

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

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February 13, 2025

MEMORANDUM FOR: ALL POTENTIAL APPLICANTS

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

SUBJECT: **Multifamily Finance Super NOFA Program
2025 Notice of Funding Availability**

The California Department of Housing and Community Development (Department or HCD) is pleased to announce the availability of approximately **\$382,000,000** in funds through this Notice of Funding Availability (NOFA) under the following Programs:

- Multifamily Housing Program (MHP)
- Joe Serna, Jr. Farmworker Housing Grant (FWHG or Serna) Program
- Infill Incentive Grant Program of 2007 (IIG-2007)
- Infill Infrastructure Grant Program of 2019 (IIG-2019)
- Veterans Housing and Homelessness Prevention (VHHP) Program

The Multifamily Finance Super NOFA makes funds more accessible to developers (including Emerging and Community-Based Developers), enables the funding to further serve the lowest-income Californians, and increases the range of potential applicants and target populations to achieve better outcomes in health, climate, and household stability. This is the third funding round of Multifamily Finance Super NOFA (MFSN) that provides applicants the opportunity to apply for a combination of the available funding programs at the same time and within the same round, and the first round to offer capitalized operating subsidy reserve funding through MHP. To aid the southern California communities devastated by wildfires, approximately 20% of available funds, \$96 million, will be designated for multifamily housing development sites in fire-impacted areas through a separate NOFA. These MFSN funds will be released at a later date to allow for coordinating discussions with local agencies and other southern California stakeholders. In addition to the General and Disaster Impacted Areas NOFAs, the Department will also release a separate Tribal Multifamily Finance Super NOFA of MHP and IIG funds.

Application materials must be submitted electronically via the Department's Multifamily Finance Super NOFA Application Portal, available online at [Multifamily Finance Super NOFA](#) no later than 4:00 p.m. Pacific Time on **April 15, 2025**.

The Multifamily Finance Super NOFA application, online workshop details, Guidelines and regulations are available on the Department's website at [Multifamily Finance Super NOFA](#). The NOFA application workbook will be available and posted to the website no later than **February 27, 2025**. To receive information regarding application workshops and other updates, please subscribe to the Department email list at [Email Signup](#). If you have further questions, please contact SuperNOFA@hcd.ca.gov.

MULTIFAMILY FINANCE SUPER NOFA
2025 Notice of Funding Availability



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February 13, 2025

Table of Contents

I.	Overview	1
A.	Notice of Funding Availability.....	1
B.	Timeline.....	4
C.	Authorizing Legislation, Regulations, and Guidelines	4
D.	What’s New in this NOFA.....	5
II.	Program Requirements.....	6
A.	General Requirements.....	6
B.	SHMHP and TOD Program Requirements	7
C.	VHHP Program Requirements.....	8
D.	Program Funding Limits, Amounts, Terms, and Goals	9
E.	Threshold Requirements	17
F.	Rating and Ranking.....	18
III.	Application Submission and Review Procedures	21
A.	Application Submission Process.....	21
B.	Electronic Submission	22
C.	Application Workshops and Emerging Developer Pre-Application Consultation	22
D.	Disclosure of Application	22
E.	Concurrent Applications.....	23
F.	Prior Awards.....	23
G.	Significant Changes in Project After Application	24
IV.	Universal Scoring Criteria	24
A.	Summary.....	24
B.	Extent to which the Project serves households at the lowest income levels	25
C.	State Policy Priorities.....	26
D.	Project Sponsor/Applicant and Property Management Experience.....	28
E.	Project Readiness	31
F.	Adaptive Reuse / Infill / Proximity to Amenities.....	34
G.	Cost Containment.....	36
H.	Negative Points	36
I.	Tiebreaker Score	37
V.	Appeals	39
A.	Basis of Appeals.....	39
B.	Appeal Process and Deadlines.....	40
C.	Decision.....	40
VI.	Award Announcements and Contracts	40
A.	Award Announcements.....	40
B.	Contracts	40

VII. Other State Requirements	41
A. California’s Preservation Notice Law	41
B. Relocation Requirements	41
VIII. Other Terms and Conditions.....	42
A. Right to Modify or Suspend	42
B. Conflicts.....	42

I. Overview

A. Notice of Funding Availability

The California Department of Housing and Community Development (Department or HCD) is pleased to announce the release of this Multifamily Finance Super Notice of Funding Availability for approximately \$382 million in funds, which may be augmented based on availability of funds. This NOFA is issued to distribute funds through a combination of HCD-administered multifamily rental housing and infrastructure Programs. The NOFA and Designated Program Guidelines¹ (or Guidelines) implement the requirements of California Assembly Bill 434 (AB 434) (Chapter 192, Statutes of 2020).

AB 434 requires the Department to harmonize the other Designated Programs² with MHP in four (4) respects:

- make Designated Program funds available at the same time as it makes any MHP funds available;
- rate and rank Designated Program applications in a manner consistent with MHP applications;
- administer Designated Program funds consistent with MHP; and
- make the terms of any Designated Program loan consistent with MHP loan terms, to the extent applicable.

The MHP Guidelines provide a central set of “general” rules and standards that govern the distribution and administration of all Designated Program funds subject to the requirements of AB 434. The separate sets of FWHG, VHHP, and IIG Guidelines incorporate relevant MHP rules and standards, and maintain the distinctive features of their respective Programs by establishing Program-specific threshold criteria and other Program-specific provisions. Article IV. Universal Scoring Criteria applies to all programs included in this NOFA.

Two MFSN NOFAs are being released in 2025, this MFSN NOFA and an MFSN Disaster Impacted Areas (DIA) NOFA. The MFSN DIA NOFA will be released at a later date to allow for coordinating discussions with local agencies and other southern California stakeholders; the two NOFA timelines may overlap. Applicants should refer to each NOFA document for details of programs and amounts available. If the MFSN DIA NOFA is undersubscribed, remaining program funds may be transferred to this NOFA prior to final awards. Due to this potential transfer of funds, this NOFA includes references to programs with funds currently allocated to the MFSN DIA NOFA (SHMHP, TOD).

¹ For purposes of this NOFA, Designated Program Guidelines includes MHP, FWHG, and IIG Program Guidelines dated February 13, 2025 and applicable to MFSN Round 3, as well as sections of VHHP Program Guidelines dated May 18, 2023 as referenced in Article II(C) below.

² Designated Program is defined in the applicable MHP Guidelines, except that for purposes of this NOFA, the term “Designated Program” shall include the Supportive Housing Multifamily Housing Program (SHMHP) as well.

For 2025, MFSN includes funding from SHMHP and TOD³ programs, with their program-specific provisions listed in Article II(B) below. Programs providing funding pursuant to 2025 MFSN NOFAs include the following:

- **Multifamily Housing Program (MHP)**, which provides loans to assist the new construction, Rehabilitation, and conversion of permanent and transitional rental housing for Lower Income households.
- **Supportive Housing Multifamily Housing Program (SHMHP)**, which provides loans to assist the new construction, Rehabilitation, and conversion of permanent affordable rental housing that contains supportive housing units.
- **Transit-Oriented Development (TOD) Program**, which provides loans to assist the new construction, Rehabilitation, and conversion of permanent affordable rental housing near transit.
- **Joe Serna, Jr. Farmworker Housing Grant (FWHG) program**, which provides loans for multifamily housing, new construction, or Rehabilitation to serve Agricultural Workers with a priority for Lower Income households.
- **Infill Incentive Grant Program (IIG-2007) and Infrastructure Grant Program of 2019 (IIG-2019)**, which provide grant assistance available as gap funding for infrastructure improvements necessary for specific residential or mixed-use infill development projects. Under IIG, eligible infrastructure improvements are referred to as Capital Improvement Projects (CIPs).⁴ They are associated with specific residential or mixed-use infill development projects, or Qualified Infill Projects (QIPs).
- **Veterans Housing and Homelessness Prevention (VHHP) program**, which provides loans for acquisition, construction, Rehabilitation, and preservation of affordable multifamily housing for Veterans and their families to allow Veterans to access and maintain housing stability.

Unless otherwise indicated by context, the term “Project” should be interpreted to mean “Capital Improvement Project” when considered in connection with IIG funding.

The loan funds awarded under this NOFA will be allocated as permanent financing for affordable new construction, construction financing (FWHG only), Rehabilitation, preservation, conversion of nonresidential structures to affordable rental housing or

³ TOD was identified as a program subject to AB 434 but was not included in previous MFSN NOFAs as there was no TOD program funding available at that time.

⁴ For IIG, “Project” or “Capital Improvement Project” or “CIP” means the construction, Rehabilitation, demolition, relocation, acquisition, or other physical improvement of a Capital Asset that is an integral part of, or necessary to facilitate the development of, a Qualifying Infill Project or Qualifying Infill Area. Projects that may be funded under the Program include, but are not limited to, those described in Section 200 of IIG Guidelines.

Transitional Housing (VHHP only) for households with incomes at or below 60 percent of Area Median Income (AMI), unless the Program specific guidelines state otherwise (i.e., for FWHG this is at or below 80 percent AMI).

Assembly Bill 2483 (AB 2483) (Chapter 655, Statutes of 2022) and Senate Bill 482 (SB 482) (Chapter 780, Statutes of 2023) expand MHP’s ability to fund permanent supportive housing, continuing the state’s advances in protecting vulnerable populations. The statutory changes made by these bills enable MHP funding to be utilized to provide support through:

- 1) capitalized operating reserves provided as grants to Assisted units meeting certain criteria;
- 2) capital funding incentives for housing that integrates supportive services by providing linkages with specified Department of Healthcare Services (DHCS) programs: Assisted Living Waiver (ALW), Home and Community-Based Alternatives Waiver (HCBA), and Program of All-Inclusive Care for the Elderly (PACE); and
- 3) capitalized Supportive Services Reserves as grants under specified conditions within MHP.

