



## Agenda #5

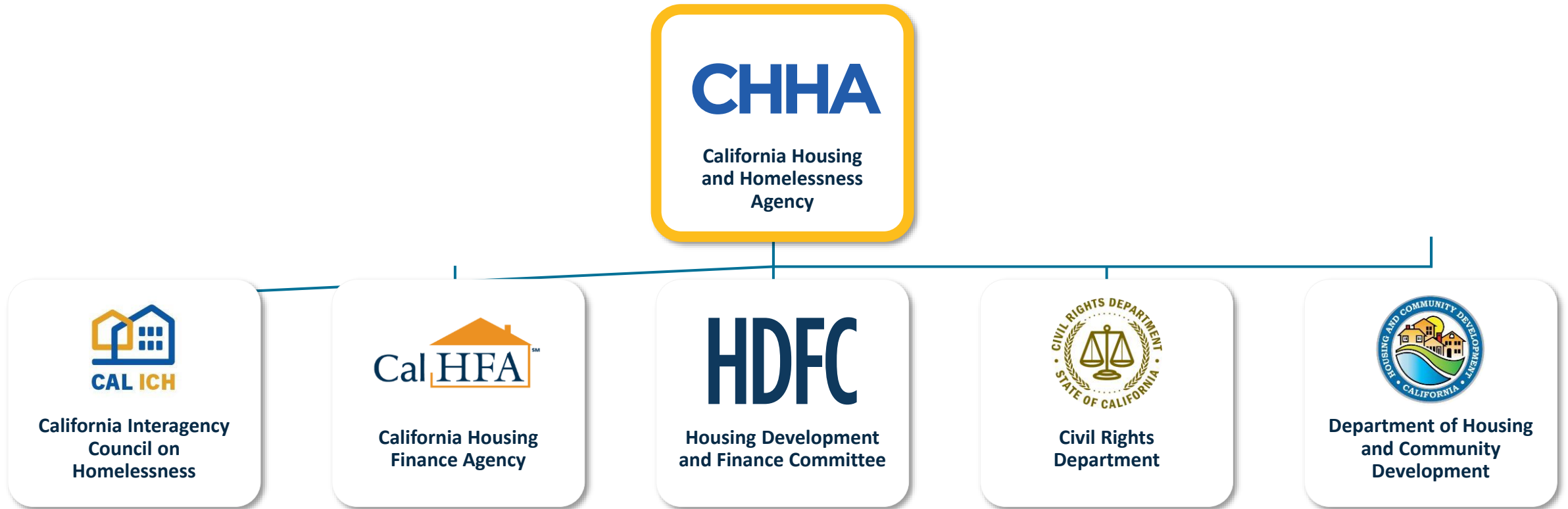
# **Discussion of draft recommendations on timeline for consolidated application and aligned compliance monitoring**

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# Governor's Reorganization Plan

Creation of California Housing and Homelessness Agency (CHHA)





# Actions Taken Toward Alignment

## AB 434 (2020)

### Multifamily SuperNOFA

Aligned multiple funding sources within HCD into one NOFA (Notice of Funds Availability).

## AB 519 (2024)

### Affordable Housing Finance Workgroup

Reviewing entities – HCD, CalHFA, CTCAC and CDLAC – developed recommendations to support a single consolidated application and coordinated review process for affordable housing finance.

## GRP (2025)

### The Governor's Reorganization Plan

Created a new governance structure to improve coordination, accountability, and focus on housing outcomes.

## AB 2006 (2022)

### Coordinated Asset Management

Coordination between HCD, CalHFA, and CTCAC to streamline post-award asset management and compliance for multifamily housing development.

# About HDFC

HDFC and its Executive Committee are responsible for creating a consolidated application and coordinated processes for the review and award of competitive state multifamily affordable housing funding statewide.



