California Housing & Equity Accelerator

A County-by-County Housing Production & Equity Creation Pilot Program

What Is the Accelerator?

The California Housing & Equity Accelerator (CHEA) is a first-of-its-kind county-by-county housing production and equity creation pilot program.

Not a Traditional Program

Not a one-size-fits-all affordable housing or manufactured housing sales program.

Scalable Framework

Each county customizes strategies around its own goals, demographics, and priorities.

Economic Engine

Lower the cost of producing housing while preserving conventional fair market value.

Two Programs in One

CHEA combines a consulting program and an affordable housing program in a single, deliverable framework for local communities and jurisdictions while adapting to the housings within the general plan. This is a hand-off program.

Consulting Program

Hands-on guidance that helps counties and jurisdictions structure, plan, and execute housing production strategies.

Affordable Housing Program

A proven delivery model that produces attainable housing while preserving conventional fair market value.

Funding in Place

Agreed subsidies and standardized agreements deliver millions to local communities.

The Core Concept

Lower the cost of producing housing while preserving conventional fair market value.

Factory-built housing developed under coordinated cost-reduction systems can still appraise and perform within the conventional housing market at fair market value — even when the actual cost of development has been significantly reduced.

This creates one of the most important opportunities in housing development:

Immediate Equity Creation

Immediate Equity Creation

Traditional Model

Homeowners, developers, and investors wait years or decades to build meaningful equity through appreciation and mortgage paydown.

Accelerator Model

By reducing the cost basis of housing production itself, participants may create substantial equity positions immediately upon project completion.

Who Benefits Most

- First-time homebuyers
- Workforce families
- Moderate-income households
- Private investors
- Real estate professionals
- Small developers
- Community housing organizations
- Rural housing initiatives

Building a Collaborative Ecosystem

Public-interest housing goals and private-sector housing investment operating together — not competing.

Public & Community

- Local governments
- Housing nonprofits
- Community-based organizations
- CDFIs
- Local banks
- Mortgage brokers

Private & Market

- Real estate developers
- Private equity groups
- Contractors & skilled trades
- Factory-built housing manufacturers
- Real estate professionals
- Community investors

Leverage for Grant Funded Projects and Program Participants

Standard agreements and coordinated cost reductions stretch grant dollars further on manufactured and factory-built housing projects.

H&S Code §18060

Manufactured-home dealers must be HCD-licensed, so purchases must run through licensed retailers.

Fees Removed at MOU

Our standard agreements are already in place when an MOU is established, avoiding retailer fees and commissions.

More Units, Guidelines Met

Standardized agreements expand unit counts in grant-funded projects and help jurisdictions and nonprofits meet HCD guidelines.

Housing Assistance Council (HAC)

A certified CDFI that helps scale the CHEA program’s mission to make housing accessible and affordable for rural communities.

About HAC

- National nonprofit founded in 1971 — over 55 years building homes in rural America
- Certified Community Development Financial Institution (CDFI) by the U.S. Treasury
- Provides below-market financing, technical assistance, training, and policy support
- Operates in all 50 states and U.S. territories with focus on underserved rural regions

- Local affordable housing organizations and the CHEA program onboard eligible families and participants
- Projects and families meeting the 80% AMI threshold qualify for HAC gap financing
- HAC’s revolving loan fund fills critical capital gaps that conventional lenders cannot reach

HAC Lending Tools for CHEA Projects

Flexible capital at every stage of development for projects serving households at or below 80% AMI.

Loan Products

- Pre-Development — early-stage capital for feasibility studies, engineering, and appraisals
- Acquisition — financing to purchase land or existing housing for affordable development
- Construction — site development, new single or multifamily builds, and rehabilitation
- Permanent/Mini-Perm — longer-term capital for operating rental properties
- Line of Credit — revolving funding for experienced developers managing project pipelines

Financing for Affordable Rental Housing and Homeownership Development

HAC’s loan fund provides vital capital to rural housing developers: community-based, nonprofit organizations, housing development corporations, self-help housing sponsors, farm worker organizations, cooperatives, Native American tribes, public and governmental agencies, and private developers. HAC funds help these organizations improve housing and living standards for rural, low-income households.

General Loan Terms

Eligible Borrowers: Nonprofits, housing authorities, tribal entities and for-profit developers

Eligible Projects: Affordable or mixed income rental housing development or preservation, homeownership development (subdivisions or scattered site), self-help housing, cooperative/resident controlled communities, mixed use projects or energy efficiency upgrades or solar projects for housing.

Target Locations: Rural areas, by USDA or Duty to Serve definitions*

Uses: Predevelopment, acquisition, site development, construction, bridge and permanent financing for development of affordable and mixed income housing.

Loan Amount: $50,000 – $4,000,000 (larger loans possible in partnership with other lenders).

