

CalHome Program

NOTICE OF FUNDING AVAILABILITY (NOFA)



**Gavin Newsom, Governor
State of California**

**Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director
Department of Housing and Community Development**

**2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833
Phone: (916) 263-2771
email: calhome@hcd.ca.gov
<http://www.hcd.ca.gov/grants-funding/nofas.shtml>**

**Application Technical Support email:
AppSupport@hcd.ca.gov**

November 27, 2019

Application Due Date: 1/27/2020

Overview - Activity Type and Applicant Information										Rev. 11/25/19	
<p><i>When opening this file, a yellow banner at the top may appear with a button that says "Enable Content" or "Enable Editing". It is essential for full worksheet functionality that you click this box so that the macros are enabled. Macros do not work with Microsoft's Excel version for Apple Mac. Please complete this form using a PC.</i></p>											
Applicant Name: §7754(a)		City of Garden Grove				Applicant Type: §7716(h)		Locality			
Address		11222 Acacia Pkwy			City		Garden Grove		County		
							Orange		State		
							CA		Zip		
		92840									
Auth Rep: Name		Scott C Stiles			Title		City Manager		Email		
									sstiles@ggcity.org		
Phone		714-741-5885									
Contact: Name		Nate Robbins			Title		Sr. Program Specialist		Email		
									nater@ggcity.org		
Phone		714-741-5206									
§7754(c) Applicant certifies it has the authority to undertake the activities applied for; that it meets the eligibility requirements; that it does not have any unresolved HCD audit findings nor pending lawsuits; that if the application is for a construction project, Construction Work has not yet begun; and that it agrees to comply with all Program requirements.										Yes	
File Name:		App - Eligibility 7754(c)				If you answered "No" above, explain details on a separate sheet of paper.				Attached and on USB?	N/A
§7755(c) For Applicants who have received CalHome funding in the past 36 months, up to five (5) points may be deducted for failure to meet CalHome Program Performance Goals pursuant to §7759:											
§7759(a) Has the Applicant met expenditure goals pursuant to §7759? Provide details below:										No	
Terminated and/or Disencumbered CalHome Contract Number					Contract Year	Contract Amount	Amount Disencumbered	Amount Expended			
14-CalHOME-9831					2014	\$1,000,000.00	\$913,707.00	\$86,293.00			
§7754(a) Indicate all legislative representatives who represent any portion of the proposed service area. If you have vacancies in your legislative seats, list your district number and address.											
California State Assembly			California State Senate			U.S. House of Representatives					
District #	Name		District #	Name		District #	Name				
72	Assembly Member Tyler Diep		34	Senator Thomas J. Umberg		46	Lou Correa				
						47	Alan Lowenthal				
						48	Harley Rouda				
§7719 Applicant certifies CalHome funds will not be used for any of the costs in §7719(b) that may be incurred in the Local Program or the project.											Yes
§7720 Applicant certifies individual households who receive benefits of CalHome funds will meet the eligibility requirements of §7720. AB 101 modified Health & Safety Code (HSC) §50650.3 to allow the CalHome Program to provide assistance to households with incomes at or below 120 percent of area median income (AMI) that are victims of a disaster.											Yes
§7721 Applicant certifies it will implement the proposed local programs or projects and also be responsible for the activity requirements of §7721.											Yes
Eligible Activities §7718											
<i>Applicants may include Project Activities or up to two Program Activities in an application. Applicants cannot apply for both Project Activities and Program Activities. Applicant may choose to apply to fund a Homeownership Development Project with or without a Self-Help Housing Project. (See NOFA, p. 10)</i>											
Program Activities:		Mortgage Assistance Programs (Article 4) & ADU/JADU Programs (Article 8)									
Project Activities:											
Total Uses of Funds §7719											
Activity Type:					CalHome Funds Requested			CalHome Funds Eligible			
Mortgage Assistance (MA) Programs					\$1,100,000			\$4,100,000			
Owner-Occupied Rehabilitation (OOR) Programs					\$0			\$0			
Technical Assistance (TA) for Shared Housing Programs (SHP)					\$0			\$0			
Accessory Dwelling units (ADU)/Junior Accessory Dwelling units (JADU) Programs					\$1,000,000			\$5,000,000			
PROGRAM ACTIVITY TOTAL:					\$2,100,000			\$5,000,000			
Homeownership Project Development Loans (PDL)					\$0			\$0			
Self-Help Technical Assistance Projects (SHTA)					\$0			\$0			
PROJECT ACTIVITY TOTAL:					\$0			\$0			
TOTAL FUNDS REQUESTED:					\$2,100,000			\$5,000,000			
Selection Criteria §7755											
(minimum points required = 55; max points = 100)											
Rating Factors (red shading indicates minimum score has not been achieved)		MA	OOR	SHP	ADU/JADU	PDL	SHTA	Self-Score Points			
Capability §7755(b)(1) - 40 Pts. Max		40	0	0	0	0	0	40			
Community Need §7755(b)(2) - 15 Pts. Max		13	0	0	0	0	0	13			
Feasibility §7755(b)(3) - 25 Pts. Max		23	0	0	0	0	0	23			
Community Revitalization §7755(b)(4) - 10 Pts. Max		10	0	0	0	0	0	10			
Volunteer, Self-Help Labor or Youth Construction §7755(b)(5) - 10 Pts. Max		0	0	0	0	0	0	0			
Performance Penalty §7755(c) - Negative 5 Points		-5	0	0	0	0	0	-5			
Self-Scoring Total (Minimum 55)		81	0	0	0	0	0	81			
General Applicant Eligibility Requirements §7717											
Locality Applicant											
(a)(1) Does the Applicant comply with geographic restrictions indicated in §7717(a)(1)?										Yes	
(a)(1) Will the Applicant hire nonprofit or for-profit consultants within the state §7717(a)(1)? If yes, must complete Line 63 below.										No	
(a)(1) Does the out-of-county consultants fulfill experience requirements §7717(a)(1)?										N/A	
(a)(1) Will the Applicant establish a consortium with a single administrator §7717(a)(1)? If yes, must complete Line 64 below.										No	
(b)(1) Does the Applicant have sufficient organizational stability and capacity to carry out the activity for which it is requesting funds §7717(b)(1)? If yes, must complete Line 65 below.										Yes	
(b)(2) Have the Applicant or its Administrative Subcontractor been operating as housing Developers or housing program administrators for a minimum of two years prior to the date of application?										Yes	
(c)(1) Did the Applicant submit outstanding reports from previous CalHome grants to HCD (see NOFA, p. 4) by the application date §7717(c)(1)?										Yes	

