an application, in the form and manner prescribed by the department, that includes the following information:

(A) A budget including all sources, approved by local government resolution, demonstrating the amount of local government contribution to the selected developer for predevelopment and development costs for affordable housing on excess state-owned property, and the requested amount from the program.

(B) An explanation of how proposed amounts from local government and the program will support and accelerate housing production on excess state-owned property by the selected developer.

(C) A commitment and strategy from the local government to support the selected developer in a community outreach plan and lease up for the affordable housing development on the excess state-owned property.

(2) The department shall review an application submitted pursuant to this subdivision in an expeditious manner. Upon approval of an application for funds pursuant to this section, the department shall award the moneys for which the selected developer qualifies.

(c) A selected developer that receives an allocation of funds pursuant to this section shall use those moneys to accelerate housing production on the excess state-owned property, as follows:

(1) Allocating moneys directly to the predevelopment and development costs of housing and infrastructure that will accelerate housing production on excess state-owned property in a way that aligns with state planning priorities, housing, transportation, equity, and climate goals.

(2) Developing and implementing a community outreach and engagement plan, or lease-up strategy.

(3) Covering the costs of temporary staffing or consultant needs associated with the activities described in paragraphs (1) and (2).

(d) The maximum program contribution that a selected developer may receive pursuant to this subdivision shall not exceed ten million dollars ($10,000,000). When evaluating applications and determining awards, the department shall take into consideration factors including, but not limited to, all of the following:

(1) Value of the local government contribution.

(2) Need geographically across the state.

(3) The creation of new permanent housing options.

(4) The potential for state funding for, and local contributions to make, additional housing units financially viable through this program.

(5) The availability of other replacement funding sources and the feasibility of securing such funding.

**50704.83.** (a) (1) A selected developer that receives a grant pursuant to this chapter shall submit a report, in a form and manner prescribed by the department, by December 31 of the year following the receipt of those funds, and annually thereafter until December 31, 2024, that contains the following information:

(A) The status of the proposed expenditures and uses of the local government contribution and the grant moneys as listed in the application for funding.

(B) The corresponding impact on the affordable housing development on excess state-owned property, categorized based on the eligible uses specified in subdivision (c) of Section 50704.82.

(2) The department may request additional information, as needed, to meet other applicable reporting or audit requirements.

(b) The department shall maintain records of the following and provide that information publicly on its internet website:

(1) The name of each applicant for grant moneys and the status of that entity's application.

(2) The number of applications for grant moneys received by the department.

(3) The information described in subdivision (a) for each recipient of grant moneys.

(c) Each recipient of grant moneys under the program shall expend the funds no later than June 30, 2024.

(d) The department may monitor expenditures and activities of an applicant and grantee, as the department deems necessary, to ensure compliance with program requirements.

(e) The department may, as it deems appropriate or necessary, request the repayment of funds from an applicant or grantee, or pursue any other remedies available to it by law, for failure to comply with program requirements.

(f) The department may implement the program through the issuance of forms, guidelines, and one or more notices of funding availability, as the department deems necessary, to exercise the powers and perform the duties conferred on it by this chapter. Any forms, guidelines, and notices of funding availability adopted pursuant to this section are hereby exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(g) The department's decision to approve or deny an application or request for grant moneys pursuant to the program, and its determination of the amount of funding to be provided, shall be final.

(h) For development projects on property leased pursuant to this section, any requests for qualifications or requests for proposals issued shall identify the project as a public work for which prevailing wages shall be paid for purposes of Article 1 (commencing with Section

1720) of Chapter 1 of Part 7 of Division 2 of the Labor Code.

**SEC. 23.** Chapter 8.6 (commencing with Section 50720) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

## CHAPTER 8.6. Foreclosure Intervention Housing Preservation Program

**50720.** The Foreclosure Intervention Housing Preservation Program is hereby created for the purpose of preserving affordable housing and promoting resident ownership or nonprofit organization ownership of residential real property. The program shall be administered by the department and shall provide loans and grants as described in this chapter.

**50720.2.** (a) The Foreclosure Intervention Housing Preservation Program is hereby established. The department shall administer the program for the purpose of preserving affordable housing and promoting resident ownership or nonprofit organization ownership of residential real property.

(b) (1) Upon appropriation by the Legislature, the program shall be administered by the department to provide loans to eligible borrowers to support the acquisition of 1 to 25 unit properties meeting any of the following criteria:

(A) Real property subject to a trustee's sale pursuant to Section 2924m of the Civil Code wherein an eligible bidder has made a bid or represents an intention to bid using funds from the program.

(B) Real property subject to a preforeclosure intervention sale.

(C) Real property subject to a foreclosure risk intervention sale.

(D) Real property subject to a recorded notice of default.

(2) Eligible borrowers shall be any one of the following:

(A) Eligible bidders in Section 2924m of the Civil Code other than "prospective owner-occupants" as defined in paragraph (1) of subdivision (a) of Section 2924m of the Civil Code.

(B) An organization whose primary activity is the development and preservation of affordable housing that is at least one of the following:

(i) An incorporated nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) that is exempt from taxation under Section 501(a) of that code (26 U.S.C. Sec. 501(a)).

(ii) A nonprofit corporation as that term is defined in Section 50091 of the Health and Safety Code.

(C) A limited liability company that satisfies both of the following criteria:

(i) A community land trust, as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code, holds a controlling interest in the company.

(ii) A community land trust, as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code, is the managing member of the company.

(3) Up to 5 percent of the funds appropriated for this program may be expended for the costs to administer the program. Costs to administer the program include, but are not limited to, all of the following:

(A) Costs to develop the guidelines required by this chapter, which may include, but is not limited to, the following:

(i) Department staffing expenses incurred in developing the guidelines.

(ii) Contracting with one or more program fund managers to develop the guidelines.

(iii) Contracting with third-party consultants to develop guidelines.

(B) Costs to develop lending criteria.

(C) Costs to advertise the program.

(D) Costs to develop technical assistance tools to support qualified entities in navigating the requirements and processes to apply for funding including, but not limited to, the following:

(i) Training modules.

(ii) Acquisition-rehabilitation specific financing templates and guidance, such as pro formas and worksheets.

(iii) Best practice guides for engaging tenants before and after property acquisition, managing safe and accessible rehabilitation of occupied buildings, facilitating resident ownership, and any other topic deemed appropriate by the department.

(iv) Technical assistance with resident engagement and education, property assessment and due diligence, affordable housing operations management, acquisition-rehabilitation project financial assistance, construction, and property management.

(4) Funds not committed to fund managers pursuant to Section 50720.6 as of December 31, 2025, or any funds returned from fund managers after December 31, 2025, shall be made available for loans authorized by Chapter 5.5 (commencing with Section 50606). Notwithstanding the requirements of Chapter 5.5, uncommitted or returned funds made available for purposes of Chapter 5.5 may be used to assist projects funded by the department or other public entities.

(5) Not later than May 15, 2023, the department shall report to the chairs of the Assembly Committee on Budget and the Senate Committee on Budget and Fiscal Review on the implementation of this program, including amount of funding disbursed and number, location, and cost of acquired properties, as well as the number of units acquired.

(c) All repayments of program funds, including loan principal and any interest collected, and any interest earned on the funds shall be deposited into the Housing Rehabilitation Loan Fund for purposes of the program, including, but not limited to, loans and grants to pay for repairs, maintenance, or improvements on properties acquired pursuant to the program. The funds may also be used to provide technical assistance pursuant to this chapter.

