MHP 2019 Round 2 Q&A

This Questions and Answers (Q&A) document represents key information and inquiry responses provided to potential applicants for the second round of the MHP Program. The questions and answers published below provide clarification and additional detail on the MHP Program Guidelines and application process.

This is the first Q&A document published in preparation for the second round of funding. Responses shall be updated weekly and posted on the HCD website with responses in blue.

For additional questions and inquiries regarding the MHP Program, please email the MHP NOFA / Awards Section at mhp@hcd.ca.gov. Answers to questions received in this inbox will be answered via email and posted in a subsequent Q&A document.

Questions are organized into the following categories (categories to be added as additional questions are received):

<table>
<thead>
<tr>
<th>Category</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>1</td>
</tr>
<tr>
<td>Scoring</td>
<td>4</td>
</tr>
<tr>
<td>Supportive Services / Special Needs</td>
<td>7</td>
</tr>
</tbody>
</table>

**General**

1. I operate a small construction management and accessibility consulting business and would like to make my services available to potential developers. I’m registered as a small business with the state of CA – is there a similar process to register with HCD?

   At this time we do not have a registration process, nor a referral for consulting services, available for the MHP program with HCD. I would advise you to contact your local jurisdictions to see if they have a process in place for that.

Additional Questions? Please email: mhp@hcd.ca.gov
2. **Will there be a webinar in addition to the in-person TA sessions?**

   At this time, we do not have a webinar scheduled for MHP Round 2 which was released on January 2, 2020. Please enroll in the list serve for any future announcements related to a webinar being scheduled, in addition to checking the MHP program website at [https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml](https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml) for scheduled MHP workshops.

3. **Can you please tell me if there are revised applications for the January 6, 2020 NOFA?** The only versions I can find are 6/16/19. If these are not the correct versions, could you please send a link to the current version?

   We anticipate the Universal Application and Supplemental Application being released for MHP Round 2 no later than January 16, 2020. Please enroll in the list serve for any future announcements related to application release, in addition to checking the MHP program website at [https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml](https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml) for program documents.

4. **I see you have a 2013 award summary, but none for 2019. If you don’t have a similar list, can you at least provide me with the range of total points that were awarded for those who were funded?**

   We will be posting a list of all projects and scores that will be sent via a list serve announcement.

5. **Can you please confirm if there are any preparation dates that the following reports need to be within.**

   a. PNA or CAN
   b. Relocation Plan
   c. Operating Expense Comparable
   d. Asbestos
   e. Lead Based Paint
   f. Mold
   g. Local Approvals for NEPA and CEQA

   a. The Department currently does not have restrictions on the timeframe of how recent various reports will need to be but may consider setting parameters in the future. All Acq/Rehab and Rehab projects must submit a PNA or CNA which support the proposed scope of work as outlined in application documentation. Reports are subject to Department approval. Please see MHP Supplemental Application, Tab B, Project

Additional Questions? Please email: mhp@hcd.ca.gov
Requirements section entitled “For Acq/Rehab and Rehab projects ONLY” for more information.

b. The Department currently does not have restrictions on the timeframe of how recent various reports will need to be but may consider setting parameters in the future. Relocation plans must conform with the provisions of California Code of Regulations, Title 25, Section 6038. Relocation plans or other relocation documentation shall be subject to the review and approval by the Department.

c. A minimum of 3 comparables are required from projects located in the same market area and must be from the most recent 2 years. Please see MHP Supplemental Application, Tab B, Project Requirements, under Explanations section entitled “21. Op Exp Compare” for more information.

d, e, & f. The Department currently does not have restrictions on the timeframe of how recent various reports will need to be but may consider setting parameters in the future. These reports are applicable to Rehabilitation projects as outlined in Multifamily Housing Program (MHP) January 2020 NOFA Section II (F)(3)(e)(f).

g. Local approvals for NEPA and CEQA – Completion of all necessary environmental clearances including NEPA and CEQA are required to determine application completeness and compliance and must be obtained prior to the March 2, 2020 application due date. Please see Supplemental Application, Tab C - Local and Env Verification for more information.

