Notice of Funding Availability (NOFA)

MULTIFAMILY HOUSING PROGRAM (MHP)

2008 FUNDING ROUND 1C-3

January 31, 2008

TIMETABLE FOR MHP APPLICATIONS	
NOFA Issued:	January 31, 2008
Workshop:	See Section E
Application Forms Available (on or about):	February 4, 2008
Applications Due:	March 27, 2008
Loan and Grant Committee Meeting:	June 2008

State of California
Department of Housing and
Community Development

2008 FUNDING ROUND 1C-3
NOTICE OF FUNDING AVAILABILITY
MULTIFAMILY HOUSING PROGRAM
January 31, 2008

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Attachment 1: Application Workshop Registration Form

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
1800 Third Street, Suite 460
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 322-1560
FAX (916) 445-0117

2008 FUNDING ROUND 1C-3
NOTICE OF FUNDING AVAILABILITY (NOFA)
MULTIFAMILY HOUSING PROGRAM (MHP)
January 31, 2008

Multifamily Housing Program General Funding: $70 million

PROGRAM DESCRIPTION

A. Introduction

The California Department of Housing and Community Development (hereinafter "HCD" or "Department") is announcing the availability of approximately $70 million in funding for the Multifamily Housing Program (MHP). Funding for this Notice of Funding Availability (NOFA) is provided under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C). The funds awarded under this NOFA will be allocated to the projects that are eligible for funding under the MHP program component authorized under the Act:

MHP General Funds being offered through this NOFA are available as permanent financing for affordable multifamily rental and transitional housing developments.

In addition, funds were made available under a Homeless Youth Housing Component NOFA issued January 31, 2007. Projects containing at least five units reserved for Homeless Youth may opt to apply and compete for funding under this MHP General NOFA. MHP General projects with units set aside for Homeless Youth as Special Needs units will also be allowed to request elevated loan limits for those units, as well as request the standard MHP General loan award for the affordable non-Homeless Youth units.

Other related funding opportunities include:

- Under the Governor's Homeless Initiative (GHI) NOFA, applications are currently being accepted for permanent Supportive Housing projects serving persons with severe mental illness who are chronically homeless.
- A MHP Supportive Housing NOFA will be released early February 2008, offering funding on an "over-the-counter" basis for permanent supportive housing units.
- On January 31, 2007, HCD issued a NOFA for the MHP Homeless Youth Housing Component for development of housing for homeless youth.

Information on all of these funding opportunities is available on the Department's website at http://www.hcd.ca.gov/fa/mhp.

APPLICATION PROCEDURES AND DEADLINE

B. Application Packaging and Submittal

Applications must be submitted on forms provided or approved by HCD. Application forms must not be modified. A complete original application, plus one copy, must be received by the Department no later than **5:00 p.m. on Thursday, March 27, 2008**. No facsimiles, late applications, incomplete applications, or application revisions will be accepted. Applications must meet all eligibility requirements upon submission. Applications having material internal inconsistencies will not be rated and ranked. HCD expects to issue awards to successful applicants in June 2008.

The Universal Application will be utilized by the MHP under this NOFA. Application forms will be available on or about January 31, 2008. In order to receive an application package, please visit HCD's website after this date, or contact MHP Program Staff at (916) 323-3178, or multifamilyhousingsection@hcd.ca.gov. Applications must be delivered to one of the following addresses:

U.S. Mail

Multifamily Housing Program
Department of Housing and Community Development
Division of Financial Assistance
P.O. Box 952054
Sacramento, CA 94252-2054

Private Carrier

Multifamily Housing Program
Department of Housing and Community Development
Division of Financial Assistance
1800 Third Street, Room 460
Sacramento, CA 95811

It is the applicant's responsibility to ensure that the application is clear, complete and accurate. After the application deadline, MHP staff may request clarifying information provided that such information does not affect the competitive rating of the application. No information will be solicited or accepted if this information would result in a competitive advantage to an applicant. No applicant may appeal HCD staff's evaluation of another applicant's application.

