

Local Housing Trust Fund Program (LHTF)

March 30th 2023

-Welcome to the Local Housing Trust Fund Program Webinar and thank you for viewing. My name is Doniell Cummings, and I am the program manager, and Local Housing Trust Fund is one of the programs my team and I manage.



Meet the Team	
 Doniell Cummings Program Manager	Stephanie Truong
Kelsey Barraza	Terri Wright
Muri Bartkovsky	Jennifer Barajas



I would like to take a moment to introduce you to my team. Jennifer, Kelsey, Muri, Stephanie and Terri.

Presentation Overview

- NOFA, Program Summary and Timeline
- LHTF Application and Eligible Activities
- Threshold Requirements
- Rating and Ranking
- Online Submission
- State Grants Management



-The LHTF presentation will cover:

- The 2023 NOFA, Program Summary and timeline.
- The redesign of the LHTF application and Eligible Activities.
- Threshold Requirements
- Rating and Ranking
- The online submission and lastly,
- State Grants Management's Process for disbursement.



NOFA and Program Summary

\$53 Million

**Provided by
the Veterans
and Affordable
Housing Bond
Act of 2018
(Senate Bill 3)**

**To support new
and existing
Housing Trust
Fund with
matching
Program Funds**

**Dollar for dollar
match to
eligible
activities**

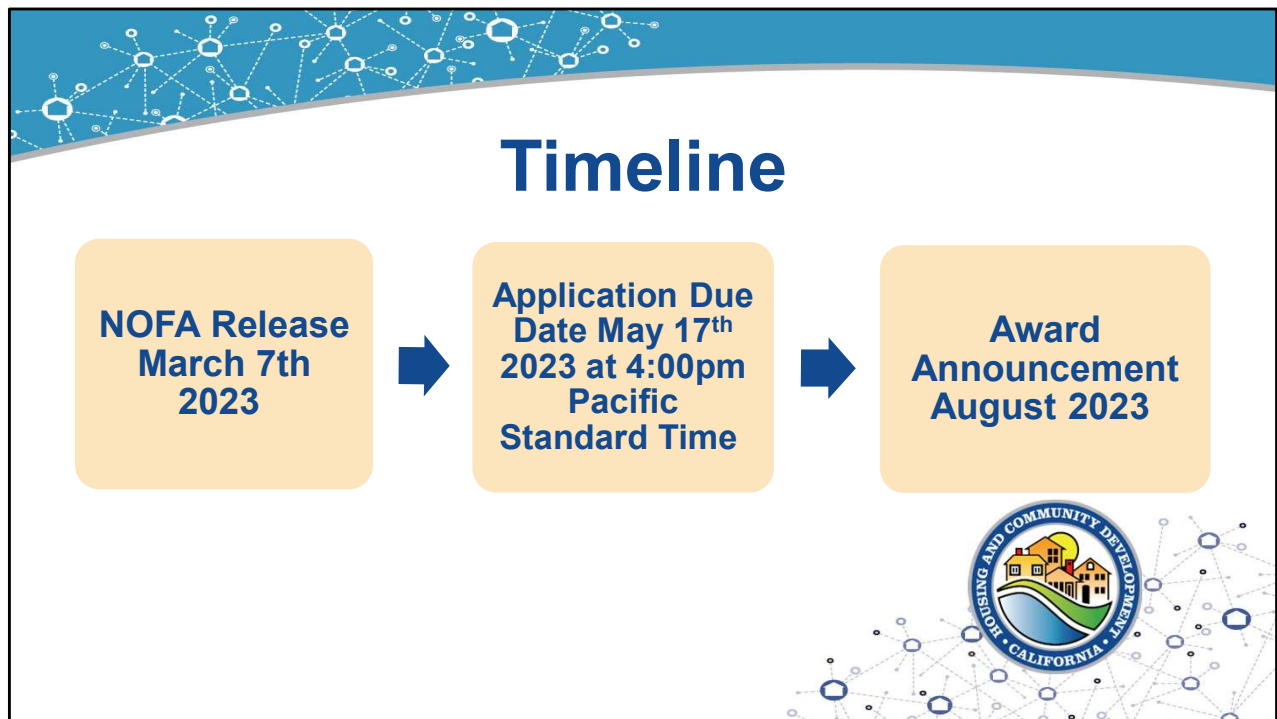
-The department is pleased to announce the release of the 2023 Notice of Funding Availability (NOFA) for approximately \$53 million dollars.

-Funding for this NOFA is provided by the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) and was adopted by voters on November 6, 2018.

-The purpose of the proposition is to expand sources of funding for affordable housing through New and Existing Local Housing Trust Funds by providing Matching Funds to assist Extremely Low-Income, Lower-Income and Moderate-Income Households.

-The Local Housing Trust Fund program provides matching grants to Local Housing Trust Funds that have developed their own eligible funding sources for housing.

-Fifteen percent of the funds made available by this NOFA shall be reserved for Local or Regional Housing Trust Funds meeting the definition of a New Local Housing Trust Fund.



-The NOFA was released on March 7th, 2023. The online portal for application submission will open on April 19th 2023 and will remain open through May 17th 2023

-Application materials must be submitted electronically to the Department's website at HCD.ca.gov.

-A list of the required documentation can be found on the document checklist tab of the application. Please make sure to use the naming conventions provided in this checklist when uploading your documentation.

-The application portal will close on May 17th 2023 **at 4:00 Pacific Standard Time.**

- We anticipate award announcements to be made sometime in August of 2023.

Please note this is our anticipated timeline and we will do our best to meet this goal.

- Now I'll hand it over to...



LHTF Application

Project and Applicant

[§101\(p\) "Local Housing Trust Fund" definition](#)
[§101\(dd\) "Regional Housing Trust Fund" definition.](#)

Threshold

Implemented dropdown with
specific data and RED cell to indicate an error

**Certification and
Legal**

John Smith

Signature (Please Type Name)

Application Score

Update to the Readiness and Tie breaker
sections to assist with meeting the requirements

Document Checklist

Convention name for all documentation uploads

Resolution	▼
Yes: The existing HTF meets the Ongoing Revenues requirement averaging \$100k/year for a min. of 3yrs after Program award date	▼
No	▼
No	▼

Hello I am _____

The LHTF application was redesigned in the last round of funding to provide a streamlined process and to assist with submitting a complete and accurate application.

Let's go over some of the features that were implemented:

- Throughout the application you will find hyperlinks that you can click on to direct you to the guidelines or NOFA for additional information and clarification for that given section.
- The Department has added a Threshold tab which outlines the requirements that applicants must meet.
- The signature line has been updated to allow for the addition of your electronic signature. With this in place, you will no longer need to provide a PDF version of the application with a wet signature in your submission package.
- The Department updated the Readiness and Tie breaker sections to assist the applicant in meeting the requirements set forth in these sections.
- We also updated the Document Checklist, where you will find a list of all the

required documentation you will need to include with your application submission as well as a dropdown confirmation of what was provided with your application to ensure nothing was missed. Here you will also find a list of naming conventions to use when saving your application files. All documentation must be provided at the time of application submission or no later than the application deadline.