An analysis performed pursuant to AB 2483 also resulted in increases to the cost caps for supportive services funded through the Project budget within several Department programs (see [Administrative Notice #24-05](#)). The current Designated Program Guidelines have been updated to reflect these changes, as applicable. The MHP funds awarded for COSRs and Supportive Services Reserves will be in the form of a grant. The funds awarded under IIG will be in the form of an infrastructure grant.

Funding for this NOFA is provided by a combination of funding sources:

Funding Program⁵	Approximate Funding Available*
Multifamily Housing Program (MHP): capital and operating funds	\$230,000,000
Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program	\$120,000,000
Infill Incentive Grant Program of 2007 (IIG-2007) and Infill Infrastructure Grant Program of 2019 (IIG-2019)	\$20,000,000
Veterans Housing and Homelessness Prevention (VHHP) Program	\$12,000,000

⁵ Please note that the Housing for a Healthy California Program (HHC) is also identified as program subject to AB 434 but is not included in this NOFA as there is no Program funding available at this time.

TOTAL	\$382,000,000
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*Total funds awarded maybe augmented based on the availability of funds, and may include SHMHP and TOD program funds.

As of the publication date of this NOFA, the amounts in the table above for the following programs are the last remaining funds available: MHP, IIG-2007, IIG-2019, and VHHP. As a result, augmentation maybe limited or impossible for these programs, including augmentation as described in the Ranking Overview, Article II(F)(2) below. If addition funds become available (for example, as a result of disencumbered funds) prior to this NOFA’s awards, limited augmentation may occur.

B. Timeline

NOFA Release	February 13, 2025
Application Workbook Release	February 27, 2025
Application Portal Opens	February 27, 2025
Application Portal Closes	April 15, 2025
Award Announcement	August 2025

C. Authorizing Legislation, Regulations, and Guidelines

Applications submitted under this MFSN NOFA are subject to the applicable Designated Program Guidelines, all applicable statutory requirements, and this NOFA. Guidelines section references in this NOFA refer to MFSN Program Guidelines unless otherwise noted. Capitalized terms in this NOFA are either defined herein or in the Designated Program Guidelines. The Guidelines and NOFA are available on the Department’s website at [Multifamily Finance Super NOFA](#).

The administration of the Designated Programs is governed by the Guidelines that implement, interpret, or make specific the following laws:

- Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the HSC (MHP).
- Chapter 637 (commencing with Section 50675.14) of Part 2 of Division 31 of the HSC (SHMHP).
- Part 13 (commencing with Section 53560) of Division 31 of the HSC (TOD).
- Chapter 3.2 (commencing with Section 50515.2) of Part 2 of Division 31 of the HSC (FWHG). The FWHG Guidelines referenced in this Multifamily Finance Super NOFA apply only to Rental Housing Developments.

- Chapter 2 (commencing with Section 53545.13) of Part 12 of Division 31 of the HSC (IIG-2007). The IIG Guidelines under AB 434 apply only to Qualified Infill Projects (QIPs).
- Part 12.5 (commencing with Section 53559) of Division 31 of the HSC (IIG-2019). The IIG Guidelines under AB 434 apply only to QIPs.
- Article 3.2 (commencing with Section 987.001) and Article 5y (commencing with Section 998.540) of Chapter 6 of Division 4 of the Military and Veterans Code (VHHP).

D. What's New for Round 3

The Designated Program Guidelines and this NOFA reflect changes based on recent statutory changes, stakeholder feedback, and continued advancement of state policy priorities. What's new includes:

1. AB 2483 Implementation in MHP Guidelines:
 - Provide Capitalized Operating Subsidy Reserves (COSR) to extremely low-income units in Special Needs Projects under MHP Guidelines Section 7304.1.
 - Provide incentives in loan limits if the Project qualifies under the requirements of MHP Guidelines Section 7310.1.
 - Provide Supportive Services Reserves under specified conditions as grants under MHP Guidelines Section 7313(f).
 - An analysis performed pursuant to AB 2483 also resulted in increases to the cost caps for supportive services funded through the Project budget within several Department programs (see [Administrative Notice #24-05](#)).
2. Other statutory changes:
 - SB 469: Expands the exclusion of California Constitution's Article XXXIV to include programs administered by the Department, including those contained in this NOFA. While this change allows most MFSN programs to potentially increase the level of Assisted Units, MHP retains the UMR-derived requirement that the number of Assisted Units equate to the number of Restricted Units, with the exception that Units assisted by a previous MFSN award (excluding Round 1 IIG partial awards) or under this NOFA will not be additionally assisted by MHP.
 - AB 2240: In relation to the FWHG Program, this bill requires FWHG Units to be marketed specifically to residents of the Office of Migrant Services (OMS) migrant centers, and to prioritize their admission.
 - AB 2553: Modifies the defined term Major Transit Stop, increasing the frequency of service interval to 20 minutes.
3. New in the Guidelines:

- Sponsor experience requirements are more clearly articulated, including an equivalent project size metric.
- Threshold requirements now include commitment of all soft debt financing.
- Clarification of report date requirements for market and environmental studies.
- Elimination of duplicate underwriting to both proposed and restricted rents during an application's feasibility review. Underwriting pursuant to UMR Section 8310 is now based on restricted rents with the exception of Units limited to occupancy by Special Needs Populations targeted at rent levels 30% AMI or below that are identified for households eligible for public cash assistance.
- A Standard Agreement must be signed by the Sponsor/Recipients and other Payees within thirty days of their receipt of an executable Standard Agreement from the Department (extensions may be granted by the Department).
- IIG Payee entities must be fully formed at the time of application submission and must be identified in the application. IIG Applicant(s) must be the Payee(s) of the Program award except where the application identifies as a Payee some other legal entity which falls within the definition of Payee.
- Continued alignment with recent TCAC regulation changes that increase developer fee limits.

4. New in the NOFA:

- MHP funds are available for both capital and operating subsidy funding.
- The NOFA makes available higher per-unit loan limits for Projects providing supportive housing with linkages to specified DHCS programs.
- Universal Scoring Criteria point categories that incentivize a minimum percentage of housing units targeting populations and the lowest income restrictions have been updated to better align with TCAC and to address the variances in individual MFSN programs' maximum AMI levels.
- The point category options for sites on public lands include a new, lesser point option that permits higher site acquisition or lease costs.
- Three Universal Scoring Criteria point categories from the prior 2023 MFSN NOFA are not included in the Round 3 NOFA: organizational documents, broadband access (minimum threshold level of broadband is retained in Designated Program Guidelines), and sustainable building methods.
- The NOFA permits the correction of minor application errors and omissions by submission of supporting documentation that was in existence at the time of the application deadline.

II. Program Requirements

A. General Requirements

The Designated Program Guidelines and NOFA establish parameters that are legally required to be included in the Multifamily Finance Super NOFA. Applicants are responsible for reviewing the MHP, FWHG, and IIG Guidelines for a comprehensive discussion of the rules, standards, and requirements that are relevant to their proposed Projects and applications. Language identified in Guidelines in red text represents requirements that are generally consistent across all Designated Programs. In some cases, requirements that are consistent across all loan programs are reflected in red text in those Designated Program Guidelines but intentionally omitted from IIG Guidelines.

For SHMHP and TOD funds that may be made available as described in Section B below if not fully allocated in the MFSN DIA NOFA, MHP Guidelines requirements in red text are applicable to these programs, with additional SHMHP and TOD program-specific requirements listed in Section B below. Applications requesting TOD and SHMHP program funds will be reviewed, rated, and ranked in a manner consistent with MHP as further described below, and will be administered consistent with MHP loan terms.

A Project is not eligible for an award unless it meets all the threshold requirements of all applicable Designated Program(s) from which funding is being sought. Please review the individual Program Guidelines and this NOFA for complete information. Further, Sponsors/Applicants must achieve a minimum point score of 80 points in Universal Scoring Criteria to be considered for a funding award (minimum 65 points for ranking within the Emerging Developer target).

B. SHMHP and TOD Program Requirements

Sponsors applying for MHP funding may elect to receive a portion of their award as SHMHP or TOD program funds. The additional SHMHP and TOD program requirements listed below must be demonstrated in the application. The application will provide an option for MHP Applicants to elect to receive SHMHP or TOD program funds; if selected, all or a portion of the requested MHP funding may be substituted with SHMHP or TOD program funds. Applications that include an SHMHP or TOD program fund election with their MHP funding request will be evaluated through the ranking process described in Section F below pursuant to their MHP request; there is no separate ranking process for SHMHP or TOD.

1. Supportive Housing Multifamily Housing Program Requirements

In addition to red text requirements in MHP Guidelines, a SHMHP Project must satisfy the following requirements, as demonstrated in the application:

- The following MHP Guidelines Sections are applicable to SHMHP Projects: Section 7302(e)(5) and (f), Section 7303.1(l), Section 7310, Section 7326(c), and Section 7328.
- At least 40 percent of Units in the proposed development shall be targeted to one or more of the following populations:

- Individuals or families experiencing Chronic Homelessness as defined in MHP Program Guidelines Appendix A;
- Homeless youth as defined in Government Code Section 12957, subdivision (e)(2); and/or
- Individuals exiting institutional settings, including, but not limited to, jails, hospitals, prisons, and institutes of mental disease, who were homeless when entering the institutional setting, who have a disability, and who resided in that setting for a period of not less than 15 days.

2. Transit-Oriented Development Program Requirements

In addition to red text requirements in MHP Guidelines, a TOD Project must satisfy all of the following requirements, as demonstrated in the application:

- At least 15 percent of the Units in the proposed development shall be made available at an affordable rent or at an affordable housing cost to persons of very low or low income.
- The Project must be located on a parcel(s) at least a portion of which is located within one-quarter mile of a Transit Station.
- The Project must meet net density requirements in IIG Guidelines dated February 13, 2025, Section 200(b)(3).
- The Project must be located in an area designated by the appropriate council of governments for infill development as part of the region's sustainable communities strategy adopted pursuant to Section 65080 of the Government Code.

