

Multifamily Finance Super NOFA

March 2023





Multifamily Finance Super NOFA Program Team

- Branch Chief – Gina Ferguson
- Program Representative:
 - Grace Edpalina
 - Debora Smith
 - Nancy Kim
 - Zack MacArthur



Housekeeping

General Rules

Mute your microphones

Take time and make time

Questions and responses

Introduction of Format

Scheduled break

Workshop timing

Project specifics



Agenda

Presenter	Topic
Becky	Round I Summary & Round II Introduction
Grace	Threshold
Sean	VHHP Supportive Services
Debora	Rating & Ranking (Scoring)
Nancy	Feasibility
Zack	Application Submittal and Resources



Round 1 Applications Received

- 248 applications requested \$3.5 billion in program funds.

Program	Funding Available	Applications with Program Funding Requests	Total Program Funds Requested
MHP	\$275 million	189	\$2.86 billion
IIG	\$200 million	96	\$405.78 million
VHHP	\$95 million	14	\$111.17 million
Serna	\$80 million	26	\$151.57 million



Round 1 Achievements

Program	Total Program Funds Awarded	Number of Projects Funded	Number of Units Funded
MHP	\$ 371,974,319	25	1,928
IIG	\$ 195,004,238	46	4,370
VHHP	\$ 74,806,597	9	725
FWHG	\$ 49,483,445	11	818
Total	\$ 691,268,599	72	6,373

MFSN Round Two Introduction





Program Funding Breakdown

Funding Program ²	Approximate Funding Available
Multifamily Housing Program (MHP)	\$236 million
Infill Infrastructure Grant Program (IIG-2019)	\$168 million
Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program	\$110 million
Veterans Housing and Homelessness Prevention (VHHP) Program	\$62 million
Total Multifamily Finance Super NOFA fund available:	\$576 million*



The NOFA Highlight

- Loan Limits
 - \$250,000 per MHP Restricted unit
 - \$300,000 per FWHG or VHHP Assisted unit
 - \$25,000 increase
- IIG Qualified Infill Project (QIP) Funding Limits
 - the bedroom count and number of units
 - the density and affordability of the housing to be developed



The NOFA Highlight

- Loan Limit and Award Caps
 - Stacking Prohibition vs Stacking Permission
 - Max \$50,000,000 in Department Funds per Project
 - Each Applicant is limited to \$80,000,000 in Super NOFA funds



Funding Targets and Statutory Set-Asides

Set-Asides	
(1) 30 million IIG Adaptive Reuse (2) 20% of MHP funds for Senior Housing Projects.	
Targets	
Emerging Developer (ED)	7.5%
Community-Based Developer (CBD)	7.5%
Geographic Distribution of Funds	44%/28%/18%



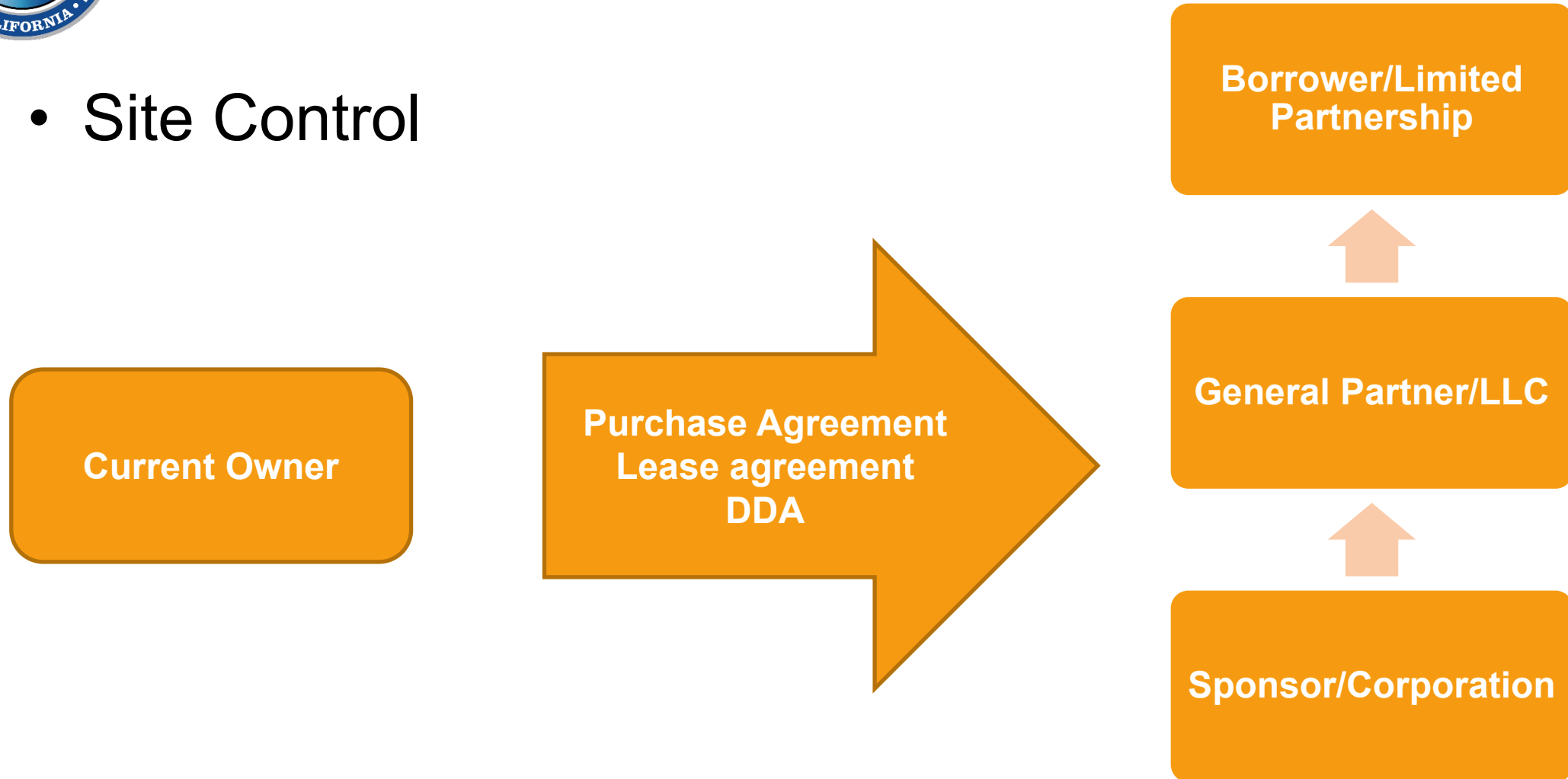
Scoring and Ranking

- ED/CBD targets
 - Skipping rule
 - Experience point
 - Priority
- High/Highest Resource Areas
- 85 minimum points
- Incomplete application/ low-scores or ranking



Lessons Learned

- Site Control





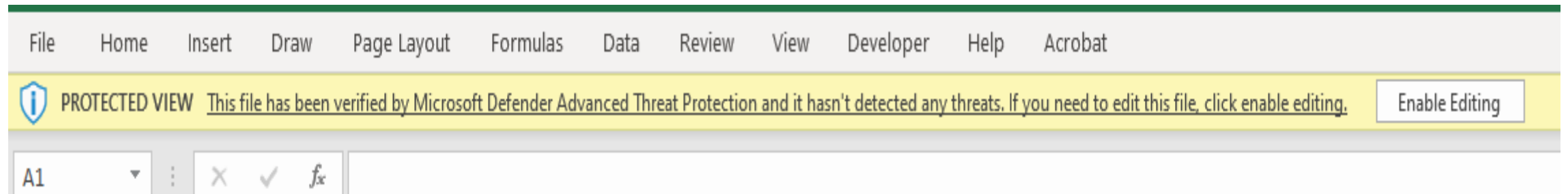
Lessons Learned

- Principal experience
- Phase I Environmental Site Assessment
- Identification number
- Project change
- IIG award Payee
- Serna program requirements
- Tiebreaker – land donation