Where to Find the Application

<https://www.hcd.ca.gov/grants-and-funding/programs-active/local-housing-trust-fund>



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-The application will be available on the HCD website on the LHTF Program Webpage. You can download the application by clicking on the “2023 LHTF Application” link under “Apply Now” Icon or by clicking the “2023 LHTF Application” link under “Archive” & “2022-2023” NOFA section.

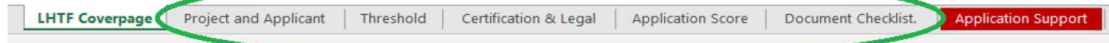
Application Tabs

Local Housing Trust Fund (LHTF) Program

Application

Rev. 2/2023

2023 Notice of Funding Availability



- The application consist of seven tabs total.
- Let's take a closer look starting with the Project and Applicant tab.

Project and Applicant Tab

Project and Applicant Information								Rev. 2/2022
§101(p) "Local Housing Trust Fund" definition §101(dd) "Regional Housing Trust Fund" definition								
§102 Eligible Applicants								
Applicant Type: (a) City								
Applicant Information								
Applicant Name: City of		City: Sacramento		County: Sacramento		State: CA		Zip Code: 95833
Address: 2020 West El Camino Avenue Suite 150		City: Sacramento		County: Sacramento		State: CA		Zip Code: 95833
Auth Rep Name: Doniell Cummings		Title: Program Manager		Auth Rep. Email: PLHA@hcd.ca.gov		City: PLHA@hcd.ca.gov		Phone:
Address: 2020 West El Camino Avenue Suite 150		City: Sacramento		County: Sacramento		State: CA		Zip Code: 95833
Contact Name:		Title:		Contact Email:		City:		Phone:
Address:		City:		County:		State:		Zip Code:
Trust Fund Information								
Full Trust Fund Name: HCD Housing Trust Fund		City: Sacramento		County: Sacramento		State: CA		Date Established: 2/11/18
Trust Fund Address: 2020 West El Camino Avenue Suite		City: Sacramento		County: Sacramento		State: CA		Zip Code: 95833
Trust Fund Type: (a) Existing Local Housing Trust Fund (or Existing Regional Housing Trust Fund)		City: Sacramento		County: Sacramento		State: CA		Zip Code: 95833
<i>(a) The minimum application request shall be \$1 million with a max request of \$5 million.</i>								Amount of LHTF Program Funds Requested: \$2,000,000
Proposed Activity Timeline - provide a timeline of implementation of your Project(s) (§101(g), (1)(2)(3)&(4))								
Project Type and Activity	Name of Project	When will you issue commitments?	When will you issue a NOFA/RFQ?	When will loan closing occur?	When do you anticipate disbursement of LHTF funds?	Amount of Matching Funds designated to project:	Amount of Program Funds designated to project:	
Rental new construction	Elk Grove Senior Apartment	11/10/2022	5/25/2021	1/15/2023	2/10/2023	\$500,000	\$500,000	
Rental new construction	Maple Garden	11/10/2022	8/5/2021	4/10/2023	4/15/2023	\$500,000	\$500,000	
Rental new construction	Maple Garden II	5/5/2022	8/5/2021	4/10/2023	4/15/2023	\$1,000,000	\$1,000,000	
Rental new construction	Rental Project		8/5/2022					
Rental new construction	Rental Project		4/20/2023					
Certifications								
On behalf of the entity identified below, I certify that: The information, statements and attachments included in this application are, to the best of my knowledge and belief, true and correct and I								
Doniell Cummings		Program Manager		Doniell Cummings		4/19/2022		
Authorized Representative Printed Name		Title		Signature (Please Type Name)		Date		

- Hyperlinks have been implemented throughout the application and are blue in color. For additional information please click on the desired link to be directed.
- Yellow cells are unprotected and should be filled in completely for all applicable cells.
- Please provide general information for the applicant, the Housing Trust Fund and project type and activity.

§102 Eligible Applicants		§103 Funding Amount Minimums and Maximums
Applicant Type:	(a) City	(a) Existing Local Housing Trust Fund (or Existing Regional Housing Trust Fund)
Amount Requested:		\$2,000,000
(a)(1)(A) How was the Housing Trust Fund established? The Housing Trust Fund utilizes a public, or joint public and private, fund established by legislation, ordinance, resolution, or a public-private partnership, to receive specific revenue to address local housing needs. From the dropdown list please select the documentation that establishes the HTF. Please highlight the sections in your documentation that outline the requirements below. - Language establishing the Local Housing Trust Fund - Identify the specific revenue given to the Local Housing Trust Fund - Identify the language that states the Housing Trust Fund addresses the local housing needs - NOTE: For public RHTFs only, RHTF must include Resolution or Ordinance from each Local government entity that is a member of the RHTF		Legislation
(a)(1)(B) Does the Housing Trust Fund meet the minimum Ongoing Revenue requirements? The Trust Fund is funded from Ongoing Revenues as required by the definition in §101 from Dedicated Sources of funding such as taxes, fees, loan repayments, or public or private contributions. Please see requirements in Section 101(c).		Yes: The existing HTF meets the Ongoing Revenues requirement averaging \$100k/year for a min. of 3yrs after Program award date
(a)(2) Does the city or county have a Housing Element that was adopted by the city or county's governing body and determined by HCD to be in compliance with state Housing Element law pursuant to GC §65505?		Yes
(a)(3) The city or county has submitted to HCD the Annual Progress Report required by GC Code §65400 for the current or prior year?		Yes
(4) A Local Housing Trust Fund or Regional Housing Trust Fund that was created, funded, and operated by a combination of two or more cities or counties, agrees to utilize Program Funds only for Eligible Projects located in cities or counties that have, at the time of application, an adopted Housing Element meeting the requirements of subparagraph (2) above, and for which the Annual Progress Report was submitted for the current or prior year by the application deadline date, as required by subparagraph (3) above? (Should we make applicant enter in their HE compliance date and remove dropdown)?		Yes
§102(d): Previous Awardees		
Enter the dollar amount of Program Funds that have been committed from all previous LHFF awards (leave blank if not previously awarded)		Total Awarded \$ 3,000,000
		Total Committed \$ 1,350,000
Matching Funds Committed		
New Applicants (no previous LHFF award) provide the amount of local Matching Funds that have been committed (leave blank if previously awarded)		\$ -

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-The threshold tab outlines the requirements that applicants must meet. It's fundamental that applicants provide eligible documentation to evidence how the Housing Trust Fund was established, how does it receive specific ongoing revenues to address local housing needs, how are Matching Funds and Ongoing Revenues sufficient, therefore the threshold tab was built with very specific language and dropdown selections to assist.

