

Appendix G HOME 2025 Project Activities NOFA Project Documents Checklist

The following Project Documents must be uploaded as a part of a 2025 HOME Projects NOFA Application. Each type of Project has a slightly different list of required Project Documents. A checklist is provided for:

- First Time Homebuyer – pg 1
- Rental New Construction – pg 5
- Rental Rehabilitation Projects – pg 9

First Time Homebuyer New Construction Projects

FTHB Application Workbook

The HOME Excel Application Workbook can be downloaded from HCD's website. Please make sure you are in the application portal in EUNA Grants for First Time Homebuyer (FTHB) Projects when you download the workbook.

Analysis of Comparable Properties

An analysis of comparable properties in the market area of the proposed project must be prepared by a licensed real estate broker or appraiser having no identity of interest with the Sponsor, the partners of the Sponsor, the intended partners of the Sponsor, or the general contractor. The analysis must be prepared no earlier than January, 2024. (The most up-to-date comparables data is preferred) The analysis must contain comparable actual sales data from at least 10 other single-family homes in the market area of the proposed project. The comparables must be similar in size and type to the homes in the proposed project, and must not be affected by some unique situation that is artificially impacting their sales prices. If there are no homes in the market area of a similar size and type to those in the proposed project, the comparable sales shall be the next closest in size and type. The market analysis must include the sales prices for all homes in the project, including all unassisted homes, and must demonstrate that the sales prices projected for all homes in the project, both assisted and unassisted, are achievable.

Property Appraisal

The appraisal must be prepared no earlier than 2025. The appraised value must be the unrestricted fair market value of the land. In addition, all appraisals should take into consideration all unique aspects of the property and of the proposed project that will affect its value. If the land has structures on it that will be demolished, the appraised value must exclude the value of these structures. If the land will be leased, the appraised value must include the fair market lease payment amount.

Proposed project sites shall not require site development work that is significantly more costly than that typical for other similar projects in the local market area, unless

either: (1) the proposed site acquisition cost together with the site development (and environmental remediation) costs are less than the cost of a typical site together with typical site development costs in the project's market area; or (2) there are no other sites available in the market area with a lower combined cost.

No appraisal is needed if land is being donated to the project, no land costs will be shown in the development budget, and there are no other financial consequences from the land donation which would require that the Department assess the value of the land (e.g. not calculating a higher percentage of permanent financing committed due to land donation).

□ **Phase I/Phase II Site Assessment**

The Phase I site assessment must meet ASTM Standard E1527-21.

The Phase II site assessment, if recommended by the Phase I site assessment, must meet ASTM Standard E1903-19.

Phase I/Phase II site assessments must be dated no later than six months prior to the application due date specified in the NOFA, or no later than a year prior to that date if there is a letter updating the Phase I by the ESA professional.

If the applicant is aware of more than one Phase I, Phase II or VES report for the property, all such reports must be included with the application.

We recommend that you carefully evaluate the Phase I/II to ensure that these reports are complete, clear and without deficiencies; and that with the passage of time nothing has changed on the site. If something on the site or the surrounding area has changed since your Phase I was prepared, you must prepare a new Phase I.

□ **Enforceable Commitments (includes HCD award letters and tax credit reservations)**

An Enforceable Commitment (EFC) means a letter or other document, in form and substance satisfactory to the Department, which evidences an enforceable commitment of funds or a reservation of funds by a Project funding source, and which contains the following:

- The name of the Applicant;
- The Project name;
- The Project site address, assessor's parcel number, or legal description; and
- The amount, interest rate (if any), and terms of the funding source.

The Enforceable Funding Commitment may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional. Examples of unacceptable general conditions include phrases such as "subject to senior management approval," or a statement that omits the word "commitment," but

instead indicates the lender’s “willingness to process an application” or indicates that financing is subject to loan committee approval of the Project.

HCD prefers that the Applicant saves and uploads all EFCs as one PDF.

Cost Estimate

An itemized cost estimate must be prepared no earlier than 2025. The cost estimate must be consistent with the Development Budget, or an explanation must be provided to support any differences.