C. Program Changes

Significant changes applicable to this NOFA include:

Clarifying information on funding sources that may not be counted for increasing Developer Fees, and uses of funds that will be counted toward Developer Fee limits, is located in section O.

Additional documentation requirements and instructions have been added to the Project Readiness scoring section (Item D6) of the MHP application addendum. Please refer to the MHP application addendum for instructions.

Beginning with NOFA round 1C-3, a percentage of MHP funds shall be distributed for senior housing developments. The percentage of senior units funded under each NOFA shall be proportional to the percentage of lower-income elderly renter households in the state that are lower-income elderly renter households. Please refer to section R for details.

The Adaptive Reuse/Infill/Proximity to Amenities scoring section of the MHP application addendum has been changed to include priority points for projects which utilize sustainable building methods.

In effort to encourage all projects to implement as many environmental friendly options as possible, the MHP application will require a narrative describing how the project will implement and encourage project based recycling programs.

Information regarding elevated loan limits for Special Needs projects serving Homeless Youth is located in section L.

Changes to the minimum point score are located in section V.

The ballot measure for Proposition 1C contains language that indicates that its programs will be serving several identified targeted populations. Most of the identified populations are either targeted by specific programs or easily identified through specific programs by the nature of the facility funded. Accordingly, the Department is requiring grant and loan recipients, for its multifamily programs, obtain this information as part of the tenant application process and to report this statistical information in its annual reporting. Should the Department find that its multifamily programs are inadequately serving these populations it reserves the right to make adjustments to the competitive process as needed.

Changes were made to the required minimum replacement reserve deposit amounts for rehabilitation projects as shown in the chart below.

Type of Project	**Minimum Required Initial Annual Deposit to Replacement Reserve**
New Construction or Conversion	0.6% of the structure construction cost, up to $600 per unit (or $500 per unit if the project is receiving permanent financing from CalHFA). "Structure construction cost" does not include construction contingency, general contractor profit, overhead, or general requirements.
Rehabilitation	The deposit amount required will be determined by HCD based on a third-party physical needs assessment (PNA). At time of application, prior to completion of the PNA, HCD will base its underwriting on a preliminary estimate. This preliminary estimate is $504 per unit.

D. Timetable for NOFA, Applications, Workshops, and Award Notification

TIMETABLE FOR MHP APPLICATIONS	
NOFA Issued:	January 31, 2008
Workshops:	See Section E
Application Forms Available (on or about):	February 4, 2008
Applications Due:	March 27, 2008
Loan and Grant Committee Meeting:	June, 2008

E. Application Workshops

To assist applicants in preparing their applications, the Department will conduct four ~~one~~ application workshops. During the workshops, the Department will review the "Universal Application" which is common to the MHP General Program, other Department programs, California Housing Finance Agency (CalHFA), and California Tax Credit Allocation Committee (TCAC). The application includes an addendum specific to the requirements of the MHP General program. **There will be a review of changes to the MHP addendum which affect the application scoring requirements.** There will also be time for answering individual applicant questions.

If you are unable to attend the workshop and have questions about the application process, please contact the MHP program staff.

The workshop sessions are scheduled as follows:

Date	Location	Time
February 13, 2008	**Department of Housing & Community Development 1800 Third Street, Room 183 Sacramento**	10:00 AM – 2:00 PM
February 14, 2008	**State Department of General Services 2550 Mariposa Mall, Room 1036 Fresno**	10:00 AM – 2:00 PM
February 20, 2008	**Department of Housing & Community Development 3737 Main Street, 2nd Floor Highgrove Conference Room Riverside**	10:00 AM – 2:00 PM
February 21, 2008	**Ronald Reagan State Building 300 South Spring Street Auditorium Los Angeles**	10:00 AM – 2:00 PM

ADVANCE REGISTRATION FOR THE WORKSHOPS IS REQUESTED. Please complete the attached registration form and return via email to bstolk@hcd.ca.gov or fax to (916) 445-0117, attention Barbara Stolk, at least 24 hours before the workshop.