File Name:	Agreement	Provide a copy of the original agreement between the Applicant and its Administrative Subcontractor and any subsequent agreement thereto §7717(a)(1)	Attached and on USB?	N/A
File Name:	MOU	Provide an MOU that complies with requirements in §7717(a)(1)	Attached and on USB?	N/A
File Name:	Stability & Capacity	Provide documentation that complies with requirements in §7717(b)(1), as specified in the NOFA, Section A(1), p. 4	Attached and on USB?	Yes
File Name:	App - Resolution	Provide a copy of the County Resolution §7754(b) (Sample linked in cell to the left)	Attached and on USB?	Yes
File Name:	App - Government TIN Form	Locality Applicants must submit a Government TIN Form	Attached and on USB?	Yes
File Name:	App - Reuse Acct Plan	Provide a Reuse Account Plan that complies with §7724 requirements	Attached and on USB?	Yes
Nonprofit Corporation Applicant				
(a)(2) Does the Applicant comply with geographic restrictions indicated in §7717(a)(2)?				
(a)(2) Does the Applicant have an existing 523 Self-Help Technical Assistance Grant Agreement with United States Department of Agriculture (USDA) §7717(a)(2)?				
(b)(1) Does the Applicant have sufficient organizational stability and capacity to carry out the activity for which it is requesting funds §7717(b)(1)?				
(b)(2) Has the Applicant been operating as a housing Developer or housing program administrator for a minimum of two years prior to the date of application?				
(b)(3) Have the Applicant's tax exempt purposes for the two years prior to the date of application included the activity for which it is applying?				
(b)(4) Does the Applicant certify it is financially stable to administer funds for activities in which it is applying?				
(c)(1) Did the Applicant submit all outstanding reports from previous CalHome grants to HCD by the application date §7717(c)(1)?				
File Name:	App - Experience	Provide copy of Grant's Agreement, Memorandum of Understanding, Contract with Locality to demonstrate how Applicant meets the §7717(a)(2) requirement.	Attached and on USB?	N/A
File Name:	App - Financial Statements	§7717(b)(4) Financial Statements (for last 2 fiscal years, one of which must be audited)	Attached and on USB?	
File Name:	App - Articles of Inc	Articles of Incorporation (Corp. Code §154, 200 & 202) as certified by CA Secretary of State.	Attached and on USB?	N/A
File Name:	App - Cert of Amend Articles	Cert. of Amendment of Articles of Inc. - Corp. Code §5810-5820 (public benefit and religious corps.), §7810-7820 (mutual benefit corps.), or §12500-12510 (general cooperative corps.).	Attached and on USB?	N/A
File Name:	App - Restated Articles	Restated Articles of Inc. - Corp. Code §5811, 5815, 5819 (public benefit and religious corps.), §7811, 7815 and 7819 (mutual benefit corps.) and §12501, 12506 and 12510 (general cooperative corps).	Attached and on USB?	N/A
File Name:	App - Bylaws	Bylaws and any amendments thereto - Corp. Code §207(b), 211 and 212	Attached and on USB?	N/A
File Name:	App - IRS 501C3	IRS Approval of 501(c)(3) Status	Attached and on USB?	N/A
File Name:	App - SOS Letter	Secretary of State Letter of Good Standing	Attached and on USB?	N/A
File Name:	App - Board of Directors	List of Name of Board of Directors	Attached and on USB?	N/A
File Name:	App - Signature Block	Signature Block in MS Word. Will be used in HCD legal docs such as Standard Agreement	Attached and on USB?	N/A
File Name:	App - Cert and Legal	A completed and signed Certification and Legal Disclosure is required. In addition, a wet signature original of each signed Certification & Legal Disclosure must be submitted.	Attached and on USB?	N/A
File Name:	App - STD-204	All payees must submit a Payee Data Record (STD-204)	Attached and on USB?	
File Name:	App - Reuse Acct Plan	Provide a Reuse Account Plan that complies with §7724 requirements	Attached and on USB?	N/A
File Name:	App - Resolution	§7754(b) Provide a Nonprofit Governing Board Resolution. (Sample linked in cell to the left)	Attached and on USB?	N/A

