Multifamily Housing Program

January 2020 NOFA
Welcome and Introduction
### MHP Presenters

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lynn Jones</td>
<td>Program Manager</td>
</tr>
<tr>
<td>Hector Leyva</td>
<td>Program Manager</td>
</tr>
<tr>
<td>Amy Lopez</td>
<td>HCD Representative</td>
</tr>
<tr>
<td>Elizabeth Montoya</td>
<td>HCD Representative</td>
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<tr>
<td>Michael Murphy</td>
<td>HCD Representative</td>
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<tr>
<td>Anthony Ramirez</td>
<td>HCD Representative</td>
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<tr>
<td>Mylen Riggs</td>
<td>HCD Representative</td>
</tr>
<tr>
<td>Kim Spears</td>
<td>HCD Representative</td>
</tr>
</tbody>
</table>
Housekeeping

• General Rules
  – Take time and Make time
  – Questions & 3x5 cards
  – New staff & funding programs
  – Consultations

• Introduction of Format
  – Scheduled Breaks
  – Workshop Timing
  – Table of Contents
# Table of Contents

<table>
<thead>
<tr>
<th>Presenter</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lynn</strong></td>
<td>Welcome &amp; Introduction</td>
</tr>
<tr>
<td><strong>Craig</strong></td>
<td>HCD is Growing</td>
</tr>
<tr>
<td><strong>Hector</strong></td>
<td>MHP Round One Recap NOFA Round Two, What’s New?Program Overview</td>
</tr>
</tbody>
</table>
| **Elizabeth** | Project Types  
Supportive Housing & Special Needs Units |
| **Amy** | Application Review  
Threshold |
| **Michael** | Rating & Ranking (Scoring) |
| **Anthony** | Feasibility |
| **Kim** | Application Highlights  
Application Submission |
HCD is Growing

- New Hires as of January 2\textsuperscript{nd}
- Staff growth from this time last year

**New Staff**

- Homelessness
- Access to Opportunity
- Climate Change

**New Programs**
MHP Round One
Round One Recap

• June 19, 2019, amended August 1, 2019
• $250,000,000, with an additional $16,816,108 from SHMHP – total of $266,816,108
• Mandated set-asides for Rural, Senior, North & South
• Application due date was August 20, 2019, with awards announced in December 2019
• 2 teams completing reviews – 2 Managers and 12 Representatives
• Standard Agreement status
Round One Recap

• 97 Applications received on due date
• Over $1 billion in requests
• Threshold – 96 reviewed
• Rating and Ranking (Scoring) – 58 reviewed
• Feasibility – 31 reviewed
Round One Accomplishments

- Internal Loan Committee met on December 19, 2019
- 24 projects awarded
- Total award of $262 million
- 18 projects included SH and/or SN units
- 1,711 total units, 854 MHP Assisted
NOFA Round Two
Authority

- Senate Bill 3 (SB3) 2017
  - Veterans and Affordable Housing Bond Act

- Proposition 1
  Adopted by voters November 6, 2018
NOFA Overview

• How Frequent?
  – $5 billion over five years
  – Semi-annually

• How Much Is Available in January 2020 NOFA?
  – $297 million

• Maximum Loan Amount
  – $20 million
NOFA Overview

Set asides

- **18.3%** - Senior Housing Projects
- **20%** - Rural
- **30%** - Northern California
- **45%** - Southern California
- **$20 million** for Excess Sites
## Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOFA Release</td>
<td>January 2, 2020</td>
</tr>
<tr>
<td>Application Form Available</td>
<td>January 13, 2020</td>
</tr>
<tr>
<td>Applications Due</td>
<td>March 2, 2020</td>
</tr>
<tr>
<td>Internal Loan Committee</td>
<td>June 2020</td>
</tr>
<tr>
<td>Award Announcements</td>
<td>June 2020</td>
</tr>
</tbody>
</table>
In the event of oversubscription, the Department may establish a preliminary point score and ranking pursuant to Guidelines Section 7320(b). Applications ranked below a fundable range as indicated by the preliminary ranking will not be subject to further review by the Department. The Department can establish these score requirements at each phase of the review process.
What’s New in this NOFA?
What’s New in this NOFA?