-Applicants that have received an award letter for Programs Funds from the 2020, 2021 and/or 2022 NOFA, are considered a previous awardee. A minimum of 40% of Program Funds must have been committed to be eligible to apply. Applicants are to provide the total awarded amount in which you have received an award letter for. Of the total awarded amount, enter in the dollar amount for which the applicants have committed thus far.

-Applicants that have not received an award letter from the 2020, 2021 or 2022 NOFA's will be considered a New Applicant and may receive performance points by committing Local Matching Funds greater than 40%.

Application Score - 100 points max §106(f)							Rev. 2/2022	70	
(1) Non-Residential Matching Funds - 15 points max								15	
Matching Funds (sources other than residential Local Impact Fees or In Lieu Fees)		\$1,500,000	Total Matching Funds	\$2,000,000	% of Matching Funds	75.00%	20		
(2) Deeper Income Targeting - 20 points max								20	
Does Applicant commit to expend no more than 18% of its Program Funds and Matching Funds on Moderate-Income (MI) households?		Yes	If yes, select MI exp. %	0%	Program + Matching Funds - Admin Exp.	\$3,800,000	Max MI exp. (per commitment)	\$0	
(3) Readiness - 15 points max								5	
Has Applicant completed a first phase funding process for multifamily rental projects and announced on its website the status of each project, including those projects that were approved to submit a final application upon award of Program Funds by HCD §106(f)(3)?		Yes		Direct link (website address) to page showing project status.					
Project Name	Elk Grove Senior Apartments	Pre-approved Amount	\$ 500,000	Direct link to website	https://hcd.ca.gov/local-housing-trust-fund				
Project Name	Maple Garden	Pre-approved Amount	\$ 500,000	Direct link to website	https://hcd.ca.gov/local-housing-trust-fund				
Project Name	Maple Garden II	Pre-approved Amount	\$ 1,000,000	Direct link to website	https://hcd.ca.gov/local-housing-trust-fund				
(4) Increasing the Supply of Lower-Income (LI) Rental Housing - 20 points max								20	
How will the Applicant use the HCD Program Funds and Matching Funds - for permanent or construction financing?		Construction	(A) Program Funds + Matching Funds - Admin Exp.	\$3,800,000	(B) Percentage of Program Funds and Matching Funds Applicant commits to use for new construction of rental housing developments Affordable to and restricted to households with average incomes of no more than 60% of AMI?	Funding for non-permanent financing for 60% AMI or less	100%	(C) Amount Applicant commits based on (B) %	\$3,800,000
(5) Community Need 15 points max (NOTE: this section will be scored by HCD using CHAS data (Comprehensive Housing Affordability Strategy): https://www.huduser.gov/portal/datasets/cp.htm#2006-2016-datasets)								0	
HCD will provide the percentage of Lower-Income Households paying more than 50 percent of their household income for rent or owner expenses. Applicant does not complete this field.									
(6) Regional Housing Trust Fund Applicants - 5 points								0	
Does your Regional Housing Trust Fund meet the description and requirements below?								No	
(7) Performance Applicant has committed at least 40 percent of the Program Funds previously awarded to the Applicant - 10 points								10	
New Applicant (not previously awarded) has committed at least 40 percent of the local Matching Funds - 10 points								0	
Tie Breaker									
Tie Breaker, if needed: Readiness: The extent to which the application identifies specific multifamily rental projects for which the trust fund has issued Letters of Intent (LOIs) to developers for construction or permanent financing. (which includes dollar amounts). Explain below.									
Project Name	Maple Garden II	Funding Source	Loan repayments	Commitment Amount	\$ 1,000,000	Loan Type	Permanent		
Project Name		Funding Source		Commitment Amount		Loan Type			
Project Name		Funding Source		Commitment Amount		Loan Type			
Project Name		Funding Source		Commitment Amount		Loan Type			
Project Name		Funding Source		Commitment Amount		Loan Type			
Project Name		Funding Source		Commitment Amount		Loan Type			
Project Name		Funding Source		Commitment Amount		Loan Type			
Project Name		Funding Source		Commitment Amount		Loan Type			
Project Name		Funding Source		Commitment Amount		Loan Type			
					Commitment vs. Request	50%			

- Moving along to the Applicant Score Tab.
- Non-Residential Matching Funds amount will be scored automatically based on the data entered in the Matching Funds section.
- Deeper Income Targeting: First, confirm whether the applicants are committing no more than 18 percent of Program and Matching Funds on Moderate-Income household. Upon answering Yes, proceed with selecting the applicable percentages to be scored accurately.
- Readiness: Applicants that have completed a first phase funding process for multifamily rental projects and announced on their website the status of each project should complete the readiness section. Scoring will be based on the data entered in this section.
- Increasing the supply of Lower income Rental Housing: Scores are given based on the percentages entered.
- Community Need will be scored by HCD. Applicants should not input a self score.
- Performance points will automatically be scored based on the data entered in the Threshold tab.

Document Checklist Tab

LOCAL HOUSING TRUST FUND (LHTF) Document Checklist			
Use this document to properly name your attachments before uploading them with your application submission. You must confirm below that you have completed this step.			
Threshold Requirement?	What You'll Name Your Document:	Document Description	Included?
§102(d) Eligible Applicants: Previous Awardees			
Yes	Award_Commitment	Previously awarded applicants only Documentation evidencing the commitment of at least 40% of the previously awarded LHTF funds.	Included
Yes	LHTF_AR	Previously awarded applicants only §106(e) Submit evidence that the most recently required LHTF Annual Report was submitted to HCD State Grants Management (e.g. include a copy of the email submission)	Included
New Applicants (no previous LHTF award)			
No	MF_Commitment	New Applicants only Documentation evidencing the commitment of at least 40% of the local Matching Funds.	N/A
Application Information			
Yes	HTF	§102(a),(b),(c): Legislation, Ordinance, Resolution, or public-private partnership agreement creating the HTF. RHTF must include Resolution or Ordinance from each Local government entity that is a member of the RHTF (public RHTFs only).	Included
I have reviewed the Document Checklist and have named my documents according to the instructions. I will upload all required documents to the LHTF submission portal.			Yes

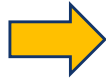
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- The Document checklist has been revised to assist with submitting a complete application.
- Any items that are threshold requirements will be indicated by a YES.
- It is important that you save your documentation using the naming conventions provided on the checklist.

Now I will pass it over to _____.

