SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ITEM: 3.32
(ID # 19166)
MEETING DATE:
Tuesday, June 28, 2022

FROM : HOUSING AND WORKFORCE SOLUTIONS:

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Adoption of Resolution No. 2022-125, Approving Funding Allocation and Support for Application for Multifamily Housing Program (MHP) to the State of California Department of Housing and Community Development for the Lake Elsinore Apartment Housing Project, Located in the City of Lake Elsinore; and Approval of $4,000,000 from American Rescue Plan Act (ARPA) Funds to Community HousingWorks; District 1. [$4,000,000 – 100% American Rescue Plan (ARPA) Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2022-125, Approving Funding Allocation and Support for Application for Multifamily Housing Program (MHP) to the State of California Department of Housing and Community Development (HCD) for the Lake Elsinore Apartment Project, Located in the City of Lake Elsinore; and

2. Approve $4,000,000 from American Rescue Plan (ARPA) funds to Community Housing Works, a California public benefit corporation and affordable housing developer, for the Lake Elsinore Apartments Housing Project, subject to the conditions set forth in Resolution No. 2022-125.

ACTION:Policy

Heidi Marshall, Director 6/8/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:	Jeffries, Spiegel, Washington, Perez and Hewitt
Nays:	None
Absent:	None
Date:	June 28, 2022
xc:	HWS

Kecia R. Harper
Clerk of the Board
By: Deputy

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$ 0	$ 4,000,000	$ 4,000,000	$ 0
NET COUNTY COST	$ 0	$ 0	$ 0	$ 0

SOURCE OF FUNDS: American Rescue Plan Act (ARPA) Funds (100%)	**Budget Adjustment:** No
	For Fiscal Year: 22/23

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On October 19, 2021 (Minute Order 3.5), the Board of Supervisors allocated $50,000,000 in ARPA funds for the purpose of addressing housing and homelessness through the development of affordable housing and providing shelter. The $50,000,000 Board allocation was further divided into five $10,000,000 investments to each Supervisorial District. The funding allocated by the Board was the State and Local Fiscal Recovery Funds (SLFRF) that the County was allocated as part of the American Rescue Plan Act (ARPA) of 2021 (Pub. L.117-2). These ARPA funds are to focus on projects and/or programs that serve as a pathway to create affordable housing with necessary supporting infrastructure to assist low-income communities disproportionately affected by the COVID-19 pandemic. One of the eligible uses of ARPA funds include the increase in the supply of permanent supportive housing which is critical to addressing homelessness.

Community Housing Works (CHW), a nonprofit and affordable housing developer, is proposing to develop a 75-unit affordable multi-family development on 4 acres of land located at 29366 and 29377 3rd Street, identified as Assessor Parcel Numbers 377-100-003 and 377-380-003, in the City of Lake Elsinore for low-income households, and individuals and families at risk of homelessness (Proposed Project). CHW has applied to the County for American Rescue Plan Act (ARPA) for gap funding in the amount of $4,000,000 for the Proposed Project.

The Proposed Project is an affordable multifamily rental housing project comprised of approximately seventy-four (74) rental apartment units plus a two-bedroom manager unit, consisting of one, two, and three bedrooms. Of which 23 units (6, one-bedroom, 12, two-bedrooms, and 5, three-bedrooms) will be restricted to households whose incomes do not exceed fifty percent (50%) of the Area Median Income for Riverside County (AMI) and 51 units (12 one-bedroom, 25 two-bedrooms, and 14 three-bedrooms) will be restricted to households whose incomes do not exceed sixty percent (60%) of the Area Median Income for Riverside County (AMI).

The developer is looking to apply to the State of California Department of Housing and Community Development (HCD) for additional funding in the amount of $12,700,000 through the current Multifamily Finance Super NOFA and the County's contribution will dramatically improve the developer's HCD funding application. The developer must provide a resolution from the local jurisdiction providing support for the Proposed Project and local funding commitment. The attached proposed Resolution No. 2022-125 provides Board support for the Proposed Project and recommends an allocation of $4,000,000 in ARPA funds to be used as a loan to the Developer to pay a portion of the development and construction costs for the Project. Staff recommends that the allocation of the ARPA funds be valid until December 31, 2024.

The attached proposed Resolution No. 2022-125 allocates $4,000,000 in ARPA funds to the Proposed Project, subject to the Developer's satisfaction of the conditions specifically set forth in the attached Resolution No. 2022-125 which include, but are not limited to, the following:

1. Securing any, and all land use entitlements, permits, and approvals which may be required for the development and construction of the Proposed Project, including, but not limited to, compliance with the California Environmental Quality Act (CEQA);

2. Obtaining sufficient equity capital or firm and binding commitments for construction and permanent financing necessary to undertake the development and completion of the Project; and

3. Successful negotiation of a Loan Agreement requiring compliance with the ARPA Rules approved by the Board of Supervisors and approved as to form by County Counsel.

Staff recommends that the Board adopt Resolution No. 2022-125. County Counsel has reviewed and approved the attached Resolution No. 2022-125 as to form.

Impact on Residents and Businesses

Approving this item will have a positive impact on the citizens and businesses in the County of Riverside. The Project will provide urgently needed affordable housing in the City of Lake Elsinore and County of Riverside County residents. In addition, the project will generate construction, property maintenance, and property management jobs.

Additional Fiscal Information

No impact upon the County's General Fund; the County's contribution to the Proposed Project will be fully funded with ARPA funds allocated to the County.

Attachment:

- Resolution No. 2022-125
- HCD Super NOFA

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Brianna Lontajo

Brianna Lontajo, Principal Management Analyst 6/20/2022

Synthia M. Gunzel

Synthia M Gunzel, Chief Deputy County Counsel 6/9/2022

BOARD OF SUPERVISORS **COUNTY OF RIVERSIDE**

RESOLUTION NO. 2022-125
APPROVING FUNDING ALLOCATION AND SUPPORT FOR APPLICATION FOR MULTIFAMILY HOUSING PROGRAM (MHP) TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE LAKE ELSINORE APARMENT HOUSING PROJECT, LOCATED IN THE CITY OF LAKE ELSINORE

WHEREAS, on March 11, 2021, the American Rescue Plan Act (Pub. L. 117-2) (Title VI of the Social Security Act Section 602 et seq.), hereinafter "ARPA", was signed into law providing federal funding relief for American workers, families, industries, and state and local governments to address the negative economic impacts of the COVID-19 pandemic; and

WHEREAS, on October 19, 2021, via Minute Order 3.5, the Board of Supervisors of the County of Riverside approved allocating $50,000,000 in ARPA funds to increase shelter capacity, permanent supportive housing units and affordable housing to help address homelessness; and

WHEREAS, Community HousingWorks, a California public benefit corporation and an affordable housing developer ("Developer"), proposes to develop an affordable housing development which will provide affordable housing for approximately seventy-five (75) low-income households with one manager unit as well as supportive services ("Proposed Project" or the "Project"). The Proposed Project will be a scattered site project developed in a single phase comprised of multiple buildings on two (2) parcels separated by a street; Parcel 1 is comprised of approximately 2.9 acres and will be developed concurrently with Parcel 2 and will include approximately fifty-nine (59) multi-family residential units within approximately 24,674 square feet of building space, a community center, tot lot and courtyards. Parcel 2 is comprised of approximately 1.1 acres will include approximately sixteen (16) multifamily residential units within approximately 6,646 square feet of building space, an onsite laundry facility, and residential plaza. The entire site consists of approximately 4 gross acres of real property located at 29366 3rd Street, Lake Elsinore (Parcel 1) & 29377 3rd Street, Lake Elsinore (Parcel 2), in the County of Riverside, State of California, identified with Assessor's Parcel Numbers 377-100-003 and 377-380-003 (the "Property"); and

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel
SYNTHIA M. GUNZEL DATE

JUN 28 2022 3-32

WHEREAS, in connection with this award of ARPA funds, 49% of the total units will be restricted to households whose incomes do not exceed 60% of the Riverside County Area Median Income; and

WHEREAS, Developer submitted an application to County requesting financial assistance in the amount of $4,000,000 in ARPA Funds. The ARPA Funds are needed to fill an existing Project financing gap in the amount of $4,000,000; and

WHEREAS, the State of California Department of Housing and Community Development ('HCD") facilitates the investment of public funds into the development of affordable rental housing for low-income households through the allocation of Multifamily Housing Program ("MHP") to affordable housing developers; and

WHEREAS, HCD verifies that the developers have met all the requirements of the program and ensures the continued affordability and habitability of the developments for the succeeding 55 years; and

WHEREAS, Developer intends to submit an application to HCD for the MHP funding which will be used to finance the development and construction of the Project; and

WHEREAS, the 2022 competitive application submission deadlines to be considered for allocation of MHP are anticipated in June 2022; and

WHEREAS, to complete the application process, Developer must provide a resolution from the local jurisdictions, including the County, supporting the Project; and

WHEREAS, the County desires to approve an allocation of funding in the approximate amount of $4,000,000 ARPA funds, to be used to pay a portion of the costs to develop and construct the proposed Project on the Property, subject to Developer's satisfaction of certain conditions precedent for the benefit of the County;

WHEREAS, the County desires to support the Developer's application to HCD for an allocation of MHP funds.

NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED by the Board of Supervisors of the County of Riverside ("Board"), in regular session assembled on June 28, 2022, at 9:30 am or soon thereafter, in the meeting room of the

Board of Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, as follows:

1) That the Board of Supervisors hereby finds and declares that the above recitals are true and correct and incorporated as though set forth herein.

2) The Board of Supervisors supports the Developer's application to HCD for an allocation of MHP funds, the proceeds of which will be used to finance the development and construction of Lake Elsinore Apartments, a scattered site project that includes multi-family affordable rental housing consisting of approximately 75 total units (74 affordable rental units and 1 residential manager units), on real property located on approximately 4 gross acres of land located at 29366 3rd Street, Lake Elsinore (Parcel 1) & 29377 3rd Street, Lake Elsinore (Parcel 2), County of Riverside, State of California, identified with Assessor's Parcel Numbers 377-100-003 and 377-380-003.

