Consolidated Scoring Appendix

Public Comment Draft Guidelines

AB 434 (Chapter 192, Statutes 2020)

**Applicable to all Designated Programs subject to AB 434 including:**

* **Multifamily Housing Program**
* **Veterans Housing and Homelessness Prevention Program**
* **Joe Serna, Jr., Farmworker Housing Grant Program**
* **Infill Incentive Grant Program**

For the purposes of the Draft Program Guidelines, all scoring criteria have been pulled out and placed in this appendix. Each individual set of draft guidelines includes a reference to this Appendix.

This appendix details the scoring criteria appliable to all programs subject to AB 434 (Please refer to MHP Section 7320, VHHP Section 403, FWHG Section 403, IIG Section 403).

The scoring criteria outlined below should be reviewed in connection to the following sections of the program-specific draft guidelines:

* Eligible Project;
* Eligible Sponsor;
* Threshold Requirements;
* Application Process; and
* Application Content and Application Eligibility Requirements.

Table of Contents

[I. General 3](#_Toc89706030)

[(a) Rating and Ranking Process Overview. 3](#_Toc89706031)

[(b) Point Criteria Overview. 4](#_Toc89706032)

[II. Universal Scoring Criteria 5](#_Toc89706033)

[(a) Extent to which the Project serves households at the lowest income levels 5](#_Toc89706034)

[(b) State Policy Priorities 7](#_Toc89706035)

[(c) Project Sponsor and Property Management Experience 8](#_Toc89706036)

[(d) Project Readiness  12](#_Toc89706037)

[(e) Adaptive Reuse / Infill / Proximity to Amenities / Sustainable Building Methods  14](#_Toc89706038)

[(f) Cost Containment 18](#_Toc89706039)

[III. AB 434 Designated Program Specific Scoring 18](#_Toc89706040)

[(a) Veterans Housing and Homelessness Prevention (VHHP) Program 18](#_Toc89706041)

[(b) Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program 24](#_Toc89706042)

[(c) Infill Incentive Grant Program of 2007 (IIG) 24](#_Toc89706043)

[IV. Tiebreaker Score 29](#_Toc89706044)

[V. Award of Funds 31](#_Toc89706045)

Note: For the purposes of this appendix, AB 434 Designated Programs include all of the following: Veterans Housing and Homeless Prevention Program (VHHP), Joe Serna, Jr, Farmworker Housing Grant Program (FWHG), Infill Incentive Grant (IIG) Program.

Sections II, III, and IV of this appendix and outlined below serve as the public comment draft guidelines for scoring, rating and ranking of all AB 434 Designated Programs. Sections I and V (“General” and “Award of Funds”) provide an overview of the rating and ranking process and describe the funding methodology and have been provided here to facilitate understanding and public comment but will NOT be included in any final guidelines but will rather be included in the SuperNOFA.

1. **General**

1. **Rating and Ranking Process Overview.**

The proposed rating and ranking system aims to accomplish the following goals:

* Minimize incentive to apply to multiple programs solely to increase funding levels
* Minimize the number of partially-funded projects
* Ensure that VHHP and Serna funds are utilized
* Ensure high-quality projects are awarded, regardless of funding sources requested
* Eliminate reviewer subjectivity in rating, ranking, award levels, or award types
* More efficient use of time and resources, for both applicants and HCD

Applications shall be reviewed by the Department to determine compliance with the threshold requirements of Section 7303.1 (Threshold Requirements) of the MHP Guidelines and any applicable AB 434 Designated Program threshold requirements as set forth in Section 203 of the VHHP, FWHG or IIG guidelines related thereto.

As set forth in greater detail in this Appendix, Applications shall first be rated with respect to MHP criteria and all relevant AB 434 Designated Program criteria. This rating will be expressed as an overall normalized percentage score. The normalized score will be the application’s actual point total divided by the application’s total number of possible points. As will be discussed, this initial rating will not take possible bonus points for VHHP and FWHG projects into account. Thereafter, all applications will be ranked against one another according to their normalized scores.

**Normalized Score Calculation**

Represented as a percentage of total applicable points

Total points awarded

Total possible points

After the initial rating and ranking, and as set forth in greater detail below, the Department will first determine which projects will receive VHHP funding and FWHG funding (e.g., for projects that include both VHHP and MHP funding, this funding determination is for VHHP program funds only). The Department will then add two (2) percentage points to the normalized scores for projects that are selected for VHHP funding, for purposes of ranking a project in non-VHHP program funds (e.g., MHP). The Department will add one (1) percentage point to the normalized scores for projects that are selected for FWHG funding, for purposes of ranking a project in non-FWHG program funds. Projects that are selected for both VHHP and FWHG funding are limited to a maximum of two (2) additional percentage points. Bonus points for VHHP and FWHG awardees will incentivize the use of these funds which have specific population targeting. The new Adjusted Normalized Score will then be used in evaluating all remaining non-VHHP or non-FWHG funding requests in the application, as applicable.

The following are intended as illustrative examples of the foregoing:

EXAMPLE: Normalized Score Calculation (MHP + VHHP project)

|  | **Possible Number of Points** | **Actual Number of Points Awarded** |
| --- | --- | --- |
| MHP-Criteria Points | 115 | 110 |
| VHHP-Criteria Points | 40 | 35 |
| Totals | 155 | 145 |

Normalized Score for VHHP ranking

   

EXAMPLE: Adjusted Normalized Score for VHHP and FWHG Projects

Assuming the above project is for VHHP funding, it would receive an additional two (2) percentage bonus points. This would result in an Adjusted Normalized Score of 95.5%. That Adjusted Normalized Score would be used to rank that application in connection with its non-VHHP funding requests.

Normalized Score + 2 percentage Points (VHHP) = Adjusted Normalized Score

 + 1 percentage point (FWHG)

1. **Point Criteria Overview.**

The criteria detailed below and summarized in the following table shall be used to rate

applications:

|  |  |
| --- | --- |
|  **Criterion**  | **Maximum Score** |
| Universal Scoring Criteria |  Extent to Which the Project Serves Households at The Lowest Income Levels | 30 |
|  State Policy Priorities | 15 |
|  Project Sponsor and Property Management Experience  | 20 |
|  Project Readiness  | 20 |
| Adaptive Reuse / Infill / Proximity to Amenities / Sustainable Building Methods  | 20 |
|  Cost Containment  | 10 |
| Total Possible Universal Points | 115 |
| Program-specific Scoring:* VHHP
* FWHG
* IIG
 | + 40+ 40+ 40 |

Maximum Allowable Points per application will be as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| MHP Only | MHP + 1 other program source | MHP + 2 other program sources | MHP +3 other program sources |
| 115 | 155 | 195 | 235 |

In order to achieve the goals and objectives of the AB 434 Designated Programs, the Department may adopt funding priorities (e.g., set-asides to promote geographic equity, specific populations and/or applicant types), as authorized under AB 434. Such set-asides shall be detailed in the SuperNOFA and shall use the paradigm set forth above in order to rate and rank within said set-aside funding.

# **II. Universal Scoring Criteria (115 Maximum Points Possible)**

1. **Extent to which the Project serves households at the lowest income levels (30 points maximum)**

Applications will be scored based on the percentage of Restricted Units limited to various percentages of AMI, adjusted by household size, and as follows:

1. A maximum of 30 points will be awarded based on the Lowest Income Points

Table below.