6. HCD’s website only has the 2019 Guidelines. Is there a 2020 version, and if not, is the 2019 version fully applicable to the 2020 application?

MHP currently has one set of guidelines for the program. They are dated 2019. We do not currently have any revised or updated guidelines. There is a new NOFA out dated January 2, 2020. The previous NOFA was dated June 19, 2019.

For underwriting requirements, the MHP program uses the 2017 UMR’s. All of these documents can be found at www.HCD.ca.gov

Additional Questions? Please email: mhp@hcd.ca.gov
7. I'm planning on applying for MHP via the FAAST portal, and am wondering how I can have access to it and set up my project?

As of today, Friday January 24, 2020, you are unable to upload documents to the FAAST system. A list serve announcement will be sent out once it is available.

To access the Universal and Supplemental Applications for the MHP program, please visit the MHP website at https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml

**Scoring**

1. Does HCD have plans to implement the “Bonus Point” for complete organizational documents into other/future programs as it has done with MHP? Please let me know if there is a better contact for this question as well.

   At this time, the January 2, 2020 NOFA for the MHP program has a bonus point that is available. I can’t speak to other programs as those all have different requirements, guidelines, and statutes that they must follow. Depending on the program you are interested in, it would be best that you contact them directly through the program specific site pages located at https://www.hcd.ca.gov/grants-funding/active-funding/index.shtml

2. Would the MHP program allow us to still garner full points for the Environmental Clearance section of the application if we are able to provide evidence that we completed the NEPA review and it is just pending State HOME certification

   If the evidence proves the adoption or certification was obtained at time of application, then you may receive full points. Please refer to MHP Guidelines Section 7320(b)(5)(B) Project Readiness: Four Points will be awarded for adoption or certification of all necessary environmental reviews (California Environmental Quality Act and National Environmental Policy Act).

   Completion of all necessary environmental clearances are required to determine application completeness and compliance and must be obtained prior to the March 2, 2020 application due date. This includes all required environmental documents and clearances as specified in the Supplemental Application, Tab C - Local and Env Verification. Additional supporting documentation may be required, up to and including, the Authority to Use Grant Funds.

Additional Questions? Please email: mhp@hcd.ca.gov
All Minimum threshold requirements must be met and can be found in the MHP January 2020 NOFA Section II (F)(1)(a-e). Applications will be reviewed for completeness pursuant to Guidelines Section 7318 (a-d). Additionally, the MHP Supplemental application contains information needed to evaluate application threshold compliance.

In order to obtain the 4-points the Program requirements as stated in the NOFA, application, and guidelines must be met, including project readiness, as of the March 2, 2020 application due date.

3. Section 7320 (b) (2): The guidelines state that “Five points will be awarded for each of the following conditions met by the Project:” The project we are applying for is a 101 unit development with 100 assisted units. 85 of the assisted units would serve seniors 62 years and older and MHP funding would be assigned to those. The remaining 15 units in the project would serve special needs residents and these units would be served by NPLH funding.

Can we assume that the use of the term “project” highlighted above means all 100 units and therefore, we would qualify for 5 points as “(B) Qualifying as both a senior and Special Needs Project?”

“Project” means a Rental Housing Development, and includes the development, the construction or rehabilitation, and the operation thereof, and the financing structure and all agreements and documentation approved in connection therewith (UMR Section 8301(n)).

Based on MHP Guidelines, the project must meet the requirements of Section 7302(e)(2) for Special Needs, and Section 7302(e)(3) for Senior.

Based on MHP Guidelines Section 7320(b)(2)(B), if your project meets both Senior and Special Needs requirements, you may qualify for the 5 points.

4. I write with a question about MHP Program Regulations Section 7320(b)(5)(A) and (D), attached for reference. These sections award 4 points for having all enforceable commitments for construction financing, "not including...funding to be provided by another Department program awarded prior to final rating and ranking for the MHP application." They also offer 4 points for "obtaining commitments for all deferred-payment financing, grants and subsidies." It further states: funding from "Department programs proposed for Project financing must be awarded prior to final rating and ranking for the MHP application."