C. VHHP Program Requirements

Although nearly all VHHP Program funds were awarded in prior VHHP and MFSN funding rounds, approximately \$12,000,000 in VHHP funds currently remain and are being made available in this NOFA as shown in Article I(A). Applications for VHHP Program funds will be evaluated through the ranking process described in Section F below; there is no separate ranking process for VHHP. In addition to red text requirements in MHP Guidelines, a VHHP Project must satisfy the following requirements, as demonstrated in the application:

- The minimum VHHP Eligible Households occupancy restriction is the greater of 25 percent of total Units in the Project or 10 Units. If a Project is determined to be rural as defined in HSC Section 50199.21, then a minimum of five Units must be restricted to VHHP Eligible Households.
- Occupancy restrictions are required for at least 50 percent of VHHP Assisted Units to Extremely Low-Income Veterans, with Rents not exceeding 30 percent of 30 AMI, calculated in accordance with TCAC regulations and procedures. Furthermore, at least 60 percent of these Extremely Low Income Veterans Units must be Supportive Housing Units.

- Sponsors shall certify adherence to Housing First property management and tenant selection practices, as described in Sections 211, 212, and 213 of VHHP Guidelines dated May 18, 2023 (the “VHHP Guidelines”).
- The MFSN application will require documentation of the following, as stated in Section 201(j) of VHHP Guidelines dated May 18, 2023:
 - VHHP Supportive Services Plan
 - Lead Service Provider (LSP) Experience, as described in VHHP Guidelines Section 201(k) and (l)
 - Formal Agreement between LSP and Sponsor, as described in VHHP Guidelines Section 214(b)(1)
- Projects with VHHP Assisted Units other than Supportive Housing Units must utilize an organization to provide resident services coordination that has at least 24 months experience in providing this service in publicly assisted affordable housing. The organizational experience of the partner agency must be documented through contracts with public agencies, housing authorities, housing owners or foundations for services provided to at least 10 households at any one time within 10 years of the application deadline for this NOFA. This experience must be either in housing Projects subject to agreements with public agencies restricting Rent and occupancy, or through tenant-based housing assistance programs. Resident service coordination services at a minimum for these Projects must meet Section 214(c) of VHHP Guidelines.
- Sponsor(s) must demonstrate confirmation of local need for the Project by including in the application: (i) A letter from the local VA office (Network Homeless Coordinator or similar official) describing the population to be served by the Project, the type of housing to be provided (Transitional Housing or Permanent Supportive Housing), and why it will meet a high-priority local need; and (ii) A letter from the local Continuum of Care (CoC) or Tribal Indian Housing Authority, as applicable, addressing the same points.
- Sponsor(s) must comply with Section 210 VHHP Occupancy Requirements, Section 215 VHHP Vulnerable Populations Best Practices, and Section 217 Additional VHHP Requirements of VHHP Guidelines.
- If awarded, prior to permanent loan closing Sponsor(s) must satisfy the requirements pursuant to Section 214 of VHHP Guidelines regarding a Project’s Supportive Services plan.

D. Program Funding Limits, Amounts, Terms, and Goals

The maximum loan award shall be the lesser of the per Unit loan limits described in 1. below, the total loan limits described in 3. below, or the necessary to fund the Project’s development budget.

1. MHP, SHMHP, TOD, FWHG, VHHP Loans

Program loan funding shall be sized and awarded subject to the following:

a. Per Unit Loan Limits

Per Unit loan limits will be calculated based upon the Unit's level of income restriction. Manager Units, if requested by the Applicant, will be included in the per Unit loan limit calculation at the 60 percent AMI level.

Pursuant to Uniform Multifamily Regulations (UMR) Section 8304(c), for MHP loan limit calculations the Unit count shall include the number of Restricted Units within the Rental Housing Development (Restricted Units include Units with long-term, affordability or occupancy restrictions imposed by HCD, the California Tax Credit Allocation Committee (TCAC), or other public agencies and restricted at no greater than 60 percent AMI), with the exception that Units assisted by a previous MFSN loan award (excluding Round 1 IIG partial awards) or under this NOFA will not be additionally assisted by MHP. Please refer to Article II(D)(3) of this NOFA for additional information on funding limits.

For loan limit calculations of all other loan programs under this NOFA, the Unit count shall include the number of Assisted Units within the Rental Housing Development. For SHMHP, TOD, and VHHP, Assisted Units shall be restricted at levels to not exceed 60 percent AMI. For FWHG, Assisted Units may be restricted at levels to not exceed 80 percent AMI. FWHG Units restricted above 60 percent AMI are funded at 60 percent AMI loan limits amounts.

b. Per Unit Loan Limit Calculation

The amount per Assisted Unit (Restricted Unit for MHP) shall be the amount required to reduce Rents from 30 percent of 60 percent AMI (80 percent AMI for FWHG) to the actual maximum restricted Rent for the Unit, provided that the Rent reduction will be achieved by substituting Program funds for private amortized debt and calculated by the Department based on private market multifamily rental loan terms available at the time of issuance of this NOFA.

The initial per unit base loan amount is:

- \$250,000 per SHMHP and TOD Assisted Unit (Restricted Unit for MHP), or
- \$300,000 per FWHG and VHHP Assisted Unit.

The initial base per Unit loan limit is inclusive of all MFSN program loan funds requested under this NOFA and all Department loan awards made prior to the Multifamily Finance Super NOFA award date. Total prior Department loan awards will be deducted from the total per Unit calculation in the aggregate (rather than individually on each Unit).

The [HCD Repeal of Stacking Prohibition of Multiple Department Funding Sources Administrative \(Notice Number: 21-06\)](#), dated August 20, 2021, as amended September 13, 2023 and which may be further amended from

time to time, is applicable to any prior Department loan awards that are identified in that Administrative Notice. The foregoing Administrative Notice is hereby incorporated by this reference to this NOFA as if set forth in full herein and shall apply with equal force as all other provisions set forth herein.

The following applications will have the initial base increased by a maximum \$25,000 per Assisted Unit (Restricted Unit for MHP):

- Joint applications from an experienced Sponsor and an Emerging Developer (a Community-Based Developer or a Tribal Entity may also be an Emerging Developer); or
- Projects eligible for High/Highest Resource Area points under the Universal Scoring Criteria set forth at Article IV of this NOFA.

Even if more than one of the above applies, the base loan amount may only be increased by \$25,000 per Assisted Unit (Restricted Unit for MHP).

MHP per Unit loan limit calculations may be additionally increased for Projects meeting the requirements of MHP Guidelines Section 7310.1, Medi-Cal Funded Supportive Services. The per Unit loan amount may be increased by \$25,000 per Qualifying Unit (MHP Guidelines Section 7310.1(c)(1)). The MHP loan amount may be increased by \$100,000 per qualifying Project for on-site supportive services space for Eligible Service Providers to provide Qualifying Services (MHP Guidelines Section 7310.1(c)(2)). Projects qualifying under both 7310.1(c)(1) and (2) are eligible to receive both loan increases.

c. Terms of the Proposed Award

Program loans shall have an initial term of 55 years or longer to match the period of affordability restrictions under the Low-Income Housing Tax Credit (LIHTC) Program. Permanent loans and FWHG construction financing shall be secured by the Project's real property and improvements, which may be subject only to liens, encumbrances, and other matters of record approved by the Department, and which are consistent with UMR Section 8315. The Department shall enter into a Regulatory Agreement with the Sponsor for not less than the original term of the loan, and that Regulatory Agreement shall be duly recorded prior to the disbursement of funds and in accordance with the relevant Designated Program Guidelines and shall remain in effect for such term notwithstanding the prepayment of the loan and the release and reconveyance of the deed of trust securing the same.

Program loans for Projects located in Indian Country shall have an initial term of 50 years if an initial term of 55 years is deemed infeasible as

determined by the Department and may be secured by a security instrument acceptable to the Department.

All funds for MHP COSRs and Supportive Services Reserves shall be provided in the form of a grant and shall be evidenced by a grant agreement, which shall be secured by a deed of trust or other lien recorded against the real property of the housing development in favor of the Department, for the purpose of securing performance of the covenants and conditions of the grant agreement. The lien shall endure for the duration of the grant agreement and shall be subject to the provisions of Section 7304.1, or 7313(f) respectively, and other applicable provisions of MHP Guidelines. The security for the grant agreement shall be recorded junior only to such liens, encumbrances, and other matters of record approved by the Department and shall secure the Department's financial interest in the Project and the performance of the Applicant's Program obligations.

2. IIG Funding Amounts and Terms

a. Funding Amounts

IIG funding shall be sized in accordance with the grant limits listed below:

For a QIP, the minimum Program grant award is \$1 million in urban areas and \$500,000 in Rural Areas. The total Program grant award to any QIP is limited to \$10 million under this NOFA.

Pursuant to Section 205 of the IIG Guidelines, the total grant amount shall be determined by the number of Units in the QIP, the bedroom count of these Units, and the density and affordability of the housing to be developed. The total eligible grant amount shall be based upon the lesser of the amount necessary to fund the CIP or the maximum amount permitted by the IIG Grant Amount Calculation table, whichever is less. See the IIG Grant Amount Calculation table below:

IIG Grant Amount Calculation					
(Amounts are represented on a per QIP Unit basis)					
Income Level & Tenure	0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm
IIG Unrestricted ⁶	\$4,700	\$9,400	\$14,200	\$18,900	\$23,700
60% AMI Rental	\$41,000	\$45,800	\$55,300	\$64,700	\$71,100
50% AMI Rental	\$47,400	\$53,700	\$61,600	\$74,200	\$79,000

⁶ IIG Unrestricted: An unrestricted unit for the purposes of calculating grant amounts in IIG is any Unit that is not income or Rent restricted according to the AMI levels specified in any of the Designated Program Guidelines.

IIG Grant Amount Calculation (Amounts are represented on a per QIP Unit basis)					
Income Level & Tenure	0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm
30% AMI Rental	\$55,300	\$58,400	\$66,300	\$85,300	\$90,000

*Increases based on [December Consumer Price Index](#) per U.S. Bureau of Labor Statistics (BLS).