3) Subject to any restrictions on the use of ARPA funds and Department of Treasury regulations, the Board of Supervisors agrees to provide financial assistance to the Developer in the maximum amount of $4,000,000 of ARPA funds, for the construction of affordable housing and the conduct of eligible activities for the Project, subject to the satisfaction of the following conditions precedent:

   a. Applicant shall be the Community HousingWorks, a California public benefit corporation, which will act as the Sponsor and Developer for the purpose of developing the Project. The Project will be owned, constructed, and operated by a limited partnership in which Developer, or a limited liability company affiliate, acts as the managing general partner;

   b. Project Name shall be Lake Elsinore Apartments;

   c. ARPA Loan Amount shall not exceed Four Million Dollars ($4,000,000);

   d. Interest shall be three percent (3%) simple interest;

   e. Affordability Period shall be fifty-five (55) years from recordation of the Notice of Completion in the Official Records of the County of Riverside, subject to an affordability covenant agreement;

f. ARPA Funds Loan Term shall be fifty-five (55) years;

g. Repayment shall be derived from a pro-rata share of a portion of the Project's residual receipts;

h. Entitlements and Governmental Approvals: Developer shall secure any and all required land use entitlements, permits, and approvals which may be required for construction of the Project, including, but not limited to compliance with the California Environmental Quality Act;

i. Other Financing: The ARPA Funds Loan is expressly conditioned upon the Developer's ability to secure sufficient equity capital or firm and binding commitments for financing necessary to undertake the development and construction of the Project. All financing contemplated or projected with respect to the Project shall be, or have been, approved in form and substance by the Board of Supervisors. Other financing sources for the Proposed Project are anticipated to include HCD MHP, Tax Credits, a Construction Loan, and a Permanent Loan;

j. Monitoring Fee: Payment of annual compliance monitoring fee to the County in the amount of $6,000. Monitoring fee to be adjusted annually, not to exceed an increase in the Consumer Price Index (CPI); and

k. Successful negotiation of a loan agreement evidencing the loan of ARPA Funds in the amount approved herein, approved as to form by County Counsel, approved by the Board of Supervisors and executed by all required parties.

4) The Board of Supervisors' commitment to provide the ARPA Funds loan is subject to the satisfaction of the conditions precedent set forth herein, is valid until August 31, 2023, and shall thereafter have no force or effect, unless a ARPA Funds loan agreement related to the financing of the Project (approved as to form by County Counsel) has been approved and executed by the Board of Supervisors and the Developer.

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BOARD OF SUPERVISORS COUNTY OF RIVERSIDE

RESOLUTION 2022-125

APPROVING FUNDING ALLOCATION AND SUPPORT FOR APPLICATION FOR MULTIFAMILY HOUSING PROGRAM (MHP) TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE LAKE ELSINORE APARTMENT HOUSING PROJECT, LOCATED IN THE CITY OF LAKE ELSINORE

ADOPTED by Riverside County Board of Supervisors on June 28, 2022.

ROLL CALL:

Ayes:	Jeffries, Spiegel, Washington, Perez, and Hewitt
Nays:	None
Absent:	None

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA R. HARPER, Clerk of said Board

By: ______________________
Deputy

06.28.2022 3.32

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF STATE FINANCIAL ASSISTANCE
2020 W. El Camino Avenue, Suite 670, 95833
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771
www.hcd.ca.gov

March 30, 2022

MEMORANDUM FOR: POTENTIAL APPLICANTS

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

SUBJECT: **Multifamily Finance Super Notice of Funding Availability**

This Super NOFA and its applicable Guidelines are intended to advance the State's goal of creating 2.5 million homes by 2030 according to the 2022 Statewide Housing Plan, and in particular assist in producing the more than 1 million homes needed for Californians experiencing homelessness and people with low and very low incomes.

Together, the Guidelines and Super NOFA have these primary goals:

1. Produce more affordable and climate smart housing,
2. Act with urgency to address homelessness and housing stability,
3. Consolidate and streamline State affordable housing programs,
4. Reduce time and cost to develop housing,
5. Prioritize equitable State policy objectives in the creation of more homes in the State, and
6. Harmonize those State policy objectives with the broader affordable housing finance system.

The California Department of Housing and Community Development (Department or HCD) is pleased to announce the release of its initial Multifamily Housing Super Notice of Funding Availability (Super NOFA), for approximately $650 million in funds available under the following programs:

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

Per California Assembly Bill No. 434 (AB 434) (Chapter 192, Statutes of 2020), HCD is required to do the following for the programs listed above: (1) make the program funds available at the same time it makes funds, if any, available under the Multifamily Housing Program (MHP); (2) rate and rank the applications in a manner consistent with MHP; (3) administer the funds in a manner consistent with MHP; and (4) to the extent applicable, make the terms of any Designated Program loan consistent with MHP loan terms.[1]

This marks the first year for HCD to issue a Super NOFA that will provide applicants the opportunity to apply for any combination of the available funding programs at the same time and within the same round. The Super NOFA makes funds more accessible to developers (including emerging and community-based developers, and Tribal Entities), 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.

Application materials must be submitted electronically via the Super NOFA Application Portal "SNAP" no later than 4:00 p.m. Pacific Daylight Time on June 28, 2022. SNAP portal application upload and submittal instructions will be released with the application documents. Personal deliveries will not be accepted. No facsimiles, incomplete applications, application revisions, or walk-in application packages will be accepted.

The Super NOFA Application, online workshop details, and guidelines are posted on HCD's website AB 434 Multifamily Finance Super NOFA. The Super NOFA application will available and posted to the website no later than April 20, 2022. To receive information regarding online workshops and other updates, please subscribe to the Super NOFA email list.

If you have further questions, please contact SuperNOFA@hcd.ca.gov.

Attachment

[1] *The Housing for a Healthy California Program (HHC) and the Transit-Oriented Development Implementation Program (TOD) are also identified as programs subject to AB 434 but are not included in this NOFA as there is no program funding available at this time.*

MULTIFAMILY HOUSING DEVELOPMENT FUNDING

2022 Super Notice of Funding Availability (Super NOFA)

Gavin Newsom, Governor
State of California

Lourdes Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency

Gustavo Velasquez, Director
Department of Housing and Community Development

2020 West El Camino Avenue, Suite 500, Sacramento, CA 95833
Telephone: (916) 263-2771
Website: AB 434 Multifamily Finance Super NOFA
Email: SuperNOFA@hcd.ca.gov

March 30, 2022

Table of Contents

I. Overview

A. Notice of Funding Availability (NOFA)

The Department of Housing and Community Development (Department or HCD) is pleased to announce the initial release of this Multifamily Housing Super Notice of Funding Availability (Super NOFA) for approximately $650 million in funds, which may be augmented based on availability of funds. Since the NOFA consolidates up to six housing programs, it is also referred to as a Super NOFA. The Super NOFA is issued to distribute funds through a combination of HCD-administered multifamily rental housing programs. The Super NOFA and Guidelines for these programs implement the requirements of California Assembly Bill 434 (AB 434) (Chapter 192, Statutes of 2020). AB 434 amends, repeals, and adds sections to the Health and Safety Code (HSC) and to the Military and Veterans Code in relation to the Designated Programs.

In addition to the Designated Programs named in AB 434, HCD is also making IIG funding available for Large Jurisdiction Qualifying Infill Projects (QIPs) available under Infill Infrastructure Grant Program of 2019 (IIG-2019). As such, IIG will have two programs (2007 and 2019) with funding available. While IIG-2007 is a Designated Program under AB 434, IIG-2019 is not a Designated Program, and therefore is not required to harmonize with the Multifamily Housing Program (MHP). However, in an effort to streamline the development process, the Department has included IIG-2019 funds with the Super NOFA.

Programs providing funding pursuant to this Super NOFA include the following:

- **Multifamily Housing Program (MHP)** which provides loans to assist the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower income households.

- **Veterans Housing and Homelessness Prevention (VHHP) program** which provides funds for acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families to allow veterans to access and maintain housing stability.

- **Joe Serna, Jr. Farmworker Housing Grant (FWHG) program** which provides construction loans or deferred loans for multifamily housing, new construction, or rehabilitation to serve agricultural workers with a priority for lower income households.

- **Infill Incentive Grant Program (IIG) of 2007 (IIG-2007) and Infill Infrastructure Grant Program of 2019 (IIG-2019)** which provides 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). They are associated with specific residential or mixed-use infill development projects, or Qualified Infill Projects.

Funding for this Super NOFA is provided by a combination of funding sources as outlined below:

- Veterans and Affordable Housing Bond Act of 2018 (Proposition 1): Provides funding for IIG-2007, MHP, and FWHG.
- General Fund (as appropriated in the 2021 Budget Act): Provides funding for IIG-2019.
- Building Homes and Jobs Act (Senate Bill 2) Building Homes and Jobs Act (Senate Bill 2): Provides funding for FWHG.
- Veterans' Bond Act of 2008 (as amended by the Veterans Housing and Homeless Prevention Bond Act of 2014 (Prop 41): Provides funding for VHHP.

Funding Program[2]	**Approximate Funding Available**
Multifamily Housing Program (MHP)	$275 million
Veterans Housing and Homelessness Prevention (VHHP) Program	$95 million
Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program	$80 million
Infill Incentive Grant Program (IIG-2007) and Infill Infrastructure Grant Program (IIG-2019)	$200 million
Total Super NOFA fund available:	**$650 million***

*Total funds awarded maybe augmented based on the availability of funds.

