

File No. 230486

Committee Item No. 4

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date May 10, 2023

Board of Supervisors Meeting Date \_\_\_\_\_

### Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

### OTHER (Use back side if additional space is needed)

- Final LHTF Program Guidelines 4/2020
- Notice of Funding Availability 3/7/2023
- \_\_\_\_\_
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Completed by: Brent Jalipa Date May 4, 2023

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Apply for Grant Application - California Department of Housing and Community Development  
2 - Local Housing Trust Fund Program Grant - Not to Exceed \$5,000,000]

3 **Resolution authorizing the Mayor’s Office of Housing and Community Development, on**  
4 **behalf of the City and County of San Francisco, to execute a grant application for a**  
5 **grant to fund affordable housing development under the California Department of**  
6 **Housing and Community Development’s Local Housing Trust Fund Program, for an**  
7 **amount not to exceed \$5,000,000.**

8  
9 WHEREAS, The State of California (the “State”), California Department of Housing  
10 and Community Development (“Department”) is authorized to provide up to \$53 million under  
11 the Local Housing Trust Fund (“LHTF”) Program from the Veterans and Affordable Housing  
12 Bond Act of 2018 (Proposition 1) (as described in Health and Safety Code, Section 50842.2 et  
13 seq. (Chapter 365, Statutes of 2017 (SB 3)) (“Program”); and

14 WHEREAS, The Department issued a Notice of Funding Availability (“NOFA”) dated  
15 March 7, 2023, under the LHTF Program; and

16 WHEREAS, The City and County of San Francisco, acting through the Mayor’s Office  
17 of Housing and Community Development (“Applicant”) has established an eligible “Local or  
18 Regional Housing Trust Fund” (as defined under the Program) and desires to apply to the  
19 Department for Program Funds to administer one or more eligible activities using Program  
20 Funds, which includes the development of affordable housing; and

21 WHEREAS, The Department may approve funding allocations for the LHTF Program,  
22 subject to the terms and conditions of Health and Safety Code, Section 50842.2, the LHTF  
23 Program Guidelines, NOFA, Program requirements, the Standard Agreement and other  
24 related contracts between the Department and LHTF award recipients; now, therefore, be it

25 RESOLVED, That if the Applicant receives an award of LHTF funds from the

1 Department pursuant to the above referenced LHTF NOFA, Applicant represents and certifies  
2 that it will use all such funds on Eligible Projects in a manner consistent and in compliance  
3 with all applicable state and federal statutes, rules, regulations, and laws, including, without  
4 limitation, all rules and laws regarding; and, be it

5 FURTHER RESOLVED, That the Mayor’s Office of Housing and Community  
6 Development is hereby authorized to act as the manager in connection with the Department’s  
7 funds to Eligible Projects (as defined under the Program) pursuant to the above described  
8 Notice of Funding Availability in an amount not to exceed \$5,000,000 (the “LHTF Award”);  
9 and, be it

10 FURTHER RESOLVED, That as condition of the Program Funds, the Applicant will  
11 match on a dollar for dollar basis the LHTF Award pursuant to Guidelines Section 104, subject  
12 to any applicable approval by the Board of Supervisors, and will use such matching finds on a  
13 dollar-for-dollar basis for the same Eligible Project for which Program Funds are used, as  
14 required by Health and Safety Code, Section 50843.5(c); and, be it

15 FURTHER RESOLVED, Pursuant to this Resolution, the LHTF funds will be expended  
16 only for Eligible Projects and consistent with all program requirements, as described in  
17 Attachment 1; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors acknowledges that if the  
19 Application is successful, the City, through MOHCD, shall seek Board of Supervisors approval  
20 of the Standard Agreement; and, be it

21 FURTHER RESOLVED, The Applicant shall be subject to the terms and conditions as  
22 specified in the Standard Agreement, Health and Safety Code, Section 50842.2, and LHTF  
23 Program Guidelines; and, be it

24 FURTHER RESOLVED, The Director of the Mayor’s Office of Housing and Community  
25 Development, or his designee, is authorized to execute the LHTF Program Application and

1 any subsequent amendments or modifications thereto, as well as any other documents which  
2 are related to the Program or the LHTF Award to Applicant, as the Department may deem  
3 appropriate.

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RECOMMENDED:

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Eric D. Shaw, Director,  
Mayor’s Office of Housing and Community Development

1 ATTACHMENT 1

2 LOCAL HOUSING TRUST FUND PROGRAM

3  
4 If awarded by the California Department of Housing and Community Development, applicant  
5 will use the Local Housing Trust Fund and matching funds through the San Francisco Housing  
6 Trust Fund for construction financing of 100% affordable new construction rental housing  
7 affordable to and restricted to households at 60% Area Median Income or less, including at  
8 least 30% of the units restricted to Extremely Low-Income households at 30% of Area Median  
9 Income or less, with incomes as defined by the Department of Housing and Community  
10 Development.