Grant amounts established by the IIG Grant Amount Calculation table may be increased based on proposed housing Units per acre, as represented in the following Net Density Adjustment Factor table below:

Net Density Adjustment Factor	
Net Density (Housing Units per acre)	Adjustment Factor
Fewer than 45	1
45 – 49.9	1.04
50 – 54.9	1.08
55 – 59.9	1.12
60 – 64.9	1.16
65 – 69.9	1.20
70 – 74.9	1.24
75 – 79.9	1.28
80 – 84.9	1.32
85 – 89.9	1.36
90 – 94.9	1.40
95 – 99.9	1.44
100 – 104.9	1.48
105 and above	1.52

b. Terms of the Proposed Award

Grant terms will be outlined in the Standard Agreement. Grant funds will be disbursed as progress payments for approved eligible costs incurred subject to the requirements of IIG program guidelines.

In consideration for the IIG award to the Recipient, there shall be a Covenant⁷ recorded against the fee interest of the real property site(s) of the

⁷ "Covenant" or "Affordability Covenant" means an instrument which imposes development, use, and affordability restrictions on the real property site(s) of the Qualifying Infill Project, and which is executed by all Recipients and the fee owner of such real property and recorded against the fee interest in such real property site(s). In the case of tribal trust or restricted land, the Covenant is executed by all Recipients and other necessary parties and is approved by and recorded with the Bureau of Indian Affairs (BIA)

QIP, which shall impose development, use, and affordability restrictions upon the real property. The Covenant shall be binding, effective and enforceable commencing upon its execution and shall continue in full force and effect for a period of not less than 55 years for Rental Housing Developments after a certificate of occupancy or its equivalent has been issued for the Affordable Housing Development by the local jurisdiction or, if no such certificate is issued, from the date of initial occupancy of the Affordable Housing Development. With respect to land located in Indian Country, the Covenant shall be binding, effective and enforceable for a period of 50 years. With respect to land held in trust by the Bureau of Indian Affairs or land subject to a restriction by the United States against alienation, the Covenant shall be recorded with the Bureau of Indian Affairs against the leasehold estate.

Additional requirements are set forth in Section 205 of the MFSN IIG Guidelines.

3. Funding Limits

- a. Use of multiple Department funding sources on the same Assisted Unit is permitted, subject to the following limitations (as well as the limitations of Article II(D)(1) and II(D)(2) of this NOFA):
 - i. No more than \$50,000,000 in total MFSN Rental Housing Development loans, MHP COSR, and Supportive Services Reserves grant funds may be awarded per Project.
 - ii. No more than \$10,000,000 in MHP COSR may be awarded per Project.
- b. MHP COSR awards pursuant to this NOFA are limited to approximately \$46 million of MHP program funds.
- c. Each Sponsor/Applicant is limited to no more than \$80,000,000 in MFSN loan or grant awards of any type, excluding any applications awarded in which the Sponsor is a co-Applicant with an Emerging Developer or Tribal Entity. No application submitted by a Sponsor/Applicant may benefit competitively by the withdrawal of another, higher-ranked application submitted by the same Sponsor/Applicant or related party. The per-Sponsor/Applicant MFSN NOFA funding limit is not applicable beyond an individual MFSN NOFA competition, and it is not a cumulative per-Sponsor/Applicant cap across other Department NOFA funding opportunities.
- d. The Department will offer loan funding from only one (1) Program (MHP, SHMHP, TOD, FWHG, or VHHP) per eligible Unit. However, projects must

against the leasehold estate. In all cases, the subject instrument is recorded in the relevant county recording system. The Covenant is executed as consideration for the IIG Program award to the Recipient.

still comply with the “two-loan, two-grant per Project” rule articulated in the [HCD Repeal of Stacking Prohibition of Multiple Department Funding Sources \(Administrative Notice Number: 21-06\)](#), dated August 20, 2021, as amended September 13, 2023 and which may be further amended from time to time. Additionally, the Department will not award funding from a specific MFSN Program to a Unit that previously received funding from the same program funding source. For example, the Department will not provide MHP funding under this NOFA to Units that were awarded MHP funding in a prior MHP or MFSN round.

- e. For Projects assisted by MHP, the number of MHP Assisted Units shall equal the number of Restricted Units with the exception that Units assisted by a SHMHP, TOD, FWHG, or VHHP award under this NOFA will not be additionally assisted by MHP.
- f. Although the exact balance will be driven by the Applicant pool, the Department will strive to ensure that no single MHP Project-type exceeds roughly 50 percent of the total NOFA funds.

4. Performance Requirements

Eligible Projects must meet the performance deadlines set forth in the following sections of all applicable Designated Program Guidelines:

- MHP Guidelines Section 7321
- FWHG Guidelines Section 404
- IIG Guidelines Section 403

Pursuant to the Department’s [Disencumbrance Policy](#) (Administrative Notice 22-03), upon receipt of an award of Department program funds to a project, the Sponsor shall be required to secure all permanent financing, including tax credits and bond allocations, no later than 24 months after the date the initial funds were awarded by the Department.

This NOFA includes funding from multiple programs, each of which may have differing disbursement deadlines pursuant to legislative requirements. Each awarded Project’s Standard Agreement will set forth the general conditions of disbursement, including disbursement and liquidation deadlines. As of the drafting of this NOFA, the earliest liquidation date for MFSN program awards is June 30, 2026, for a portion of the IIG program funds which would require Sponsor to request funds no later than March 31, 2026.⁸ The Department has requested an extension, which, if granted, will be in place by the time MFSN awards are made.

⁸ At the Department’s sole discretion and based on the funding source, there may be some flexibility as to the liquidation date used, depending on the funding program and funding source.

5. Funding Targets, Statutory Set-Asides, and Geographic Distribution of Funds

a. Funding Targets and Statutory Set-Asides

To promote equitable distribution of Program funds, to the extent eligible applications are available to fund, this NOFA shall have the following targets and set-aside listed below:

- Emerging Developers: To the extent possible, approximately 7.5 percent of the total NOFA funds, or approximately \$28,650,000. Development experience points will not be considered in the ranking of this target (of the 20-point experience category, only the 15 points for development experience are excluded from this target's ranking). Refer to the Ranking Overview, Article II(F)(2) of this NOFA for additional funding information.
- Community-Based Developers: To the extent possible, approximately 7.5 percent of the total NOFA funds, or approximately \$28,650,000.
- MHP Senior Set-Aside: To the extent possible, approximately 21 percent of total MHP funds (capital and COSR) will be awarded for Senior housing Projects in accordance with MHP Guidelines Section 7317(g).

In the event that any funding target is undersubscribed, any remaining funds will be used to assist remaining eligible applications in this NOFA that do not meet the target requirements. In the event that the statutory set-aside is undersubscribed, those funds will roll over to a future NOFA. See Rating and Ranking Section F below for additional funding information.

b. Geographic Distribution of Funds

To the extent possible, the Department will target 36 percent of the total funds to Projects in Southern California, 33 percent to Northern California, and 21 percent to Projects in Rural Areas. Ten percent shall not be subject to a specific geographic distribution. The geographic distribution targets will be based on the amount of total funds awarded under this NOFA. Taking into account the MFSN DIA NOFA, the Southern California region's percentage of the total \$478 million available is 49%.

Projects funded through the targets and set-asides described in 5.a. above will be accounted for in the regions' percentage targets.

For the purpose of geographic distribution:

- Targets are based on the percent of Extremely Low Income and Very Low-Income renters in California, based on the HUD-released data from the American Community Survey (ACS) for the 2015-2019 period.
- "Rural Area" is defined by Appendix A of the Designated Program Guidelines to be consistent with the definition used by the TCAC for the tax credit program. A list of Rural Areas, as well as the methodology to determine Rural Area or non-Rural Area status, can be found on TCAC's website or by clicking this link: [2024 Methodology for Determining Rural Status of Project Site \(ca.gov\)](https://www.tcac.ca.gov/2024-Methodology-for-Determining-Rural-Status-of-Project-Site).

Northern	Alameda, Butte, Contra Costa, El Dorado, Fresno, Kings, Madera, Marin, Merced, Monterey, Napa, Placer, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Solano, Sonoma, Stanislaus, Sutter, Tulare, Yolo, Yuba
Southern	Imperial, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Ventura
Rural	Rural areas, including but not limited to the following 100 percent rural counties: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Trinity, Tuolumne

- Discretionary Funds

Approximately 10 percent of the total Multifamily Finance Super NOFA funds, or \$38,200,000, shall be held back as discretionary to facilitate full gap funding of Projects pursuant to this Multifamily Finance Super NOFA and to achieve a balance of state policy goals.

E. Threshold Requirements

A Project is not eligible for an award unless it meets all the threshold requirements of the applicable Designated Program(s) and those under funding targets. Please review the individual Program Guidelines of each Program and this NOFA section for complete threshold requirements information.

- MHP Guidelines Section 7303.1: Threshold Requirements

- FWHG Guidelines Section 204: Threshold Requirements
- IIG Guidelines Section 202: Threshold Requirements

Additional threshold requirement pursuant to this NOFA is:

1. The maximum number of Projects to receive FWHG funds per county under this NOFA shall be based on the presence of farmworkers in the county in which the Project is located based on the most recent U.S. Census of Agriculture (hired farm labor).

Counties	Percentage of Statewide Hired Farm Labor	Maximum Awards Per County
Fresno, Monterey, Tulare, Santa Barbara, Ventura, Kern, San Joaquin, Santa Cruz, Madera, Merced, Sonoma, Stanislaus, San Diego, San Luis Obispo, Riverside	3% or more	3
All others	Less than 3%	2

F. Rating and Ranking

This section describes the rationale for the scoring criteria and the Department’s ranking process. Applications that pass the initial threshold review will be scored using the Universal Scoring Criteria listed below. Applications achieving a minimum point of 80 points (minimum 65 points for ranking within the Emerging Developer target) will be considered for funding. In the event of tied point scores, the Department shall rank tied applications based on three (3) factors pursuant to the tiebreaker system: the lowest weighted average affordability of all residential Units, leverage of other funds, and cost containment. Incomplete applications or others not expected to receive an award of funds due to relatively low scores or ranking may not be fully evaluated.