Evidence of Site Control

There are many forms of documentation to provide evidence of site control depending on the individual aspects of the Project. Refer to section IV.A.12 of the 2025 HOME Projects NOFA to determine what documentation is required for your Project. Acceptable forms of documentation include:

- Preliminary Title Report;
- Documentation verifying the land where the Project is located is Fee land owned by the applicant or otherwise holds a legal interest;
- Attorney's Letter establishing chain of title and a current title status;
- Title Status Report;
- Enforceable Option to Lease Agreement & All Addendums;
- Enforceable Option to Purchase Agreement & All Addendums;
- Disposition and Development Agreement (DDA);
- Land Sales Contract; and/or
- Purchase Agreement/Contract & All Addendums

Local Government Approvals Form

The Local Government Approvals Form can be found in the FTHB Application Workbook’s “HOME Local Approvals” tab. It must be completed and then signed by the appropriate Local Official.

Design Progress

An executed agreement with the architectural firm identified in the Application Workbook for the design (through working drawings) of this Project.

Relocation Plan or No Relocation Plan Self-Certification

If an Applicant believes that relocation is not applicable to their proposed project, a self-certification on company letterhead providing a narrative and certification that relocation is not applicable and pictures of the site (i.e., high overview map with property lines subject to the property) must be submitted with the application.

If Relocation is required, provide a comprehensive narrative covering the history to date of the developer’s negotiations with the seller and other funding sources to support the Initiation of Negotiations (ION) date, along with the date of the ION. If the GIN was not provided at the same time as the Initiation of Negotiations, the narrative

must explain the corrective actions. In addition, include the following: (1) a copy of the GIN, signed acknowledgement of hand-delivery to each tenant or other proof of delivery (i.e., return receipt requested), and the list of notified tenants to include the apartment unit number; (2) a project-specific relocation study/plan summarizing the estimated cost and methodology for calculating the relocation expenses, and (3) a certified Rent Roll on the ION date showing unit number, household size, household income, tenant name, move in date, last income certification date (as appropriate), tenants receiving a rental subsidy (i.e., Section 8 vouchers, etc.), and rent (at ION and current). These documents should be no older than six months prior to the application due date listed in the NOFA. The relocation plan must be prepared or updated. The plan must include a description of the transition reserve required by the Department to maintain the rents for existing tenants as long as they live in the project.

All owners must ensure that the property management files for all tenants at the ION date are complete before taking possession of the property. Be aware, that all original tenants, whether still in the project or not, may have to be re-noticed, i.e., receive another GIN if the original GIN is determined to lack all required GIN information.

- Verification of Environmental Review & Land Use Entitlements**
The Verification of Environmental Review & Land Use Entitlements Form can be found in the FTHB Application Workbook's "HOME Environmental Review" tab. It must be completed and then signed by the appropriate Local Official.
- Copy of NEPA Determination Documents, if applicable (May include AUGF documentation)**
- Copy of CEQA Determination documents, if applicable**

Rental New Construction Projects

Rental New Construction Application Workbook

The HOME Excel Application Workbook can be downloaded from HCD's Website. Please make sure you are in the application portal in EUNA Grants for Rental New Construction Projects when you download the workbook.

Market Study

A Market Study prepared no earlier than 2025 in accordance with the current California Tax Credit Allocation Committee (CTCAC) most recent Market Study Guidelines. Market Study must demonstrate whether sufficient demand exists in the market area to support the proposed Project at the projected rents, if applicable.

NOTE: A Native American Entity may not have a market analysis typical of their population.

Property Appraisal

The appraisal must be prepared no earlier than 2025. If land cost or value is included in the development budget, an appraisal report supporting the cost or value is required. The property appraisal must determine the value of the existing Project. If the land is leased, the appraisal must include the fair market value of the lease payments.

NOTE: For Projects located on Native American Lands, the appraisal can be based on reliable data available as determined by the Department. A letter from the appraiser confirming the continued validity of the appraisal will be accepted.

Phase I/Phase II Site Assessment

The Phase I site assessment must meet ASTM Standard E1527-21.

The Phase II site assessment, if recommended by the Phase I site assessment, must meet ASTM Standard E1903-19.

Phase I/Phase II site assessments must be dated no later than six months prior to the application due date specified in the NOFA, or no later than a year prior to that date if there is a letter updating the Phase I by the ESA professional.