**50720.4.** As used in this chapter:

(a) "Department" means the Department of Housing and Community Development.

(b) "Foreclosure risk intervention sale" means a sale of a 1 to 25 unit residential real property that is not owner occupied and that exhibits indicators of foreclosure risk at the time of sale including, but not limited to, the following:

(1) There is a mortgage delinquency of at least 90 days.

(2) There is a delinquency on two or more property tax payments.

(3) The owner of the property is a debtor in a bankruptcy proceeding.

(4) There is tenant-initiated litigation against the owner of the property on the basis of lack of habitability.

(5) A local government body responsible for enforcing building codes has deemed the property partially or fully uninhabitable.

(6) There are other indicators that the department may prescribe in the guidelines adopted pursuant to this chapter.

(c) "Preforeclosure intervention sale" means a sale of a 1 to 25 unit residential real property that is subject to a recorded notice of default by a trustee representing a beneficiary at the time of the sale.

(d) "Program" means the Foreclosure Intervention Housing Preservation Program.

(e) "Property acquisition costs" means direct real property acquisition costs such as payment of the purchase price and any liens on eligible properties in addition to repairs required to ensure a property and its structures are in compliance with all applicable habitability, health, and safety laws.

(f) "Transaction costs" means costs related to acquiring a property, which may include property appraisal, transfer taxes, financing costs, underwriting, project management, broker fees, and legal fees.

**50720.6.** (a) The department shall contract with one or more fund managers to manage the program until June 30, 2026. The contract with the fund manager or the contracts with the fund managers may be renewed past June 30, 2026, if funds are available and if deemed appropriate by the department.

(b) The fund manager or managers shall be responsible for all of the following:

(1) Reviewing and approving loan or grant applications.

(2) Originating and servicing loans or grants.

(3) Establishing terms and conditions for loan or grant applications pursuant to the guidelines adopted pursuant to this chapter.

(c) The fund manager or managers shall meet all of the following criteria:

(1) Be a nonprofit lender with experience making real estate loans in this state, or be a housing trust fund operated by a city, a county, a city and county, or a joint powers authority as described in Article I (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1

of the Government Code operated for the purpose of funding the development, acquisition, rehabilitation, or preservation of affordable housing for low- or moderate-income residents.

(2) Have originated and serviced loans to develop, maintain, improve, or acquire affordable housing, including at least five million dollars ($5,000,000) in acquisition loans.

(3) Demonstrate an ability to process loans for property acquisitions in an expedient manner sufficient to deploy loans necessary to purchase real property in trustee's sales pursuant to the time constraints described in Section 2924m of the Civil Code.

(d) The department may, but is not required to, contract with one or more third-party consultants to assist with administering the program.

(1) Any third-party consultant contracted with by the department pursuant to this subdivision must demonstrate expertise in a variety of property ownership and stewardship models, such as rental housing, home ownership, community land trusts, limited-equity housing cooperatives, workforce housing cooperative trusts, or nonprofit affordable housing cooperatives.

(2) In contracting with a third-party consultant pursuant to this subdivision the department shall prioritize to third-party consultants that demonstrate a commitment to and experience in advancing racial equity.

**50720.8.** (a) A borrower or grantee that receives funds from a loan made pursuant to the program shall only use the funds as follows:

(1) To pay for property acquisition, rehabilitation, and repair costs and associated transaction costs for real property purchased through one of the following:

(A) A trustee's sale pursuant to Section 2924m of the Civil Code.

(B) A preforeclosure intervention sale.

(C) A foreclosure risk intervention sale.

(2) To pay for transaction costs, so long as no more than 10 percent of a single loan funded by the program is used toward transaction costs.

(b) A borrower or grantee that receives funds from a loan or grant made pursuant to this program shall ensure that all vacant units are restricted in one of the following ways:

(1) By those conditions of a contract described in paragraph (10) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code.

(2) By those conditions of a contract described in paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code.

(3) (A) To persons and families of extremely low, very low, low, or moderate income, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years, or a longer duration as the department may require.

(B) A property may be restricted pursuant to this paragraph by recording a lease agreement, ground lease agreement, or other recorded contractual agreement between a borrower between a borrower or grantee and the residents of the property or between a borrower or grantee and a resident-controlled corporation or association.

(C) Any agreement made between a borrower or grantee and a resident-controlled corporation or association pursuant to subparagraph (B) shall ensure that the housing units are affordable to lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(c) Occupied properties having a mix of incomes among tenants or owners may seek exemption from restrictions under subdivision (b) for units with over-income occupants, only until the unit is vacated due to natural turnover and available to be rerented or resold.

**50720.10.** A loan made pursuant to the program may be partially or fully converted to a grant.

**50720.12.** (a) The department shall adopt guidelines for the administration of the program. The guidelines shall comply with all of the following:

(1) The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) The guidelines shall not be subject to the requirements of Chapter 8.3 (commencing with Section 50705) of Part 2 of Division 31.

(3) The guidelines shall ensure that loan interest rates on loans made pursuant to the program are no higher than those of other loan programs for affordable housing overseen by the department.

(4) The guidelines shall ensure that a loan made pursuant to the program can be obtained within the timeline necessary for an eligible bidder in a trustee's sale pursuant to Section 2924m of the Civil Code to successfully acquire real property using a loan from the program.

(5) The guidelines shall ensure, to the extent possible, geographic equity in allocating funding across the state.

(b) The department may include in the guidelines reasonable procedures for a borrower to apply for all or a portion of its loan to be converted to a grant and to verify eligibility for such a conversion pursuant to this section.

**SEC. 24.** Section 53559 of the Health and Safety Code is amended to read:

**53559.** (a) The Infill Infrastructure Grant Program of 2019 is hereby established to be administered by the department.

(b) Upon appropriation by the Legislature of funds specified in Section 53559.2, the department shall establish and administer a grant program to allocate those funds to capital improvement projects that are an integral part of, or necessary to facilitate the development of, a qualifying infill project or qualifying infill area, pursuant to the requirements of this section.

(c) (1) The department shall administer a competitive application process for grants funded by the allocation specified in paragraph (1) of subdivision (a) of Section 53559.2 for selected capital improvement projects for large jurisdictions pursuant to this subdivision. The department shall release a notice of funding availability no later than November 30, 2019.

(2) In its review and ranking of applications for the award of capital improvement project grants, the department shall rank the affected qualifying infill projects and qualifying infill areas based on the following priorities:

(A) Project readiness, which shall include all of the following:

(i) A demonstration that the project or area development can complete environmental review and secure necessary entitlements from the local jurisdiction within a reasonable period of time following the submission of a grant application.

(ii) A demonstration that the eligible applicant can secure sufficient funding commitments derived from sources other than this part for the timely development of a qualifying infill project or development of a qualifying infill area.

(iii) A demonstration that the project or area development has sufficient local support to achieve the proposed improvement.

(B) The depth and duration of the affordability of the housing proposed for a qualifying infill project or qualifying infill area.

(C) The extent to which the average residential densities on the parcels to be developed exceed the density standards contained in paragraph (4) of subdivision (e).

(D) The qualifying infill project's or qualifying infill area's inclusion of, or proximity or accessibility to, a transit station or major transit stop.

(E) The proximity of housing to parks, employment or retail centers, schools, or social services.

