Multifamily Finance Super NOFA

March 2022
Welcome and Introduction
### Housekeeping

#### General Rules

- Silence cell phones
- Take time and make time
- Use the “Raise Hand” feature
- Questions and staff responses

#### Introduction of Format

- Scheduled break
- Workshop timing
- Project specifics
Multifamily Finance Super NOFA Program Team

- Branch Chief – Craig Morrow
- Section Chief – Hector Leyva (AB 434)
- Section Chief – Lynn Jones (Climate Change)

<table>
<thead>
<tr>
<th>Program Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shirley Chavez</td>
</tr>
<tr>
<td>Tarci Hodge</td>
</tr>
<tr>
<td>Sherri Kerth</td>
</tr>
</tbody>
</table>
# Agenda

<table>
<thead>
<tr>
<th>Presenter</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lynn</td>
<td>Welcome &amp; Introduction</td>
</tr>
<tr>
<td>Hector</td>
<td>What is AB 434</td>
</tr>
<tr>
<td>Becky</td>
<td>Threshold</td>
</tr>
<tr>
<td>Jordan</td>
<td>VHHP Supportive Services</td>
</tr>
<tr>
<td>Gina</td>
<td>Rating &amp; Ranking (Scoring)</td>
</tr>
<tr>
<td>Shirley</td>
<td>Feasibility</td>
</tr>
<tr>
<td>Conant</td>
<td>Application Submittal (SNAP) and Resources</td>
</tr>
</tbody>
</table>
What is AB 434
The Legislation

• AB 434 signed into law September 28, 2020

• Updates to multiple HCD programs
  – Multifamily Housing Program (MHP)
  – Veterans Housing and Homelessness Program (VHHP)
  – Joe Serna Jr Farmworkers Housing Grant Program (Serna)
  – Transit Oriented Development Program (TOD)
  – Infill Infrastructure Grant program (IIG)
  – Housing for a Healthy California program (HHC)

• 2022 Statewide Housing Plan
State Policy Objectives

• Development of affordable housing
• Reducing the review timeframe
• Administrative priority to assist individuals experiencing homelessness
• Align with TCAC/CDLAC regulations
• Providing opportunities for Developers who previously faced obstacles in receiving state awards
Equity & Incentives

- Address inclusion for historically excluded developers (Tribal Entities, Emerging Developers and Community-based Developers)
- Loan limit increase of $25,000 per unit for Tribal Entities
- If on Tribal land, lease agreement would be no less than 50 years
- Set-asides for Tribal Entities and Emerging and Community-Based Developers
- Ownership structure incentivized with increase in developer fee
Program Goals

• Four Programs, One NOFA
  – Approximately $650 million

• Revisions to Program Guidelines
  – Common definitions
  – Threshold Requirements
  – One Universal Scoring Matrix

• Streamlining the application and review process
## Program Funding Breakdown

<table>
<thead>
<tr>
<th>Funding Program</th>
<th>Approximate Funding Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily Housing Program (MHP)</td>
<td>$275 million</td>
</tr>
<tr>
<td>Veterans Housing and Homelessness Prevention (VHHP) Program</td>
<td>$95 million</td>
</tr>
<tr>
<td>Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program</td>
<td>$80 million</td>
</tr>
<tr>
<td>Infill Incentive Grant Program (IIG-2007) and Infill Infrastructure Grant Program (IIG-2019)</td>
<td>$200 million</td>
</tr>
<tr>
<td><strong>Total Super NOFA fund available:</strong></td>
<td><strong>$650 million</strong></td>
</tr>
</tbody>
</table>
The NOFA

• MHP, VHHP and Serna MF Loan Limits
  – The initial base loan amount per Assisted Unit shall be:
    • $150,000 for 9% tax credit projects
    • $200,000 for 4% tax credit projects
    • $225,000 for non-tax credits projects

• IIG QIP Funding Limits
  – the bedroom count and number of units
  – the density and affordability of the housing to be developed

• $25,000 per unit increase
The NOFA continued

• Loan Limit and Award Caps
  – Previously awarded funds are subject to the per unit loan limits
  – Max $35,000,000 in Department Funds per Project
  – Each Applicant is limited to $80,000,000 in Super NOFA funds

• Administrative Memo 21-06 Stacking Prohibition Repeal
  – Repeal of Stacking Prohibition
  – Limit of Department awards:
    • 2 Loans
    • 2 Infrastructure Grants
Funding Limits and Negative Points

• Administrative Memo 22-02 Notice of Disencumbrance
  – Disencumbrance Policy
    • Secure all funding within 24 months of initial HCD award
    • Awards made prior to July 1, 2022, 24-month clock starts July 1, 2022

• Administrative Memo 22-01 Notice of Negative Points
  – Negative Points Policy
  – Applies to loans and grants
  – Email: AMCbranch@hcd.ca.gov
Set-Asides

• To the extent possible % based off the total Super NOFA funds:
  – Tribal Entity no less than 5%
  – Emerging and Community-Based Developers no less than 15%
    • With 1/3 of this set-aside reserved for Emerging Developers
  – Non-Tax Credit Projects no less than 15%
  – Senior approximately 20% of MHP funds only