Lessons Learned

- Enable Macros on Excel application

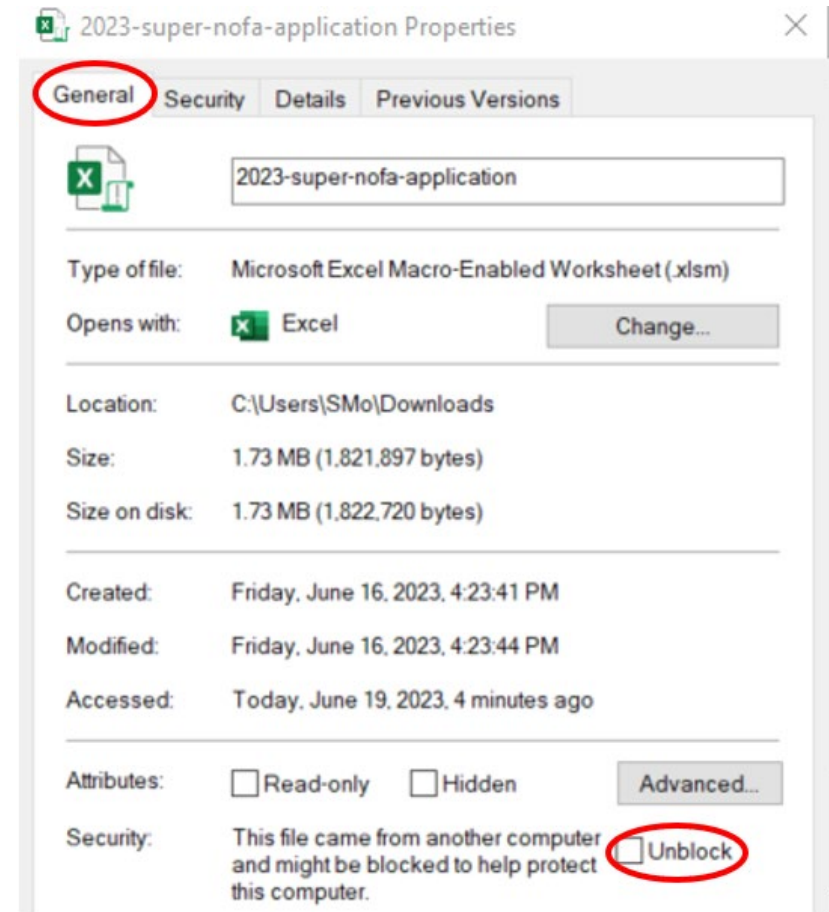




Lessons Learned

Resolution:

File properties → General → Unlock





Schedule

NOFA Release	May 18, 2023
Application Release	June 1, 2023
Application Portal Release	June 1, 2023
Application Due Date	July 12, 2023 by 4pm PDT
Award Announcement	Winter 2023/2024

Threshold





Universal Threshold Review

- Eligible Sponsor
- Eligible Project
- Site Control
- Program Specific Requirements
- Complete Application



Eligible Sponsor

An eligible Sponsor shall be any:

Individual	Corporation
Joint Venture	Cooperative
Partnership	Local Public Entity
Limited Partnership	Tribal Entity
Limited Partnership in which the Sponsor or an affiliate is a general partner	Other Legal Entity – Check Guidelines
Trust	Or Any Combination



Eligible Sponsor

- Sponsor experience requirements
 - One (1) Rental Housing Developments (RHD)
 - Equivalent in size, scale, level of amenities, and occupancy with the proposed project
 - May use controlled affiliated entities or principals' experience
 - Tribal Entities/Community-Based Developers/Emerging Developers
 - Can apply on their own or
 - Apply with an experienced co-sponsor



Eligible Sponsor

- Sponsor shall demonstrate capacity
 - Adequate staff, capital, assets and other resources
- Sponsor shall maintain direct and continuing control of the RHD
- Sponsor shall be the recipient or co-recipient of the Department's award of funds



Eligible Sponsor Tribal Entity

- Tribal Entity is an Applicant/Sponsor that is any of the following:
 - An Indian Tribe
 - A Tribally Designated Housing Entity
 - If not a federally recognized tribe as identified above, either:
 - (a) Listed in the Bureau of Indian Affairs Office of Federal Acknowledgment Petitioner List; or
 - (b) Indian Tribe located in California that is on the contact list maintained by the Native American Heritage Commission



Eligible Sponsor

Emerging and Community-Based Developer

- Emerging Developer is:
 - An eligible entity, including a Tribal Entity
 - Developed, owned, or operated at least 1 but not more than 4 Rental Housing Developments
- Community-Based Developer is:
 - An eligible entity, including a Tribal Entity
 - For the past 24 months have been located and operating exclusively from their community
 - Must be in Low Resource, Moderate Resource, or High Segregation & Poverty area
 - 5 years delivering culturally competent services/community development programs
 - Corporate office within 10 miles of proposed project (Rural within 20 miles)



Eligible Project

- Development type must be:
 - New construction, Rehabilitation or Conversion
 - Must contain five (5) or more Units
- Shall not have commenced construction
- Location should meet the needs of the tenants
- Projects proposed by Tribal Entities:
 - Located in Indian Country, or
 - Located on fee or trust land within CA



Eligible Project

- Project must meet the following requirements:
 - Fair housing
 - Article XXXIV
 - Accessibility
 - Environmental condition
 - Local Approvals and Environmental Review Verification form
 - Broadband service
 - 25Mbps/3Mbps



Site Control

- At the time of application, the Sponsor must demonstrate Site Control
 - Sponsor shall maintain site control through award date
 - Documentation must be:
 - Name of the Sponsor
 - Entity controlled by the Sponsor
 - Organizational documents submitted with the application must clearly demonstrate sponsor control
 - Projects developed in Indian Country:
 - Ground lease not less than 50 Years
 - Title Report or attorney's opinion letter



MHP Threshold Requirements

- Multifamily Housing Program (MHP)
 - One or more eligible project types:
 - Large Family, Senior, Farmworker Housing, At High Risk, Special Needs
 - Special Needs Project
 - Experienced Sponsor, Property Manager, Lead Service Provider
 - Coordinated Entry System
 - Supportive Services Plan
 - Integration of targeted populations



MHP Threshold Requirements

- Large Family
 - At least 25% of Restricted Units have three or more bedrooms
 - Minimum of an additional 25% of Restricted Units have two or more bedrooms
- Senior
 - All units restricted to residents per Ca Civil Code & Fair Housing Act
- Farmworker Housing
 - At least 25% of the units are available to Agricultural Households
 - At least 10% of those units should be at or below 30% AMI
- At High Risk



IIG Threshold Requirements

- Infill Infrastructure Grant Program (IIG)
 - Qualifying Infill Project (QIP)
 - Meet the definition in Appendix A and IIG Guidelines
 - Include more than 15 percent of affordable units
 - Meet the net density requirement
 - Locate in mixed-use or residential development
 - Offsite work requires
 - Right of way, easement or executed encroachment permit



