



DR20 Disaster Recovery Multifamily Housing Program (DR-MHP)

Frequently Asked Questions V4

This document represents written comments the team received during the Application webinars held July 11 and 15, 2024, and questions sent to the DR-MHP email inbox, DR-MHP@hcd.ca.gov, through September 6, 2024. V4-original questions are in red.

1. Is DR-MHP subject to all underwriting standards included in the UMRs, including the .42% annual mandatory payment?

Yes. Section 2.4.2 (Interest Rate and Loan Repayments) of the DR20 DR-MHP Policies and Procedures, Paragraph 3 (page 26) sets forth monitoring fee repayment requirements for the program.

2. Are there any funds available for the conversion of hotels into low-income housing?

No. According to the 2020 DR-MHP Policies and Procedures Section 2.2 (Eligible Project, page 15), only new construction of multifamily rental housing is eligible, and the proposed project must be located in a Most Impacted and Distressed (MID) area geographic set-aside listed. Rehabilitation and reconstruction projects, including the Homekey/Proposition 1 model of hotel conversions, are not eligible.

3. Does Article 34 apply to this program?

No. As a result of SB469, funds administered by HCD are not considered “public funds” for the purpose of Article XXXIV. Applications need to include a letter providing prior notification to the local legislative body, or tribal governing body, pursuant to HSC Section 50675.7(e), as well as a letter or resolution of support for the proposed Project from the local legislative body, or tribal governing body where the proposed Project is located. Please refer to the DR20 DR-MHP Policies and Procedures Section 2.3 (Threshold Requirements, page 16).

4. What does excess lands donation mean to tribal lands?

Surplus and excess lands are sites owned by either the State of California or a local government who wants to use the site for affordable housing.

According to the DR20 DR-MHP Policies and Procedures Section 4.3, Part C (State Policy Priorities, page 49), points will be awarded if a new construction Project is located on a site designated as excess land under Executive Order N-06-19 or any land declared surplus by a local agency. To access a map of local excess/surplus sites, please visit

<https://experience.arcgis.com/experience/670e112e04ae415e9755f2d65fded76c/page/Page/?views=Local-Government-Owned-Excess%2FSurplus-Sites>



5. **Does the developer experience count for co-developers? Can a tribe be a co-developer with a more established developer and use their experience?**

Yes. According to the DR20 DR-MHP Policies and Procedures Section 4.3, Part D (Project Sponsor/Applicant and Property Management Experience, pages 50-51), a Sponsor/Applicant may include the experience of a partner to gain experience points; however, the experienced partner must have a controlling interest in the Project's ownership and a substantial and continued role in the Project's ongoing operations, as evidenced in the organizational documents for the owner. To obtain development and ownership experience points, Tribal Entities may contract with a Developer who will not be the Project owner and may receive points commensurate with the Developer's experience.

6. **Can DR-MHP funds be used during construction (not just as a permanent source)?**

According to the DR20 DR-MHP Policies and Procedures Section 2.4 (Type and Term of Loan, page 24), program funds shall be used for construction phase financing only and may not be held for use until permanent financing.

7. **Would a project that has a certified Final EIR would score all 5 points for Environmental Approvals? Our project was not CEQA exempt but does have a certified final EIR. We have not started the NEPA process.**

No. Per Section IV, Part E, Paragraph 2 of the DR-MHP Round One NOFA (Local and Environmental Approvals, page 25), to receive full points for environmental review, a Project must have completed **both** CEQA and NEPA reviews prior to application. For CEQA, a certificate of completed EIR would be acceptable. For NEPA, a Project must have either a completed Environmental Assessment, a CENST, or an AUGF from another federal agency (including, but not limited to, HUD). HCD will act as the lead agency for the FONSI NOI/RROF process.

8. **How is "DR-MHP funded units" defined?**

"DR-MHP funded units" has the same meaning as "DR-MHP Assisted Unit or Restricted Unit", as defined in Section 1.3 of the 2020 DR-MHP Policies and Procedures (Defined Terms, page 6).

(Questions continue on next page.)



9. **Page 6 of the NOFA states that “If a region is oversubscribed, the lowest-ranked project in that region will receive a partial award.” Is there any cutoff for the percentage of original ask? For example, if there is \$1M remaining in a region and the next highest scoring project (Project A) has requested \$15M, will the remaining \$1M go to Project A even though that would still leave Project with an \$14M funding gap? What if the project right behind Project A only requested \$1M and the remaining amount in the region would result in that project being fully funded?**

At this time, there is no percentage limit on a partial award. It will be up to the individual developer to determine if the partial award would be advantageous to accept. This may change once all applications are received and scored, and the true funding need of the various program regions are determined.

10. **Is it correct to understand that this is an over-the-counter process where applications are reviewed, scored and awarded as they are received rather than all being reviewed and scored together at once?**

All applications will be reviewed and scored together at once, after the application period closes on Friday, September 6, 2024, at 4:00 PM.

11. **Should projects that have received a conditional commitment of funds from a 2018 DR-MHP subrecipient list said funds as a separate source from 2020 DR-MHP? Moreover, will such projects be required to enter into a second regulatory agreement for the 2020 funds? How will that work for monitoring fees and other requirements?**

The DR18 and DR20 are two separate and distinct funding programs and funding sources and should be denoted as such when listing Sources & Uses. If a project that currently has a DR18 award receives funding from this NOFA, the Department will work with the Subrecipient that awarded DR18 funds to the project to create a long-term monitoring plan that will meet both programs' requirements.