F. Program Summary

MHP provides low-interest loans to developers of affordable housing. MHP General funds available under this NOFA may be used for multifamily rental and transitional housing projects involving new construction, rehabilitation, acquisition and rehabilitation, or conversion of nonresidential structures.

HCD expects MHP funds to be leveraged with other resources, including local government funds, the federal Continuum of Care programs, four percent low-income housing tax credits, tax-exempt bond financing and private debt financing.

Projects using nine percent tax credits are ineligible. See section J.

G. Program Regulations and Legal Authority

MHP was established by Chapter 637, Statutes of 1999 (SB 1121, Alarcón), which created Chapter 6.7 of Part 2 of Division 31 commencing with Section 50675, of the Health and Safety Code. Applications submitted under this NOFA shall be subject to two sets of regulations: the MHP-specific regulations, 25 California Code of Regulations (CCR) 7300, *et seq.*, and the Uniform Multifamily Regulations (UMR), 25 CCR 8300, *et seq.* The regulation text is available on the HCD website at: http://www.hcd.fa.gov/ca/multifamilyregs.html. Applications submitted under this NOFA are also subject to the applicable statutory requirements, including those of Proposition 1C and Chapter 27, Statutes of 2006 (SB 1689, Perata), Proposition 46 and the requirements specified in this NOFA.

All section references in this NOFA refer to the MHP regulations unless otherwise noted.

H. Eligible Project Sponsors

Sponsors and borrowing entities may be organized on a for-profit or not-for-profit basis. Any individual, public agency or private entity capable of entering into a contract is eligible to apply, provided that they, or their staff, have successfully developed at least one affordable housing project. The Department will evaluate all Sponsor entities, including the roles of any general partner(s) in a limited partnership, to determine if the Sponsor's roles, responsibilities, and benefits in the project development and operations are commensurate with activities normally undertaken or controlled by project developers and owners.

The Sponsor organization will be reviewed to determine if adequate staffing levels exist to undertake and complete the project. The same criteria will be applied to evaluate sponsor experience for the purpose of awarding points. **The entity that submits information for the award of the experience points must be the named Sponsor on the application.** A parent entity cannot submit an application through a single asset entity and count the experience of the parent entity. If an applicant wishes to use the parent entity's development experience the parent entity must be the named as the Sponsor/applicant.

The Department will permit loan commitments to be transferred to single-asset entities provided the Sponsor entities maintain sufficient control of the borrowing entity to ensure that the Ultimate Borrower has the resources and experience to develop, own and

manage the project. Sponsors will be required to demonstrate how the Sponsor identified in the application has full control of the Ultimate Borrower entity and development of the project. Documentation supporting the Sponsor's control of the borrowing entity must be submitted at the time the Ultimate Borrower is formed and in all cases, prior to the construction loan close. Where the requisite control cannot be shown, the Sponsor will have to change its organizational structure to achieve the requisite control in compliance with the applicable regulations and the loan commitment.

If the Borrower is an entity other than the Sponsor identified in the application, the Department may require the Sponsor to enter into a Sponsor Operating Guaranty as a condition of closing the MHP loan.

Sponsors must have site control in the name of the Sponsor or an entity controlled by the Sponsor as defined in the Uniform Multifamily Regulations (UMR) Section 8303.

Sponsors of projects where at least 70 percent of the units consist of Special Needs Population units may be exempt from the requirement for previous development experience under limited conditions per Section 7303 (d).

I. Eligible Uses of Funds

MHP funds will be provided as permanent financing only, and may be used to take out construction loans used to cover normal project development (capital) costs, as detailed in Section 7304. MHP funds may be used to capitalize a project operating reserve account up to the limit required under UMR Section 8308. Program funds may not be used for the cost of supportive services, although Department-approved costs of on-site supportive services coordination may be treated as a project operating expense, payable from operating income.

MHP funds must be attributable to the costs of "restricted" units (MHP units and units subject to a long-term regulatory agreement with occupancy and rent restrictions similar to those of MHP) or to the costs of facilities used for childcare, after-school care, and social services that are integrally linked to the restricted units.