If the applicant is aware of more than one Phase I, Phase II or VES report for the property, all such reports must be included with the application.

We recommend that you carefully evaluate the Phase I/II to ensure that these reports are complete, clear and without deficiencies; and that with the passage of time nothing has changed on the site. If something on the site or the surrounding

area has changed since your Phase I was prepared, you must prepare a new Phase I.

☐ **Schedule of Utility Allowances**

☐ **Enforceable Commitments (includes HCD award letters and tax credit reservations)**

An Enforceable Commitment (EFC) means a letter or other document, in form and substance satisfactory to the Department, which evidences an enforceable commitment of funds or a reservation of funds by a Project funding source, and which contains the following:

- The name of the Applicant;
- The Project name;
- The Project site address, assessor's parcel number, or legal description; and
- The amount, interest rate (if any), and terms of the funding source.

The Enforceable Funding Commitment may be conditioned on certain standard underwriting criteria, such as appraisals, but may not be generally conditional. Examples of unacceptable general conditions include phrases such as "subject to senior management approval," or a statement that omits the word "commitment," but instead indicates the lender's "willingness to process an application" or indicates that financing is subject to loan committee approval of the Project.

NOTE: For Rental Projects, the Applicant must provide EFCs for both development and operating funds.

HCD prefers that the Applicant saves and uploads all EFCs as one PDF.

☐ **Cost Estimate**

An itemized cost estimate must be prepared no earlier than 2025. The cost estimate must be consistent with the Development Budget, or an explanation must be provided to support any differences.

☐ **Evidence of Site Control**

There are many forms of documentation to provide evidence of site control depending on the individual aspects of the Project. Refer to section IV.A.12 of the 2025 HOME Projects NOFA to determine what documentation is required for your Project. Acceptable forms of documentation include:

- Preliminary Title Report;
- Documentation verifying the land where the Project is located is Fee land owned by the applicant or otherwise holds a legal interest;
- Attorney's Letter establishing chain of title and a current title status;
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- Enforceable Option to Lease Agreement & All Addendums;
- Enforceable Option to Purchase Agreement & All Addendums;

- Disposition and Development Agreement (DDA);
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- Purchase Agreement/Contract & All Addendums

☐ **Local Government Approvals Form**

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☐ **Design Progress**

An executed agreement with the architectural firm identified in the Application Workbook for the design (through working drawings) of this Project.

☐ **Relocation Plan or No Relocation Plan Self-Certification**

If an Applicant believes that relocation is not applicable to their proposed project, a self-certification on company letterhead providing a narrative and certification that relocation is not applicable and pictures of the site (i.e., high overview map with property lines subject to the property) must be submitted with the application.

If Relocation is required, provide a comprehensive narrative covering the history to date of the developer’s negotiations with the seller and other funding sources to support the Initiation of Negotiations (ION) date, along with the date of the ION. If the GIN was not provided at the same time as the Initiation of Negotiations, the narrative must explain the corrective actions. In addition, include the following: (1) a copy of the GIN, signed acknowledgement of hand-delivery to each tenant or other proof of delivery (i.e., return receipt requested), and the list of notified tenants to include the apartment unit number; (2) a project-specific relocation study/plan summarizing the estimated cost and methodology for calculating the relocation expenses, and (3) a certified Rent Roll on the ION date showing unit number, household size, household income, tenant name, move in date, last income certification date (as appropriate), tenants receiving a rental subsidy (i.e., Section 8 vouchers, etc.), and rent (at ION and current). These documents should be no older than six months prior to the application due date listed in the NOFA. The relocation plan must be prepared or updated. The plan must include a description of the transition reserve required by the Department to maintain the rents for existing tenants as long as they live in the project.

All owners must ensure that the property management files for all tenants at the ION date are complete before taking possession of the property. Be aware, that all original tenants, whether still in the project or not, may have to be re-noticed, i.e., receive another GIN if the original GIN is determined to lack all required GIN information.

- **Verification of Environmental Review & Land Use Entitlements**
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Rental Rehabilitation or Acquisition Projects

Application Workbook

The HOME Excel Application Workbook can be downloaded from HCD's website. Please make sure you are in the application portal in EUNA Grants for Rental Rehabilitation Projects when you download the workbook.