12. **If CDBG-DR funds are the only subsidy provided, will the project just need to abide by Davis-Bacon or will State Prevailing Wage Law be applicable as well?**

According to the DR20 DR-MHP Policies and Procedures Section 3.4.1 (State Prevailing Wage, pages 36-37), when applicable, Sponsor shall ensure that the requirements of California Labor Code Chapter 1, commencing with Section 1720, Part 7 pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations (“DIR”) are met. Projects may be exempt from these requirements under State Prevailing Wage rules; accordingly, Sponsors should thoroughly evaluate the California Labor Code with



their counsel and consult DIR as necessary to determine if the Project qualifies for any exemption based on the Project's unique attributes.

13. Can projects that have a DR-MHP Award from a local jurisdiction apply for additional funding to supplement their project or do they have to relinquish those funds prior to applying for funding under this NOFA?

It is allowable for Applicants that wish to retain their previous award to apply for funds available within the DR-MHP Round One NOFA, so long as the previous award is unmodified. Please refer to the DR-MHP Round One NOFA, Section III, Part E (Prior Awards, pages 14-15).

14. How does the requirement for deeply affordable units apply? Must they be spread out across unit sizes for the following breakdown?

85 Total Units in Project	Required ELI Units (30% AMI)
22 three-bedroom	5 Units
28 two-bedroom	5 Units
35 one-bedroom	11 Unit
Total (25%)	21 Units

According to the 2020 DR-MHP Policies and Procedures Section 4.3 (Universal Scoring Criteria, page 47), to ensure a proportional spread of deeply Affordable Units, at least 10 percent of the larger Units in the Project must be provided at 30 percent of AMI, as applicable. So long as the Applicant meets the 10 percent standard Project-wide, the 10 percent standard need not be met among all the smaller Units.

In this example, the project would only need to provide 9 ELI units to meet the threshold requirements. However, additional units at ELI will increase the project's tiebreaker score, per Section 4.3, Part H of the DR-MHP Round One NOFA (Tie breaker Score, pages 59-60).

15. In the application, are we going to have to fully outline what specific Special Needs population type we are serving and how we are serving them? Or do we just need to commit to serving a Special Needs population, with plans and details solidified by the time loan closing happens?

In the application Project Overview section, applicants with Special Needs Projects must complete and submit the "DR-MHP Supportive Services Plan", "DR-MHP Supportive Services Costs", "Special Needs Exp", and "Supportive Services Verif" Worksheets from the DR20 Application Workbook.



16. **How does HCD interpret affordable housing projects within an already-approved master development? Would a letter from the City stating that an affordable development within said approved Master Plan and its compliance with all Land Use requirements as part of the Master Plan suffice for the 10 points?**

If an Applicant/Sponsor can go to the local building department and obtain permits to begin construction, they will have fulfilled the requirement and receive full points for this scoring criteria. Documentation from the local government must indicate this “Shovel readiness” element.

17. **For a project that serves as an inclusionary component to a master plan development, the Master Developer already has a full EIR report for the entire master development site as well as a completed Phase 2 report. Would these satisfy this section for the 5 points?**

Per Section IV, Part E, Paragraph 2 of the DR-MHP Round One NOFA (Local and Environmental Approvals, page 25), to receive full points for environmental review, a project must have completed **both** CEQA and NEPA reviews prior to application. There must be documentation supporting the completion of both CEQA and NEPA reviews. Documentation evidencing compliance with both laws will be accepted towards receiving these points.

18. **Does construction of an under-construction amenity near the project address have to be completed by the time of application to earn points under the “Proximity to amenities” category?**

Yes. Points for the “Proximity to amenities” category are awarded under TCAC Regulations, Title 4 CCR, Division 17, Chapter 1, Section 10325(c)(4)(A) or successor regulation. This section indicates that to receive points, the amenity must be in place at the time of application (except for transit amenities, a school district/community college, and a medical clinic).

19. **When it says acquisition, does that apply to acquisition of land?**

Yes. “Acquisition” means land acquisition.

20. **Section IV.E.2.a.i states that a project where the planning departments confirms eligibility for streamlining would be eligible for the points described therein. Can you confirm that we would not also be required to have submitted an application for entitlements to the planning department?**

To receive points for this category, an applicant must submit evidence that they are able to go to the local building authority and obtain their permits to begin construction. This can be in the form of a letter from the local planning jurisdiction confirming that the project meets all the requirements for a streamlined



ministerial approval and that said approval has been deemed complete by the local government.

21. Will there be a tribal set aside for the CDBG-Disaster Recovery program?

No. Proposed projects must be in a Most Impacted and Distressed (MID) area as determined by HUD. The following counties make up these MID areas: Butte, Fresno, Los Angeles, Napa, Santa Cruz, Shasta, Siskiyou, Solano, and Sonoma. In addition, pursuant to State CDBG-2018 Disaster Recovery Action Plan Non-Substantial Amendment Number 5, HCD is making funds available for projects located in the cities of Malibu, Calabasas, and Agoura Hills. For projects located on Native American Lands, such land must be located within one of the listed MID counties or cities. Please refer to Section I, Part D of the DR-MHP Round One NOFA (Geographic Set-Asides, pages 6-7).