The “Percent of Area Median Income” category may be used only once. For instance, 50 percent of Restricted Units at 50 percent of AMI cannot be used twice for 100 percent of units at 50 percent AMI and receive 25 points, nor can 50 percent of Restricted Units at 50 percent of AMI for 12.5 points and 40 percent of Restricted Units at 50 percent of AMI be used for an additional 10 points. However, the “Percent of Restricted Units” may be used multiple times. For example, 50 percent of Restricted Units at 50 percent of AMI for 12.5 points may be combined with another 50 percent of Restricted Units at 45 percent of AMI to achieve the maximum points.

Point values that are only available to projects in Rural Areas are marked with an asterisk.

|  |
| --- |
|  **Percent of Area Median Income**  |
|   **Percent of Restricted Units**  |   | **55%** | **50%** | **45%** | **40%** | **35%** | **30%** | **25%** | **20%** |
|  **50%**  | 5\* | 12.5\* | 18.75 | 17.5 | 18.75 | 30 | 30 | 30 |
|  **45%**  | 5\* | 11.25\* | 16.9 | 17.5 | 18.75 | 30 | 30 | 30 |
|  **40%**  | 5\* | 10 | 15 | 17.5 | 18.75 | 27.5 | 30 | 30 |
|  **35%**  | 4.4\* | 8.75 | 13.15 | 17.5 | 18.75 | 25 | 27.5 | 30 |
|  **30%**  | 3.75\* | 7.5 | 11.25 | 15 | 18.75 | 22.5 | 25 | 30 |
|  **25%**  | 3.15\* | 6.25 | 9.4 | 12.5 | 15.65 | 18.75 | 21.9 | 25 |
|  **20%**  | 2.5\* | 5 | 7.5 | 10 | 12.5 | 15 | 17.5 | 20 |
|  **15%**  | 1.9\* | 3.75 | 5.65 | 7.5 | 9.4 | 11.25 | 13.1 | 15 |
|  **10%**  | 1.25\* | 2.5 | 3.75 | 5 | 6.25 | 7.5 | 8.75 | 10 |

1. To receive any points in this category, at least 20 percent of the Restricted Units must be restricted as follows:

1. To households with incomes not exceeding 25 percent of AMI, in counties where AMI exceeds 150 percent of median family income for California, as reported by HUD (currently San Francisco, Santa Clara, San Mateo, and Marin counties); or
2. To households with incomes not exceeding 30 percent of AMI, in other

counties.

Deeply affordable units under this paragraph (2) - those units with 25 percent or 30 percent AMI targeting - cannot be concentrated among a project’s smaller units. They must be distributed proportionately across all unit sizes, or, alternately, more heavily represented among larger units. To ensure a proportional spread of deeply affordable units, at least 20% of the larger units in the project must be provided at 25 percent or 30 percent of area median income, as applicable. So long as the applicant meets the 20% standard project-wide, the 20% standard need not be met among all of the smaller units.

Example:

|  |  |
| --- | --- |
| 67 Total Units in Project  | Required ELI Units (25% or 30% AMI) |
|   | 41 three-bedroom  | 9 units  |
|   | 19 two-bedroom  | 4 units  |
|   | 7 one-bedroom  | 1 units  |
| Total (20%) | 14 units |

In Projects that rely on renewable project-based rental assistance contracts to maintain Fiscal Integrity consistent with the targeted income limits (and associated tenant Rents), scores will be based on the income and Rent limits applicable as long as the rental assistance contract remains in place.

1. **State Policy Priorities (15 points maximum)**

1. Fifteen (15) points will be awarded for Projects located in a “High Resource” or “Highest Resource” area as shown on the TCAC/HCD Opportunity Area Map.

Once projects receiving 15 points pursuant to this paragraph have been recommended for award in the amount of 50% of all program funds available in a NOFA, all remaining projects shall receive ten (10) points for meeting the requirements of this paragraph.

An Applicant may choose to utilize the applicable census tract, or census block group, or resource designation from the TCAC/HCD Opportunity Area Maps in effect when the initial site control (pursuant to UMR section 8303(a)) was obtained up to seven (7) calendar years prior to the application.

1. Ten (10) points will be awarded for Projects having one of the following:
	1. At least 15 percent of the units restricted under a Department Regulatory Agreement are limited to occupancy by Homeless households, with vacancies filled by referrals from the local CES, when and where this system is actively referring households to housing; or
	2. At least 30 percent of the units restricted under a Department Regulatory Agreement with rent and income limits no greater than 30 percent of area median income.

1. Ten (10) points will be awarded for Rehabilitation projects where the contract for the rehabilitation work equals or exceeds $40,000 per Unit, that do not commit to the requirements of paragraph (2) above, and that meet one of the following conditions:

1. The Project involves the acquisition and Rehabilitation of units not subject to income and rent restrictions at the time of application, unless the restrictions are associated with acquisition financing closed less than five (5) years prior to the application date; or
2. The Project qualifies as At High Risk or involves the conversion of single

occupancy units without kitchens and bathrooms to units with kitchens and bathrooms.

1. **Project Sponsor and Property Management Experience (20 points maximum)**

“Projects” as used in paragraph (1) and (2) means Rental Housing Developments that are subject to a recorded regulatory agreement, or, in the case of housing on Indian Country, where federal HUD funds have been utilized in affordable rental developments.  Points in paragraph (1) and (2) will be awarded in the highest applicable category and are not cumulative. For points to be awarded in paragraph (2), an enforceable management agreement executed by both parties for the subject application must be submitted at the time of application.

By applying for and receiving points in these categories, Applicants certify that the property shall be owned and managed by entities with equivalent experience scores for the entire Regulatory Agreement period.

1. Development and ownership experience. Applications will be scored based on the number of subsidized rental housing projects (including tax credit projects) that the Sponsor has completed and operated and whether the Sponsor is subject to penalties pursuant to paragraph (3) below.

For completed projects, a Sponsor may include the experience of its controlled affiliated entities or its principals (e.g., employed by, and under the control of the Sponsor and responsible for managing development activities), but not the experience of non-management board members. A Sponsor may include the experience of a partner (e.g., Joint Venture partners pursuant to Section 7301 of the MHP Guidelines) to gain experience points; however, the experienced partner must have a controlling interest in the project’s ownership and a substantial and continued role in the project’s ongoing operations, as evidenced in the organizational documents for the owner. Experience among partners shall not be aggregated. Any change in the ownership that reduces the Sponsor’s role shall require prior written approval and recordation by the Department.

If a Sponsor relies upon the experience of its principal for scoring, documentation of the principal’s experience is required as set forth in the NOFA and application.

To receive points under this paragraph the following conditions must be met:

1. Submit a certification that the projects for which points are requested have maintained Fiscal Integrity for the year in which each Rental Housing Development’s last financial statement has been prepared, a Debt Service Coverage Ratio of at least 1.05, and have funded reserves in accordance with the partnership agreement and any applicable loan documents.

To obtain points for projects previously owned, a certification must be submitted with respect to the last full year of ownership by the Sponsor, along with verification of the number of years that the project was owned by that Sponsor. To obtain points for projects previously owned, the ending date of ownership or participation must be no more than 10 years from the application deadline.