Mortgage Assistance (MA) Program - Article 4				Rev. 11/25/19	
Number of units to be assisted with this application for CalHome funds:				40	
MA Funds:		MA Funds Requested	MA Funds Eligible		
		\$1,000,000	\$4,000,000		
MA Activity Delivery Fee (10% of the award): §7729(d) (see NOFA, p. 9)		\$100,000	\$100,000		
Important Note: Up to five (5) percent of total award may be provided within 90 days after the execution of the Standard Agreement for program development expenses, and up to five (5) percent of the total award may be reimbursed on a per loan basis. (See NOFA, p. 10)					
Total MA Funds		\$1,100,000	\$4,100,000		
Does the Applicant currently provide Homebuyer Education classes?				No	
File Name:	MA Homebuyer Education	If not currently providing classes describe arrangements for providing Homebuyer Education. (\$7716(l)) Is a program or project located in a:	Attached and on USB?	N/A	
File Name:	MA Community Revitalization	Federal Promise Zone (https://www.hudexchange.info/programs/promise-zones/) or	N/A	Attached and on USB?	N/A
		Choice Neighborhood Initiative Area (https://www.huduser.gov/portal/maps/CN/home.html) or	N/A	Attached and on USB?	N/A
		Opportunity Zone (https://esrimedia.maps.arcgis.com/apps/View)	N/A	Attached and on USB?	N/A
Does the program meet a legislatively mandated priority for funds allocated to the CalHome Program? (§7755(b)(4))				Yes	
§7754(d) Provide a brief description of the proposed program including: amount applied for, number of units or households to be assisted, income levels of households to be assisted, description of prior experience with the type of program applied for, geographic location of the activities, financing sources and uses, and description of any contributed labor.					
The City of Garden Grove (City) is requesting a total of \$1,000,000 to administer a Mortgage Assistance (MA) Program for residents at or below 80% AMI. Over a period of 36 months, the City anticipates assisting 40 Garden Grove home-buyers with financial assistance to offset the cost of purchasing a home. The City has administered MA Programs for nearly 35 years. During that period, City staff has issued 200 homeowner/homebuyer loans totaling \$5,210,316. Current City staff has issued 11 homeowner/homebuyer loans totaling \$473,616. Additionally, in partnership with a loan servicing organization (AmeriNat), staff manages the City's current loan portfolio of 92 loans totaling \$2,671,889. 2019 CalHome Grant Program funds will be leveraged with a minimum of \$100,000 in Workforce Initiative Subsidy for Homeownership (WISH) funds provided by the Federal Home Loan Bank of San Francisco.					
§7754(d) Include Non-CalHome MA funding sources, descriptions, proposed lien positions, and amounts in lines 1 through 6 below:					
Non-CalHome MA Funding Sources and Source/Description of contributed labor			Proposed Lien Position	Amount	
1	Workforce Initiative Subsidy for Homeownership		3rd	\$100,000	
2					
3					
4					
5					
6					
§7754(f) Provide a brief description of how you will comply with the requirements for Local Program Administration set forth in §7721 applicable to the program or project being applied for.					
The City of Garden Grove will comply with the requirements for Local Program Administration by: (1) Marketing the Program via the City's website, social media accounts, local news agencies, paper-mailers, and flyers; (2) Determine income eligibility of all applicants by collecting necessary documentation and inputting the information into the HUD Exchange Income Calculator; (3)(A) Fulfill Homebuyer Education requirements via partnership with an approved instructor, as outlined in the Program Guidelines; (3)(B) Fulfill Loan Servicing requirements by partnering with AmeriNat, as outlined in the attached Loan Servicing Memo; (3)(C) Fulfill Reuse Account requirements in the manner outlined in the attached HCD approved Reuse Account Plan; (3)(D-G, J-K) Fulfill the Admin and Underwriting requirements as outlined in their respective Program Guidelines and in accordance with HCD regulations; (4) Program funds shall only be disbursed upon property acquisition or completion of construction; (5) Maintain complete and accurate records of all CalHome program Loan disbursements and repayments; (6) Comply with reporting requirements; and (7) as well as all other Local, State and Federal requirements.					
§7725(a)(1) Applicant certifies the CalHome Program loans to individual Borrowers when considered with other available financing and assistance shall not exceed the minimum amount necessary to ensure affordable monthly housing costs as defined by the first Mortgage Lender.				Yes	
§7728 The Applicant or its Administrative Subcontractor shall have successfully administered a homebuyer program for a minimum of two years within the four years immediately preceding the application. Indicate qualifying experience below.					