22. Regarding loan sizing, do unrestricted manager's units factor into the loan calculation?

No. For DR-MHP loan limit calculations, the unit count may include the number of DR-MHP Assisted Units within the Project, including units with long-term, low-income or occupancy restrictions imposed by HCD, the California Tax Credit Allocation Committee (TCAC), or other public agencies and restricted at no greater than 65 percent of AMI. Awards of CDBG-DR funds shall not exceed the lesser of the demonstrated need or the MHP Maximum Per-Unit Loan Limit calculation. Please refer to Section I, Part D of the DR-MHP Round One NOFA (Program Funding Amounts, Terms, and Limits, pages 10-11).

23. Are authorizing resolutions from the applicant required for submittal of this application?

No. Authorizing Resolutions from the applicant are not required at time of application. However, the program strongly encourages applicants to obtain authorizing resolutions from the respective entities involved as soon as possible, as the execution of Standard Agreements will be prioritized based on the receipt of all required documents.

24. Section 2.4 says the program funds shall be used for construction phase financing only, and may not be held for use until permanent financing. The initial term of the loan is 55 years. During the construction loan closing period, are borrowers allowed to extend the loan period to 57 or 58 years to cover the construction and TCAC regulatory period?

The DR-MHP Loan has a term of 55-years commencing on the Project's permanent loan closing date as set forth on Exhibit B Section 4 of the Standard Agreement boilerplate templates.



25. **Section 2.3.7 Site and Neighborhood Standards Requirement is in the CDBG DR MHP guidelines, however, the compliance section referenced does not exist in the CFR. What section should it be uploaded under?**

The proper citation should have been [24 CFR 983.55\(e\)\(2\)](#) and [\(3\)](#). The DR20 DR-MHP Policies and Procedures will be corrected to reflect the proper citation. An upload field has been added to the “Site Specific Info” in the application portal.

26. **There are some questions that only give the option to select Yes or No in the application workbook dropdown menu where the only appropriate answer would be N/A. In those cases, should the response option be left blank? For example, a relocation plan is not required for our project and therefore the budget does not include any costs associated with relocation, however the only options to answer the question on line 436 are Yes and No.**

The application workbook is a tool to assist applicants in organizing all the complicated information needed to submit a complete and successful application. The question in the workbook is asking about that status of file uploads. As such, if an upload is not required, then it is not uploaded in the portal. Therefore, you should select “No” in the workbook, to indicate that it was deliberately and intentionally not uploaded because it was not applicable. This will greatly assist the DR-MHP team in evaluating your application once the submission date has passed.

27. **If a City certifies that a project is exempt from CEQA, does the NEPA requirement (i, ii, or iii) in Section IV, Part E of the NOFA also need to be submitted? Can the certification from the City be that the project will be exempt from CEQA pursuant to the intended streamlining legislation that the project is eligible for?**

Yes. Per Section IV, Part E, Paragraph 2 of the DR-MHP Round One NOFA (Local and Environmental Approvals, page 25), a project must demonstrate compliance with **both** state CEQA rules and federal NEPA rules to obtain these points.

28. **The NOFA states that developer fee in compliance with UMR is an eligible expense of the funds, however, nowhere does the NOFA state that the developer fee is categorically limited to the UMR developer fee policies. If funds other than the CDBG-DR pays for the developer fee, does the developer fee still have to comply with UMR restrictions on developer fee?**

Yes. The developer fees are limited to what is allowed in the UMR, which references the TCAC regulations regarding how to calculate based on 9% and 4% tax credit projects.



29. For New Construction projects (where no residential units previously existed), is a Certificate of No Relocation required?

Yes. Per DR-MHP Policies and Procedures Section 2.7 (Minimizing Land Acquisition/Relocation, pages 28-29), all projects must comply with State and Federal relocation laws. If the parcel is vacant, the Applicant can include a self-certification regarding Non-Application of Relocation Benefits and Indemnification Agreement on a form prepared by HCD. If the parcel is otherwise not vacant, an HCD-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement will be needed prior to entering into a Standard Agreement.

30. Are Tenant Selection Plans and Site and Neighborhood Plans required with this application?

The Tenant Selection Plan is not needed until the application is selected.

The Site and Neighborhood analysis should be uploaded to the application portal if a site has been identified at the time of application. A template has been uploaded to our website.

31. Please confirm an STD 204 form is only required for the ultimate borrower, not the sponsor/applicant or the Managing General Partner.

According to the application workbook Document Checklist, form STD-204 is only required for the ultimate Borrower, not the Sponsor/Applicant or the Management General Partner.

32. Is there a timing required for the appraisal?

As long as the ultimate sale price is reflected by the appraisal, there is no need to have an updated appraisal done prior to uploading it to the application portal. However, as part of financial underwriting, we will be requiring documentation of the final sale price to confirm that portion of the project budget.

33. Is it permissible to reuse supportive services forms that were previously submitted with a 2023 SuperNOFA MHP application?

Please follow instructions on Instructions tab for enabling editing and/or macros. Enabling macros is necessary for full workbook functionality. This will ensure the worksheets are populating correctly when you answer "Yes" to the question "Does the project include Units Serving Special Needs Populations?" on the Project Overview tab.

It is permissible to reuse the forms from the MHP application as long as they are the most current and include the information requested on the application



workbook "DR-MHP Supportive Services Plan", "DR-MHP Supportive Services Costs", "Special Needs Exp", and "Supportive Services Verif" worksheets.