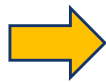
Eligible Activities

Program Funds
to provide



Construction loans and/or Permanent Financing at simple interest rate no higher than 3%

Construction
and/or
Permanent
Financing



For predevelopment, acquisition, and costs associated with development or rehabilitation of Affordable rental housing projects, Emergency Shelters, Permanent Supportive Housing, Transitional Housing, and Affordable homebuyer/homeowner projects, including assistance to income-eligible households to purchase for-sale units. Funds may also be used for the construction, conversion, repair, reconstruction, or rehabilitation of ADUs and JADUs

Please Note: LHTF is not a reimbursement program

- Hi I'm _____ and I will begin with eligible activities.
- Program Funds must be used to provide construction loans and/or permanent financing loans at simple interest rates of no higher than three percent per annum.
- Eligible activities include construction loans and/or permanent financing loans to pay for predevelopment costs, acquisition costs, and other costs associated with the development or rehabilitation of Affordable rental housing projects, Emergency Shelters, Permanent Supportive Housing, Transitional Housing, and Affordable homebuyer/homeowner projects, including assistance to income-eligible households to purchase for-sale units.
- Funds may also be used for the construction, conversion, repair, reconstruction, or rehabilitation of Accessory Dwelling Units (ADUs) or Junior Accessory Dwelling Units (JADUs).



Threshold: Eligible Applicants

102(a)

City, county, city and county that has created, funded and operated a New or Existing Local Housing Trust Fund

102(b)

Charitable nonprofit organization described in Section 501(c)(3) that is an Existing Local Housing Trust Fund

102(c)

Native American Tribe(s) that has created, funded and operated a New or Existing Local Housing Trust Fund

-Eligible applicants are cities and/or counties or a Native American Tribe or tribes that have created, funded and operated an Existing Local Housing Trust Fund or have created and funded a New Local Housing Trust Fund.

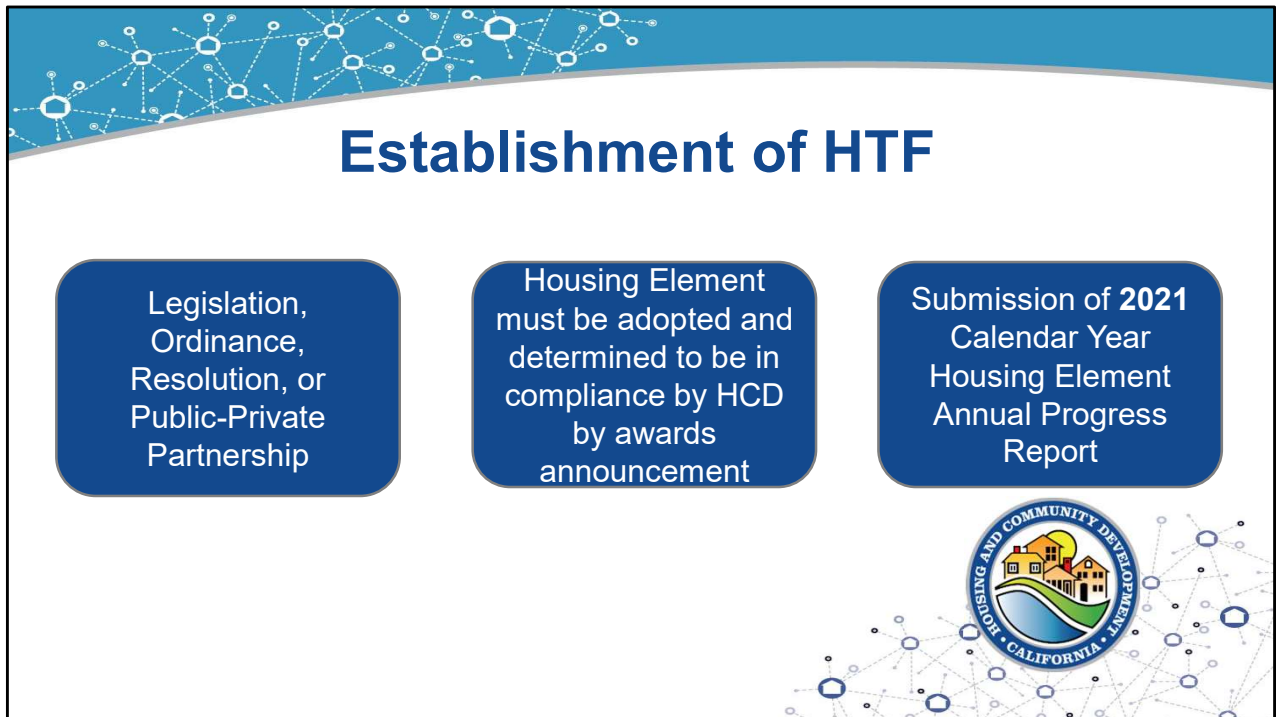
-Charitable nonprofit organizations described in Section 501(c)(3) that ARE an Existing or newly established Local Housing Trust Fund are also eligible applicants, therefore the 501(c)(3) determination from the Internal Revenue Code should be in the name of the Housing Trust Fund.

-All Housing Trust Funds must utilize a public, or joint public and private fund established by legislation, ordinance, resolution or public-private partnership and must receive specific public or public and/or private revenues to address local housing need.

- A New Local Housing Trust Fund is a Local Housing Trust Fund that was organized, funded, and operated no more than 12 months prior to the NOFA release date. If a trust fund has ever previously received an award, it will not be considered "new". If a "New Local Housing Trust Fund" submits an application within the time frame required and passes threshold for that funding

round but does not score highly enough to receive an award, it shall be permitted to apply in the next funding round as a “New Local Housing Trust Fund.”

- A Regional Housing Trust Fund (RHTF) must meet the minimum threshold of serving 2 jurisdictions with a combined population of more than 1 million people, 3 jurisdictions in counties with a total population of 250,000 or less, or 4 jurisdictions in counties with total populations of more than 250,000 people.



-The establishment of the HTF must be evidenced by legislation, resolution, ordinance or public-private partnership and the documentation evidencing the creation must be submitted with your application. Please select from the dropdown list which of the acceptable forms of documentation will be submitted. The department does ask that you highlight in your documentation the section(s) in which it shows how and when the HTF was established, the specific revenues the HTF shall be receiving and how the HTF addresses local housing need.

- Please note, RHTF's must submit Resolutions or ordinances from each participating local government with their application.
- Next, please select from the dropdown on the application how your HTF meets the minimum amount of required Ongoing revenues. Just a friendly reminder that you may at any time click on the blue hyperlinks to be directed to the guidelines for additional information on requirements. Eligible sources of Ongoing Revenues will be discussed later in this presentation.
- It is important that Housing Elements for all cities and counties that are applicants or participating members of a RHTF must be adopted by the governing body and determined to be in compliance by HCD no later than

award announcement. If an applicant is determined to be out of compliance at the time awards are announced applicants will be ineligible to receive funding and the next highest scoring eligible applicant may be funded in its place. Please note there has been a change to the Housing Element Annual Progress Report Requirements. The Housing Element Annual Progress Reports must be submitted for the 2022 calendar year by application deadline under the 2023 NOFA.

- Nonprofit Housing Trust Funds must agree to utilize Program Funds only for Eligible Projects located within cities or counties that have at the time of awards announcement an adopted Housing Element determined by the Department to be in compliance with state Housing Element law and have submitted to the Department the Annual Progress Report on the Housing Element for the 2022 Calendar Year by the application deadline date.
- Native American Tribe or Tribes must agree to utilize Program Funds only for Eligible Projects either
 - (A) located on Native American Lands or
 - (B) in cities or counties that have at the time of awards announcement an adopted Housing Element determined by the Department to be in compliance with state Housing Element law and have submitted to the Department the Annual Progress Report on the Housing Element for the 2022 Calendar Year by the application deadline date.