• Geographic Targets
Steps in Process

• Training of program staff

• Updating internal tools and processes

• Application Technical Assistance for Tribal Entities, Emerging Developers and Community Based Developers

• Standard Agreement and Award
Hot Topics

- Sponsor Authorizing Resolutions
- Document Checklist
- Project Based Vouchers/Rental Subsidies
- Prevailing Wages
Hot Topics continued

• Technical Assistance Priority

• Bifurcation of Projects

• Report date requirements
  – Appraisals, Market Study, Enviro Reports

• HCD/TCAC concurrent applications
## Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOFA Release</td>
<td>March 30, 2022</td>
</tr>
<tr>
<td>Application Release</td>
<td>May 6, 2022</td>
</tr>
<tr>
<td>SNAP Portal Release</td>
<td>May 6, 2022</td>
</tr>
<tr>
<td>Application Due Date</td>
<td>June 28, 2022, 4pm PDT</td>
</tr>
<tr>
<td>Award Announcement</td>
<td>November 2022</td>
</tr>
</tbody>
</table>
Threshold
Universal Threshold Review

- Eligible Sponsor
- Eligible Project
- Site Control
- Program Specific Requirements
- Complete Application
An eligible Sponsor shall be any:

<table>
<thead>
<tr>
<th>Individual</th>
<th>Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Venture</td>
<td>Cooperative</td>
</tr>
<tr>
<td>Partnership</td>
<td>Local Public Entity</td>
</tr>
<tr>
<td>Limited Partnership</td>
<td>Tribal Entity</td>
</tr>
<tr>
<td>Limited Partnership in which the Sponsor or an affiliate is a general partner</td>
<td>Other Legal Entity – Check Guidelines</td>
</tr>
<tr>
<td>Trust</td>
<td>Or Any Combination</td>
</tr>
</tbody>
</table>
Eligible Sponsor

• Sponsor experience requirements
  – Four (4) affordable Rental Housing Developments (RHD)
    • Equivalent in size, scale, and occupancy with the proposed project
  – May use controlled affiliated entities or principals’ experience
  – Tribal Entities/Community-Based Developers/Emerging Developers
    • Can apply on their own or
    • May contract with an experienced developer
Eligible Sponsor

- Sponsor shall demonstrate capacity
  - Adequate staff, capital, assets and other resources

- Sponsor shall maintain direct and continuing control of the RHD

- Sponsor shall be the recipient or co-recipient of the Department’s award of funds
Eligible Sponsor
Tribal Entity

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

- **Emerging Developer is:**
  - An eligible entity, including a Tribal Entity
  - Developed, owned, or operated at least 1 but not more than 3 Affordable Housing Developments

- **Community-Based Developer is:**
  - An eligible entity, including Tribal Entity
  - For the past 2 years has been located and operating exclusively from their community
    - Must be in Low Resource, Moderate Resource, or High Segregation & Poverty area
  - 5 years delivering culturally competent services/community development programs
Eligible Project

- Development type must be:
  - New construction, Rehabilitation or Conversion
  - Must contain five (5) or more Units

- Shall not have commenced construction

- Location should meet the needs of the tenants

- Projects proposed by Tribal Entities:
  - Located in Indian Country, or
  - Located on fee or trust land within CA
Eligible Project

• Project must meet the following requirements:
  – Fair housing
  – Article XXXIV
  – Environmental condition
  – Accessibility
  – Broadband service
    • 25Mbps/3Mbps
Site Control

• At the time of application, the Sponsor must demonstrate Site Control
  – Sponsor shall maintain site control through award date
  – Documentation must be in the name of the Sponsor, or
  – Entity controlled by the Sponsor
    • Organizational documents submitted with the application must clearly demonstrate sponsor control

– Projects developed in Indian Country:
  • Ground lease not less than 50 Years
  • Title Report or attorney’s opinion letter
MHP Threshold Requirements

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

- Large Family
  - At least 25% of Restricted Units have three or more bedrooms
  - Minimum of an additional 25% of Restricted Units have two or more bedrooms

- Senior
  - All units restricted to residents per Ca Civil Code & Fair Housing Act

- Farmworker Housing
  - At least 25% of the units are available to Agricultural Households
  - At least 10% of those units should be at or below 30% AMI

- At High Risk
IIG Threshold Requirements

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

• Joe Serna, Jr. Farmworker Housing Grant Program (Serna) / (FWHG)
  – Sponsor must be a non-profit
    • Independent from any direction of, or control by a for-profit
  – Occupancy requirement - Agricultural Worker
  – Rent limit
  – Project funding limit
Veterans Housing and Homelessness Prevention Program (VHHP) Occupancy Requirements:

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

• Veterans Housing and Homelessness Prevention Program (VHHP)
  – Supportive Services Plan
  – Resident services coordination
  – Confirmation of local need
  – Disabled Veteran Business Enterprise (DVBE)
## Application Document Checklist

**Instructions for Application submission:**

The following is a FULL list of ALL the items that may be necessary to upload to HCD portal. Use the electronic file name descriptions below for the electronic submission via HCD portal. Application materials, workbooks, and supporting documentation must be submitted no later than 4:00 p.m. Pacific Daylight Time on June 28, 2022.