§7755(b)(1)(C) Does the Applicant or its Administrative Subcontractor have prior experience with loan servicing or a plan to provide loan servicing/management?					Yes		
If Yes, how many homebuyer loans underwritten & closed on projects it's developed, which included preparation of loan documents within the last four (4) years?					14		
a. Total number of homebuyer loans closed for which the Applicant or its Administrative Subcontractor was the named beneficiary on the documents within the past four (4) years:				a.	8		
b. As of the CalHome NOFA issuance date, the total number of homebuyer loans in the Applicant's or its Administrative Subcontractor's portfolio:				b.	62		
c. Number of loans identified in (b) above that are being directly serviced by the Applicant:				c.	0		
d. Number of loans identified in (b) above that are being serviced by the Administrative Subcontractor on behalf of the Applicant:				d.	62		
e. As of the CalHome NOFA issuance date, the total number of homebuyer loans the Applicant and/or its Administrative Subcontractor is servicing for another entity:				e.			
File Name:	MA Loan Servicing	Submit a narrative identifying how loans will be serviced, how servicing activities will be funded or provided and procedures for implementing loan servicing operations. In addition to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 4 years, for contracting loan servicing with an Administrative Subcontractor who is in the business of loan servicing; 2) a commitment letter from an Administrative Subcontractor, who is in the business of loan servicing, willing to provide loan servicing at no cost to the Applicant; or 3) the résumé of a current employee(s) of the Applicant and/or its Administrative Subcontractor that describes the employee(s)'s experience in homeowner loan servicing.	Attached and on USB?		Yes		
Describe the applicable program (see §7728) you have successfully administered within the last four years			Admin Years Assisted Jurisdiction	Units Assisted	Administration within last four years Begin Date End Date	Admin Years	
CalHOME First-Time Home Buyer Program (Reuse Account)				8	9/25/17 1/27/20	2.34	
Workforce Initiative Subsidy for Homeownership Program				6	11/14/18 1/27/20	1.20	
						0.00	
						0.00	
						0.00	
Important Note: Only complete this section, if the Applicant or its Administrative Subcontractor meet the two-year minimum experience requirement for administering a homebuyer program.							
§7755(b)(5) Enter hours of Volunteer Labor, Self-Help Labor, Youth Construction Skills Training Program to the right:			Total Hours		# Assisted Units	Hours per Unit	
			Volunteer Labor §7755(b)(5)(A)		0	0	0.0
			Self-Help Construction Labor §7755(b)(5)(A)		0	0	0.0
			Labor provided by Youth Participating in a Construction Skills Training Program (Ages 16-24 only) §7755(b)(5)(B)		0	0	0.0
At least 15% of units include an ADU or JADU §7755(b)(5)(C)						No	
Homeownership Development Project located in High Resource or Highest Resource Area §7755(b)(5)(D)						No	
File Name:	MA Labor Program Criteria	As an attachment, describe the criteria for participation in your contributed labor program.	Attached and on USB?		N/A		
File Name:	MA Labor Program Agreement	Attach a copy of the agreement form used for the contributed labor program.	Attached and on USB?		N/A		
File Name:	MA Labor Program Activities	As an attachment, provide a description of activities performed by contributed labor participants.	Attached and on USB?		N/A		
File Name:	MA Labor Program Contracted	As an attachment, provide a description of activities normally contracted out.	Attached and on USB?		N/A		
What percentage of total onsite construction labor per unit will be performed by contributed labor?							
File Name:	MA Contributed Labor Program	Please provide evidence of previous administration of the type of contributed labor program proposed in this application. This includes documentation of completed projects; a copy of the board resolution authorizing the program, supported by completed projects; or copies of contracts with contributed labor participants.	Attached and on USB?		N/A		
File Name:	MA 15 percent ADU or JADU	As an attachment, provide documentation showing that at least 15 percent of total units include an ADU or JADU.	Attached and on USB?		N/A		
File Name:	MA TCAC/HCD Opportunity Area Map	Attach a copy of the map showing that Homeownership Development Projects are located in a High Resource or Highest Resource Area. (TCAC/HCD Opportunity Area Map)	Attached and on USB?		N/A		
§7729 Applicant certifies the CalHome funds in support of an MA Program will be only be used for these eligible costs?						Yes	
§7730 Applicant certifies it will be responsible for these MA administrative activities?						Yes	
§7731 Applicant certifies it will develop and employ MA Program underwriting guidelines as required in §7731(a) and shall comply with any additional underwriting requirements as deemed necessary by HCD. The MA guidelines must be submitted to and approved by HCD prior to execution of the Standard Agreement.						Yes	

Selection Criteria §7755								
Total Self Score (minimum points required = 55; max points without bonus = 100)		81						
Rating Factors (red shading indicates minimum score has not been achieved)		Points						
Capability §7755(b)(1) - 40 Points Max (see NOFA, p. 16) Capability to operate the proposed MA Programs: Number of MA units assisted within the last four years: 2 – 5 ~ 20 points 6 – 10 ~ 30 points 11 or more ~ 40 points		40						
Community Need §7755(b)(2) - 15 Points (see NOFA, pp. 16-17) Community need in a geographic area of the proposed MA Programs will be based on the factors: <ul style="list-style-type: none"> • Housing affordability in the geographic area: The ratio of the current median sales price of a single-family home to the AMI for a 4-person Household, in the county in which the CalHome program or project is located. The current median sales price is the most recent available from the California Association of Realtors as of the NOFA date, and the AMI is updated on an annual basis by HCD; • Percent of renter Households that are Low Income: The percent of Households in renter-occupied housing with incomes below 80 percent of AMI, as reported in the most recent HUD Comprehensive Housing Affordability Strategy U.S. Census Bureau American Community Survey (HUD CHAS) data; • Percent of renter Households occupying overcrowded housing: The percent of renter-occupied housing units with more than 1.5 occupants per room, as reported in the most recent HUD CHAS data; and • Rental vacancy rate: The percent of rental housing units that are currently vacant, as reported in the most recent HUD CHAS data. 		13						
Feasibility §7755(b)(3) - 25 Points (see NOFA, pp. 17-18) Feasibility in a geographic area for the proposed MA Programs will be based on the following factors: <ul style="list-style-type: none"> • Affordability of Homeownership relative to renting: The ratio of median Monthly Housing Costs for owner-occupied housing units with a Mortgage, to median Monthly Housing Costs for renter-occupied housing units, as reported in the most recent ACS data; • Availability of homes for sale relative to the proposed lending activity: The ratio of the following: <ul style="list-style-type: none"> (a) The number of home sales in the previous year priced below either the current median sales price of a single-family home in the county in which the CalHome program is located, or \$500,000, whichever is less; to (b) The number of Loans that the Applicant expects to provide in the program. The Applicant will provide home sales information based on publicly available real estate transactions data (e.g. Zillow.com, Redfin.com). <p>Note: In order to receive points for Feasibility, the Applicant is required to research and provide information on Area Home Sales and Proposed number of Loans below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 33%;">(a) The Number of Home Sales</th> <th style="width: 33%;">(b) Proposed Number of Loans</th> <th style="width: 33%;">(a)/(b) Ratio</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">268718</td> <td style="text-align: center;">50</td> <td style="text-align: center;">5374.36</td> </tr> </tbody> </table>		(a) The Number of Home Sales	(b) Proposed Number of Loans	(a)/(b) Ratio	268718	50	5374.36	23
(a) The Number of Home Sales	(b) Proposed Number of Loans	(a)/(b) Ratio						
268718	50	5374.36						
Community Revitalization §7755(b)(4) - 10 Points (see NOFA, p. 18) Contributes to Community Revitalization as defined in Section 7716(l), or meets a legislatively mandated priority for funds allocated to the CalHome Program, or develops a Rehabilitation Program that addresses climate adaptation or resiliency consistent with the Hazard Mitigation Plan or the Safety Element of the General Plan adopted by the jurisdiction in which the program will be offered.		10						
Volunteer Labor, Self-Help Labor or Youth Construction Skills Training Program §7755(b)(5) - 10 Points (see NOFA, p. 19) Applications applying for Homeownership Development Projects, SHTA homeownership projects, or a MA Local Program for new construction housing or acquisition with substantial rehabilitation when the Recipient is acquiring and substantially rehabilitating properties for sale to First-Time Homebuyers, will receive up to 10 points to the extent that they are utilizing: <ul style="list-style-type: none"> (A) Volunteer or Self-Help Construction labor, where a minimum of 500 hours of on-site construction labor per Assisted Unit is provided; or (B) Labor provided by youth participating in a Construction Skills Training Program, where a minimum of 500 hours of on-site construction labor per Assisted Unit is provided. The 500 hours of construction training labor must be provided by the 16- to 24-year-old program participants; or (C) Minimum 15 percent of units include an ADU or a JADU. (D) Homeownership development projects are located in a High Resource or Highest Resource area, as identified on the TCAC/HCD Opportunity Area Map. 		0						
Performance Penalty §7755(c) - A deduction to the total score will be applied for failure to meet CalHome Program Performance Goals pursuant to §7759.		-5						