Previous Awardees

Awarded LHTF Funds under the 2020, 2021
and/or 2022 NOFA
must Commit at least 40% of Program
Funds

102(d): Previous Awardees	Total Awarded	\$ 5,000,000
Enter the dollar amount of Program Funds that have been committed from all previous LHTF awards (leave blank if not previously awarded)	Total Committed	\$ 1,500,000

- Applicants who have received an award for the LHTF 2020, 2021 and/or 2022 NOFA must have committed at least 40 percent of Program Funds from each awarded NOFA.
- Applicants that do not meet this requirement will NOT be eligible to submit a LHTF application under the 2023 NOFA. The measure of commitment used by the Department requires that the applicant have made a commitment through a legally binding agreement and/or letter to a project and/or an eligible activity.
- To ensure you have met the commitment requirement, the department has built into the application a tool that will assist in confirming the amount of the required commitment based on prior award.
- You will need to enter your total awarded Program Funds starting with the 2020 NOFA. Please enter the dollar amount of your total awarded Program funds. You will then enter the dollar amount for which you have made a commitment to a specific project and/or activity. The cell will turn RED if you have not reached the minimum requirement for committed funds.



Eligible Matching Funds

Local Matching Funds and Program Funds must be used for the same project

Matching funds must be On Deposit or substitute with a Legally-binding commitment by application submission

Dollar-for-Dollar Match

Matching Funds must be derived from eligible sources

All Matching must be On Deposit prior to disbursement of Program Funds

- Program funds will be matched dollar-for-dollar by eligible sources of funding, such as taxes, fees, loan repayments, or public/private contributions by the Applicant and MUST be used for the same project.
- Lines of credit and loans are not eligible sources and neither are State or Federally restricted housing funds (such as HOME, CDBG, etc.) and will not be considered as Matching Funds.
- PLHA funds may be considered Matching Funds for Regional Housing Trust Funds only.
- Matching funds must be On Deposit in the Housing Trust Fund by application submission or alternately you may submit a Legally-binding commitment for the Matching Funds. The Legally Binding Commitment and/or letter must be a fully-executed contract. It MUST include the specific source(s) of the Matching Funds, the amount of Matching Funds being provided, the date upon which the funds will be deposited into the Housing Trust Fund or Regional Housing Trust Fund account, and remedies for not depositing the Matching Funds on that date.
- All Matching Funds must be On Deposit prior to the disbursement of Program Funds.

Matching Funds Documentation

Select Type of Matching Fund

Residential Local Impact Fees
Loan Repayments
Land Donation

Matching Fund Amount

\$500,000
\$200,000
\$300,000
Total Matching Funds \$1,000,000

Required Documentation for Matching Funds


Match_Fund_1	Proof of Deposit(s)
Match_Fund_2	Legally Binding Commitment
Match_Fund_3	Appraisal Report

Uploaded to HCD?

Proof of Deposit(s)
Legally Binding Commitment
Appraisal Report

Land donation for Matching Funds:

Must provide a land title and appraisal dated within 6 months of application due date.



-The section on the application for Matching Funds has been revised as well. The department has implemented features such as dropdown lists that include specific data selections to assist applicants in meeting the Matching Funds requirements.

-If applicants fail to meet the minimum required amount of Matching Funds, the cell will turn RED as shown above.

-Documentation provided, such as bank statement(s), should evidence that the Matching Funds have been deposited into the HTF account and the dropdown list will capture this requirement. If the Matching Funds have yet to be deposited into the HTF account, applicants must provide an executed legally binding agreement and/or letter as outlined on the previous slide.

-Additional acceptable sources of documentation for Matching Funds include ordinances adopting fees and/or taxes, or the prior years financial statements received. Applicants using land donation as Matching Funds must provide a land title and appraisal dated within 6 months of the application deadline documenting the donated lands value. (Please note that if land donation is used as Matching Funds, the use of that land must be utilized as part of your project.)



Ongoing Revenue

One-time donations such as land or large bequest are not eligible

Ongoing Revenues are required and may or may not be eligible Matching Funds

**New VS.
Existing HTF**

Existing HTF must meet the Ongoing Revenues requirement averaging \$100k/year for a minimum of 3yrs after Program award date

New HTF must meet the Ongoing Revenues requirement of annual operating costs for a min. of 5yrs after Program award date

- For an Existing Housing Trust Fund, Ongoing Revenue must be at least an average of \$100,000 per year for 3 years after program award date.
- For a New Housing Trust Fund, the Ongoing Revenue must be sufficient to pay for 5 years of operating costs after program award date.
- Ongoing Revenues are required to be derived from dedicated sources of consistent funding, such as taxes, fees, repayments of loans made by the Trust Fund, or regular annual public or private contributions.
- Ongoing Revenues may not include one-time donations, such as land donations or large bequests, loans or lines of credit.



Ongoing Revenue Documentation

Select Type of Ongoing Revenue
Loan Repayments
Public Contributions
Private Contributions

Annual average amount deposited into the HTF
\$10,000
\$50,000
\$20,000
Total Ongoing Revenues \$80,000

Required documentation for Ongoing Revenue NOTE: Executed documentation only; no drafts	
Ongoing_Rev_1	Promissory Note
Ongoing_Rev_2	Resolution
Ongoing_Rev_3	Private Agreement

New Housing Trust Fund Only Complete the average annual projected Operating Costs for the five years after Program Award
NOTE: If using "Other," please delete "Other: (Describe)" and provide a brief description.

Salaries and Benefits:	\$53,000	Insurance:	\$670	Utilities	\$1,250	Phone/Internet	\$1,300	Marketing	\$0	Mailing Fees	\$0
Recording Fees	\$0	Supplies	\$2,050	Real Property Taxes	\$2,500	Rent	\$25,000	Property Maintenance	\$0	Interest on Loans	\$0
Other: (Describe)		Other: (Describe)		Other: (Describe)		Other: (Describe)		Other: (Describe)		Other: (Describe)	
Total Average Operating Costs						\$85,770					

- Just like the Matching Funds section, the Ongoing Revenues section has been updated on the application to include the same features.
- The accepted forms of documentation for ongoing revenue include executed Letters of Explanation or legally binding commitments/agreements for public and/or private contributions, ordinances adopting fees and/or taxes, prior years financial statements received, executed promissory notes or loan agreements that include required interest/principal payments, loan due dates, and required fees.
- At minimum, documentation must support the required average amount and number of years of Ongoing Revenue as stated on the previous slide.
- For New Housing Trust Funds only, the threshold tab in the Ongoing Revenue section includes an itemized chart for operating expenses. In this section, applicants will need to provide the average annual projected amount of operating costs for five years following Program award.