The Executive Committee must **make recommendations on the implementation timeline** by July 1, 2026 for two main initiatives:

- **Recommendation 1:**  
A consolidated application for competitive multifamily affordable housing funding
- **Recommendation 2:**  
Improved alignment of compliance monitoring of state-financed affordable housing

# Stakeholder Engagement For Solutioning

The State engaged with partners to better understand the challenges they faced and collaborate on solutioning for a better system. Key recommendations will inform HDFC's work:

Strengthen Early and Often Stakeholder Engagement

Increase Transparency Across Requirements, Scoring, and Decisions

Standardize Requirements and Regulations Across Programs

Streamline Applications and Reduce Administrative Burden (ex: Duplication of Document Submission)

Modernize Application Tools and Data Management

Expand Pre-Application Support and Readiness Reviews

Establish Predictable and Applicant-Centered Funding Cycles

Improve Geographic Diversity of Projects Awarded Funding

Improve Tribal Access to Funding and Reduce Administrative Burden Through Dedicated Tribal Programs

Improve Cross-Agency Coordination, Knowledge Sharing and Training

Enable Flexible, Adaptive Program Design Over Time

Support Project Delivery Through Improved Financing Tools

Provide Advance Payment and Financing Options

# RECOMMENDATION 1: Create A Consolidated Application

## Funding Consolidation

### Multifamily Super NOFA Programs

- Multifamily Housing Program
- Joe Serna, Jr. Farmworker Housing Grant Program
- Infill Infrastructure Grant Program
- Veterans Housing and Homelessness Prevention Program
- Transit-Oriented Development Housing Program
- Housing for a Healthy California

### Mixed Income Program (MIP) – Subsidy Component

### Affordable Housing Sustainable Communities (AHSC) – Housing Component

### CTCAC and CDLAC for tax credits and tax-exempt bonds

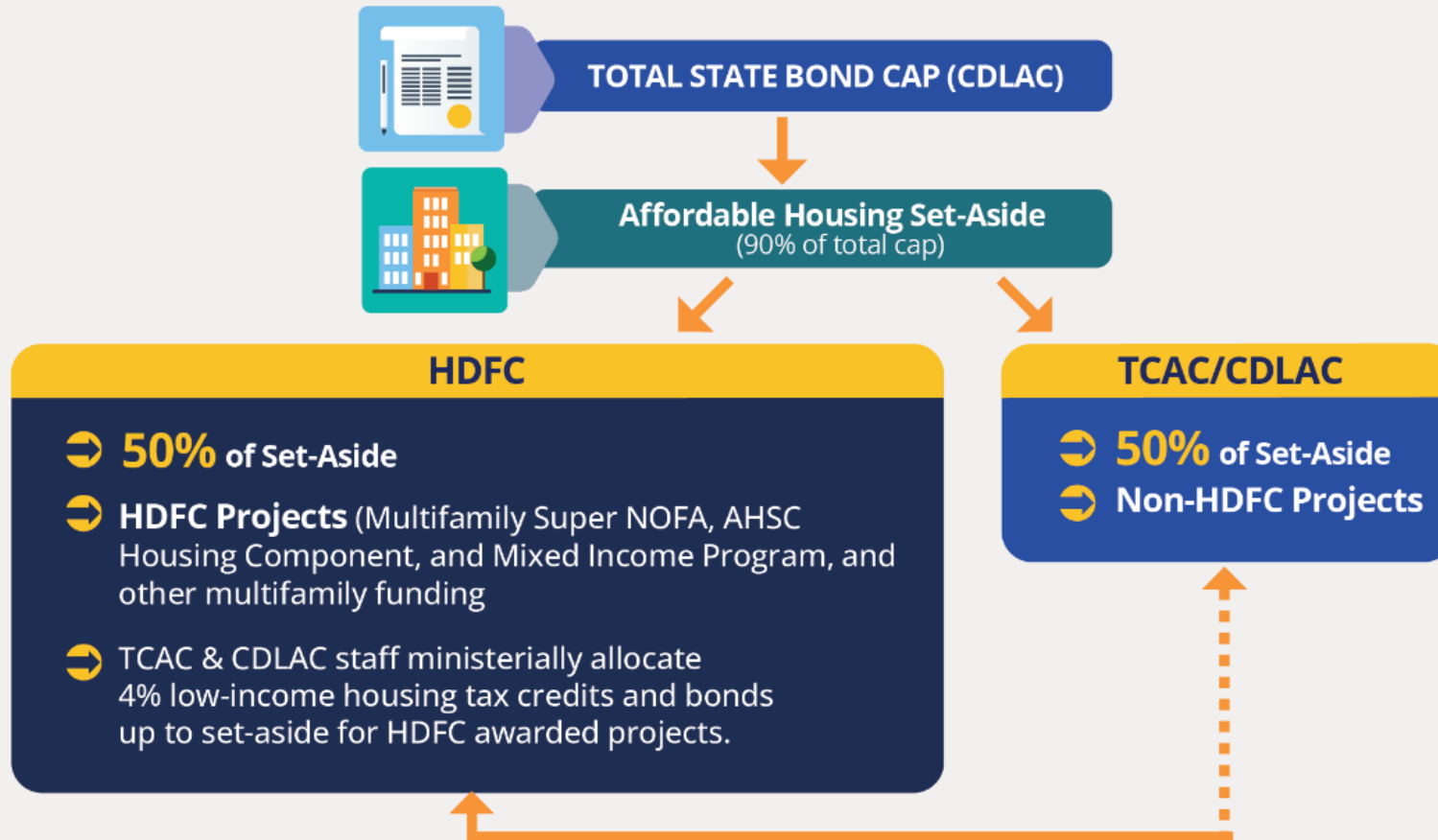
### Developer-facing components of other HCD multifamily programs (e.g. PLHA Competitive, HOME, NHTF, CDBG-DR multifamily.)