<table>
<thead>
<tr>
<th>Electronic File Name</th>
<th>Document Description</th>
<th>Included?</th>
</tr>
</thead>
<tbody>
<tr>
<td>X 01. Document Checklist</td>
<td>Document Checklist</td>
<td>✓</td>
</tr>
<tr>
<td>X 02. Application</td>
<td>Super NOFA Excel Application</td>
<td>✓</td>
</tr>
<tr>
<td>X 03. App Sub Notification</td>
<td>MHP Only. Per Health &amp; Safety Code §50075.7(e) Sponsor/Applicant must notify the Tribal governing body or local legislative body (City Council or County Board of Supervisors) of the Sponsor’s loan/grant application prior to application submission.</td>
<td>✗</td>
</tr>
</tbody>
</table>

**From “Project Overview” Sheet/tab**

<table>
<thead>
<tr>
<th>Electronic File Name</th>
<th>Document Description</th>
<th>Included?</th>
</tr>
</thead>
<tbody>
<tr>
<td>X 04. Urban Area</td>
<td>Provide documentation of location in an Urbanized Area</td>
<td>✓</td>
</tr>
<tr>
<td>X 05. Capital Improvement Project</td>
<td>Applicant narrative and documentation evidencing the Locality requiring the CIP.</td>
<td>✗</td>
</tr>
<tr>
<td>X 06. Integration Plan</td>
<td>For Special Needs Projects provide an Integration Plan that demonstrates how Sponsor/Applicant will meet MHP §7302(g) requirements.</td>
<td>✗</td>
</tr>
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</table>
VHHP Lead Service Provider
Threshold Requirement
A VHHP project that includes Supportive Housing (SH) or Transitional Housing (TH) units, must utilize a Lead Service Provider (LSP) meeting the following requirements:

- At least 4 years of experience providing comprehensive case management and related supportive services to individuals/households experiencing homelessness
  - Two of those years must be associated with specific permanent SH or TH sites within the last 10 years
  - Remaining years can be accounted for with area-based case management such as Supportive Services for Veteran Families (SSVF) or similar
- For projects seeking to qualify LSP with Section 201(l)(1)(B)(ii), verifiable proof of 20% veteran occupancy must be provided. If no proof can be provided, this option cannot be used.
VHHP Supportive Services Plan
Threshold Requirements
Supportive Services Plan
VHHP Threshold Requirements

<table>
<thead>
<tr>
<th>Supportive Services Plan (SSP) that passes VHHP threshold will provide clear and comprehensive detail about:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant screening/selection – Housing First</td>
<td>Supportive Services safety/security and engagement</td>
</tr>
<tr>
<td>Service delivery model practices</td>
<td>Adequacy of staffing chart &amp; services budget</td>
</tr>
<tr>
<td>Supportive Services provided to veteran tenants who qualify for VA healthcare</td>
<td>Services collaboration, measurable outcomes &amp; plan for evaluation</td>
</tr>
<tr>
<td>Supportive Services coordination</td>
<td>Required supporting documentation</td>
</tr>
</tbody>
</table>
Supportive Services Plan
Tenant Screening/Selection - Housing First

• Tenant screening and tenant selection commitments and activities, to include: (Part I)
  – Specific criteria used to determine eligibility (income, homeless status) (Section 1.1b)
  – Other specific criteria that leads to rejection of tenancy application (rental, credit, criminal history) (Section 1.1c)
    • Must include commitment to accept referrals for all others
  – Specific process for receiving referrals from the Coordinated Entry System (CES), including CES and property management activities (Section 1.1e)
    • Marketing/Outreach must be consistent with and expand on statements in (Sections 1.1e & 1.2a-1.2d)
Supportive Services Plan
Service Delivery Model Practices

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

• Supportive Services provided to veteran tenants who qualify for VA healthcare and separate detail for those who do not (Part III, Section 1)

Required description includes:

– Service description including frequency and objectives of service and service staff procedures including, but not limited to any referral activity
– Identification of direct service provider, relationship to Sponsor, and type of agreement
– Transportation provision plan for off-site services
– Commitment letters from direct providers required for all services (including the U.S. Dept of Veterans Affairs for applicable services).
  • Commitment letters must list specific services provided as described in VHHP Guidelines Section 214(b)(8) & (9).
  • For any committed direct provider staff, a formal agreement must take the place of a commitment letter.
Supportive Services Plan
Supportive Services Coordination

• Supportive Services access \textbf{(Part III, Section 2)}
  
  Required description includes:

  – Transportation provided at no cost to veteran tenant who needs it for off-site
    Minimum Services \textbf{(Section 2.1)}
    • Other types of service linkage and transportation assistance provided

  – Identification of cultural, trauma- and disability-related barriers to services and
    strategies to mitigate \textbf{(Section 2.2)}