Eligible use of Funds

- (a) Program Funds should be used to provide construction and/or deferred payment permanent loan at simple interest no higher than 3 percent annum
- (b) Administrative expenses of up to 5 percent of Program Funds **AND** Matching Funds
- (c) Minimum 30 percent of Program and Matching Funds expended to assist Extremely-Low Income Households (30% AMI)
- (d) Maximum 20 percent of Program and Matching Funds expended to assist Moderate-Income Households (120% AMI)
- (e) Remaining Program and Matching Funds expended to assist Lower-Income Households (80% AMI)

- Program Funds should be used to provide construction and/or deferred payment permanent loans at simple interest rates of no higher than 3 percent annum.
- Applicants are allowed up to 5 percent of Program Funds and additionally up to 5 percent of Matching Funds for administrative expenses.
- Guidelines section 105 establishes minimum and maximum amounts of program funds to be directed at specific AMI Levels. Please note the minimum and maximum amounts we will be going over are the amounts after deducting any applicable administrative expenses.
- First, a minimum of 30% of Program and Matching funds must be used for Extremely Low-Income Households. Dwelling units or shelter beds must be Affordable to and restricted for households with incomes not to exceed 30% of the Area Median Income.
- Second, a minimum of 20% of Program and Matching funds must be used for Moderate-Income Households whose household income does not exceed

120% of the Area Median Income.

- And lastly, the remaining Program and Matching Funds must be used for Low-Income Households whose household income does not exceed 80% of the Area Median Income



Loan guidelines & Underwriting Standards and Procedures

Applicant has adopted the Uniform Multifamily Regulations (UMRs) as their loan guidelines, underwriting and procedures. The Department's UMRs can be found on our website at https://hcd.ca.gov/grants-funding/already-have-funding/uniform-multifamily-regulations/docs/uniform-multifamily-regulations-2017.pdf	Yes
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OR

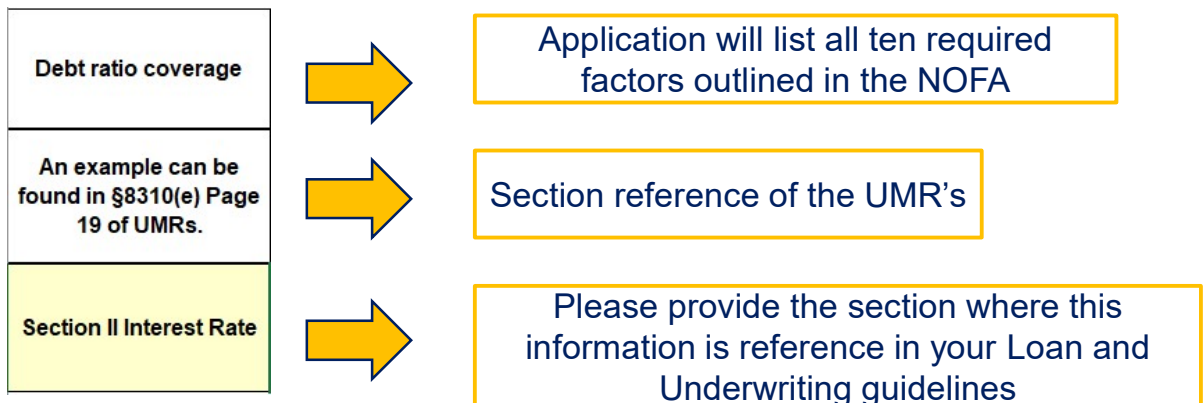
Applicant has adopted the Uniform Multifamily Regulations (UMRs) as their loan guidelines, underwriting and procedures. The Department's UMRs can be found on our website at https://hcd.ca.gov/grants-funding/already-have-funding/uniform-multifamily-regulations/docs/uniform-multifamily-regulations-2017.pdf	No
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All ten factors must be addressed in your loan guidelines. Underwriting standards and procedures must be submitted to the department for review. Please complete the fields below by providing where within your guidelines we can verify this information.					
Debt ratio coverage	Minimum projected operating expenses	Replacement reserve (enter the amount per unit)	Capitalized operating reserve (Development funding source at a minimum)	Positive cash flow	Projected vacancy rate
An example can be found in §8310(e) Page 19 of UMRs.	An example can be found in §8301(k) Page 4 of UMRs, or TCAC limits.	An example can be found in §8309(b)(1)(2) Page 16 of UMRs.	An example can be found in §8308(b) Page 14 of UMRs.	An example can be found in §8310(i) Page 20 of UMRs.	An example can be found in §8310(a)(b) Page 18 of UMRs.

- Loan guidelines and underwriting standard procedures is a new section the Department has implemented into the threshold tab of the application.
- There are two options to select from. For those who are adopting the 2017 Uniform Multifamily Regulations (UMRs) as their loan and underwriting procedures, please select YES in this section of the application.
- If you are not adopting the UMRs, please move forward and complete the boxes filling in the information requested for all ten factors outlined in the application.
- Please note the list of factors in the 2023 NOFA includes Interest Rate.



Loan guidelines & Underwriting Standards and Procedures



- Let's take a closer look at how to complete this section of the application.
- This section is applicable to all applicants that are not adopting the UMRs.
- All ten factors outlined in the application must be addressed in your loan guidelines & underwriting standards and procedures and a copy of your document must be submitted with your application.
- For the purpose of this slide, we will be using the debt ratio coverage as our example.
- Below the debt ratio coverage heading, you will find the section references for the UMRs where you can obtain additional information on what is being required. To be directed to the UMRs directly please click on the hyperlink provided on the application.
- Lastly, in the yellow cell, please provide the section references to where in your loan guidelines & underwriting standards the debt ratio coverage will be outlined. Applicants will complete this process for all ten of the required factors.



Rating and Ranking

Non-Residential Matching Funds (15 Points Max)

Extent to which the Applicant provides Matching Funds from sources other than residential Local Impact Fees or In Lieu Fees

0% - 25%	From other sources	5 Points
26% - 50%	From other sources	10 Points
<51%	Or more from other sources	15 Points

Hi I'm _____, And I will be going over Rating and Ranking.

- The first opportunity for points is in the category of Non-Residential Matching Funds.

- Applicants will receive points based on the percentage of Matching Funds obtained specifically from sources other than residential Local Impact Fees, or In Lieu Fees .

- There is a minimum of 5 points and a maximum of 15 points in this category.



Rating and Ranking

Deeper Income Targeting (20 Points Max)

Extent to which the Applicant commits to expend less than 20 percent of Program Funds and Matching Funds to serve Moderate-Income Household

11% - 18%	Funding for Moderate-Income Household	5 Points
6% - 10%	Funding for Moderate-Income Household	10 Points
1% - 5%	Funding for Moderate-Income Household	15 Points
100%	Funding for Lower-Income Household	20 Points

- Our next opportunity for points is in Deeper Income Targeting.
- To receive the maximum 20 points, applicants would need to commit 100% of their funding to Lower-Income Households.
- As you can see on the slide the points increase as the percentage of funding going towards Moderate-Income Households decreases.



