

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

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May 3, 2021

**MEMORANDUM FOR:** All potential applicants

**FROM:** Jennifer Seeger, Deputy Director  
Division of State Financial Assistance

**SUBJECT: Round 6 Notice of Funding Availability  
Veterans Housing and Homelessness Prevention Program**

The California Department of Housing and Community Development (HCD) is pleased to announce the release of this Notice of Funding Availability (NOFA) for approximately \$75 million in funds for the Veterans Housing and Homelessness Prevention (VHHP) program. This funding provides loans to public or private entities for the development of multifamily affordable rental housing, permanent Supportive Housing (SH) and Transitional Housing (TH) for Veterans and their families.

This Round 6 NOFA is subject to Round 5 VHHP program Guidelines and this NOFA and makes funding available statewide.

HCD, in consultation and concurrence with CalVet, has decided to issue the May 3, 2021 Round 6 NOFA under the VHHP Guidelines previously published on November 8, 2019. While Round 6 draft guidelines were published on March 15, 2021 and public comments were received, HCD is opting not to finalize those guidelines at this time and will, rather, incorporate public comments received in the development of guidelines to be finalized in the Fall of 2021 in accordance with AB 434 (Chapter 192, Statutes 2020). HCD, however, under its authority to adopt, promulgate, amend, repeal, and administer standards, requirements, procedures, or guidelines ("Program Guidelines") pursuant to Article 3.2 (commencing with Section 987.001) of Chapter 6 of Division 4 of the Military and Veterans Code, is amending into the Round 5 Program Guidelines, Published November 8, 2019, as applicable to the Round 6 NOFA only, the following provisions:

- Section 103 (c) (1) is added to the Guidelines to state the following: "Except that for projects located on Tribal Trust Land Program loans shall have an initial term of 50 years to match the period of affordability restrictions under the Low-Income Housing Tax Credit Program."

- Section 106 (a) (11) is added to the Guidelines to state the following: “VHHP Assisted Units covered by HUD-VASH vouchers shall be considered Supportive Housing units.”
- Section 101 of the Guidelines shall remain the same except the definitions in Appendix A shall be added.

HCD will hold a webinar to review the VHHP program NOFA and application. For the webinar date, time, and location please go to HCD’s website at <http://www.hcd.ca.gov/grants-funding/active-funding/vhhp.shtml>.

To receive information on the VHHP program webinar and other updates, please subscribe to HCD’s listserv ([http://www.hcd.ca.gov/HCD\\_SSI/subscribe-form.html](http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html)) by selecting the Homelessness option under ‘State Programs’.

Application materials must be submitted electronically via the Financial Assistance Application Submittal Tool (FAAST) system no later than 5:00 p.m. Pacific Daylight Time on July 15, 2021. HCD will no longer accept hardcopy submittals.

Please direct any questions to the VHHP email inbox at [hcdvets@hcd.ca.gov](mailto:hcdvets@hcd.ca.gov).

# VETERANS HOUSING AND HOMELESSNESS PREVENTION PROGRAM

## Notice of Funding Availability – Round 6

### Veterans Housing and Homelessness Prevention Program



**Gavin Newsom, Governor  
State of California**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

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California Department of Housing and Community  
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May 3, 2021

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# VETERANS HOUSING AND HOMELESSNESS PREVENTION PROGRAM

## NOTICE OF FUNDING AVAILABILITY (NOFA) – ROUND 6

### I. Overview

#### A. Notice of Funding Availability

The California Department of Housing and Community Development (HCD), in collaboration with the California Housing Finance Agency (CalHFA) and the California Department of Veterans Affairs (CalVet), is announcing the availability of approximately \$75 million for the development of affordable multifamily rental housing. The rental housing will contain permanent Supportive Housing (SH) units, Transitional Housing (TH) units and affordable housing units for Veterans and their families under the Veterans Housing and Homelessness Prevention (VHHP) program. Funding for this NOFA is provided pursuant to Chapter 727 (Statutes of 2013) and Proposition 41 (2014).

“Veteran” means any person who served in the active military, naval, or air service of the United States, or as a member of the National Guard, who was called to and released from active duty or active service for a period of not less than 90 consecutive days, or was discharged from the service due to a service-connected disability within that 90-day period. This includes all Veterans regardless of discharge status.