Points are available as follows:

|  |  |
| --- | --- |
| 3-4 projects in service more than 3 years, of which 1 shall be in service more than 5 years and 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC | 10 points   |
| 5 or more projects in service more than 3 years, of which 1 shall be in service more than 5 years and 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC           | 15 points   |
| For Special Needs projects or Community-Based Developers only, points are available as described above or as follows:  |
| For Special Needs projects:* 4 or more special needs projects in service more than 3 years, of which 1 shall be Department-regulated or a project utilizing low-income housing tax credits allocated by TCAC.

For Community-Based Developers:* 4 or more projects in service more than 3 years, of which 1 shall be Department-regulated or a project utilizing low-income housing tax credits allocated by TCAC.
 | 15 points   |

Pursuant to Section 7303 of the MHP guidelines, Applicants with fewer than 4 active Rental Housing Developments in service more than three years shall contract with a bona-fide management company which itself earns a minimum total of 5 Property Management Experience points at the time of application.

1. Tribal Entities may contract with a Developer who will not be the Project owner and may receive points commensurate with the Developer’s experience pursuant to (B) above. The contract shall be in effect at least until the Project’s stabilized occupancy (90% occupancy for single room occupancy (SRO) and Special Needs projects and 95% for all other projects), completion of all permanent loan closings, and achievement of all stabilization milestones of the Project’s ownership agreement.  Tribal Entities exercising the options, including the option in under this subparagraph(C), shall also contract for asset management for at least the term of the 15-year federal compliance period with an entity that has provided three (3) years of asset management for at least two Department-regulated projects..

For purposes of this subparagraph only, a Developer is defined to include an entity pre-approved by the Department that has developed but not owned the requisite number of projects described in (B) above and that provides the certification described in (A) above for the projects for which experience points are requested. If the projects for which the entity requests experience points do not include two Department-regulated projects in service more than three years, the applicant shall contract with a bona-fide management company which itself earns a minimum total of 5 Property Management Experience points at the time of application. For this purpose only, “develop” shall mean developing the project scope and timeline, securing financing, hiring or performing the services of a general contractor, and overseeing completion of construction and placement in service as well as asset managing the project for at least three years after construction completion. When seeking the Department’s pre-approval the entity shall provide fully executed copies of contracts demonstrating the Department’s criteria for “develop” as specified above have been met.

1. Property Management Company experience. To receive points under this paragraph, the property management company must meet the following conditions:
2. To obtain points for projects previously managed, the ending date of the property management role must be no more than 10 years from the application deadline. In addition, the property management experience with a project shall not pre-date the project’s construction completion date.

Points are available as follows:

|  |  |
| --- | --- |
| 6-10 projects managed over 3 years, of which 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC | 3 points   |
| 11 or more projects managed over 3 years, of which 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC | 5 points |
| For Special Needs projects and for Community-Based Developers, points are available as described above or as follows: |
| For Special Needs projects:* 4 or more special needs projects in service more than 3 years, of which 1 shall be Department-regulated or a project utilizing low-income housing tax credits allocated by TCAC.

For Community-Based Developers:* 4 or more projects in service more than 3 years, of which 1 shall be Department-regulated or a project utilizing low-income housing tax credits allocated by TCAC.
 | 5 points |

When contracting with an experienced property management company under the terms of paragraphs (1) or (2) above, the Sponsor or property co-management entity must obtain training in: project operations, on-site certification training in federal fair housing law, and manager certification in Internal Revenue Code (IRC) Section 42 Low Income Housing Credit Program requirements from a CTCAC-approved, nationally recognized entity. Additionally, the experienced property management agent or an equally experienced substitute, must remain for a period of at least 3 years from the construction completion date (or, for ownership transfers, 3 years from the sale or transfer date) to allow for at least one HCD monitoring visit to ensure the project is in compliance with HCD requirements for inspection and monitoring contained in the regulatory agreement. Thereafter, the experienced property manager may transfer responsibilities to the remaining general partner or property management firm following formal written approval from HCD.

1. Performance penalties shall be assessed pursuant to the Department’s Negative Point Policy (forthcoming) as may be amended from time to time. Negative points will be assessed as a reduction to the score earned under paragraphs (1) and (2) above and will serve as the final score for this criterion. For example if a project earns 15 points under paragraphs (1) – Development and ownership experience and 10 points under s paragraphs (2) – project management company experience but is assessed 3 negative points, the final score for this criterion would be 22 (15 + 10 - 3).

## **Project Readiness (20 points maximum, negative 5 points maximum)**

Points will be awarded to projects for each of the following circumstances as documented in the application and as indicated below. If a particular category is not applicable, full points shall be awarded in that category.

1. Four points will be awarded for evidencing Enforceable Funding Commitments for all construction financing, not including concurrent Department Program funds applied for under a single NOFA, tax exempt bonds, or tax credits. To be awarded these points, funding to be provided by a Department program through a separate, concurrent application must be awarded prior to final rating and ranking for the application;
2. Four points will be awarded for obtaining Enforceable Funding Commitments for all permanent financing, grants and operating subsidies, excluding tax credits. Deferred-payment financing, grant funds and operating subsidies from other Department programs proposed for Project financing must be awarded prior to the final rating and ranking for the application. This paragraph is not applicable to the program funds of an application for multiple Department Program funds available under a single NOFA.

For new construction projects proposing project-based rental assistance, commitments are preferred but not required although commitments will not be counted as an Enforceable Funding Commitment. For Rehabilitation projects with existing project-based rental assistance subsidies, a copy of the commitment must be submitted at time of application. For all projects, a fully executed subsidy contract, however, will be required prior to loan closing.

1. Land use approvals

1. Three points will be awarded for obtaining all necessary land use approvals or entitlements necessary prior to issuance of a building permit, including any required discretionary approvals, such as site plan review or design review.  Project sites where the planning department confirms eligibility for streamlined ministerial approval are eligible for these points.

For projects located within city limits where a FEMA Major Disaster Declaration has been made up to three years preceding the application due date, three points will be awarded for certification that all necessary land use approvals or entitlements necessary prior to issuance of a building permit will be completed within 90 days of award. For projects located outside of city limits where a FEMA Major Disaster Declaration has been made and the local government responsible for land use approvals or entitlement review is not a city, the applicant must, in addition to providing this certification, demonstrate to the Department’s satisfaction that the project contributes to providing housing for disaster-impacted households; or

1. Two points will be awarded for submission of a complete application to the relevant local authorities for land use approval under a nondiscretionary local approval process, where the application has been neither approved or disapproved; or
2. One point will be awarded for a letter signed by a planner certified by the American Institute of Certified Planners indicating that, in their opinion, the project meets all of the requirements for approval under a nondiscretionary local approval process, where an application has not been approved or disapproved by the local authorities.

A “nondiscretionary local approval process” is one that includes little or no subjective judgement by the public official and is limited to ensuring that the

proposed development meets a set of objective zoning, design review and/or subdivision standards in effect at the time the application is submitted to the local government. A “nondiscretionary local approval process” includes Streamlined Ministerial Approval Processing pursuant to SB 35 (Chapter 366, Statutes of 2017), By-Right Processing for Permanent Supportive Housing under Chapter 753, Statutes of 2018 (AB 2162), “use by right” pursuant housing element law (GC § 65583.2(i), or other local process that meets the definition of non-discretionary approval process.