• Bonus Point
• FAAST Application Submission
• Round 1 Applicants reapplying
Questions?
Program Overview
MHP Emphasis

• Emphasis on units for:
  – Deeper affordability
  – Large Families (two or more bedrooms)
  – Special Needs Populations
Loan Terms

- 55-year term
- 3% Simple Interest (principle and interest deferred)
- Mandatory debt service of 0.42%
- Unpaid interest and principle due at the end of term
Loan Limits

• Base loan limits of $175,000 per unit
  – Supportive Housing restricted units
  – Large Family New Construction restricted units located in “High Resource” or “Highest Resource” Area

• All other restricted base loan limits set at $150,000 per unit
Assisted vs. Restricted Units

• **Assisted Units**
  – Units subject to HCD rent/occupancy restriction as a result of program funding

• **Restricted Units**
  – Includes all assisted units and any units subject to comparable rent/occupancy restrictions

• **Unrestricted Units**
  – Market Rate
  – Manager Units (unless specifically restricted)
Eligible Use of Funds

• Costs attributable to restricted units include but are not limited to:
  – Property Acquisition
  – Construction/rehabilitation
  – Off-site/on-site improvements
  – Capitalized Operating and Replacement Reserves
  – Developer Fee
Program Limitations

• Projects proposing 9% federal low-income tax credits (TCAC) are not eligible

• Use of multiple funding sources on the same assisted units (subsidy stacking) is prohibited
Organizational Documents

- **Sponsor** (Threshold Requirement)
- **Borrower** (may result in bonus point)
  - Formation Documents
  - All entities included in Borrower structure
Resolutions and Loan Authorizations

• Applicant Name & Org. Type
  – Matches Org. Docs. *exactly*
  – Matches STD 204 and/or TIN *exactly*
  – Designee name & title matches signature block *exactly*
  – Use of “and/or”
  – Must reference the project name
Use of Other HCD Sources

• Combining HCD Sources
  – Stacking prohibition
  – Article XXXIV
  – Integration
Questions?
Project Types
Project Types

• Large Family
  – 25% of restricted units have three or more bedrooms, and
  – Minimum of an additional 25% of restricted units have two or more bedrooms

• Senior
  – All units restricted to residents age 62 or older

• High Risk
Project Types

• Supportive Housing
  – Minimum of 15% of units and, not less than a minimum of 10 units, are set aside for Chronically Homeless individuals

• Special Needs
  – 25% of restricted units set aside for Special Needs Populations
Questions?
Supportive Housing and Special Needs Units
SH/SNP Project vs. Units

• Supportive Housing (SH) Units
  – Chronically Homeless
  – Referrals from Coordinated Entry System (CES)
  – Must meet Housing First requirements

• Special Needs Populations (SNP) Units
  – May include but not limited to:
    ▪ Homeless
    ▪ Individuals with physical or sensory disabilities transitioning from care facilities
    ▪ Homeless youth (as defined by Government Code 12957(e)(2))
    ▪ Survivors of domestic violence, sexual assault or human trafficking
Service Plan

• Required for:
  – Supportive Housing (SH)
  – Special Need Populations (SNP) units.
    ▪ 10 percent unit set aside for homeless populations with referrals from CES

• Services must be suitable to the needs of the tenants
  – Must demonstrate specific, feasible plan for delivery and funding
    ▪ Funding from project operations, must be included in the Operating Budget
Questions?
Application Review
Application Review

• The application must have a minimum self score of 90 points

• Application must be submitted on or before deadline of **March 2, 2020 at 5:00 Pacific Standard Time**.

• During the threshold and scoring phases, the application review is based solely on the content of the application

• No new, additional or revised documentation is allowed
Application Review

Based upon the total number of applications scored and ranked and the total funds available, the Department may establish a point score cut-off after each phase of the review process.

If an application will not be within the fundable range, as indicated in its preliminary point score, additional review by the Department is not required.
Application Review

• Review Process
  – Threshold
    ▪ Compliance with minimum requirements
  – Rating and Ranking (Scoring)
    ▪ Initial Point Score (before appeal)
    ▪ Final Point (after appeal, if submitted)
  – Feasibility
Application Review

• Appeals
  – Decision made by Department
  – Process and Deadlines – refer to January 2020 NOFA
Questions?
Threshold
Eligible Sponsor

• Eligible entity
• Organized as a for-profit, limited profit or nonprofit
• Demonstrate experience and capacity
Eligible Project

• Rental Housing Development
  – Must have a minimum of 5 or more units

• Scattered sites
  – Must have common ownership and common funding

• At the time of application, construction has not commenced

• Restrictions on Acquisition and Rehabilitation
  – The number of bedrooms in the new Project are at least equal to the total number of bedrooms in the demolished structures
Site Control

• At the time of application site control
  – Must be in the name of the Sponsor or,
  – Entity controlled by the Sponsor

• All forms of site control must extend through anticipated award date – June 30, 2020
A supportive services plan will be required for all projects that include Supportive Housing (SH) or Special Needs Populations (SNP) units.
Complete Application

- All Applications must be submitted through FAAST
- All required documentation is submitted as specified in document checklist found in the Supplemental Application
Questions?