#### B. Timeline

<b>NOFA Release</b>	<b>May 3, 2021</b>
<b>Application Due Date</b>	<b>July 15, 2021</b>
<b>Award Announcement</b>	<b>November 2021</b>

#### C. Authorizing Legislation and Regulations (Regulatory Authority)

The administration of the VHHP program is governed by the VHHP program Guidelines (Guidelines or Round 5 Guidelines), dated November 8, 2019, as may be amended from time to time. These Guidelines establish terms, conditions, and procedures for funds awarded under the VHHP program as interpreted by the Veterans Housing and Homeless Prevention Act (Act), and as set forth in Military and Veteran’s Code Division 4, Chapter 6, Article 3.2, commencing with Section 997.001, and including Sections 987.005, 987.007, and 987.008.

Round 5 Guidelines are available on HCD’s website at <http://www.hcd.ca.gov/grants-funding/active-funding/vhhp.shtml>.

Applicants are responsible for complying with the program requirements set forth in the Guidelines and this NOFA. Applicants are urged to carefully review the Guidelines and information contained in this NOFA before submitting applications.

## **II. Program requirements**

### **A. Eligible Project Sponsor**

A Sponsor is the Applicant for the award, the entity that HCD relies upon for experience and capacity, and which controls the Project during development and occupancy. In a Project with multiple layers of ownership, the Sponsor cannot have more than two corporate entities between itself and the borrowing entity. A corporate entity is defined in the California Code of Regulations (CCR), Title 25, Section 8313.2(a)(3) of the 2017 Uniform Multifamily Regulations (2017 UMRs). Sponsors and Borrowers may be for-profit or not-for-profit entities. Any public agency or private entity capable of entering into a contract is eligible to apply, provided they meet the threshold requirements in Guidelines, Section 102.

### **B. Eligible uses**

All program funds shall be used for approved development costs, as found in Section 103 of the VHHP Guidelines, and to refinance loans used to cover such costs.

### **C. Program funding amounts and terms**

Under this NOFA, the maximum loan per Project is \$15 million. Maximum per-unit loan amounts will be calculated as shown in Guidelines, Section 103.

Program funds are provided as post-construction permanent loans. Program loans shall have an initial term of 55 years or longer (50 years for projects located on Tribal Trust Land) to match the period of affordability restrictions under the Low-Income Housing Tax Credit Program. Permanent loans shall be secured by the Project's real property and improvements, which may be subject only to liens, encumbrances, and other matters of record approved by HCD, and which are consistent with Title 25 CCR Section 8316 of the 2017 UMRs.

See list of new definitions, Appendix A to this NOFA.

### **D. Program threshold requirements**

To be eligible to receive funding, Projects must meet the requirements of Guidelines, Section 102, including, but not limited to:

- 1) Projects must restrict occupancy to the greater of 25 percent of total units in the Project, or 10 units (5 units for rural Projects), to Veterans under the VHHP program pursuant to Guidelines, Section 102(b).

- 2) Projects shall restrict occupancy for at least 45 percent of Assisted Units to Extremely Low-Income Veterans, with rents not exceeding 30 percent of the 30 percent Area Median Income (AMI), pursuant to Section 102(c). Current income limits are posted on the HCD website at <http://www.hcd.ca.gov/grants-funding/income-limits/index.shtml>. Funding will be available for income limits up to 60 percent AMI.
- 3) Pursuant to Guidelines, Section 102(d), for Projects with SH, additional requirements concerning the Lead Service Provider (LSP) experience, including comprehensive case management, adherence to Housing First property management (Section 112), tenant selection practices (Section 113), rental agreements and grievance procedures (Section 114), and the supportive services requirements (Section 115) are required.
- 4) The VHHP program Regulatory Agreement will not restrict more than half of the total Project units to Eligible Households that qualify as either experiencing Chronic Homelessness or Veterans with a Disability Experiencing Homelessness in Projects greater than 20 units pursuant to Section 102(d)(4). This limitation does not preclude any other funding sources from restricting additional units to persons with disabilities and exceeding more than half of the total Project units restricted by the combined funding sources to persons with disabilities.
- 5) Demonstrate clear market demand for the proposed project and target populations, as listed in Section 115(b)(3). For SH and Transitional Housing (TH), letters of support from the local Continuum of Care (CoC) and VA Healthcare System intended for this purpose, must indicate statistical demand for all of the target populations that are included in the proposed unit mix.
- 6) Changes to use of multiple HCD funding sources will be forthcoming in an Administrative Memorandum.