## One Application One Award

- ✓ Unified HDFC Guidelines: Universal common thresholds, single scoring rubric, and limited funding-specific thresholds
- ✓ Single application portal
- ✓ Single application
- ✓ Coordinated review
- ✓ Effectively simultaneous award
- ✓ Awarded projects move directly to readiness milestones

# Governor's Budget Proposal



TCAC/CDLAC staff provide *ministerial* funding for 4% low-income housing tax credits and bonds for HDFC awarded projects.

Both paths result in all/final funds needed to complete capital stack



## RECOMMENDATION 1:

# Four Key Consolidated Application Outcomes



### 1. Coordinate and Streamline Multifamily Housing Finance

- Implement a single application, unified scoring rubric, and coordinated review and simultaneous award process across state multifamily programs.
- Ensure projects are fully funded at award, reducing stalled projects and post-award complexity.



### 2. Increase Speed, Predictability, and Transparency

- Condense timelines from application to award
- Make requirements, scoring, and processes clearer and more publicly accessible
- Use public engagement and Executive Committee governance to reinforce trust.

## RECOMMENDATION 1:

# Four Key Consolidated Application Outcomes *(cont.)*



### 3. Improve customer service and system usability

- Early and ongoing feedback loops with sponsors
- Public tools, guides, dashboards, and clearer documentation
- Focus on total time from award to construction — not just internal review time.



### 4. Build a scalable, continuously improving system

- Treat initial implementation as the beginning, not the endpoint
- Apply lessons learned to other parts of CHHA's portfolio over time
- Invest in staff training, cross-training, and professional development to sustain change.

