DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF STATE FINANCIAL ASSISTANCE 651 Bannon Street, Sacramento, CA 95811 P. O. Box 952054 Sacramento, CA 94252-2054 (916) 263-2771 / FAX (916) 263-2763



GAVIN NEWSOM. Governor

July 7, 2025

MEMORANDUM FOR:

ALL POTENTIAL APPLICANTS

Jennife Heeger

FROM:

www.hcd.ca.gov

Jennifer Seeger, Deputy Director  $\bigcirc$  Division of State Financial Assistance

SUBJECT: Multifamily Finance Super NOFA - Los Angeles Disaster Notice of Funding Availability

The California Department of Housing and Community Development (Department or HCD) is pleased to announce the availability of approximately **\$101 million** in funds through this Notice of Funding Availability (NOFA).

The 2025 wildfires in Los Angeles County have intensified the region's longstanding housing crisis, underscoring the urgent need for multifamily low-income housing development. The Multifamily Finance Super NOFA – Los Angeles Disaster (MFSN-LA Disaster) makes funds more accessible to support the development of safe, fire-resilient multifamily low-income housing that will provide long-term stability, protect vulnerable populations, and contribute to a more equitable and resilient Los Angeles. Based on outreach with local stakeholders, HCD has created this NOFA to best serve the Los Angeles communities affected by the wildfires.

This MFSN-LA Disaster NOFA is tailored to meet the housing needs of the Los Angeles County disaster impacted areas. To prioritize the immediate affordable housing needs for disaster survivors, several enhancements were made to the previously published February 2025 MFSN Super NOFA.

- Modification of scoring criteria for State Policy Priorities in the MFSN-LA Disaster NOFA includes priorities for proximity to wildfires, local support, and occupancy preferences, and removal of scoring options for special populations and public lands.
- Additional points will be awarded to:
  - Projects based on geographic proximity to the fire perimeters of the Eaton, Hughes, and Palisades fires;
  - Projects that have local funding commitments and/or support from a city, county, or housing authority; and
  - Projects committing to an occupancy preference policy for households displaced by 2025 Los Angeles County wildfires.

The MFSN-LA Disaster NOFA also prioritizes project readiness to encourage the accelerated production of affordable housing for wildfire survivors:

- Additional points will be awarded to projects committing to a construction start date within 180 days of award.
- The MFSN-LA Disaster NOFA provides a two-phase award process to accelerate the delivery of affordable housing by prioritizing shovel-ready projects.

Based on the immediate need for affordable housing to serve wildfire survivors, this MFSN-LA Disaster NOFA creates flexible paths for projects to apply for the available funding with the goal of getting new housing units online and available for occupancy as soon as possible. To meet this goal, HCD encourages projects with the following non-traditional Department funding structures to apply for the available funds:

- Existing or currently in-construction market-rate projects looking to add newly restricted affordable units.
- Projects that are immediately ready to begin construction except for any funding provided by this MFSN-LA Disaster NOFA.

The speedy delivery of new multifamily low-income housing in Los Angeles County will allow the region to address its housing crisis, build a more resilient future, and provide a wide range of long-term benefits to low-income populations including:

- **Stable, Affordable Housing:** Subsidized and income-restricted units will provide relief from skyrocketing rents in the post-wildfire housing market with long-term affordability for displaced families.
- Enhance Resilience: Construct fire-resistant buildings using modern safety standards in lower-risk areas.
- **Promote Equity**: Ensure low-income and marginalized communities are not left behind in LA's rebuilding process.
- **Foster Economic Mobility**: Co-locate housing with support services (e.g., workforce development, childcare, healthcare access).
- Improved Access to Services and Community Resilience: Developments located near transportation corridors, helping low-income residents commute affordably. Concentrated development helps rebuild communities displaced by the wildfires and preserve cultural and familial ties.

The MFSN-LA Disaster NOFA will make funding available under the following Programs:

- Multifamily Housing Program (MHP)
- Supportive Housing Multifamily Housing Program (SHMHP)
- Transit-Oriented Development (TOD) Program
- Infill Infrastructure Grant Program of 2019 (IIG-2019)
- Veterans Housing and Homelessness Prevention (VHHP) Program

### Application Process and Timelines

To prioritize the immediate affordable housing needs for disaster survivors, several enhancements were made to the February 2025 MFSN Super NOFA to prioritize projects that will immediately begin construction or otherwise provide new units as soon as possible. To accomplish this, MFSN-LA Disaster NOFA provides for two application phases:

- Phase 1: Application materials must be submitted electronically via the Department's Multifamily Finance Super NOFA Application Portal, available online at <u>Multifamily Finance Super NOFA</u> no later than 4:00 p.m. PST on **August 21**, **2025**. Phase 1 applications will be reviewed and ranked based on the universal scoring criteria outlined in Article IV of this NOFA and will be required to achieve an overall minimum point score as well as minimum points in two scoring criteria, i.e. State Policy Priorities and Readiness.
- Phase 2: If, at the close of the Phase 1 application period on August 21, 2025, there are remaining funds, the Department will continue to accept applications in Phase 2 until all funds are awarded. Phase 2 applications must meet a minimum overall minimum point score and will be reviewed for threshold eligibility and awarded based on the date the application is received until all funds are exhausted.

To assist potential applicants, the Multifamily Finance Super NOFA application, recorded webinar resources, Guidelines and regulations are available on the Department's website at <u>Multifamily Finance Super NOFA</u>. The MFSN-LA Disaster NOFA application will be available on the MFSN webpage no later than July 21, 2025. To receive program information and other updates, please subscribe to the Department email list at <u>Email Signup</u>. If you have further questions, please contact <u>SuperNOFA@hcd.ca.gov</u>.

# **MULTIFAMILY FINANCE SUPER NOFA**

# 2025 Los Angeles Disaster Notice of Funding Availability



# Gavin Newsom, Governor State of California

# Tomiquia Moss, Secretary Business, Consumer Services and Housing Agency

# Gustavo Velasquez, Director California Department of Housing and Community Development

651 Bannon Street, Sacramento, CA 95811 Telephone: (916) 263-2771 Website: <u>Multifamily Finance Super NOFA</u> Multifamily Finance Super NOFA Email: <u>SuperNOFA@hcd.ca.gov</u>