Applications will be reviewed to ensure that development costs do not include payments for appreciated equity through transfers or syndication between related parties. The term "related parties" as used in this paragraph has the same meaning as TCAC regulation 10302(gg). MHP funds must be used to fill financing gaps resulting from deep income targeting and affordability. Equity cash-out is not necessary to meet the goals of the program and thus is not an eligible use of MHP funds. Costs representing the cash out of existing equity will not be recognized. See section 7304.

J. Eligible Projects

Projects must qualify as rental housing developments, as defined in UMR Section 8301, and meet the requirements of Section 7302. For example, projects must contain five or more dwelling units. MHP General funded units may be operated as permanent or transitional housing.

Projects are ineligible if construction has commenced as of the application due date per Section 7302, or if the project is already fully funded. Demolition is considered part of the project if the expense is included in the Development Budget, therefore projects will be deemed ineligible if demolition has occurred and such expenses are included in the

Development Budget unless it is required to eliminate hazards or threats to health and safety. Projects must meet the underwriting standards described in UMR Section 8310.

Projects receiving nine percent tax credits are ineligible and the Department will not hold MHP funds pending the outcome of a nine percent tax credit application. Therefore, projects that have a nine percent tax credit application pending at the time the MHP application is submitted will be disqualified from competing in this funding round. Furthermore, projects that receive a funding commitment and subsequently apply for nine percent tax credits will be deemed ineligible and the funding commitment will be immediately rescinded.

K. Projects with Extraordinarily High Development Costs

The Department is concerned about the extremely high cost of a small but significant number of projects funded in the recent past, and the extraordinary level of public subsidy required by these projects. Of particular concern are projects with total development costs in excess of $350,000 per unit. The Department will require thorough justification for costs above that level. In this period of rapidly rising development costs, it is especially important to encourage MHP funding of otherwise qualified projects that are able to minimize costs, without sacrificing design elements that are cost effective in the long run or meet vital needs of project residents.

In light of this concern, and consistent with UMR Section 8311, the Department reserves the right to reject an application if total development cost exceeds an amount that cannot be reasonably justified, in comparison to the costs for other similar developments of modest design in the general area. Projects may be required to justify the total development cost if the cost substantially exceeds the Department's historical project costs for similar projects, with an allowance for increased construction costs.

In evaluating projects with high per unit costs, the Department will closely scrutinize the justification that costly design features were necessary to obtain local approvals or neighborhood acceptance. Similarly, the Department will be giving close scrutiny to projects with extraordinary site development costs (where they are not fully compensated for by a sharply discounted purchase price), or where the constraints of the site necessitate an especially expensive design. Although the Department appreciates that individual developers may experience great difficulty locating more appropriate sites, it has concluded that the interests of the Program are best served by avoiding excessive site and design-related costs.

L. Maximum Loan Amounts

The maximum loan per project is $10,000,000. The maximum loan amount per "restricted" unit is a function of unit size, location, and affordability level per Section 7307. The maximum loan per restricted unit was increased in previous funding rounds by $15,000 per unit for the Central Valley and Southern California regions and will remain in effect. For the purpose of geographic distribution, Central Valley includes the counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare counties.

Elevated loan limits are available for Special Needs projects which set aside at least five units for Homeless Youth. The elevated loan limits, which apply only to the Homeless Youth units, are available on the Department's website at: http://www.hcd.ca.gov/fa/mhp/HomelessYouth.html.

Sponsors using these elevated loan limits will use the Loan Limits "Chart B".

The maximum loan amount per project will remain $10,000,000.

M. Loan Terms and Security

Loans will have 55-year terms, and bear simple interest at the rate of three percent per year. For the first 30 years, annual interest payments will be required in the amount of 0.42 percent of the outstanding principal loan balance. The annual payment amount for the next 25 years will be set by HCD in year 30, and will be the minimum amount necessary to cover HCD's monitoring costs. Unpaid principal and accrued/deferred interest will be due at the end of the loan term.