1. Four points will be awarded for adoption or certification of all necessary environmental reviews (California Environmental Quality Act and National Environmental Policy Act). Where NEPA is required solely for rental assistance provided under HUD’s Housing Assistance Program (HAP) with no federal funding capital improvements, completion of the NEPA review prior to application is not required.

For projects located within city limits where a FEMA Major Disaster Declaration has been made up to three years preceding the application due date, four points will be awarded for certification that all necessary environmental reviews will be completed prior to the completion of a standard agreement.  For projects located outside of city limits where a FEMA Major Disaster Declaration has been made and the local government responsible for environmental review is not a city, the applicant must, in addition to providing this certification, demonstrate to the Department’s satisfaction that the project contributes to providing housing for disaster-impacted households.

1. Five points will be awarded when the Borrower, including all affiliated entities, is fully formed and all required organizational documents are submitted with the

 application.

1. Five points will be subtracted for a Project utilizing low-income housing tax credits that will be part of an application to TCAC seeking hybrid tiebreaker incentives.

## **(e)** **Adaptive Reuse / Infill / Proximity to Amenities / Sustainable Building Methods (20 points maximum)**

Applications will receive five points for each of the following four conditions, up to a

maximum of 20 points as defined below:

1. Infill development
2. Proximity to amenities
3. Broadband access
4. Sustainable building methods
5. Infill development. Five points will be awarded for infill development, including adaptive reuse of a vacant and underutilized commercial or industrial building located in a developed area served with public infrastructure. The Project must

 meet one of the following requirements of (A), (B), or (C) below:

1. Located on a site where either:

1. At least 75 percent of the site was previously improved (including areas where improvements have been demolished) or used for any use other than Open Space, agriculture, forestry, or mining waste storage; or

1. At least 75 percent of the perimeter of the site’s adjoining parcels that are developed with Urban Uses (residential, commercial, industrial, public institutional, transit or transportation passenger facility use, or retail use, or any combination of those uses) but not including lands used for agricultural uses or parcels in excess of 15,000 square feet in size and containing only one single family residence, or is separated from parcels that are developed with Urban Uses only by an improved public right-of-way. In calculating this percentage, perimeters bordering navigable bodies of water and improved parks shall not be included; or

1. The combination of at least 50 percent of site area as previously improved (including areas where improvements have been demolished) or used for any use other than Open Space, agriculture, forestry or mining waste storage, and at least 50 percent of the perimeter of the site adjoining parcels that are developed with Urban Uses, or is separated from parcels that are developed with Urban Uses only by an improved public right-of-way. In calculating this percentage,perimeters bordering navigable bodies of water and improved parks shall not be included.

1. Developed at average residential Net Densities on the parcels to be developed that are equal to or greater than the densities described in

Subparagraph (B) of Paragraph (3) of Subdivision (c) of § 65583.2 of the Government Code, except that in a Rural Area the average residential Net Densities on the parcels to be developed shall be at least 10 units per acre. Minimum densities for localities that are not Rural Areas may be found at Appendix 1 of the Housing Element Law memorandum issued by the Department on “Default Density Standard Option (2010 Census Update)”, dated June 20, 2012, and found at [http://www.hcd.ca.gov/community-development/housing-element/housing-](http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml) [element-memos.shtml](http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml).

“Net Density” means the total number of dwelling units per acre of land to be developed for residential or mixed use, excluding allowed deductible areas. Allowed deductible areas are public dedications of land which are for public streets, public sidewalks, public Open Space, and public drainage facilities. Non-allowed deductible areas include utility easements, setbacks, private drives and walkways, general landscaping, common areas and facilities, off street parking, traditional drainage facilities exclusive to a development project. Mitigations required for development will not be included in the allowed deductible areas.

1. Located on a site: (i) selected under an Executive Order No. N-06-19 program to enter a ground lease with the state to create affordable housing on excess state-owned property; or (ii) declared as surplus or exempt-surplus land by formal action of the local agency’s governing body in accordance with the Surplus Land Act.

1. Proximity to amenities. Five points will be awarded for projects achieving the maximum point score available for site amenities consistent with TCAC Regulations, Title 4 CCR, Division 17, Chapter 1,  or successor regulation. In TCAC regulations, this is a 15 point category, however, achieving all 15 points under TCAC translates to 5 points under this category.

Transit points must be for a Transit Stop or Major Transit Stop and distance must be measured by a Walkable Route.

While this point category uses TCAC site amenity categories as a base, the following additional options are added to that existing menu of options listed in TCAC Regulations, Title 4 CCR, Division 17, Chapter 1, Section 10325(c)(4)(A). For alignment and ease of calculation, points for the below additional options are offered as fractions of 15 points or 5 points. To convert the relevant TCAC score to points under this paragraph (2), the

TCAC score is divided by 3. Rounding up is not permitted in fractions of 5 points:

1. Up to three points [Equivalent to 1 out of 5 points] will be given for the location efficiency of the Project site as determined by the US EPA Walkability Index using the address of the Project site. If the Project is a corridor and does not have a specific address, use the centermost point of the Project for the calculation. The methodology for the Walkability Index can be found at [www.epa.gov/smartgrowth/smart-location-mapping#walkability](http://www.epa.gov/smartgrowth/smart-location-mapping%22%20/l%20%22walkability).

Points will be given on the following scale:

1. Most Walkable (Dark Green; 15.25-20) (three points [Equivalent to 1 out of 5 points]);
2. Above Average Walkable (Light Green; 10.51-15.25) (two points [Equivalent to 0.67 out of 5 points]);
3. Below Average Walkable (Yellow; 5.76-10.5) (one point [Equivalent to 0.33 out of 5 points]); and
4. Least Walkable (Orange; 1-5.75) (zero points).
5. A Project site located within one-quarter mile of a community college that residents of the Project may attend (one-half mile for Rural Area projects), shall receive 5 points [Equivalent to 1.67 out of 5 points], or if within one-half mile (one mile for Rural Area projects), 3 points [Equivalent to 1 out of 5 points].
6. A Project site located within one mile of a locally recognized Employment Center with a minimum of 50 full-time employees (two miles for Rural Area projects), shall receive 5 points [Equivalent to 1.67 out of 5 points], or if within two miles (four miles for Rural Area projects) 3 points [Equivalent to 1 out of 5 points].
7. A Project site located within one mile of a locally recognized Retail Center with a minimum of 50 full-time employees (two miles for Rural Area projects), shall receive 5 points [Equivalent to 1.67 out of 5 points], or if within two miles (four miles for Rural Area projects), 3 points [Equivalent to 1 out of 5 points].

1. Broadband access. Five points will be awarded for projects meeting the following requirements:
	1. Residential dwelling units are capable of accommodating broadband service with at least a speed of 100 megabits per second for downloading and 20 megabits per second for uploading. Internet service and its ongoing fee is not required; and
	2. The application includes a plan for reducing barriers to access for project residents. The plan should be tailored to the needs of the tenant population and may include programs providing free or reduce internet prices; reasonable access to project facilities, computers, and shared Wi-Fi; and computer and Wi-Fi literacy training and technical assistance.