Break Time – 15 minutes
Rating and Ranking (Scoring)
## Score Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Maximum Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent Project Serves the Lowest Income Levels</td>
<td>35</td>
</tr>
<tr>
<td>Extent the Project Addresses The Most Serious Local Housing Needs</td>
<td>10</td>
</tr>
<tr>
<td>Development and Ownership Experience of the Sponsor</td>
<td>20</td>
</tr>
<tr>
<td>Leverage of Other Funds</td>
<td>20</td>
</tr>
<tr>
<td>Project Readiness</td>
<td>15</td>
</tr>
<tr>
<td>Adaptive Reuse / Infill / Proximity to Amenities / Sustainable Building Methods</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>115</strong></td>
</tr>
<tr>
<td><strong>Bonus Point</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>
Score Criteria
Serving Lowest Income Levels

Rural Designation

<table>
<thead>
<tr>
<th>Project Selection</th>
<th>Total Score: 0.0</th>
<th>MFP Apps due: 3/20</th>
<th>12/26/10</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Project Type</th>
<th>High or Highest Resource Area</th>
<th>Rural Status</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td>Yes</td>
<td>Rural</td>
<td></td>
</tr>
</tbody>
</table>

Serving Lowest Income Levels, §7320(b)(1) - 35 points max

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

(A) Points will be awarded based on the "Lowest Income Point Table" below. 25 points max.

<table>
<thead>
<tr>
<th>% AMI</th>
<th>55%</th>
<th>50%</th>
<th>45%</th>
<th>40%</th>
<th>35%</th>
<th>30%</th>
<th>25%</th>
<th>20% and below</th>
<th>Total Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Units</td>
<td>Points Available</td>
<td>Points Awarded</td>
<td>Points Available</td>
<td>Points Awarded</td>
<td>Points Available</td>
<td>Points Awarded</td>
<td>Points Available</td>
<td>Points Awarded</td>
<td>Points Available</td>
</tr>
<tr>
<td>50%</td>
<td>5.00</td>
<td>12.50</td>
<td>18.75</td>
<td>17.50</td>
<td>18.75</td>
<td>17.50</td>
<td>25.00</td>
<td>25.00</td>
<td>25.00</td>
</tr>
<tr>
<td>45%</td>
<td>5.00</td>
<td>11.25</td>
<td>16.90</td>
<td>17.50</td>
<td>18.75</td>
<td>17.50</td>
<td>25.00</td>
<td>25.00</td>
<td>25.00</td>
</tr>
<tr>
<td>40%</td>
<td>5.00</td>
<td>10.00</td>
<td>15.00</td>
<td>17.50</td>
<td>18.75</td>
<td>17.50</td>
<td>25.00</td>
<td>25.00</td>
<td>25.00</td>
</tr>
<tr>
<td>35%</td>
<td>4.40</td>
<td>8.75</td>
<td>13.15</td>
<td>17.50</td>
<td>18.75</td>
<td>17.50</td>
<td>25.00</td>
<td>25.00</td>
<td>25.00</td>
</tr>
<tr>
<td>30%</td>
<td>4.00</td>
<td>7.50</td>
<td>11.25</td>
<td>15.00</td>
<td>18.75</td>
<td>17.50</td>
<td>22.50</td>
<td>25.00</td>
<td>25.00</td>
</tr>
<tr>
<td>25%</td>
<td>3.15</td>
<td>6.25</td>
<td>9.40</td>
<td>12.15</td>
<td>15.65</td>
<td>18.75</td>
<td>21.90</td>
<td>25.00</td>
<td>25.00</td>
</tr>
<tr>
<td>20%</td>
<td>2.50</td>
<td>5.00</td>
<td>7.50</td>
<td>10.00</td>
<td>12.50</td>
<td>15.00</td>
<td>17.50</td>
<td>20.00</td>
<td>25.00</td>
</tr>
<tr>
<td>15%</td>
<td>1.90</td>
<td>3.75</td>
<td>5.65</td>
<td>7.50</td>
<td>9.40</td>
<td>11.25</td>
<td>13.10</td>
<td>15.00</td>
<td>15.00</td>
</tr>
<tr>
<td>10%</td>
<td>1.25</td>
<td>2.50</td>
<td>5.00</td>
<td>7.50</td>
<td>9.40</td>
<td>11.25</td>
<td>7.50</td>
<td>8.75</td>
<td>8.75</td>
</tr>
</tbody>
</table>