- 34. For a case where the sponsor acts as developer and property management agent: Since it is the agency's experience, not the principal's, what documentation is required for points? Is the fiscal integrity certification sufficient to demonstrate developer's experience and the executed property management agreement for the proposed project to demonstrate the property management experience?**

To receive points for Development and Ownership Experience, please submit a certification that the projects for which points are required to have maintained Fiscal Integrity for the year in which each Rental Housing Development's last financial statement has been prepared, a positive operating cash flow from typical residential income alone and have funded reserves in accordance with the partnership agreement and any applicable loan documents.

Since there are multiple configurations of property management, the DR20 DR-MHP Policies and Procedures are not specific to the documentation required to evidence property management experience. As such, copies of executed property management agreement would suffice to demonstrate evidence of experience to receive points for Property Management Company Experience.

Please refer to the DR20 DR-MHP Policies and Procedures Section 4.3 (Universal Scoring Criteria, pages 49-54) for more details.

- 35. Is the reducing barriers plan the same as the MHP reducing barriers to broadband access plan?**

The application workbook has been updated to remove this item.

- 36. Is it permissible to re-use a letter from an architect for the 2023 SuperNOFA application for Electric Design?**

As long as the letter shows the level of electricity needed to qualify for total electrification, it will be acceptable as evidence for these points.

- 37. Are reconstruction of a mobile home park and the cost of mobile homes eligible for the grant? Will the DR-MHP program allow homes purchased with the funding to be sold to residents?**

No. According to the DR20 DR-MHP Policies and Procedures Section 2.2 (Eligible Project, page 15), only new construction of multifamily rental housing is eligible.

Pursuant to the State CDBG-DR Action Plan for 2023 disasters, there will be a Manufactured Home Replacement and Elevation Program (MHRE) focused on



replacing and elevating manufactured home units and mobile homes for owners affected by DR-4683.

38. **Does the letter of support described below have to be from the actual jurisdiction that is permitting the project (one of the local cities), or could it be from the County, or another countywide agency such as the CoC or the countywide housing authority? Can the support letter be submitted after the application due date?**

The letter or resolution must come from the local government that has ultimate control over the planning and permitting process for the project. For an incorporated city, it is most likely the City government. It cannot be submitted after the application due date.

It should be noted that a letter of support need not come directly from the City Council. Most City Managers have delegated authority from their respective councils. What is most important is that the letter is on official letterhead, and states that the local government supports the project and will see to it that the multifamily approval process will be conducted in a reasonably timely manner.

39. **One of the populations that can be served to meet the standard for being a PSH project are "Older Adults in Need of Supportive Services." Since the DR-MHP Round One NOFA does not have such a definition and the SuperNOFA guidelines do, is it permissible to use the latter definition?**

Yes.

40. **For a project site located on a site designated as surplus land as inventoried by DGS, for which we do not yet have a letter from HCD but will submit a Surplus Land Act Exemption Request as soon as possible: Once submitted, is there a stated timeframe in which we can expect to receive the findings letter? If we do not receive the findings letter by the DR-MHP application deadline, is there any alternative evidence of the site's status that HCD would accept?**

The turnaround time for Surplus Land Act letters is 30 days. Until and unless the jurisdiction receives the letter from HCD, it is not considered surplus and thus not eligible to receive these points.

41. **If project is applying for CDBG-DR funds and no other funding source triggers NEPA, is State HCD the RE (if funded)? As such, would the preparation of a NEPA satisfy everything except for Historic Preservation tribal consultation and SHPO consultation?**

HCD is acting as the Responsible Entity for this NOFA. To receive points in this category, the developer must, prior to the application deadline, submit a completed draft EA.



42. **For a senior housing project with a portion of its units reserved for homeless seniors: is it required to submit a preference policy for occupancy? Is this the same as a fair housing opinion letter?**

Senior housing is an allowed type of housing; therefore, it does not require a preference policy letter.

43. **If an awarded project does not achieve construction closing within 18 months of award, does the award simply expire and is given back or are negative points also issued to the applicant even if they have shown a good faith effort to obtain gap financing and close within the 18 months?**

The award will expire after three (3) consecutive tax credit rounds or 18 months from the date of the DR-MHP award. This will not result in negative points if the inability to obtain financing is outside the Applicant's control.

44. **If the application lists no land value (e.g. free ground lease, donated), does that mean no appraisal is needed?**

There is always a "fair market value" for acquired land. If the land is acquired through a free ground lease or donated, please submit documentation in the Appraisal upload field evidencing the free ground lease or donation.

45. **What are the example outcome documents for services plan/outcome measurements mentioned as available by request on page 24 of the CDBG-DR Policy Document?**

The DR20 DR-MHP Policies and Procedures Section 2.3.8, item 14 (Supportive Services Plan Requirements, pages 22-24) states that sample forms may be requested from the Applicant by the Department. The Program does not have sample forms on the outcome measures.

46. **In the portal, if you are not a on Tribal land and you click that you are on "fee land" you have to answer a question. Do we click "I do not acknowledge" for said question?**

The acknowledgement should only appear if you answer "Yes" to the question "Is the Sponsor/Applicant a Tribal Entity?". The application portal has been updated to correct for this.



47. Are local governments eligible to apply for funding through the CDBG-DR Multifamily Housing Program? Is undertaking a specific planning effort with affordable multifamily housing units be something that could be funded under this grant?