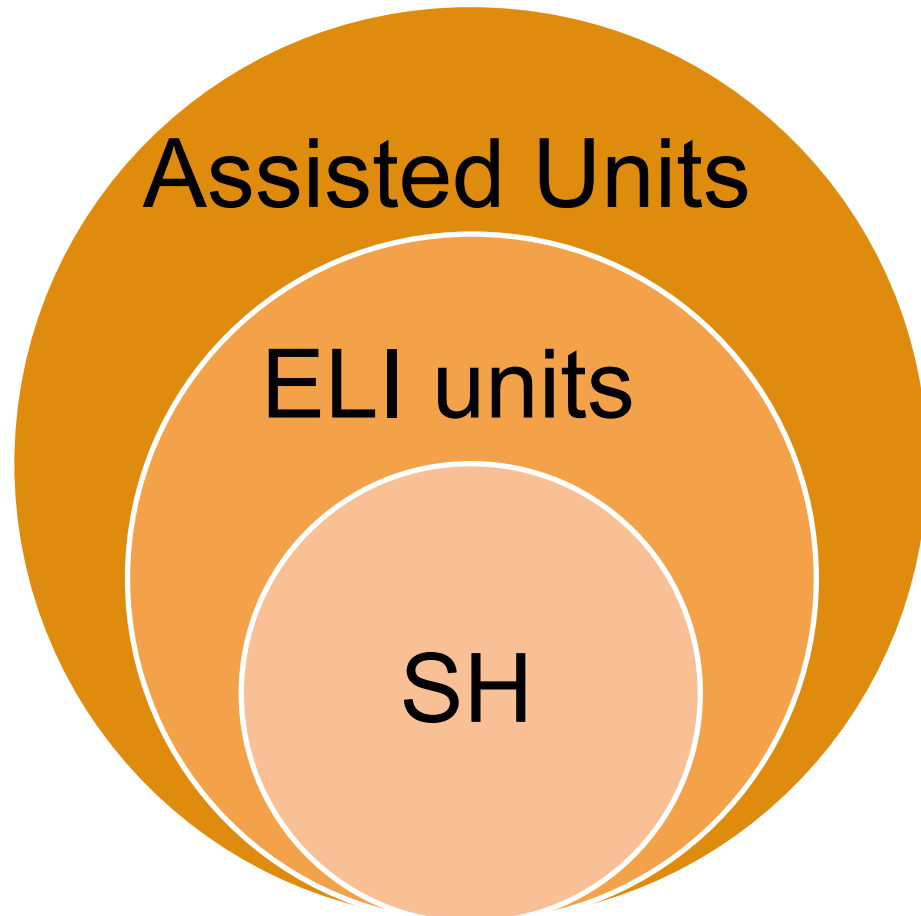
Serna Threshold Requirements

- Joe Serna, Jr. Farmworker Housing Grant Program (Serna) / (FWHG)
 - Sponsor must be a non-profit (entire Borrower structure)
 - Independent from any direction of, or control by a for-profit
 - Occupancy requirement
 - At least 25% restricted to Agricultural Households
 - At least 10% at 30% AMI restricted to Agricultural Workers
 - Rent limit
 - Project funding limit based on farmworkers in County



VHHP Threshold Requirements

Veterans Housing and Homelessness Prevention Program (VHHP) Occupancy Requirements:



- The greater of 25 percent of total Units in the Project or 10 Units to VHHP Assisted Units,
- At least 50% of those Assisted Units to Extremely Low Income (ELI) veterans, and
- 60% of the ELI Assisted Units shall be Supportive Housing (SH)



VHHP Threshold Requirements

- Veterans Housing and Homelessness Prevention Program (VHHP)
 - Supportive Services Plan
 - Resident services coordination
 - Confirmation of local need
 - Disabled Veteran Business Enterprise (DVBE)



Complete Application

Application Document Checklist

Instructions for Application submission:

The following is a FULL list of ALL possible items that may be necessary to upload to HCD portal. Use the electronic file name descriptions below for the electronic submission via HCD portal. Application materials, Application workbook, and supporting documentation must be submitted no later than **4:00 p.m. Pacific Daylight Time on July 12, 2023.**

Electronic File Name	Document Description	Included?
01. Document Checklist	Document Checklist.	
02. Application	Super NOFA Excel Application.	

Per Application / must Include

✓
✓

From "Project Overview" Sheet/tab

03. CBD Funding Target	Please explain in detail how the Community-Based Developer meets all requirements for this Funding Target.	
04. Urban Area	Provide documentation of location in an Urbanized Area.	
05. Capital Improvement Project	Applicant narrative and documentation evidencing Capital Improvement Project is an integral part of, or necessary to facilitate the development of the Qualifying Infill Project(s) identified in the application.	
06. Integration Plan	For Special Needs Projects provide an Integration Plan that demonstrates how Sponsor/Applicant will meet MHP §7302(g) requirements.	

✗
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VHHP Lead Service Provider Threshold Requirement





Lead Service Provider Supportive/Transitional Housing Units

- A VHHP project that includes Supportive Housing (SH) or Transitional Housing (TH) units, must utilize a Lead Service Provider (LSP) meeting the following requirements:
 - At least 4 years of experience providing comprehensive case management to individuals/households experiencing homelessness
 - Two of those years - permanent SH or TH specific to Veterans within the last 10 years
 - Remaining years can be accounted for with area-based case management such as Supportive Services for Veteran Families (SSVF) or similar
 - For projects seeking to qualify LSP with Section 201(I)(1)(B)(ii), verifiable proof of 20% veteran occupancy must be provided. If no proof can be provided, this option cannot be used.

VHHP Supportive Services Plan Threshold Requirements





Supportive Services Plan VHHP Threshold Requirements

Supportive Services Plan (SSP) that passes VHHP threshold will provide clear and comprehensive detail:

Tenant screening/selection – Housing First	Supportive Services safety/security and engagement
Service delivery model practices	Adequacy of staffing chart & services budget
Supportive Services provided to veteran tenants	Services collaboration, measurable outcomes & plan for evaluation
Supportive Services coordination	Required supporting documentation



Supportive Services Plan

Tenant Screening/Selection - Housing First

- Tenant screening and tenant selection commitments and activities, to include: **(Part I)**
 - Specific criteria used to determine eligibility (income, homeless status, dependents, background, other) **(Section 1.1b, d through g)**
 - Other specific criteria that leads to rejection of tenancy application (rental, credit, criminal history) **(Section 1.1c)**
 - Coordinated Entry System (CES) referrals, including CES and property management activities **(Section 1.1e)**
 - Marketing/Outreach must be consistent with and expand on statements in **(Sections 1.1e & 1.2a-1.2d)**



Supportive Services Plan Service Delivery Model Practices

- How best practices will be utilized (**Part II, Section 2**)
Descriptions must include the following detail:
 - Policy regarding use of practice (rules governing staff interact with veteran tenants, including roles and responsibilities)
 - Procedures or implementation of practice (specifically how practice will be used to benefit veterans)
 - Training plans (initial training of new staff and periodic training thereafter)



Supportive Services Plan

Supportive Services

- Supportive Services provided to veteran tenants who qualify for VA healthcare and separate detail for those who do not (**Part III, Section 1**)
Required description includes:
 - Service description
 - Identification of direct service provider
 - Transportation provision plan for off-site services
- Commitment letters from direct providers required for all services (including a signed U.S. Dept of Veterans Affairs Support Form (Part III, Section 3)).



Supportive Services Plan

Supportive Services Coordination

- Supportive Services access (**Part III, Section 2 & 3**)
Required description includes:
 - Transportation provided at no cost to veteran tenant who needs it for off-site services (**Sections 2.1 & 2.2**)
 - Other types of service linkage and transportation assistance provided
 - Description of utilization of veteran programs and resources (**Section 2.3 - 2.10**)
 - Identification of cultural, trauma- and disability-related barriers to services and strategies to mitigate (**Sections 2.1 & 2.2**)



Supportive Services Plan

Supportive Services Engagement

- Supportive Services safety/security and engagement (**Part IV**)
Required description includes:
 - Effective strategies to engage veterans in social interaction, building operations, community involvement and planning and delivery of services including specifically for those w/disabilities (**Sections 1.1, 1.3, 1.6 & 2**)
 - Must describe for both individual and group services (**Section 1.3**)
 - Physical building attributes to support social interaction and services provision and safety and security considering specific needs of Target Populations (**Sections 1.4 & 2.3**)
 - Tenant satisfaction survey that it administered at least annually including how complete survey results are made available to veteran tenants (**Section 1.5**)
 - Safety and security policies and procedures considering specific needs of Target Populations (**Section 2.1, 2, & 4 through 7**)



Supportive Services Plan

Adequacy of Staffing Chart & Services Budget

- Adequacy of staffing (**Part V**) and Supportive Services income sources and expenses (**Part VI**). Required description includes:
 - Adequate level of staffing (full-time equivalent (FTE)) outlined in the Staffing Chart needed to satisfy Staffing Ratio requirement (**Part V, Sections 1 & 2**)
 - All committed staff must be listed, including “in-kind” staffing such as VA Case Managers, nurses, and peer support specialists through HUD-VASH
 - Required experience and education consistent with required job descriptions (**Part V, Section 1**)
 - Adequacy of budget and extent to which the major services funding sources have been accessed in the past (**Part VI, Section 2.1 through 2.3, Section 3**)
 - Specific plan for filling gaps in services funding during the life of the project (**Part VI, Section 2.4**)