(B) 10 Points will be awarded to projects where at least 20 percent of the Restricted Units are restricted as follows:
(i) to households with incomes not exceeding 25 percent of AMI, in San Francisco, Santa Clara, San Mateo and Marin Counties; or
(ii) to households with incomes not exceeding 30 percent of AMI, in other counties.

| Project County: | 0 | Restricted Units: | 0 | Units at or Below 30% AMI: | 0 | % of Restricted Units: | 0.00% | Points: | 0.0 |

Addressing Most Serious Local Housing Need, §7320(b)(2) - 10 points max

0.0
### Score Criteria

**Address Most Serious Local Housing Need**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location in a “High Resource” or “Highest Resource” area (Large Family new construction projects only) as shown on the TCAC/HCD Opportunity Area Map</td>
<td>0.00</td>
</tr>
<tr>
<td>Qualifying as both a Senior and a Special Needs Project.</td>
<td>No</td>
</tr>
<tr>
<td>Project will have at least 10 percent of the Restricted Units <strong>restricted under the program regulatory agreement</strong> for occupancy by homeless households?</td>
<td>Yes, 5.0</td>
</tr>
<tr>
<td>Will vacancies be filled by referrals from the local coordinated entry system, when and where this system is actively referring households to housing?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**NOTE:** Question (C) is a two-part question
Score Criteria
Address Most Serious Local Housing Need

Points can be taken if the Program Loan Amount is limited to an amount necessary to achieve one or more of the following:

(D) Meeting one or more of the following conditions:

(i) Consisting of the new construction or 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 years prior to this date. OR

(ii) 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. OR

(iii) The Program loan amount is limited to the amount necessary to reduce rents below existing levels, to create new Restricted Units, or to make accessibility improvements necessary for occupancy by disabled persons.
Score Criteria

Development and Ownership Experience

• Primary Scoring Method
  – Projects completed within the last 10 years
  – Completed projects must have a minimum of 10 units or completed projects must have a minimum of 5 units if the project was less than 15 units and had at least 70% SNP units
    ▪ 4 points each project completed last 5 years
    ▪ 2 points each project completed in previous 5 years
Score Criteria
Development and Ownership Experience

- Five points will be deducted for each occurrence or event in this category.

(F) 5 points will be deducted for each occurrence or event in the following categories, with a maximum deduction of 10 points per category and a maximum total deduction of 50 points. Select number of occurrences.

<table>
<thead>
<tr>
<th>Category</th>
<th>Points Deducted</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) removal or withdrawal under threat of removal as general partner as a consequence of failing to comply with contractual obligations;</td>
<td>(Select One) 0</td>
</tr>
<tr>
<td>(ii) failure to submit, when due, compliance documentation required under the Department program;</td>
<td>Two or More Occurrences -10</td>
</tr>
<tr>
<td>(iii) use of reserve funds for Department-assisted projects in a manner contrary to program requirements, or failure to deposit reserve funds as required by the Department;</td>
<td>(Select One) 0</td>
</tr>
<tr>
<td>(iv) failure to provide promised supportive services to a Special Needs Population or other tenants of a publicly funded project without just cause;</td>
<td>(Select One) 0</td>
</tr>
<tr>
<td>(v) failure to restrict occupancy of units to a Special Needs population or other target population as required by a Department program or regulatory agreement for any publicly-assisted project;</td>
<td>(Select One) 0</td>
</tr>
<tr>
<td>(vi) other significant violations of the requirements of Department programs or of the programs of other public agencies, such as the failure to adequately maintain a project or the books and records thereof.</td>
<td>One Occurrence -5</td>
</tr>
</tbody>
</table>
Score Criteria

Development and Ownership Experience

- Events shall not result in the deduction of points if they have been fully resolved as determined by, or to the satisfaction of, the Department as of the application due date.
Score Criteria

Project Readiness

• Enforceable Funding Commitments (EFC) for all construction and permanent financing must be submitted:
  – Funding provided by another Department program awarded prior to the application due date
  – For private financing, a term sheet for the financing is required to confirm terms stated on application.
  – Subsidies must be evidenced by a Letter of Intent or other documentation to include the source, amount, number of units and terms of the commitment
Score Criteria
Project Readiness