(F) The qualifying infill project or qualifying infill area location's consistency with an adopted sustainable communities strategy pursuant to Section 65080 of the Government Code, alternative planning strategy pursuant to Section 65450 of the Government Code, or other adopted regional growth plan intended to foster efficient land use.

(3) In allocating funds pursuant to this subdivision, the department, to the maximum extent feasible, shall ensure a reasonable geographic distribution of funds.

(4) For purposes of awarding grants pursuant to the competitive application process required by this subdivision:

(A) "Qualifying infill area" means a contiguous area located within an urbanized area (i) that has been previously developed, or where at least 75 percent of the perimeter of the area adjoins parcels that are developed with urban uses, and (ii) in which at least one development application has been approved or is pending approval for a residential or mixed-use residential project that meets the definition and criteria in this section for a qualifying infill project.

(B) (i) "Qualifying infill project" means a residential or mixed-use residential project located within an urbanized area on a site that has been previously developed, or on a vacant site where at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses.

(ii) A property is adjoining the side of a project site if the property is separated from the project site only by an improved public right-of-way.

(d) (1) The department shall administer an over-the-counter application process for grants funded by the allocation specified in paragraph (2) of subdivision (a) of Section 53559.2 for capital improvement projects for small jurisdictions, pursuant to this subdivision. A notice of funding availability shall be released no later than November 30, 2019.

(2) Eligible applicants shall submit the following information in the application request for funding:

(A) A complete description of the qualifying infill project or qualifying infill area and documentation of how the infill project or infill area meets the requirements of this section.

(B) A complete description of the capital improvement project and requested grant funding for the project, how the project is necessary to support the development of housing, and how it meets the criteria of this section.

(C) Documentation that specifies how the application meets all of the requirements of subdivision (e).

(D) (i) Except as provided in clause (ii), a financial document that shows the gap financing needed for the project.

(ii) For a qualifying infill project located in the unincorporated area of the county, the department shall allow an applicant to meet the requirement described in clause (i) by submitting copies of an application or applications for other sources of state or federal funding for a qualifying infill project.

(E) (i) Except as provided by clause (ii), documentation of all necessary entitlement and permits, and a certification from the applicant that the project is shovel-ready.

(ii) For a qualifying infill project located in the unincorporated area of the county, the department shall allow the applicant to meet the requirement described in clause (i) by submitting a letter of intent from a willing affordable housing developer that has previously completed at least one comparable housing project, certifying that the developer is willing to submit an application to the county for approval by the county of a qualifying infill project within the area in the event that the funding requested pursuant to this subdivision is awarded.

(3) The department may establish a per-unit formula to determine the amount of funds awarded pursuant to this subdivision.

(4) For purposes of awarding grants pursuant to the over-the-counter application process required by this subdivision:

(A) “Qualifying infill area” means a contiguous area located within an urbanized area that meets either of the following criteria:

(i) The area contains sites included on the inventory of land suitable and available for residential development in the housing element of the applicable city or county general plan pursuant to paragraph (3) of subdivision (a) of Section 65583 of the Government Code, and at least 50 percent of the perimeter of the area shall adjoin parcels that are developed with urban uses.

(ii) The capital improvement project for which funding is requested is necessary, as documented by an environmental review or some other adopted planning document, to make the area suitable and available for residential development, or to allow the area to accommodate housing for additional income levels, and the area otherwise meets the requirements for inclusion on the inventory of land suitable and available for residential development in the housing element of the applicable city or county general plan pursuant to

paragraph (3) of subdivision (a) of Section 65583 of the Government Code. At least 50 percent of the perimeter of the area shall adjoin parcels that are developed with urban uses.

(B) "Qualifying infill project" means a residential or mixed-use residential project located within an urbanized area on a site that has been previously developed, or on a vacant site where at least 50 percent of the perimeter of the site adjoins parcels that are developed with urban uses.

(e) A qualifying infill project or qualifying infill area for which a capital improvement project grant may be awarded pursuant to either subdivision (c) or (d) shall meet all of the following conditions:

(1) Be located in a city, county, or city and county in which the general plan of the city, county, or city and county has an adopted housing element that has been found by the department, pursuant to Section 65585 of the Government Code, to be in compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(2) Be located in a city, county, or city and county that, at the time of application, has submitted its annual progress reports for 2017 through the most recently required annual progress reports.

(3) Include not less than 15 percent of affordable units, as follows:

(A) For projects that contain both rental and ownership units, units of either or both product types may be included in the calculation of the affordability criteria.

(B) (i) To the extent included in a project grant application, for the purpose of calculating the percentage of affordable units, the department may consider the entire master development in which the development seeking grant funding is included.

(ii) Where applicable, an applicant may include a replacement housing plan to ensure that dwelling units housing persons and families of low or moderate income are not removed from the low- and moderate-income housing market. Residential units to be replaced shall not be counted toward meeting the affordability threshold required for eligibility for funding under this section.

(C) For the purposes of this subdivision, "affordable unit" means a unit that is made available at an affordable rent, as defined in Section 50053, to a household earning no more than 60 percent of the area median income or at an affordable housing cost, as defined in Section 50052.5, to a household earning no more than 120 percent of the area median income. Rental units shall be subject to a recorded covenant that ensures affordability for at least 55 years. Ownership units shall initially be sold to and occupied by a qualified household, and shall be subject to a recorded covenant that includes either a resale restriction for at least 30 years or equity sharing upon resale.

(D) A qualifying infill project or qualifying infill area for which a disposition and development agreement or other project- or area-specific agreement between the developer and the local agency having jurisdiction over the project has been executed on or before the effective date of the act adding this section, shall be deemed to meet the affordability requirements of this paragraph if the agreement includes affordability covenants that subject the project or area to the production of affordable units for very low, low-, or moderate-income households.

(4) Include average residential densities on the parcels to be developed that are equal to or greater than the densities described in subparagraph (B) of paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code, except that a project located in a rural

area as defined in Section 50199.21 shall include average residential densities on the parcels to be developed of at least 10 units per acre.

(5) Be located in an area designated for mixed-use or residential development pursuant to one of the following:

(A) A general plan adopted pursuant to Section 65300 of the Government Code.

(B) A sustainable communities strategy adopted pursuant to Section 65080 of the Government Code.

(C) A specific plan adopted pursuant to Section 65450 of the Government Code.

(D) A Workforce Housing Opportunity Zone established pursuant to Section 65620 of the Government Code.

(E) A Housing Sustainability District established pursuant to Section 66201 of the Government Code.

(f) Funds awarded pursuant to this section shall supplement, not supplant, other available funding.

(g) The department shall adopt guidelines for the operation of the grant program. The guidelines shall include provisions for the reversion of grant awards that are not encumbered within two years of the date an award was made, and for the recapture of grants awarded, but for which development of the related housing units has not progressed in a reasonable period of time from the date of the grant award, as determined by the department. The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(h) For each fiscal year within the duration of the grant program, the department shall include within the report to the Governor and the Legislature, required by Section 50408, information on its activities relating to the grant program. The report shall include, but is not limited to, the following information:

(1) A summary of the projects that received grants under the program for each fiscal year that grants were awarded.

(2) The description, location, and estimated date of completion for each project that received a grant award under the program.

(3) An update on the status of each project that received a grant award under the program, and the number of housing units created or facilitated by the program.