Supportive Services Plan Collaboration, Outcomes, and Evaluation

- Supportive Services collaboration, measurable outcomes, and plan for evaluation (**Part VII**)
Required description includes:
 - Narrative of collaboration between LSP, Sponsor/Owner, and contracted services providers (**Section 1**)
 - Specific and measurable outcomes intended for each veteran target population served and specific and measurable performance indicators (**Section 2**)
 - Plan for evaluation of specific data used to measure outcomes including the specific individual responsible for the evaluation (**Section 3**)
 - Listing challenges in collecting, tracking, and analyzing data will not be acceptable



Supportive Services Plan Required Supporting Documentation

- Supporting items required at application:
 - Formal agreement between Sponsor and Lead Service Provider (comprehensive and consistent with the SSP and other supporting documentation)
 - Commitment letters from direct providers of Minimum Services (and Enhanced Services if available at the time of application)
 - Job description of all staff positions that includes education/experience required and veteran-oriented case management activities consistent with the SSP
 - Signed U.S. Department of Veterans Affairs Support Form form signed by appropriate executive leadership at local VA healthcare system
 - Executed public agency contracts for Lead Service Provider eligibility
 - Documentation showing relevant reporting to public contracting agency

Disabled Veteran Business Enterprise (DVBE) Veteran Hiring Plan Requirements





Disabled Veterans Business Enterprises

- Entities certified as Disabled Veterans Business Enterprises (DVBE) shall receive an amount at least equal to 5% of total construction costs for work performed or supplies provided
 - DVBE Plan Administrator (with application)
 - DVBE Utilization Plan description (with application)
 - Bid Solicitation, working with CalVet
 - DVBE Pre-Construction Report is due prior to construction loan closing
 - DVBE Post-Construction Report is due before permanent loan closing



Veterans Hiring Plan Requirements

- Sponsors shall make good faith efforts to hire veterans for development, construction and related jobs associated with the Project
 - Hiring Plan description (with application)
 - Employer Resource Guide (available upon request)



CalVet Contact Information

Sean Johnson, VHHP Program
Manager

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<vacant>, Policy & Data Management

Pamela Norman, Support Services

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Desiree Guluarte, DVBE Coordination

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desiree.guluarte@calvet.ca.gov



Break **Ten**
minute
break



Rating and Ranking Universal Scoring Criteria





Universal Scoring Criteria

Scoring Categories	Points
Serving Lowest Income Levels	30
Addressing State Policy Priorities	18
Project Sponsor and Property Management Experience	20
Project Readiness	20
Adaptive Reuse/Infill/Proximity to Amenities/Sustainable Building Methods	20
Cost Containment	5
Universal Total	113



Scoring Criteria

Serving Lowest Income Levels

- Serving Lowest Income Levels (30 points maximum)
 - Percent of Restricted Units at 20-50% AMI (55% for Rural)
 - Minimum 10 percent at 30% AMI spread across bedroom sizes

Points Available to Rural Area projects only.	% AMI	55%		50%		45%		40%		35%		30%		25%		20% and below		Total Points	
	% of Units	Points Available	Points Awarded	Points Available	Points Awarded	Points Available	Points Awarded	Points Available	Points Awarded	Points Available	Points Awarded	Points Available	Points Awarded	Points Available	Points Awarded	Points Available	Points Awarded		
	50%	5.00		12.50		16.90		17.50		18.75		30.00	30.00	30.00		30.00			30.00
	45%	5.00		11.25		16.90		17.50		18.75		30.00		30.00		30.00			0.00
	40%	5.00		10.00		15.00		17.50		18.75		27.50		30.00		30.00			0.00
	35%	4.40		8.75		13.15		17.50		18.75		25.00		27.50		30.00			0.00
	30%	3.75		7.50		11.25		15.00		18.75		22.50		25.00		30.00			0.00
	25%	3.15		6.25		9.40		12.50		15.65		18.75		21.90		25.00			0.00
	20%	2.50		5.00		7.50		10.00		12.50		15.00		17.50		20.00			0.00
	15%	1.90		3.75		5.65		7.50		9.40		11.25		13.10		15.00			0.00
10%	1.25		2.50		3.75		5.00		6.25		7.50		8.75		10.00	10.00	10.00		



Scoring Criteria

State Policy Priorities

- State Policy Priorities (18 points maximum)
 - High/Highest Resource Area sites (5 points)
 - Designated Program Assisted Units serving Special Needs Populations, Agricultural Households (10 points maximum)
 - Public Excess Lands (3 points maximum)



Scoring Criteria

State Policy Priorities

- High or Highest Resource Area sites (5 points)
 - Point advantage is “turned off”/”soft cap” after 48% of NOFA funds have been allocated to sites in these locations
 - Available to new construction and Adaptive Reuse Projects
 - Available to all project types except:
 - Senior projects do not qualify unless they also qualify as a Special Needs project



Scoring Criteria State Policy Priorities

- Percent of units assisting Special Needs & Agricultural Households (10 points maximum)
 - To receive points as a rehabilitation project, must be either At High Risk or an SRO conversion and rehabilitation work of least \$60,000 per unit
 - Automatic points for these rehabilitation projects to ensure there is no incentive for existing tenant relocation

Special Needs, Agricultural Households

Total percent of Super NOFA Funded Units	Points
25%+	10 points
16% - 24%	9 points
10% - 15%	8 points



Scoring Criteria Public Excess Lands

- New Construction located on a site under Executive Order [N-06-19](#) (3 points)

OR

- New Construction located on a site designated as surplus land by a local government (2 points)



Scoring Criteria

Sponsor/Applicant Experience

- Project Sponsor/Applicant and Property Management Experience (20 points maximum)
 - Development and Ownership Experience (15 points maximum)
 - Property Management Company Experience (5 points maximum)
 - Negative Points (see policy for maximum points)



Scoring Criteria

Sponsor/Applicant Experience

- Development and Ownership Experience (15 points maximum)
- For IIG funds only Applicant experience is evaluated

5 Projects in service >3 years	3-4 Projects in service >3 years
15 points	10 points
Each of these projects must have a minimum of 11 affordable units subject to recorded regulatory agreement	
Including 1 project in service >5 years	
Including 2 HCD and/or TCAC projects	



Scoring Criteria

Sponsor/Applicant Experience

- Development and Ownership Experience for Special Needs Projects/Community-Based Developers (15 points)

Special Needs projects	Community-Based Developers
4 or more <u>Special Needs</u> projects in service >3 years	4 or more projects in service >3 years
Each of these projects must have a minimum of 11 affordable units subject to recorded regulatory agreement	
Including 1 HCD and/or TCAC projects	
Property manager shall have 3 or more years experience serving target population(s) proposed	



Scoring Criteria

Sponsor/Applicant Experience

- Required self-certification that the projects for which points are requested have maintained Fiscal Integrity for the year in which each project's last financial statement has been prepared
- In service for at least 3 years
- Positive cash flow from residential income alone
- Funded all reserves in accordance with the ownership entity's partnership or operating agreement & loan documents



Scoring Criteria

Property Management Experience

- Property management experience (5 points maximum)

11 or more projects managed over 3 years	6-10 projects managed over 3 years
5 points	3 points
Each of these projects must have a minimum of 11 affordable units subject to recorded regulatory agreement	
Including 2 HCD and/or TCAC projects	
Executed property management agreement required	



Scoring Criteria

Property Management Experience

- Property management experience for Special Needs projects or Community-Based Developers (5 points)

Special Needs projects	Community-Based Developers
4 or more <u>Special Needs</u> projects in service >3 years	4 or more projects in service >3 years
Each of these projects must have a minimum of 11 affordable units subject to recorded regulatory agreement	
Including 1 HCD and/or TCAC project	
Executed property management agreement required	