• Land Use Approvals
  – 3 points for obtaining all required land use approvals or entitlements necessary prior to issuance of a building permit including discretionary approvals OR
  – 2 points for submission of complete application to local authorities for land use approval under nondiscretionary local approval process OR
  – 1 point for letter signed by a certified planner that project meets all requirements for approval under nondiscretionary local approval process
Score Criteria

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

• Infill Development/Adaptive Reuse
  – A narrative is required that includes:
    ▪ Which of the three options claimed
    ▪ A description of the Project and the area in which the Project will be built.
    ▪ Developed at average residential Net Density as described in the Government Code
  – Supporting documentation
• Proximity to amenities
  – Site Amenities must be appropriate for the tenant population
  – Applicant must submit:
    ▪ Amenities List (include name, address, distance from the project and the TCAC points earned)
    ▪ a Project area map indicating location of the amenities and the distance from the Project
Score Criteria
Sample Amenities Map

May include information such as:

- Amenity Type
- Address
- Proximity to Project
- Radius circles showing distance from project
• Sustainable Building Methods
  – Provide supporting documentation, including but not limited to:
    ▪ Energy Scorecard, or
    ▪ TCAC Application section signed by Architect, or
    ▪ letter from Architect confirming energy efficient methods to be used.
Score Criteria

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

• Large Family new construction projects located in the “High Resource” or “Highest Resource” areas will receive five points, plus points for meeting each of the following conditions:
  – Proximity to Amenities
  – Sustainable building methods
Score Criteria

Bonus Point

• Bonus point (1 point)
  – Submitting complete Borrower organizational documents
Score Criteria

Tiebreaker

• Department shall rank tied application based on the lowest weighted average
Questions?
Feasibility
Development Budget

• Contractor Overhead/Profit/General Requirements
  – Not to exceed 14% of site work and structures

• Hard-Cost Contingencies
  – Rental New Construction 5%
  – Rehab 10%
  – Higher must be explained
The Department will:

• Review budget to ensure that the following line items are included in budget
  – Prevailing wages
  – Accounting

• Ask for details regarding the following line items (not a complete list):
  – Furnishings
  – Marketing
Development Budget

- “Other” costs specified

Other costs need to be specified on the Universal and Supplemental Applications. Anytime you add an “Other” cost, please remove the “(Specify)” in parentheses and state what is the cost.
Development Budget

• Operating Reserves
  – Tax Credit Projects - 3 months
  – Non-Tax Credit - 4 months
    ▪ Replacement reserves
    ▪ Non-contingent debt service
    ▪ Projected operating expenses (excluding the cost of on-site Supportive Service Coordination)
Development Budget

If other funding source(s) require a higher reserve amount, indicate reason for higher amount in comments.

<table>
<thead>
<tr>
<th>RESERVES</th>
<th>Line 1</th>
<th>Line 2</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve</td>
<td>$470,592</td>
<td>$470,592</td>
<td>6 months required by County</td>
</tr>
<tr>
<td>Replacement Reserve</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transition Reserve</td>
<td>$588,902</td>
<td>$588,902</td>
<td></td>
</tr>
<tr>
<td>Rent Reserve</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other: On-Site Security Reserve</td>
<td>$400,000</td>
<td>$400,000</td>
<td></td>
</tr>
<tr>
<td>Other: (Specify)</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other: (Specify)</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Reserve Costs</td>
<td>$1,459,494</td>
<td>$1,459,494</td>
<td></td>
</tr>
</tbody>
</table>
Development Budget

• Transition Reserve
  – For projects utilizing Project Based Rental Assistance or subsidies
  – Amount needed to cover one year after assistance or subsidy ends
Total Development Cost

• Equal to permanent sources

• Costs are reasonable

• High cost analysis
  – If exceeds 160% explanation is required
  – May result in disqualification
Operating Budget

The Department will review Operating Budget for the following:

• Bookkeeping/Accounting Services
• Annual Bond Issuer Fee
• Mandatory Debt Service
• .42% annual mandatory debt service for all HCD funds (listed separately)
• Complete all pertinent information in the Employee Information section of the Operating Budget
## Operating Budget