July 7, 2025

# **Table of Contents**

I.	Overview	1
Α.	Notice of Funding Availability	1
В.	Timeline	4
С.	Authorizing Legislation, Regulations, and Guidelines	4
II.	Program Requirements	5
Α.	General Requirements	
в.	SHMHP and TOD Program Requirements	6
С.	VHHP Program Requirements	7
D.	Program Funding Limits, Amounts, Terms, and Goals	8
Ε.	Threshold Requirements	14
F.	Rating and Ranking	15
III.	Application Submission and Review Procedures	. 16
Α.	Application Submission Process	
в.	Electronic Submission	17
С.	Application Webinar and Pre-Application Inquiries	18
D.	Disclosure of Application	18
Ε.	Concurrent Applications	18
F.	Prior Awards	19
G.	Significant Changes in Project After Application	19
IV.	Universal Scoring Criteria	. 19
Α.	Summary	19
в.	Extent to which the Project serves households at the lowest income levels	20
С.	State Policy Priorities	22
D.	Project Sponsor/Applicant and Property Management Experience	23
Ε.	Project Readiness	26
F.	Adaptive Reuse / Infill / Proximity to Amenities	30
G.	Cost Containment	31
н.	Negative Points	
Ι.	Tiebreaker Score	32
ν.	Appeals	. 35
Α.	Basis of Appeals	35
В.	Appeal Process and Deadlines	36
С.	Decision	36
VI.	Award Announcements and Contracts	. 36
Α.	Award Announcements	36
В.	Contracts	36
VII.	Other State Requirements	. 37
А.	California's Preservation Notice Law	37
в.	Relocation Requirements	37

VIII.	Other Terms and Conditions	38
Α.	Right to Modify or Suspend	.38
В.	Conflicts	.38

# I. <u>Overview</u>

# A. Notice of Funding Availability

The California Department of Housing and Community Development (Department or HCD) is pleased to announce the release of this Multifamily Finance Super Notice of Funding Availability – Los Angeles Disaster (MFSN-LA Disaster NOFA) for approximately \$101 million in funds, which may be augmented based on availability of funds. This MFSN-LA Disaster NOFA is issued to distribute funds through a combination of HCD-administered multifamily rental housing and infrastructure Programs for areas impacted by wildfires occurring in January 2025 in Los Angeles County. Awards are limited to Projects located in Los Angeles County.

The MFSN-LA Disaster NOFA and Designated Program Guidelines<sup>1</sup> (or Guidelines) implement the requirements of California Assembly Bill 434 (AB 434) (Chapter 192, Statutes of 2020). AB 434 requires the Department to harmonize the other Designated Programs<sup>2</sup> with MHP in four (4) respects:

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

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

For 2025, MFSN includes funding from SHMHP and TOD<sup>3</sup> programs, with their program-specific provisions listed in Article II(B) below. Programs providing funding pursuant to this NOFA include the following:

• **Multifamily Housing Program (MHP),** which provides loans to assist the new construction, Rehabilitation, and conversion of permanent and transitional rental housing for Lower Income households.

<sup>&</sup>lt;sup>1</sup> For purposes of this NOFA, Designated Program Guidelines includes MHP and IIG Program Guidelines dated July 7, 2025.

<sup>&</sup>lt;sup>2</sup> Designated Program is defined in the applicable MHP Guidelines, except that for purposes of this NOFA, the term "Designated Program" shall include the Supportive Housing Multifamily Housing Program (SHMHP) as well.

<sup>&</sup>lt;sup>3</sup> TOD was identified as a program subject to AB 434 but was not included in previous MFSN NOFAs as there was no TOD program funding available at that time.

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

Unless otherwise indicated by context, the term "Project" should be interpreted to mean "Capital Improvement Project" when considered in connection with IIG funding. The funds awarded under IIG will be in the form of an infrastructure grant.

The loan funds awarded under this MFSN-LA Disaster NOFA will be allocated as permanent financing for affordable new construction, Rehabilitation, preservation, and conversion of nonresidential structures to affordable rental housing for households with incomes at or below 60 percent of Area Median Income (AMI). MHP funds may also be utilized to provide support through:

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

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

The MHP funds awarded for COSRs and Supportive Services Reserves will be in the form of a grant.

This MFSN-LA Disaster NOFA makes MFSN program funds available for disaster impacted areas from wildfires occurring in January 2025 in Los Angeles County. Major differences between this NOFA and the February 13, 2025 MFSN NOFA include:

- A requirement that Projects must be located in Los Angeles County;
- No ranking priorities for Emerging Developers and Community-Based Developers; and
- Modification of scoring criteria for State Policy Priorities to include priorities for proximity to wildfires, local support, and occupancy preferences, and removal of scoring options for special populations and public lands.

Funding for this MFSN-LA Disaster NOFA is provided by a combination of funding sources as outlined below:

Funding Program⁵	Approximate Funding Available*
Multifamily Housing Program (MHP): capital and operating funds	\$50,000,000
Supportive Housing Multifamily Housing Program (SHMHP)	\$12,000,000
Transit-Oriented Development (TOD) Program	\$24,000,000
Infill Infrastructure Grant Program of 2019 (IIG-2019)	\$10,000,000
Veterans Housing and Homelessness Prevention (VHHP) Program	\$5,400,000
TOTAL	\$101,400,000

\*Total funds awarded may be augmented based on the availability of funds.

This MFSN-LA Disaster NOFA occurs in an overlapping timeline with the February 2025 MFSN NOFA. As a result, any funds remaining from that February 2025 MFSN NOFA may be transferred to this MFSN-LA Disaster NOFA prior to award announcements. In addition, MHP funds may be substituted into this MFSN-LA Disaster NOFA for all or a portion of SHMHP and/or TOD program funds if those SHMHP or TOD funds are awarded instead under the February 13, 2025 MFSN NOFA, at the sole discretion of the Department.

As of the publication date of this MFSN-LA Disaster NOFA, the amounts in the table above for the following programs are the last remaining funds available: MHP,

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

SHMHP, TOD, IIG-2019, and VHHP. As a result, augmentation is limited or impossible for these programs, including augmentation as described in the Ranking Overview, Article II(F)(2) below. If additional funds become available (for example, as a result of disencumbered funds) prior to this MFSN-LA Disaster NOFA's awards, limited augmentation may occur.

### **B.**Timeline

To prioritize the immediate affordable housing needs for disaster survivors, several enhancements were made to the February 2025 MFSN Super NOFA to prioritize projects that will immediately begin construction or otherwise provide new units as soon as possible. To accomplish this, the MFSN-LA Disaster NOFA provides two application phases:

For Phase 1, application materials must be submitted electronically via the Department's MFSN-LA Disaster NOFA Application Portal, available online at <u>Multifamily Finance Super NOFA</u> no later than 4:00 p.m. PST on **August 21, 2025**. Phase 1 applications will be reviewed and ranked based on the universal scoring criteria outlined in Article IV of this NOFA and will be required to achieve an overall minimum point score as well as minimum points in two scoring criteria – State Policy Priorities and Readiness.

If, at the close of the Phase 1 application period, there are remaining funds, the Department will continue to accept applications as part of Phase 2 until all funds are awarded. Phase 2 applications must meet a minimum overall minimum point score and will be reviewed for threshold eligibility and awarded based on the date the application is received.