1. Sustainable building methods. Points will be awarded based on the following:
	1. 2.5 points will be awarded if the Project supports the implementation of a sustainable community’s strategy or alternative planning strategy that has been determined by the California Air Resources Board to achieve the region's greenhouse gas emissions target. Consistency with such plans must be demonstrated by a letter or resolution executed by an officer or an equivalent representative from the metropolitan planning organization, regional transportation agency, planning, or local transportation commission.
	2. If a sustainable community’s strategy is not required for a region by law, 2.5 points will be awarded if the Project supports a regional plan that includes policies and programs to reduce greenhouse gas emissions. Evidence of consistency with such plans must be demonstrated by a letter or resolution executed by an officer of, or an equivalent representative from, the metropolitan planning organization or regional transportation planning agency or local transportation commission.
	3. A Project in which not less than 50 percent of the land area is within a Transit Priority Area shall receive 2.5 points. Evidence of Project location within, or partially within, a Transit Priority Area must be demonstrated by a letter or resolution executed by an officer of, or an equivalent representative from, the metropolitan planning organization, regional transportation planning agency, or local transportation commission.
	4. Five points will be awarded for a Project that is designed to achieve green building status beyond State mandatory building code requirements as verified upon construction completion by a certified LEED Green rater, certified Green Point rater, or licensed engineer. Applicants may select from the following green building certification programs:

|  |  |
| --- | --- |
| **Program**  | **Tier**  |
| CalGreen  | Tier 2  |
| LEED  | Gold  |
| GreenPoint Rated  | New Construction: Gold Rehabilitation: Whole Building  |
| ENERGY STAR  | Certified Home  |
| Living Future Challenge  | Living Building  |

* 1. Three points for Projects that achieve near electrification – projects where two out of three of the major energy appliances (cook stoves, space heating, water heating) are electric. Projects must be wired to be electric ready, defined as having 240 volts outlets near each gas appliance.
	2. Five points will be awarded for Projects that are powered entirely through electricity with no connections to natural gas infrastructure.

## **(f) Cost Containment—10 points maximum**

A project shall receive 1 point for each full percent that the project's eligible basis is less than the project's adjusted threshold basis limit. For purposes of this subdivision, a project's adjusted threshold basis limit shall be the project's threshold basis limit as determined pursuant to Section 10327(c)(5) of the TCAC regulations, except that the increase for deeper targeting pursuant to Section 10327(c)(5)(C) of the TCAC regulations shall be limited to 80%. Section 10327(c)(5) of the TCAC regulations states that for projects financed through CDLAC, “an increase of one percent (1%) in the threshold basis limits shall be available for every 1% of the project's Low-Income and Market Rate Units that will be income and rent restricted at or below 50 percent (50%) but above thirty-five percent (35%) of Area Median Income (AMI). An increase of two percent (2%) shall be available for every 1% of the project's Low-Income and Market Rate Units that will be restricted at or below 35% of AMI. In addition, the applicant must agree to maintain the affordability period of the project for 55 years (50 years for projects located on tribal trust land).” The Department, however, will only restrict to income levels in five (5) percent increments.

Any project may be subject to performance penalties if the project’s total eligible basis determined upon construction completion exceeds the revised total adjusted threshold basis limits for the year the project completes construction (or the original total eligible threshold basis limit if higher) by 40%.

# **III. AB 434 Designated Program Specific Scoring**

A project will not receive any points in this AB 434 Designated Program Specific Scoring section unless the project applies for and the Department verifies eligibility of at least 110 of the 115 Universal Points pursuant to Section II, paragraphs (a) through (f) above.

* + 1. **Veterans Housing and Homelessness Prevention (VHHP) Program-** **(40 maximum additional points possible)**

For VHHP Program Applicants meeting the minimum threshold requirements of VHHP Guidelines section 203, applications will be scored based on the following criteria, for a maximum of 40 points (10 points maximum for Projects not including Supportive Housing or Transitional Housing).

1. Lead Service Provider Experience (18 points maximum) applies only to Projects with Supportive Housing or Transitional Housing

For Projects including Supportive Housing or Transitional Housing, points will be awarded for experience in the last 10 years providing comprehensive case management (individualized services planning and the provision of connections to mental health, substance abuse, employment, health, housing retention, and similar services) to populations experiencing Homelessness (defined in a manner substantially similar to VHHP’s definition) in Supportive or Transitional Housing, and for demonstrated expertise working with Veterans experiencing Homelessness.

Experience must be documented through contracts with public agencies, housing owners or foundations for services in housing Projects with at least 10 units subject to agreements with public agencies restricting rent or occupancy to persons or households experiencing Homelessness, or in publicly funded tenant-based housing assistance programs serving at least 10 Veterans experiencinghomelessness or Veteran households  experiencing Homelessness.

Points will be awarded for the following:

1. Meeting the two-year threshold experience in permanent Supportive Housing instead of Transitional Housing (two points)
2. Years of experience in permanent Supportive Housing or Transitional Housing (three points maximum)
	* + Three years to four years (one point)
		+ Over four years but less than five years (two points)
		+ Five years or more (three points)
3. Number of Projects or contracts in permanent Supportive or Transitional Housing (three points maximum)
	* + Two Projects (one point)
		+ Three Projects (two points)
		+ Four Projects or more (three points)
4. Years of experience serving Veterans experiencing Homelessness in permanent Supportive or Transitional Housing (six points maximum)
* Two years to three years (two points)
* More than three years but less than four years (four points)
* Four years or more (six points)

Points will be awarded for any of the following:

* Experience providing comprehensive case management, where Veterans were at least 20 percent of the LSP’s clients during the years for which points are sought in any of the following:
* Permanent Supportive or Transitional Housing restricted to Veterans experiencing Homelessness;
* A tenant-based, federally funded housing assistance program specifically for Veterans experiencing Homelessness, such as SSVF or HUD-VASH; or
* Permanent Supportive or Transitional Housing not restricted to Veterans, with documented experience providing Veteran-specific services to Veterans experiencing Homelessness, and staff with expertise in this area.

To receive points under paragraph (2) or (3), the provider must have current staff expertise and organizational experience with all of the following:

* Serving Veterans with traumatic brain injury and post traumatic stress disorder;
* Connecting Veterans to VA services and Veteran-specific community services;
* Assisting Veterans to obtain Veteran benefits and/or upgrade discharges;
* Veteran peer support programs; and
* Veteran outreach.

Staff expertise and experience must be documented through resumes, job descriptions, contracts, staff training descriptions, materials used in peer support programs, letters from Veteran service organizations, evidence of active participation in Veteran organizations, meetings and convenings, and similar items.

* Experience of a partner agency meeting the requirements of paragraph (a) if the following conditions are satisfied:
* An executed agreement between the two agencies must be submitted with the application for VHHP assistance; and
* The agreement must have a term of at least five years, and detail the Veteran cultural competency services to be provided by the partner agency. These services must include:
1. Technical assistance with program development;
2. Training and mentoring of LSP leadership and staff for the proposed Project;
3. Assistance with hiring Project staff;
4. Assistance with developing Veteran-specific community linkages;
5. Other technical assistance as needed; and
6. An agreement to provide services to Veterans residing in the Project that are referred by the LSP.

1. Documented success in meeting or exceeding the outcome measures for housing stability, specified under a government contract as an LSP in permanent Supportive or Transitional Housing serving persons experiencing Homelessness, for at least 24 consecutive months (four points maximum).