11 All financing will support 100% affordable new construction projects in the City and  
12 County of San Francisco.

13 At least 30% of the units will be permanent supportive housing units restricted to  
14 Extremely Low-Income households at 30% of Area Median Income or less.

15 The City and County of San Francisco will prioritize projects for funding that have  
16 already completed a first phase of predevelopment funding.

# Local Housing Trust Fund Program

## Final 2020 Guidelines



**State of California  
Gavin Newsom, Governor**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

**Douglas R. McCauley, Acting Director  
California Department of Housing and Community Development**

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**April 2020**

The matters set forth herein are regulatory mandates, and are adopted in accordance with the authorities set forth below:

Quasi-legislative regulations ... have the dignity of statutes ...  
[and]...delegation of legislative authority includes the power to elaborate  
the meaning of key statutory terms...

Ramirez v. Yosemite Water Co, 20 Cal. 4<sup>th</sup> 785, 800 (1999)



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## **INTRODUCTION**

Health and Safety Code (HSC) Section 50843.5 authorizes the California Department of Housing and Community Development (Department) to provide matching grants to Local Housing Trust Funds established by cities and counties, Native American Tribes, and/or incorporated 501(c)(3) nonprofit organizations. Funds may be used for construction loans and/or permanent financing loans to pay for predevelopment costs, acquisition costs, and other costs associated with development or rehabilitation of Affordable rental housing projects, Emergency Shelters, Permanent Supportive Housing, Transitional Housing, or 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 or Junior Accessory Dwelling Units.

The Department's objective is to expand sources of funding for housing, and to expand the supply of Affordable housing through the creation of new Local Housing Trust Funds, and to support the on-going operation of existing Local Housing Trust Funds.

A Notice of Funding Availability (NOFA) will be released as funds are available.

## **Section 100. Purpose and scope**

- (a) These Guidelines implement, interpret, and make specific Health and Safety Code (HSC) Sections 50842.1, 50842.2, 50843.5 and Section 54006(f), which govern the Local Housing Trust Fund Program (LHTF or LHTF Program). The principal goal of the LHTF Program is to expand sources of funding for housing through the creation of new Local Housing Trust Funds and to support existing Local Housing Trust Funds. Under the LHTF Program, the California Department of Housing and Community Development (Department) provides matching grants to eligible Applicants that have a Local Housing Trust Fund. LHTF Program Funds shall be used to make construction loans and/or permanent financing loans to pay for predevelopment costs, acquisition costs, and other 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 Accessory Dwelling Units (ADUs) or Junior Accessory Dwelling Units (JADUs).
- (b) Proposition 1 of 2018 granted the Department authority to implement the LHTF Program through Guidelines.
- (c) These Guidelines establish terms, conditions, and procedures for Applicants to submit applications to the Department for grants from the LHTF Program and for funds awarded under the LHTF Program.

Note: Authority cited: HSC Section 54014 subdivision (b). Reference cited: HSC Sections 50842.2 and 50843.5.

## **Section 101. Definitions**

The following definitions govern the use of the terms below in this subchapter:

- (a) “Accessory Dwelling Unit (ADU) means a dwelling unit, which is attached, detached, or located within the living area of the existing dwelling or residential dwelling unit and provides complete independent living facilities for one or more persons pursuant to Government Code (GC) Section 65852.2 and 65852.22. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. An ADU also includes an efficiency unit, as defined in HSC Section 17958.1, or a manufactured home, as defined in HSC Section 18007. ADUs must be restricted to occupancy by households with incomes of no more than 120 percent of AMI at an Affordable rent for a minimum of 10 years.