NOFA Release	July 7, 2025
Application Release	July 21, 2025
Application Portal Opens	July 21, 2025
Phase 1 Applications Due	August 21, 2025
Phase 1 Award Announcement	November 2025
Phase 2 Award Announcements	Beginning December 2025 and ongoing until funds are exhausted

# C. Authorizing Legislation, Regulations, and Guidelines

Applications submitted under this MFSN-LA Disaster NOFA are subject to the applicable Designated Program Guidelines, all applicable statutory requirements, and this NOFA. Guidelines section references in this NOFA refer to MFSN Program

Guidelines unless otherwise noted. Capitalized terms in this MFSN-LA Disaster NOFA are either defined herein or in the Designated Program Guidelines. The Guidelines and NOFA are available on the Department's website at <u>Multifamily Finance Super NOFA</u>.

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

- Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the HSC (MHP).
- Chapter 637 (commencing with Section 50675.14) of Part 2 of Division 31 of the HSC (SHMHP).
- Part 13 (commencing with Section 53560) of Division 31 of the HSC (TOD).
- Part 12.5 (commencing with Section 53559) of Division 31 of the HSC (IIG-2019). The IIG Guidelines under AB 434 apply only to QIPs.
- Article 3.2 (commencing with Section 987.001) and Article 5y (commencing with Section 998.540) of Chapter 6 of Division 4 of the Military and Veterans Code (VHHP).

#### II. Program Requirements

#### A. General Requirements

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

MHP Guidelines requirements in red text are applicable to SHMHP and TOD programs, with additional SHMHP and TOD program-specific requirements listed in Section B below. TOD and SHMHP program funds will be administered consistent with MHP loan terms.

MHP Guidelines requirements in red text are applicable to the VHHP program, with additional VHHP program-specific requirements listed in Section C below.

A Project is not eligible for an award unless it meets all the threshold requirements of all applicable Designated Program(s) from which funding is being sought. Please review the individual Program Guidelines and this MFSN-LA Disaster NOFA for complete information. Further, Sponsors/Applicants for Phase 1 must achieve a minimum point score of 90 points in the Universal Scoring Criteria, including at least eight (8) State Policy Priorities points and at least ten (10) Readiness to Proceed points, to be considered for a funding award.

# **B. SHMHP and TOD Program Requirements**

Applications for SHMHP or TOD Program funds will be evaluated through the ranking process described in Section F below; there is no separate ranking process for SHMHP or TOD.

1. <u>Supportive Housing Multifamily Housing Program Requirements</u>

In addition to red text requirements in the MHP Guidelines, a SHMHP Project must

satisfy the following requirements, as demonstrated in the application:

- The following MHP Guidelines Sections are applicable to SHMHP Projects: Section 7302(e)(5) and (f), Section 7303.1(l), Section 7310, Section 7326(c), and Section 7328.
- At least 40 percent of Units in the proposed development shall be targeted to one or more of the following populations:
  - Individuals or families experiencing Chronic Homelessness as defined in MHP Program Guidelines Appendix A;
  - Homeless youth as defined in Government Code Section 12957, subdivision (e)(2); and/or
  - Individuals exiting institutional settings, including, but not limited to, jails, hospitals, prisons, and institutes of mental disease, who were homeless when entering the institutional setting, who have a disability, and who resided in that setting for a period of not less than 15 days.

# 2. <u>Transit-Oriented Development Program Requirements</u>

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

- At least 15 percent of the Units in the proposed development shall be made available at an affordable rent or at an affordable housing cost to persons of very low or low income.
- The Project must be located on a parcel(s) at least a portion of which is located within one-quarter mile of a Transit Station.
- The Project must meet net density requirements in IIG Guidelines dated July 7, 2025, Section 200(b)(3).
- The Project must be located in an area designated by the appropriate council of governments for infill development as part of the region's sustainable communities strategy adopted pursuant to Section 65080 of the Government Code.

# C. VHHP Program Requirements

Applications for VHHP Program funds will be evaluated through the ranking process described in Section F below; there is no separate ranking process for VHHP. In addition to red text requirements in MHP Guidelines, a VHHP Project must satisfy the following requirements, as demonstrated in the application:

- The minimum VHHP Eligible Households occupancy restriction is the greater of 25 percent of total Units in the Project or 10 Units. If a Project is determined to be rural as defined in HSC Section 50199.21, then a minimum of five Units must be restricted to VHHP Eligible Households.
- Occupancy restrictions are required for at least 50 percent of VHHP Assisted Units to Extremely Low-Income Veterans, with Rents not exceeding 30 percent of 30 AMI, calculated in accordance with TCAC regulations and procedures. Furthermore, at least 60 percent of these Extremely Low-Income Veterans Units must be Supportive Housing Units.
- Sponsors shall certify adherence to Housing First property management and tenant selection practices, as described in Sections 211, 212, and 213 of the VHHP Guidelines dated May 18, 2023 (the "VHHP Guidelines").
- The MFSN application will require documentation of the following, as stated in Section 201(j) of VHHP Guidelines dated May 18, 2023:
  - VHHP Supportive Services Plan
  - Lead Service Provider (LSP) Experience, as described in VHHP Guidelines Section 201(k) and (I)
  - Formal Agreement between LSP and Sponsor, as described in VHHP Guidelines Section 214(b)(1)
- Projects with VHHP Assisted Units other than Supportive Housing Units must utilize an organization to provide resident services coordination that has at least 24 months experience in providing this service in publicly assisted affordable housing. The organizational experience of the partner agency must be documented through contracts with public agencies, housing authorities, housing owners or foundations for services provided to at least 10 households at any one time within 10 years of the application deadline for this MFSN-LA Disaster NOFA. This experience must be either in housing Projects subject to agreements with public agencies restricting Rent and occupancy, or through tenant-based housing assistance programs. Resident service coordination services at a minimum for these Projects must meet Section 214(c) of VHHP Guidelines.
- Sponsor(s) must demonstrate confirmation of local need for the Project by including in the application: (i) A letter from the local VA office (Network Homeless Coordinator or similar official) describing the population to be served by the Project, the type of housing to be provided (Transitional Housing or Permanent Supportive Housing), and why it will meet a high-priority local need; and (ii) A letter from the local Continuum of Care (CoC) or Tribal Indian Housing Authority, as applicable, addressing the same points.

- Sponsor(s) must comply with Section 210 VHHP Occupancy Requirements, Section 215 VHHP Vulnerable Populations Best Practices, and Section 217 Additional VHHP Requirements of VHHP Guidelines.
- If awarded, prior to permanent loan closing Sponsor(s) must satisfy the requirements pursuant to Section 214 of VHHP Guidelines regarding a Project's Supportive Services plan.

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

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

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

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

#### a. Per Unit Loan Limits

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

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

For loan limit calculations of all other loan programs under this MFSN-LA Disaster NOFA, the Unit count shall include the number of Assisted Units within the Rental Housing Development. For SHMHP, TOD, and VHHP, Assisted Units shall be restricted at levels to not exceed 60 percent AMI.