No. Per the DR20 DR-MHP Policies and Procedures Section 2.1 (Eligible Applicant, page 15), eligible Applicants for DR-MHP Projects include nonprofit and for-profit Developers and Tribal Entities.

48. We do not yet have a relocation plan drafted. There is one renter-occupied, single-family household on the site. The site is a Surplus Exempt site and the County is the current landlord to the tenant, while we are still operating under an ENA. We would like to confirm that, per Section 3.4.8 of the MHP Policies and Procedures, a written commitment to submit a relocation plan is sufficient?

The DR20 DR-MHP Policies and Procedures Section 3.4.8 (Section 104(d), pages 41-42) applies to owner-occupied lower-income dwelling units damaged by the disaster. Since the single-family home is renter-occupied and is not damaged by the disaster, the Applicant must comply with the Uniform Relocation Assistance and Real Property Acquisition Act (URA) and submit a relocation plan as part of the application.

49. Are the per unit limits in this NOFA for just funds within this NOFA? Or are 2018 DR-MHP awards from subrecipients applicable to the per unit limits?

The per-unit limits described in the DR-MHP Round One NOFA only apply to funds requested and awarded under this NOFA. They do not apply to 2018 DR-MHP awards, which are and should be counted as a separate funding source.

50. Does a senior project automatically qualify for additional points for serving special needs populations?

No. According to the DR20 DR-MHP Policies and Procedures Section 4.3 (Universal Scoring Criteria, page 48-49), Special Needs Populations does not include “seniors or veterans” unless they otherwise qualify as a “Special Needs Population” as required by other statutory laws.

<Document continues next page.>



- 51. We plan to add a special needs population to enhance competitiveness. Our project is focused on seniors with PBVs. All seniors will receive supportive services through "Health and Wellness Classes." Does this fulfill the requirement for "older adults in need of supportive services"?**

Older adults in need of supportive services are seniors that meet the criteria set forth by the Department of Social Services' In-Home Supportive Services program. Please see www.cdss.ca.gov/in-home-supportive-services for more information.

- 52. According to the policies and procedures manual, with prior written approval by the Department certain intake, coordination and referral duties may be performed by a resident services coordinator or other services specialist, rather than by a case manager. If we provide the classes listed through our service provider, would we still need a case manager? If so, how do we obtain the required approval letter?**

The Supportive Services Plan that is submitted as part of the application should clearly identify the certain duties done by the RCS.

- 53. Our social service provider will provide "Health and Wellness Educational Classes". Does our plan for all residents including the "special needs population" meet the definition of supportive services?**

The Program would not be able to answer this question until review and receipt of the Supportive Services Plan.

- 54. What should be included in the application if we add a special needs population?**

The DR20 DR-MHP Policies and Procedures Section 2.3.8, Part C (Supportive Services Plan Requirements, pages 22-23) has information on what a preliminary Supportive Services Plan shall include.

Please note that if you are planning on including supportive services, the costs of providing these services must be included in your Residential Operating Budget.

<Document continues next page.>



- 55. Should an applicant lack access to operating expense comparables in a project's market area, what would HCD suggest be provided? Would similar projects in other market areas suffice? Moreover, must the comparable properties be managed by the property manager or be affiliated with either the sponsors or the property manager?**

The purpose of this requirement is for additional market research to inform the operating budget. Information can also be found by looking into recently approved TCAC applications in the same or similar market areas. Audited financial statements from the most recent 2 years for each comparable is preferred, if available, but are not required. In addition, the projects in question do not need to be managed by or affiliated with the Sponsor or property manager.

- 56. Is an Affirmative Fair Housing Marketing Plan required at the time the application is submitted, or pre-closing?**

The Affirmative Fair Housing Marketing Plan is not required at time of application but will be requested prior to signing the Standard Agreement.

- 57. What is a Special Facility Type?**

A Special Facility Type includes dormitories, group homes, assisted living, etc. If you respond "Yes" to this question, there will be a pop-up warning that a Special Facility is not eligible to be funded under the DR-MHP Round One NOFA.

- 58. The application portal says the application workbook or a TCAC application can be submitted. TCAC applications aren't mentioned in the policy and procedures or the NOFA.**

The workbook is a tool to help applicants organize their information before entering it into the application portal. If there are any discrepancies, the DR-MHP team will consult the workbook.

- 59. What is the reference for the question "Is the site(s) that the Project is proposed to be located on "Vacant"?"**

The application portal has been updated to read: "Is the site(s) that the Project is proposed to be located on "Vacant" pursuant to California Health and Safety Code (HSC), Sections 17910, et seq.?"



- 60. The DR MHP NOFA refers to the Policies and Procedures Manual for definition of Enforceable Financing Commitment. There is no definition included in the Policies and Procedures Manual - it is only the same text that's in the NOFA. Should applicants refer to the UMRs for details?**

Yes. Please refer to the UMRs as they are incorporated in the Policies & Procedures.

- 61. Do applicants need an application number on the Workbook or a contract number of the Certification of No Relocation?**

Application numbers will be assigned later. The contract number on the Certification of No Relocation refers to the Standard Agreement contract number for when an award is made. Please leave both numbers blank at this time.