  – Verification of Supportive Services completed by appropriate signatory from local
    VA Healthcare System for Homeless Programs or VA Network Homeless Coordinator
Supportive Services Plan
Supportive Services Engagement

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

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

• Supportive Services collaboration, measurable outcomes, and plan for evaluation (Part VII)

Required description includes:

– Narrative of collaboration between LSP, Sponsor/Owner, and contracted services providers (Section 1)

– Specific and measurable outcomes intended for each veteran target population served and specific and measurable performance indicators (Section 2)

– Plan for evaluation of specific data used to measure outcomes including the specific individual responsible for the evaluation (Section 3)

• Listing challenges in collecting, tracking, and analyzing data will not be acceptable
Supportive Services Plan
Required Supporting Documentation

• Supporting items required at application:
  – Formal agreement between Sponsor and Lead Service Provider (comprehensive and consistent with the SSP)
  – Commitment letters from direct providers of Minimum Services (and Enhanced Services if available at the time of application)
  – Job description of all staff positions that includes education/experience required and veteran-oriented case management activities consistent with the SSP
  – Signed Supportive Services Verification form signed by appropriate executive leadership at local VA healthcare system
  – Executed public agency contracts for Lead Service Provider eligibility
    • Documentation showing relevant reporting to public contracting agency
Disabled Veteran Business Enterprise (DVBE)
Veteran Hiring Plan Requirements
Disabled Veterans Business Enterprises

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

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

Sean Johnson, VHHP Program Manager
916-653-2194
sean.johnson@calvet.ca.gov

Pamela Norman, Support Services
916-651-7300
pamela.norman@calvet.ca.gov

Jordan Monyhan, Policy & Data Management
916-651-7300
jordan.monyhan@calvet.ca.gov

<Vacant>, DVBE Coordination
916-653-2194
Ten minute break
Rating and Ranking
Universal Scoring Criteria
## Universal Scoring Criteria

<table>
<thead>
<tr>
<th>Scoring Categories</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serving Lowest Income Levels</td>
<td>30</td>
</tr>
<tr>
<td>Addressing State Policy Priorities</td>
<td>17</td>
</tr>
<tr>
<td>Project Sponsor and Property Management Experience</td>
<td>20</td>
</tr>
<tr>
<td>Readiness</td>
<td>20</td>
</tr>
<tr>
<td>Adaptive Reuse/Infill/Proximity to Amenities/Sustainable Building Methods</td>
<td>21</td>
</tr>
<tr>
<td>Cost Containment</td>
<td>5</td>
</tr>
<tr>
<td><strong>Universal Total</strong></td>
<td><strong>113</strong></td>
</tr>
</tbody>
</table>
**Scoring Criteria**

**Serving Lowest Income Levels**

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

<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>
</table>

*Points Available to Rural Area projects only.*

**Points Awarded**
Scoring Criteria
State Policy Priorities

• State Policy Priorities (17 points maximum)
  – High/Highest Resource Area sites (5 points)
  – Public Excess Lands (2 points)
  – Designated Program Assisted Units serving Special Needs Populations, Agricultural Households (10 points maximum)
Scoring Criteria
State Policy Priorities

• High/Highest Resource Area sites (5 points)
  – Point advantage is “turned off”/”soft cap” after 50% of NOFA funds have been allocated to sites in these locations
  – Available to all construction types
  – Available to all project types except:
    • Senior projects do not qualify unless they also qualify as a Special Needs project
Scoring Criteria
State Policy Priorities

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

<table>
<thead>
<tr>
<th>Total percent of Super NOFA Funded Units</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%+</td>
<td>10 points</td>
</tr>
<tr>
<td>16% - 24%</td>
<td>9 points</td>
</tr>
<tr>
<td>10% - 15%</td>
<td>8 points</td>
</tr>
</tbody>
</table>
Scoring Criteria
Sponsor/Applicant Experience

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

• Development and Ownership Experience (15 points maximum)

• For IIG funds only Applicant experience is evaluated

<table>
<thead>
<tr>
<th>5 Projects in service &gt;3 years</th>
<th>3-4 Projects in service &gt;3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 points</td>
<td>10 points</td>
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</tbody>
</table>

Each of these projects must have a minimum of 11 affordable units subject to recorded regulatory agreement

Including 1 project in service >5 years

Including 2 HCD and/or TCAC projects
### Scoring Criteria
**Sponsor/Applicant Experience**

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

<table>
<thead>
<tr>
<th>Special Needs projects</th>
<th>Community-Based Developers</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 or more Special Needs projects in service &gt;3 years</td>
<td>4 or more projects in service &gt;3 years</td>
</tr>
<tr>
<td>Each of these projects must have a minimum of 11 affordable units subject to recorded regulatory agreement</td>
<td></td>
</tr>
<tr>
<td>Including 1 HCD and/or TCAC projects</td>
<td></td>
</tr>
<tr>
<td>Property manager shall have 3 or more years experience serving target population(s) proposed</td>
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</tbody>
</table>
Scoring Criteria
Sponsor/Applicant Experience

• Required self-certification that the projects for which points are requested have maintained Fiscal Integrity for the year in which each project’s last financial statement has been prepared