Scoring Criteria

Negative Points

- An application's experience score will be reduced by any assessed negative points
 - For complete information see:
 - [Negative Points Policy](#)
- HCD will notify the Sponsor/Applicant in writing in the initial point score letter
 - Please refer to the [Super NOFA](#) document for the appeals process
 - Contact the Asset Management & Compliance Branch to ensure compliance **before** submitting application
 - Complianceverification@hcd.ca.gov



Scoring Criteria

Project Readiness

- Project Readiness (20 points maximum, negative 5 points maximum)
 - Financing commitments (10 points maximum)
 - Local and Environmental approvals (7 points maximum)
 - Flexibility for Disaster Areas
 - Organization documents (3 points)
 - TCAC Hybrid project (Negative 5 points)



Scoring Criteria Project Readiness

- Readiness financing commitments (10 points maximum)

Enforceable Funding Commitments (EFC) for:

Construction Financing

Permanent Financing

5 points

5 points

Commitments exclude CDLAC bond allocation, 4% or 9% tax credits

Commitment of bond financing must be evidenced by a lender commitment for 4% projects



Scoring Criteria Project Readiness

- Readiness land use approvals (7 points maximum)
 - Land use approvals (5 points maximum)
 - Streamlined Ministerial Approval
 - Updates to FEMA Declaration
 - Fully formed borrower, organization documents (3 points)
 - TCAC Hybrid project (Negative 5 points)



Scoring Criteria

Adaptive Reuse / Infill / Proximity to Amenities / Sustainable Building Methods

- Infill development and Net Density (5 points)
- Proximity to amenities (5 points maximum)
- Broadband access (5 points)
- Sustainable building methods (5 points maximum)



Scoring Criteria

Infill Development / Net Density

- Infill Development and Net Density (5 points)
(Including adaptive reuse of a vacant and underutilized non-residential building)
 - Must meet one of the following:
 - Minimum % of the site either previously improved or adjoining parcels with Urban Uses; or
 - Developed at average residential net densities



Scoring Criteria

Proximity to Amenities

- Proximity to amenities (5 points maximum)
 - Projects will receive 1/3 point per site amenity point that would be awarded under TCAC Regulations Section 10325(c)(4)(A) up to 5 points max
 - Eliminated point for Transit Stop within 1/4 mile of project



Scoring Criteria

Proximity to Amenities

- Proximity to amenities
 - Site Amenities must be appropriate for the target population
 - Applicant must submit amenities list and a Project area map

Service Amenities	Address	Distance from Project	TCAC Points
Senior Services Center	730 E Fulton St Stockton, CA 95204	0.01 miles	3
Oak Park	3545 Alvarado Ave, Stockton, CA 95204	0.01 miles	3
Transit: SJRTD bus stop	517 Fulton WB, Sacramento, CA 95204	0.03 miles	7
Calmont Pharmacy	2800 N California St #9, Stockton,	0.05 miles	2
Grocery: Alpine Market	2850 N California St, Stockton, CA 95204	0.04 Miles	5
Transit: Bus Station	El Dorado & Alpine NB	0.06 miles	7
Cleveland Elementary	20 E Fulton St, Stockton, CA 95204	0.20 miles	3

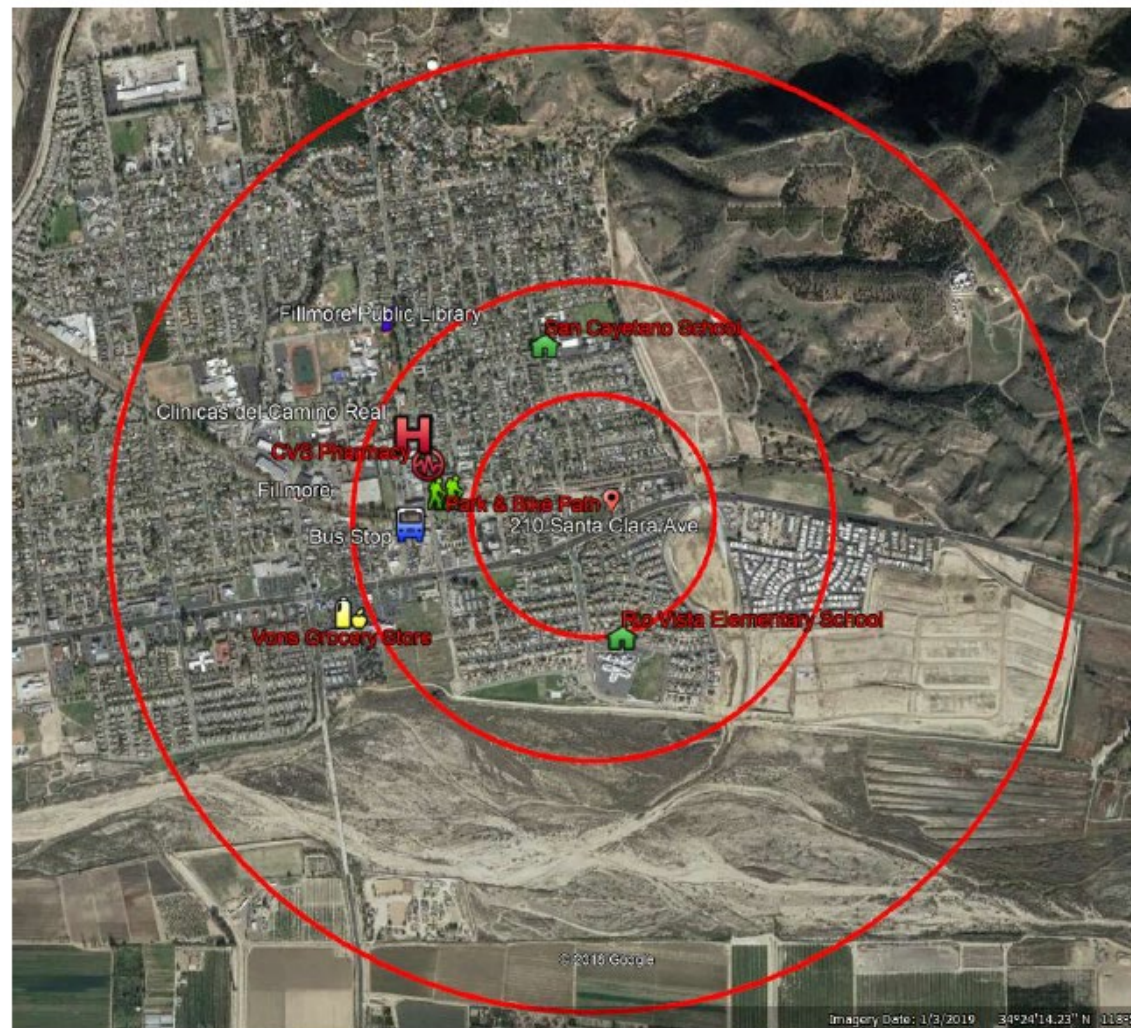


Scoring Criteria

Example: Amenities Map

Quarter, Half & 1 Mile Radius

- **Include information such as:**
 - Amenity type
 - Proximity to project
 - Radius circles showing distance from project





Scoring Criteria Broadband Access

- Broadband Access (5 points)
 - Residential dwelling units must accommodate broadband Service with at least a speed of:
 - 100Mbps downloading
 - 20Mbps uploading
 - Internet service (and its ongoing fee) is not required
 - The application includes a plan for reducing barriers to access for project residents.