Accessory Dwelling Units/Junior Accessory Dwelling Units (ADU/JADU) Programs - Article 8					Rev. 11/25/19
Number of units to be assisted with this application for CalHome funds:					50
ADU/JADU Funds:		ADU/JADU Funds Requested		ADU/JADU Funds Eligible	
		\$1,000,000		\$5,000,000	
Total ADU/JADU Funds:		\$1,000,000		\$5,000,000	
File Name:	ADU/JADU Community Revitalization	(\$7716(l)) Is a program or project located in a:			
		Federal Promise Zone (https://www.hudexchange.info/programs/promise-zones/) or	N/A	Attached and on USB?	N/A
		Choice Neighborhood Initiative Area (https://www.huduser.gov/portal/maps/CN/home.html) or	N/A	Attached and on USB?	N/A
		Opportunity Zone (https://esrimedia.maps.arcgis.com/apps/View)	N/A	Attached and on USB?	N/A
Does the program meet a legislatively mandated priority for funds allocated to the CalHome Program? (§7755(b)(4))					
Yes					
§7754(d) Provide a brief description of the proposed program including: amount applied for, number of units or households to be assisted, income levels of households to be assisted, description of prior experience with the type of program applied for, geographic location of the activities, financing sources and uses, and description of any contributed labor.					
The City of Garden Grove (City) is requesting a total of \$1,000,000 to administer an ADU/JADU Program for residents at or below 80% AMI. Over a period of 36 months, the City anticipates assisting 50 Garden Grove homeowners with financial assistance to offset the cost of constructing an ADU/JADU. The City has administered Owner-Occupied Rehabilitation/Construction Programs for nearly 35 years. During that period, City staff has issued 200 homeowner/homebuyer loans totaling \$5,210,316. Current City staff has issued 11 homeowner/homebuyer loans totaling \$473,616. Additionally, over the past four years, City staff has awarded and managed 75 construction grants totaling \$375,000. In partnership with a loan servicing organization (AmeriNat, Inc), staff manages the City's current loan portfolio of 92 loans totaling \$2,671,889.					
§7754(d) Include Non-CalHome ADU/JADU funding sources, descriptions, proposed lien positions, and amount in lines 1 through 6 below:					
Non-CalHome ADU/JADU Funding Sources and Source/Description of contributed labor				Proposed Lien Position	Amount
1					
2					
3					
4					
5					
6					
§7754(f) Provide a brief description of how you will comply with the requirements for Local Program Administration set forth in §7721 applicable to the program or project being applied for.					
The City of Garden Grove will comply with the requirements for Local Program Administration by: (1) Marketing the Program via the City's website, social media accounts, local news agencies, paper-mailers, and flyers; (2) Determine income eligibility of all applicants by collecting necessary documentation and inputting the information into the HUD Exchange Income Calculator; (3)(A) Fulfill Homebuyer Education requirements via partnership with an approved instructor, as outlined in the Program Guidelines; (3)(B) Fulfill Loan Servicing requirements by partnering with AmeriNat, as outlined in the attached Loan Servicing Memo; (3)(C) Fulfill Reuse Account requirements in the manner outlined in the attached HCD approved Reuse Account Plan; (3)(D-G, J-K) Fulfill the Admin and Underwriting requirements as outlined in their respective Program Guidelines and in accordance with HCD regulations; (4) Program funds shall only be disbursed upon property acquisition or completion of construction; (5) Maintain complete and accurate records of all CalHome program Loan disbursements and repayments; (6) Comply with reporting requirements; and (7) as well as all other local, State and Federal requirements					
§7725(a)(3) Applicant certifies the CalHome Program Loans to individual Borrowers when considered with other available financing and assistance shall fund eligible costs only, in accordance with program requirements.					Yes
§7742 The Applicant or its Administrative Subcontractor shall have successfully administered a local OOR Program, new construction development involving multiple homeownership units or an ADU/JADU Program for a minimum of two years within four years immediately preceding the application. Indicate qualifying experience below:					
§7755(b)(1)(C) Does the Applicant or its Administrative Subcontractor have prior experience with loan servicing or a plan to provide loan servicing/management?					Yes
If Yes, how many homebuyer/homeowner loans underwritten & closed on projects it's developed, which included preparation of loan documents within the last four (4) years?					17
a. Total number of homebuyer/homeowner loans closed for which the Applicant or its Administrative Subcontractor was the named beneficiary on the documents within the past four (4) years:				a.	11
b. As of the CalHome NOFA issuance date, the total number of homebuyer/homeowner loans in the Applicant's or its Administrative Subcontractor's portfolio:				b.	71
c. Number of loans identified in (b) above that are being directly serviced by the Applicant:				c.	0
d. Number of loans identified in (b) above that are being serviced by the Administrative Subcontractor on behalf of the Applicant:				d.	71
e. As of the CalHome NOFA issuance date, the total number of homebuyer/homeowner loans the Applicant and/or its Administrative Subcontractor is servicing for another entity:				e.	
File Name:	ADU/JADU Loan Servicing	Submit a narrative identifying how loans will be serviced, how servicing activities will be funded or provided and procedures for implementing loan servicing operations. In addition to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 4 years, for contracting loan servicing with an Administrative Subcontractor who is in the business of loan servicing; 2) a commitment letter from an Administrative Subcontractor, who is in the business of loan servicing, willing to provide loan servicing at no cost to the applicant; or 3) the résumé of a current employee(s) of the Applicant and/or its Administrative Subcontractor that describes the employee(s)'s experience in homebuyer/homeowner loan servicing.		Attached and on USB?	Yes