(i) Notwithstanding paragraph (4) of subdivision (e), a city with a population greater than 100,000 in a standard metropolitan statistical area or a population of less than 2,000,000 may petition the department for, and the department may grant, an exception to the jurisdiction’s classification pursuant to subdivisions (d) to (f), inclusive, of Section 65583.2 of the Government Code, if the city believes it is unable to meet the density requirements specified in paragraph (4) of subdivision (e). The city shall submit the petition with its application and shall include the reasons why the city believes the exception is warranted. The city shall provide information supporting the need for the exception, including, but not limited to, any limitations that the city may encounter in meeting the density requirements specified in paragraph (4) of subdivision (e). Any exception shall be for the purposes of this section only. This subdivision shall become inoperative on January 1, 2026.

**SEC. 25.** Section 53559.3 is added to the Health and Safety Code, to read:

**53559.3.** (a) Upon appropriation by the Legislature, the department may expend the sum of two hundred fifty million dollars ($250,000,000) for the Infill Infrastructure Grant Program of 2019, as follows:

(1) One hundred sixty million dollars ($160,000,000) shall be allocated to fund grants pursuant to subdivision (c) of Section 53559.

(2) Ninety million dollars ($90,000,000) shall be allocated to fund grants pursuant subdivision (d) of Section 53559.

(b) Of the amount appropriated in subdivision (a), up to 5 percent of the funds shall be set aside for program administration, including state operations expenditures and technical assistance.

**SEC. 26.** Section 1785 is added to the Labor Code, to read:

**1785.** (a) The director shall establish and maintain a strategic enforcement unit focused on construction, alteration, and repair projects. The unit shall enhance the department's enforcement of this code in construction, alteration, and repair projects, including projects funded pursuant to Section 50675.1.3 of the Health and Safety Code and other publicly funded residential construction projects. The unit shall have primary responsibility for enforcement of this code in construction projects subject to Section 50675.1.3 of the Health and Safety Code. Any funds appropriated to the department for purposes of this section shall be administered and allocated by the director.

(b) The strategic enforcement unit described in subdivision (a) shall provide technical assistance to local public entities related to both of the following:

(1) Best practices for monitoring and enforcing requirements pertaining to construction, alteration, and repair projects paid for in whole or in part out of public funds, including, but not limited to, this chapter.

(2) Outreach and engagement with workers, employers, and state certified apprenticeship programs connected to construction, alteration, and repair projects.

**SEC. 27.** Section 8257.1 is added to the Welfare and Institutions Code, to read:

**8257.1.** (a) It is the intent of the Legislature to obtain trustworthy information to connect funding allocated to prevent and end homelessness with established sheltering and housing resources and to provide state agencies with accurate information to allow for more accurate forecasting to target future investments. To advance these goals, the coordinating council shall, upon appropriation by the Legislature, do all of the following:

(1) Conduct, or contract with an entity to conduct, a statewide homelessness assessment that will do all of the following:

(A) Identify all programs a state agency funds, implements, or administers for the purpose of providing unsheltered outreach services, emergency shelter, housing or housing-based services to persons experiencing homelessness or at risk of homelessness and do all of the following:

(i) Identify homelessness interventions and service categories available statewide and in geographically diverse regions across the state.

(ii) Compile the amount of funding distributed to local jurisdictions and its stated intent by the administering entity.

(iii) Identify the intended uses for the funds identified pursuant to clause (ii) by type of intervention as stated by local jurisdictions requesting funding made available for housing- or homelessness-related services.

(iv) Identify conditions or premise of the funds identified pursuant to clause (ii) as it relates to leveraging nonstate dollars.

(v) If applicable, reasons for the unavailability of data.

(B) Obtain the following information for each program identified in subparagraph (A) to the extent that data is available in local Homeless Management Information Systems (HMIS), the Homeless Data Integration System (HDIS) or other readily available data sources:

(i) The number of permanent housing units that the program made available.

(ii) The amount of rental subsides, vouchers, or other forms of financial support intended to prevent homelessness or to rehouse individuals that the program made available.

(iii) The number of emergency shelter beds, vouchers, or units that the program made available.

(iv) The wrap around services that the program offered.

(C) Collect data, to the extent data it is available, on the numbers and demographics of persons served through the identified services, including, but not limited to, a quantification of the disparities across age, race, ethnicity, and other demographics based on the following subpopulation categories to describe the homelessness population relative to the general population:

(i) Young adults.

(ii) Unaccompanied minors.

(iii) Single adults experiencing either chronic or nonchronic patterns of homelessness, of first-time homelessness.

(iv) Adults over 50 years of age.

(v) Veterans.

(vi) Families experiencing either chronic or nonchronic patterns of homelessness, or first-time homelessness.

(D) For each program identified pursuant to subparagraph (A) that provides housing or homelessness-related services, collect and analyze the following data:

(i) The number of persons served annually by service or intervention type by age, gender, and racial subgroupings.

(ii) Typical service mix use to develop portrait of the “types” of system clients to better understand the holistic needs of people experiencing homelessness and to forecast future uses and policies of resources intended to address homelessness.

(iii) The service, services, or service mixes that are associated with individuals exiting homelessness.

(iv) The duration and frequency individuals accessed services, on average, and the length of time from program intake to the date the individual moves into permanent housing or resolves homelessness.

(v) Each type of housing and each type of intervention provided disaggregated by age, racial, and gender characteristics of recipients.

(vi) The number of individuals whose homelessness was prevented after accessing homelessness prevention services

(vii) Information about the people who accessed the resources identified in subparagraph (B) and disaggregated by demographic characteristics described in subparagraph (C).

(viii) Analyze the results of current permanent and interim housing programs by program type.

(ix) Additional data necessary to provide a comprehensive view of the homelessness response system.

(E) Provide the reasons for lack of data availability, if applicable.

(2) (A) For purposes of collecting data to conduct the assessment pursuant to paragraph (1), evaluate available data, including, but not limited to, HDIS, data from state agencies administering homelessness funds, statewide and local homeless point-in-time counts and housing inventory counts, and available statewide information on the number or rate of persons exiting state-funded institutional settings, including, but not limited to, state prisons and, to the extent possible, local jails, into homelessness.

(B) The coordinating council may work with a technical assistance provider from the federal Department of Housing and Urban Development to complete the assessment.

(C) For purposes of collecting data pursuant to paragraph (1), a local government may collaborate with the coordinating council or the entity conducting the statewide assessment to, if available, share existing data from existing local analyses of system needs or gaps to complement other data requested.

(D) The coordinating council shall submit an interim report by July 1, 2022, to the Assembly Housing and Community Development Committee, the Assembly Committee on Budget, Senate Committee on Housing, and Senate Committee on Budget and Fiscal Review. The report submitted pursuant to this paragraph shall comply with Section 9795 of the Government Code.

(E) The council shall report on the final assessment by December 31, 2022, to the Assembly Housing and Community Development Committee, the Assembly Committee on Budget, Senate Committee on Housing, and Senate Committee on Budget and Fiscal Review. The report submitted pursuant to this paragraph shall comply with Section 9795 of the Government Code.

(b) For purposes of this section, all of the following definitions apply:

(1) “Chronic homelessness” has the same definition as that in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 1, 2020.

(2) “State-funded institutional settings” include, but are not limited to, justice, juvenile justice, child welfare, and health care settings.

(3) “Young adult” means a person 18 to 24 years of age, inclusive.