(2) Supportive services plan (22 points maximum for Projects that include Supportive Housing or Transitional Housing, and 10 points maximum for other Projects)

Applications for Projects that include Supportive Housing or Transitional Housing (which may also include other units) will be scored based on the following:

1. Quality and Quantity of Services (14 points maximum)
2. The services provided are tailored to Veterans and of appropriate quality and quantity for the target population (two points).
3. Staff experience, credentials, and job duties include appropriate requirements, and Veteran cultural competency (three points).
4. The service delivery model, tailored to Veterans, includes, but is not limited to, the use of the following practices (four points):
* SSI/SSDI Outreach, Access, and Recovery (SOAR);
* Critical time intervention;
* Trauma-informed care and de-escalation;
* Motivational interviewing;
* Voluntary moving-on strategies;
* Peer support;
* Case conferencing; and
* Cultural competency with vulnerable populations.
1. The accessibility of VA and other services, whether they are

on-site or in close proximity to the Project, including the hours they are available, and the frequency, travel time and cost of transportation required to access them, including both public transportation and private transportation services (e.g., van owned by the provider), and how the service provider will assist in the expense of public transportation (e.g., provide tokens, negotiate discounts, provide their own shuttle service, etc.) (one point).

1. Adherence to Housing First principles in provision of

services, including provision of flexible services that facilitate permanent housing access and housing stability (one point).

1. The degree to which the physical building space supports

social interaction, the provision of services, and ensures the safety of all residents, especially those more vulnerable, such as persons with a history of trauma, children, elderly, etc. (one point).

1. The levels of linkages with local systems for ending

Homelessness and serving Veterans, including (two points):

* Participation, verified by the local Continuum of Care, in a local Coordinated Entry System (CES) that is fully established;
* The degree of coordination with VA Medical Centers, VA Homeless Program Coordinators, SSVF, Homeless Veterans’ Reintegration Program and other VA programs; and
* The degree of coordination on benefit education and advocacy, discharge upgrade advocacy, and other advocacy efforts on behalf of Veteran tenants with County Veteran Services Offices (CVSOs), legal services and others, and participation in local Continuum of Care, Veterans Stand Down, and other community ending Homelessness efforts.
1. Resident Involvement (two points maximum) Points will be awarded based on the quality of:
2. Strategies to engage residents in building community and

operations (0.5 point);

1. Strategies to engage residents in services planning and

operations (0.5 point); and

1. Tenant satisfaction surveys, to inform and improve services,

building operations and property management (one point).

1. The adequacy of the services budget and the reliability over time of services funding (six points maximum).Points will be awarded based on:
2. The adequacy of budgeted income sources and uses and the consistency of these amounts with other sections of the services plan (one point);
3. The completeness, accuracy, specificity and clarity of the budget document (one point);
4. The extent to which the major services funding sources have been accessed by the designated service providers or Sponsor in the past (one point);
5. The track record of the Sponsor and providers in filling gaps in services funding left by the loss of major funding sources  (two points); and
6. The percentage of the total services budget that is committed at time of application (one point).
7. Applications for Projects not including Supportive Housing or Transitional Housing will be scored based on their resident services coordination plans, as follows:

The appropriateness of the service delivery model, the quality and quantity of services provided, and the degree to which they are specific to Veterans.

1. Quantity and Quality of Services (four points maximum)
* The services provided are tailored to Veterans and of appropriate quality and quantity for the target population (two points);
* Staff experience, credentials, and job duties include appropriate requirements and Veteran cultural competency (one point);
* The level of linkages with local systems for serving Veterans, including (one point):
* The degree of coordination with VA Medical Centers and other VA programs.
* The degree of coordination on benefit education and advocacy, discharge upgrade advocacy and other advocacy efforts on behalf of Veteran tenants with CVSO’s, legal services and others.
1. Resident Involvement (two points maximum) - Points will be awarded based on the quality of:
* Strategies to engage residents in building community and operations (0.5 point);
* Strategies to engage residents in services planning and delivery (0.5 point); and
* Tenant satisfaction surveys, to inform and improve services, building operations and property management (one point).
* The adequacy of the resident services coordination budget and the reliability over time of identified services coordination funding (four points maximum) Points will be awarded based on:
* The adequacy of budgeted amounts and the consistency of these amounts with other sections of the services plan (two points);
* The completeness, accuracy and clarity of the budget document (one point); and
* The percentage of the total services budget that is committed at time of application (one point).
1. **Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program** - **(40 maximum additional points possible)**
2. Percentage of Units for Target Population (30 points). For FWHG Program Applicants with a minimum of 25 percent of FWHG-Assisted Units, applications will be scored based on the percentage of FWHG-Assisted Units, for a maximum of 30 points.

|  |  |
| --- | --- |
| **FWHG-Assisted Units**  | **Points**  |
| 75 percent to 100 percent   | 30 |
| 50 percent to 74.9 percent  | 20  |
| 25 percent to 49.9 percent  | 10  |
| Less than 25 percent  | 0 |

1. Farmworker Need. Up to 10 points will be awarded to a Project based on the presence of farmworkers in the County in which the project is located based on the most recent U.S. Census of Agriculture (hired farm labor).

|  |  |  |
| --- | --- | --- |
| **Counties** | **Percentage of Statewide Hired Farm Labor** | **Points** |
| Fresno, Monterey, Tulare, Santa Barbara, Ventura, Kern, San Joaquin | 5% of more  | 10 |
| Santa Cruz, Madera, Merced, Sonoma, Stanislaus, San Diego, San Luis Obispo, Riverside | 3% to 4.99% | 5 |
| All others | Less than 3% | 3 |

* + 1. **Infill Incentive Grant Program of 2007 (IIG) -** **(40 maximum additional points possible)**
	1. Net Density (30 points). For IIG Program Applicants with a minimum of 15 percent of IIG-Assisted Affordable Units, applications will be scored based on the extent to which the Net Density of the Project exceeds the required density specified in IIG Guidelines Section 303(c)(4), for a maximum of 30 points. Density calculations shall be evidenced by a date- stamped map certified by a licensed State of California professional, such as an architect, engineer, or surveyor.

1. Net Density will be adjusted by unit size (and commercial space as applicable) as follows:

Example = Mixed-use project, three-quarter acre, urban site, with 12 one-bedroom units at 800 square feet each, 12 two-bedroom units at 1,100 square feet each, and 5,000 square feet of commercial space.

Based on the density factors in the chart below, the equation looks like this:

12 x 0.9 (one-bedroom units) = 10.8

12 x 1.2 (two-bedroom units) = 14.4

To attribute density to the commercial space, utilize the square footage and bedroom count of the largest unit in the project to determine how many whole units would fit into the square footage of the commercial space.