Market Study

A Market Study prepared no earlier than 2025 in accordance with the current California Tax Credit Allocation Committee (CTCAC) most recent Market Study Guidelines. Market Study must demonstrate whether sufficient demand exists in the market area to support the proposed Project at the projected rents, if applicable.

NOTE: A Native American Entity may not have a market analysis typical of their population.

Property Appraisal

The appraisal must be prepared no earlier than 2025. If land cost or value is included in the development budget, an appraisal report supporting the cost or value is required. The property appraisal must determine the value of the existing Project. If the land is leased, the appraisal must include the fair market value of the lease payments.

NOTE: For Projects located on Native American Lands, the appraisal can be based on reliable data available as determined by the Department. A letter from the appraiser confirming the continued validity of the appraisal will be accepted.

Physical Needs Assessment

The Physical Needs Assessment (PNA) must be dated within 12 months of the application due date specified in the NOFA. Pursuant to UMR §8309(b), the PNA must be in Fannie Mae Form 4327 format. Projects proposing to use USDA Rural Development funds may use the USDA Rural Development Capital Needs Assessment.

Asbestos Assessment

An Asbestos-Containing Material Report based on an analysis from an environmental laboratory accredited by the National Institute of Standards and Technology Asbestos Program must be provided. In preparing the report, at least 50 percent of the units must be inspected, including all units believed to be most at-risk for asbestos-containing material. A mitigation plan must be included with each report if necessary.

□ **Mold Assessment**

The mold report must be based on a thorough building inspection, and if necessary, physical inspections and testing in hidden areas. The report must thoroughly discuss the design of the building envelope and the types of failures that could result, or are resulting, in condensation, floods, and water leaks. Where there is any basis to believe that there could be mold inside walls or otherwise inaccessible areas (e.g., such as mold odor and/or moisture intrusion), physical inspections must be performed by opening up the hidden area. If mold is found, it must be evaluated and tested. In preparing the report, at least 50 percent of the units must be inspected, including all units believed to be most at-risk for mold. The remediation plan to correct any identified mold shall include remediation of the mold source (e.g., moisture intrusion and/or inadequate ventilation).

Testing is required if there is any basis to believe that there could be mold inside walls or otherwise inaccessible areas (e.g., such as mold odor and/or moisture intrusion). If it is your determination, in consultation with construction experts, after a thorough building inspection and if necessary, after physical inspections, that there is no basis to believe that there could be mold inside walls or otherwise inaccessible areas, then no testing would be required. There must be a definitive statement in the mold report that there is no basis to believe there could be mold inside walls or otherwise inaccessible areas. If this statement is qualified or conditional in any way, then testing is required.

Mold testing should identify the type and quantity of mold(s) present. The mold report should discuss whether the mold present is of the type and quantity normally found in the indoor or outdoor air or is otherwise potentially hazardous.

□ **Lead-Based Paint Assessment (for buildings constructed prior to 1978)**

If the building was constructed prior to 1978, a Lead-Based Paint Assessment must be prepared by an inspector/assessor certified by the California Department of Public Health. Federal lead regulations generally require that unless the presence of lead is presumed, paint testing must be conducted on all deteriorated painted surfaces or surfaces that will be disturbed or replaced. It is our expectation that most developers will presume the presence of lead after inspecting only a few units with positive results for lead.

Lead hazard reduction or abatement activities must be conducted in accordance with 24 CFR Part 35. If you are presuming lead-based paint in all deteriorated painted surfaces or surfaces that will be disturbed or replaced, note this in your lead report, and discuss what remediation measures will be undertaken in accordance with Part 35.

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□ **Local Government Approvals Form**

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□ **Design Progress**

For rehabilitation projects, design progress can be shown either through an executed agreement with the architectural firm identified in the Application Workbook for the design (through working drawings) of this Project, or, if there is no agreement with an architect, a letter from the construction specialist identified in the Application Workbook that gives the status of plans and specifications. For scoring purposes, points will be awarded if the plans and specifications are ready to be submitted to the building department.

□ **Relocation Plan or No Relocation Plan Self-Certification**

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