• In service for at least 3 years

• Positive cash flow from residential income alone

• Funded reserves in accordance with the ownership entity’s partnership or operating agreement & loan documents
### Scoring Criteria

**Property Management Experience**

- Property management experience (5 points maximum)

<table>
<thead>
<tr>
<th>11 or more projects managed over 3 years</th>
<th>6-10 projects managed over 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 points</td>
<td>3 points</td>
</tr>
</tbody>
</table>

Each of these projects must have a minimum of 11 affordable units subject to recorded regulatory agreement

Including 2 HCD and/or TCAC projects

Executed property management agreement required
### Scoring Criteria

#### Property Management Experience

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

<table>
<thead>
<tr>
<th>Special Needs projects</th>
<th>Community-Based Developers</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 or more <strong>Special Needs</strong> projects in service &gt;3 years</td>
<td>4 or more projects in service &gt;3 years</td>
</tr>
</tbody>
</table>

Each of these projects must have a minimum of 11 affordable units subject to recorded regulatory agreement

Including 1 HCD and/or TCAC project

Executed property management agreement required
Scoring Criteria

Negative Points

• An application’s experience score will be reduced by any assessed negative points
  – For complete information see:
    • Negative Points Policy

• HCD will notify the Sponsor/Applicant in writing in the initial point score letter
  – Please refer to the Super NOFA document for the appeals process
  – Contact the Asset Management & Compliance Branch to ensure compliance before submitting application
    • AMCBranch@hcd.ca.gov
Scoring Criteria
Project Readiness

• Project Readiness (20 points maximum, negative 5 points maximum)
  – Financing commitments (10 points maximum)
  – Land use approvals (7 points maximum)
    • Flexibility for Disaster Areas
  – Fully formed borrower, organization documents (3 points)
  – TCAC Hybrid project (Negative 5 points)
Scoring Criteria
Project Readiness

- Readiness financing commitments (10 points maximum)

<table>
<thead>
<tr>
<th>Enforceable Funding Commitments (EFC) for:</th>
<th>Construction Financing</th>
<th>Permanent Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 points</td>
<td>5 points</td>
<td></td>
</tr>
<tr>
<td>Commitments exclude CDLAC bond allocation, 4% or 9% tax credits</td>
<td>Commitment of bond financing must be evidenced by a lender commitment for 4% projects</td>
<td></td>
</tr>
</tbody>
</table>
Scoring Criteria
Project Readiness

• Readiness land use approvals (7 points maximum)
  – 5 points for obtaining all required land use approvals or entitlements
    necessary prior to issuance of a building permit, including discretionary
    approvals
  – Other (lesser) point options if approval is in process
  – 2 points for local certification of CEQA exemption or completion

• Readiness fully formed borrower (3 Points)
  – 3 points for fully forming the ultimate borrower entity and/or IIG
    Recipient
Scoring Criteria
Adaptive Reuse / Infill / Proximity to Amenities / Sustainable Building / Broadband Access

- Infill development and Net Density (5 points)
- Proximity to amenities (6 points maximum)
- Broadband access (5 points)
- Sustainable building methods (5 points maximum)
Scoring Criteria
Infill Development / Net Density

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

• Proximity to amenities (6 points maximum)
  – Projects will receive 1/3 point per site amenity point that would be awarded under TCAC Regulations Section 10325(c)(4)(A) up to 5 points max
  – Projects within one-quarter mile of a Transit Station or Major Transit Stop receive 1 point
  • These transit points are measured by a Walkable Route
Scoring Criteria
Proximity to Amenities

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

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

• Include information such as:
  – Amenity type
  – Proximity to project
  – Radius circles showing distance from project
Scoring Criteria
Broadband Access

• Broadband Access (5 points)
  – Residential dwelling units must accommodate broadband Service with at least a speed of:
    • 100Mbps downloading (50 Mbps Rural)
    • 20Mbps uploading (10 Mbps Rural)
  – Internet service (and its ongoing fee) is not required
  – The application includes a plan for reducing barriers to access for project residents.
Scoring Criteria
Sustainable Building Methods

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

• Green building program options (5 points)

<table>
<thead>
<tr>
<th>Program</th>
<th>Minimum Required Tier or Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalGreen</td>
<td>Tier 2</td>
</tr>
<tr>
<td>U.S. Green Building Council LEED Certification</td>
<td>Gold</td>
</tr>
<tr>
<td>GreenPoint Rated</td>
<td>New Construction: Gold Rehabilitation: Whole Building</td>
</tr>
<tr>
<td>ENERGY STAR</td>
<td>Certified Home</td>
</tr>
<tr>
<td>Living Future Challenge</td>
<td>Living Building</td>
</tr>
</tbody>
</table>
• Cost Containment (5 points maximum)
  – Compares project total development cost to the county average, adjusting for unit size, AMI targeting

---

Total Eligible Basis per the Development Budget

Adjusted Threshold Basis Limit
Scoring Criteria
Cost Containment

• The “deeper targeting” adjustments are capped at 80%

<table>
<thead>
<tr>
<th>Total Eligible Basis from Development Budget</th>
<th>$40,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Adjusted Threshold Basis Limit</td>
<td>$50,811,581</td>
</tr>
<tr>
<td>Percentage</td>
<td>10%</td>
</tr>
</tbody>
</table>