For this example, the largest unit is a two-bedroom, 1,100 square foot unit. 5,000 square feet (commercial space) would accommodate four (4) of these units. Multiply that result by the appropriate factor:

4 x 1.2 (two-bedroom units) = 4.8

To calculate the percentage at which this project meets or exceeds the required density, add all three resulting calculations above, and divide by the minimum density required for the project site (in this case 30 units/acre for an urban site), then by the number of acres in the project, then multiply by 100 (for percentage):

(10.8+14.4+4.8) / 30 = 1 /.75 = 1.3333x100 = 133.33 percent

|  |  |
| --- | --- |
| **Unit Size (Bedrooms)**  | **Factor**  |
| 0-Bedroom  | 0.7  |
| 1-Bedroom  | 0.9  |
| 2-Bedroom  | 1.2  |
| 3-Bedroom  | 1.6  |
| 4-Bedroom  | 1.8  |

1. Points will be awarded in accordance with the following schedule:

|  |  |
| --- | --- |
| **Net Density as a Percentage of Required Density**  | **Points**  |
| 150 percent or more  | 30 |
| 140 percent to 149.9 percent  | 25 |
| 130 percent to 139.9 percent  | 15 |
| 120 percent to 129.9 percent  | 10 |
| 110 percent to 119.9 percent  | 5 |
| Less than 110 percent  |  0  |

(2)  Proximity to Transit (8 points) – Points will be awarded based on the walkable route between the Rental Housing Development and a Transit Station or Major Transit Stop as follows:

(A) Eight (8) points for a Project within one-quarter mile of a Transit Station or Major Transit Stop.

1. Six (6) points for a Project within one-half mile of a Transit Station or a Major Transit Stop located in an area of high segregation and poverty or low resource opportunity area (see TCAC/HCD Opportunity Area Maps) or disadvantaged community pursuant to Senate Bill 535 and Assembly Bill 1550.
2. Four (4) points for a Project within one-half mile of a Transit Station or a Major Transit Stop.

These transit points shall be measured by a Walkable Route from the nearest boundary of the project to the outer boundary of the site of the Transit Station or Major Transit Stop.

1. Prohousing Policies (2 points) – Points will be awarded based on the extent to which the Project meets the following:
2. Two (2) points will be awarded to Projects located in jurisdictions that have been designated prohousing based upon their adoption of prohousing local policies, pursuant to the Department’s [Prohousing Designation Program](https://www.hcd.ca.gov/community-development/prohousing/index.shtml). The Department shall designate jurisdictions as prohousing pursuant to applicable law and report these designations to the Office of Planning and Research, and any other applicable agency or department, annually and upon request.
3. For Projects located in jurisdictions that are not designated prohousing pursuant to the Department’s [Prohousing Designation Program](https://www.hcd.ca.gov/community-development/prohousing/index.shtml), but have applied for the designation, one (1) point will be awarded if the jurisdiction has at least 3 of the following in place:
* Projects located in jurisdictions permitting missing middle housing uses (e.g., duplexes, triplexes, and fourplexes) by right in existing low-density, single-family residential zones.
* Projects located in jurisdictions with density bonus programs which exceed statutory requirements by 10 percent or more.
* Projects located in jurisdictions that are increasing allowable density in low-density, single-family residential areas beyond the requirements of state Accessory Dwelling Unit law (e.g., permitting more than one ADU or JADU per single-family lot). These policies shall be separate from any qualifying policies under category (ii) above.
* Projects located in jurisdictions that are reducing or eliminating parking requirements for residential development as authorized by Government Code sections 65852.2; adopting vehicular parking ratios that are less than the relevant ratio thresholds at subparagraphs (A), (B), and (C) of Government Code section 65915, subdivision (p)(1); or adopting maximum parking requirements at or less than ratios pursuant to Government Code section 65915, subdivision (p).
* Projects located in jurisdictions that are zoning to allow for residential or mixed uses in one or more non-residential zones (e.g., commercial, light industrial). Qualifying non-residential zones do not include open space or substantially similar zones.
* Projects located in jurisdictions that are modifying development standards and other applicable zoning provisions to promote greater development intensity. Potential areas of focus include floor area ratio; height limits; minimum lot or unit sizes; setbacks; and allowable dwelling units per acre. These policies must be separate from any qualifying policies under Category (ii) above.
* Projects located in jurisdictions that have adopted a Nondiscretionary Local Approval Process for residential and mixed-use development in all zones permitting multifamily housing, established a Workforce Housing Opportunity Zone, as defined in Government Code section 65620, or a housing sustainability district, as defined in Government Code section 66200.
* Projects located in jurisdictions that zone more sites for residential development or zoning sites at higher densities than is required to accommodate 150 percent of the minimum regional housing need allocation for the Lower-Income allocation in the current housing element cycle.
* Projects in jurisdictions that have priority permit processing or reduced plan check times for Accessory Dwelling Units (ADUs)/Junior Accessory Dwelling Units (JADUs), multifamily housing, or homes affordable to Lower- or Moderate-Income households.
* located in jurisdictions that have adopted ordinances or implemented other mechanisms that result in less restrictive requirements than Government Code sections 65852.2 and 65852.22 to reduce barriers for property owners to create ADUs/JADUs. Examples of qualifying policies include, but are not limited to, development standards improvements, permit processing improvements, dedicated ADU/JADU staff, technical assistance programs, and pre-approved ADU/JADU design packages.
* Projects located in jurisdictions with measures that reduce costs for transportation-related infrastructure or programs that encourage active modes of transportation or other alternatives to automobiles. Qualifying policies include, but are not limited to, publicly funded programs to expand sidewalks or protect bike/micro-mobility lanes; creation of on-street parking for bikes; transit-related improvements; or establishment of carshare programs.
* Projects located in jurisdictions that have established pre-approved or prototype plans for missing middle housing types (e.g., duplexes, triplexes, and fourplexes) in low-density, single-family residential areas.
* located in jurisdictions that have documented practice of streamlining housing development at the project level, such as by enabling a by-right approval process or by utilizing statutory and categorical exemptions as authorized by applicable law (Pub. Resources Code, sections 21155.1, 21155.4, 21159.24, 21159.25; Gov. Code, section 65457; Cal Code Regs., tit. 14, sections 15303, 15332; Pub. Resources Code, sections 21094.5, 21099, 21155.2, 21159.28).
* Projects located in jurisdictions that have policy that represents one element of a unified, multi-faceted strategy to promote multiple planning objectives, such as efficient land use, access to public transportation, affordable housing, climate change solutions, and/or hazard mitigation.
* Projects located in jurisdictions that have policies that promote development consistent with the state planning priorities pursuant to Government Code section 65041.1.
* Projects located in jurisdictions that have rezoning and other policies that support high-density development in Location Efficient Communities.

# **IV. Tiebreaker Score**

In the event of tied point scores, the Department shall rank tied applications based on three factors: the lowest weighted average affordability of all residential units, leverage of other funds, and additional cost containment, which shall be computed as follows:

1. Lowest weighted average affordability of all residential units.
	1. Multiply each income limit applicable to the Project by the number of adjusted residential Units restricted at that income level (market rate units, which do not include units subject to rent and/or occupancy restrictions at 70 percent or 80 percent AMI, shall be designated 100 percent AMI).

To calculate adjusted residential Units, multiply the residential Units of a

bedroom count by the following adjustment factors:

|  |  |  |
| --- | --- | --- |
|  |  | Adjustment |
| Unit Type |  | Factor |
| Studio/SRO |  | 1.10 |
| 1-Bedroom |  | 1.00 |
| 2-Bedroom |  | 0.90 |
| 3-Bedroom |  | 0.80 |
| 4-Bedroom or larger |  | 0.70 |
|  |  |  |

* 1. Add the products calculated pursuant to the previous paragraph.
	2. Divide the sum calculated pursuant to the previous paragraph by the total number of adjusted residential Units in the Project to obtain the average affordability.