(4) "Persons at risk of homelessness" means a person or family in the circumstances described in Section 11302(a)(5) of Title 42 of the United States Code.

(5) "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019.

**SEC. 28.** Section 8257.2 is added to the Welfare and Institutions Code, to read:

**8257.2.** (a) Notwithstanding any other law, for purposes of designing, collecting data for, and approving the assessment described in Section 8257.1, a state agency that has a member on the coordinating council shall, within 60 days of a request for data pertaining to that state agency, provide to the council, or the entity conducting the assessment, the requested data, including, but not limited to, the number or rate of persons exiting state-funded institutional settings into homelessness. State agencies shall be granted reasonable extensions beyond 60 days as necessary to produce high quality data. The state department or agency shall remove any personally identifying data provided pursuant to this subdivision, if any.

(b) The coordinating council shall provide the local data collected pursuant to Section 8257.1 to the respective administering state agencies overseeing those programs within 45 days of receipt.

(1) The coordinating council and the state agency receiving data pursuant to this subdivision shall work in collaboration to determine the format and timing of delivery of local data collected to comply with data security and privacy practices and availability of staff to execute requests.

(2) When feasible, the coordinating council shall notify the state agency receiving data pursuant to this subdivision at least seven days prior to sharing or publicly using or referencing the data, including, but not limited to, using the data for any substantive analysis summary statistics, or other findings.

(c) For purposes of this section, the following definitions apply:

(1) "Personally identifying information" has the same meaning as that in Section 1798.79.8 of the Civil Code.

(2) "State-funded institutional settings" include, but are not limited to, justice, juvenile justice, child welfare, and health care settings.

**SEC. 29.** The Legislature hereby finds and declares that the grants authorized under the Excess Sites Local Government Matching Grants Program, established by Chapter 8.2 (commencing with Section 50704.80) of Part 2 of Division 31 of the Health and Safety Code and grants authorized under Chapter 8.6 (commencing with Section 50720) of Part 2 of Division 31 of the Health and Safety Code, as added by this act, serve the public purpose of increasing the availability of, or preserving, affordable housing in the state and promoting resident ownership or nonprofit organization ownership of residential real property, and do not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution.

**SEC. 30.** The Legislature finds and declares that Sections 13 and 14 of this act, which add Chapter 7 (commencing with Section 50250) and Chapter 8 (commencing with Section 50255) to Part 1 of Division 31 of the Health and Safety Code, impose a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3

of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect the privacy of individuals' health information, it is necessary to hold any data elements in the Homeless Data Integration System provided pursuant to the Encampment Resolution Funding program confidential.

In order to ensure the privacy of medical information and other personal information of populations served by the Family Homelessness Challenge Grants and Technical Assistance Program, it is necessary to restrict access to certain information in the Homeless Data Integration System.

**SEC. 31.** This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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# Bill Text: CA AB129 | 2023-2024 | Regular Session | Chaptered California Assembly Bill 129 ***(Prior Session Legislation)***

**Bill Title:** Housing.

**Spectrum:** Committee Bill

**Status:** *(Passed)* 2023-07-10 - Chaptered by Secretary of State - Chapter 40, Statutes of 2023. [AB129 Detail]

**Download:** California-2023-AB129-Chaptered.html

**Assembly Bill No. 129**

CHAPTER 40

An act to amend Sections 12804, 14684.3, 65589.9, 65589.11, 65852.24, 65912.114, and 65912.124 of, and to amend, repeal, and add Section 54221 of, the Government Code, to amend Sections 17036, 50199.21, 50216, 50218.6, 50218.7, 50220.8, 50704.83, 50900, and 53559 of, to add Section 17008.7 to, and to add Chapter 6.5 (commencing with Section 50230) to Part 1 of Division 31 of, the Health and Safety Code, to add Section 17131.13 to the Revenue and Taxation Code, and to amend Section 8257 of, and to add Section 8257.01 to, the Welfare and Institutions Code, relating to housing, and making an appropriation thereof, to take effect immediately, bill related to the budget.

[ Approved by Governor July 10, 2023. Filed with Secretary of State July 10, 2023. ]

## LEGISLATIVE COUNSEL'S DIGEST

AB 129, Committee on Budget. Housing.

(1) Existing law establishes the Department of Housing and Community Development (HCD) in the Business, Consumer Services, and Housing Agency for purposes of carrying out state housing policies and programs, and creates in HCD the California Housing Finance Agency.

This bill would remove the California Housing Finance Agency from within HCD. This bill would continue the existence of the California Housing Finance Agency in the Business, Consumer Services, and Housing Agency.

This bill would also make technical, conforming changes and would delete obsolete references.

(2) Existing federal law authorizes the United States Secretary of Agriculture to extend financial assistance through multifamily housing direct loan and grant programs to serve very low, low-, and moderate-income households, including, among other programs, Section 515 Rural Rental Housing Loans, which are mortgages to provide affordable rental housing for very low, low-, and moderate-income families, elderly persons, and persons with disabilities.

Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation, in modified conformity with federal law, of state insurance, personal income, and corporation tax credit amounts to qualified low-income housing projects that have been allocated, or qualify for, a federal low-income housing tax credit and farmworker housing. Existing law requires not less than 20% of the low-income housing tax credits available annually to be set aside for allocation to rural areas. Existing law defines "rural area" for purposes of the low-income housing tax credit program as an area, which, on January 1 of any calendar year, satisfies any number of certain criteria, including being eligible for financing under the Section 515 program, or successor program, of the United States Department of Agriculture Rural Development.

This bill would expand the above-described criteria relating to Section 515 eligibility to instead include eligibility for financing under a multifamily housing program, as specified, or successor program, of the United States Department of Agriculture Rural Development.

Existing law also includes in the definition of "rural area" an unincorporated area that adjoins a city having a population of 40,000 or less, provided that the city and its adjoining unincorporated area are not located within a census tract designated as an urbanized area by the United States Census Bureau.

This bill would revise the definition of "rural area" to include an unincorporated area that adjoins a city having a population of 40,000 or less, provided that the unincorporated area is not located within a census tract, block group, or block designated as an urban area

**AB-531 The Behavioral Health Infrastructure Bond Act of 2023.** (2023-2024)

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Date Published: 10/13/2023 10:00 AM

# Assembly Bill No. 531

## CHAPTER 789

An act to add Section 50675.1.5 to the Health and Safety Code, and to add Section 5960.31 to, to add Chapter 4 (commencing with Section 5965) to Part 7 of Division 5 of, and to repeal Section 5960.45 of, the Welfare and Institutions Code, relating to behavioral health, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

[ Approved by Governor October 12, 2023. Filed with Secretary of State October 12, 2023. ]

## LEGISLATIVE COUNSEL'S DIGEST

AB 531, Irwin. The Behavioral Health Infrastructure Bond Act of 2023.

Existing law establishes the Multifamily Housing Program administered by the Department of Housing and Community Development. Existing law requires assistance for projects under the program to be provided in the form of deferred payment loans to pay for eligible costs of specified types of development, as provided. Existing law requires that specified funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases be disbursed in accordance with the Multifamily Housing Program for specified uses.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA does not apply to the approval of ministerial projects. Existing law, until July 1, 2024, exempts from CEQA a project funded to provide housing for individuals and families who are experiencing homelessness, as described above, if certain requirements are satisfied, including if the project proponent obtains an enforceable commitment to use a skilled and trained workforce for any proposed rehabilitation, construction, or major alterations, as specified.