Interest Rate: From 5%

Loan Term and Amortization: Based on project needs

Collateral/Security: Real estate collateral preferred; up to 100% LTV

Recourse: Full recourse to borrower

Fees: 1% loan fee (50% due at acceptance of terms; 50% due at closing)

see https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do and https://www.fhfa.gov/DataTools/Downloads/Pages/Duty-to-Serve-Data.aspx

CalHFA Loan Programs

A state-level financing pathway for affordable homeownership, layerable with HAC gap financing and the CHEA county-by-county model.

First Mortgage Products

- CalHFA FHA — FHA-insured 30-year fixed mortgage
- CalPLUS FHA — Higher-rate FHA paired with ZIP or MyAccess assistance
- CalHFA VA — VA-insured 30-year fixed for eligible veterans
- CalHFA USDA — USDA-guaranteed 30-year fixed, combinable with MyHome
- Conventional — Private MI, fixed 30-year rate; CalPLUS options available

Down Payment & Closing Cost Assistance

- MyHome — Deferred junior loan up to 3.5% (FHA) or 3% (Conventional)
- ZIP — 0% interest closing-cost assistance with CalPLUS loans
- MyAccess — Down-payment or closing-cost help with CalPLUS Access loans
- Silent seconds — No monthly payments; repaid at sale, refinance, or payoff

CalHFA Assistance & Refinance

Silent second loans and refinance options that reduce cash-to-close and expand buyer eligibility.

Assistance Programs

- MyHome — Deferred-payment junior loan: up to 3.5% of purchase price (FHA) or 3% (Conventional)
- Zero Interest Program (ZIP) — 0% interest closing-cost assistance paired with CalPLUS FHA or CalPLUS Conventional
- MyAccess — Down-payment or closing-cost assistance paired with CalPLUS Access FHA or Access Conventional
- Refinance Options — FHA, Conventional, and Dream For All refinance including rate-and-term and limited cash-out structures

A Proven Housing Production Concept

Non-profit Construction Corporation (NPCC) was the first organization to pilot the CHEA model through real-world implementation in rural California communities in El Dorado county.

EIN 99-1958124

Established nonprofit entity

CSLB #1125441

Licensed contractor

El Dorado County

Multiple housing projects demonstrating reduced costs with strong market demand

Evolved Model

Now adapted for multiple income levels and market sectors

Why Factory-Built Housing?

The most realistic opportunity to dramatically reduce housing production costs while accelerating timelines.

Material Waste

Construction Timelines

Retail Markups

Development Inefficiencies

Financing Carry Costs

Labor Bottlenecks

The objective is to integrate factory-built housing as a mainstream production tool — not replace conventional construction.

A Flexible County-by-County Framework

Each participating county customizes the framework around its own housing priorities, demographics, land availability, and development goals.

Housing Program Examples

- Workforce housing initiatives
- Starter home developments
- Shared-equity housing models
- Veteran housing initiatives
- Rural housing expansion
- ADU and infill housing strategies

County Participation

- Permit fee reductions or waivers
- County-owned surplus land opportunities
- Infrastructure coordination
- Flexible zoning strategies
- Expedited permitting
- Public-private development partnerships
- Housing trust fund participation

Pilot Rollout & Partnership Structure

Pilot Launch Prerequisites

- Memorandum of Understanding (MOU) executed
- Two-year pilot proforma budget identified and funded
- County participation goals and objectives established

Long-Term Vision

Help counties and local organizations establish sustainable local housing production ecosystems capable of operating independently within approximately two years.

Our Roll at CHEA

- Initial program implementation
- Housing production coordination
- Partnership development
- Industry & lender engagement
- Community outreach support
- In-take and application processing
- Technical guidance
- Training & operational support

Conventional Market Participation

Lowering the actual cost of housing production improves project feasibility across nearly every segment of the housing market.

Designed to Attract

- High-income real estate professionals
- Private equity groups
- Developers & investors
- Mortgage & construction finance
- Housing nonprofits & community developers

Target Development Types

- Single-family starter homes
- Workforce housing developments
- Duplex & small multifamily
- Scattered-site housing
- Rural infill housing
- Mixed-income developments

Financing New Manufactured Home Construction

Every mechanism framed as an opportunity — not an obstacle.

FHA One-Time Close

580+ credit

3.5% down

Most accessible path for buyers with income but limited cash reserves. Single-close loan with land flexibility.

VA Construction-to-Permanent

580–620 typical

0% down

The only true zero-down construction loan in America. No PMI and some of the lowest rates in the market.

USDA Single-Close (502)

640+ for auto-approval

0% down

Zero-down construction financing for rural areas with subsidized interest rates. Perfect for manufactured homes.

Conventional & Investor Financing

Options for well-qualified borrowers, investors, and high-net-worth participants.

Conventional (Fannie / Freddie)

Credit Score: 620+, prime pricing at 700+

Down Payment: 5–20% depending on profile

Loan Limits: Higher than FHA for larger projects

Best pricing and lowest lifetime cost of ownership for well-qualified borrowers with strong credit and assets.