#### b. Per Unit Loan Limit Calculation

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

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

Projects eligible for High/Highest Resource Area points under the Universal Scoring Criteria set forth at Article IV of this MFSN-LA Disaster NOFA will have the initial base per Unit Ioan limit increased by a maximum \$25,000 per Assisted Unit (Restricted Unit for MHP).

MHP per Unit Ioan limit calculations may be additionally increased for Projects meeting the requirements of MHP Guidelines Section 7310.1, Medi-Cal Funded Supportive Services. The per Unit Ioan amount may be increased by \$25,000 per Qualifying Unit (MHP Guidelines Section 7310.1(c)(1)).

The MHP loan amount may be increased by \$100,000 per qualifying Project for on-site supportive services space for Eligible Service Providers to provide Qualifying Services (MHP Guidelines Section 7310.1(c)(2)). Projects qualifying under both 7310.1(c)(1) and (2) are eligible to receive both loan increases.

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

The <u>HCD Repeal of Stacking Prohibition of Multiple Department Funding</u> <u>Sources Administrative (Notice Number: 21-06)</u>, dated August 20, 2021, as amended September 13, 2023 and which may be further amended from time to time, is applicable to any prior Department loan awards that are identified in that Administrative Notice. The foregoing Administrative Notice is hereby incorporated by this reference to this MFSN-LA Disaster NOFA as if set forth in full herein and shall apply with equal force as all other provisions set forth herein.

#### c. Terms of the Proposed Award

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

relevant Designated Program Guidelines and shall remain in effect for such term notwithstanding the prepayment of the loan and the release and reconveyance of the deed of trust securing the same.

Program loans for Projects located in Indian Country shall have an initial term of 50 years if an initial term of 55 years is deemed infeasible as determined by the Department and may be secured by a security instrument acceptable to the Department.

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

#### 2. IIG Funding Amounts and Terms

a. Funding Amounts

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

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

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

IIG Grant Amount Calculation (Amounts are represented on a per QIP Unit basis)						
Income Level & 0-Bdrm 1-Bdrm 2-Bdrm 3-Bdrm 4-Bdrm						
IIG Unrestricted <sup>6</sup>	\$4,700	\$9,400	\$14,200	\$18,900	\$23,700	
60% AMI Rental	\$41,000	\$45,800	\$55,300	\$64,700	\$71,100	
50% AMI Rental	\$47,400	\$53,700	\$61,600	\$74,200	\$79,000	
30% AMI Rental	\$55,300	\$58,400	\$66,300	\$85,300	\$90,000	

\*Increases based on <u>December Consumer Price Index</u> per U.S. Bureau of Labor Statistics (BLS).

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

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

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

#### b. <u>Terms of the Proposed Award</u>

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

In consideration for the IIG award to the Recipient, there shall be a Covenant<sup>7</sup> 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. With respect to land located in Indian Country, the Covenant shall be binding, effective and enforceable for a period of 50 years. With respect to land held in trust by the Bureau of Indian Affairs or land subject to a restriction by the United States against alienation, the Covenant shall be recorded with the Bureau of Indian Affairs against the leasehold estate.

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

- 3. Funding Limits
  - a. Use of multiple Department funding sources on the same Assisted Unit is permitted, subject to the following limitations (as well as the limitations of Article II(D)(1) and II(D)(2) of this MFSN-LA Disaster NOFA):
    - i. No more than \$50,000,000 in total MFSN Rental Housing Development loans, MHP COSR, and Supportive Services Reserves grant funds may be awarded per Project.
    - ii. No more than \$20,000,000 in MHP COSR may be awarded per Project.
  - b. MHP COSR awards pursuant to this MFSN-LA Disaster NOFA are limited to approximately \$50 million of MHP program funds. Projects receiving MHP funds for a COSR under this NOFA must also receive MHP loan funds for capital costs under this NOFA. MHP funds for only COSRs are not permitted.

<sup>&</sup>lt;sup>7</sup> "Covenant" or "Affordability Covenant" means an instrument which imposes development, use, and affordability restrictions on the real property site(s) of the Qualifying Infill Project, and which is executed by all Recipients and the fee owner of such real property and recorded against the fee interest in such real property site(s). In the case of tribal trust or restricted land, the Covenant is executed by all Recipients and other necessary parties and is approved by and recorded with the Bureau of Indian Affairs (BIA) against the leasehold estate. In all cases, the subject instrument is recorded in the relevant county recording system. The Covenant is executed as consideration for the IIG Program award to the Recipient.

- c. Each Sponsor/Applicant is limited to no more than \$50,000,000 in MFSN loan or grant awards of any type, excluding any applications awarded in which the Sponsor is a co-Applicant with an Emerging Developer or Tribal Entity. No application submitted by a Sponsor/Applicant may benefit competitively by the withdrawal of another, higher-ranked application submitted by the same Sponsor/Applicant or related party. The per-Sponsor/Applicant MFSN-LA Disaster NOFA funding limit is not applicable beyond an individual MFSN-LA Disaster NOFA competition, and it is not a cumulative per-Sponsor/Applicant cap across other Department NOFA funding opportunities.
  - d. The Department will offer loan funding from only one (1) Program (MHP, SHMHP, TOD, or VHHP) per eligible Unit. However, projects must still comply with the "two-loan, two-grant per Project" rule articulated in the <u>HCD</u> <u>Repeal of Stacking Prohibition of Multiple Department Funding Sources</u> (Administrative Notice Number: 21-06), dated August 20, 2021, as amended September 13, 2023 and which may be further amended from time to time. Additionally, the Department will not award funding from a specific MFSN Program to a Unit that previously received funding from the same program funding source. Previously awarded funding includes awards made from the February 2025 MFSN NOFA. For example, the Department will not provide MHP funding under this MFSN-LA Disaster NOFA to Units that were awarded MHP funding in a prior MHP or MFSN round.
  - e. For Projects assisted by MHP, the number of MHP Assisted Units shall equal the number of Restricted Units with the exception that Units assisted by a SHMHP, TOD, or VHHP award under this MFSN-LA Disaster NOFA will not be additionally assisted by MHP.
- 4. Performance Requirements
  - a. Eligible Projects must meet the performance deadlines set forth in the following sections of all applicable Designated Program Guidelines:
    - MHP Guidelines Section 7321
    - IIG Guidelines Section 403

In addition, for applications that are submitted with a financing structure that does not rely on tax-exempt bond or low-income housing tax credit financing, upon receipt of an Award of Program funds from this MFSN-LA Disaster NOFA, the Sponsor shall commence construction on the Project within 180 days of the Award, and shall demonstrate in the application that construction can commence within the required 180 days as demonstrated by receipt of twenty-seven (27) Project Readiness points of which:

- Five (5) points must be obtained for land use approvals (as described in Section E.2.a.i. of Article IV) and the application must document the status by submitting the application's local approvals and environmental review verification form executed by the applicable local agency. Project sites subject to streamlined ministerial approval or use by right (as further detailed in MHP Guidelines Section 7303.1(h)) must document verification or approval from the applicable local agency in the application. For purposes of fulfilling this performance requirement, applicants may not utilize the approvals extension provided for location within a FEMA Major Disaster Declaration.
- Two (2) points must be obtained for environmental approvals (as described in Section E.2.b. of Article IV). Project sites subject to streamlined ministerial approval or use by right (as further detailed in MHP Guidelines Section 7303.1(h)) must document verification or approval from the applicable local agency in the application. For purposes of fulfilling this performance requirement, applicants may not utilize the approvals extension provided for location within a FEMA Major Disaster Declaration.
- b. This MFSN-LA Disaster NOFA includes funding from multiple programs, each of which may have differing disbursement deadlines pursuant to legislative requirements. Each awarded Project's Standard Agreement will set forth the general conditions of disbursement, including disbursement and liquidation deadlines. As of the drafting of this MFSN-LA Disaster NOFA, the earliest liquidation date for MFSN program awards is June 30, 2030, for MHP program funds which would require Sponsor to request funds no later than March 31, 2030.<sup>8</sup>
- 5. MHP Statutory Set-Aside, Geographic Distribution of Funds

To the extent possible, approximately 21 percent of total MHP funds (capital and COSR) will be awarded for Senior housing Projects in accordance with MHP Guidelines Section 7317(g). The statutory set-aside percentage may also be met in the aggregate with MHP awards made pursuant to the February 2025 MFSN NOFA.

#### 6. Geographic Distribution of Funds

Projects must be located in Los Angeles County.

# E. Threshold Requirements

A Project is not eligible for an award unless it meets all the threshold requirements of the applicable Designated Program(s) and those under funding targets. Please

<sup>&</sup>lt;sup>8</sup> At the Department's sole discretion and based on the funding source, there may be some flexibility as to the liquidation date used, depending on the funding program and funding source.

review the individual Program Guidelines of each Program and this MFSN-LA Disaster NOFA section for complete threshold requirements information.

- MHP Guidelines Section 7303.1: Threshold Requirements
- IIG Guidelines Section 202: Threshold Requirements

In addition, all applications must demonstrate a minimum point score of 90 points to be considered for funding.

### F. Rating and Ranking

This section describes the rationale for the scoring criteria and the Department's ranking process.

1. Scoring Overview

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

2. Ranking Overview – Phase 1 Applications Only

All applications meeting all the threshold requirements of the applicable programs included in this MFSN-LA Disaster NOFA and achieving the required minimum point score of 90 points in Universal Scoring Criteria including at least eight (8) State Policy Priorities points and at least ten (10) Readiness to Proceed points, will be considered for funding pursuant to the process described below.

a. Beginning with the top-ranked applications, Projects will be ranked according to their Universal Scoring Criteria point score and tiebreaker score. However, if the next ranked application according to the Universal Scoring Criteria is requesting more than what remains in program funding, the skipping provisions of paragraph c. below will apply. If an application is requesting a combination of MFSN funding (e.g., MHP and IIG), the skipping provision applies if any one of the programs is largely depleted.

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

- b. To achieve the statutorily required MHP allocation to Senior housing, the Department may skip projects in the ranked list.
- c. After any of the Program funds are largely depleted, if the next-ranked application requests more Program funds than remain in the requested programs, if additional funds are available and at the sole discretion of the Department, that Project may receive an augmentation of funds up to \$5 million. If the augmentation required to fully fund an application exceeds \$5 million, the application may be skipped, or the remaining funds may be made available in a future NOFA which includes such Program funding. At the sole and absolute discretion of the Department, if additional program funds become available which augment the amounts reflected in the Funding Program table under Article I(A) above by more than \$5 million, augmentation greater than \$5 million may occur. However, augmentation is limited for this MFSN-LA Disaster NOFA based on the remaining availability of program funds. Please refer to Overview, Article I(A) above (page 3).
- d. Applications requesting a combination of MFSN Program funding must rank high enough to be awarded the entire requested amount. The Department will not partially fund the requested amounts in this MFSN-LA Disaster NOFA. For example, if all MHP funds have been allocated through ranking and IIG funds remain available, and the next-ranked application requests both MHP and IIG, the application will be skipped.
- e. A Project will be skipped if it requests both MHP capital funds and MHP COSR, and only one of these sources remains available.

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

# III. Application Submission and Review Procedures

#### A. Application Submission Process

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

For application forms, visit the Department's website at <u>Multifamily Finance Super</u> <u>NOFA</u>. Designated Program Guidelines and supplemental materials are also found on the webpage.

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

No additional documents pertaining to threshold requirements, scoring categories, and any application submission requirements pursuant to the Guidelines, this MFSN-LA Disaster NOFA, and the MFSN application shall be accepted after the application filing deadline unless the Department, in its sole discretion, determines that the deficiency is an application omission of either a document existing as of the application filing deadline, or a document certifying to a condition existing at the time of the application filing deadline. Any submission of additional documents, including as part of an appeal for an application disqualification, shall include evidence demonstrating either the document existed as of the application filing deadline, or the document certifies to a condition existing at the time of the application filing deadline. It is within the Department's discretion to request any clarifying information or material regarding the additional document(s).

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

#### **B. Electronic Submission**

Application materials must be submitted electronically via the Department's MFSN-LA Disaster NOFA Application Portal using the provided application forms, and the Applicant must include all required information as detailed in the application forms.

A link to the Department's MFSN-LA Disaster NOFA Application Portal is available at the Department's <u>webpage</u>.

To be considered for funding under Phase 1, all application materials must be submitted no later than 4:00 p.m. Pacific Time on **August 21, 2025**. Applications under Phase 2 will continue to be accepted anytime after August 21, 2025 until all funds have been awarded.

Requirements for uploading the application workbook and required supporting documentation, including naming conventions, are described in the application instructions, the Application Portal, and the recorded <u>MFSN NOFA Webinar</u>. Do not modify naming conventions when uploading documents.

# C. Application Webinar and Pre-Application Inquiries

The 2025 MFSN webinar recording is available on the MFSN-LA Disaster NOFA website: <u>Webinars and Workshops</u>. For pre-application questions and inquiries please contact MFSN staff at <u>SuperNOFA@hcd.ca.gov</u>.

# D. Disclosure of Application

The application, including any and all supplemental documents submitted during the review process, is a public record, which is available for public review pursuant to the California Public Records Act (CPRA) (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code). After final awards have been issued, the Department may disclose any materials provided by the Applicant to any person making a request under the CPRA. The Department cautions Applicants to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

# E. Concurrent Applications

Due to the unique circumstances of the current challenging funding environment, the Department will allow Applicants to pursue more than one funding scenario. This means that a separate, concurrent application to other Department program funding source(s) is permitted under this MFSN-LA Disaster NOFA. These Applicants, however, MUST submit within each application a disclosure of all Department applications under review or anticipated to be submitted.