Describe the applicable program (see §7742) you have successfully administered within the last four years	Admin Years Assisted Jurisdiction	Units Assisted	Administration <u>within last four years</u>		Admin Years
		90	Begin Date	End Date	
Senior Home Improvement Grant	3.58	75	7/1/16	1/27/20	3.58
CalHOME Rehabilitation Program (Reuse Account)	2.34	1	9/25/17	1/27/20	2.34
CalHOME First-Time Home Buyer Program (Reuse Account)	2.34	8	9/25/17	1/27/20	2.34
Workforce Initiative Subsidy for Homeownership Program	1.2	6	11/14/18	1/27/20	1.20
					0.00
Important Note: Only complete this section, if the Applicant or its Administrative Subcontractor meet the two-year minimum experience requirement for administering a local OOR, new construction development involving multiple homeownership units (including single-family subdivisions, or an ADU/JADU program.					
§7743 Applicant certifies the CalHome funds in support of an ADU/JADU Program will be only be used for these eligible costs?					Yes
§7744 Applicant certifies it will be responsible for these ADU/JADU administrative activities?					Yes
§7745 Applicant certifies it will develop and employ ADU/JADU Program underwriting guidelines as required in §7745(a) and shall comply with any additional underwriting requirements as deemed necessary by HCD. The ADU/JADU guidelines must be submitted to and approved by HCD prior to execution of the Standard Agreement.					Yes
Selection Criteria §7755					
Total Self Score (minimum points required = 55; max points without bonus = 100)					67
Rating Factors (red shading indicates minimum score has not been achieved)					Points
Capability §7755(b)(1) - 40 Points Max (see NOFA, p. 16) Capability to operate the proposed ADU/JADU Programs:					40
Number of ADU/JADU, New Construction Homeownership, or Rehabilitation Units assisted within the last four years: 2 – 5 ~ 20 points 6 – 10 ~ 30 points 11 or more ~ 40 points					
Community Need §7755(b)(2) - 15 Points (see NOFA, pp. 16-17) Community need in a geographic area of the proposed ADU/JADU Programs will be based on the factors:					13
<ul style="list-style-type: none"> • Housing affordability in the geographic area: The ratio of the current median sales price of a single-family home to the AMI for a 4-person Household, in the county in which the CalHome program or project is located. The current median sales price is the most recent available from the California Association of Realtors as of the NOFA date, and the AMI is updated on an annual basis by HCD; • Percent of renter Households that are Low Income: The percent of Households in renter-occupied housing with incomes below 80 percent of AMI, as reported in the most recent HUD Comprehensive Housing Affordability Strategy U.S. Census Bureau American Community Survey (HUD CHAS) data; • Percent of renter Households occupying overcrowded housing: The percent of renter-occupied housing units with more than 1.5 occupants per room, as reported in the most recent HUD CHAS data; and • Rental vacancy rate: The percent of rental housing units that are currently vacant, as reported in the most recent HUD CHAS data. 					
Feasibility §7755(b)(3) - 25 Points (see NOFA, p. 18) Feasibility in a geographic area for the proposed ADU/JADU Programs will be based on the following factors:					4
<ul style="list-style-type: none"> • The readiness of the project development to proceed as evidenced by the status of local government approvals, project financing commitments, and resolution to impediments to development; • Evidence of ability to serve Low- and Very Low-Income Households pursuant to the MA underwriting requirements stated in § 7731, as evidenced by the development budget and proposed unit sales prices; and • Affordability of Homeownership relative to renting: The ratio of median Monthly Housing Costs for owner-occupied housing units with a Mortgage, to median Monthly Housing Costs for renter-occupied housing units, as reported in the most recent ACS data. 					
Community Revitalization §7755(b)(4) - 10 Points (see NOFA, p. 18) Contributes to Community Revitalization as defined in Section 7716(l), or meets a legislatively mandated priority for funds allocated to the CalHome Program, or develops a Rehabilitation Program that addresses climate adaptation or resiliency consistent with the Hazard Mitigation Plan or the Safety Element of the General Plan adopted by the jurisdiction in which the program will be offered.					10
Volunteer Labor, Self-Help Labor or Youth Construction Skills Training Program §7755(b)(5) - 10 Points (see NOFA, p. 19) Applications applying for Homeownership Development Projects, SHTA homeownership projects, or a MA Local Program for new construction housing or acquisition with substantial rehabilitation when the Recipient is acquiring and substantially rehabilitating properties for sale to First-Time Homebuyers, will receive up to 10 points to the extent that they are utilizing: (A) Volunteer or Self-Help Construction labor, where a minimum of 500 hours of on-site construction labor per Assisted Unit is provided; or (B) Labor provided by youth participating in a Construction Skills Training Program, where a minimum of 500 hours of on-site construction labor per Assisted Unit is provided. The 500 hours of construction training labor must be provided by the 16- to 24-year-old program participants; or (C) Minimum 15 percent of units include an ADU or a JADU. (D) Homeownership development projects are located in a High Resource or Highest Resource area, as identified on the TCAC/HCD Opportunity Area Map.					0
Performance Penalty §7755(c) - A deduction to the total score will be applied for failure to meet CalHome Program Performance Goals pursuant to §7759.					0