For Special Needs project types, the minimum average affordability is 30%

AMI. For all other project types, the minimum average affordability is 40%

AMI.

* 1. Subtract (C) from 1.0.

The Project property management must meet the requirements of MHP Guidelines section 7302(e)(2) and (4).

1. Leverage of other funds.
	1. Applications will be scored based on the leverage of other soft funds, meaning local public funds, including land donations or fee waivers to be used for permanent funding of the development costs attributable to the Restricted Units as a percentage of the total Project development cost.
	2. Land donations will be counted as leveraged funds where the value is established with a current appraisal, with the amount discounted to reflect a purchase price that is lower than the appraised value, or any fees, or other reliably predictable payments required as a condition of the donation.
	3. Add the sum of all eligible soft funds as set forth in paragraphs (A) and (B).
	4. Divide (C) by total Project development cost and express as a decimal.
	5. Multiply the resulting decimal in paragraph (D) by 0.90.

1. Additional cost containment.  This category rewards applicants having low total development costs as measured by their Adjusted Eligible Cost Basis. For purpose of this element of the tiebreaker, the project’s Adjusted Eligible Cost Basis will be compared to their County-level Adjusted Threshold Basis Limit. The project’s percentage above (unfavorable) or below (favorable) their County Adjusted Threshold Basis Limit shall equate to their score on this measure, expressed as a decimal.

|  |
| --- |
| Total Eligible Basis per the Development Budget |
| Adjusted Threshold Basis Limit per CDLAC Regulation Section 5230 |

The calculation in this paragraph (3) is multiplied by 1.25.

Projects will compete with like-projects in the tiebreaker. Applicants will thus be grouped into FWHG /Non-Special Needs applications, Special-Needs and VHHP applications, and Large-Family Applications. This will level the competition by allowing for inherent differences in costs associated with the project-type such as costs for larger unit sizes, or costs for supportive services. The final tie-breaker score is the sum of paragraph (1) through (3) divided by three and rounded to six decimal points.

|  |
| --- |
| **Tiebreaker Methodology Summary** |
|  | **Affordability** | **Cost Containment** | **Leverage** |
| **Family Projects (fewer than 30% Homeless units)** | Average Affordability (credit for average affordability down to 40% AMI) | Total Development Cost compared to TCAC Threshold Basis Limits | Local funding commitments including land and Project Based Vouchers (PBV). Maximum land donation credit achieved at 30% of TDC, Maximum PBV commitment given credit at 50% of project units. |
| **Homeless & Special Needs Projects** |  Average Affordability (credit for average affordability down to 30% AMI) | Total Development Cost compared to TCAC Threshold Basis Limits | Local funding commitments including land and Project Based Vouchers (PBV). Maximum land donation credits achieved at 30% of TDC. Maximum PBV commitment at 100% of project units. |
| **All other Project Types (fewer than 30% Homeless units)**  | Average Affordability (credit for average affordability down to 40% AMI) | Total Development Cost compared to TCAC Threshold Basis Limits | Local funding commitments including land and Project Based Vouchers (PBV). Maximum land donation credit achieved at 30% of TDC, Maximum PBV commitment given credit at 50% of project units. |

# **V. Award of Funds**

1. As set forth in these Guidelines, each application for funding shall describe all program funding sources being requested; state the amount of funding requested from each program; and set forth the number and size of units that shall be assisted by each separate program funding source requested.
2. Applications satisfying all applicable threshold requirements shall first be scored pursuant to the scoring provisions of Section II (“ Universal Scoring Criteria”). All applications that are awarded at least 110 points thereunder are eligible to be further considered for additional, AB 434 Designated Program-specific points under Section III above to the extent the application seeks funding under one or more such AB 434 Designated Programs. Any such additional points awarded with respect to such AB 434 Designated Program funding requests will be added to the points awarded pursuant to Section II. To be awarded under any AB 434 Designated Program, applicants must achieve a minimum threshold score of Program-specific points. The minimum threshold score for each program shall be determined by the Department and set forth in the NOFA.
3. Applications shall then be given a fractional score. The numerator of that score will reflect the total points actually awarded pursuant to both MHP criteria and the applicable AB 434 Designated Program-specific points (Sections II & III above). The denominator of that score will reflect the total points available to that particular application (i.e., the maximum MHP points + all maximum points available in connection with the application’s other AB 434 Designated Program funding requests). The fraction is then converted to a normalized percentage score to facilitate the comparison and rating and ranking of applications with different combinations of specific funding requests.
4. The Department shall then rate and rank applications for all VHHP funding requests based on normalized percentage scores and tie-breaker scores. VHHP funds will be awarded to the applications with the highest percentage scores and tie-breaker scores until all VHHP funds available under the NOFA are exhausted or there are no qualifying applications remaining. VHHP applicants that do not achieve the minimum required score on VHHP points will not be awarded even if NOFA funds have not been exhausted.
5. Successful VHHP applications that also request funding from other programs (i.e., FWHG or MHP) will then each be assigned two (2) additional bonus percentage points to the adjusted normalized score for purposes of ranking and rating that application’s specific program funding requests against the corresponding program funding requests in other applications.
6. The Department shall then rate and rank applications for all FWHG funding requests based on normalized percentage scores. FWHG applications that requested and received a VHHP award will show scores that reflect the 2-point enhancement awarded pursuant to paragraph (4) above. FWHG funds will be awarded to the applications with the highest scores until all FWHG funds available under the NOFA are exhausted or there are no qualified applications remaining. FWHG applicants that do not achieve the minimum required score on FWHG points will not be awarded even if NOFA funds have not been exhausted.
7. Successful FWHG applications that also request funding from other programs (i.e., MHP or IIG) will each be assigned one (1) additional bonus percentage points to the adjusted normalized score for purposes of rating and ranking that application’s remaining program funding requests against the corresponding program funding requests in other applications. However, bonus point awards are not cumulative. If an application received bonus points under paragraph (4) preceding, it shall not be eligible for further bonus points under this paragraph (5).
8. The Department shall then rate and rank all applications that include an MHP and/or IIG funding request based on the normalized percentage scores. Some scores may show bonus point enhancements pursuant to paragraphs (5) or (6) above. As a result, for purposes of MHP and IIG ranking, Adjusted Normalized Scores include bonus point enhancements. MHP funds will be awarded to the applications with the highest normalized point and tie-breaker scores until all MHP funds available under the NOFA are exhausted. IIG funds will be awarded to the applications with the highest normalized point and tie-breaker scores until all IIG funds available under the NOFA are exhausted. No bonus points shall be awarded in connection with either an MHP or IIG award.
9. If there are insufficient program funds available to fund any of an application’s specific program funding requests, or if a project requesting multiple program funds is not successful in each program, that project may be partially funded. A partially funded project must secure the remainder of the funding amount requested no later than ninety (90) days from the date of the Designated Program(s) or MHP award(s). Failure to meet this requirement will result in withdrawal of the award(s) and disencumbrance of the funds. The disencumbered funds may be awarded to the next-highest ranked project(s) of the NOFA.
10. Notwithstanding any of the terms of these Guidelines, any reference outside of these Guidelines, including without limitation references in the guidelines for any AB 434 Designated Program, to the ranking and rating or the administration of funds in a manner consistent with the MHP program shall not be interpreted as authorizing funding criteria or requirements that conflict with those approved by the voters through a statewide initiative or referendum.