AB 434 requires the Department to harmonize the other Designated Programs with MHP in four respects: 1) the Department is to make Designated Program funds available at the same time as it makes any MHP funds available; 2) it is to rate and rank Designated Program applications in a manner consistent with MHP applications; 3) it is to administer Designated Program funds consistent with MHP; and 4) to the extent applicable, it is to make the terms of any Designated Program loan consistent with MHP loan terms.

The Super NOFA and the guidelines for each Designated Program (Designated Program Guidelines or Guidelines) implement AB 434. 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.

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[2] *Please note that the Housing for a Healthy California Program (HHC) and the Transit-Oriented Development Implementation Program (TOD) are also identified as programs subject to AB 434 but are not included in this Super NOFA as there is no program funding available at this time.*

The separate sets of VHHP, FWHG, and IIG Guidelines incorporate MHP rules and standards, and maintains the distinctive features of their respective programs by establishing program-specific threshold criteria and other program-specific provisions.

The funds awarded under this Super NOFA will be allocated as permanent financing for affordable new construction, construction financing (FWHG), rehabilitation, preservation, conversion of nonresidential structures to affordable rental housing or transitional housing for households with incomes at or below sixty percent of Area Median Income (AMI), unless the program-specific guidelines state otherwise (i.e., for FWHG this is 80 percent AMI).

B. Timeline

NOFA Release	**March 30, 2022**
Application Release	**April 20, 2022**
Super NOFA Application Portal (SNAP) opens	**April 20, 2022**
Application Due Date	**June 28, 2022 by 4:00 p.m. PDT**
Award Announcement	**November 2022**

C. Authorizing Legislation and Regulations

Applications submitted under this Super NOFA are subject to the applicable Program Guidelines, all applicable statutory requirements, and this Super NOFA. Section references in this Super NOFA refer to Program guidelines unless otherwise noted. Capitalized terms in this Super NOFA are either defined herein or in the Designated Program guidelines. The Guidelines and Super NOFA are available at Multifamily Finance Super NOFA.

The administration of the Designated Programs and IIG-2019 are governed by the Guidelines that implement, interpret, or make specific the following laws:

- **MHP** was established by Chapter 637, Statutes of 1999 (SB 1121), which created Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code (HSC).

- **VHHP** was established by Article 3.2 (commencing with Section 997.001) of Chapter 6 of Division 4 of the Military and Veterans Code.

- **FWHG** was established by Chapter 3.2 (commencing with Section 50515.2) of Part 2 of Division 31 of the Health and Safety Code. The FWHG Guidelines referenced in this Super NOFA apply only to Rental Housing Developments.

Single-family development activities will be governed under a separate set of program guidelines consistent with AB 434 at a later time.

- **IIG-2007** was established by Chapter 2 (commencing with Section 53545.13) of Part 12 of Division 31 of the Health and Safety Code. The IIG Guidelines under AB 434 apply only to QIPs.

- **IIG-2019** was established by Part 12.5 (commencing with Section 53559) of Division 31 of the Health and Safety Code. The rules pertaining to all Qualifying Infill Projects in Large Jurisdictions are now set forth in the IIG-2007 Guidelines. The IIG-2007 Guidelines amend and restate the IIG-2019 Guidelines only with respect to Large Jurisdiction QIPs.

I. Program Requirements

The following is provided as a summary only. Applicants should refer to the MHP, VHHP, FWHG, and IIG Guidelines, as applicable, for a comprehensive discussion of the requirements that are relevant to their proposed projects.

A Project is not eligible for an award unless it meets all the threshold requirements of the applicable Designated Program(s) and IIG-2019. Please review the individual program guidelines of each program for complete information. Further, Sponsors/Applicants must achieve a minimum point score of 85 points in Universal Scoring criteria to be considered for a funding award.

A. Eligible Sponsor/Applicant

An Applicant is the entity or entities applying to the Department for the Program funding. Such entity or entities may also be the Sponsor. If receiving an Award of funds, the Applicant or co-Applicants will, both individually and collectively, be referred to as the "Recipient" in the Department's legal documents relative to an Award of a grant, or as "Sponsor" in the Department's legal documents relative to an Award of a loan.

A Sponsor shall be any individual, joint venture, partnership, limited liability company, limited partnership (including a limited partnership in which the Sponsor or an affiliate is a general partner), trust, corporation, cooperative, local public entity, Tribal Entity, other legal entity, or any combination thereof which meets the requirements of the following sections of the Designated Program Guidelines:

- MHP Section 7303 Eligible Sponsor
- VHHP Section 203 Eligible Sponsor
- FWHG Section 203 Eligible Sponsor
- IIG Section 201 Eligible Applicant (for additional information on IIG-2019 see Section 206: IIG 2019 Large Jurisdiction QIPs)

Note: Applicable only to the FWHG program: the Sponsor shall demonstrate to the department's satisfaction that the Sponsor is independent from any direction of, or control by, a for-profit entity, and shall meet the requirements of HSC 50517.5.

B. Eligible Projects

Eligible projects must meet the requirements set forth in the sections of the Designated Program Guidelines:

- MHP Guidelines Section 7302: Eligible Project
- VHHP Guidelines Section 201: Eligible Project
- FWHG Guidelines Section 202: Eligible Project
- IIG Guidelines Section 200: Eligible Capital Improvement Projects (for additional information on IIG-2019 see Section 206 IIG: 2019 Large Jurisdiction QIPs)

C. Eligible Use of Funds

Funds shall be used only for approved eligible costs that are incurred on the project as set forth in the MHP, VHHP and FWHG Designated Guidelines sections indicated below, including interim or bridge loans used to pay such costs. In addition, the costs must be necessary and must be consistent with the lowest reasonable cost consistent with the project's scope and area as determined by the Department.

- MHP Guidelines Section 7304: Eligible Use of Funds
- VHHP Guidelines Section 204: Eligible Uses of Funds
- FWHG Guidelines Section 205: Eligible Use of Funds
- IIG Guidelines Section 203: Eligible Use of Funds

IIG funds shall be used only for approved eligible costs that are incurred on the CIP as set forth in the IIG Guidelines. In addition, the costs must be necessary and must be consistent with the lowest reasonable cost consistent with the project's scope and area as determined by HCD.

D. Program Funding Amounts and Terms

1. MHP, VHHP, FWHG Loans

Program funding shall be sized in accordance with the per unit loan limits listed below:

a. For MHP loan limit calculations, the Unit count shall include the number of Restricted Units within the Rental Housing Development. For VHHP and FWHG loan limit calculations, the Unit count shall include the number of Assisted Units within the Rental Housing Development. The loan limit will be calculated based upon the Units' level of income restriction. If requesting funding from more than one of these three programs pursuant to this Super NOFA, the per Unit funding request is limited to one Designated Program (layering or stacking of these Super NOFA funds on the same unit is not permitted).

Manager units may be included in the per unit loan limit calculation, calculated at the 60% AMI level.

b. The amount per Assisted Unit (Restricted Unit for MHP) shall be the amount required to reduce rents from 30 percent of 60 percent (80 percent for FWHG) of Area Median Income (AMI) to the actual maximum restricted rent for the unit, assuming 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 Super NOFA.

c. The initial base loan amount shall be:

- $150,000 per Assisted Unit (Restricted Unit for MHP) utilizing 9 percent (9%) tax credits,
- $200,000 per Assisted Unit (Restricted Unit for MHP) utilizing 4 percent (4%) tax credits, or
- $225,000 per Assisted Unit (Restricted Unit for MHP) utilizing no tax credits.

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

- Co-applications including joint ventures, co-Sponsors, partnerships, limited liability companies, or limited partnerships between an experienced Sponsor and an Emerging Developer (a Tribal Entity may also be an Emerging Developer);
- Projects eligible for high or highest resource area points under the Universal Scoring Criteria; or
- Special Needs projects with at least 45 percent of Restricted Units for Special Needs Population(s).
  Note: The requirement for an increased base loan amount is greater than the minimum required 25 percent of Restricted Units for eligibility as a Special Needs project type.

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).

d. 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 HCD, and which are consistent with Uniform Multifamily Regulations (UMR) Section 8316.

e. Program loans for projects on Tribal Trust Land shall have an initial term of 50 years if an initial term of 55 years is deemed infeasible as determined by the Department.

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 $7.5 million under this Super 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 unit basis)					
Income Level & Tenure	**0-Bdrm**	**1-Bdrm**	**2-Bdrm**	**3-Bdrm**	**4-Bdrm**
200% FMR[3]	$3,700	$7,400	$11,100	$14,800	$18,500
Program Unrestricted[4]	$24,700	$28,400	$33,000	$40,800	$44,500
60% AMI Rental	$32,100	$35,800	$43,200	$50,600	$55,600
50% AMI Rental	$37,100	$42,000	$48,200	$58,000	$61,800
30% AMI Rental	$43,200	$45,700	$51,900	$66,700	$70,400

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.

[3] *200% Fair Market Rent (FMR) Unit: A 200 percent FMR Unit is a rental unit with a proposed monthly rent, which is equal to or greater than 200 percent of its county's FMR as defined by HUD.*

[4] *IIG Unrestricted: An unrestricted unit for the purposes of calculating grant amounts in IIG is any unit not restricted at the other levels identified in guidelines Appendix A Defined Terms, but also not meeting any of the above definitions. *Increase based on December Consumer Price Index per U.S. Bureau of Labor Statistics (BLS).*

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

For this Super NOFA, HCD is making IIG funding for QIPs available from two different sources. HCD will first evaluate whether applicants satisfy IIG-2007 and/or IIG-2019 threshold requirements. Applications that meet neither set of requirements will be disqualified. HCD will then rate/rank the remaining applications according to the Universal Scoring Criteria. HCD will award IIG-2007 funds to applicants that passed IIG-2007 threshold, according to their ranked order, until that funding is exhausted. HCD will then award IIG-2019 funds to applicants that passed IIG-2019 threshold, according to their ranked order. Unsuccessful IIG-2007 applicants will be awarded IIG-2019 funds if they made the IIG-2019 "opt-in" election and if they satisfied IIG-2019 threshold requirements.

b. Terms of the Proposed Award

Grant terms will be outlined in the Standard Agreement.