Applicants must notify MFSN staff via the <u>SuperNOFA@hcd.ca.gov</u> mailbox at the time any application for a different funding source is submitted. Submission of concurrent MFSN applications proposing 4 percent and 9 percent tax credits is prohibited, as well as submitting other types of concurrent financing versions of the same Project.

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

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

# F. Prior Awards

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

However, it is allowable for Applicants that wish to retain their previous award to apply for another funding source available within this MFSN-LA Disaster NOFA, so long as the previous award is unmodified. In this case, the Department will also allow previously awarded proposals to lower their proposed income targets from one application to the next, so long as the total unit count remains the same. The Department will restrict units to the lowest targeting across all awarded funds and will require proposals awarded from a program with prioritized target populations to maintain the special population units (increasing target population and/or Restricted Units is permitted). However, for applications proposing a reduction to AMI levels on the unit mix, the MFSN Applicant must engage with program staff relative to the prior award and confirm the change does not impact feasibility and would not cause a reduction in awarded funds pursuant to that program's requirements. This consultation process must begin no later than **August 1, 2025** under Phase I.

# G. Significant Changes in Project After Application

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

# IV. Universal Scoring Criteria

#### A. Summary

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

	Universal Point Score Criteria (Used in Project ranking separate from Threshold Review)					
	Criterion	Maximum Score				
_	Extent to Which the Project Serves Households at the Lowest Income Levels	30				
Criteria	State Policy Priorities	28				
oring C	Project Sponsor and Property Management Experience	20				
sal Sco	Project Readiness	27				
Jniversal Scoring Criteria	Adaptive Reuse / Infill / Proximity to Amenities	10				
	Cost Containment	5				
Total	Total Possible Universal Points (Phase 1)120					

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

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

Applications will be scored based on the percentage of Units restricted to 80 percent of AMI<sup>9</sup> and below, limited to various percentages of AMI, adjusted by household size, and as follows:

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

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

<sup>&</sup>lt;sup>9</sup> The programs included in this MFSN-LA Disaster NOFA assist units 60% AMI and below. However, for purposes of alignment with similar TCAC and CDLAC scoring criteria, this scoring category calculation is based on the percentage of units restricted to 80% AMI and below.

Lowest Income Points Table									
	I		Perc	cent of	AMI	ſ			
		55%	50%	45%	40%	35%	30%	25%	≤20%
	50%	5*	12.5*	16.9	17.5	18.75	30	30	30
	45%	5*	11.25*	16.9	17.5	18.75	30	30	30
	40%	5*	10	15	17.5	18.75	27.5	30	30
Dercent of	35%	4.4*	8.75	13.15	17.5	18.75	25	27.5	30
Percent of Restricted Units	30%	3.75*	7.5	11.25	15	18.75	22.5	25	30
	25%	3.15*	6.25	9.4	12.5	15.65	18.75	21.9	25
	20%	2.5*	5	7.5	10	12.5	15	17.5	20
	15%	1.9*	3.75	5.65	7.5	9.4	11.25	13.1	15
	10%	1.25*	2.5	3.75	5	6.25	7.5	8.75	10

To receive any points in this category, at least 10 percent of the Restricted Units must be restricted to households with incomes not exceeding 30 percent of AMI. These Units cannot be concentrated among a Project's smaller Units. They must be distributed proportionately across all Unit sizes, or, alternately, more heavily represented among larger Units. To ensure a proportional spread of deeply Affordable Units, at least 10 percent of the larger Units in the Project must be provided at 30 percent of AMI, as applicable. So long as the Applicant meets the 10 percent standard Project-wide, the 10 percent standard need not be met among all the smaller Units.

Below is an example:

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

# C. State Policy Priorities (28 points maximum)

# \*\* NOTE - Phase I applications must achieve at least 8 points in this category to be considered for funding

# i. <u>Proximity to Fire Perimeter</u>

Up to ten (10) points will be awarded for geographic proximity to the fire perimeters of the Eaton, Hughes, and Palisades fires as follows:

- Ten (10) points for sites located within a 1 mile radius of the fire perimeter;
- Five (5) points for sites located within a 3-mile radius of the fire perimeter
- Three (3) points for sites located within a 10-mile radius of the fire perimeter.

#### ii. Local Support

Up to ten (10) points will be awarded for local support as follows:

- a. Five (5) points for evidence of local Enforceable Funding Commitments from a city, county, or housing authority for:
  - permanent financing loans and/or grants totaling at least \$500,000, including but not limited to Measure A funds, Proposition HHH funds, and other local loans and grants; or
  - locally administered or funded project-based rental assistance or operating subsidies for at least 20 percent of Restricted Units.
- b. Five (5) points for submission of a formal letter of support for the Project from the head of the Department of Planning or other local public entity leading housing related activities for Los Angeles County, or of a city within LA County.

#### iii. Occupancy Preference

Five (5) points will be awarded for Projects committing to an occupancy preference policy for households displaced by the January 2025 Los Angeles County fires and for households displaced by future wildfires occurring in Los Angeles County that result in a FEMA Major Disaster Declaration; this occupancy preference policy shall be appliable to all Units upon initial occupancy and for

each subsequent household occupancy. Projects must also adhere to all other operational requirements pursuant to the applicable MFSN Program Guidelines. The preference policy shall remain in effect for the term of the Project's regulatory agreement. The Project's tenant screening and selection policy must include this occupancy preference, including a requirement that these displaced households shall receive preference for the next available Unit based on the order in which their application for a Unit is received by the property manager for the Project.

#### iv. <u>High/Highest Resource Area</u>

Three (3) points will be awarded for Projects located in a "High Resource" or "Highest Resource" Area as shown on the TCAC/HCD Opportunity Area Map. Only new construction and Adaptive Reuse Projects will qualify for these points.

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

Once Projects receiving 5 points pursuant to this paragraph (IV(C)(1)) have been fully ranked according to all scoring criteria and recommended for Awards, and once those Awards comprise 48 percent of all Program funds available in a NOFA, any remaining Projects shall not receive 5 points for meeting the requirements of this paragraph. Additionally, the points for location in High/Highest Resource Areas will not apply to the next eligible Project in line for an award if such Project would bring the cumulative allocation of MFSN funds allocated to Projects located in High/Highest Resource Areas to over 52 percent of all Program funds available through the MFSN-LA Disaster NOFA.

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

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

NOTE: For applications requesting IIG funds only, Applicant experience is evaluated. For applications requesting IIG plus another Designated Program funds (e.g., MHP), Applicant experience is evaluated for IIG, and Sponsor experience is evaluated for MHP (in this example, Applicant and Sponsor may or may not be the same entity).

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

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

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

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

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

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

Sponsor/Applicant certifies in the application that each Rental Housing Development has maintained Fiscal Integrity since the date of the last prepared financial statement, has maintained a positive operating cash flow from typical residential income alone, and has funded all reserves in accordance with the partnership agreement and any applicable loan documents.