Rating and Ranking

Readiness (15 Points Max)

Extent to which the Applicant completed a first phase funding for Multifamily rental projects and announced on its website the status of each project

A. Website posting of pipeline with status, PLUS Either of the next (2) factors:	5 Points
Projects included in item A. with first phase funding completed representing 2 times the application request (e.g., if requesting \$5 million, pipeline projects must total at least \$10 million)	5 Points
Projects included in item A. with first phase funding completed representing 3 times the application request (e.g., if requesting \$5 million, pipeline projects must total at least \$15 million)	10 Points

-To score the first 5 points in the Readiness category applicants **MUST** include in their application a direct link to their website posting for their specific projects.

- The first phase begins with the release of a NOFA or RFQ, followed by the receipt of preliminary applications from developers, and then proceeds with the issuance of preliminary approvals.
- The pre-approvals given to those projects must be published on the website. The posting should include a list of applicants, names of the projects, AMI level(s) served, funding amounts requested, and the pre-approval amounts.
- For the remaining readiness points the applicants must have granted at minimum, preliminary approvals to at least two times the LHTF application request amount.

Readiness Section

Project Name	Elk Grove Senior Apartment	Pre-approved Amount	\$ 500,000	Direct link to website	https://hcd.ca.gov
Project Name	Maple Garden	Pre-approved Amount	\$ 500,000	Direct link to website	https://hcd.ca.gov
Project Name	Maple Garden II	Pre-approved Amount	\$ 1,000,000	Direct link to website	https://hcd.ca.gov
Total Amount of pre-approved First Phase Funding	\$2,000,000	Total Program Funds Requested	\$1,000,000	First Phase Funding vs. Requested (times)	2

Developer	Project	AMI	Amount Requested	Preapproval Amount
Frist Step Enterprise	Elk Grove Seniors Apartments 5778 Bond Rd.	30%	\$1,000,000	\$500,000
New Opportunity Non-profit	Maple Garden	40%	\$500,000	\$500,000
Brighter Future Inc.	Maple garden II	50%	\$1,500,000	\$1,000,000

Note: Weblink must be a direct link to the posting of the projects. Weblink to the main webpage is not sufficient.

- Now let's take a closer look at what the completed Readiness section of the application should look like.
- Built into the score tab of the application, you will list the project's name and the pre-approval amount generated from the NOFA or RFQ release.
- Next, it is important that you provide the direct weblink for your project. Weblinks directing the Department to your main webpage will not be considered sufficient and can result in a decrease of points for Readiness.
- A document version of your pipeline-projects must also be submitted with your application.



Rating and Ranking

Increasing the Supply of Lower-Income Rental Housing (20 Points Max)

Extent to which the Applicant commits to use Program Funds and Matching Funds for the new construction of rental housing development affordable to and restricted to households with average incomes of no more than 60 percent AMI

50%	Funding for 60% AMI or less	0 Points
51% - 74%	Funding for 60% AMI or less	10 Points
75% - 99%	Funding for 60% AMI or less	15 Points
100%	Funding for 60% AMI or less	20 Points

- The fourth scoring criteria gives Applicants points who commit to using Program Funds and Matching Funds for the new construction of rental housing developments, making them affordable to and restricted to households of no more than 60 percent AMI.
- Points are given based on the ranges outlined above.



Rating and Ranking

Community Need (15 Points Max)

Percentage of Lower-Income Households paying more than 50 percent of their household income for rent or owner expenses, in jurisdictions to be served by the application, in comparison with jurisdictions to be served by other applications

0% - 25%	5 Points
26% - 44%	10 Points
45% or higher	15 Points

Note: This section will be scored by HCD using CHAS data (Comprehensive Housing Affordability Strategy)

- The fifth criteria is Community Need.
- This will be calculated by HCD staff using the Comprehensive Housing Affordability Strategy data set (aka CHAS).
- At a minimum everyone will receive 5 points and those jurisdictions most impacted could receive a maximum of 15 points.



Rating and Ranking

Regional Housing Trust Fund Applicants (5 Points)

Applicants that are a Regional Housing Trust Fund meeting the description here get all points in the category

6 jurisdictions (in counties with total populations of 250,000 or less) OR	5 Points
8 jurisdictions (in counties with a population of more than 250,000), OR	
that meet the minimum threshold (2) jurisdictions with more than 1 million people, (3) jurisdictions in counties with total populations of 250,000 or less OR (4) jurisdictions in counties with more than 250K and include more than 66% of the population of the county or counties.	

- Applicants that are a Regional Housing Trust Fund meeting the description here will receive all points in this category:
- 6 jurisdictions (in counties with total populations of 250,000 or less) **OR**
- 8 jurisdictions (in counties with a population of more than 250,000), **OR**
- That meet the minimum threshold (2) jurisdiction with more than 1 million people, (3) jurisdictions in counties with total populations of 250, 000 or less **OR** (4) jurisdictions in counties with more than 250K and include more than 66% of the population of the county or counties



Rating and Ranking

Performance (10 Points)

Extend to which Applicants exceed the minimum 40 percent commitment

Previous awardees who have exceed the minimum 40 percent commitment of Program Fund OR	10 Points
New Applicants (no previous LHCF award) who have committed 40 percent or more of local Matching Funds	10 Points

- There is a category in the 2023 NOFA which will give an opportunity for both previous awardees and New Applicants to receive points in the Performance factor.
- Previous Awardees who exceed the minimum 40% commitment of Program Funds will be given 10 points.
- Additionally New Applicants who have committed 40% or more of their local Matching funds will also be eligible to receive 10 pts.
- Letters of Intent will need to be executed and submitted with the application. The letter of intend should outline at minimum the amount of Program Funds committed, the AMI level, whether it is construction or permanent financing and the name of the project or developer.



Tie Breaker

In the event of tied point scores, the Department shall rank tied applications based on the extent to which the application identifies specific multifamily rental projects to which the HTF has issued Letters of Intent to provide construction or permanent financing.

The HTF Letters of Intent must identify Program Funds as one of the funds committed, type of loan, interest rate, and amount committed to the project or developer.

Project Name	Elk Grove Sr. Apartment	Funding Source	LHTF	Commitment Amount	\$500,000	Loan Type	Construction
Project Name	Elk Grove Sr. Apartment	Funding Source	Public Contribution	Commitment Amount	\$500,000	Loan Type	Construction

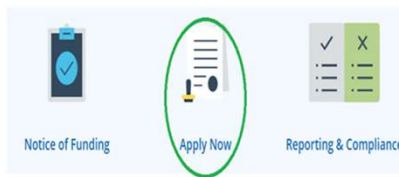
Lastly, In the event of tied point scores, the Department shall rank tied applications based on the extent to which the application identifies specific multifamily rental projects to which the HTF has issued Letters of Intent to provide construction or permanent financing.