Cash flow remaining after payment of all debt service, Operating Expenses, required reserves and allowable deferred Developer Fee and Distributions per UMR Section 8312 and 8314 shall be applied toward repayment of the MHP loan. If the terms of other public agencies' financing also require payments from remaining cash flow, the Department may agree to share the remaining cash flow with the public agencies in proportion to the respective loan amounts.

MHP loan documents will include a promissory note, deed of trust and regulatory agreement. The deed of trust and regulatory agreement may be subordinated to bond debt, and amortizing loans from institutional lenders and the federal government provided no balloon payments are due prior to the end of the MHP loan term. MHP loans may not be subordinated to local public agency loans or restrictions attached to these loans, unless the amount of the local agency loan is at least twice the amount of the Department's total assistance to the project, including both loans and grants per Section 7306 (e) and UMR Section 8315.

The MHP loan must be secured by the fee or a leasehold interest in the property acceptable to the Department. The term of a leasehold interest must be at least 90 years (65 years where the lessor is a public entity) from the date the MHP loan closes, excluding any unexercised lease extensions. If the MHP loan is secured by leasehold, the owner of the fee and the borrower must sign the Department's standard form lease rider, unless the lessor will sign the MHP deed of trust secured by the fee. See UMR Section 8316 for other leasehold requirements.

N. Rent and Occupancy Limits

MHP assisted unit rent and tenant incomes will be restricted in accordance with the rent and income limits proposed by the project sponsor in their MHP application, with rents not exceeding 30 percent of the applicable income limit. The maximum possible income and rent limits are those set by the TCAC, using its calculation methods: 60 percent of Area Medium Income (AMI), adjusted by household size, and 30 percent of 60 percent of AMI, adjusted by bedroom size. These maximum limits are available on the TCAC website at http://www.treasurer.ca.gov/ctcac/.

Projects will be underwritten at the rent limits for the income levels proposed in the application. The Program's maximum 1.20 debt coverage ratio limit will be applied using the maximum rents allowable.

Assisted unit rent increases will be limited in accordance with the rules governing tax credit units and Section 7311 and 7312. Where the project receives Section 8 or other rental assistance subsidies, "rent" is defined as the tenant's contribution, rather than the contract rent level. Sponsors of this type of project will be required to continue the rental

assistance as long as it is available. Projects with rental subsidies must also be feasible with 50 percent of AMI rents for units garnering income-targeting points in the event the rental assistance is terminated. Projects receiving project-based rental assistance shall be required to fund a transition reserve in accordance with Section 7312(f)(2).

O. Developer Fees and Distribution Limitations

Developer Fees mean the same as the definition of that term in the CCR, Title 4, Section 10302 and includes Financial Consulting Costs. The Developer Fees are further limited in accordance with UMR Sections 8312 and 8314, and Distributions to the Sponsor out of operating income are also limited in accordance with UMR Sections 8312 and 8314.

The value of land donations received from city and/or county jurisdictions, master developers or other entities which are not the Sponsor or an affiliate of the Sponsor will not be counted as a capital contribution to increase Developer Fee limits as described in UMR Section 8312(d).

Furthermore, cash contributions received by the Sponsor or an affiliate of the Sponsor from master developers or other entities that are not controlled by the project Sponsor or co-Sponsor, where such cash contributions are contingent upon the development of the affordable housing project, may not be counted as a capital contribution to increase Developer Fee limits.

Developer Fees are all funds paid at any time as compensation for developing the proposed project to include all development consulting fees, processing agent fees, developer overhead and profit, construction management oversight fees if provided by the developer, personal guarantee fees, syndicator consulting fees, and reserves in excess of those customarily required by multifamily housing lenders. The Department has interpreted this definition to include any lease-up fees, incentive fees, or other property management fees, in excess of those customarily charged by property management firms for lease-up activities, which are paid to the Sponsor or co-Sponsor, or a management company affiliated with the Sponsor or co-Sponsor.