## **E. Housing First practices**

The VHHP program is a Housing First program. Housing First has the same meaning as in Welfare and Institutions Code, Section 8255(d)(1), including all of the core components listed therein. In VHHP program Projects with SH units, LSPs shall also utilize Housing First principles. All services, whether for SH residents or other residents, shall be offered as needed and/or requested on a voluntary basis. Housing shall not be contingent upon participation in services. For TH, assistance shall be provided in obtaining permanent housing as rapidly as possible, and without preconditions, such as participation in services for a length of stay, or successful completion of a TH program.

Applicants will certify and document adherence to Housing First practices in the application, property management plan, and supportive services plan. Adherence to Housing First practices shall be subject to periodic compliance monitoring. See Guidelines, Section 112, Housing First practices, for further requirements.

## **F. Tenant selections**

Sponsors shall select tenants in accordance with the provisions of 25 CCR Section 8305, as set forth in Guidelines, Section 113. Tenant selection procedures, as referred to in Section 8305(a)(4)(A), includes priority status for SH units under a local Coordinated Entry System (CES) developed pursuant to the 24 Code of Federal Regulations 578.7(a)(8). SH Projects shall prioritize highly vulnerable households referred by the local Coordinated Entry System. If local systems are not in place, Sponsors shall coordinate with outreach and shelter programs serving vulnerable populations experiencing Homelessness.

For occupancy restrictions based on military discharge or separation from the military, please see Guidelines, Section 104(d).

## **G. Supportive services and property management requirements**

If VHHP program Projects are designed to provide SH, occupants must have access to an array of supportive services and amenities delivered both on and off-site and through community or Veteran-specific services. LSP experience and service plan requirements (included in both threshold and scoring evaluations) differ for Projects depending on the targeted Veteran population and the type of units developed. Guidelines, Section 111(c) detail the scoring for LSPs and plans.

As part of the VHHP program application, Sponsors must identify their LSP and submit a supportive services plan that meets the requirements of Section 115 as approved by CalVet and HCD. The supportive services plan must identify the parties responsible for a Homeless Management Information System (HMIS), and other reporting, which must be reflected in the required agreements and commitment letters.

If the Sponsor also plans to have affordable housing units, or only plans to have affordable housing units, the Sponsor must submit the resident services coordination plan.

VHHP Assisted Units covered by HUD-VASH vouchers shall be considered SH units.

## **H. Geographic distribution**

Geographic targeting of VHHP program funds is designed to encourage the development of Veteran housing in regions with high concentrations of California's most vulnerable Veterans. Guidelines, Section 110(f) delineates specific regional targets. Awards may be adjusted to meet the geographic distribution objectives set forth in Section 110(f)(2), if program eligibility requirements are met.



## **I. Miscellaneous Requirements**

The VHHP program Projects must adhere to the requirements in Guidelines, Section 109, which requires that 5 percent of the construction costs be awarded to Disabled Veteran Business Enterprise (DVBE) contractors. Sponsors must make a good faith effort to hire Veterans for development, construction, and related jobs associated with the Project. Sponsors are encouraged to contact CalVet for assistance locating DVBE contractors at [VHHP@CalVet.ca.gov](mailto:VHHP@CalVet.ca.gov), or search for DVBE companies at the following suggested link: <https://caleprocure.ca.gov/pages/sbdvbe-index.aspx>.

Sponsors are required to submit a DVBE Utilization Plan describing all outreach methods used to recruit and hire DVBEs.

A plan administrator, responsible for implementing the utilization plan and ensuring the 5 percent requirement is met, must be identified in the DVBE Utilization Plan.

For more information on the DVBE Utilization Plan and other requirements, see Guidelines, Section 109.

The Sponsor shall ensure that new construction projects adhere to the accessibility requirements set forth in California Building Code, Chapter 11A and 11B.

The Sponsor shall submit to HCD for its approval, 60 days prior to the end of each Project fiscal year, a proposed operating budget and Schedule of Rental Income on forms provide by HCD. For requirements regarding the Annual Operating Budget and Schedule of Rental Income please refer to HCD's Reporting/Compliance webpage (<https://www.hcd.ca.gov/grants-funding/already-have-funding/all-rental-projects.shtml>).

## **III. Application submission and review procedures**

### **A. Application process, packaging, and submittal**

The universal application and supplemental application must be submitted on forms provided and approved by HCD. Application forms must not be modified.

Application materials must be submitted electronically via the Financial Assistance Application Submittal Tool (FAAST) system no later than 5:00 p.m. Pacific Daylight Time of July 15, 2021. HCD will no longer accept hardcopy submittals.