Investor & High-Net-Worth Options

DSCR Construction Loans

Based on rental income, not personal income

Portfolio Bank Loans

Relationship-based, flexible terms and custom draws

HELOC-Backed Construction

Use equity from another property, close in days

Cash + Refinance Strategy

Build with cash, then refi into FHA/VA/Conventional

Alternative Financing Paths

Speed, simplicity, and flexibility for borrowers who need non-traditional solutions.

Chattel Loans

Credit Score: Often 600+

Down Payment: 5–20%

Fastest approvals and lowest documentation requirements. Perfect for buyers who want speed, simplicity, or who are placing a home on leased land.

Private & Hard Money

Credit Score: Not the main factor

Down Payment: Typically 20–30%, negotiable

Zero red tape. Ideal for land-rich, cash-poor borrowers or those needing immediate starts. Maximum flexibility and control.

Financing at a Glance

Every path is an opportunity to build.

Program	Min. Credit	Down Payment	Best For
FHA One-Time Close	580	**3.5%**	Buyers with income but limited savings
VA Construction	580–620	**0%**	Veterans — zero down, no PMI
USDA 502	640	**0%**	Rural borrowers with subsidized rates
Conventional	620+	**5–20%**	Strong credit, lowest lifetime cost
DSCR / Portfolio	Varies	Varies	Investors and high-net-worth borrowers
Chattel Loans	600+	**5–20%**	Speed and simplicity, leased land
Private / Hard Money	Flexible	**20–30%**	Land-rich borrowers, immediate starts

Multigenerational Shared-Equity Homeownership

Two homes, one parcel, shared ownership — an FHA-compliant pathway for families who are stronger together.

Core Concept

This program enables two manufactured homes to be placed on a single parcel from the start of development. One home is permitted as the primary residence; the second as an Accessory Dwelling Unit (ADU).

Both households share ownership as tenants in common, creating a co-ownership structure that reduces individual financial burden while allowing both families to build equity over time.

Integrated Planning Advantage

Instead of adding an ADU later — requiring new permits and costly retrofits — the program designs land, utilities, and site layout for both homes from the beginning, significantly reducing total development costs.

FHA Compliance Requirements

- Permanent foundation required for all manufactured homes
- HUD certification labels on all factory-built units
- Primary-residence occupancy requirement met
- Compliant site utilities and road access
- ADU permitted under local zoning alongside primary residence
- Tenants-in-common co-ownership structure fully documented

Benefits for Participating Families

Long-term stability and affordability through shared responsibility and multigenerational support.

Family & Financial Benefits

- Lower overall cost of living through shared mortgage responsibility
- Reduced infrastructure expenses by building both homes simultaneously
- Multigenerational support including shared childcare, household duties, and daily living assistance
- Equity growth for both families as the property appreciates over time
- Greater stability and community connection through long-term homeownership

Purpose & Impact

This program provides a structured, FHA-compliant pathway for families who might not qualify for homeownership on their own.

By combining shared equity, multi-unit planning, and accessible financing, it creates a sustainable model for affordable, multigenerational living and long-term financial stability.

Multiple borrowers working together can achieve homeownership that would be out of reach individually — lowering costs and building equity as a family unit.

FHA One-Time Close for Co-Ownership

Land purchase, construction, and permanent mortgage combined into a single loan process.

How It Works

The FHA One-Time Close (All-in-One) Construction Loan combines land purchase, construction financing, and permanent mortgage into a single loan.

This eliminates the need for multiple loan approvals or refinancing after construction. Multiple borrowers can qualify together, combining income to meet FHA requirements.

Recent FHA updates now support multigenerational and multi-borrower arrangements, making this structure increasingly accessible for co-ownership models.

Key Advantages

- Single loan process from start to finish — no multiple approvals needed
- Lower down payments compared to conventional construction loans
- Competitive interest rates backed by FHA insurance
- Flexible credit requirements, making the program accessible to more families
- Simplified construction-to-permanent transition reduces financial stress during the build
- Combined borrower income strengthens qualification for larger loan amounts

How It Works

From partnership to independent local production in four phases.

01

County Partnership

Execute MOU and establish pilot goals with participating county government

02

Fund & Plan

Identify two-year operating budget and set housing production targets

03

Build & Produce

Coordinate factory-built housing delivery with cost-reduction systems

04

Scale & Transfer

Transition operational capability to county and local organizations

The Pilot Evolves Over Time

The framework is intentionally designed to adapt based on:

- Local Housing Priorities
- County Policy Goals
- Workforce Needs
- Economic Development
- Community Feedback
- Infrastructure Realities

The Goal

- ✓ Build more housing
- ✓ Lower the cost of housing production
- ✓ Create immediate equity opportunities
- ✓ Expand attainable homeownership
- ✓ Attract conventional investment
- ✓ Increase local economic activity
- ✓ Meet RHNA goals
- ✓ Strengthen communities

A replicable county-by-county housing production framework capable of restoring housing development as an achievable process.