To obtain development and ownership points for Projects previously developed, owned and operated, a certification document must be submitted with respect to the last full year of ownership by the Sponsor/Applicant, along with verification of the number of years that the Project was owned by that Sponsor/Applicant. To obtain points for Projects previously owned, the ending date of ownership or participation must be no more than 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 Develop with experience serving Target Population(s) proposed to in the application, points are available as described above follows:	be served
<ul> <li>For Special Needs projects: <ul> <li>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</li> </ul> </li> <li>For Community-Based Developers: <ul> <li>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</li> </ul> </li> </ul>	15 points

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

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

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

To obtain points for previous management experience, the ending date of the property management role must be no more than 10 years from the application deadline.

Points are available as follows:

6-10 projects managed over 3 years, of which 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	3 points
11 or more projects managed over 3 years, of which 2 shall be Department-regulated or projects utilizing low- income housing tax credits allocated by TCAC	5 points
For Special Needs Projects and for Community-Based Deve points are available as described above or as follows:	elopers,
<ul> <li>For Special Needs projects: <ul> <li>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</li> </ul> </li> <li>For Community-Based Developers: <ul> <li>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</li> </ul> </li> </ul>	5 points

# E. Project Readiness (27 points maximum)

# \*\* Note: All Phase I applications must achieve at least 10 points in this category to be considered for funding

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 (20 points maximum)
  - a. Twenty (20) points will be awarded for Projects demonstrating that the Program funds requested are equal to the remaining amount necessary to fund the Project's development budget, evidenced by Enforceable Funding Commitments for all other: construction financing, permanent financing, project-based rental assistance, and operating subsidies. Sponsors requesting

these points are committing to commencing construction on the Project within 180 days of Award as documented by the requirements below.

No later than 180 days after the date of the Award, the Department must receive:

- i. an executed construction contract;
- ii. recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this), binding commitments for permanent financing, binding commitments for any other financing required to complete project construction;
- iii. issuance of building permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design-build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents; and
- iv. notice to proceed delivered to the contractor.

The Department shall either rescind the Award, assess negative points, or both for failure to meet the assigned due date.

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

For both construction financing commitments and permanent financing commitments, a financing commitment will be deemed to be an Enforceable Funding Commitment as this term is defined in Appendix A of the Guidelines, if it has been awarded to the Project or if the Department approves other evidence that the assistance will be reliably available. Contingencies in commitment documents based upon the receipt of an allocation of tax-exempt bonds or low-income housing tax credits will not disqualify a source from being counted as committed. To receive points under paragraphs (b) and (c) above for deferred payment financing, grant funds, or subsidies from other Department programs, these Department funds must be awarded prior to **October 31, 2025**.

- 2. Local and Environmental Approvals (7 points maximum)
  - a. Land use approvals (5 points maximum) Points will be awarded under one of the categories below.
    - i. Five (5) points will be awarded for obtaining all land use approvals or entitlements necessary prior to issuance of a building permit, including any required discretionary approvals. Notwithstanding this requirement, design review, variances, and development agreements are not required to be completed. Project sites where applications for streamlined ministerial approval or use by right (as further detailed in MHP Guidelines Section 7303.1(h)) have been submitted to the necessary local governmental entities are eligible for these points. To be eligible for these points, the Applicant must submit either (1) a legal opinion and certification that the project reasonably meets the eligibility requirements for streamlined ministerial approval or use by right and that all necessary applications and notices have been submitted for review; or (2) documentation from the applicable local agency verifying streamlined ministerial approval or use by right.

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

For Projects located outside a fire perimeter associated with a FEMA Major Disaster Declaration but within a county-wide FEMA Major Disaster Declaration made up to one (1) year preceding the application due date, 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.

Projects utilizing a FEMA Major Disaster Declaration certification must comply with all applicable threshold requirements in the MFSN Program Guidelines related to documenting the status of local land use approvals.

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

- ii. Four (4) points will be awarded for submission of a complete application to the relevant local authorities for land use approval under a Nondiscretionary Local Approval Process, where the application has been neither approved nor disapproved. For Projects located in Indian Country, Tribal Entity applicants will be awarded four (4) points for submission of a complete application to the relevant tribal authority exercising jurisdiction over the project for land use approval.
- iii. One (1) point will be awarded for a letter signed by a planner certified by the American Institute of Certified Planners (AICP) indicating that, in their opinion, the Project meets all of the requirements for approval under a Nondiscretionary Local Approval Process, where an application has not been approved or disapproved by the local authorities. For Projects located in Indian Country, Tribal Entity applicants will be awarded one (1) point for a letter signed by a planner certified by AICP, or by an equivalent tribal or non-tribal authority subject to the Department's satisfaction, indicating the Project meets all of the requirements for approval under tribal law for a tribal nondiscretionary local approval process.
- 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 a fire perimeter associated with a FEMA Major Disaster Declaration made up to one (1) year preceding the application due date, these 2 points will be awarded for certification that the Project is exempt from CEQA or that the CEQA review will be completed prior to the issuance of the Department's Standard Agreement for funds under this MFSN-LA Disaster NOFA. For a CEQA exemption pursuant to streamlined ministerial approval or use by right, the Applicant must submit either (1) a legal opinion and certification that the project reasonably meets the eligibility requirements for streamlined ministerial approval or use by right and that all necessary applications and notices have been submitted for review; or (2) documentation from the applicable local agency verifying streamlined ministerial approval or use by right.

For Projects located outside a fire perimeter associated with a FEMA Major Disaster Declaration but within a county-wide FEMA Disaster Declaration made up to one (1) year preceding the application due date, the Applicant must, in addition to providing this certification, demonstrate to the Department's satisfaction that the Project contributes to providing housing for disaster-impacted households.

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

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

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

3. <u>TCAC Hybrid Projects</u> Five (5) points will be subtracted for a Project utilizing lowincome housing tax credits that will be part of an application to TCAC seeking hybrid tiebreaker incentives.

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

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

- Infill development and Net Density
- Proximity to amenities
- 1. <u>Infill development and Net Density</u>. Five (5) points will be awarded for infill development, including Adaptive Reuse. The Project must meet one of the following requirements of (a) or (b) below, documented by a California licensed professional such as an engineer, surveyor, or architect:
  - a. Located on a site where either:
    - i. At least 75 percent of the site was previously improved (including areas where improvements have been demolished) or used for any use other than Open Space, agriculture, forestry, or mining waste storage; or
    - ii. At least 75 percent of the perimeter of the site's adjoining parcels that are developed with Urban Uses (residential, commercial, industrial, public institutional, transit or transportation passenger facility use, or retail use, or any combination of those uses) but not including lands used for agricultural uses or parcels in excess of 15,000 square feet in size and containing only one (1) single family residence, or is separated from parcels that are developed with Urban Uses only by an improved public right-of-way. In calculating this percentage, perimeters bordering navigable bodies of water and improved Parks shall not be included; or
    - iii. The combination of at least 50 percent of site area as previously improved (including areas where improvements have been demolished) or used for any use other than Open Space, agriculture, forestry, or mining waste

storage, and at least 50 percent of the perimeter of the site adjoining parcels that are developed with Urban Uses or is separated from parcels that are developed with Urban Uses only by an improved public right-of-way. In calculating this percentage perimeters bordering navigable bodies of water and improved Parks shall not be included.