Applications that do not meet the filing deadline requirements will not be eligible for funding. Electronic Excel forms must be submitted in Excel format.

The application forms are available on HCD's website at <http://www.hcd.ca.gov/grants-funding/active-funding/vhhp.shtml>. Applications must meet all eligibility requirements upon submission. Applications having material

internal inconsistencies will not be rated and ranked. It is the applicant's responsibility to ensure that the application is clear, complete, and accurate. After the application deadline, HCD staff may request clarifying information, and/or inquire as to where in the application specific information is located, provided that such information does not affect the competitive rating of the application. No information, whether written or oral, will be solicited or accepted if this information would result in a competitive advantage to an applicant or a competitive disadvantage to other applicants. No applicant may appeal HCD's evaluation of another applicant's application.

**B. Minimum application score**

To be considered for a funding award, each Project must receive a minimum overall application score for the applicable Project type pursuant to Guidelines, Sections 110(c) and (d)(1). The Project must also meet minimum score requirements in the supportive services plan, readiness to proceed, and leverage of rental or operating subsidies scoring categories, pursuant to Sections 110(d)(2), (d)(3), and (d)(4).

**C. Application selection criteria**

The criteria used to score Projects is described in Guidelines, Section 111 and is summarized below.

<b>Scoring Category</b>	<b>Max. Points w/ SH or TH Units</b>	<b>Max. Points w/o SH or TH Units</b>	<b>Comments</b>
Development Team Experience	33	15	Only SH and TH will be scored on LSP experience, for an additional 18 points.
SH Units	25	0	Only SH Projects will be scored in this category. To receive any points in this category, a minimum of 25 percent of VHHP program Assisted Units must be restricted as SH.
Supportive Services Plan or Resident Services Coordination Plan	22	10	To ensure a minimum level of service quality, Projects must receive a minimum point score of 15 points for supportive services plans and 7 points for resident services coordination plans.
Leverage of Development Funding	15	15	
Leverage of Rental or	20	20	Projects without rental subsidy contracts or operating subsidy

Operating Subsidies			reserves will be allowed to garner points if they can deliver the same rents as Projects with these contracts or reserves. Projects are required to receive a minimum point score of 4 points in this category.
Readiness to Proceed	20	20	To ensure a minimum level of Project readiness, Projects are required to receive a minimum score of 10 points in this category.
Confirmation of Local Need	5	5	
Location Efficiency and Access to Destinations	5	5	To promote proximity to amenities, Projects can obtain 5 points if development sites meet the criteria as set forth in Guidelines, Section 111(4)(h).
<b>Total Maximum Points</b>	<b>145</b>	<b>90</b>	

In the event of a point score tie, the following tiebreakers will be used:

1. The percentage of Assisted Units restricted as SH for Veterans experiencing Chronic Homelessness, pursuant to Guidelines, Section 111(b);
2. The readiness to proceed point score, pursuant to Guidelines, Section 111(f);
3. The supportive services plan point score, pursuant to Guidelines, Section 111(c); and
4. Leveraging of state subsidy funds with other resources, pursuant to Guidelines, Section 111(d).

#### **D. Application webinar**

HCD will host a webinar in May 2021. Please register at HCD's website at <http://www.hcd.ca.gov/grants-funding/active-funding/vhhp.shtml>. Printed materials will not be provided for the webinar but will be made available for download and printing from HCD's website or via email by request.

### **IV. Appeals**

#### **A. Basis of appeals**

1. Upon receipt of HCD's notice that an application has been determined to be incomplete, ineligible, fail threshold, or have a reduction to the initial self-score, applicants under this NOFA may appeal such decision(s) to HCD pursuant to this NOFA section.

2. No applicant shall have the right to appeal a decision of HCD relating to another applicant's eligibility, point score, award, denial of award, or any other matter related thereto.
3. The appeal process provided herein applies solely to decisions made by HCD in this program NOFA and does not apply to any decisions made with respect to any previously issued NOFAs, or decisions to be made pursuant to future program NOFAs.

## **B. Appeal process and deadlines**

1. To file an appeal, applicants must submit to HCD, by the deadline set forth in subsection 2 below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the applicant must provide a detailed reference to the area or areas in the application that provide clarification and substantiation for the basis of the appeal. **No new or additional information will be considered if this information would result in a competitive advantage to an applicant.** Once the written appeal is submitted to HCD, no further information or materials will be accepted or considered thereafter. Submit appeals to HCD at [hcdvets@hcd.ca.gov](mailto:hcdvets@hcd.ca.gov) or to the following address:

California Department of Housing and Community Development  
Attn: VHHP Program Staff Appeals  
2020 West El Camino Avenue, Suite 670  
Sacramento, CA 95833

2. Appeals must be received by HCD no later than five (5) business days from the date of the:
  - Threshold review letter; and/or
  - Initial score letter.