This bill would provide that projects funded by the Behavioral Health Infrastructure Bond Act of 2024 that provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases and are disbursed in accordance with the Multifamily Housing Program, or projects that are disbursed in accordance with the Behavioral Health Continuum Infrastructure Program, are a use by right and subject to the streamlined, ministerial review process. The bill would define use by right for these purposes to mean that the local government's review of the project does not

require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a project subject to the approval process in CEQA.

Because the bill would revise the approval process of specified projects, the bill would impose a state-mandated local program.

Existing law authorizes the State Department of Health Care Services to, subject to an appropriation, establish a Behavioral Health Continuum Infrastructure Program to award grants as specified for the construction, acquisition, and rehabilitation of behavioral health treatment resources, as described. Existing law repeals this program on January 1, 2027.

This bill would continue that program indefinitely.

Existing law, the Bronzan-McCorquodale Act, contains provisions governing the operation and financing of community mental health services in every county through locally administered and locally controlled community mental health programs. Existing law, the Mental Health Services Act (MHSA), an initiative measure enacted by the voters as Proposition 63 in the November 2, 2004, statewide general election, establishes the Mental Health Services Fund to fund various county mental health programs.

This bill would enact the Behavioral Health Infrastructure Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of $6,380,000,000 to finance loans or grants for the acquisition of capital assets for the conversion, rehabilitation, or new construction of permanent supportive housing for veterans and others who are homeless and meet specified criteria, and for grants for the Behavioral Health Continuum Infrastructure Program, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The bill would provide for the submission of specified sections of this bill and SB 326 to the voters at the March 5, 2024, statewide primary election.
Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 50675.1.5 is added to the Health and Safety Code, to read:

**50675.1.5.** (a) (1) Notwithstanding any other law, projects to provide housing pursuant to paragraph (1) or (2) of subdivision (a) of Section 5965.04 of the Welfare and Institutions Code, shall be a use by right and shall be subject to the streamlined, ministerial review process, pursuant to subdivision (b), if it meets all of the following criteria:

(A) It is located in a zone where multifamily residential use, office, retail, or parking are a principally permitted use.

(B) At least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses.

(C) It satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4 of the Government Code.

(D) It is not on a site or adjoined to any site where more than one-third of the square footage on the site is dedicated to industrial use.

(E) The development will meet the following objective zoning standards, objective subdivision standards, and objective design review standards:

(i) The applicable objective standards shall be those for the zone that allows residential use at a greater density between the following:

(I) The existing zoning designation for the parcel if existing zoning allows multifamily residential use.

(II) The zoning designation for the closest parcel that allows residential use at a density deemed appropriate to accommodate housing for lower income households in that jurisdiction as specified in

paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code.

(ii) The applicable objective standards shall be those in effect at the time that the development application is submitted to the local government pursuant to this section.

(iii) A development proposed pursuant to this section shall be eligible for the same density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios applicable to a project that meets the criteria specified in subparagraph (G) of paragraph (1) of subdivision (b) of Section 65915 of the Government Code.

(F) No housing units were acquired by eminent domain.

(G) The housing units will be in decent, safe, and sanitary condition at the time of their occupancy.

(H) The project meets the labor standards contained in Sections 65912.130 and 65912.131 of the Government Code.

(I) The project provides housing for persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code and their families.

(J) Long-term covenants and restrictions require the housing units to be restricted to persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code for no fewer than 30 years.

(2) (A) For purposes of this subdivision, parcels only separated by a street or highway shall be considered to be adjoined.

(B) For purposes of this subdivision, "dedicated to industrial use" means any of the following:

(i) The square footage is currently being used as an industrial use.

(ii) The most recently permitted use of the square footage is an industrial use.

(iii) The site was designated for industrial use in the latest version of a local government's general plan adopted before January 1, 2022.

(b) The project shall be subject to the following streamlined, ministerial review process:

(1) (A) If the local government determines that a development submitted pursuant to this section is consistent with the objective planning standards specified in this section, it shall approve the development.

(B) If a local government determines that a development submitted pursuant to this section is in conflict with any of the objective planning standards specified in this section, it shall provide the development proponent written documentation of which standard or standards the development conflicts with, and an explanation for the reason or reasons the development conflicts with that standard or standards, within the following timeframes:

(i) Within 60 days of submission of the development proposal to the local government if the development contains 150 or fewer housing units.

(ii) Within 90 days of submission of the development proposal to the local government if the development contains more than 150 housing units.

(C) If the local government fails to provide the required documentation pursuant to subparagraph (B), the development shall be deemed to satisfy the required objective planning standards.

(D) (i) For purposes of this section, a development is consistent with the objective planning standards if there is substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(ii) For purposes of this section, a development is not in conflict with the objective planning standards solely on the basis that application materials are not included, if the application contains substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(E) The determination of whether a proposed project submitted pursuant to this section is or is not in conflict with the objective planning standards is not a "project" as defined in Section 21065 of the Public Resources Code.

(2) Design review of the development may be conducted by the local government's planning commission or any equivalent board or commission responsible for design review. That design review shall be objective and be strictly focused on assessing compliance with criteria required for streamlined, ministerial review of projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submittal of the development to the local government, and shall be broadly applicable to developments within the jurisdiction. That design review shall be completed as follows and shall not in any way inhibit, chill, or preclude the ministerial approval provided by this section or its effect, as applicable:

(A) Within 90 days of submittal of the development proposal to the local government pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 180 days of submittal of the development proposal to the local government pursuant to this section if the development contains more than 150 housing units.

(c) Division 13 (commencing with Section 21000) of the Public Resources Code shall not apply to actions taken by the Department of Housing and Community Development, the State Department of Health Care Services, or a local agency to provide financial assistance or insurance for the development and construction of projects built pursuant to this section.

(d) The applicant shall file a notice of exemption with the Office of Planning and Research and the county clerk of the county in which the project is located in the manner specified in subdivisions (b) and (c) of Section 21152 of the Public Resources Code.

(e) For purposes of this section, the following definitions shall apply:

(1) "Objective zoning standards," "objective subdivision standards," and "objective design review standards" mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal. These standards may be embodied in alternative objective land use specifications adopted by a city or county, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances.

(2) "Use by right" means a development project that satisfies both of the following conditions:

(A) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.

(B) The development project is not a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

**SEC. 2.** Section 5960.31 is added to the Welfare and Institutions Code, to read:

**5960.31.** (a) Notwithstanding any other law, projects funded pursuant to paragraph (3) or (4) of subdivision (b) of Section 5965.04 shall be a use by right and shall be subject to the streamlined, ministerial review process and filing requirement, pursuant to subdivisions (b) and (d) of Section 50675.1.5 of the Health and Safety Code, and not subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals, if it meets the criteria of paragraph (1) or (2) and complies with subdivisions (b) and (c).

(1) The project is a behavioral health treatment and residential setting, including, but not limited to, children's residential crisis programs, peer respite, children's and adult substance use disorder residential programs, recovery housing, short-term residential therapeutic program, and social rehabilitation program, and shall be located in a zone where residential, office, retail, or parking are a principally permitted use.