### ANNUAL INCOME AND EXPENSES

<table>
<thead>
<tr>
<th>No.</th>
<th>FTE</th>
<th>Employee Job Title</th>
<th>Salary/Wages</th>
<th>Value of Free Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.00</td>
<td>On-Site Manager(s)</td>
<td>$62,266</td>
<td>$0</td>
</tr>
<tr>
<td>1</td>
<td>0.32</td>
<td>On-Site Assistant Manager(s)</td>
<td>$42,432</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supportive Services Staff Supervisor(s)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supportive Services Coordinator, On-Site</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other Supportive Services Staff (inc. Case Manager)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2</td>
<td>2.00</td>
<td>On-Site Maintenance Employee(s)</td>
<td>$96,858</td>
<td>$0</td>
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<td></td>
<td>On-Site Leasing Agent/Administrative Employee(s)</td>
<td>$0</td>
<td>$0</td>
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<td>On-Site Security Employee(s)</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
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</tbody>
</table>

**Total Salaries and Value of Free Rent Units:** $201,556 $0

**Employee(s) Payroll Taxes, Workers Comp. & Benefits:** $63,337

**Total Employee(s) Expenses:** $264,893

### Employee Units

<table>
<thead>
<tr>
<th>Income Limit</th>
<th>Job Title(s) of Employee(s) Living On-Site</th>
<th>Unit Type (No. of bdrms.)</th>
<th>Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>On-Site Manager(s)</td>
<td>2</td>
<td>710</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
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<td></td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total Square Footage:** 710

---

**IMPORTANT**

- **Payroll Taxes:** $18,042
- **Workers Compensation:** $9,237
- **Employee Benefits:** $36,058

**Show free rent as an expense?**

- **Yes**
- **No**

---

**IMPORTANT**

- **On-Site Manager(s):**
  - FTE: 1.00
  - Salary/Wages: $62,266
  - Value of Free Rent: $0

- **On-Site Assistant Manager(s):**
  - FTE: 0.32
  - Salary/Wages: $42,432
  - Value of Free Rent: $0

- **On-Site Maintenance Employee(s):**
  - FTE: 2.00
  - Salary/Wages: $96,858
  - Value of Free Rent: $0
If the project funding includes a Capitalized Operating Subsidy Reserve (COSR), please include documentation or a letter of explanation providing the following information:

– The purpose of the COSR
– The source of the funding
– The amount of the funding
– When the funds are disbursed
Operating Budget

• Replacement Reserves
  – New Construction - the lesser of 0.6% of structure cost or $500 per unit
  – Rehab - $500 per unit
Operating Expenses

• Finance Expenses
  – Mandatory Debt
    ▪ Balloon Payments not allowed on senior debt
  – Bond Issuer Fees

• Asset Management Fee
  – Not to exceed $34,426 (2020)
Cash Flow Analysis

- Proposed Rents vs. Restricted Rents
- Application will be underwritten to Restricted Rents
- Regulatory Agreement will be based on Proposed Rents
15 Year Cash-Flow

• Debt Service Coverage Ratio (DSCR)
  – Not less than 1.1 or no greater than 1.2
  exceptions include but are not limited to:
    ▪ 12% Rule
    ▪ A higher ratio may be allowed in limited circumstances, to
      ensure 20-year positive cash flow feasibility.

• Residual Receipts and Sponsor Distributions
  – 50% to Sponsor
  – 50% to Department
Questions?
Application Highlights
Complete Application

• Click on the “enable content” button
• Applications are to be completed on non-Apple products
• Universal Application, MHP Supplemental Application and all required documents as specified in the document checklist must be submitted
• Applications must be sufficient for us to perform our review
# Multifamily Housing Program (MHP) Document Checklist

### Packaging instructions for the MHP application submission:

1. Submit hardcopies of documents requiring wet signatures as identified below through a mail carrier service such as U.S. Postal Service, UPS, FedEx or other carrier services that provide date stamp verification confirming delivery no later than 5:00 p.m. Pacific Standard Time on March 2, 2020.

2. Use the electronic file name descriptions below for the electronic submission via the FAAST system. Application materials, workbooks and supporting documentation to be submitted no later than 5:00 p.m. Pacific Standard Time on March 2, 2020.