1. Scoring Overview

For the purposes of this NOFA, all scoring criteria have been outlined in Article IV – Universal Scoring Criteria. Applications that pass the initial threshold review will be scored using the Universal Scoring Criteria. In the event of tied point scores, the Department shall rank tied applications based on the tiebreaker system detailed in the Universal Scoring Criteria. Incomplete applications or others not expected to receive an award of funds due to relatively low scores or ranking may not be fully evaluated.

2. Ranking Overview

This section provides an overview of the application ranking process and funding order. All applications meeting all the threshold requirements of the applicable programs included in this NOFA and achieving a minimum point score of 80 points (minimum 65 points for ranking within the Emerging Developer target) in Universal Scoring Criteria will be considered for funding pursuant to the process described below and in this NOFA. Please note, however, that targets and set-asides will only be funded to the extent that eligible applications (those meeting all threshold requirements including minimum point score) exist. If the Department receives fewer eligible applications than funding available, any unawarded funds within the targets may be used to fund remaining eligible applications based on ranked score.

- a. Beginning with the top-ranked Projects eligible for the Emerging Developer target (according to the Universal Scoring Criteria including tiebreakers as applicable), followed by those eligible for the Community-Based Developer target, the highest scoring applications will be awarded (provided all applicable threshold, minimum point score, and underwriting criteria are met) until approximately 7.5 percent or approximately \$28.65 million has been allocated to each target. Applicable limits that could result in Department awards below requested levels include but are not limited to maximum allowable loan limits (per Unit, per Project and per Sponsor) and funding gap evaluation pursuant to the feasibility review. The next highest-ranking Projects will be funded until at least 6 percent of the funds or approximately \$22.92 million are used for each target or there are no more eligible Projects for the target, subject to the following: if the next highest-ranking Project is requesting more than twice the amount of funds that remains in the target, the Project will be skipped. If all remaining Projects are requesting more than twice the amount of funds that remains in the target, no additional awards may be made from the target.

Development experience points will not be considered in the ranking of the Emerging Developer target; however, the 15-point development experience category will be applicable if an application is unsuccessful in the Emerging Developer target and is then ranked with the remaining unfunded applications.

Within the Emerging Developer target, priority will be given to Emerging Developers that are not applying jointly for the funds (i.e., with experienced co-Applicants).

Applicants that are eligible can compete in both targets if unsuccessful in one due to oversubscription. However, applications that qualify for both will only count towards the target under which they are funded.

Projects funded through the targets and set-asides are accounted for in the regions' percentage targets.

- b. Next, the remaining Projects will be ranked according to their Universal Scoring Criteria point score and tiebreaker score. However, if the next ranked application according to the Universal Scoring Criteria is requesting more than what remains in program funding, the skipping provisions of paragraph d. below will apply. If an application is requesting a combination of MFSN funding (for example, MHP and IIG), the skipping provision applies if any one of the programs is largely depleted. SHMHP and TOD will not be skipped as long as program specific and/or MHP funds are available in an amount sufficient to fund the requested funding.

The Universal Scoring Criteria points for location in High/Highest Resource Areas will no longer apply when 48 percent of Multifamily Finance Super NOFA funds have been allocated to Projects located in High/Highest Resource Areas. Additionally, the Universal Scoring Criteria points for location in High/Highest Resource Areas will no longer apply if the next eligible Project in line for an award would bring the cumulative allocation of MFSN funds allocated to Projects located in High/Highest Resource Areas to over 52 percent. All remaining Applicants will be awarded based upon their ranking without points for the High/Highest Resource Area location.

- c. To achieve the statutorily required MHP allocation to Senior housing and the geographic targets, the Department may skip projects in the ranked list. Once geographic targets are met and the NOFA's available funding is largely depleted, if individual MFSN Program funds remain (such as FWHG or VHHP) sufficient to fund additional competitive Projects requesting only these funds, the Department may make additional awards to ensure the awarding process utilizes, to the extent possible, the funding made available in this NOFA.
- d. After any of the Program funds are largely depleted, if the next-ranked application requests more Program funds than remain in the requested programs, if additional funds are available and at the sole discretion of the Department, that Project may receive an augmentation of funds up to \$5 million. If the augmentation required to fully fund an application exceeds \$5 million, the application may be skipped, or the remaining funds may be made available in a future NOFA which includes such Program funding. At the sole and absolute discretion of the Department, if additional program funds become available which augment the amounts reflected in the Funding Program table under Article I(A) above by more than \$5 million, augmentation greater than \$5 million may occur.
- e. Applications requesting a combination of MFSN Program funding must rank high enough to be awarded the entire requested amount. The Department will not partially fund requested amounts in this NOFA. For example, if all MHP funds have been allocated through ranking and FWHG funds remain available, and the next-ranked application requests both MHP and FWHG, the application will be skipped.

- f. If there are insufficient applications for MHP, SHMHP, TOD, FWHG, IIG, or VHHP funds that meet threshold, scoring, and underwriting requirements, any remaining funds will be made available in a future NOFA.
- g. A Project will be skipped if it requests both MHP capital funds and MHP COSR, and only one of these sources remains available. Notwithstanding the forgoing, the Department will strive to award at least one MHP COSR application and may skip higher-ranking MHP capital-only requests to make this MHP COSR award.

Notwithstanding paragraph d. above, if a project requests MHP capital funds and a Supportive Services Reserve grant, if the remaining MHP funds are sufficient to award the MHP capital funds only, the Project may be funded, at the sole and absolute discretion of the Department.

III. Application Submission and Review Procedures

A. Application Submission Process

Applications must meet eligibility requirements upon submission (except as expressly indicated in the Guidelines or application workbook). Applications that do not meet the filing deadline requirements will not be eligible for funding. Applications must be on the Department's forms and cannot be altered or modified by the Applicant. Modification of the application forms by the Applicant is prohibited. It is the Applicant's responsibility to ensure the application submitted is clear, complete, and accurate. Excel forms must be submitted in Excel format, not as a PDF document. Required supporting documentation must be uploaded to the Multifamily Finance Super NOFA Application Portal using naming conventions set forth in the application.

For application forms, visit the Department's website at [Multifamily Finance Super NOFA](#). Designated Program Guidelines and supplemental materials are also found on the webpage.

Determination of completeness, compliance with all threshold requirements, the scoring of the application, and any application submission requirements pursuant to the Guidelines, this NOFA, and the MFSN application shall be based on the documents contained in the submitted application as of the application filing deadline. Applications not meeting all application information and submission requirements shall be considered incomplete. Within the Department's sole and absolute discretion, typographical errors verified by Department staff may be corrected.

No additional documents pertaining to threshold requirements, scoring categories, and any application submission requirements pursuant to the Guidelines, this NOFA, and the MFSN application shall be accepted after the application filing deadline

unless the Department, in its sole discretion, determines that the deficiency is an application omission of either a document existing as of the application filing deadline, or a document certifying to a condition existing at the time of the application filing deadline. Any submission of additional documents, including as part of an appeal for an application disqualification, shall include evidence demonstrating either the document existed as of the application filing deadline, or the document certifies to a condition existing at the time of the application filing deadline. It is within the Department's discretion to request any clarifying information or material regarding the additional document(s).

No Applicant may appeal the Department's evaluation of another Applicant's application.

B. Electronic Submission

Application materials must be submitted electronically via the Department's Multifamily Finance Super NOFA Application Portal using the provided application forms, and the Applicant must include all required information as detailed in the application forms. A link to the Department's Multifamily Finance Super NOFA Application Portal is available at the Department's webpage at [Apply Now](#). Applicants must submit all application materials no later than 4:00 p.m. Pacific Time on **April 15, 2025**.

Requirements for uploading the application workbook and required supporting documentation, including naming conventions, are described in the application instructions and the Application Portal. Do not modify naming conventions when uploading documents.

C. Application Workshops and Emerging Developer Pre-Application Consultation

The Department will conduct application workshops and/or webinars. Please visit the [Multifamily Finance SuperNOFA](#) website for the dates and registration information. Pre-application consultations are also available for Emerging Developers and can be requested by contacting SuperNOFA@hcd.ca.gov.

Emerging Developers are encouraged to engage with the Department in a pre-application consultation session. The Department will provide Emerging Developers with the opportunity to engage in pre-application technical assistance with Department staff prior to applying. Please refer to the Multifamily Finance Super NOFA website for additional information at the following link: [Pre-Application Technical Assistance](#).

D. Disclosure of Application

The application, including any and all supplemental documents submitted during the review process, is a public record, which is available for public review pursuant to the California Public Records Act (CPRA) (Division 10 (commencing with Section

7920.000) of Title 1 of the Government Code). After final awards have been issued, the Department may disclose any materials provided by the Applicant to any person making a request under the CPRA. The Department cautions Applicants to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

E. Concurrent Applications

Due to the unique circumstances of the current challenging funding environment, the Department will allow MFSN Applicants to pursue more than one funding scenario. This means that a separate, concurrent application to other Department program funding source(s) is permitted under this NOFA. These Applicants, however, MUST submit within each application a disclosure of all Department applications under review or anticipated to be submitted. All anticipated applications with NOFAs subsequent to the MFSN application due date must be disclosed to MFSN staff no later than **June 17, 2025**. In addition, Applicants must notify MFSN staff via the SuperNOFA@hcd.ca.gov mailbox at the time the second application is submitted. Submission of concurrent MFSN applications proposing 4 percent and 9 percent tax credits is prohibited, as well as submitting other types of concurrent financing versions of the same Project, with the exception of applications made to the 2025 MFSN DIA NOFA.

In instances where separate, concurrent applications are competitive for an award, the Department will also engage in consultation with Applicants to discern which funding scenario(s) are optimal for Project feasibility while balancing cost containment and Department funding priorities. If a concurrent application is for Department-administered federal program funding and the Project receives a federal program award, this will result in a reduction of the MFSN award amount.