## **C. Decision**

Any request to amend HCD's decision shall be reviewed for compliance with Chapter 727 (Statutes of 2013) and Proposition 41 (2014), the VHHP program Guidelines, Round 5, November 8, 2019 and this NOFA, and 2017 UMRs, "Application for Funding", and any subsequent clarifying documents, such as the VHHP program's responses to "Frequently Asked Questions".

It is HCD's intent to render its decision in writing within 15 business days of receipt of the applicant's written appeal. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of HCD with respect to the appeal.

## **D. Effectiveness**

In the event that the statute and/or Guidelines governing this program contain an existing process for appealing the decisions of HCD with respect to NOFA awards made under such programs, then this section shall be inapplicable, and all appeals shall be governed by such existing authority.

## **V. Award announcements and contracts**

### **A. Internal Loan Committee (ILC)**

Upon rating and ranking of applications, recommended Projects will be presented to the ILC for review and recommendation. The ILC will then present recommended loans to the Director for approval. There is no appeal process to the Director's decision.

### **B. Award announcements**

HCD anticipates issuing award letters in November 2021 after final approval from the Director.

### **C. Contracts**

Successful applicants (awardee(s)) will enter into a Standard Agreement with HCD. The Standard Agreement contains all the relevant state and federal requirements, as well as specific information about the award and the work to be performed.

A condition of award will be that a Standard Agreement must be executed by the awardee(s) within 90 days (contracting period) of the awardees' receipt of the Standard Agreement. Failure to execute the Standard Agreement(s) within the contracting period may result in award cancellation. The awardee(s) shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the awardee(s) shall be prohibited.

## **VI. Other terms and conditions**

### **A. Right to modify or suspend**

HCD reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including without limitation, the amount of funds available hereunder. If such an action occurs, HCD will notify all interested parties via listserv and will post the revisions to the VHHP webpage. Please be sure to subscribe at the listserv link.

## **B. Disclosure of application**

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act (Chapter 1473, Statutes of 1968 and Government Code Section 6250 et seq.). As such, any materials provided will be disclosable to any person making a request under this Act. HCD cautions applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to HCD, the applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

## **C. Same-sex restricted Projects**

In order to best address the needs of Veterans, some applicants may want to propose housing where all adult occupants are restricted to be of the same sex. Yet, under state and federal fair housing and civil rights laws (collectively “FH laws”) any such restriction, without an adequate legal justification, would likely constitute impermissible facial discrimination. Although there remains considerable legal uncertainty as to what the basis for such a legal justification would be, HCD, in order to best serve the needs of our Veterans, is willing to consider awards to same-sex-restricted Projects, provided the Project application can meet the proprietary or acceptability of justifications for facial discrimination standard under the Fair Housing Act set forth in *Community House, Inc. v. City of Boise*, 490 F.3d 1041, 1050 (9th Cir. 2007). In order to demonstrate that a proposed same-sex-restricted Project will meet this FH law standard, each proponent of such a Project must submit, along with its other application materials, a Project-specific legal opinion letter with supporting materials documenting how it satisfies FH laws as described below (Opinion). No scoring advantage will accrue to same-sex-restricted Projects.

The Opinion must be authored and executed under penalty of perjury by a licensed member of the California State Bar. The Opinion must demonstrate that the applicant has considered the legal requirements of FH laws as applied to the relevant facts of its proposed Project. It must demonstrate how the proposed same-sex-restriction, despite being facially discriminatory, is still permissible under FH law.

The Opinion must describe the population to be housed and its gender or sex-related special condition (Condition) that requires, and therefore justifies, housing in a same sex setting. Each such description must be supported by Project-specific medical, psychiatric, or psychological support referenced by and attached to the Opinion (Professional Documentation). The Opinion, taken together with the Professional Documentation, must explain how and why a same-sex-restriction is both necessary and still the least restrictive means by which to properly and holistically address or treat the Condition(s) presented by the inhabitants of that particular housing development. The Professional Documentation must be authored and executed under penalty of perjury by a licensed member of the California Board of Behavioral Sciences, or a physician licensed by the Medical Board of California.