<table>
<thead>
<tr>
<th>Wet Signatures Required</th>
<th>Electronic File Name</th>
<th>Document Description</th>
<th>Included?</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>2. UA</td>
<td>Universal Application.</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>3. SA</td>
<td>MHP Supplemental Application.</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>4. LOE</td>
<td>Letters of Explanation.</td>
<td></td>
</tr>
<tr>
<td>5. Rehab Description</td>
<td>6. PNA or CNA</td>
<td>Narrative of current condition of structure(s) and description of overall scope of work. Include a discussion of any proposed modification to unit configurations, unit mix, need for seismic retrofit, or modifications in use (e.g., commercial/tourist hotel to SRO or studio apartments) (rehab only).</td>
<td></td>
</tr>
<tr>
<td>7. Rent Roll</td>
<td>8. Leg Letter</td>
<td>Per Health &amp; Safety Code §50675.7(e) Applicant must notify the local legislative body (City Council or County Board of Supervisors) of the Sponsor’s loan application prior to application submission.</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>9a. Spon1 Cert &amp; Legal Disclosure</td>
<td>Certification &amp; Legal Status.</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>9b. Spon1 Resolution</td>
<td>Resolution.</td>
<td></td>
</tr>
<tr>
<td>9c. Spon1 OrgDoc1, OrgDoc2, etc...</td>
<td>9d. Spon1 OrgChart</td>
<td>Organizational Documents for entity type (See &quot;Sponsor Org Docs&quot; worksheet).</td>
<td></td>
</tr>
<tr>
<td>9e. Spon1 Signature Block</td>
<td></td>
<td>Organization Chart.</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>10a. Spon2 Cert &amp; Legal Disclosure</td>
<td>Certification &amp; Legal Status.</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>10b. Spon2 Resolution</td>
<td>Resolution.</td>
<td></td>
</tr>
</tbody>
</table>

### Sponsor Organizational Documents

- Spon1 Cert & Legal Disclosure
- Spon1 Resolution
- Spon1 OrgDoc1, OrgDoc2, etc...
- Spon1 OrgChart
- Spon1 Signature Block

### Sponsor 2 Org Documents (If Applicable)

- Spon2 Cert & Legal Disclosure
- Spon2 Resolution

### Sponsor Organizational Documents

- Spon1 Cert & Legal Disclosure
- Spon1 Resolution
- Spon1 OrgDoc1, OrgDoc2, etc...
- Spon1 OrgChart
- Spon1 Signature Block

### Sponsor 2 Org Documents (If Applicable)

- Spon2 Cert & Legal Disclosure
- Spon2 Resolution
If red shaded print or cells appear
- May require additional documentation
- Narrative will be required
### Project Requirements Tab

**Supplemental Application**

- **Project Types**

![Project Requirements Table](image-url)

- (e) Project Type(s):
  - [ ] Large Family
  - [ ] Special Needs
  - [ ] Senior
  - [ ] Supportive Housing
  - [ ] At High Risk
Supportive Services Verification

Supplemental Application

• For projects with Special Needs Populations or Supportive Services:
  – Verification requires signature

<table>
<thead>
<tr>
<th>To the public or non-profit funding agency: The project sponsor named above is submitting an application to the State Department of Housing and Community Development (HCD) requesting funding for the project named above under the Multifamily Housing Program (MHP). The application for MHP funding is subject to HCD’s determination that the project qualifies as a Supportive Housing Project. The findings of your agency will be considered in arriving at this determination. Review the attached copy of the Supportive Housing Project Plan, note your findings in the chart below, and complete the signature block below the chart. <strong>Attach comments for any “No” and as otherwise necessary.</strong> Your cooperation is appreciated.</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have reviewed the Supportive Housing Project Plan submitted for the project named above.</td>
</tr>
<tr>
<td>The services proposed in the Supportive Housing Project Plan are appropriate to meet the needs of the target population(s) named above.</td>
</tr>
<tr>
<td>The project primary service provider is a known provider of support services to the target population(s) listed above.</td>
</tr>
<tr>
<td>Dated:</td>
</tr>
<tr>
<td>Statement Completed by (please print):</td>
</tr>
<tr>
<td>Signature:</td>
</tr>
<tr>
<td>Title:</td>
</tr>
<tr>
<td>Agency or Department:</td>
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<tr>
<td>Agency or Department Address:</td>
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<tr>
<td>Agency or Department Phone:</td>
</tr>
</tbody>
</table>

*Sign here*
# Max Loan and Unit Mix

## Supplemental Application

### Important

A Manager’s Unit will be considered to be a Restricted Unit for allocating development costs and may qualify for a loan amount up to the 60% AMI level. If requesting a loan amount for Manager’s Units, select Manager in table section B below and enter units in table section G.