Applicant Certification and Commitment of Responsibility

Rev. 11/25/19

As the official designate by the governing body, I hereby certify that if approved by HCD for a CalHome Program funding allocation, the

(applicant name) City of Garden Grove

assumes the responsibilities specified in the CalHome Program authorized by Chapter 6 (commencing with §50650 of Part 2 of Division 31 of the Health and Safety Code) together with the CalHome Guidelines, as both may be amended from time to time, and all other applicable law, and certifies that:

- A. It possesses the legal authority to apply for the allocation and to execute their proposed program or project §7754(c);
- B. Before committing funds to a homebuyer/homeowner, it will evaluate the funding eligibility in accordance with CalHome Program Guidelines and will not invest any more CalHome funds in combination with other governmental assistance than is necessary to provide affordable housing;
- C. The Applicant does not have any unresolved audit findings for prior HCD or federally-funded housing or community development projects or programs §7754(c);
- D. There are no pending lawsuits that would impact the implementation of this program or project §7754(c);
- E. §7756(a)(14) It will comply with all requirements as set forth in the NOFA and the statutes and guidelines governing the CalHome Program including, but not limit to, Housing Element, Climate Adaptation (specifically Executive Order B-30-15), Long-Term Resiliency Standards and Fire and Flood Requirements;
- F. The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct;
- G. It has the ability to perform the duties for the activity(s) applied for in accordance with §7718;
- H. Construction work has not begun, and will not begin, prior to the date that HCD makes an award of CalHome Funds §7718(c);
- I. If awarded, the Recipient, shall implement the local program or project and be responsible for all the activities outlined in §7721(a), including items I(1) & I(2) below;
 - 1. §7721(a)(5) Maintain complete and accurate records of all CalHome Program loan disbursements and repayments to ensure adherence to proper accounting procedures for the CalHome Program loans, which may be verified by the Department and may be subject to a fiscal and programmatic audit;
 - 2. §7721(a)(6) Comply with reporting requirements pursuant to §7758;
- J. §7725(a) CalHome Program loans to individual borrowers shall not exceed the amount published in the current NOFA or, when considered with other available financing and assistance, the minimum amount necessary;
- K. Homeowner and Homebuyer Loan Terms and Loan-to-Value Limits shall follow the regulations outlined in §7726 and §7727.
- L. The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct.

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

*Signature: _____ Title: _____
**Must be signed by authorized signatory per the resolution.*

Type Name: _____ Date: _____

STATEMENT OF QUALIFICATIONS

2019 CalHome Grant Program

City of Garden Grove

The City of Garden Grove (CITY), a California municipal corporation, has the experience and capacity to successfully administer the 2019 CalHome Grant Owner Occupied Rehabilitation (OOR) and Mortgage Assistance (MA) programs.

The City has been operating OOR and MA programs for nearly 35 years. During that time, the City has issued, and been the beneficiary of, 200 homeowner/homebuyer loans totaling \$5,210,316. The City's active loan portfolio consists of 92 loans totaling \$2,671,889.

Current City staff has administered OOR and MA programs for the past four (4) years. During that period, City staff has issued 11 loans totaling \$473,616. In addition to the homeowner/homebuyer loans, City staff administers the Community Development Block Grant (CDBG) funded Senior Home Improvement Grant Program and the Federal Home Loan Bank of San Francisco funded WISH Grant Program, which offer financial assistance for housing rehabilitation and First Time Home Buyer activities, respectively. As a result, current City staff has issued a total of 81 grants totaling \$493,000.

The City has a HUD-approved Financial Management Plan and undergoes an annual, third-party Single Audit to ensure financial competency and sustainability.

CALHOME

LOAN SERVICING PLAN

Lender and Loan Servicing Agency

The City of Garden Grove has been involved in mortgage assistance loans for first-time homebuyers, home improvement loans and rehabilitation loans since 1989. Since 2001 the City has contracted solely with AmeriNat, known formerly as AmeriNational Community Services, to manage its loan portfolio. Through the years, the City has developed a good working relationship with AmeriNat as its continuing partner in providing loan portfolio management services. As part of the Loan Servicing Plan, you will find a Consultant Services Agreement between the City of Garden Grove and AmeriNat for the management and servicing of all CalHome loans.

The CalHome Program Guidelines dictate that up to 5 percent of the funds deposited may be used towards the costs of loan servicing by the Recipient. As mentioned above, AmeriNat is the City of Garden Grove's designated loan servicing agency contracted to manage all City loans including the CalHome loans to be processed through the CalHome Program. Lenders on the City's Participating Lender's list will process the buyer's first loan, which will conform to CalHome program standards.

The Loan Servicing Process

Once a participating lender has approved an applicant and the City has proof of attendance at a certified training class, the City will underwrite the CalHome loan. If approved for a CalHome loan, the applicant's loan documents are generated. Escrow will process the loan with funding occurring at that time. The City maintains the original loan files within fire safe file cabinets to keep all legal documents safe. Copies of all the pertinent documents are forwarded to AmeriNat, the servicing agency, for portfolio management. In addition, City staff prepare a checklist. This ensures that all pertinent loan documents have been received, processed and recorded. This also provides a chronological history of actions with respect to the borrower's loan.

To ensure continued compliance with the owner-occupancy requirement for CalHome loans, AmeriNat will annually forward an instructional letter and Affidavit of Owner to each borrower. The affidavit requires the owner to affirm continued compliance with all provisions of the promissory note and/or rehabilitation agreement.