(2) (A) The project is a real estate asset, as described in Section 5960.05, except for those described in paragraph (1), or in subparagraph (A) of paragraph (1) of subdivision (a) of Section 5831, that is funded pursuant to Section 5967.01, and shall be located in a zone where office, retail, or parking are a principally permitted use.

(B) This paragraph shall not be construed to limit the discretion of local jurisdictions to permit real estate assets in a zone not expressly provided in this paragraph.

(b) Projects, as applicable, pursuant to this section shall comply with the core components of Housing First, as defined under subdivision (b) of Section 8255, and may include recovery housing, as defined by the United States Department of Housing and Urban Development.

(c) Projects pursuant to this section shall meet the labor standards contained in Sections 65912.130 and 65912.131 of the Government Code.

(d) For purposes of this section, "use by right" means a development project that satisfies both of the following conditions:

(1) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.

(2) The development project is not a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.

**SEC. 3.** Section 5960.45 of the Welfare and Institutions Code is repealed.

**SEC. 4.** Chapter 4 (commencing with Section 5965) is added to Part 7 of Division 5 of the Welfare and Institutions Code, to read:

**CHAPTER 4. Behavioral Health Infrastructure Bond Act of 2024**

**5965.** This chapter shall be known, and may be cited, as the Behavioral Health Infrastructure Bond Act of 2024.

**5965.01.** The purposes and intent in enacting this act are as follows:

(a) Bonds issued under this act are to develop an array of treatment, residential care settings, and supportive housing to help provide appropriate care facilities for Californians experiencing mental health conditions and substance use disorders.

(b) The bond will dedicate funding for veterans with a behavioral health challenge or substance use disorder and at risk of experiencing homelessness.

(c) Efforts to streamline the process for approving projects and renovating or building new facilities to accelerate the delivery of care in residential settings made available through additional Behavioral Health Services Act and bond financing is a priority.

**5965.02.** As used in this chapter, the following terms have the following meanings:

(a) "Act" means the Behavioral Health Infrastructure Bond Act of 2024 (Chapter 4 (commencing with Section 5965)).

(b) "Behavioral health challenge" includes, but is not limited to, serious mental illness, as described in subdivision (c) or (d) of Section 14184.402, or a substance use disorder, as described in Section 5891.5.

(c) "Board" means, with respect to the bond proceeds referenced in paragraphs (3) and (4) of subdivision (b) of Section 5965.04, and with respect to and for requests up to the amount specified for bond proceeds referenced in paragraphs (3) and (4) of subdivision (b) of Section 5965.04, for purposes of Section 5965.12 of this code and Section 16726 of the Government Code, the State Department of Health Care Services, and with respect to bond proceeds referenced in paragraphs (1) and (2) of subdivision (b) of Section 5965.04, and, with respect to and for requests up to the amount specified for bond proceeds referenced in paragraphs (1) and (2) of subdivision (b) of Section 5965.04, for purposes of Section 5965.12 of this code and Section 16726 of the Government Code, the Department of Housing and Community Development.

(d) "Committee" means the Behavioral Health Infrastructure Bond Act Finance Committee created pursuant to Section 5965.07.

(e) "Fund" means the Behavioral Health Infrastructure Fund created pursuant to Section 5965.03.

(f) "State General Obligation Bond Law" means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as it may be amended.

(g) "Target population" means a person described in subdivision (c) or (d) of Section 14184.402, or a person with a substance use disorder, as described in Section 5891.5, except that enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed.

(h) "Veteran" means a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable.

**5965.03.** (a) The proceeds of interim debt and bonds, excluding proceeds used directly to repay interim debt and excluding bonds issued in accordance with Section 5965.14, issued and sold pursuant to this chapter shall be deposited in the Behavioral Health Infrastructure Fund, which is hereby created in the State Treasury.

(b) All moneys in the fund, notwithstanding Section 13340 of the Government Code, are hereby continuously appropriated without respect to fiscal years for the purposes of this chapter.

(c) Bonds shall be issued and delivered in the amount determined by the committee to be necessary or desirable pursuant to Section 5965.08.

**5965.04.** (a) Moneys in the fund shall be used for any of the following purposes:

(1) Making loans or grants administered by the Department of Housing and Community Development to eligible entities specified under Section 50675.1.3 of the Health and Safety Code or loans to development sponsors as defined under Section 50675.2 of the Health and Safety Code to acquire capital assets for the conversion, rehabilitation, or new construction of permanent supportive housing, including scattered site projects, for veterans or their households, who are homeless, chronically homeless, or are at risk of homelessness, as defined by Part 578.3 of Title 24 of the Code of Federal Regulations, and meet the criteria of the target population.

(2) Making loans or grants administered by the Department of Housing and Community Development to eligible entities specified under Section 50675.1.3 of the Health and Safety Code or loans to development sponsors as defined under Section 50675.2 of the Health and Safety Code to acquire capital assets for the conversion, rehabilitation, or new construction of permanent supportive housing, including scattered site projects for persons who are homeless, chronically homeless, or are at risk of homelessness, as defined by Part 578.3 of Title 24 of the Code of Federal Regulations, and are living with a behavioral health challenge.

(3) Making grants administered by the State Department of Health Care Services, as specified under the Behavioral Health Continuum Infrastructure Program to eligible entities specified pursuant to Chapter 1 (commencing with Section 5960) to construct, acquire, and rehabilitate real estate assets or to invest in needed infrastructure to expand the continuum of behavioral health treatment resources to build new capacity or expand existing capacity for short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, community and outpatient behavioral health services, and other clinically enriched longer term treatment and rehabilitation options for persons with behavioral health disorders in the least restrictive and least costly setting.

(4) (A) Paying the costs of issuing bonds, paying the annual administration costs of the bonds, and paying interest on bonds.

(B) In addition, moneys in the fund or other proceeds of the sale of bonds authorized by this chapter may be used to pay principal of, or redemption premium on, interim debt issued prior to the issuance of bonds authorized by this chapter.

(b) Moneys in the fund shall be allocated as follows:

(1) One billion sixty-five million dollars ($1,065,000,000) of the proceeds of the bonds, after allocation of bond proceeds to the purposes described in paragraph (4) of subdivision (a), shall be used for the loans or grants, loan or grant implementation, and loan or grant oversight described in paragraph (1) of subdivision (a) and administrative costs.

(2) Nine hundred twenty-two million dollars ($922,000,000) of the proceeds of the bonds, after allocation of bond proceeds to the purposes described in paragraph (4) of subdivision (a), shall be used for the loans or grants, loan or grant implementation, and loan or grant oversight, as described in paragraph (2) of subdivision (a), and administrative costs.

(3) One billion five hundred million dollars ($1,500,000,000) of the proceeds of the bonds shall be awarded to cities, counties, city and counties, and tribal entities, after allocation of bond proceeds to the purposes described in paragraph (4) of subdivision (a) for grants, grant implementation, and grant oversight, as described in paragraph (3) of subdivision (a), and administrative costs. Of this amount, thirty million dollars ($30,000,000) shall be designated to tribal entities.

(4) Up to two billion eight hundred ninety-three million dollars ($2,893,000,000) of the proceeds of the bonds, after allocation of bond proceeds to the purposes of paragraph (4) of subdivision (a), shall be used for grants, grant implementation, and grant oversight, as described in paragraph (3) of subdivision (a), and administrative costs.