The term of the award shall be five years from the date of the award of Program funds. The term of the award may be extended in writing by the Department at its sole discretion, but in no event shall the term of the award exceed seven years from the date of the award of program funds.

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

Where the QIP is receiving low-income housing tax credits, the Recipient may provide Program funds to the Sponsor of the QIP in the form of a zero percent deferred payment loan, with a term of at least 55 years. The loan may be secured by a deed of trust, which shall be subordinate to all Department loan and grant documents and which may be recorded with the local county recorder's office, provided the beneficiary of the loan shall not under any circumstances exercise any remedy, including, without limitation, foreclosure, under the deed of trust without the prior written consent of the Department, in its sole and absolute discretion.

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

c. Performance Deadlines

i. The QIP shall complete construction of the housing units which were used as the basis for calculating the Program award within three years of securing all permanent financing. Completion of construction must be evidenced by a certificate of occupancy or equivalent documentation submitted to the Department.

ii. Program funds must be disbursed by the Program liquidation date of June 30, 2026. The Recipient must submit final disbursement requests no later than March 31, 2026.

E. Site Control

1. MHP, VHHP and FWHG

MHP, VHHP, and FWHG Projects shall comply with the site control requirements as set forth in UMR Section 8303 with the exception that the Sponsor shall maintain site control through the proposed award date, as stated in the Super NOFA, with the option to extend beyond that date.

Where site control is in the name of another entity, the Applicant shall submit documentation, in form and substance reasonably satisfactory to the Department (e.g. a purchase and sale agreement, an option, a leasehold interest/option, a disposition and development agreement, an exclusive right to negotiate with a public agency for the acquisition of the site), which clearly demonstrates that the Applicant controls the owner entity and has some form of right to acquire or lease the project property.

Where site control will be satisfied by a long-term ground lease, the Department will require the execution and recordation of the Department's form lease rider, which shall be entered into by and among the ground lessor, the ground lessee, the Department, and any other applicable parties. In all cases, the lease rider shall be recorded against the fee interest in the Project property.

a. For projects developed in Indian country, the following exceptions to the foregoing requirements apply:

i. Where site control is a ground lease, the lease agreement between the Tribal Entity and the project owner is for a period not less than 50 years; and

ii. An attorney's opinion regarding chain of title and current title status is acceptable in lieu of a title report.

2. IIG

The QIP and CIP shall comply with the site control requirements as set forth in UMR Section 8303 with the exception that the Applicant shall maintain site control through the proposed award date, as stated in the Super NOFA, with the option to extend beyond that date.

a. The following additional requirements shall apply to IIG QIP projects:

i. Where site control is in the name of another entity, the Applicant shall provide documentation, in form and substance reasonably satisfactory to HCD (e.g., a purchase and sale agreement, an option, a leasehold interest/option, a disposition and development agreement, an exclusive right to negotiate with a public agency for the acquisition of the site), which clearly demonstrates that the Applicant has some form of right to acquire or lease the project property.

ii. Where site control will be satisfied by a long-term ground lease, the Department will require the execution and recordation of the Department's form lease rider, which shall be entered into by and among the ground lessor, the ground lessee, the Department, and any other applicable parties. In all cases, the lease rider shall be recorded against the fee interest in the Project property.

b. The following shall apply to offsite work proposed for CIPs:

i. Recipient/Sponsor shall have a right of way or easement, which is either perpetual, or of sufficient duration to meet Program requirements, and which allows the Recipient and/or Sponsor to access, improve, occupy, use, maintain, repair, and alter the property underlying the right of way or easement; and

ii. Recipient/Sponsor shall have an executed encroachment permit for construction of any improvements or facilities within the public right of way or on public land.

c. For QIPs and CIPs developed in Indian country, the following exceptions to the foregoing requirements apply:

   i. Where site control is a ground lease, the lease agreement between the Tribal Entity and the Sponsor/Project owner is for a period not less than 50 years; and

   ii. An attorney's opinion regarding chain of title and current title status is acceptable in lieu of a title report.

F. Set-Asides, Geographic Distribution of Funds, and Discretionary Funds

1. Set-Asides

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

a. **Tribal Entity:** To the extent possible, no less than five (5) percent of the total Super NOFA funds, or approximately $32,500,000.

b. **Emerging and Community-Based Developers:** To the extent possible, no less than fifteen (15) percent of the total Super NOFA funds, or approximately $97,500,000, with one-third of this set-aside reserved for Emerging Developers.

   Community-Based Developers may only compete in the set-aside for this Super NOFA if they meet BOTH of the following: 1) maintain their corporate headquarters within 10 miles of the proposed project site or have three (3) deed-restricted affordable housing projects within 10 miles of the proposed project site; AND 2) directly provide at least two community benefit programs accessible to the general public within 10 miles of the proposed project.

   Experience points will not be considered in the ranking of this set-aside; however, the experience point category will be applicable if an application is unsuccessful in the Emerging Developer/Community-Based Developer set-aside and is then ranked with the remaining unfunded applications.

c. **Non-Tax Credit Projects:** To the extent possible no less than fifteen (15) percent of the total Super NOFA funds, or approximately $97,500,000.

d. **Senior:** To the extent possible, approximately twenty (20) percent of MHP funds will be awarded for Senior Housing projects in accordance with MHP Guidelines Section 7317(g).

Emerging Developers and Tribal Entities are encouraged to engage with the Department in a pre-application consultation session. Please refer to the Multifamily Finance Super NOFA website for additional information: Pre-Application Consultation.

In the event that any set-aside described under (A) through (D) is undersubscribed, any remaining funds will be used to assist remaining eligible applications in this Super NOFA that do not meet the set-aside requirements. See Scoring and Ranking section below for additional funding information.

2. Geographic Distribution of Funds

To the extent possible, the Department will target 44 percent of the total funds to projects in Southern California, 28 percent to Northern California, and 18 percent to projects in Rural areas. Ten (10) percent shall not be subject to a specific geographic distribution. In its sole discretion, HCD may determine the geographic distribution targets have been met based either on individual program funding components or on the amount of total funds awarded under this NOFA.

For the purpose of geographic distribution:

a. Targets are based on the percent of Extremely Low Income and Very Low Income renters in California, based on the HUD-released data from American Community Survey (ACS) for the 2014-2018 period.

b. "Rural" is defined to be consistent with the definition used by the Tax Credit Allocation Committee (TCAC) for the tax credit program. A list of Rural areas, as well as the methodology to determine Rural or Non-Rural status, can be found on TCAC's website at https://www.treasurer.ca.gov/ctcac/.

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 as defined by statute, including but not limited to the following 100% rural counties: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Trinity, Tuolumne

3. Discretionary Funds

Approximately ten (10) percent of the total Super NOFA funds, or $67,500,000, shall be held back as discretionary to facilitate full gap funding of projects pursuant to this Super NOFA and to achieve a balance of state policy goals.

G. Funding Limits

Use of multiple HCD funding sources on the same Assisted Units is permitted, subject to the following limitations:

1. No more than $35,000,000 in total rental housing development loans may be used per Project.

   a. This HCD-wide loan cap applies not only to 2022 Super NOFA awards but to all HCD multifamily rental housing development loan funds for onsite development costs.

      i. The $35,000,000 cap will be in place for one year beginning on the day the Super NOFA Application closes, June 28, 2022, and subject to renewal.
      ii. Awards made prior to the application close date will not be counted against the $35,000,000 cap. (See #3 below for additional loan limitations).
      iii. Funding limits set forth in section 2 (below) shall not include grants.
      iv. Prior to the release of the second Super NOFA in 2023, the Department will re-evaluate the HCD-wide loan cap for any needed adjustment.

   b. At the sole discretion of the Director of HCD, per-project funding levels in excess of $35,000,000 may be approved as exceptions to the cap if they uniquely advance state policy priorities. Examples include large development projects that include transformative community investments and advance climate goals through infill development, high density construction and proximity to transit.

      i. To request an exception to the cap, the project Sponsor/Applicant must submit justification prior to their Super NOFA application. Exception requests will be evaluated on a first-come, first-served basis and it is in the Sponsor's interest to submit justification as early as possible. After justifications are submitted a recommendation from staff will be made based upon the strength of evidence and offered to the Director's Office for consideration. If approved, applicants must submit documentation of Department approval with any subsequent Department applications for the applicable project. A form for outlining the justification of the exception request will be provided by the Department and require evidence of financial necessity.

2. Exceptions to the funding limit in subsection (1)(a) include loans for non-housing related infrastructure, transit amenities, programs, capitalized operating or operating subsidy reserves.

3. Total HCD funding, including Super NOFA funds, shall not exceed the following percentages of the total development cost:

- 40 percent for projects utilizing 9% tax credits
- 50 percent for projects utilizing 4% tax credits
- 75 percent for projects not utilizing tax credits

Total HCD funding, including Super NOFA funds, shall be inclusive of prior awards received by HCD projects entering the Super NOFA for additional funding, and shall also be applicable to future HCD awards subsequent to any Super NOFA award.

All Department Funding Sources listed in the HCD Repeal of Stacking Prohibition of Multiple Department funding sources Administrative Notice Number: 21-06, are applicable to the percentages of total development cost listed above. These Department funding sources include both loans and grants. This HCD-wide Department funding cap applies not only to 2022 Super NOFA awards, but to all Department awards.

At the sole discretion of the Director of HCD, funding levels in excess of the percentages above may be approved as exceptions to the limits if they uniquely advance state policy priorities. Examples include large development projects that include transformative community investments and advance climate goals through infill development, high density construction and proximity to transit.