The Department's general approach for MFSN Applicants will be to reduce the MFSN award commensurately with any amounts awarded under another Department program NOFA made prior to an MFSN award.

F. Prior Awards

Applicants must disclose all awards of loans and grants for the project listed in the application at the time of application submittal. Applicants seeking to substitute previously awarded Department funds, including but not limited to substitutions to increase the amount of an Award, must first withdraw their previous award in writing and provide reasonable justification that the substitution is necessary to ensure project feasibility. A consultation with Department program staff is required at the time of the withdrawal. Substitutions based solely upon Applicant preference or convenience will not be permitted.

However, it is allowable for Applicants that wish to retain their previous award to apply for another funding source available within this NOFA, so long as the previous

award is unmodified. In this case, the Department will also allow previously awarded proposals to lower their proposed income targets from one application to the next, so long as the total unit count remains the same. The Department will restrict units to the lowest targeting across all awarded funds and will require proposals awarded from a program with prioritized target populations to maintain the special population units (increasing target population and/or Restricted Units is permitted). However, for applications proposing a reduction to AMI levels on the unit mix, the MFSN Applicant must engage with program staff relative to the prior award and confirm the change does not impact feasibility and would not cause a reduction in awarded funds pursuant to that program’s requirements. This consultation process must begin no later than **March 17, 2025**.

G. Significant Changes in Project After Application

The Department will make award determinations based on information provided in the application. If, after award, there is a significant departure from the application, the Department may re-evaluate the proposal status, reduce the award amount, or assign negative points to the Applicant.

IV. Universal Scoring Criteria

A. Summary

The criteria detailed below and summarized in the following table shall be used to rate applications:

Universal Point Score Criteria (Used in Project ranking separate from Threshold Review)		
Criterion		Maximum Score
Universal Scoring Criteria	Extent to Which the Project Serves Households at the Lowest Income Levels	30
	State Policy Priorities	18
	Project Sponsor and Property Management Experience	20
	Project Readiness	17
	Adaptive Reuse / Infill / Proximity to Amenities	10
	Cost Containment	5
Total Possible Universal Points		100

Negative points will be assessed as a reduction to the total score earned (see Section H below).

B. Extent to which the Project serves households at the lowest income levels (30 points maximum)

Applications will be scored based on the percentage of Units restricted to 80 percent of AMI and below, limited to various percentages of AMI, adjusted by household size, and as follows:

A maximum of 30 points will be awarded based on the Lowest Income Points Table below.

Each “Percent of AMI” category (column) may be used only once. (Please see the Lowest Income Points Table below.) For instance, 50 percent of Restricted Units at 50 percent of AMI cannot be used twice for 100 percent of Units at 50 percent AMI and receive 25 points, nor can 50 percent of Restricted Units at 50 percent of AMI for 12.5 points and 40 percent of Restricted Units at 50 percent of AMI be used for an additional 10 points. However, each “Percent of Restricted Units” category (row) may be used multiple times. For example, 50 percent of Restricted Units at 50 percent of AMI for 12.5 points may be combined with another 50 percent of Restricted Units at 40 percent of AMI to achieve the maximum points. Point values that are only available to Projects in Rural Areas are marked with an asterisk.

Lowest Income Points Table									
Percent of AMI									
Percent of Restricted Units		55%	50%	45%	40%	35%	30%	25%	≤20%
	50%	5*	12.5*	16.9	17.5	18.75	30	30	30
	45%	5*	11.25*	16.9	17.5	18.75	30	30	30
	40%	5*	10	15	17.5	18.75	27.5	30	30
	35%	4.4*	8.75	13.15	17.5	18.75	25	27.5	30
	30%	3.75*	7.5	11.25	15	18.75	22.5	25	30
	25%	3.15*	6.25	9.4	12.5	15.65	18.75	21.9	25

	20%	2.5*	5	7.5	10	12.5	15	17.5	20
	15%	1.9*	3.75	5.65	7.5	9.4	11.25	13.1	15
	10%	1.25*	2.5	3.75	5	6.25	7.5	8.75	10

To receive any points in this category, at least 10 percent of the Restricted Units must be restricted to households with incomes not exceeding 30 percent of AMI. These Units cannot be concentrated among a Project’s smaller Units. They must be distributed proportionately across all Unit sizes, or, alternately, more heavily represented among larger Units. 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.

Example:

60 Total Units in Project	Required ELI Units (30% AMI)
18 three-bedroom	2 Units
21 two-bedroom	3 Units
21 one-bedroom	1 Unit
Total (10%)	6 Units

C. State Policy Priorities (18 points maximum)

1. Five (5) points will be awarded for Projects located in a “High Resource” or “Highest Resource” Area as shown on the TCAC/HCD Opportunity Area Map

Only new construction and Adaptive Reuse Projects will qualify for these points.

MHP Senior Projects do not qualify for High/Highest Resource Area points unless they also qualify as MHP Special Needs Projects with at least 25 percent Department-restricted Special Needs Units. These may also qualify under the MHP Senior set-aside if they meet the eligibility requirements under MHP Guidelines section 7302(e)(2).

Once Projects receiving 5 points pursuant to this paragraph (IV(C)(1)) have been fully ranked according to all scoring criteria and recommended for Awards, and once those Awards comprise 48 percent of all Program funds available in a NOFA, any remaining Projects shall not receive 5 points for meeting the requirements of this paragraph. Additionally, the points for location in

High/Highest Resource Areas will not apply to the next eligible Project in line for an award if such Project would bring the cumulative allocation of MFSN funds allocated to Projects located in High/Highest Resource Areas to over 52 percent of all Program funds available through the NOFA.

An Applicant may choose to utilize the applicable census tract, or census block group, or resource designation from the TCAC/HCD Opportunity Area Maps in effect when the initial site control (pursuant to UMR section 8303(a)) was obtained up to seven (7) calendar years prior to the application.

2. Total Percentage of Multifamily Finance Super NOFA-funded Units Serving Special Needs Populations, Agricultural Households (10 points maximum)

Chronically Homeless, Homeless via CES⁹ Other Special Needs, Agricultural Households

Total percent of Super NOFA-funded Units	Points
25%+	10 points
16-24.99%	9 points
10-15.99%	8 points

Super NOFA-funded Units means Units that are anticipated to receive program funding under this NOFA. This does not include any Units funded under a prior Department NOFA, including a prior MFSN NOFA. For MHP funding requests, the denominator equals all Restricted Units. For all other MFSN loan programs, the denominator equals the total MFSN Program Assisted Units requesting funding under this NOFA.

Under this category, applications requesting IIG Program funds only and no other MFSN NOFA funds will automatically receive 10 points.

Under this category, Rehabilitation Projects are scored differently from new construction and Adaptive Reuse. Rehabilitation Projects will receive 10 points if the Project maintains any Chronically Homeless, Homeless, At Risk of Homelessness, Special Needs, and Agricultural Households population restrictions pursuant to an existing Regulatory Agreement, deed restriction, or similar encumbrance. Any existing income, Rent, and population restrictions must be documented in the application. No permanent relocation shall be permitted unless and until a relocation plan is reviewed and approved by the Department.

⁹ Coordinated Entry System (CES)

Rehabilitation Projects must also meet the following conditions:

- The Project qualifies as At High Risk or involves the conversion of single occupancy Units without kitchens and/or bathrooms to Units with kitchens and bathrooms; and
- The contract for Rehabilitation work equals or exceeds \$60,000 per Unit in hard construction costs. Hard construction costs mean the costs for labor, material, equipment, and services that directly relate to the physical construction or Rehabilitation of the Project. Such costs do not include general requirements, profit and overhead.

3. Public Excess Lands (3 points maximum)

Excess State Land: Three (3) points will be awarded for a Rental Housing Development which is to be developed on land disposed of in accordance with [Executive Order N-06-19](#). For excess state-owned property disposed of in accordance with [Executive Order N-06-19](#), the Rental Housing Development must have been selected by the Department and the Department of General Services to enter into a long-term, low-cost ground lease with the state to create affordable housing on excess state-owned property.

Local Surplus Land (including surplus exempt status): Up to 3 points for surplus or exempt surplus land owned by a local agency and for state-owned land acquired through means other than [Executive Order N-06-19](#), points shall be awarded as follows:

- a. One (1) point for documentation of either acquisition directly from a state agency, or written compliance with the Surplus Land Act (SLA) as demonstrated by a Department Findings Letter as defined in SLA Guidelines Section 102 and further described in Section 500; and either
- b. One (1) point if the disposition is discounted at least 20 percent or more from the property's current appraised value or market rate lease terms. Current appraised value must be supported by an independent third-party appraisal prepared by a Member Appraisal Institute (MAI) qualified appraiser within one year prior to the application deadline; or
- c. Two (2) points if the disposition is provided as a land donation or equivalent, or leased for a nominal fee of \$20,000 or less per year.

D. Project Sponsor/Applicant and Property Management Experience (20 points maximum)

NOTE: For applications requesting IIG funds only, Applicant experience is evaluated. For applications requesting IIG plus another Designated Program funds

(e.g., MHP), Applicant experience is evaluated for IIG, and Sponsor experience is evaluated for MHP (in this example, Applicant and Sponsor may or may not be the same entity).

“Projects” as used in paragraphs 1. and 2. below means Rental Housing Developments of over 10 Affordable Units that are subject to a recorded Regulatory Agreement, or, in the case of housing on Indian Country, where federal HUD funds have been utilized in affordable rental developments. Points in paragraphs (i) and (ii) will be awarded in the highest applicable category and are not cumulative. For points to be awarded in paragraph (ii), an enforceable management agreement for the proposed Project executed by both parties must be submitted at the time of application.

By applying for and receiving points in these categories, Applicants certify that the property shall be owned and managed by entities with equivalent experience scores for the entire affordability period.

1. Development and Ownership Experience. Applications will be scored based on the number of Rental Housing Developments that the Sponsor/Applicant has developed, owned, and operated.