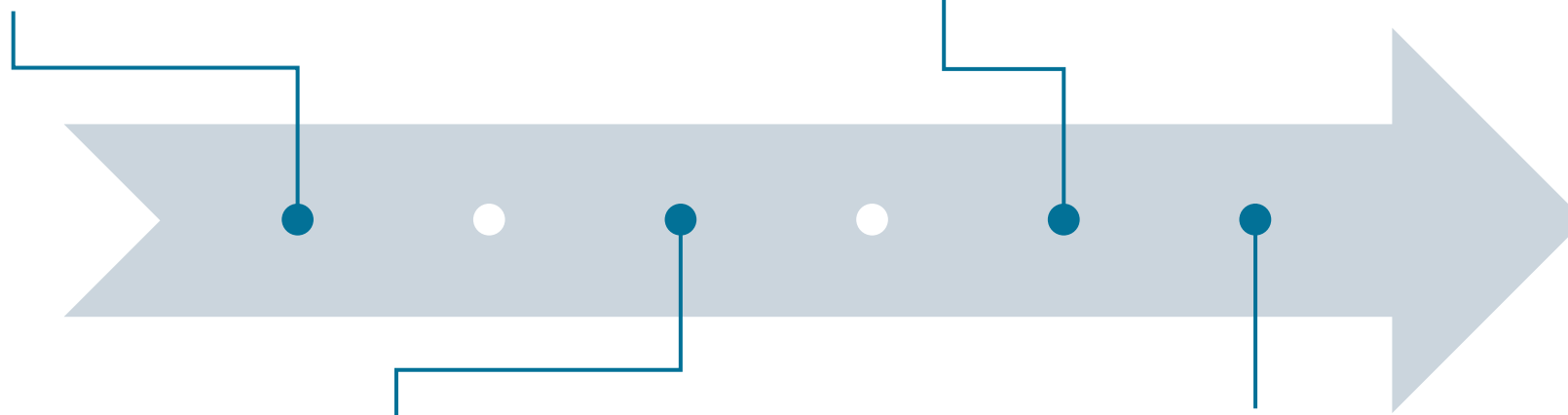
# RECOMMENDATION 1: 2026 Implementation Timeline

## July 2026:

Draft HDFC guidelines released for first round of public comment.

## November 2026:

Pilot for new portal (organization registration) released.



## September 2026:

Second draft guidelines issued, second round of public comment.

## December 2026:

HDFC Executive Committee adopts final guidelines and timeline for 2027 funding rounds

# RECOMMENDATION 1: 2027 Implementation Timeline

## January 2027:

HDFC issues Round 1 NOFA and portal begins accepting applications

## June 2027:

Draft HDFC guidelines for 2028 funding rounds released (if any changes proposed)

## August 2027:

HDFC Executive Committee makes Round 1 awards

## December 2027:

If applicable, HDFC Executive Committee adopts final guidelines for 2028 and makes Round 2 awards with 2028 bond set-aside

## April 2027:

Round 1 HDFC applications due

## July 2027:

Potential Round 2 NOFA and accept additional applications

## October 2027:

Round 2 HDFC applications due

## RECOMMENDATION 2:

# Aligned Compliance Monitoring



### **Progress to date: AB 2006 Implementation**

- **Interagency Compliance Monitoring MOU for HCD, CalHFA, and CTCAC (Effective Jan 1, 2025)**  
Aligned processes to eliminate duplicative submissions across five areas:
  - Physical/site inspections – single lead-agency inspection
  - Reserve draws – unified review process
  - Ownership/control party changes – single form to lead agency
  - Property management company changes – single form to lead agency
  - Operating budgets – combined form
- **California Housing Management System (CAHMS)**
  - Launched February 2026 by HCD, CalHFA, and CTCAC
  - Improves transparency, efficiency, and coordination in statewide affordable housing compliance monitoring

## RECOMMENDATION 2:

# Aligned Compliance Monitoring *(cont.)*

### **Through 2026: Maintain current AB 2006 protocols and plan for transition**

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- Continue coordination work to further consolidate monitoring practices
- Ensure stability during the transition period
- Prepare a plan for the transition of asset management and compliance monitoring for the HDFC portfolio of projects

### **2027: Expand application portal functionality past awards**

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- Expand portal functions to support compliance monitoring, construction monitoring, and potentially full life-cycle project tracking
- Develop shared data access and aligned portfolio monitoring tools

### **2028 and Beyond: Centralize compliance monitoring for HDFC portfolio**

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- First HDFC-funded projects begin entering asset and compliance monitoring
- System improvements enable more efficient consolidation of monitoring and strengthened expertise across CHHA departments

**Questions?**