- 62. The Site-Specific Info Section on the portal does not allow you to input decimals in the total land area. Should applicants to fill out the Budget Section in eCivis?**

The application portal has been updated to allow decimals for the Total Land Area. Please fill out the Budget based on the information you have as this is the CDBG-DR Budget. Please note: Applicants will also need to complete the Sources and Uses Budget and Residential Operating Budget. If the project has a commercial space, a Commercial Operating Budget must also be completed.

- 63. If a project has no special needs population and is only providing resident services to the general affordable population (not supportive services for special needs), are the supportive services plan and supportive services experience tabs required to be completed and the supporting documentation uploaded? Will the applicant need to submit an MOU from the service provider for resident services?**

Supportive Services Plans and their supporting documentation are for the provision of supportive services to Special Needs Populations; they are not needed for the provision of resident services.

According to the DR20 DR-MHP Policies and Procedures Section 2.3.8 (Supportive Services Plan Requirements, pages 22-24), Supportive Services plans must address the needs of the target Special Needs Population served and include the items listed in this section. If the project is not serving Special Needs Population and only provides resident services to the general affordable population, no MOU from the service provider is necessary.



64. If a nonprofit Sponsor is going to self-fund the resident services provided by the Lead Service Provider (LSP), who should sign the “Supportive Services Verif” tab, the LSP or the Sponsor?

According to the DR20 DR-MHP Policies and Procedures Section 2.3.8 (Supportive Services Plan Requirements, pages 22-24), both the Sponsors and LSPs are responsible for ensuring that the nature and manner of service delivery is appropriate for the target population.

The Sponsor will complete the top half of the form. The appropriate funding agency (public or non-profit) knowledgeable about the supportive services needs of the targeted population(s) will complete the bottom half and sign the Supportive Services Verif form.

65. Regarding the “Draft Complete NEPA with Supporting Documentation” requirement for points in the DR-MHP application, our Draft NEPA will be substantially complete but have a few items pending/in-process such as SHPO, Tribal Letters, etc. Does the Department have a defined list of “Supporting Documentation” to be included with the Draft NEPA to be eligible for points?

To score points, the applicant must submit a complete EA form with all applicable source documentation.

Pursuant to 24 CFR 58.40(f) [https://www.ecfr.gov/current/title-24/part-58#p-58.40\(f\)](https://www.ecfr.gov/current/title-24/part-58#p-58.40(f)), in the preparation of the EA for a particular proposed project or other action, the responsible entity must: (f) Complete all environmental review requirements necessary for the project's compliance with applicable authorities cited in §§ 58.5 and 58.6.

The requirements concerning Historic properties (SHPO and Section 106/Tribal) requirements are found at §§ 58.5(a) and are therefore necessary for the EA document to be considered "complete".

Additionally, the Part 58 Environmental Assessment Form <https://www.hudexchange.info/resource/3140/part-58-environmental-assessment-form/> indicates that compliance or conformance determinations for each statute, executive order, or regulation must be recorded on the form. "Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

<Document continues next page.>



66. If we have a previous award with a Unit Mix and now wish to revise it to make more units more affordable to be more competitive, do we need a consultation with HCD?

No. If the revised Unit Mix will make more units more affordable, no consultation is needed. Please note, however, any project that already has a funding commitment must seek approval from any and all committed funding sources that the revised Unit Mix being proposed is acceptable prior to submission of the DR20 application. This is because level of affordability is one of the universal scoring criteria for DR20 and therefore must be finalized as of the application submission.

67. We entered into a purchase option agreement in 2022 at which time the property was in a High Resource Area. The opportunity maps now designate the property as a low resource area. Do I still apply the 5 points for the Universal Scoring?

No, you would not receive the 5 points if the Projects is not located in a “High Resource” or “Highest Resource” Area as shown on the TCAC/HCD Opportunity Area Map. The most current version of the map is 2024. As demographics change, so does the map, and thus, that census tract no longer has the same level of resources and/or amenities available to it.

68. If a project is a state excess site (under EO N-06-19) would a letter of support from the state Dept of General Services and/or HCD Housing Innovations team be sufficient for this application? The project is not subject to city entitlement or plan check requirements, the state is the sole governing body of the project. The project also can provide a letter of support from the County level in addition to the state, if acceptable.

For proposed projects on state excess sites under EO N-06-19, a letter from the Department of General Services or HCD’s Housing Innovation unit that clearly indicates that there is no local government approval needed will suffice.

<Document continues next page.>



69. Is the HCD Innovations team is also the applicable authority (for excess sites) to notify for the Application Submission Notification requirement? Or are we also required to notify the City of our intent to apply for this funding source?

Yes. The letter providing prior notification of the project can be addressed to HCD's Housing Innovation unit.

For the purposes of compliance with the letter of support, we would want HCD's Housing Innovations unit's response approval letter to your initial excess site request.

For purposes of meeting the entitlement scoring criteria, we must have a letter from DGS stating the project is streamlined approval and not subject to city plan check requirements.

70. We will use the TCAC E-App for the CDBG-DR MHP application. Typically, the TCAC application doesn't include syndication expenses. How do we reflect the costs in sources/uses?

Given that syndication costs are not a cost of construction, they should not be included in the project cost in the DR-MHP S&U.

71. Supportive service costs are requested in the Operating Budget. The special needs services will be provided "in-kind" by County behavioral health documented by a supportive service letter. Because of this, the project will not incur any supportive service costs for the special needs units and will not be in the Operating Budget. The only cost we will include is our supportive services for our health and wellness classes per TCAC. Is this acceptable?