To request an exception, the project Sponsor/Applicant must submit justification prior to their Super NOFA application. Exception requests will be evaluated on a first-come, first-served basis and it is in the Sponsor's interest to submit justification as early as possible. After justifications are submitted a recommendation from staff will be made based upon the strength of evidence and offered to the Director's Office for consideration. If approved, applicants must submit documentation of Department approval with any subsequent Department applications for the applicable project. A form for outlining the justification of the exception request will be provided by the Department and require evidence of financial necessity.

4. Each Sponsor/Applicant is limited to no more than $80,000,000 in Super NOFA fund awards of any type, excluding any applications awarded in which the Sponsor is a co-Applicant or part of a Joint Venture partnership, limited liability company, or limited partnership with an Emerging Developer or Tribal Entity. The per-Sponsor/Applicant cap is not applicable beyond an individual Super NOFA competition – it is not a cumulative per-Sponsor/Applicant cap across other HCD NOFA funding opportunities.

5. 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.

Note: The HCD Repeal of Stacking Prohibition of Multiple Department Funding Sources Memo shall remain applicable. A maximum of four HCD Funding Sources comprised of no more than two development loans and two housing-related infrastructure grants may be used on a single Project. Housing related infrastructure grants are those grants provided through the Affordable Housing Sustainable Communities program and also include the following: Housing Related Infrastructure (HRI) grants, Transit Oriented Development (TOD) Implementation Program - Infrastructure grants, and Infill Incentive Grant Program of 2007 (IIG-2007) and Infill Infrastructure Grant Program of 2019 (IIG-2019).

H. Cost Limitations

The limits on Developer Fee are set forth in the applicable Designated Program Guidelines and repeated below for ease of use.

- MHP Guidelines Section 7305: Cost Limitations
- VHHP Guidelines Section 205: Cost Limitations
- FWHG Guidelines Section 206: Cost Limitations

Developer Fee limits specified in UMR Section 8312 shall apply, except that:

1. UMR Section 8312(d) shall not apply.

2. For non-tax credit new construction projects, the total Developer Fee shall not exceed the following:

    a. For Projects with 49 or fewer Restricted Units (excluding units restricted at levels above 60 percent of AMI): the greater of $40,000 per Restricted/Manager's Unit or $1,200,000;

    b. For Projects with between 50 and 100 Restricted Units (excluding units restricted at levels above 60 percent of AMI): $2,200,000; and

    c. For Projects with more than 100 Restricted Units (excluding units restricted at levels above 60 percent of AMI): $2,200,000 plus $20,000 per Restricted Unit in excess of 100 up to a maximum of $3,500,000. The Developer Fee in excess of $2,200,000 must be deferred. Payment of deferred Developer Fee shall be in compliance with UMR Section 8314.

3. For projects utilizing four percent tax credits, Developer Fee payments shall not exceed the amount that may be included in project costs pursuant to Title 4 CCR, Section 10327(c)(2)(B); and

4. Joint ventures or co-Sponsors that include a Tribal Entity or an Emerging Developer that rely on partner to meet the experience requirements of an eligible Sponsor (this does not include contracting without co-ownership pursuant to section 7303(d)(3) MHP Guidelines), shall have their allowable total Developer Fee increased according to the following:

   a. For non-tax credit projects, an increase of $300,000 over the limits set forth in (b)(2) (a)-(c) above. Additionally, for projects with more than 100 units as defined above in (b)(2)(c), the Developer Fee paid from sources may increase up to $2,640,000.

   b. For projects utilizing four percent tax credits, an increase consistent with Title 4 CCR, Section 10327(c)(2)(E), if eligible pursuant to that section.

I. Threshold

A Project is not eligible for an award unless it meets all the threshold requirements of the applicable Designated Program(s) and IIG-2019. Below is a summary of some of the universal or Program-specific threshold requirements and is not to be considered a complete representation of the entirety of the threshold, or other requirements, terms, and conditions for MHP, VHHP, FWHG, and IIG. Please review the individual program guidelines of each program for complete information.

Further, Sponsors/Applicants must achieve a minimum point score of 85 points in Universal Scoring criteria to be considered for a funding award.

1. MHP Section 7303.1 Complete Threshold Requirements

All threshold requirements of MHP shall be satisfied. The following listed below are highlights of threshold requirements of MHP that may also apply to other Designated Programs:

- Projects with Special Needs Units shall provide services suitable to the needs of the Special Needs Population; and the application shall demonstrate a specific, feasible plan for delivery and funding of those services, including identification of the Lead Service Provider, service delivery partners and funding sources, pursuant to Section 7310 and 7314.

2. VHHP Section 202 Complete Threshold Requirements

All threshold requirements of VHHP shall be satisfied. The following listed below are highlights of threshold requirements of VHHP:

- Occupancy is restricted to the greater of 25 percent of total units in the Project or 10 units to VHHP Assisted Units. At least restrict 50% of Assisted Units to Extremely Low-Income Veterans (ELI) and at least 60% of these units must be Supportive Housing Units meeting one of the homeless subpopulations targeting requirements set forth in 201 (g).

- As part of application initial threshold review, meet the requirements specified in the following Sections:
  - Submission of the VHHP Supportive Services Plan application form
  - 201 (k), 201 (l), (Lead Service Provider (LSP) Experience)
  - 214 (b) (1), (Formal Agreement between LSP and Sponsor)

- Ensure compliance with the Disabled Veteran Business Enterprise (DVBE) and Veteran hiring requirements set forth in Section 217 of these Guidelines

- The Sponsor must demonstrate confirmation of local need for the Project set forth in Section 201 (p).

3. FWHG Section 204 Complete Threshold Requirements

All threshold requirements of FWHG shall be satisfied. The following listed below are highlights of threshold requirements of FWHG:

- Funding is prohibited for use in housing H-2A (temporary agricultural) workers.

- At least 25 percent of the units shall be reserved for Agricultural Households.

- The applicant shall document that there is sufficient demand for Agricultural Household units in the area in which the project is or will be located as evidenced by a market study.

- Farmworker Need- The maximum number of projects awarded per County under this Super 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

4. IIG Section 202 Complete Threshold Requirements (for IIG-2007)

All threshold requirements of IIG shall be satisfied. The following listed below are highlights of the threshold requirements of IIG:

- The application must involve an Eligible CIP pursuant to section 200. This includes the following requirements, among others, for the QIP:
    - Must meet the definition of a Qualified Infill Project under guidelines Appendix A Defined Terms;
    - Must include Net Densities on the parcels to be developed that are equal to or greater than the densities described in section 200;
    - Must include at least 15 percent of affordable units to be developed in the QIP's Affordable Units.

5. IIG Section 206 Complete Threshold Requirements (for IIG-2019)

IIG-2019 is not one of the Designated Programs and will have slightly different threshold requirements from IIG-2007. A QIP is not eligible for an IIG-2019 award unless it meets all the Threshold requirements of the IIG-2019 program set in section 206 of IIG Guidelines.

J. Scoring and Ranking

1. Scoring Overview

For the purposes of the Super NOFA, all scoring criteria have been outlined in Section III. Universal Scoring of this NOFA. This section details the scoring criteria applicable to all programs subject to AB 434.

The proposed rating and ranking system aims to accomplish the following goals:

- Minimize incentive to apply to multiple programs solely to increase funding levels,
- Minimize the number of partially funded projects,
- Ensure that VHHP and FWHG funds are utilized,
- Ensure high-quality projects are awarded, regardless of funding sources requested,
- Eliminate subjectivity in rating, ranking, award levels, or award types,
- Support more efficient use of time and resources, for both Applicants and HCD.

Applications that pass the initial threshold review will be scored using the Universal Scoring Criteria. In the event of tied point scores, HCD shall rank tied applications based on three factors pursuant to the tie-breaker system detailed in the Universal Scoring Criteria: 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 may not be fully evaluated.

The scoring and tiebreaker contained in the Universal Scoring Criteria is being implemented for the first time in this 2022 Super NOFA, thus the Department recognizes there may be some degree of unpredictability in the outcome of this competition.

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 Designated Program(s) and IIG-2019 and achieving a minimum point score of 85 points in Universal Scoring criteria will be considered for funding pursuant to the process described below. Please note, however, that regional 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 regional targets or set-asides may be used to fund remaining eligible applications based on ranked score.

a. Tribal, non-tax credit, and Emerging Developer/Community-Based Developer set-asides. Beginning with the top-ranked projects (according to the Universal Scoring Criteria including tiebreakers as applicable) eligible for a set-aside, the highest scoring set-aside applications will be "fully funded" (provided all applicable threshold, minimum point score, and underwriting criteria are met). "Fully funded" means these applications will receive an award of all requested program funds, subject to applicable limits. 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 available funding in the 2022 Super NOFA. Applicants that are eligible can compete in multiple set-asides if unsuccessful in one set-aside due to oversubscription (for example, Tribal and non-tax credit).

Experience points will not be considered in the ranking of the Emerging Developer/Community-Based Developer set-aside; however, the experience point category will be applicable if an application is unsuccessful in the Emerging Developer/Community-Based Developer set-aside and is then ranked with the remaining unfunded applications.

- **i.** Within the Emerging Developer/Community-Based Developer set-aside, priority will be given to Emerging Developers for approximately one-third of set-aside funds. These projects will be ranked against each other and funded first. The Department will also prioritize applications under the Emerging Developer/Community-Based Developer set-aside that do not include co-Sponsors/Applicants or Sponsors/Applicants that are part of joint ventures.

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

b. Once all set-asides are funded to the extent possible, remaining VHHP applications will be funded as described below, then FWHG, followed by MHP and IIG.

VHHP and FWHG applicants remaining after the set-asides are funded will be ranked separately according to their score for the Universal Scoring Criteria, including tiebreakers as applicable, until VHHP and FWHG funds are exhausted.