• 10% = 10 points, but 5 points maximum
# Scoring Criteria
## Cost Containment

<table>
<thead>
<tr>
<th>Residential Budget</th>
<th>Eligible Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Totals</td>
<td>$40,000,000 $0</td>
</tr>
</tbody>
</table>

### USES OF FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Total Project Costs - Residential Cost/Sources</th>
<th>Total Project Costs - Commercial Cost/Sources</th>
<th>30% PVC for New Const/Rehab</th>
<th>30% PVC for Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAND COST/ACQUISITION</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Cost or Value</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Demolition</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Legal</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Land Lease Rent Prepayment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Existing Improvements Cost or Value</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Off-Site Improvements</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Predevelopment Interest/Holding Cost</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Assumed, Accrued Interest on Existing Debt (Rehab/Acq)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Excess Purchase Price Over Appraisal</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>
### Scoring Criteria

**Cost Containment**

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>2022 TCAC Threshold Basis Limits (TBL)</th>
<th># of Units</th>
<th>Basis x Number of Units</th>
<th>TOTAL UNADJUSTED THRESHOLD BASIS LIMIT (TBL):</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRO/Studio</td>
<td>$341,094</td>
<td>11</td>
<td>$3,752,034</td>
<td>$39,085,832</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>$393,278</td>
<td>29</td>
<td>$11,405,062</td>
<td></td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>$474,400</td>
<td>21</td>
<td>$9,962,400</td>
<td></td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>$607,232</td>
<td>23</td>
<td>$13,968,336</td>
<td></td>
</tr>
<tr>
<td>4+ Bedrooms</td>
<td>$676,494</td>
<td>0</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL HCD ADJ. THRESHOLD BASIS LIMIT: **$50,811,581**

Adjusted Threshold Basis Limit multiplied by 160%: **$81,290,530**

HCD HIGH COST TEST RESULT: **79%**

**Total Eligible Basis:** **$40,000,000**

**Manager Units in Project:** 0  **TOTAL UNITS:** 84

---

### ADJUSTMENTS: Cal Code of Reg §10327(c)(5)(A-F)

- **(A)** Adjustment for Projects paid in whole or part out of public funds subject to a legal requirement for the payment of state or federal prevailing wages or financed in part by a labor-affiliated organization requiring the employment of construction workers who are paid at least state or federal prevailing wages (20%).
  - **Yes/No:** Yes
  - **Amount:** $7,817,168

- **(B)** For New construction Projects required to provide parking beneath residential units (not “tuck under” parking) or through construction of an on-site parking structure of two or more levels (10%).
  - **Amount:** $0
Scoring Criteria
Cost Containment

G. **Cost Containment (5 points maximum)**

A project shall receive one (1) point for each full percent that the project's eligible basis is less than the project's adjusted threshold basis limit, up to a maximum of (5) points. The percentage is calculated by dividing the project's eligible basis by the project's adjusted threshold basis limit.

| Projects total eligible basis | $40,000,000 | Percentage 51.70% |

For the 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 percent (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 35 percent (35%) of Area Median Income (AMI). An increase of 2 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 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 percent.

<table>
<thead>
<tr>
<th>Projects adjusted threshold basis limit</th>
<th>$82,811,581</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Units</td>
<td>84</td>
</tr>
</tbody>
</table>

Including a boost from TCAC §10327 (c)(5)(c), but not more than 80%.

<table>
<thead>
<tr>
<th>1% Above 35%, &lt;= 50% AMI</th>
<th>Units 40</th>
<th>Boost 47.00%</th>
<th>Limitation 80.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% At or below 35% AMI</td>
<td>Units 30</td>
<td>Boost 70.00%</td>
<td></td>
</tr>
</tbody>
</table>

**Projects TOTAL HCD ADJ. THRESHOLD BASIS LIMIT**: $50,811,581

80% Boost - Adjusted threshold basis limit (ATBL): $32,000,000
Scoring Criteria
Tiebreaker

• Tiebreaker three factors:
  – Weighted Average Affordability (CDLAC-aligned)
    • Units adjusted by bedroom size
    • 30% AMI floor for units with PBV, 40% AMI floor for all other units
  – Local Funding and Land Commitments
    • Includes capitalized value attributable to public project-based rental or public operating subsidies (TCAC & CDLAC-aligned)
  – Cost Efficiency (CDLAC-aligned)
    • Balanced approach
Feasibility
Total Development Cost

• Total Development Cost must match:
  – Development Budget
  – Permanent Funding Sources

• High-Cost Verification
  – If exceeds 160% explanation is required
  – May result in disqualification
Development Budget

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

• Hard-Cost Contingencies
  – Rental New Construction minimum of 5%
  – Rehab minimum of 10%
  – Greater or less than the minimum requirement must be explained
Development Budget

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

Comments and explanation of basis changes or other general comments:
Development Budget