P. Projects for Populations with Special Needs

Sponsors of Special Needs Populations' projects must submit a specific, feasible plan for delivery and funding of tenant services for Department approval and will be required to meet minimum threshold criteria for experience and the provision of services. MHP funds may not be used to fund tenant services. Sponsors must not violate laws barring housing discrimination. HCD will review proposed tenant selection criteria for potential violations of these laws. HCD may condition funding on the elimination of restrictions that it believes to be impermissible, or reject an application where it determines that compliance with applicable law is not feasible.

Fair Housing is a very complex, and in many ways, unsettled area of law. Sponsors are encouraged to seek professional advice if there is any doubt that their proposal may run afoul of non-discrimination and fair housing laws. A useful resource is "Between the Lines: A Question and Answer Guide on Legal Issues in Supportive Housing" published by the Corporation for Supportive Housing. This document is available online at www.csh.org or by calling the publisher at (510) 251-1910.

In evaluating tenant selection criteria for Special Needs Populations applications, HCD will first examine whether the criteria resulted from federal or state funding, as an indicator of legislative authorization. It will then review other aspects of the selection criteria, the services and facilities proposed to meet the needs of the targeted group and

the proposed sources of other funding. If an applicant disagrees with HCD's determination, it may seek an alternate opinion from the California Department of Fair Employment and Housing (DFEH). HCD will defer to DFEH's opinion. Please be advised that a proposal may have substantial discrimination problems even though it targets a group specifically listed in the definition of Special Needs Populations in Section 7301.

Q. Funding Compatibility

Sponsors typically anticipate using an array of funding sources for the construction and permanent financing of their projects. The sponsor should determine, prior to applying for the MHP funds, that the requirements of the non-MHP funding sources are compatible with the requirements of the MHP. For example, compatibility issues have arisen with local and federal funding sources related to:

- The required terms of the MHP security when the security for the MHP loan is in a leasehold interest (UMR Section 8316);
- The MHP prohibition of senior debt that has a provision for a "balloon" payment. Often bond financing provisions include interest rate resets with potential calls prior to the full amortization term of the loan. Any interest rate resets or similar provisions governing senior debt shall contain a specified interest rate cap, subject to the approval of the Department and shall not jeopardize the feasibility of the project;
- Under MHP, senior debt with a variable interest rate is underwritten at the ceiling interest rate;
- The mandatory payment to HCD of the 0.42 percent debt service;
- The MHP requirement to target some of the project rents to extremely low income households that are below the federal income eligibility standard; and
- The state statutory requirement that projects financed with MHP pay no less than the state prevailing wage rate.

R. Senior Housing Distribution

Health and Safety Code 50675, as amended by AB 927, requires that "MHP funds be expended for senior rental housing developments proportional to the percentage of lower-income elderly renter households in the state that are lower-income elderly renter households in the state, as reported by the federal Department of Housing and Urban Development". Therefore, under this NOFA, sufficient funds will be allocated so that approximately 15.9% of the total units funded will be reserved for units that are lawfully restricted to senior citizens in projects that meet the threshold eligibility and point score requirements.

Occupancy restrictions must be carried out in a manner which does not violate state or federal fair housing laws. Due to the complexity of the law, applicants are encouraged to consult with qualified professionals to determine a project's ability to legally restrict occupancy to seniors.

Applicants seeking to participate in the senior housing set-aside must submit an attorney's opinion acceptable to the Department describing the intended occupancy rules and how they comply with the Unruh Civil Rights Act in the California Civil Code and the Fair Employment and Housing Act in the California Government Code.

S. Geographic Distribution

MHP's enabling statute requires the program to "ensure a reasonable geographic distribution of funds." To prevent an extreme imbalance in funding, no less than approximately 45 percent of the total funds awarded under this NOFA will be awarded to projects in Southern California, 30 percent will be awarded to projects in Northern California, and 10 percent will be awarded to projects in rural areas.