For a project looking to use MHP and IIG funds, is it possible to score full points in the above sections if an IIG application is pending as of the date of application? We are looking into applying for MHP funds on the July
2020 NOFA, applications due September 2020, and awards December 2020. The project would also be relying on IIG funds, which we'd be applying for through the August 2020 NOFA, applications due October 2020, awards in January 2021 (my assumption based on typical 3-month review cycle.) Since IIG is a construction-period source, I'm asking about both of the sections above (construction and perm sources).

The reason I ask is that the award dates are so close to one another—possibly the same month, or just 30 days later! Also, I had heard there was discussion within HCD about allowing this case so that projects could more quickly get started. The alternative for our project would be to apply for IIG in the Fall, wait for the next MHP NOFA in 2021, and then apply/get funds awarded. This would delay the project 6-12 months, given it is also relying on state credits, which are only available in the January TCAC round (so we'd be waiting a whole year to get those).

I am hoping the regulations language referred to above allows for concurrent MHP and IIG applications. Thanks in advance for your feedback.

Thank you for sending over your questions.

For MHP:

1. In order to claim 4 points in 7320 (b)(5)(A) – known as Construction Financing, EFC’s would need to be provided for all sources of funding – both public and private, that are listed on the Development Sources in the Universal Application. For ANY public source of funding – local, state or federal, an Award Letter would need to be provided by the application due date of March 2, 2020. For private financing, an EFC or Term Sheet would need to be provided to verify the terms stated on the Development Sources in the Universal Application. The exception to this would be Tax Credits and Tax Exempt bonds which the Department considers as committed.

2. In order to claim 4 points in 7320 (b)(5)(D) – known as Permanent Financing and Subsidies, there are 2 parts to this question in order to receive the 4 points:
   a. EFC’s would need to be provided for all sources of funding – both public and private, that are listed on the Development Sources in the Universal Application. For ANY public source of funding – local, state or federal, an Award Letter would need to be provided by the application due date of March 2, 2020. For private financing, an EFC or Term Sheet would need to be provided to verify the terms stated on the Development Sources in the Universal Application. The exception to this would be Tax Credits and Tax Exempt bonds which the Department considers as committed.

Additional Questions? Please email: mhp@hcd.ca.gov
Multifamily Housing (MHP) Program
NOFA Date: January 2, 2020
Questions and Answers (Q&A)
Last Updated: January 27, 2020

federal, an Award Letter would need to be provided by the application due date of March 2, 2020. For private financing, an EFC or Term Sheet would need to be provided to verify the terms stated on the Development Sources in the Universal Application. The exception to this would be Tax Credits and Tax Exempt bonds which the Department considers as committed.
b. If a subsidy – either Project Based Rental Subsidy or other locally awarded rental subsidy – is listed in the Rental & Subsidy tabs of the Universal Application – a commitment letter, award letter, or letter of intent must be provided by the applicant by the application due date of March 2, 2020. This document should include the source of the subsidy, the amount of funds, number of units, and terms of the commitment (proposed or awarded). This should match what is listed in the Universal Application.

3. MHP has an anti-stacking prohibition. MHP funds cannot be used to assist the same units as other HCD awarded units. A full list of the programs can be found in the January 2020 MHP NOFA, as well as the June 2019 MHP guidelines 7302 (h). IIG does not fund housing units, and is not listed as a program that would fall under the stacking prohibition.

4. For IIG funds to be considered as committed, they must have been awarded by the MHP application due date of March 2, 2020.

**Supportive Services / Special Needs**

1. Are there any additional/more specific criteria regarding what kind of housing (beyond "permanent and transitional rental housing for lower income households") is eligible for MHP assistance? For example, are Permanent Supportive Housing and income-restricted rental housing eligible?

Please refer to the MHP guidelines located at https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml

a. Section 7302 identifies the eligible project types, which include Supportive Housing and Special Needs criteria.
b. Section 7301 identifies Supportive Housing and Special Needs populations for the MHP program
c. The Supplemental Application has a document checklist the identifies what documentation is required for Supportive Housing and/or Special Needs populations. Based on the population identified may require additional information.

Additional Questions? Please email: mhp@hcd.ca.gov