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

<table>
<thead>
<tr>
<th>Other</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal for Perm</td>
<td>$10,000</td>
</tr>
<tr>
<td>Lender Costs</td>
<td>$50,000</td>
</tr>
<tr>
<td>(Specify)</td>
<td>$0</td>
</tr>
</tbody>
</table>
The following slides are applicable for Loans and may not be required for Grants.
## Development Budget

### Operating Reserve

#### Operating Reserve Calculator

<table>
<thead>
<tr>
<th></th>
<th>Total Operating Expenses Excluding On-Site Service Coordinator Salaries. (Operating Budget Cell (S107) minus Operating Budget Cell (S100))</th>
<th>TAX CREDIT Project 3 Month Reserve Required</th>
<th>NON-TAX CREDIT Project 4 Month Reserve Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(a) Total Operating Expenses:</td>
<td>$708,243</td>
<td>$152,233</td>
</tr>
<tr>
<td></td>
<td>(b) Minus: On-Site Service Coordinator Salaries:</td>
<td>$97,310</td>
<td>$202,978</td>
</tr>
<tr>
<td></td>
<td>Amount subject to reserve calculation: (a - b)</td>
<td>$608,933</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Replacement Reserve amount from above: (Cell AJ10)</td>
<td>$42,000</td>
<td>$10,500</td>
</tr>
</tbody>
</table>

#### Debt Service (including all HCD 0.42% Fees and Bond Issuer Fee)

<table>
<thead>
<tr>
<th>Name of Lender</th>
<th>Operating Budget cells (D125 to D137)</th>
<th>Annual Debt Service Amount</th>
<th>TAX CREDIT Project 3 Month Reserve Required</th>
<th>NON-TAX CREDIT Project 4 Month Reserve Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Mortgage Debt Service (Specify)</td>
<td>$198,801</td>
<td>$49,650</td>
<td>$66,200</td>
<td></td>
</tr>
<tr>
<td>2nd Mortgage Debt Service (Specify)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>3rd Mortgage Debt Service (Specify)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>MHP .42% Fee</td>
<td>$55,637</td>
<td>$13,909</td>
<td>$18,546</td>
<td></td>
</tr>
<tr>
<td>Other HCD .42% (Specify)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Other HCD .42% (Specify)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Bond Issuer Fee</td>
<td>$5,386</td>
<td>$1,347</td>
<td>$1,795</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Financial Expenses (Specify)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Other (Specify)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>$259,524</td>
<td>$64,906</td>
<td>$86,541</td>
<td></td>
</tr>
</tbody>
</table>

**UMR Required Operating Reserve Amount:** $227,639 $303,519
Development Budget

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

<table>
<thead>
<tr>
<th>RESERVES</th>
<th>$470,592</th>
<th>$470,592</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve</td>
<td>$470,592</td>
<td>$470,592</td>
</tr>
<tr>
<td>Replacement Reserve</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Transition Reserve</td>
<td>$586,902</td>
<td>$586,902</td>
</tr>
<tr>
<td>Rent Reserve</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other: On-Site Security Reserve</td>
<td>$400,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>Other (Specify)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other (Specify)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Reserve Costs</td>
<td>$1,459,494</td>
<td>$1,459,494</td>
</tr>
</tbody>
</table>

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

• Transition Reserve Requirements
  – Amount needed to prevent rent increases for 1 year after assistance or subsidy ends for
    • MHP
    • VHHP
  – If other Department funds are included in the project, reserve will be underwritten to the most restrictive program
Operating Budget

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

#### Employee Information

<table>
<thead>
<tr>
<th>No.</th>
<th>FTE</th>
<th>Employee Job Title</th>
<th>Wages</th>
<th>Free Rent</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.00</td>
<td>On-Site Manager(s)</td>
<td>$82,268</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>0.32</td>
<td>On-Site Assistant Manager(s)</td>
<td>$42,432</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supportive Services Staff Supervisor(s)</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supportive Services Coordinator, On-Site</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other Supportive Services Staff (inc. Case Manager)</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2.00</td>
<td>On-Site Maintenance Employee(s)</td>
<td>$96,858</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>On-Site Leasing Agent/Administrative Employee(s)</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>On-Site Security Employee(s)</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other (Specify)</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other (Specify)</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

**Total Salaries and Value of Free Rent Units**: $201,558

**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>Bedrooms</th>
<th>SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>On-Site Manager(s)</td>
<td>2</td>
<td>710</td>
</tr>
</tbody>
</table>

**Total Square Footage**: 710
### Operating Budget

#### Supportive Services Calculator:

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

#### (5) Maximum Supportive Services Costs

<table>
<thead>
<tr>
<th>Supportive Services Costs</th>
<th>Residential</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>6990 Staff Supervisor(s) Salaries - from above</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>6990 Services Coordinator Salaries, On-Site - from above</td>
<td>$35,000</td>
<td>$0</td>
</tr>
<tr>
<td>6990 Other Supportive Services Staff Salaries - from above</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>6990 Supportive Services Admin Overhead</td>
<td>$5,000</td>
<td>$0</td>
</tr>
<tr>
<td>6990 Other Supportive Services Costs: (Specify)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>6990 Other Supportive Services Costs: (Specify)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>6900T Total Supportive Services Costs</td>
<td>$40,000</td>
<td>$0</td>
</tr>
</tbody>
</table>
Operating Budget