The highest ranking VHHP and FWHG projects will be fully funded until all VHHP and FWHG funds are exhausted. In other words, highest scoring applications will receive an award of all requested program funds for which they qualify.

c. When approximately 50 percent of VHHP program funds have been allocated to projects located in High/Highest Resource areas, and approximately 50 percent of FWHG funds have been allocated to projects located in High/Highest Resource areas, the Universal Scoring Criteria points for location in High/Highest Resource areas will no longer apply, and all remaining Applicants to these two programs will be awarded based upon their ranking without points for the High/Highest Resource area location.

d. Projects funded through VHHP and FWHG are accounted for in the regions' percentage targets. Additionally, if a concentration of VHHP or FWHG in any region would make it impossible for the Department to achieve an equitable NOFA-wide geographic distribution, the Department may skip to lower-scoring VHHP and FWHG applications.

e. At the point when VHHP funds are depleted, if the last funded VHHP application requests more VHHP funds than remain, MHP funds may be substituted for the VHHP funds at the sole discretion of the Department, or the application may be partially funded, or the Department may employ a skipping strategy. To qualify for partial funding, the Applicant must have an alternate plan for successfully securing other gap financing that would have been covered by VHHP or FWHG. Partially funded projects shall have 180 days to secure this gap financing. HCD may grant extensions to this timeframe at its sole discretion.

f. If the last-ranked FWHG application requests more FWHG funds than remain, that project will receive an augmentation of FWHG funds and be fully funded unless the funding augmentation would be in excess of $15 million. In that case, last-ranked FWHG application may be skipped for the next in line with a smaller request, or the Department may make remaining FWHG funds available in a future NOFA.

g. The remaining projects will be ranked according to their Universal Scoring Criteria point score and tie-breaker score and fully funded with the remaining MHP and IIG funds, as applicable, until there are no more funds available to fully-fund projects.

h. However, if the next ranked application according to the Universal Scoring Criteria originally requested VHHP or FWHG (but was not awarded VHHP or FWHG), then the Department at its sole discretion may either partially fund that application or skip to the next-ranked application that did not request VHHP or FWHG. To qualify for partial funding, the Applicant must have an alternate plan for successfully securing other gap financing that would have been covered by VHHP or FWHG. Partially funded projects shall have 180 days to secure this gap financing. HCD may grant extensions to this timeframe at its sole discretion.

i. The Department may employ the same skipping strategy as described above to achieve the statutorily required MHP allocation to Senior or other housing.

j. After MHP and/or IIG funds are largely depleted, if the next-ranked MHP or IIG application requests more MHP or IIG funds than remain in the NOFA, at the sole discretion of the Department, that project may receive an augmentation of funds and be fully funded if the augmentation would be $15 million or less. If the augmentation required to fully fund the request would be more than $15 million, the MHP or IIG application may be skipped or partially funded. Partially funded project(s) will be offered partial funds if they have an alternate plan for successfully securing other gap financing that would have been covered by MHP or IIG. Partially funded projects shall have 180 days to secure this gap financing. HCD may grant extensions to this timeframe at its sole discretion. If the next ranked partially funded project(s) are not deemed to have a viable plan for securing other gap financing, then they will be skipped, or the remaining funds will be made available in a future NOFA which includes such program funding.

k. If there are insufficient applications for MHP, VHHP, FWHG, or IIG funds that meet threshold, scoring, and underwriting requirements, any remaining funds will be made available in a future NOFA.

K. Negative Points and Disencumbrance Policies

The Department's Negative Points Policy (Administrative Notice Number 2022-01) and Disencumbrance Policy (Administrative Notice Number 2022-02), dated March 30, 2022 and published on the Department's website, are hereby incorporated by this reference to this Super NOFA as if set forth in full herein, and shall apply with equal force as all other provisions set forth herein.

If the Sponsor/Recipient/Applicant is subject to a negative points assessment based on the criteria outlined in the Department's Negative Points Policy or is determined to be ineligible for funding, HCD shall notify the Sponsor/Recipient/Applicant in writing in the initial point score letter.

II. Application Submission and Review Procedures

A. Application Submission Process

Applications must meet eligibility requirements upon submission (except as expressly indicated in the Guidelines). See Program Requirements above for eligible Sponsors/Applicants, eligible Projects, and eligible uses of funds. Applications that do not meet the filing deadline requirements will not be eligible for funding. Applications must be on HCD's forms and cannot be altered or modified by the Applicant. It is the Applicant's responsibility to ensure the application is clear, complete, and accurate. Excel forms must be submitted in Excel format, not a PDF document.

B. Electronic Submission

Application materials must be submitted electronically via the SNAP Portal (link).

Requirements for uploading the universal Super NOFA Application and required supporting documentation, including naming conventions, are described in the Super NOFA Application instructions page. Applicants must upload all application materials to the SNAP Portal no later than 4:00 p.m. Pacific Daylight Time on June 28, 2022.

C. Application Workshops and Pre-Application Consultation

HCD will conduct three in-person workshops and two recorded webinars for the Super NOFA. Please visit the Multifamily Finance Super NOFA website for the dates and registration information. Pre-application consultations are also available and can be requested by contacting SuperNOFA@hcd.ca.gov.

D. Disclosure of Application

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

E. Concurrent Applications

Due to the unique circumstances of the current challenging funding environment, the Department will allow Super NOFA Applicants to pursue more than one funding scenario. This means that a separate, concurrent application to other HCD program funding source(s) is permitted under this Super NOFA. These Applicants, however, MUST submit within each application a disclosure of all HCD applications under review or anticipated to be submitted. All anticipated applications with NOFAs subsequent to the Super NOFA application due date must be disclosed to Super NOFA staff no later than **September 1, 2022**. In addition, Applicants must notify Super NOFA program staff via the Super NOFA mailbox at the time the second application is submitted (SuperNOFA@hcd.ca.gov).

In instances where such Applicants 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. However, it is the Department's intent to avoid any possibility of over-subsidizing.

In the absence of compelling reasons to do otherwise, HCD's approach for Super NOFA Applicants will be to reduce the Super NOFA award commensurately with any amounts awarded under another HCD program.

F. Prior Awards

Applicants seeking to substitute previously awarded funds, including but not limited to substitutions in order 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 Sponsor/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 Super NOFA, so long as the previous award is unmodified. In this case, the Department will also allow previously awarded projects 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 projects 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 projects proposing a reduction to AMI levels on the unit mix, the awardee must engage with program staff of their prior award and confirm the change does not impact project feasibility and would not cause a reduction in awarded funds pursuant to that program's requirements. This consultation process must begin no later than June 1, 2022.

G. Significant Changes in Project After Application

The Department will review, and score based on information provided in the application. If there is a significant departure from the application, the Department may re-evaluate the project's score, reduce loan amount, or assign negative points to the Sponsor/Applicant.

III. 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	17
	Project Sponsor and Property Management Experience	20
	Project Readiness	20
	Adaptive Reuse / Infill / Proximity to Amenities / Sustainable Building Methods	21
	Cost Containment	5
Total Possible Universal Points		113

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 Restricted Units limited to various percentages of AMI, adjusted by household size, and as follows:

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

The “Percent of Area Median Income” category may be used only once. 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, the “Percent of Restricted Units” 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 45 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 Area Median Income							
		55%	**50%**	**45%**	**40%**	**35%**	**30%**	**25%**	**20% & below**
Percent of Restricted Units	**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 <u>any</u> 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.

Deeply affordable units under this paragraph (2) - those units with up to 30 percent AMI targeting - 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% of the larger units in the project must be provided at 30 percent of area median income, as applicable. So long as the applicant meets the 10% standard project-wide, the 10% 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

In Projects that rely on renewable project-based rental assistance contracts to maintain Fiscal Integrity consistent with the targeted income limits (and associated tenant Rents), scores will be based on the applicable income and Rent limits.

C. State Policy Priorities (17 points maximum)

1. <u>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</u>

Senior Projects do not qualify for High/Highest Resource Area points unless they also qualify as Special Needs Projects with at least 25% 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 five (5) points pursuant to paragraph (1) have been ranked according to the scoring criteria and as further described in a NOFA and recommended for award in the amount of 50% of all program funds available in a NOFA, remaining projects shall *not* receive five (5) points for meeting the requirements of this paragraph.

To the extent possible, the Department will aim to achieve 50% High and Highest Resource Area projects under VHHP and FWHG-funded projects.

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 Designated Program Assisted Units Serving Special Needs Populations, Agricultural Households (10 points maximum)

Chronically Homeless, Homeless via CES,[5] Other Special Needs, Agricultural Households	
Total % of Designated Program Assisted Units	Points
25%+	10 points
16-24%	9 points
10-15%	8 points

Note: Per Threshold Criteria for FWHG, the project shall meet the minimum percent of Assisted Units as defined in each NOFA. See NOFA for current minimum percent of Agricultural Household Assisted Units. Also see VHHP Guidelines Section 201 (f) through (i) for VHHP subpopulation threshold percentages.

Under this category, Rehabilitation Projects are scored differently from new construction. Rehabilitation Projects will automatically receive 10 points. To receive these points, the Project shall maintain any Chronically Homeless, Homeless, other 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 reviewed and approved by the Department.

Rehabilitation Projects must also meet the following conditions:

a. 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

[5] Coordinated Entry System (CES)

b. The contract for rehabilitation work equals or exceeds $60,000 per unit in hard construction costs. Hard construction costs mean costs included in a construction contract but excluding general requirements, profit and overhead.

3. Public Excess Lands (2 points maximum)
Two (2) points will be awarded if a new construction project is located on a site selected under Executive Order N-06-19 to enter into a ground lease with the state to create affordable housing on excess state-owned property.