Yes. There should be documentation regarding the value of the in-kind services being provided. The letter from the service provider should also confirm that they are providing the services for the lifetime of the project.

<Document continues next page.>



- 72. Regarding the land use approvals documentation for points, the application scoring tab and checklist item 79 instruct one to include the “Local Approvals and Environmental Review Verification form completed and executed by the local planning department” to secure points. However, the portal upload link in the Self-Score section (E.2.a.) instructions note to upload "the letter from the local government planning department, on letterhead, documenting that the project is able to pull building permits." Do we need an additional letter on City letterhead from the City Planner to accompany the completed and executed Local Approvals form? We have a copy of the City Planning Department's resolution approving entitlements, but neither the form nor the resolution is on City letterhead.**

If the completed and executed Local Approvals form clearly indicates that the project is entitled to obtain building permits and is on a form that indicates it is from the local government (has City logo at top, etc.), that would be sufficient to score the full ten points. If the form does not have City letterhead, an additional cover letter from the City should be included.

- 73. The County Housing Authority will be the Applicant/Sponsor and is planning to develop affordable housing funded by DR-MHP on land that they currently own. Can they receive 5 points in the Public Excess Lands Scoring for utilizing housing authority land at no cost to the project, and if so, what needs to be provided in the application in this case for documentation?**

No. According to the DR20 DR-MHP Policies and Procedures Section 4.3.C.3 (Public Excess Lands, page 49), five points will be awarded if a new construction Project is located on a site designated as excess land under Executive Order N-06-19 or any land declared surplus by a local agency. The land must be declared surplus, not just owned by the local agency.

Note: Per DR20 DR-MHP Policies and Procedures Section 2.1 (Eligible Applicant, page 15), eligible Applicants for DR-MHP Projects include nonprofit and for-profit Developers and Tribal Entities.

- 74. Can you please clarify what the application means by “Fee Lands”? Does that just mean land owned in fee simple that we can document with a preliminary title report (and not a tribal land in any way)?**

Yes. Land owned in fee simple within the State of California can be documented with a preliminary title report.



75. How do you calculate the percentage of Special Needs units to receive points? Is it based on the total number of DR-MHP funded units or the total number of units overall in the project? The guidelines and NOFA say DR-MHP funded units, but the application workbook is calculating based on the overall total number of units.

The score is based on the total number of DR-MHP funded units that serve a Special Needs population divided by the total number of units (excluding the manager's unit). This percentage is then compared to the table on page 18 of the DR-MHP Round One NOFA to determine the points under the State Policy Priorities scoring criterion.

For instance, if the proposed project has 100 affordable units, 30 funded by DR-MHP, but only 10 of those 30 units are DR-MHP funded units serving a Special Needs population, our scoring would be based on the calculation of 10/100 (10%), not 10/30 (33%).

76. The developer currently owns one of the two parcels that the project will be located on. The second parcel is currently owned by the City but will be transferred to the Limited Partnership. Can we receive points under the Public Excess Lands criterion?

To score points in the Public Excess Lands criterion, the developer and the local agency must have a valid site control agreement by the time of the application submission deadline and documentation from the City confirming that the site has been declared exempt surplus land.

77. Can the Sponsor's experience in Non-Special Needs Projects be counted for a Special Needs Project to receive points under Development and Ownership Experience criterion?

No. Because the project is proposing to be a Special Needs Project, experience in Non-Special Needs Projects does not count towards satisfying sSponsor experience.

According to the DR20 DR-MHP Policies and Procedures Section 4.3.D.1 (Universal Scoring Criteria, Development and Ownership Experience, pages 50-51), for a Sponsor to receive any points in this category, they must have experience with Special Needs Projects serving the proposed target population. A developer with no Special Needs Projects serving the proposed target population cannot substitute nNon-Special Needs Projects experience and thus, would receive zero points in this category.

The intent of the table in this section is to allow Developers and Property Managers with experience in Special Needs projects to be able to apply said experience in either a Special Needs project or a Non-Special Needs project.



This would allow them to mix Special Needs projects and Non-Special Needs projects to obtain points for a Non-Special Needs project.

For example: If a developer had 3 regular projects and 1 Special Needs project and were proposing a Non-Special Needs project, they would count 4 projects for experience, and thus receive 10 points. However, if they were proposing a Special Needs project, only the 1 project would count, thus earning them 5 points for Developer Experience.

78. Can you please provide instructions on how to complete the Budget form?

When you get to the main application page, scroll down to the bottom of the page (ignore the blue link at top of the page to go to the actual Budget form) and select “Edit Budget”.

Then, go to a specific category and click on the blue text. That should expand the window box and show you a little grey icon under the table. When you click on this icon, it should pop up an option to “add table”.

Next, it should create a table and give you the further option to “add row to table”. This will let you add rows to the table. You can now begin data entry for the Budget form.

Note: The Budget form is only for the CDBG-DR NOFA award and where you plan to use our funds in the overall S&U development budget. So, if you plan to use all the CDBG-DR funds for land acquisition, the Budget will only need to be the single entry. If you plan to use it for hard costs, developer fees, etc. you will need to add a table row under each broad category that correlates to the categories used by TCAC in their application workbook.

79. There are some items on the Checklist that does not have a specific upload field within the application portal. Can you provide guidance?