**5965.05.** (a) (1) Bonds in the total amount of six billion three hundred eighty million dollars ($6,380,000,000) not including the amount of refunding bonds issued in accordance with Section 5965.14, may be issued and sold for the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

(2) The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) (1) The Treasurer shall issue and sell the bonds authorized in subdivision (a) in the amount determined by the committee to be necessary or desirable pursuant to Section 5965.08. The bonds shall be issued and sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

(2) The bonds shall be issued and sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 5965.08.

**5965.06.** The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as amended, from time to time, and all of the provisions of that law, as amended, apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter, except that subdivisions (a) and (b) of Section 16727 of the Government Code shall not apply.

**5965.07.** (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Behavioral Health Infrastructure Bond Act Finance Committee is hereby created.

(b) (1) The committee consists of the Controller, the Treasurer, and the Director of Finance.

(2) Notwithstanding any other law, a member may designate a representative to act as that member in the member's place, for all purposes, as though the member were personally present.

(c) (1) The Treasurer shall serve as chairperson of the committee.

(2) A majority of the committee may act for the committee.

**5965.08.** (a) The committee shall determine, by resolution, whether it is necessary or desirable to issue and sell bonds authorized pursuant to this chapter to carry out the actions specified in this chapter and, if so, the amount of bonds to be issued and sold.

(b) Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

**5965.09.** (a) There shall be collected each year, and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds becoming due each year.

(b) It is the duty of all officers charged by law with a duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

**5965.10.** Notwithstanding Section 13340 of the Government Code, there is hereby continuously appropriated from the General Fund in the State Treasury, for the purposes of this chapter and without regard to fiscal years, an amount that equals the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 5965.11.

**5965.11.** (a) For the purpose of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter, excluding refunding bonds authorized pursuant to Section 5965.14 less any amount loaned pursuant to Section 5965.12 and not yet repaid, and any amount withdrawn from the General Fund pursuant to this section and not yet returned to the General Fund.

(b) Any amounts withdrawn shall be deposited in the fund.

(c) Any moneys made available under this section shall be returned to the General Fund, with interest at the rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

**5965.12.** (a) The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter.

(b) The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter, excluding refunding bonds authorized pursuant to Section 5965.14, less any amount loaned pursuant to this section and not yet repaid and withdrawn from the General Fund pursuant to Section 5965.11 and not yet returned to the General Fund.

(c) The board shall execute documents required by the Pooled Money Investment Board to obtain and repay the loan.

(d) Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

**5965.13.** All moneys deposited in the fund that are derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premium may be reserved and used to pay costs of bond issuance before any transfer to the General Fund.

**5965.14.** (a) The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law.

(b) Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of bonds issued to refund bonds originally issued under this chapter or any previously issued refunding bonds.

(c) A bond refunded with the proceeds of refunding bonds, as authorized by this section, may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended, authorizing that refunded bond.

**5965.15.** (a) Notwithstanding any provision of this chapter or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, under designated conditions, or is otherwise entitled to a federal tax advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds and the investment earnings on those proceeds.

(b) The Treasurer may use or direct the use of those proceeds or earnings to pay a rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of those bond proceeds, required or desirable under federal law, to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

**5965.16.** The proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

**5966.** (a) (1) The Department of Housing and Community Development, in coordination with the Department of Veterans Affairs, shall determine the methodology and distribution of the funds provided pursuant to paragraph (1) of subdivision (b) of Section 5965.04, used for the purposes provided in paragraph (1) of subdivision (a) of Section 5965.04.

(2) The Department of Housing and Community Development and the Department of Veterans Affairs shall work in coordination pursuant to a memorandum of understanding.

(b) The Department of Housing and Community Development shall determine the methodology and distribution of the funds provided pursuant to paragraph (2) of subdivision (b) of Section 5965.04, used for the purposes provided in paragraph (2) of subdivision (a) of Section 5965.04.

**5966.02.** (a) (1) Notwithstanding any other law, funds allocated for the purposes specified in paragraphs (1) and (2) of subdivision (a) of Section 5965.04 shall be disbursed in accordance with subdivisions (a) to (h), inclusive, of Section 50675.1.3 of the Health and Safety Code and any associated guidelines changes to that program, as provided in the Multifamily Housing Program in Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code, and this chapter, consistent with applicable law and guidance.

(2) The Department of Housing and Community Development shall issue guidance regarding implementation by July 1, 2025.

(b) In developing the methodology and distribution of funds referenced in subdivision (a) of Section 5966, the Department of Housing and Community Development shall consult with the Department of Veterans Affairs regarding supportive services plan standards and other program areas where the Department of Veterans Affairs holds expertise for the purposes specified in paragraph (1) of subdivision (a) of Section 5965.04.

**5967.** The Department of Health Care Services shall determine the methodology and distribution of the funds provided pursuant to paragraphs (3) and (4) of subdivision (b) of Section 5965.04, used for the purposes provided in paragraphs (3) and (4) of subdivision (a) of Section 5965.04.

**5967.01.** (a) Notwithstanding any other law, funds allocated for the purposes specified in paragraph (3) of subdivision (a) of Section 5965.04 shall be disbursed in accordance with the Behavioral Health Continuum Infrastructure Program (commencing with Section 5960), and this chapter, consistent with applicable law and guidance.

(b) The Department of Health Care Services shall issue guidance regarding the implementation of this article by July 1, 2025.

**SEC. 5.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

**SEC. 6.** Sections 1, 2, and 3 of this act shall take effect upon the approval by the voters of the Behavioral Health Infrastructure Bond Act of 2024, as set forth in Section 4 of this act.

**SEC. 7.** (a) Section 4 of this act and Sections 1, 2, 14, 15, 18 to 23, inclusive, 28 to 30, inclusive, 35 to 40, inclusive, 42 to 44, inclusive, 49 to 59, inclusive, 62 to 64, inclusive, 73 to 81, inclusive, 86 to 95, inclusive, 98 to 100, inclusive, 103 to 112, inclusive, 116, and 117 of the Behavioral Health Services Act, as set forth in Senate Bill 326 of the 2023–24 Regular Session, shall be submitted to the voters at the March 5, 2024, statewide primary election, and shall appear on the ballot as a single measure in accordance with provisions of the Government Code and the Elections Code governing the submission of a statewide measure to the voters.

(b) Notwithstanding Sections 13115 and 13117 of the Elections Code or any other law, the single measure described in subdivision (a), shall be placed as the first measure on the March 5, 2024, statewide primary election ballot and shall be designated as "Proposition 1."

(c) Notwithstanding Sections 13115 and 13117 of the Elections Code or any other law, all other measures proposed by the Legislature at the 2023–24 Regular Session for submission to the voters at the March 5, 2024, statewide primary election shall immediately follow Proposition 1 and be designated on the statewide primary election ballot as the next in order numerically pursuant to Section 13117 of the Elections Code.

OFFICE OF THE MAYOR
SAN FRANCISCO

DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: [Apply for Grant - California Department of Housing and Community Development – Homekey+ Grant Program - 1035 Van Ness Avenue - Not to Exceed $32,500,000]
DATE: April 15, 2025

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Resolution approving and authorizing the Department of Homelessness and Supportive Housing to jointly apply with 1035Vets, LLC to the California Department of Housing and Community Development for the Homekey+ Grant for the property located at 1035 Van Ness Avenue in a total amount not to exceed $32,500,000, or the maximum award amount allowable under the NOFA, whichever is greater, on behalf of the City and County of San Francisco.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org

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