Lastly, the Opinion must also describe the means by which the applicant will initially and individually screen and continue to document, with tenant-specific Professional Documentation, each tenant Condition(s) justifying her or his need for same-sex restricted housing.

#### **D. State Prevailing Wages**

Program funds awarded under this NOFA are subject to state prevailing wage law, as set forth in Labor Code, Section 1720 et seq. and require the payment of prevailing wages unless the Project meets one of the exceptions of Labor Code, Section 1720 (c) as determined by the Department of Industrial Relations. Applicants are urged to seek professional advice as to how to comply with state prevailing wage law.

#### **E. Conflicts**

In the event of any conflict between the terms of this NOFA and either applicable state or federal law or regulation, the terms of the applicable state or federal law or regulation shall control.

## Appendix A

### VHHP NOFA Round 6 New Terms

All terms not defined below shall, unless their context suggests otherwise, be interpreted in accordance with the meanings of terms ascribed in Subchapter 19 of Chapter 7 of Division 1 of Title 25 of the California Code of Regulations (commencing with Section 8300).

“Affordable Rents” means Rents established for Assisted Units in accordance with Section 105.

“Area Median Income” or “AMI” means the most recent applicable county median family income published by California Tax Credit Allocation Committee (TCAC).

“Borrower” means the entity identified as such in the Regulatory Agreement. A special purpose entity shall be formed and controlled by the Sponsor as detailed in Title 25 CCR Section 8313.2 (a).

“Commercial Space” means any nonresidential space located in or on the property of an Affordable Rental Housing Development that is, or is proposed to be, rented or leased by the owner of the Project, the income from which shall be included in Operating Income.

“Eligible Households” means a household whose composition includes at least one Veteran, as defined under the definition of “Veteran” who meets the criteria of Target Populations, as defined, and whose gross incomes do not exceed the income limit specified by TCAC or other lower income limits agreed to by a Project Sponsor and HCD.

“Fiscal Integrity” means that the total Operating Income plus funds released pursuant to the Regulatory Agreement from the operating reserve account is sufficient to: (1) pay all current Operating Expenses; (2) pay all current debt service (excluding deferred interest); (3) fully fund all reserve accounts (other than the operating reserve account) established pursuant to the Regulatory Agreement; and (4) pay other extraordinary costs permitted by the Regulatory Agreement. The ability to pay any or all of the permitted annual Distributions shall not be considered in determining Fiscal Integrity.

“Gross Income” means all income as defined in Title 25 CCR Section 6914.

“Initial Operating Year” means the initial period of operation of the Affordable Rental Housing Development, beginning at the time of the initial occupancy of the completed Project and ending on the last day of the fiscal year for the development.



“Manager’s Unit” means a Unit in which the onsite manager of the Project resides. A Manager’s Unit will not be considered to be a VHHP Assisted Unit, nor will it be considered to be a Restricted Unit for the purpose of calculating allowable Distributions. A Manager’s Unit will be considered to be a Restricted Unit for the purpose of allocating development costs and may qualify for a loan amount up to the amount applicable to the 60 percent of AMI level.

“Operating Income” means all income generated in connection with operation of the Affordable Rental Housing Development including rental income for Assisted Units and non-Assisted Units, rental income for Commercial Space or commercial use, laundry and equipment rental fees, rental subsidy payments, and interest on any accounts, other than approved reserve accounts, related to the Affordable Rental Housing Development. "Operating Income" does not include security and equipment deposits, payments to the Sponsor for Supportive Services not included in HCD-approved operating budget, cash contributed by the Sponsor, or tax benefits received by the Sponsor.

“Project” means an Affordable 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.

“Refinance” means to pay off all or a portion of existing debt secured by the Project with the proceeds of a Program loan or other financing also secured by the Project.

“Regulatory Agreement” means the written agreement between HCD and the Sponsor that will be recorded as a lien on the Affordable Rental Housing Development to control the use and maintenance of the Project, including restricting the rent and occupancy of the Assisted Units.

"Rehabilitation" means the term as defined in Section 50096 of the HSC, including improvements and repairs made to a residential structure acquired for the purpose of preserving its affordability.

“Restricted Unit” means the same as that term is defined in the UMR Section 8301, excluding units restricted at levels above 60 percent of AMI.

“Schedule of Rental Income” or “SRI” means the same as described in the Regulatory Agreement.

“Target Population” definition is the same as stated in Health & Safety Code 50675.14(b)(3)(A).