D. Project Sponsor/Applicant and Property Management Experience (20 points maximum)
NOTE: For applications requesting IIG Program 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 paragraph (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 (1) and (2) will be awarded in the highest applicable category and are not cumulative. For points to be awarded in paragraph (2), an enforceable management agreement executed by both parties for the subject application 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 Regulatory Agreement period.

1. Development and Ownership Experience. Applications will be scored based on the number of subsidized rental housing projects (including tax credit projects) that the Sponsor/Applicant has completed and operated and whether the Sponsor/Applicant is subject to penalties pursuant to paragraph (3) below.

   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 activities), but not the experience of non-management board members. A Sponsor/Applicant may include the experience of a partner (e.g., Joint Venture partners pursuant to the Defined Terms Appendix of the MHP Guidelines) to gain experience points; however, the experienced partner must have a controlling interest in the project's ownership and a substantial and continued role in the project's ongoing operations, as evidenced in the organizational documents for the owner. Experience among partners shall not be aggregated. Any change in the ownership that reduces the Sponsor's/Applicant's role shall require prior written approval and recordation by the Department.

If a Sponsor/Applicant relies upon the experience of its principal for scoring, documentation of the principal's experience is required as set forth in the NOFA and application.

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

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

To obtain points for projects previously owned, a certification 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 10 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:	
For Special Needs projects: • 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. For Community-Based Developers: • 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.	15 points

The property manager shall have three or more years' experience serving the target population(s) proposed to be served in the application.	

Pursuant to Section 7303 of the MHP guidelines, Applicants with fewer than four active Rental Housing Developments in service more than three years shall contract with a bona-fide management company which itself earns a minimum total of five Property Management Experience points at the time of application.

b. To obtain development and ownership experience points, Tribal Entities may contract with a Developer who will not be the Project owner and may receive points commensurate with the Developer's experience pursuant to (A) above.

For purposes of this subparagraph only, a Developer is defined to include an entity pre-approved by the Department that has developed but not owned the requisite number of projects described in (A) above and that provides the certification described in (A) above for the projects for which experience points are requested. If the projects for which the entity requests experience points do not include two Department-regulated projects in service more than three years, the Tribal Entity shall also contract with a bona-fide management company which itself earns a minimum total of 5 Property Management Experience points at the time of application. For this purpose, only, "develop" shall mean developing the project scope and timeline, securing financing, hiring, or performing the services of a general contractor, and overseeing completion of construction and placement in service as well as asset managing the project for at least three years after construction completion. When seeking the Department's pre-approval, the entity shall provide fully executed copies of contracts demonstrating the Department's criteria for "develop" as specified above have been met.

The contract shall be in effect at least until the Project's stabilized occupancy (90% occupancy for single room occupancy (SRO) and Special Needs projects and 95% for all other projects), completion of all permanent loan closings, and achievement of all stabilization milestones of the Project's ownership agreement. Tribal Entities exercising the option under this subparagraph (B) to contract with a Developer for these experience points shall also contract for asset management for at least the term of the 15-year federal compliance period with an entity that has provided three (3) years of asset management for at least two Department-regulated projects.

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

a. To obtain points for projects previously managed, the ending date of the property management role must be no more than 10 years from the application deadline. In addition, the property management experience with a project shall not pre-date the project's construction completion date.

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:	
For Special Needs projects: • 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. For Community-Based Developers: • 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

When contracting with an experienced property management company under the terms of paragraphs (1) or (2) above, the Sponsor/Applicant or property co-management entity must obtain training in: project operations, on-site certification training in federal fair housing law, and manager certification in Internal Revenue Code (IRC) Section 42 Low Income Housing Credit Program requirements from a CTCAC-approved, nationally recognized entity. Additionally, the experienced property management agent or an equally experienced substitute, must remain for a period of at least 3 years from the construction completion date (or, for ownership transfers, 3 years from the sale or transfer date) to allow for at least one HCD monitoring visit to ensure the project is in compliance with HCD requirements for inspection and monitoring contained in the regulatory agreement. Thereafter, the experienced property manager may transfer responsibilities to the remaining general partner or property management firm following formal written approval from HCD.

3. <u>Negative Points</u> – An application will be assessed negative points based on one or more of the following:

a. Performance penalties assessed pursuant to the Department's Negative Points Policy (forthcoming) as may be amended from time to time.

b. VHHP applications where the project Sponsor was involved in a previously funded VHHP project(s) where there was a failure to make good faith efforts to hire Veterans for development, construction, and related jobs associated with the project pursuant to Section 217 of the VHHP Guidelines.

Negative points will be assessed as a reduction to the score earned under paragraphs (1) and (2) above and will serve as the final score for this criterion. For example, if a project earns 15 points under paragraph (1) Development and ownership experience and 5 points under paragraph (2) Project Management Company Experience but is assessed 3 negative points, the final score for this criterion would be 17 (15 + 5 - 3).

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

E. Project Readiness (20 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. Up to five (5) points will be awarded for evidencing Enforceable Funding Commitments for all construction financing, not including funds applied for under this NOFA, an allocation of tax exempt-bonds, and 4 percent or 9 percent tax credits. Commitment of bond financing is required and must be evidenced by a lender commitment.

b. Up to five (5) points will be awarded for evidence of Enforceable Funding Commitments for all permanent financing, grants, project-based rental assistance, and operating subsidies, excluding funds applied for under this NOFA, an allocation of tax-exempt bonds, and 4 percent or 9 percent tax credits. Commitment of bond financing shall be evidenced by a lender commitment.

For both construction financing commitments and permanent financing commitments, the assistance will be deemed to be an Enforceable Funding Commitment as this term is defined in the Defined Terms Appendix of the MHP 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, 4 percent tax credits or 9 percent 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 funds must be awarded prior to finalizing the preliminary point scoring of applications under this NOFA.

2. Local and Environmental Approvals (7 points maximum)

a. Land use approvals (5 points maximum) – Points will be awarded under either item i, ii, or iii 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 the planning department confirms eligibility for streamlined ministerial approval (including but not limited to the Senate Bill 35 (2017) Streamlined Ministerial Approval Processing) are eligible for these points.

For projects located within city limits where a FEMA Major Disaster Declaration has been made up to three years preceding the application due date, these five (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 within 90 days of award.

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.

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.

iii. One (1) point will be awarded for a letter signed by a planner certified by the American Institute of Certified Planners 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.

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 three years 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 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, and demonstrate to the Department's satisfaction that the project contributes to providing housing for disaster-impacted households.

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.

3. Organizational Documents (3 points maximum) – Points will be awarded if the ultimate borrowing entity or IIG-only Recipient, including all affiliated entities, is fully formed and all required organizational documents are submitted with the application.

4. 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 / Sustainable Building Methods (21 points maximum)

Applications will receive five (5) points for each of paragraphs (1), (3), (4) and six (6) points for paragraph (2) of the following four conditions, up to a maximum of 21 points as defined below:

- Infill development and Net Density
- Proximity to amenities
- Broadband access
- Sustainable building methods

1. Infill development and Net Density. Five (5) points will be awarded for infill development, including adaptive reuse of a vacant and underutilized non-residential building located in a developed area served with public infrastructure. The Project must meet one of the following requirements of (A) or (B) below:

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 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 sh all not be included.

b. Developed at average residential Net Densities on the parcels to be developed that are greater than the densities described below:

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.

2. Proximity to amenities. Maximum of six (6) points, may combine options under (a) and (b)

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

b. Projects within one-quarter mile of a Transit Station or Major Transit Stop shall receive 1 point.

These transit points shall be measured by a Walkable Route from the nearest boundary of the project to the outer boundary of the site of the Transit Station or Major Transit Stop.

3. Broadband access. Five (5) points will be awarded for projects meeting the following requirements:

   a. Residential dwelling units that can accommodate broadband service with at least a speed of 100 megabits (50 megabits for rural) per second for downloading and 20 megabits per second (10 megabits for rural) for uploading. Internet service and its ongoing fee is not required; and

   b. The application includes a plan for reducing barriers to access for project residents. The plan should be tailored to the needs of the tenant population and may include programs providing free or reduce internet prices; reasonable access to project facilities, computers, and shared Wi-Fi; and computer and Wi-Fi literacy training and technical assistance.

4. Sustainable building methods. Points will be awarded based on the following (up to a maximum of five (5) points):

   a. 2.5 points will be awarded if the Project supports the implementation of a sustainable community's strategy or alternative planning strategy that has been determined by the California Air Resources Board to achieve the region's greenhouse gas emissions target or other adopted regional growth plan intended to foster land use. Consistency with such plans must be demonstrated by a letter or resolution executed by an officer or an equivalent representative from the metropolitan planning organization, regional transportation agency, planning, or local transportation commission.

   b. If a sustainable community's strategy is not required for a region by law, 2.5 points will be awarded if the Project supports a regional plan that includes policies and programs to reduce greenhouse gas emissions. Evidence of consistency with such plans must be demonstrated by a letter or resolution executed by an officer of, or an equivalent representative from, the metropolitan planning organization or regional transportation planning agency or local transportation commission.

   c. A Project in which not less than 50 percent of the land area is within a Transit Priority Area shall receive 2.5 points. Evidence of Project location within, or partially within, a Transit Priority Area must be demonstrated by a letter or resolution executed by an officer of, or an equivalent representative from, the metropolitan planning organization, regional transportation planning agency, or local transportation commission.

d. Five (5) points will be awarded for a Project that is designed to achieve green building status beyond State mandatory building code requirements as verified upon construction completion by a certified LEED Green rater, certified Green Point rater, or licensed engineer. Applicants may select from the following green building certification programs:

Program	Minimum Required Tier or Designation
CalGreen	Tier 2
U.S. Green Building Council LEED Certification	Gold
GreenPoint Rated	New Construction: Gold Rehabilitation: Whole Building
ENERGY STAR	Certified Home
Living Future Challenge	Living Building

e. Three (3) points for Projects that achieve near electrification – projects where two out of three of the major energy appliances (cook stoves, space heating, water heating) are electric. Projects must be wired to be electric-ready, defined as having 240 volts outlets near each gas appliance.

f. Five (5) points will be awarded for Projects that are powered entirely through electricity with no connections to natural gas infrastructure.