- b. Developed at average residential Net Densities on the parcels to be developed that are greater than the densities described below<sup>10</sup> :
  - 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. <u>Proximity to amenities</u>. Points will be awarded based on the following (up to a maximum of 5 points):

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

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

# G. Cost Containment (5 points maximum)

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

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

Total Eligible Basis per the Development Budget

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

For purposes of this subdivision, a Project's adjusted threshold basis limit shall be the Project's threshold basis limit, as if it were a 4 percent LIHTC project, as determined pursuant to Section 10327(c)(5) of the TCAC regulations, except that the increase for deeper targeting pursuant to Section 10327(c)(5)(C) of the TCAC regulations that is multiplied by the unadjusted threshold basis limit shall be limited to 80 percent. Section 10327(c)(5)(C) of the TCAC regulations states that for Projects financed through CDLAC, "an increase of one percent (1%) in the threshold basis limits shall be available for every 1% of the project's Low-Income and Market Rate Units that will be income and rent restricted at or below 50 percent (50%) but above 35 percent (35%) of AMI. An increase of 2 percent (2%) shall be available for every 1% of the project's Low-Income and Market Rate Units that will be restricted at or below 35% of AMI." The Department, however, will only restrict to income levels in 5 percent increments.

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

# H. Negative Points – No maximum

Negative points will be assessed as a reduction to the total score earned. An application will be assessed negative points based on performance penalties assessed pursuant to the Department's <u>Negative Points Policy</u> (Administrative Notice No. 2022-01), dated March 30, 2022, as amended on November 9, 2022 and April 3, 2023, and as may be subsequently amended.

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

# I. Tiebreaker Score

#### Phase 1 Tiebreaker Score

In the event of tied point scores, the Department shall rank tied applications based on three (3) factors which will be added together for a final tiebreaker score. The three (3) factors are: (1) the lowest weighted average affordability of all residential Units, (2) leverage of other funds, and (3) additional cost containment. The tiebreaker scoring calculation is explained below.

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

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

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

For purposes of this calculation:

- Units with federal project-based rental assistance shall be assigned targeted Rent levels no lower than 30 percent AMI regardless of their actual income targeting; and
- If the average affordability of all unadjusted residential Units, exclusive of Units with rental assistance, is less than 40 percent AMI, then the calculation shall assume a targeted Rent level of 40 percent AMI for each residential Unit that does not have rental assistance.
- 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. Leverage of other funds will be calculated as the amount of funds other than MFSN funds to be used for permanent financing of the development. Project based housing vouchers, including Faircloth to RAD conversions, will be valued at the amount of permanent amortizing debt that is financed by the additional project income received.

- b. Local public land donations will be counted as leveraged funds where the value is established with a current appraisal, with the amount discounted to reflect any fees, or other reliably predictable payments required as a condition of the donation.
- c. State Low Income Housing Tax Credits will be removed from the calculation of leverage of other funds.
- d. Previously awarded HCD funds will be removed from the calculation of leverage of other funds as follows:
  - Round 1 Multifamily Finance Super NOFA partial awards will not be removed
  - HCD awards with federal disbursement deadlines prior to 12/31/2027 will not be removed
  - 50 percent of all other HCD awards will be removed
- e. Add eligible leverage funds in paragraphs (a) and (b) and subtract those excluded in paragraphs (c) and (d).
- f. Divide (e) 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. This factor is calculated by dividing the Project's eligible basis by the Project's adjusted threshold basis limit as illustrated below:

Total Eligible Basis per the Development Budget

Adjusted Threshold Basis Limit (Per CDLAC Regulation Section 5230)

For purposes of this subdivision, a Project's adjusted threshold basis limit shall be the Project's threshold basis limit, as if it were a 4 percent LIHTC Project, as determined pursuant to Section 10327(c)(5) of the TCAC regulations, except that the increase for deeper targeting pursuant to Section 10327(c)(5)(C) of the TCAC regulations that is multiplied by the unadjusted threshold basis limit shall be limited to 80 percent. Section 10327(c)(5)(C) of the TCAC regulations states that for Projects financed through CDLAC, "an increase of one percent (1%) in the threshold basis limits shall be available for every one percent (1%) of the Project's Low-Income and Market Rate Units that will be income and rent restricted at or below 50 percent (50%) but above thirty-five percent (35%) of Area Median Income (AMI). An increase of two percent (2%) shall be available for every 1% of the Project's Low-Income and Market Rate Units that will be restricted at or below 35% of AMI." The Department, however, will only restrict to income levels in 5 percent increments.

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

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

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

#### Phase 2 Tiebreaker Score

In the event of tied point scores, the Department shall rank tied applications based on the application submission time and date. Projects will be ranked in order of the earliest submissions.

#### V. Appeals

#### A. Basis of Appeals

- 1. Applicants may appeal the Department's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award, including point scoring. Submission of additional documents, including as part of an appeal for an application disqualification or point score reduction, shall include evidence demonstrating either the document existed as of the application filing deadline, or the document certifies to a condition existing at the time of the application filing deadline as further described above in Article III.
- 2. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's application (e.g., eligibility, award).
- 3. Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with the Designated Program Guidelines and this MFSN-LA Disaster NOFA. All decisions rendered shall be made by the Director or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of the Department.
- 4. The appeal process provided herein applies solely to the decision of the Department made in this MFSN-LA Disaster NOFA.

#### **B.** Appeal Process and Deadlines

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

#### C. Decision

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

#### VI. Award Announcements and Contracts

#### A. Award Announcements

The Department will announce MFSN awards on the <u>Multifamily Finance Super</u> <u>NOFA</u> website.

#### **B.** Contracts

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

To facilitate efficient processing of Standard Agreements, a condition of the award will be the delivery of a duly adopted and legally sufficient authorizing resolution and any duly filed or adopted organizational documents not included in the application, within sixty (60) calendar days of the Department's issuance of the conditional award letter. The Department has set a goal to deliver Standard Agreements to the awardee(s)/Recipient(s) within ninety (90) days following the receipt of these documents. The awardee(s)/Recipient(s) shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the

awardee(s) without the Department's prior written consent is prohibited and will result in a default.

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

#### VII. Other State Requirements

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

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

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

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

#### A. California's Preservation Notice Law

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

#### **B. Relocation Requirements**

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

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

#### VIII. Other Terms and Conditions

#### A. Right to Modify or Suspend

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

#### **B.** Conflicts

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

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