Scoring Criteria

Sustainable Building Methods

- Sustainable Building Methods (5 points maximum)
 - Sustainable community options (2.5 points)
 - Sustainable community strategy or alternative planning strategy
 - A regional plan that includes policies and programs to reduce greenhouse gas emissions
 - A Project in which not less than 50 percent of the land area is within a Transit Priority Area
 - Electrification options
 - 5 points will be awarded for projects that are powered entirely through electricity with no connections to natural gas infrastructure
 - 3 points for projects that achieve near electrification



Scoring Criteria

Sustainable Building Methods

- Green building program options (5 points)

Program	Minimum Required Tier or Designation
CalGreen	Tier 2
U.S. Green Building Council LEED Certification	Gold
GreenPoint Rated	New Construction: Gold Rehabilitation: Whole Building
ENERGY STAR	Certified Home
Living Future Challenge	Living Building



Scoring Criteria

Cost Containment

- Cost Containment (5 points maximum)
 - Compares project total development cost to the county average, adjusting for unit size, AMI targeting

Total Eligible Basis per the Development Budget

Adjusted Threshold Basis Limit



Scoring Criteria Tiebreaker

- Tiebreaker three factors:
 - Weighted Average Affordability (CDLAC-aligned)
 - Units adjusted by bedroom size
 - 30% AMI floor for units with PBV, 40% AMI floor for all other units
 - Leverage of other funds
 - Amount of permanent funds other than MFSN
 - Local public land donations (private land donation values excluded)
 - Cost Efficiency (CDLAC-aligned)
 - Balanced approach

Feasibility





Total Development Cost

- Total Development Cost must match:
 - Development Budget
 - Permanent Funding Sources
- High-Cost Verification
 - If exceeds 160% explanation is required
 - May result in disqualification



Development Budget

- Contractor Overhead/Profit/General Requirements
 - Not to exceed 14% of site work and structures
- Hard-Cost Contingencies
 - Rental New Construction minimum of 5%
 - Rehabilitation minimum of 10%
 - Greater or less than the minimum requirement must be explained



Development Budget

- The following line items must be included in the Development Budget as separate costs:
 - Prevailing wages
 - Accounting
 - Misc. Items

Comments and explanation of basis changes or other general comments:

--	--



Development Budget

- “Other” costs specified

Other: **(Specify)**

- Other costs must be specified on the application
- Anytime an “Other” cost is added, remove “(Specify)” in parentheses and identify the cost.

Other: Legal for Perm	\$10,000
Other: Lender Costs	\$50,000
Other: (Specify)	\$0



**The following slides are applicable
for Loans and may not be required
for Grants.**



Development Budget Operating Reserve

Operating Reserve Calculator

1	Total Operating Expenses Excluding On-Site Service Coordinator Salaries. <i>Operating Budget Cell (S107) minus Operating Budget Cell (S100)</i>			TAX CREDIT Project 3 Month Reserve Required	NON-TAX CREDIT Project 4 Month Reserve Required	
	(a) Total Operating Expenses:	\$706,243	Amount subject to reserve calculation: <i>(a - b)</i>	\$608,933	\$152,233	\$202,978
	(b) <i>Minus</i> : On-Site Service Coordinator Salaries:	\$97,310				
2	Replacement Reserve amount from above: <i>(Cell AJ10)</i>			\$42,000	\$10,500	\$14,000
3	Debt Service (including all HCD 0.42% Fees and Bond Issuer Fee)					
	Name of Lender <i>Operating Budget cells (D125 to D137)</i>			Annual Debt Service Amount	TAX CREDIT Project 3 Month Reserve Required	NON-TAX CREDIT Project 4 Month Reserve Required
	1st Mortgage Debt Service (Specify)			\$198,601	\$49,650	\$66,200
	2nd Mortgage Debt Service (Specify)			\$0	\$0	\$0
	3rd Mortgage Debt Service (Specify)			\$0	\$0	\$0
	MHP .42% Fee			\$55,637	\$13,909	\$18,546
	Other HCD .42% (Specify)			\$0	\$0	\$0
	Other HCD .42% (Specify)			\$0	\$0	\$0
	Bond Issuer Fee			\$5,386	\$1,347	\$1,795
	Miscellaneous Financial Expenses (Specify)			\$0	\$0	\$0
Other (Specify)				\$0	\$0	
Totals			\$259,624	\$64,906	\$86,541	
UMR Required Operating Reserve Amount:				\$227,639	\$303,519	



Development Budget

- Other fund sources which require a higher reserve amount than the Department must be explained in the Comment section

RESERVES		
Operating Reserve	\$470,592	\$470,592
Replacement Reserve	\$0	\$0
Transition Reserve	\$588,902	\$588,902
Rent Reserve	\$0	\$0
Other: (On-Site Security Reserve)	\$400,000	\$400,000
Other: (Specify)	\$0	\$0
Other: (Specify)	\$0	\$0
Total Reserve Costs	\$1,459,494	\$1,459,494

Comments and explanation of basis changes or other general comments:
Operating Reserves- 6 months required by lender



Development Budget

- Project-Specific Transition Reserve and Pooled Transition Reserve Fund
 - Replaces project-funded transition reserve requirement from Round One
 - Administrative Notice 23-01 established the Department's Pooled Transition Reserve Fund Policy and took effect as of January 1, 2023
 - Requests to close under the previous HCD transition reserve requirements will be considered on a case-by-case basis.



Development Budget

- Exception to Pooled Transition Reserve Fund
 - Projects with operating subsidy from the City and County of San Francisco's Local Operating Subsidy Program (LOSP) may opt out of the Pooled Transition Reserve Fund



Development Budget

- Pooled Transition Reserve Fund
 - A one-time Transition Reserve Fee
 - Projects where the assistance is structured as an annual subsidy, the fee is 15 percent (15%) of the first-year maximum subsidy amount.
 - For projects where the assistance is structured as a total subsidy to be apportioned over a number of years, the fee is 15 percent (15%) of one year's worth of the total operating subsidy.
 - [HCD Transition Reserve Policy \(ca.gov\)](#)



Development Budget

- Transition Reserve Fee Waived
 - If a third-party investor or lender requires a project-specific transition reserve, HCD has the right to waive the requirement for the project to pay the Transition Reserve Fee.



Operating Budget

- The Department will review the Operating Budget to verify the following information is complete:
 - Employee Information
 - Bookkeeping/Accounting Services
 - 0.42% annual mandatory debt service for **all** HCD loans
 - Annual Bond Issuer Fee
 - Mandatory Debt Service



Operating Budget

EMPLOYEE INFORMATION

No.	FTE	Employee Job Title	Wages	Free Rent	Comments
1	1.00	On-Site Manager(s)	\$62,266	\$0	
1	0.32	On-Site Assistant Manager(s)	\$42,432	\$0	
		Supportive Services Staff Supervisor(s)	\$0		
		Supportive Services Coordinator, On-Site	\$0		
		Other Supportive Services Staff (inc. Case Manager)	\$0		
2	2.00	On-Site Maintenance Employee(s)	\$96,858	\$0	
		On-Site Leasing Agent/Administrative Employee(s)	\$0	\$0	
		On-Site Security Employee(s)	\$0	\$0	
		Other (Specify)	\$0	\$0	
		Other (Specify)	\$0	\$0	
Acct. No.		Total Salaries and Value of Free Rent Units	\$201,556	\$0	
6711		Payroll Taxes	\$18,042		
6722		Workers Compensation	\$9,237		
6723		Employee Benefits	\$36,058		
		Employee(s) Payroll Taxes, Workers Comp. & Benefits	\$63,337		
		Total Employee(s) Expenses	\$264,893		

EMPLOYEE UNITS

Income Limit	Job Title(s) of Employee(s) Living On-Site	Bedrooms	SF	Comments
None	On-Site Manager(s)	2	710	
		Total Square Footage	710	

Important



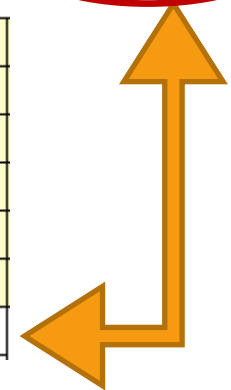
Operating Budget

Supportive Services Calculator:

A. Supportive Services Units:	Total number of Units:	50	Maximum cost baseline year:	2022	Total Units	Max PUPY Expense	Max Costs
(1) UMR §8314(e)(1): Total number of Supportive Housing (SH) Units anticipated to be restricted to individuals or families experiencing chronic homelessness as defined consistent with Health and Safety Code (HSC) §50675.14.					10	\$4,617	\$46,170
(2) UMR §8314(e)(2): Total number of Supportive Housing (SH) Units (other than those restricted to individuals or families experiencing chronic homelessness pursuant to HSC §50675.14), PLUS the total number of Units restricted to occupancy by Special Needs Populations (SNP)* under any HCD program. See Appendix A – Defined Terms Do not include Units included in (1) above.						\$3,461	\$0
(3) UMR §8314(e)(3): Total number of Units where the Sponsor, their affiliate, or a service provider under contract to provide Supportive Services at the Project has both: (A) qualified staff devoted exclusively to oversight and quality control of resident services in affordable housing, including the Project; and (B) a system to track and report on tenant outcomes, such as changes in employment status and income. Do not include Units included in items (1) and (2) above.						\$1,189	\$0
(4) UMR §8314(e)(4): Total number of Units anticipated to be offered Supportive Services provided by the Project Sponsor, a Sponsor affiliate, or contracted service provider that do not satisfy the criteria in items (1), (2) and (3) above.					40	\$283	\$11,320
(5) Maximum Supportive Services Costs					50		\$57,490

Operating Budget:

Supportive Services Costs		Residential	Commercial
6990	Staff Supervisor(s) Salaries - from above	\$0	\$0
6990	Services Coordinator Salaries, On-Site - from above	\$35,000	\$0
6990	Other Supportive Services Staff Salaries - from above	\$0	\$0
6990	Supportive Services Admin Overhead	\$5,000	\$0
6990	Other Supportive Services Costs: (Specify)	\$0	\$0
6990	Other Supportive Services Costs: (Specify)	\$0	\$0
6900T	Total Supportive Services Costs	\$40,000	\$0





Operating Budget

Supportive Services Plan:

Income Source/Program Name	Amount	Type	Status	% of Total Budget
Project Operations	\$40,000	Cash	Committed	100.00%
				0.00%
				0.00%
Total Revenue:	\$40,000			100.00%

Operating Budget:

Supportive Services Costs		Residential	Commercial
6990	Staff Supervisor(s) Salaries - from above	\$0	\$0
6990	Services Coordinator Salaries, On-Site - from above	\$35,000	\$0
6990	Other Supportive Services Staff Salaries - from above	\$0	\$0
6990	Supportive Services Admin Overhead	\$5,000	\$0
6990	Other Supportive Services Costs: (Specify)	\$0	\$0
6990	Other Supportive Services Costs: (Specify)	\$0	\$0
6900T	Total Supportive Services Costs	\$40,000	\$0



Operating Budget

- For other types of Operating Reserve, include documentation or a letter of explanation which includes the following:

- The purpose of the Reserve
- The source and amount of the funding
- The terms for disbursement

Examples of other types of Operating Reserves, include but are not limited to:

Capitalized Operating Subsidy Reserve	(COSR)
Capitalized Operating Deficit Reserve	(CODR)
Local Operating Subsidy Program	(LOSP)



Operating Budget

- Replacement Reserves

New Construction the lesser of:	Rehabilitation:
0.6% of estimated construction costs	Initially \$500 per unit
\$500 per unit	



Operating Expenses

- Finance Expenses
 - Mandatory Debt
 - Amortized Loans
 - Balloon payments are not allowed on Senior debt
 - Annual debt service
 - Bond Issuer Fees
 - Asset Management Fee
 - Not to exceed \$38,168 (2023)



Cash Flow Analysis

Cash Flow Analysis

Is Income from Restricted Units based on Restricted or Proposed Rents?

Proposed Rents

INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Restricted Unit Rents	2.5%	0	0	0	0	0	0	0
Unrestricted Units	2.5%	0	0	0	0	0	0	0
Tenant Assistance Payments								
Program:	2.5%	0	0	0	0	0	0	0
Program:	2.5%	0	0	0	0	0	0	0
Operating Subsidies	2.0%	0	0	0	0	0	0	0
Other: (Specify)	2.5%	0	0	0	0	0	0	0
GROSS POTENTIAL INCOME - HOUSING		0	0	0	0	0	0	0

- Application will be underwritten to Restricted Rents
- Regulatory Agreement will be based on Proposed Rents



15/20 Year Cash-Flow

- Debt Service Coverage Ratio (DSCR)
 - Not less than 1.10 or no greater than 1.20
- Residual Receipts and Sponsor Distributions
 - 50% to Sponsor
 - 50% to Department
 - The Department may share with other public entity lenders Residual Receipts on a pro rata basis.

Application Submittal





Application Submittal

- Super NOFA Application Portal, through Service Now
 - Link is on the Super NOFA Website



https://calhcd.service-now.com/csp?id=csp_registration

- Returning users will use there log in
- First time users will need to register

Sign In To Access All HCD Services

Forgot Password ?

Create Account

Sign Up

* Indicates required fields

* Email Address (This will be your username)

* First Name

* Last Name

Phone Number (Optional)

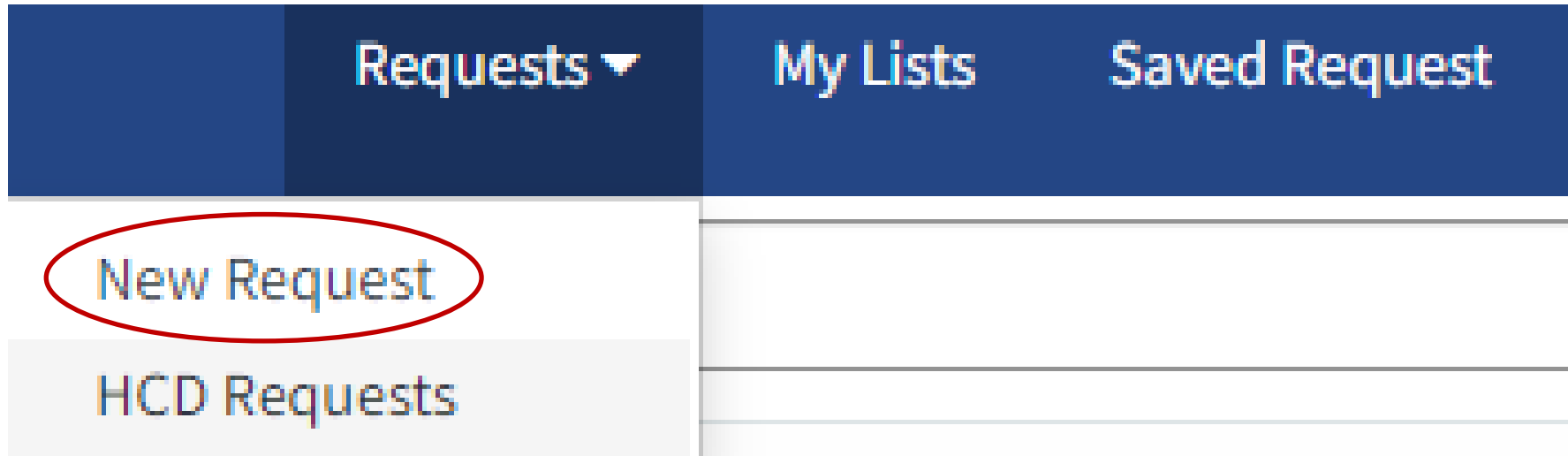
* Password

* Confirm Password



Application Submittal

- Once logged into Service Now, select Requests
- Then choose “New Request” from the dropdown menu.





Application Submittal

Select “Multifamily Finance Super NOFA (MFSN)” in the Filter by Category section.

Filter by Category

- Audit Confirmation Requests (ACR)
- Local Housing Trust Fund Program (LHTF)
- Multifamily Finance Super NOFA (MFSN)**
- PLHA
- Accessory Dwelling Unit (ADU)
- Affordable Housing and Sustainable Communities Program (AHSC)
- Housing Accountability & Enforcement (HAU)
- PRP
- Surplus Land
- HCD Speaker Requests

Multifamily Finance Super NOFA (MFSN)

Multifamily Finance Super NOFA (MFSN) Portal

New Request



Application Submittal

- All fields that include a red asterisk* are required fields. The user will be unable to proceed until all fields are complete.

Multifamily Finance Super NOFA (MFSN) Portal

Applicant/Sponsor 1

* Name

* Contact Name

* Contact Email Address

* Contact Phone

Co-Applicant/Sponsor

Applicants

Programs

* Multifamily Housing Program (MHP)?