For completed Projects, a Sponsor/Applicant may include the experience of its controlled affiliated entities or its principals (e.g., employed by, and under the control of the Sponsor/Applicant and responsible for managing development and ownership activities), but not the experience of non-management board members. If a Sponsor/Applicant relies upon the experience of its principal for scoring, documentation of the principal’s experience is required to be included with the application.

For joint applications under this NOFA, only one (1) co-Applicant need qualify for these experience points. Experience among co-Applicants shall not be aggregated. Any change in the ownership that reduces the Sponsor’s/Applicant’s role shall require prior written approval by the Department.

The experience of an Emerging Developer’s principal shall not be used to qualify an Emerging Developer Sponsor/Applicant for maximum development and ownership experience points. An Emerging Developer cannot have developed, owned, or operated more than four (4) Rental Housing Developments. If the experience of an Emerging Developer’s principal is used for scoring and exceeds four (4) Rental Housing Developments, the Sponsor/Applicant does not meet the qualifications of an Emerging Developer.

To receive points under this paragraph the following conditions must be met:

Sponsor/Applicant certifies in the application that each Rental Housing Development has maintained Fiscal Integrity since the date of the last prepared financial statement, has maintained a positive operating cash flow from typical

residential income alone, and has funded all reserves in accordance with the partnership agreement and any applicable loan documents.

To obtain development and ownership points for Projects previously developed, owned and operated, a certification document must be submitted with respect to the last full year of ownership by the Sponsor/Applicant, along with verification of the number of years that the Project was owned by that Sponsor/Applicant. To obtain points for Projects previously owned, the ending date of ownership or participation must be no more than ten years from the application deadline.

Points are available as follows:

3-4 projects in service more than 3 years, of which 1 shall be in service more than 5 years and 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	10 points
5 or more projects in service more than 3 years, of which 1 shall be in service more than 5 years and 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	15 points
For Special Needs Projects or Community-Based Developers only with experience serving Target Population(s) proposed to be served in the application, points are available as described above or as follows:	
<p>For Special Needs projects:</p> <ul style="list-style-type: none"> • 4 or more <u>Special Needs</u> Projects in service more than 3 years, of which 1 shall be Department-regulated or a project utilizing low-income housing tax credits allocated by TCAC <p>For Community-Based Developers:</p> <ul style="list-style-type: none"> • 4 or more projects in service more than 3 years, of which 1 shall be Department-regulated or a project utilizing low-income housing tax credits allocated by TCAC <p>The property manager shall have three (3) or more years' experience serving the Target Population(s) proposed to be served in the application.</p>	15 points

2. Property Management Company Experience. To receive points under this paragraph, the property management company must meet the following conditions:

Property management experience is only qualifying to the extent it was accrued after the completion of construction.

For completed Projects, a property management company may include the experience of its principals (e.g., employed by, and under the control of the Sponsor/Applicant and responsible for managing operational activities) responsible for property management activities, but not the experience of non-management board members. If a property management company relies upon the experience of its principal for scoring, documentation of the principal's experience is required to be included with the application.

To obtain points for previous management experience, the ending date of the property management role must be no more than ten years from the application deadline.

Points are available as follows:

6-10 projects managed over 3 years, of which 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	3 points
11 or more projects managed over 3 years, of which 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	5 points
For Special Needs Projects and for Community-Based Developers, points are available as described above or as follows:	
<p>For Special Needs projects:</p> <ul style="list-style-type: none"> 4 or more <u>Special Needs</u> Projects in service more than 3 years, of which 1 shall be Department-regulated or a project utilizing low-income housing tax credits allocated by TCAC <p>For Community-Based Developers:</p> <ul style="list-style-type: none"> 4 or more projects in service more than 3 years, of which 1 shall be Department-regulated or a project utilizing low-income housing tax credits allocated by TCAC 	5 points

E. Project Readiness (17 points maximum, negative 5 points maximum)

Points will be awarded to Projects under each of the following rating factors as documented in the application and as indicated below. If a particular rating factor is not applicable, full points shall be awarded in that category.

1. Financing Commitments (10 points maximum)

- a. Five (5) points will be awarded for evidencing Enforceable Funding Commitments for all construction financing, excluding: funds applied for under this NOFA, an allocation of tax-exempt bonds, and low-income housing tax credits. For Projects with bond financing, lender commitment of bond financing is required for these points.
- b. Five (5) points will be awarded for evidence of Enforceable Funding Commitments for all permanent financing, grants, and for commitments of project-based rental assistance and operating subsidies, excluding: funds applied for under this NOFA, an allocation of tax-exempt bonds, and low-income housing tax credits. For Projects with bond financing, any applicable permanent lender commitment of bond financing is required for these points.

For both construction financing commitments and permanent financing commitments, a financing commitment will be deemed to be an Enforceable Funding Commitment as this term is defined in Appendix A of the Guidelines, if it has been awarded to the Project or if the Department approves other evidence that the assistance will be reliably available. Contingencies in commitment documents based upon the receipt of an allocation of tax-exempt bonds or low-income housing tax credits will not disqualify a source from being counted as committed.

To receive points under paragraphs (a) and (b) above for deferred payment financing, grant funds, or subsidies from other Department programs, these Department funds must be awarded prior to **May 15, 2025**.

2. Local and Environmental Approvals (7 points maximum)

- a. Land use approvals (5 points maximum) – Points will be awarded under one of the categories below.
 - i. Five (5) points will be awarded for obtaining all land use approvals or entitlements necessary prior to issuance of a building permit, including any required discretionary approvals. Notwithstanding this requirement, design review, variances, and development agreements are not required to be completed. Project sites where applications for streamlined ministerial approval or use by right (as further detailed in MHP Guidelines Section 7303.1(h)) have been submitted to the necessary local governmental entities are eligible for these points. To be eligible for these points, the Applicant must submit either (1) a legal opinion and certification that the project reasonably meets the eligibility requirements for streamlined ministerial approval or use by right and that all necessary applications and notices have been submitted for review; or (2) documentation from the applicable local agency verifying streamlined ministerial approval or use by right.

For Projects located within city limits where a FEMA Major Disaster Declaration has been made up to one (1) year preceding the application due date, these 5 points will be awarded for certification that all necessary land use approvals or entitlements necessary prior to issuance of a building permit will be completed prior to the construction loan closing.

FEMA Major Disaster Declarations that include more than 20 counties will not count for these points.

For Projects located outside of city limits where a FEMA Major Disaster Declaration has been made and the local government responsible for land use approvals or entitlement review is not a city, the Applicant must, in addition to providing this certification, demonstrate to the Department's satisfaction that the Project contributes to providing housing for disaster-impacted households.

For Projects located in Indian Country, Tribal Entity applicants will be awarded five (5) points for obtaining all land use approvals or entitlements required by tribal law.

- ii. Four (4) points will be awarded 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. For Projects located in Indian Country, Tribal Entity applicants will be awarded four (4) points for submission of a complete application to the relevant tribal authority exercising jurisdiction over the project for land use approval.
 - iii. One (1) point will be awarded for a letter signed by a planner certified by the American Institute of Certified Planners (AICP) indicating that, in their opinion, the Project meets all of the requirements for approval under a Nondiscretionary Local Approval Process, where an application has not been approved or disapproved by the local authorities. For Projects located in Indian Country, Tribal Entity applicants will be awarded one (1) point for a letter signed by a planner certified by AICP, or by an equivalent tribal or non-tribal authority subject to the Department's satisfaction, indicating the Project meets all of the requirements for approval under tribal law for a tribal nondiscretionary local approval process.
- b. Environmental Approvals (2 points maximum) – Points will be awarded for local certification of CEQA (California Environmental Quality Act) exemption or completion.

For Projects located within city limits where a FEMA Major Disaster Declaration has been made up to one (1) year preceding the application due date, these 2 points will be awarded for certification that the Project is exempt from CEQA or that the CEQA review will be completed prior to the issuance of the Department's Standard Agreement for funds under this NOFA. For a CEQA exemption pursuant to streamlined ministerial approval or use by right, the Applicant must submit either (1) a legal opinion and certification that the project reasonably meets the eligibility requirements for streamlined ministerial approval or use by right and that all necessary applications and notices have been submitted for review; or (2) documentation from the applicable local agency verifying streamlined ministerial approval or use by right. For Projects located outside of city limits where a FEMA Major Disaster Declaration has been made and the local government responsible for environmental review is not a city, the Applicant must, in addition to providing this certification, demonstrate to the Department's satisfaction that the Project contributes to providing housing for disaster-impacted households.

FEMA Major Disaster Declarations that include more than 20 counties will not count for these points.

For Projects receiving federal funds subject to review under the National Environmental Policy Act (NEPA), a copy of the Project's Authority to Use Grant funds must be provided prior to the construction loan closing. It is not necessary to have the Authority to Use Grant Funds at application stage.

For Projects located in Indian Country, Tribal Entity applicants will not be penalized for not obtaining local certification of CEQA exemption or completion and will be awarded two (2) points for obtaining all environmental clearances required under tribal or federal law, if applicable.

3. TCAC Hybrid Projects Five (5) points will be subtracted for a Project utilizing low-income housing tax credits that will be part of an application to TCAC seeking hybrid tiebreaker incentives.

F. Adaptive Reuse / Infill / Proximity to Amenities (10 points maximum)

Applications will receive 5 points for each of the following two (2) point categories, up to a maximum of 10 points as defined below:

- Infill development and Net Density
- Proximity to amenities

1. Infill development and Net Density. Five (5) points will be awarded for infill development, including Adaptive Reuse. The Project must meet one of the following requirements of (a) or (b) below, documented by a California licensed professional such as an engineer, surveyor, or architect:

- a. Located on a site where either:
 - i. At least 75 percent of the site was previously improved (including areas where improvements have been demolished) or used for any use other than Open Space, agriculture, forestry, or mining waste storage; or
 - ii. At least 75 percent of the perimeter of the site's adjoining parcels that are developed with Urban Uses (residential, commercial, industrial, public institutional, transit or transportation passenger facility use, or retail use, or any combination of those uses) but not including lands used for agricultural uses or parcels in excess of 15,000 square feet in size and containing only one (1) single family residence, or is separated from parcels that are developed with Urban Uses only by an improved public right-of-way. In calculating this percentage, perimeters bordering navigable bodies of water and improved Parks shall not be included; or
 - iii. The combination of at least 50 percent of site area as previously improved (including areas where improvements have been demolished) or used for any use other than Open Space, agriculture, forestry, or mining waste storage, and at least 50 percent of the perimeter of the site adjoining parcels that are developed with Urban Uses or is separated from parcels that are developed with Urban Uses only by an improved public right-of-way. In calculating this percentage perimeters bordering navigable bodies of water and improved Parks shall not be included.