AmeriNat is responsible to make certain that both property taxes and insurance are current. Upon request, AmeriNat will establish an impound/escrow account for each borrower for payment of property taxes and/or insurance premiums specific to the property securing the loan. AmeriNat will monitor the payment of taxes for the life of the loan, and if necessary, will contact the borrower regarding payment. AmeriNat will

contact the appropriate insurance agency to obtain proof of insurance and to be notified of any delinquencies, cancellations or non-renewals.

Pursuant to IRS requirements, AmeriNat is required to report any borrower that has paid \$600.00 or more in interest annually. So they maintain a list that is provided to IRS. In addition, every borrower is provided with a 1098 Form (Year-end Interest Form).

When monthly payments are required, AmeriNat will notify the borrower with notices of the monthly total amount due and payable. AmeriNat will forward collection proceeds to the City on a monthly basis, along with a "Current Month Reconciliation" report, a "Portfolio Status Report" that lists all active accounts in the portfolio and a "Delinquent Aging Report" that lists delinquent accounts.

AmeriNat is responsible for the preparation of payoffs. Once a payoff has been prepared it is sent to the City for final review. From receipt of Payoff Demand request until the time the requestor receives a final payoff is approximately seven days. AmeriNat will process and record a Substitution of Trustee and Full Reconveyance upon loan satisfaction.

AmeriNat will evaluate subordination requests of CalHome Loans, and approve them only if all of the following conditions are met:

1. The borrower shall pay a processing fee of \$375.00 for the required documentation.
2. The new loan may be slightly greater than the previous loan to provide for "reasonable closing costs" necessary to refinance (i.e. points, appraisal, title, escrow, etc.).
3. The total loan-to-value, including the City's loan, does not exceed 80% of the property's current appraised value for Home Rehabilitation Program Loans or 100% of the property's current appraised value for the First-Time Homebuyer Program Loans.
4. No cash-out, except to pay the existing senior debt, reasonable closing and finance costs. The City will not subordinate to a new loan that pays off credit cards, personal loans, auto loans, junior debt or liens recorded after the City's loan.

Exceptions are for emergency building repairs to eliminate immediate health and safety concerns, and/or a provable medical hardship, which requires cost-prohibitive medical equipment or devices.

5. The new loan will improve the homeowner's financial situation (i.e., lowers their monthly payments in regards to monthly housing costs, mortgage consolidation, payment of medical and surgery expenses, and school expenses).

CALHOME

REUSE ACCOUNT PLAN

The City of Garden Grove has been involved in mortgage assistance programs for first-time homebuyers since June of 1989. Since that time, the Community and Economic Development Department has worked very closely with its Controller's Office in establishing housing assistance accounts for these programs using various funding sources. The Controller's Office uses a system, where individual accounts are established for each program based on project or program type and funding source. This allows for easily tracking the use of funds within each package at all times.

To accommodate the "Reuse Account" requirements of the City of Garden Grove First-Time Homebuyer and Owner-Occupied Rehabilitation Programs, the City of Garden Grove in December of 2015, established CalHome Reuse account number 008-2863-39567. It is through these funding numbers that the funds are maintained separate and can easily be accounted for within the First-time Homebuyer and Owner-Occupied Rehabilitation Programs.

In addition, any interest accrued on CalHome funds will accrue to the CalHome Reuse Account. These funds will only be made available to eligible CalHome Program Recipients and will be provided in a timely manner. City Staff will comply with all mandated reports and applicable loan processing fees pursuant to CalHome Program Guidelines.

With respect to the First-time Homebuyer and Owner-Occupied Rehabilitation Programs, the CalHome funds within the Reuse Account will only be used for loans to homeowners or homebuyers as allowed pursuant to the CalHome Program requirements, for the cost of the homebuyer education requirements, for CalHome loan processing fee or activity delivery fee, as applicable, pursuant to the CalHome requirements, and for up to five percent of funds deposited (plus accrued interest, if any) for loan servicing.

Up to 5% percent of the funds deposited may be used towards the costs of loan servicing by the Recipient. AmeriNat, formerly known as AmeriNational Community Services, is the City of Garden Grove's designated loan servicing agency responsible for servicing the City's loans including the CalHome loans to be processed through this Program. See Loan Servicing Plan for further details.

If the final total for an Owner-Occupied Rehabilitation loan is less than the amount on the note, the City will send letters to the borrower, and to AmeriNat notifying them of the actual amount loaned. AmeriNat will adjust the loan principle accordingly and a copy of the letter will be kept in the City's loan file. The difference between the original loan and the amount actually spent will be returned to the program reuse account.

The California Housing and Community Development Department will be responsible for monitoring the reuse account according to the most current CalHome requirements.

6. The new loan must have a fixed interest rate, be amortized over at least 15 years and substantially reduce your monthly payments.
7. No lender "pre-payment penalties" are included or allowed.
8. The City of Garden Grove will not subordinate to a lower position.

The CalHome loans are not assumable except under the following limited circumstances:

1. The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant; or
 - a. A transfer, in which the transferee is a person who occupies or will occupy the Property, which is:
 - b. A transfer of the Property where the spouse becomes an owner of the Property;
 - c. A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
 - d. A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the Property.

In the case of a default or foreclosure, AmeriNat makes several calls and mailings to the borrower at the property and mailing addresses provided. These two actions usually take place concurrently. If the borrower is unresponsive, the City is notified and also informed if a First Trust Deed exists on the property. If the City decides to proceed with foreclosure, a written request by the authorized City Staff is required for AmeriNat to continue with the foreclosure. AmeriNat follows the collection standards designated in the State Collection Guidelines. It is important to note that prior to initiating any foreclosure process, both the City and AmeriNat work jointly on contacting and working with the borrower on negotiating a payment plan.