- (b) “Affordable” means a housing unit that satisfies at least one of the following criteria:
- (1) If the unit is being rented to Lower-Income, Very Low-Income or Extremely Low-Income Households, it complies with Section 7312(a) of the Multifamily Housing Program guidelines;
  - (2) If the unit is being sold, it is offered at an “Affordable housing cost”, as defined in HSC Section 50052.5; or
  - (3) If the unit is being rented to Moderate-Income Households, it is available at a gross rent, including a utility allowance, that does not exceed 30 percent of the applicable income-eligibility level, and complies with the definition of Moderate-Income in these guidelines.
- (c) “Applicant” means one of the following:
- (1) A local government or local governments which have created a Local or Regional Housing Trust Fund to receive specific revenue to address local housing needs.
  - (2) A Native American Tribe or Tribes which have created a Local or Regional Housing Trust Fund to receive specific revenue to address local housing needs.
  - (3) A nonprofit Local or Regional Housing Trust Fund incorporated under Section 501(c)(3) of the Internal Revenue Code to receive specific public, or public and private, sources of revenue to address local housing needs.
- (d) “Area Median Income” or “AMI” means the most recent applicable county median family income published by the Department, available at the [HCD website](http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml), <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (e) “Dedicated Source” means taxes, fees, and loan repayments consistent with Section 104(c), and/or public or private contributions that will provide Ongoing Revenues to the Local Housing Trust Fund sufficient to meet the requirements of the LHTF Program. Dedicated Source does not include lines of credit or loans obtained by the Trust Fund.
- (f) “Department” means the California Department of Housing and Community Development.
- (g) “Eligible Project” means any of the following:
- (1) Rental housing projects including Permanent Supportive Housing. The affordability of all units assisted by Program Funds shall be income and rent restricted for not less than 55 years;

- (2) Emergency Shelters and Transitional Housing, with a required minimum term of 15 years;
  - (3) Homeownership Projects or Units Within a Homeownership Project, consisting of homebuyer assistance and rehabilitation of homes owned by income-eligible owner-occupants. Homebuyer and owner-occupied rehabilitation activities may include construction, conversion, or rehabilitation of ADUs or JADUs, as defined in this section; or
  - (4) Construction, conversion, or rehabilitation of ADUs or JADUs without an Eligible Homeownership Project, consisting of a loan to a homeowner to build, convert, or rehabilitate an ADU or JADU, as defined in this section.
- (h) “Emergency Shelter” means the same as in 24 CFR 576.2.
  - (i) “Existing Local Housing Trust Fund” is a Local Housing Trust Fund organized, funded, and operated more than 12 months prior to the date the Notice of Funding Availability (NOFA) is issued.
  - (j) “Extremely Low Income” has the meaning set forth in HSC Section 50106, which is a maximum of 30 percent of AMI. Grantees shall utilize income limits issued by the Department available on the [HCD website](http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml), <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
  - (k) “First-time Homebuyer” means an individual, or individuals, or an individual and his or her spouse, who are in the process of buying a dwelling with the intent to occupy the home as a principal place of residence, and who have not owned a home during the three-year period before the purchase of a home with Program Funds, except that the following individual or individuals may not be excluded from consideration as a First-time Homebuyer under this definition:
    - (1) A displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period, and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment, and worked primarily without remuneration to care for his or her home and family;
    - (2) A single parent who, while married, owned a home with his or her spouse or resided in a home owned by his or her spouse. A single parent is an individual who is unmarried or legally separated from his or her spouse, and has one or more minor children for whom the individual has custody or joint custody, or is pregnant; or

- (3) An individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with Program Funds, a dwelling unit whose structure is:
- (A) Not permanently affixed to a permanent foundation in accordance with local or state regulations; or
  - (B) Not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.
- (l) “Grantee” means an entity that has received an award of LHTF Program Funds.
- (m) “Homeownership Project or Units Within a Homeownership Project” means Eligible Projects that use Program Funds to assist First-time Homebuyers in the acquisition or construction of dwellings, or to assist in rehabilitation of owner-occupied housing units in which the homeowner has an ownership interest sufficient to comply with HSC Section 50843.5(d)(3), including the construction, conversion, repair, reconstruction or rehabilitation of ADUs or JADUs. Homeowner transactions shall comply with the resale requirements set forth in HSC Section 50843.5(d)(3) for a period of 30 years from the date that Program Funds are used to acquire, construct, or rehabilitate the property.
- (n) “Junior Accessory Dwelling Units” (“JADUs”) shall have the same meaning as defined by GC Section 65852.22(g)(1). JADUs must be restricted to occupancy by households with incomes of no more than 120 percent of AMI at an Affordable Rent for a minimum of 10 years.
- (o) “Legally-Binding Commitment” means a fully-executed commitment letter or a fully-executed contract to provide Matching Funds, specifying the source(s) of the Matching Funds, the amount of Matching Funds from each source, the date upon which the funds will be deposited into the Local Housing Trust Fund or Regional Housing Trust Fund account, and remedies for not depositing the Matching Funds on that date.
- (p) “Local Housing Trust Fund” is a public, joint public and private, or charitable nonprofit organization organized under Section 501(c)(3) of the Internal Revenue Code, which was established by legislation, ordinance, resolution (including nonprofit articles of incorporation), or a public-private partnership organized to receive specific public, or public and private, revenue to address local housing needs. The key characteristic of a Local Housing Trust Fund is that it receives Ongoing Revenues from Dedicated Sources of funding sufficient to permit the Local Housing Trust Fund to comply with the requirements of the Program.
- (q) “Local Impact Fees” are impact fees, mitigation fees, or capital facility fees imposed on development projects by municipalities, county agencies, or other jurisdictions such as utility districts, school districts, water agencies, and resource conservation districts. Local Impact Fees may include fees for residential or