- b. Developed at average residential Net Densities on the parcels to be developed that are greater than the densities described below¹⁰ :
 - i. For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 20 Units per acre.
 - ii. For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 15 Units per acre.
 - iii. For a suburban jurisdiction: sites allowing at least 25 Units per acre.
 - iv. For a jurisdiction in a metropolitan county: sites allowing at least 45 Units per acre.
 - v. For a Rural Area: sites allowing at least 15 Units per acre.

¹⁰ Please see Government Code section 65583.2, subdivisions (d) – (f) for the defining criteria for a metropolitan county, a nonmetropolitan county, a nonmetropolitan county with a micropolitan area, and a suburban jurisdiction.

2. Proximity to amenities. Points will be awarded based on the following (up to a maximum of 5 points):

Projects will receive 1/3 point per site amenity point that would be awarded under TCAC Regulations, Title 4 CCR, Division 17, Chapter 1, Section 10325(c)(4)(A) or successor regulation (In TCAC regulations, this is a 15-point category, however, achieving all 15 points under TCAC translates to 5 points under this category).

Transit points must be for a Transit Station or Major Transit Stop and distance must be measured by a Walkable Route.

G. Cost Containment (5 points maximum)

A Project shall receive 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.

$$\frac{\text{Total Eligible Basis per the Development Budget}}{\text{Adjusted Threshold Basis Limit}}$$

(Per California Debt Limit Allocation Committee (CDLAC) Regulation Section 5230)

For purposes of this subdivision, a Project's adjusted threshold basis limit shall be the Project's threshold basis limit, as if it were a 4 percent LIHTC project, 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 that is multiplied by the unadjusted threshold basis limit shall be limited to 80 percent. Section 10327(c)(5)(C) 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 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." 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.

H. Negative Points – No maximum

Negative points will be assessed as a reduction to the total score earned. An application will be assessed negative points based on performance penalties assessed pursuant to the Department's [Negative Points Policy](#) (Administrative

Notice No. 2022-01), dated March 30, 2022, as amended on November 9, 2022 and April 3, 2023, and as may be subsequently amended.

If the Sponsor/Applicant is assessed negative points, the Department shall notify the Sponsor/Applicant in writing within the point score letter and will provide opportunity to appeal the negative points assessment pursuant to the appeals process as set forth in this NOFA.

I. Tiebreaker Score

In the event of tied point scores, the Department shall rank tied applications based on three (3) factors which will be added together for a final tiebreaker score. The three (3) factors are: (1) the lowest weighted average affordability of all residential Units, (2) leverage of other funds, and (3) additional cost containment. The tiebreaker scoring calculation is explained below. Although the exact balance will be driven by the Applicant pool, the Department will strive to ensure that no single MHP Project-type exceeds roughly 50 percent of the total NOFA funds.

1. Lowest weighted average affordability of all residential Units.

- a. Multiply each income limit applicable to the Project by the number of adjusted residential Units restricted at that income level (market rate Units, which do not include Units subject to Rent and/or occupancy restrictions at 70 percent or 80 percent AMI, shall be designated 100 percent AMI). Unrestricted Manager's Unit(s) are excluded from this calculation.

To calculate adjusted residential Units, multiply the residential Units of a Unit Type (bedroom count) by the following adjustment factors:

Unit Type	Adjustment Factor
Studio/SRO	0.90
1-Bedroom	1.00
2-Bedroom	1.25
3-Bedroom	1.50
4-Bedroom or larger	1.75

For purposes of this calculation:

- Units with federal project-based rental assistance shall be assigned targeted Rent levels no lower than 30 percent AMI regardless of their actual income targeting; and
- If the average affordability of all unadjusted residential Units, exclusive of Units with rental assistance, is less than 40 percent AMI, then the calculation shall assume a targeted Rent level of 40 percent AMI for each residential Unit that does not have rental assistance.

Adjusted Threshold Basis Limit

(Per CDLAC Regulation Section 5230)

For purposes of this subdivision, a Project's adjusted threshold basis limit shall be the Project's threshold basis limit, as if it were a 4 percent LIHTC Project, 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 that is multiplied by the unadjusted threshold basis limit shall be limited to 80 percent. Section 10327(c)(5)(C) 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 one percent (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 thirty-five percent (35%) of Area Median Income (AMI). An increase of two 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." The Department, however, will only restrict to income levels in 5 percent increments.

Percentages shall not include any percentage points requested or awarded (up to 5 percent) pursuant to the Cost Containment point category. The maximum percentage shall be 25 percent.

Note: Any Sponsor may be subject to future 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.

The calculation in this paragraph (3) is multiplied by 0.75.

V. Appeals

A. Basis of Appeals

1. Applicants may appeal the Department's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award, including point scoring. Submission of additional documents, including as part of an appeal for an application disqualification or point score reduction, shall include evidence demonstrating either the document existed as of the application filing deadline, or the document certifies to a condition existing at the time of the application filing deadline as further described above in Article III.
2. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's application (e.g., eligibility, award).

3. Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with the Designated Program Guidelines and this NOFA. All decisions rendered shall be made by the Director or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of the Department.
4. The appeal process provided herein applies solely to the decision of the Department made in this program NOFA.

B. Appeal Process and Deadlines

1. Process: To file an appeal, Applicants must submit to the Department by the deadline set forth below a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the Applicant must include a detailed reference to the area or areas of the application that support the basis of the appeal. Once the written appeal is submitted to the Department, no further information of materials will be accepted or considered thereafter. Appeals are to be submitted to the Department at SuperNOFA@hcd.ca.gov according to the deadline set forth in Department review letter(s).
2. Filing Deadline: Appeals must be received by the Department no later than five (5) business days from the date of the Department's threshold review or initial score letter(s) representing the Department's decision made in response to the application.

C. Decision

Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with the Designated Program Guidelines and this NOFA. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

VI. Award Announcements and Contracts

A. Award Announcements

The Department will announce MFSN awards on the [Multifamily Finance Super NOFA](#) website.

B. Contracts

Successful Sponsors/Applicants (awardee(s)/Recipient(s)) will enter into a Standard Agreement with the Department. The Standard Agreement specifies and memorializes all the relevant state and federal requirements, as well as specific information about the award and the work to be performed.

To facilitate efficient processing of Standard Agreements, a condition of the award will be the delivery of a duly adopted and legally sufficient authorizing resolution and any duly filed or adopted organizational documents not included in the application, within sixty (60) calendar days of the Department's issuance of the conditional award letter. The Department has set a goal to deliver Standard Agreements to the awardee(s)/Recipient(s) within ninety (90) days following the receipt of these documents. The awardee(s)/Recipient(s) shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the awardee(s) without the Department's prior written consent is prohibited and will result in a default.

Once a Project is awarded Department funds, the Sponsor/Recipient acknowledges and agrees that the completed Project will be substantially the same as what the Sponsor/Recipient proposed in its application. The Department may nullify the award(s) of a proposed Project that is rendered infeasible through division into separately financed or held portions. Such a Project's awards cannot be transferred or assigned to another Project or Sponsor/Recipient.

VII. Other State Requirements

The awardee/Recipient agrees to comply with all applicable state and federal laws, rules, guidelines, and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the project, the awardee, its contractors or subcontractors, and any award activity, including without limitation **the following**:

- MHP Guidelines Section 7314: State and Federal Laws, Rules, Guidelines and Regulations
- FWHG Guidelines Section 303: State and Federal Laws, Rules, Guidelines and Regulations
- IIG Guidelines Section 300: State and Federal Laws, Rules, Guidelines and Regulations

Where the proposed project presents a fair housing issue, the Department reserves discretion to require a fair housing legal opinion.

In addition, the awardee(s)/Recipient(s) shall comply with the following requirements:

A. California's Preservation Notice Law

All Applicants, Recipients, awardees, co-awardees, owners, and special purpose entities *must*, at all times, comply with, and not be in violation of, California's Preservation Notice Law (Gov. Code, §§ 65863.10, 65863.11, 65863.13).

B. Relocation Requirements

The Sponsor/Recipient of a Project resulting in displacement of persons, businesses, or farm operations shall be solely responsible for providing the assistance and benefits set forth in the Designated Program Guidelines section indicated below, and in applicable state and federal law, and shall agree to indemnify and hold harmless the Department from any liabilities or claims for relocation-related costs. In addition, before Standard Agreements from a Multifamily Finance Super NOFA award will be executed, Sponsor must have either: (1) a Department-approved relocation plan; or (2) a Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed and approved by the Department.

- MHP Guideline Section 7315: Relocation Requirements
- FWHG Guidelines Section 304: Relocation Requirements
- IIG Guidelines Section 301: Relocation Requirements

VIII. Other Terms and Conditions

A. Right to Modify or Suspend

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties via the Department's email list and will post the revisions to the Multifamily Finance Super NOFA website. Please be sure and subscribe to the [Department's email list](#).

B. Conflicts

It is the duty and responsibility of the Applicant to review any funding source they obtain for a proposal to ensure each of the requirements for those funding sources are compatible with the Department program requirements.

In the event of any conflict between the terms of this NOFA and the Designated Program Guidelines and either applicable state or federal law or regulation, the terms of the applicable state or federal law or regulation shall control. Applicants are deemed to have fully read and understand all applicable state and federal laws, regulations, and guidelines pertaining to the relevant program, and understand and agree that the Department shall not be responsible for any errors or omissions in the preparation of this NOFA.