G. Cost Containment—5 points maximum

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

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

(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 determined pursuant to Section 10327(c)(5) of the TCAC regulations, except that the increase for deeper targeting pursuant to Section 10327(c)(5)(C) of the TCAC regulations shall be limited to 80 percent (80%). Section 10327(c)(5) of the TCAC regulations states that for projects financed through CDLAC, "an increase of one percent (1%) in the threshold basis limits shall be available for every 1% of the project's Low-Income and Market Rate Units that will be income and rent restricted at or below 50 percent (50%) but above 35 percent (35%) of Area Median Income (AMI). An increase of 2 percent (2%) shall be available for every 1% of the project's Low-Income and Market Rate Units that will be restricted at or below 35% of AMI. In addition, the applicant must agree to maintain the affordability period of the project for 55 years (50 years for projects located on tribal trust land)." The Department, however, will only restrict to income levels in 5 percent increments.

Any project may be subject to performance penalties if the project's total eligible basis determined upon construction completion exceeds the revised total adjusted threshold basis limits for the year the project completes construction (or the original total eligible threshold basis limit if higher) by 40 percent.

H. Tiebreaker Score

In the event of tied point scores, the Department shall rank tied applications based on three factors which will be added together for a final tiebreaker score. The three 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% 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	1.10
1-Bedroom	1.00
2-Bedroom	0.75
3-Bedroom	0.50
4-Bedroom or larger	0.25

For purposes of this calculation:

- Units with federal project-based rental assistance shall be assigned targeted rent levels of 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.

b. Add the products calculated pursuant to the previous paragraph.

c. Divide the sum calculated pursuant to the previous paragraph by the total number of adjusted residential Units in the Project to obtain the average affordability.

d. Subtract (c) from 1.0.

2. Leverage of other funds.

a. Applications will be scored based on the leverage of other soft funds, meaning local public funds, including land donations or fee waivers to be used for permanent funding of the development costs attributable to the Restricted Units as a percentage of the total Project development cost.

b. Land donations will be counted as leveraged funds where the value is established with a current appraisal, with the amount discounted to reflect a purchase price that is lower than the appraised value, or any fees, or other reliably predictable payments required as a condition of the donation.

c. The capitalized value of rent differentials attributable to public project-based rental or public operating subsidies, based upon TCAC underwriting standards. Standards shall include the following and shall be annually aligned with TCAC standards for these capitalized values to the extent possible: a 15-year loan term; an interest rate based upon a spread over 10-year Treasury Bill rates; a 1.15 to 1 debt service coverage ratio; and a five percent (5%) vacancy rate.

The rental income differential for subsidized units shall be established by subtracting rental income at 40 percent AMI levels (30 percent AMI for Special Needs project types with project-based rental assistance) from the committed contract rent income documented by the subsidy source. In the case of a USDA rental subsidy only, the contract rent income is the higher of 60 percent AMI rents or the committed contract USDA Basic rents. The committed contract rent income for units with existing project-based Section 8 rental subsidy shall be documented by the current monthly contract rent in place at the time of the application or by contract rent committed to and approved by the subsidy source (HUD); rent from a rent comparable study or post-rehabilitation rent shall not be permitted.

The rent differential for projects with public operating subsidies shall equal the annual subsidy amount in year 1, provided the subsidy will be of a similar amount in succeeding years, or the aggregate subsidy amount of the contract divided by the number of years in the contract if the contract does not specify an annual subsidy amount.

D. Add the sum of all eligible soft funds as set forth in paragraphs (a), (b) and (c).

E. Divide (d) by total Project development cost and express as a decimal.

3. Additional Cost Containment. The "additional cost containment" category for the Tiebreaker follows the same methodology as the Cost Containment scoring category above, in Scoring Category G. This factor is calculated by dividing the project's eligible basis by the project's adjusted threshold basis limit as illustrated below:

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

(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 determined pursuant to Section 10327(c)(5) of the TCAC regulations, except that the increase for deeper targeting pursuant to Section 10327(c)(5)(C) of the TCAC regulations shall be limited to 80 percent (80%). Section 10327(c)(5) of the TCAC regulations states that for projects financed through CDLAC, "an increase of one percent (1%) in the threshold basis limits shall be available for every 1% of the project's Low-Income and Market Rate Units that will be income and rent restricted at or below 50 percent (50%) but above 35 percent (35%) of Area Median Income (AMI). An increase of 2 percent (2%) shall be available for every 1% of the project's Low-Income and Market Rate Units that will be restricted at or below 35% of AMI. In addition, the applicant must agree to maintain the affordability period of the project for 55 years (50 years for projects located on tribal trust land)." The Department, however, will only restrict to income levels in 5 percent increments.

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.

IV. Appeals

A. Basis of Appeals

1. Upon receipt of HCD's written notice that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient

basis for an award, Applicants under this Super NOFA may appeal such decision(s) to the Director of the Department or their designee pursuant to this section.

2. No Applicant shall have the right to appeal a decision of HCD relating to another Applicant's application (e.g., eligibility, award).

3. Any request to appeal HCD's decision regarding an application shall be reviewed for compliance with the Guidelines and this Super 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 HCD.

4. The appeal process provided herein applies solely to decisions of HCD made pursuant to this Super NOFA.

B. Appeal Process and Deadlines

1. **Process:** To file an appeal, Applicants must submit to the Director of the Department or their designee, 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 provide a detailed reference to the area or areas of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be considered if this information would result in a competitive advantage to an Applicant. Once the written appeal is submitted to HCD, no further information of materials will be accepted or considered thereafter. Appeals are to be submitted to HCD at SuperNOFA@hcd.ca.gov according to the deadline set forth in HCD review letters.

2. **Filing Deadline:** Appeals must be received by HCD no later than five (5) business days from the date of HCD's threshold review, or initial score letters, as applicable, representing HCD's decision made in response to the application.

C. Decision

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

V. Award Announcements and Contracts

A. Award Announcements

HCD will announce program awards on the Multifamily Finance Super NOFA website.

B. Contracts

Successful Sponsors/Applicants (awardee(s)) will enter into one or more Standard Agreements with HCD. The Standard Agreement contains all the relevant state and federal requirements, as well as specific information about the award and the work to be performed.

A condition of award will be that a Standard Agreement must be executed by the awardee(s) within 90 days (Contracting Period) of HCD's issuance of the award letter. Failure to execute the Standard Agreement(s) within the Contracting Period may result in award cancellation. The awardee(s) shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the awardee(s) without prior HCD consent is prohibited and will result in a default.

Once a project is awarded HCD funds, the Sponsor/Recipient is acknowledging the project as submitted and approved is the project that is to be funded and built. Any bifurcation would make that award null and void, as the awarded project is no longer feasible as originally submitted and awarded funds are unable to be assumed or assigned.

VI. Other State Requirements

The Sponsor/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 Rental Housing Development, the Sponsor/Recipient, its contractors or subcontractors, and any loan or grant activity, including without limitation the following:

- MHP Guidelines Section 7314: State and Federal Laws, Rules, Guidelines and Regulations
- VHHP Guidelines Section 303: 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

A. Article XXXIV

All projects subject to Article XXXIV shall comply with Article XXXIV, Section 1 of the California Constitution, as clarified by the Public Housing Election Implementation Law (PHEIL) (Health & Safety Code, § 37000 - 37002). Article XXXIV documentation for loans underwritten by HCD shall be subject to review and approval by HCD prior to the announcement of award recommendations.

Article XXXIV requires local voter approval before any state public body can develop, construct, or acquire a low-rent housing project in any manner. However, the PHEIL provides clarification as to when Article XXXIV is applicable. HSC section 37001, for example, lists a number of project types that are not considered “low-rent housing projects.”

Applicants must submit documentation that shows the project’s compliance with or exemption from Article XXXIV. If a project is subject to Article XXXIV, the HCD requires an allocation letter from the locality that shows that there is Article XXXIV authority for the project. A local government official with authority should prepare the allocation letter, and it should include the following:

- The name and date of the proposition and the number of units that were approved,
- A copy of the referendum and a certified vote tally,
- The number of units that remain in the locality’s “bank” of Article XXXIV authority (i.e., the number of units that are still available for allocation); and
- The number of units that the locality will commit to this project, including the manager’s unit.

If a project is statutorily exempt from Article XXXIV, then HCD requires an Article XXXIV opinion letter from the Applicant’s legal counsel. The Article XXXIV opinion letter must demonstrate that the Applicant has considered both the legal requirements of Article XXXIV and the relevant facts of the project (e.g., all funding provided by public bodies, including state, county, or city sources; the number of low-income restricted units; and the general content of any regulatory restrictions). Any conclusion that a project is exempt from Article XXXIV must be supported by facts and a specific legal theory for exemption that itself is supported by the Constitution, statute, and/or case law.

B. California’s Preservation Notice Law

All Applicants, Sponsors, co-Sponsors, 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).

C. Relocation

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 HCD from anyliabilities or claims for relocation-related costs.

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

VII. Other Terms and Conditions

A. Right to Modify or Suspend

HCD reserves the right, at is sole discretion, to suspend, amend, or modify the provisions of this Super NOFA at any time, including without limitation, the amount of funds available hereunder. If such an action occurs, HCD will notify all interested parties via HCD's email list and will post the revisions to the IIG website. Please be sure and subscribe to HCD's email list.

B. Conflicts

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

In the event of any conflict between the terms of this Super NOFA and Guidelines and either applicable state or federal law or applicable regulation, the terms of the applicable state or federal law or applicable 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 HCD shall not be responsible for any errors or omissions in the preparation of this Super NOFA.