If there is no place to upload an item on the checklist, it is not required for the DR-MHP application. These items are holdover artifacts from the SuperNOFA workbook that we modified for our purposes and missed during clean up.

The additional upload fields below have recently been added to the application portal:

Project Overview section:

- List of current and completed Projects or contracts served by Lead Service Provider (LSP)
- Lead Service Provider Contract, Agreement, or Letter of Intent
- Contract, Agreement, or Letter of Intent, part 2 (if needed)
- Staff Duty Statements (all providers)



- Sponsor/Applicant Statement of Qualification
- Property Management Statement of Qualification
- Lead Service Providers Statement of Qualification
- Lead Service Providers executed contract(s) or agreement(s)

Site Specific Info:

- Site Plan

80. We have more than 4 non-HCD program funding sources and when selected in the portal we received a message to contact program staff. Can you please advise of the next step?

The 4+ non-HCD program funding sources should be identified in the Project Overview section and expanded upon in the Development Source section of the application portal. Please note that Tax Credit, conventional private loans, deferred developer fees are not to be counted among the other HCD sources. They have their separate entries.

81. Who do I contact to report issues with eCivis accounts, portal setup, or logins?

You can reach out to eCivis Client Services at (877) 232-4847 option 2 between 8:00 a.m. and 5:00 p.m. PT. Their email is support@ecivis.com. They can provide technical assistance related to eCivis accounts.

82. Regarding threshold item 12, is the “one-time transition reserve payment” made only if the project is located in the City and County of San Francisco, or the City of Los Angeles; or is the payment required regardless of the county the PBVs are operated by?

According to the DR20 DR-MHP Policies and Procedures Section 2.3 Threshold Requirements (page 16), HUD Housing Choice Vouchers are “federally originated rental assistance or operating subsidies”, and thus are subject to the one-time Transition Reserve Fee payment.

<Document continues next page.>



83. We have a project that has project-based vouchers dedicated to disabled households that would qualify as a Special Needs population. Rather than receiving services at the project, these households would already have services provided to them by an outside agency who referred them for the project-based voucher and the agency would be covering the cost of these services. Would our application need to include a supportive service plan for the project even though the Special Needs households will be receiving these services outside of the project?

Yes. The Supportive Services Plan and contract with the outside agency are required with the application.

84. If the project has already received their SB35 approval and will submit supporting documentation, does it still need a legal opinion on the streamlined ministerial approval? Furthermore, can the project still receive the 5 points for “submission of a complete application to the relevant local authorities for land use approval under a Nondiscretionary Local Approval Process, where the application has been neither approved nor disapproved”? Lastly, do we need to submit the SB35 application along with the SB35 approval to receive points in this section?

Only the SB35 approval is necessary. The DR-MHP program does not need to see the application. As for a legal opinion, it is only required if the local government hasn't signed off on the project meeting all the SB35 requirements and is cleared to obtain building permits.

85. Our organization has recently gone through a name change. We have some documents under the new name. However, some documents will take longer to obtain. Could we present all documentation under our new name while using others under the former name to fulfill HCD’s Sponsor requirements? Alternatively, could we provide something else, such as a letter from counsel, to satisfy this requirement while we await additional documentation?

Since the name change documentation is not a threshold item, please include what you currently have and submit the application before the deadline. If the project were to be selected for an award, we then would provide additional instructions on this topic before entering into a Standard Agreement.

<Document continues next page.>



86. We have a question regarding our 40-year Cash Flow and UMR underwriting requirements. The UMR prohibits a Year 1 DCR above 1.20 but I wanted to confirm that it acceptable to show a higher DCR than 1.20 if we need it to ensure that our CF does not go negative prior to Year 15? While we do maintain a positive cash flow for 15 years our CF does go negative after Year 22. Will that impact our application negatively?

According to the UMRs (Section 8310 Underwriting Standards, Section e, page 19), the first year Debt Service Coverage Ratio shall not be:

- (1) less than 1.10:1 or
- (2) greater than 1.20:1, except where a higher first-year ratio is necessary to:
 - A. project first-year cash flow after debt service and required reserve deposits equal to or less than 12 percent of operating expenses;
 - B. meet the requirements of subsection (i);
 - C. meet CalHFA's standard underwriting requirements or those of a direct federal lending program; or
 - D. project a positive cash flow over 20 years, using the assumptions specified in subsection (i).

Given 8310.e(1)(D), it is permissible for your proposed project to have a year one DSCR above 1.2:1 should it prevent the project from having a negative cash flow within the 20-year period.

87. Administrative Memo #21-06 amends the 'anti-stacking' rule to instead limit projects to two HCD loans and two HCD grants. Does this memo apply to DR-MHP funding?

This does not apply to DR-MHP funding.

88. We have a question regarding the transit points. Our project is a rural project. There is a bus stop a short 0.13 miles from the project. For TCAC purposes, the project is eligible for points by meeting this TCAC criteria: "The site is located within 1/3 mile of a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop" (4 points). However, the CDBG-DR NOFA adds a more onerous requirement that transit points are only available to projects that are located near a Transit Station or Major Transit Stop. Can you clarify?

Thank you for highlighting this. Points will be awarded pursuant to TCAC regulations 4 CCR 10325(C)(4)(a). The "Transit points must be for a Transit Station or Major Transit Stop and distance must be measured by a Walkable Route" paragraph is to ensure the distance was being measured by the walkable route.