MHP Funds Requested - \$

* Infill Infrastructure Grant (IIG) Program?

IIG Funds Requested - \$

* Veterans Housing and Homelessness Prevention (VHHP) Program?

VHHP Funds Requested - \$

* Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program?

FWHG Funds Requested - \$

Total Funds Requested - \$



Application Submittal

Select “yes” for all programs that will be included in the Project.
Select “no” for all programs that are not included in the project.

Programs

* Multifamily Housing Program (MHP)?

Yes

* Infill Infrastructure Grant (IIG) Program?

Yes

* Veterans Housing and Homelessness Prevention (VHHP) Program?

No

* Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program?

No

* MHP Project Type (if applicable)

- At High Risk
- Farmworker
- Large Family
- Senior
- Special Needs

* MHP Funds Requested - \$

1,000,000

* IIG Funds Requested - \$

1,000,000

VHHP Funds Requested - \$

FWHG Funds Requested - \$

Total Funds Requested - \$

2,000,000

Save & Continue



Application Submittal

Multifamily Finance Super NOFA (MFSN) Portal

Submission Details Attachments Activity

* = Required 0 = Total Number of attachments



Search...

* 0 Main Application and Checklist

- 01 Document Checklist *
- 02 Application *

Drop files here

0 Project Overview

- 03. CBD Funding Target
- 04. Urban Area
- 05. Capital Improvement Project
- 06. Integration Plan
- 07. Emerging Developer Experience
- 08. Tribal Entity Waiver
- 9a. Indian Country Verification
- 9b. Fee or Trust Land Verification
- 10. Community-Based Developer Experience
- 11. Project Timeline
- 12. App Sub Notification
- 13. Rehab Description
- 14. PNA or CNA
- 15. Rent Roll
- 16. Adaptive Reuse Narrative
- 17. Tax Credit Reservation
- 18. Operating Subsidy Commitment

Drop files here

0 Sponsor/Applicant 1 Organizational Documents

- 19a. Spon1 Cert & Legal Disclosure
- 19b. Spon1 OrgDoc1, OrgDoc2, etc.
- 19c. Spon1 OrgChart
- 19d. Spon1 Signature Block
- 19e. Spon1 Cert of Good Standing
- 19f. Spon1 Tax-Exempt Status

Drop files here

Now you are ready to start attaching documents for your application.



Application Submittal

- Select the “Submit” option in the Activity tab in the upper right-hand corner

Submission Details

Attachments

Activity

* = Required

1 = Total Number of attachments

Submit

Save

Cancel



Application Submittal

- If “Submit” is not showing, you have not submitted all required documents

Project Name: **Test Test**
Number: **MFSN0000421**

Project Name: **Test Test**
Number: **MFSN0000421**

Save Cancel Close All

Submit Save Cancel Close All

Search...

Search...

* Main Application and Checklist

01 Document Checklist *
02 Application *

Drop files here

* 1 Main Application and Checklist

01 Document Checklist *
02 Application *

Generic Response .docx (33.6 KB)
just now



Return to Application

ch

Requests ▾ My Lists Saved Request

New Request

HCD Requests

Number	Project Name	Opened by	Status	Updated ▾
MFSN0000421	Test Test	Homekey User	Draft	05/30/2023 10:47:51 AM
MFSN0000420	Zack and Barbara Test	Homekey User	Submitted	05/30/2023 10:37:26 AM
MFSN0000418	New Project Name	Homekey User	Draft	05/30/2023 10:13:59 AM

Keyword Search



Application Submittal

- A complete application will include the MFSN Excel application, and all required supporting documents

* 3 Main Application and Checklist	2 Project Overview	1 Sponsor/Applicant 1 Organizational Documents
<p>01 Document Checklist 02 Application *</p> <p>Example Project 01. Doc Checklist.docx (11.7 KB) 1m ago</p> <p>Example Project 02. SuperNOFA Application.pdf (32.2 KB) 2m ago</p> <p>Generic Response .docx (33.6 KB) 24h ago</p>	<p>03. CBD Funding Target 04. Urban Area 05. Capital Improvement Project 06. Integration Plan 07. Emerging Developer Experience 08. Tribal Entity Waiver 09a. Indian Country Verification 09b. Fee or Trust Land Verification 10. Community-Based Developer Experience</p> <p>11. Project Timeline 12. App Sub Notification 13. Rehab Description 14. PNA or CNA 15. Rent Roll 16. Adaptive Reuse Narrative 17. Tax Credit Reservation 18. Rural Status Determination 19. Opportunity Area 20. Sponsor/Applicant Capacity</p> <p>Example Project 04. Urban Area.pdf (32.2 KB) 1m ago</p> <p>Example Project 10. Community Based Developer Experience.pdf (32.2 KB) 1m ago</p>	<p>21a. Spon1 Cert & Legal Disclosure 21b. Spon1 OrgDoc1, OrgDoc2, etc. 21c. Spon1 OrgChart 21d. Spon1 Signature Block 21e. Spon1 Cert of Good Standing 21f. Spon1 Tax-Exempt Status</p> <p>Example Project 21. Org Chart.pdf (32.2 KB) 1m ago</p>

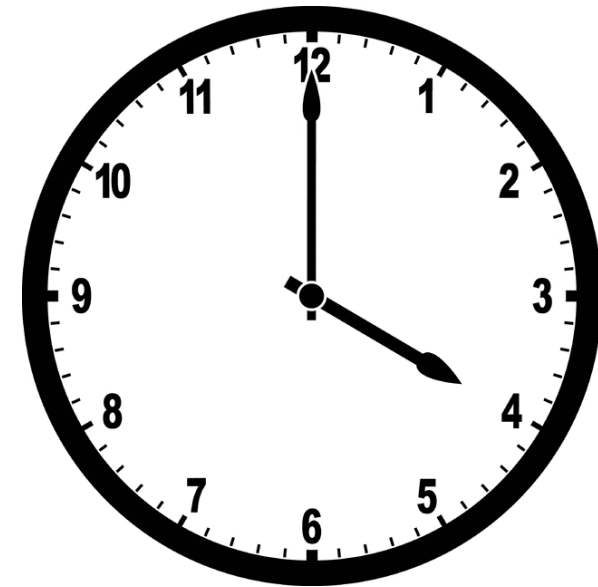


Application Submittal

- Attachments can be added to a “Saved” application up until:
 - 4:00 p.m. Pacific Daylight Time on July 12, 2023

July

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					





Application Submittal

- Applications and supporting documentation must be uploaded and submitted
 - No later than **4:00 p.m.** Pacific Daylight Time on **Wednesday, July 12, 2023**
 - Electronic application submittal through the Application Portal
- Super NOFA online tech support/help desk
 - Five days a week, closes at 5:00 p.m.



Application Submittal

- Applications must meet all eligibility requirements upon submission
- Organization and compliance
- Applications with substantial inconsistencies may result in disqualification
- Application submission
 - No late applications accepted



Disclosure of Application

- Use discretion - Sponsor is waiving any claim of confidentiality and consents to the disclosure of all submitted material upon request
- Information becomes public record available for review by the public

Resources





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G-Translate



California Department of
**Housing and Community
Development**

Grants &
Funding

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Standards

Planning & Community
Development


Policy &
Research


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Follow us on LinkedIn: [/company/californiahcd](https://www.linkedin.com/company/californiahcd)



Resources

- **Multifamily Finance Super NOFA Website:**

<https://www.hcd.ca.gov/grants-and-funding/supernofa>

- **2023 TCAC Regulations:**

https://www.treasurer.ca.gov/ctcac/programreg/regulations_committee.pdf

- **2023 Methodology for Determining Rural Status:**

<https://www.treasurer.ca.gov/ctcac/2023/rural-status.pdf>

- **2023 TCAC/HCD Opportunity Area Maps:**

<https://www.treasurer.ca.gov/ctcac/opportunity.asp>

- **California Government Code:**

<https://leginfo.legislature.ca.gov>



Contact

- Additional questions may be sent to the Multifamily Finance Super NOFA mailbox at:



SuperNOFA@hcd.ca.gov

Thank You

