

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

2020 W. El Camino Avenue, Suite 500, 95833
P.O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2711 / FAX (916) 263-2763



July 27, 2015

MEMORANDUM FOR: All Potential Applicants

FROM: Laura A. Whittall-Scherfee, Deputy Director
Division of Financial Assistance

A handwritten signature in black ink, appearing to read "Laura A. Whittall-Scherfee".

SUBJECT: **Notice of Funding Availability - Amendments to the
Multifamily Housing Program – General Component**

The following are amendments to the Department of Housing and Community Development's (Department) Multifamily Housing Program (MHP) – General Component Notice of Funding Availability (NOFA):

1) The following amends Section R:

R. Section 811 Project-based Rental Assistance

The State now has Section 811 Project-based Rental Assistance (PRA) Program funds available for use with new construction and rehabilitation projects that will be occupied by qualified 811 tenants by August 1, 2019, and that will have no more than 25 percent of their units regulatorily restricted to disabled. Eligible projects that commit to utilize PRA funds will receive five bonus points on their MHP Application.

The funds are available over-the counter, and must be utilized to serve non-elderly disabled Medi-Cal beneficiaries who are: (1) exiting long-term health care facilities, such as nursing homes or hospitals where they have stayed for at least 90 consecutive days, or (2) are at-risk of entering these types of facilities due to the need for rental assistance and home and community-based supportive services in order to live independently in the community. Tenant referrals are made through local Medi-Cal community transition organizations, and Regional Centers serving the developmentally disabled that partner with the Project Sponsor. Supportive services, including any necessary unit accessibility modifications, are provided through Medi-Cal.

Project Sponsors wishing to utilize PRA funds should specify the number of proposed 811 units in the Rent Subsidies portion of the Universal Application (UA) Narrative Worksheet, and complete the UA Subsidies Worksheet accordingly. The contract rent for the PRA Program is the 50 percent AMI TCAC rent applicable to the county in which the project is located. The Department will consider this information as evidence of a Sponsor's commitment to utilize PRA funds. At the MHP application stage, the project will be initially evaluated to ensure it can meet HUD's minimum standards for 811 participation. The Department will work with projects meeting these minimum requirements to submit an 811 application for award. Projects must provide evidence of their PRA award prior to the MHP Loan and Grant Committee meeting. The Department suggests submitting your 811 application for evaluation no later than 30 days prior to the MHP Loan and Grant Committee meeting.

2) The following amends Section V:

V. Application Point Scoring

The criteria that will be used to competitively score projects is summarized below and for MHP General projects as described in Section 7320. In assessing whether a project is "at-risk," MHP will use the same standards as the California Tax Credit Allocation Committee (CTCAC). CTCAC regulations first mandate that to be considered "at-risk" housing, the project must meet the requirements of the California Revenue and Taxation Code, Subsection 10758(C)(4) except as further defined in CTCAC regulations at Section 10325(g)(5)(B)(i), as well as meet additional CTCAC requirements.

Criterion	Max. Point	Notes
Extent Project Serves the Lowest Income Levels	35	The income levels referenced in the regulations are posted on HCD's website.
Extent the Project Addresses the Most Serious Local Housing Needs	15	If a market study is utilized for this scoring section, it must be performed by a qualified third party in accordance with HCD's application of TCAC Market Study Guidelines, as specified in the MHP Application form D-2.
Development and Ownership Experience of the Sponsor	20	Sponsors using the alternative scoring method in this category are advised to communicate with HCD in order to receive technical assistance.

NOFA - Amendments to the MHP-General Component

Percentage of Units for Families or Special Needs Populations and "At-Risk" Rental Housing Developments	35	"At-Risk" projects receive full points in this category. A Legal opinion from a third party is required to confirm the "at-risk" status.
Leverage of Other Funds	20	Sponsors of projects containing commercial space are advised to communicate with HCD in order to receive technical assistance.
Project Readiness	15	Projects must have all construction financing and all soft financing committed (exceptions are noted in Section 7320(b)(6)(A)1-6 in order to receive full points in this category).
Adaptive Reuse/Infill/ Proximity to Amenities/ Sustainable Building	10	Projects demonstrating compliance with the conditions of any sub-category will receive full points in this category.
Catalyst Program Award	5	Projects receiving the Gold or Silver designation from the Catalyst Program will receive five bonus points.
<u>Projects utilizing Section 811 Project-based Rental Assistance (PRA) Funds</u>	5	These points will be available for eligible projects that commit to set-aside <u>a minimum of five units</u> , up to 25 percent of its units to tenants qualifying for Section 811 PRA Rental Assistance.
Total Maximum Points	160	

Questions regarding these amendments and MHP can be directed to Eric Dauterive at (916) 263-1437 or Eric.Dauterive@hcd.ca.gov. Questions regarding the Section 811 Project-based Rental Assistance Program can be directed to Mimi Bettencourt at (916) 263-1014 or Mimi.Bettencourt@hcd.ca.gov.