## Maximum Loan Amount and Unit Mix

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Project Type</th>
<th>High or Highest Resource Area</th>
<th>Rural Status</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td>Yes</td>
<td>Rural</td>
<td></td>
</tr>
</tbody>
</table>

### Units

(Enter all units with unique characteristics separately. Do not enter special needs and supportive housing units on the same line.)

<table>
<thead>
<tr>
<th>Units</th>
<th>MHP Assisted Units</th>
<th>Other Restricted</th>
<th>Other HCD Funded Units §7302(h) - subsidy stacking</th>
<th>Total Restricted Units</th>
<th>MHP Loan Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A)</td>
<td>(D)</td>
<td>(G)</td>
<td>(J)</td>
<td>(L)</td>
<td>Click here to view Loan Limits</td>
</tr>
<tr>
<td>(B)</td>
<td>(E)</td>
<td>(H)</td>
<td>(K)</td>
<td>(M)</td>
<td></td>
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<td>(C)</td>
<td>(F)</td>
<td>(I)</td>
<td>(L)</td>
<td>(N)</td>
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<td>(G)</td>
<td>(I)</td>
<td>(L)</td>
<td>(O)</td>
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<td>(H)</td>
<td>(J)</td>
<td>(M)</td>
<td>(P)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Bedrooms</th>
<th>Restrict. % of AMI</th>
<th>Total Units</th>
<th>Total MHP Assisted Units</th>
<th>Special Needs</th>
<th>Supp. Housing</th>
<th>Total Other Restricted</th>
<th>Special Needs</th>
<th>Supp. Housing</th>
<th>Total Other Restricted</th>
<th>Other HCD Source §7302(h)</th>
<th># of Other HCD Assisted Units</th>
<th>Total Restricted Units</th>
<th>% Total of Units</th>
<th>Regular Restricted Loan Amount (Unit)</th>
<th>SH or Large Family New Constr. In Resource Area Loan Amount (Unit)</th>
<th>Total Regular Loan Amount</th>
<th>Total SH or Large Family New Constr. In Resource Area Loan Amount</th>
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<tbody>
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</table>
• **Bonus Point** – Applicants that submit complete borrower organizational documents as requested in the Supplemental Application shall be awarded one bonus point.
Application Highlights
Universal Application

- Development Sources tab

<table>
<thead>
<tr>
<th>Committed?</th>
<th>Source Name (in lien priority order)</th>
<th>Lien No.</th>
<th>Amount</th>
<th>Interest Rate</th>
<th>Required Payment (months)</th>
<th>Required Amount</th>
<th>Commercial Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Construction Period Sources of Funds</td>
<td></td>
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<tr>
<td></td>
<td>Construction</td>
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<td></td>
<td>Permanent Sources of Funds</td>
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<tr>
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<td>Permanent</td>
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</tr>
</tbody>
</table>
Application Highlights

Universal Application

- Permanent Sources and Uses tab
Questions?
Application Submission
Application Submittal

• Application materials due no later than 5:00 p.m. Pacific Standard Time on Monday, March 2, 2020:
  
  – Electronic application submittal through Financial Assistance Application Submittal Tool (FAAST) AND
  
  – Hard copy submittal
Application Submittal

• Upload to FAAST system
• Flash drives are not required
• Ensure your tab naming conventions match the document checklist
Application Submittal

• Mail Carrier Service
  – U.S. Postal Service
  – UPS
  – FedEx
  – Other carrier service that provides a date stamped verification confirming delivery
Application Submittal

• Hard copy submittal (wet signatures and their full documents ONLY)

• Hard Copy Submission – a binder is recommended

• Binder tabs should match the document checklist

• Separators within one section recommended
Application Submittal

• Application submission
  – No faxes, late, or walk-in applications accepted

• Application organization and compliance

• Applications with substantial inconsistencies may result in disqualification

• Applications must meet all eligibility requirements upon submission
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

MHP Website
http://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml

January 2020 MHP NOFA Round 2

2019 MHP Guidelines

2017 Uniform Multifamily Regulations (UMR’s)

2019 TCAC Regulations

Methodology for Determining Rural Status

TCAC Opportunity Maps

California Government Code
https://leginfo.legislature.ca.gov
Contact

Additional questions may be sent to MHP mailbox

mhp@hcd.ca.gov
Questions?
Closing
Stay in the know:
Sign up for HCD email at
www.hcd.ca.gov
Stay in the know . . .

Follow HCD on social media

Like us on Facebook: /CaliforniaHCD

Follow us on Twitter: @California_HCD

Follow us on LinkedIn: /company/californiahcd