

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

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**To:** Potential Applicants

**From:** California Self-Help Housing Program

**Subject:** Program Guidelines / Application Process

**Introduction**

Since 1979, the Department of Housing and Community Development (Department) has provided technical assistance grants to local public entities, nonprofit corporations, and limited-equity cooperatives to assist low- and moderate-income households engaged in building their own homes. Technical assistance grants provide sponsors with funds for administrative activities such as construction supervision and training, and site and house plan selection. Applications are accepted only in response to a Notice of Funding Availability (NOFA).

Statutory authority for the CalHome Program, Self-Help Housing Technical Assistance Allocation (Program) is found in Sections 50690 through 50698 of the Health and Safety (H&S) Code. Regulation which governs the operation of the Program can be found in the California Code of Regulations (CCR), Title 25, Div. 1, Ch. 7, Subchapter 6.5, Sections 6910-6930 and 7530-7556 and in Government Code Section 16727, which defines the eligible use of Housing Bond funds.

**Program Objectives**

The Program was established in 1978 (originally as California Housing Advisory Service [CHAS] and, until 2003, was referred to as the California Self-Help Housing Program) to encourage private nonprofit organizations and local agencies to utilize their resources and capabilities to stimulate the construction of affordable housing, in both rural and urban areas, utilizing the self-help building concept. The goal is to expand the production of decent and affordable housing and to demonstrate that improved housing conditions, ownership, and maintenance are within the financial capabilities of low- and moderate-income households through the cost savings provided by self-help construction.

**Eligible Applicants**

An applicant must be a local public entity, nonprofit corporation or a limited-equity housing cooperative engaged in developing, conducting, administering or coordinating programs which will aid eligible households construct residential units for their own use. No more than twenty percent (20%) of available funding may be awarded to any one applicant. If you are a limited-equity housing cooperative, please contact the Department for additional forms that will be required as part of your application for funding.

### **Eligible Projects**

A Project means a housing development, as defined by H&S Code, Section 50073.

### **Eligible Households**

Technical assistance grants are to be used to assist low- or moderate-income households that participate in a self-help housing program conducted by an eligible sponsor. An eligible household must have the opportunity to own a residential unit, or must be accepted as a member of the proposed limited-equity housing cooperative.

Eligible households must be capable of providing all of, or a substantial amount of, as determined by the Department, the self-help labor required by the project's family agreement. Eligible households may not be discriminated against and applicants will be required to comply with the provisions of the Fair Employment Housing Act that will be made a part of the Technical Assistance Standard Agreement.

### **Use of Funds**

Technical Assistance Grants may be awarded to eligible applicants for owner-building in an amount that shall not exceed \$300,000. The technical assistance grants may be used to provide the assistance, and training and supervision on self-help construction activities and techniques. Costs allowable under this NOFA include costs incidentally but directly related to construction, including, but not limited to, planning, engineering, construction management, architectural, and other design work, environmental impact reports and assessments, required mitigation expenses, appraisals, and legal expenses. All grant-funded activities shall be completed within two years from the effective date of the executed Standard Agreement.

Technical assistance grants may not be used for purchase of land, materials, tools, or construction equipment or any costs of construction. Please refer to CCR, Section 7550, for more details.

### **Definitions**

The following is a partial list of applicable definitions. Please refer to the Program regulations, Section 7530 for a more complete list.

- **Very low- and low-income household:** persons and families whose gross incomes do not exceed 50 percent and 80 percent, respectively, of the area median income adjusted for family size in accordance with adjustment factors adopted by the United States Department of Housing and Urban Development in establishing income limits for lower-income families. (CCR, Title 25, Div 1, Ch. 6.5, Subchapter 2, Sections 6926, 6928 and 6930)
- **Self-help construction:** means owner building (H&S Code, Section 50692) and may include mutual self-help housing (or group-effort building) (H&S Code, Section 50087).

- **Sweat-equity:** means the cost savings to an assisted unit attributable to the self-help construction. For purposes of this definition, equity means the difference between the fair market value of the property and the total of all outstanding debts secured by the property plus all payments provided by the owner (CCR, Title 25, Div. 1, Ch. 7, Subchapter 6.5, Section 7532).

### **Application Instructions**

The application provided by the Department (only version November 16, 2007 accepted) must be filled out completely and must not be altered. If necessary, insert additional pages in order to provide complete information. Include all exhibits. Indicate “not applicable” in both the application and in the exhibit, where appropriate.

***A checklist is furnished as a part of the application. Be sure all exhibits are complete and included with the application.***

***Submit application in a three-ring binder. All exhibits must be tabbed and labeled with the appropriate Exhibit #, as identified on the checklist.*** Only the original application is to be submitted, no additional copies are required. No facsimiles will be accepted.

### **Eligibility Criteria and Completeness Review**

The eligibility and completeness review will be based on the minimum threshold criteria set forth, below. An application deemed to be incomplete or ineligible will be removed from further review. The applicant will be notified in writing of the Department’s determination.

#### **Application completeness:**

1. Unmodified current-version application is filled out completely.  
Application is submitted in a three-ring binder and includes all tabbed and labeled exhibits (the Exhibit # on the tab is all that is required).
2. Includes a certified resolution authorizing submittal of the application and having the appropriate original signatures.
3. Application bears original signature of person(s) authorizing submittal.

#### **Applicant eligibility:**

1. Applicant is an eligible entity as described above.
2. All documents attesting to the applicant’s legal status and financial status must be current.

Project eligibility:

1. The units receiving technical assistance under the grant must be affordable to, and ultimately owned by, person(s) or households of low- or very low-income.
2. The units receiving technical assistance under the grant shall be constructed using the self-help method of construction.

**Funding Review**

**Applications under this NOFA will be considered on an “over-the-counter” basis** and accepted at any time after the issuance of the NOFA and until such time as the Department has received what it determines to be a sufficient number of applications to reasonably use all funds currently available. Once this has occurred, a notice canceling the NOFA will be issued.

**Funding Recommendations**

Program staff will prepare a report containing a project summary and recommendation for all proposed projects determined to be eligible. Funding recommendations will be made to the Department’s Internal Review Committee. The applicant will be notified when this meeting will be scheduled. It is recommended that the applicant be available via telephone to answer any questions that may arise during the meeting. The Committee’s funding recommendations will be forwarded to the Department’s Director for the final funding decision.

**Application Submittal**

The package must include one complete, original application, with tabbed exhibits. Send completed applications to:

U.S. Mail

Dee Franklin  
CalHome Program  
Department of Housing and  
Community Development  
P.O. Box 952054, Room 390-2  
Sacramento, CA 94252-2054

Private Carrier

Dee Franklin  
CalHome Program  
Department of Housing and  
Community Development  
1800 Third Street, Room 390-2  
Sacramento, CA 95811

**Information and Assistance**

It is strongly recommended that care and prudence be exercised in the planning of proposed projects, selection of development team members and in the preparation of this application and the exhibits. Staff is available to answer questions regarding the Program or the completion of the application and exhibits. Please call Dee Franklin for assistance at (916) 445-9581 or send an e-mail to [dfranklin@hcd.ca.gov](mailto:dfranklin@hcd.ca.gov).

Thank you for your interest in the California Self-Help Housing Program.