commercial development (in lieu of building affordable housing), parks and recreation, schools, traffic, street and signals, law enforcement facilities, fire facilities, library facilities, water facilities, waste water treatment, waste water collection, drainage facilities, community development, general facilities, public facilities, governmental facilities, environmental facilities, and facilities assessments.

- (r) “Lower-Income Households” has the meaning set forth in HSC Section 50079.5, which states that Lower-Income Households are persons and families with a maximum income of 80 percent of AMI. Grantees shall utilize income limits issued by the Department available at the [HCD website](http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml), <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (s) “Matching Funds” shall mean available funds meeting the requirements of Section 104.
- (t) “Moderate-Income Households” has the meaning set forth in Health & Safety Code Section 50093, which states that Moderate-Income Households are persons and families with a maximum income of 120 percent of AMI. Grantees shall utilize income limits issued by the Department available at the [HCD website](http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml), <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.
- (u) “Native American Lands” means real property located within the State of California, which is trust land for which the United States holds title to the tract, or interest in trust, for the benefit of one or more Native American Tribes or individual Native Americans, or is restricted Native American land for which one or more Native American Tribes or individual Native Americans holds fee title to the tract or interest, but can alienate or encumber it only with the approval of the United States. Native American Lands may be leased for housing development and residential purposes under federal law.
- (v) “Native American Tribe or Tribes” means any duly constituted governing body of a Native American reservation or rancheria, or a tribally designated housing entity, as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5.
- (w) “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 Round 1 NOFA release date, or, for Round 2 and beyond, no more than 12 months prior to the NOFA release date, or created since the last NOFA was issued (whichever is longer). 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 frames 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.” This exception

will be true even if timing between NOFAs would otherwise cause a “New Local Housing Trust Fund” to be timed out and no longer considered “new” based on the date of its creation. If the trust fund still does not score highly enough the second time, it will no longer be able to apply as a “new” trust fund in any subsequent funding rounds.

- (x) “NOFA” means a Notice of Funding Availability issued by the Department to announce the availability of Program Funds, the terms and conditions of awards, and requirements for the submittal of applications.
- (y) “On Deposit” means that the local Matching Funds are deposited in the Local Housing Trust Fund. The Department shall not disburse Program Funds until the Matching Funds required for the Eligible Project are On Deposit. In the event that a Trust Fund has sufficient Matching Funds in its account at the NOFA application deadline, but also has Legally-Binding Commitments to deposit additional sufficient Matching Funds prior to disbursement of any Program Funds, the Department may permit the Trust Fund to deploy the original Matching Funds, pending the Department’s approval of the Legally-Binding Commitments to deposit additional sufficient Matching Funds. In no event shall any Program Funds be disbursed until the Matching Funds required for the Eligible Project are On Deposit.
- (z) “Ongoing Revenues” means the following:
  - (1) For an Existing Housing Trust Fund, it means a public or private source, or sources, of revenue totaling at least an average of \$100,000 per year for three years after the date of the Program award; and
  - (2) For a New Housing Trust Fund, it means sufficient public or private sources of revenue to pay for the Trust Fund’s operating costs for a minimum of five years after the date of the Program award.
  - (3) Ongoing Revenues may not include one-time donations, such as land donations or large bequests.
- (aa) “Permanent Supportive Housing” has the same meaning as in HSC Section 50675.14: housing, with no limit on the length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing residents in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Permanent Supportive Housing may include associated facilities if used to provide services to housing residents. Permanent Supportive Housing does not include “health facility” as defined by HSC Section 1250, or any “alcoholism or drug abuse recovery or treatment facility” as defined by HSC Section 11834.02, or “community care facility” as defined in HSC Section 1502, or “mental health rehabilitation centers” as defined in Section 5675 of the Welfare and Institutions Code (WIC), or other residential treatment programs.