- The HTF Letters of Intent must be submitted with the application and must identify Program Funds as one of the funds committed, the type of loan, interest rate, and amount committed to the project or developer.



Application Submission

- Applications MUST be submitted through the Portal on the LHTF Program Webpage
- Portal will be unavailable until 4/19/23
- The link to the Submission Portal will be located under the “Apply Now” Icon
- Submission Portal will be available 4/19-5/17 @ 4P.M.

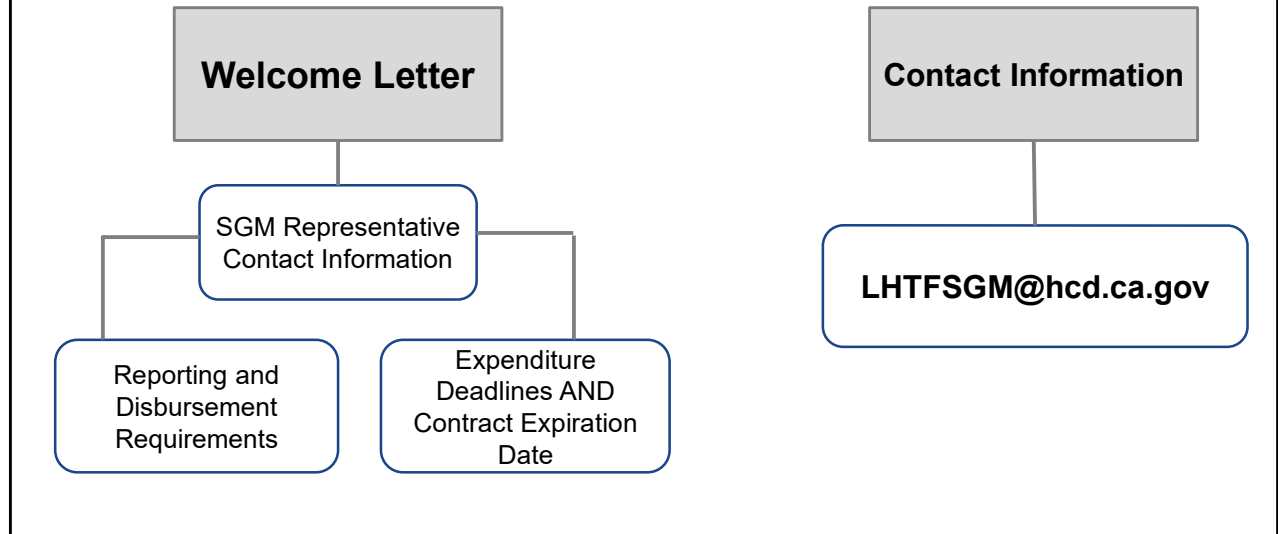


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- Hello I am _____ and I'll be talking about Application Submission
- Application Packages MUST be submitted through the Portal on the LHTF Program Webpage.
- The Portal will be available starting April 19th 2023 and will remain open through 4PM on May 17th 2023
- The link to the portal will be located on the LHTF Webpage under the “Apply Now” Icon.
- If you have trouble accessing the Portal once the link is made available on April 19th please contact LHTF@hcd.ca.gov for technical assistance



State Grants Management (SGM)



We are now near the end of this presentation, and we would like to include what happens after a standard agreement has been executed.

The State Grant Management (SGM) section will send you a welcome letter following the execution of your Standard Agreement. The letter will contain:

- SGM Representative contact information
- Reporting and disbursement requirements with links to forms
- Expenditure deadlines and contract expiration dates

The Applicant's Grant Management Representative as introduced in the Welcome Letter or the email from LHTFSGM@hcd.ca.gov will be your contact after execution of the Standard Agreement.



Disbursement of Funds

Prior to Disbursement of Program Funds

Housing Trust Fund Must Submit to the Department:

- Draft loan documents for Review and Approval
- Documentation that identifies the source and deposit of Matching Fund

After Final Approval and Verification

After receiving final approval of draft documentation and Verification of an Executed Standard Agreement:

- A signed Request For Funds Form must be submitted to the Department
- Processing timeframe to receive Program Funds is up to 45 days after Final Approval

Prior to disbursement of Programs funds, the Housing Trust Fund must submit:

- Draft loan documents and
- Documentation that identifies the source and deposit of matching fund

Upon receiving final approval of draft loan documents, and the verification of a fully executed Standard Agreement has been completed, a signed Request For Funds form must be completed and submitted to the Department for processing. The LHTF Request for funds form can be found on the Department website, located in the Forms tab under the LHTF Programs section.

Please note that processing time for the Grantee to receive Program Funds can take up to 45 days upon receiving final approval of draft loan documents, the verification of a fully executed standard agreement and completion of a Request For Funds form.



Reporting Requirements

LHTF Annual Reports

LHTF reports must be submitted to the Department Annually

Report must include a narrative, financial and statistical summary of projects in which program funds have been committed and expended during the year

LHTF Annual Report can be found at <https://www.hcd.ca.gov/local-housing-trust-fund> under Reporting and Compliance

Not later than July 31st of each year during the term of the Standard Agreement.

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LHTF reports must be submitted to the Department on an annual basis. The report must include a narrative, financial and statistical summary of projects in which program funds have been committed and expended during the year. The LHTF Annual Report can be found on the Department website, located in the Forms tab under the LHTF Programs section.

The Annual Report must be submitted no later than July 31st of each year during the term of the Standard Agreement.



Resources

Local Housing Trust Fund (LHTF) Website

<https://hcd.ca.gov/grants-funding/active-funding/lhtf.shtml>

Senate Bill 3, Beall. Veterans and Affordable Housing Bond Act

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB3

LHTF Final Guidelines

https://hcd.ca.gov/grants-funding/active-funding/lhtf/docs/2020_Final_Guidelines.pdf

LHTF Notice of Funding Availability

https://www.hcd.ca.gov/grants-funding/active-funding/lhtf/docs/lhtf_2022_nofa.pdf

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Here are links to some of the resources we used throughout the presentation.

- The Local Housing Trust Fund Program webpage
- Legislative info on SB 3
- The Local Housing Trust Fund Guidelines
- The Local Housing Trust Fund NOFA



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For inquiries and questions

Registration and Titling:

(800) 952-8356
(800) 735-2929 (TTY)
ContactRT@hcd.ca.gov

Mobilehome Assistance Center (Complaints):

(800) 952-8356
MHAssistance@hcd.ca.gov

Mobilehome Residency Law Protection Program (MRL Complaints):

(800) 952-8356
MRLComplaint@hcd.ca.gov

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Related Links

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[Pay Fees — Submit a Payment](#)

You can also sign up for HCD updates on our website. You can select multiple programs on which to receive emailed news and updates. This way you won't miss out on our LHTF announcements!





Thank you!

Thank you for watching and we look forward to receiving your application!