For the purpose of geographic distribution, Southern California includes the counties of Kern, San Bernardino, San Luis Obispo, and all counties to the south. Northern California includes all other counties of the state. "Rural" is defined to be consistent with the definition used by TCAC for the tax credit program, and a list of rural areas as well as the methodology to determine Rural or Non-Rural status, can be found at TCAC's website, http://www.treasurer.ca.gov/ctcac/.

T. Prevailing Wage Requirements

Pursuant to Health & Safety Code Section 50675.4(c)(2), projects receiving assistance under this NOFA are subject to State prevailing wage law, as set forth in Labor Code Section 1720 et seq.

U. Important Legal Matters

HCD reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such an action occurs, HCD will notify all interested parties.

Article XXXIV of the California Constitution requires advance voter approval of certain publicly funded and regulated low-income housing projects. Projects funded by MHP must either have Article XXXIV approval or be exempt from the need for this approval.

All applications are subject to the considerations discussed in Section P regarding compliance with laws barring housing discrimination.

V. Application Point Scoring

The criteria that will be used to competitively score projects are described in Section 7320, and summarized below. In assessing whether a project is "At-Risk," MHP will use the same standards as TCAC. TCAC 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 TCAC regulations at section 10325 (g) (5) (B) (i), as well as meet additional TCAC requirements.

Criterion	Max. Points	Notes
Extent Project Serves the Lowest Income Levels	35	The income levels referenced in the regulations are posted on the Department website.
Extent the Project Addresses the Most Serious Local Housing Needs	15	If a market study is submitted, it must be performed by a qualified third party in accordance with the Department's application of TCAC Market Study Guidelines, as specified in the MHP Application form.
Development and Ownership Experience of the Sponsor	20	Sponsors using alternative scoring methods in this category are advised to communicate with the Department in order to receive technical assistance.
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.
Leverage of Other Funds	20	Sponsors of projects containing commercial space are advised to communicate with the Department in order to receive technical assistance.
Project Readiness	15	Projects must have all construction financing and all soft financing committed (exceptions are noted in MHP Regulation Sections 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 subcategory will receive full points in this category.
Total	150	

Projects must receive a minimum point score of 12 in the Development and Ownership Experience of Sponsor category (Item D3) and a minimum point score of 10 in the Project Readiness Category (Item D5), as determined by HCD staff, in order to be considered for a funding award or score a minimum of 125 total points.

Tiebreaker: In the event of tied point scores, the Department shall rank tied applications based on the lowest weighted average affordability of restricted units per Section 7320.

W. Disclosure of Application

Information provided in the application will become a public record available for review by the public pursuant to the Public Records Act. As such, any materials provided will be disclosable to any person making a public records request. As such, we caution you to use discretion in providing us with information that is not specifically requested, including but not limited to, bank account numbers, personal phone numbers and home addresses. By providing this information to the Department, the Sponsor is waiving any claim of confidentiality and consents to the disclosure of all submitted material upon request.

Do not hesitate to contact the Department if you should have any questions regarding the NOFA, the application, the application process, or necessary documents at any time during the application preparation period.

Questions should be directed to the MHP program staff at (916) 323-3178. Thank you for your interest in the Multifamily Housing Program.

Sincerely,

Chris Westlake
Deputy Director

Attachment(s)

Attachment 1

Multifamily Housing Program Workshop Round 1C-3, 2008 Registration Form

The Multifamily Housing Program (MHP) Workshop is designed to provide training on the MHP application and technical assistance for applicants. It is strongly recommended that you attend. If you plan to attend, please complete and submit this single page (no cover sheet needed) to the MHP program staff.

- Please RSVP at least 24 hours before the workshop date by filling out this document and submitting it to bstolk@hcd.ca.gov or FAX (916) 445-0117.
- Refer registration questions and forms to HCD Staff at (916) 323-3178.

Name of Attendee(s):	
Organization's Name:	
Address:	
City, Zip Code:	
E-mail:	
Phone Number:	
Fax:	

Workshop Location: (please check one)

_____Sacramento
_____Fresno
_____Riverside
_____Los Angeles