Supportive Services Plan:

<table>
<thead>
<tr>
<th>Income Source/Program Name</th>
<th>Amount</th>
<th>Type</th>
<th>Status</th>
<th>% of Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Operations</td>
<td>$40,000</td>
<td>Cash</td>
<td>Committed</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>Total Revenue:</td>
<td>$40,000</td>
<td></td>
<td></td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Operating Budget:

<table>
<thead>
<tr>
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<th>Commercial</th>
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<td>$0</td>
</tr>
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<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>6990T Total Supportive Services Costs</td>
<td>$40,000</td>
<td>$0</td>
</tr>
</tbody>
</table>
Operating Budget

• For other types of Operating Reserve, include documentation or a letter of explanation which includes the following:
  – The purpose of the Reserve
  – The source and amount of the funding
  – The terms for disbursement

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

<table>
<thead>
<tr>
<th>Operating Reserve</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized Operating Subsidy Reserve</td>
<td>(COSR)</td>
</tr>
<tr>
<td>Capitalized Operating Deficit Reserve</td>
<td>(CODR)</td>
</tr>
<tr>
<td>Local Operating Subsidy Program</td>
<td>(LOSP)</td>
</tr>
</tbody>
</table>
Operating Budget

- Replacement Reserves

<table>
<thead>
<tr>
<th>New Construction the lesser of:</th>
<th>Rehabilitation:</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.6% of estimated construction costs</td>
<td>Initially $500 per unit</td>
</tr>
<tr>
<td>$500 per unit</td>
<td></td>
</tr>
</tbody>
</table>
Operating Expenses

• Finance Expenses
  – Mandatory Debt
    • Amortized Loans
      ▪ Balloon payments are not allowed on Senior debt
    • Annual debt service
    • Bond Issuer Fees
  – Asset Management Fee
    • Not to exceed $36,878 (2022)
### Cash Flow Analysis

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

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

- Application will be underwritten to Restricted Rents
- Regulatory Agreement will be based on Proposed Rents
15/20 Year Cash-Flow

- Debt Service Coverage Ratio (DSCR)
  - Not less than 1.10 or no greater than 1.20

- Residual Receipts and Sponsor Distributions
  - 50% to Sponsor
  - 50% to Department
    - The Department may share with other public entity lenders Residual Receipts on a pro rata basis.
Application Submittal
Application Submittal

• Super NOFA Application Portal (SNAP), through Service Now
  – Link is on the Super NOFA Website
    https://calhcd.service-now.com/csp?id=csp_registration
  – Returning users will use their login
  – First time users will need to register
Application Submittal

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

• Select the SNAP Super NOFA Application
• All fields that include a red asterisk* are required fields. The user will be unable to proceed until all fields are complete.
Application Submittal

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

- You are ready to start attaching documents for your application
Application Submittal

• Select the “Submit Application” option on the Activity tab in the upper right-hand corner
Application Submittal

• If “Submit Application” is not showing you have not submitted all required documents
Return to Application

All results for "SNAP0000115"

SNAP Application for Grandview Apartments

Number: SNAP0000115 · Priority: Low · State: Submitted · Updated: 12d ago

End of results
Application Submittal

• A complete application will include the MFSN application, and all required supporting documents.
Application Submittal

• Attachments can be added to a submitted application up until:
  – 4:00 p.m. Pacific Daylight Time on June 28, 2022
  – Select “Add More Attachments” from the Activity Tab.

SNAP Super NOFA Application Portal

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Number</th>
<th>Submitted On</th>
<th>Requested By</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MFF0000026</td>
<td>Mar 31, 2022</td>
<td>SNAP User</td>
</tr>
</tbody>
</table>

Add More Attachments
Application Submittal

• Applications and supporting documentation must be uploaded and submitted
  – No later than 4:00 p.m. Pacific Daylight Time on Tuesday, June 28, 2022
  – Electronic application submittal through the Super NOFA Application Portal (SNAP)

• Super NOFA online tech support/help desk
  – Five days a week, closes at 5:00 p.m.
Application Submittal

- Application submission
  - No late applications accepted
- 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
Stay in the know,
Sign up for HCD email:

www.hcd.ca.gov
Follow HCD on social media

Like us on Facebook: /CaliforniaHCD

Follow us on Twitter: @California_HCD

Follow us on LinkedIn: /company/californiahcd
Resources

• Multifamily Finance Super NOFA Website:
  https://www.hcd.ca.gov/multifamily-finance-supernofa

• 2021 TCAC Regulations:

• Methodology for Determining Rural Status:
  https://www.treasurer.ca.gov/ctcac/Cover-memo.pdf

• TCAC/HCD Opportunity Area Maps:
  https://belonging.berkeley.edu/2021-tcac-opportunity-map

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

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

SuperNOFA@hcd.ca.gov
Thank You