- (bb) “Program” or “LHTF Program” means the Local Housing Trust Fund Program authorized by HSC Section 50843.5, as implemented in these Guidelines.
- (cc) “Program Funds” means the funds provided by the Department to a Local Housing Trust Fund pursuant to these Guidelines.
- (dd) “Regional Housing Trust Fund” means a Trust Fund serving two or more jurisdictions if the combined population is more than 1 million people; serving three or more jurisdictions in counties with total populations of 250,000 or less; and serving four or more jurisdictions in counties with total populations of more than 250,000.
- (ee) “Transitional Housing” means the same as in 24 CFR 578.3.
- (ff) “Very Low Income” has the meaning set forth in HSC Section 50105, which is 50 percent of AMI. Grantees shall utilize income limits issued by the Department for Very Low-Income Households for each county available at the [HCD website](http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml), <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>.

Note: Authority cited: HSC Section 54014 subdivision(b). Reference cited: Health and Safety Code Sections 50052.5, 50053, 50079.5, 50081, 50093, 50105, 50106, 50843.5 and 53545.9(c).

## **Section 102. Eligible Applicants**

The following entities shall be eligible to apply for Program Funds:

- (a) A city, county, or city and county that has created, funded, and operated an Existing Local Housing Trust Fund, or that has created and funded a New Local Housing Trust Fund.
  - (1) The trust fund shall have the following characteristics:
    - (A) It shall utilize 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.
    - (B) It shall be funded from Ongoing Revenues as required by the definition in Section 101 from Dedicated Sources of funding such as taxes, fees, loan repayments, or public or private contributions.
  - (2) The city or county shall have, at the time of application, a Housing Element that was adopted by the city or county’s governing body and subsequently determined by the Department to be in compliance with state Housing Element law pursuant to GC Section 65585.

- (3) The city or county shall have submitted to the Department the Annual Progress Report required by GC Code Section 65400 for the current or prior year by the application deadline date.
  - (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 shall, in its application, agree 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.
- (b) A charitable nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code that is an Existing Local Housing Trust Fund or a New Local Housing Trust Fund.
- (1) The trust fund shall have the following characteristics:
    - (A) It shall consist of 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.
    - (B) It shall be funded from Ongoing Revenues as required by the definition in Section 101 from Dedicated Sources of funding such as taxes, fees, loan repayments, or public or private contributions.
  - (2) The charitable nonprofit organization shall, in its application, agree to utilize Program Funds only for Eligible Projects located in cities and counties that have, at the time of application, an adopted Housing Element that the Department has determined, pursuant to Section 65585 of the GC, to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the GC.
  - (3) The charitable nonprofit organization shall, in its application, agree to utilize Program Funds only for Eligible Projects located in cities and counties that have submitted to the Department the Annual Progress Report required by GC Code 65400 for the current year or prior year by the application deadline date.
- (c) A Native American Tribe or Tribes that has or have created, funded, and operated an Existing Local Housing Trust Fund, or that has created and funded a New Local Housing Trust Fund.
- (1) The trust fund shall have the following characteristics:

- (A) It shall utilize 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.
  - (B) It shall be funded from Ongoing Revenues as required by the definition in Section 101 from Dedicated Sources of funding such as taxes, fees, loan repayments, or public or private contributions.
- (2) The Native American Tribe or Tribes shall, in its application, agree to utilize Program Funds only for Eligible Projects either (A) located on Native American Lands or (B) located in cities and counties that have, at the time of application, an adopted Housing Element that the Department has determined, pursuant to Section 65585 of the GC, to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the GC.
- (3) The Native American Tribe or Tribes shall, in its application, agree to utilize Program Funds only for Eligible Projects either (A) located on Native American Lands or (B) in cities and counties that have submitted to the Department the Annual Progress Report required by GC Code 65400 for the current year or prior year by the application deadline date.
- (d) An Applicant shall not be eligible to submit an application for funding if the Applicant has not committed at least 40 percent of the Program Funds previously awarded to the Applicant.

Note: Authority cited: HSC Section 54014 subdivision(b). Reference: HSC Sections 50843.5 and 53545.9(c).

### **Section 103. Funding amount minimums and maximums**

- (a) The minimum application request by an Applicant that is an Existing Local Housing Trust Fund shall be \$1 million.
- (b) The minimum application request by an Applicant that is a New Local Housing Trust Fund, but which is not a Regional Housing Trust Fund, shall be \$500,000.
- (c) The minimum application request by an Applicant that is a New Local Housing Trust Fund, which is also a Regional Housing Trust Fund, and which is utilizing Permanent Local Housing Allocation funds as Matching Funds, shall be \$750,000;
- (d) The maximum application request for all Applicants shall be \$5 million.

Note: Authority cited: HSC Section 54014 subdivision(b). Reference: HSC Sections 50843.5(c) and 53545.9(c).

## **Section 104. Matching Funds requirements**

- (a) All Program Funds provided pursuant to this section shall be matched on a dollar for dollar basis with dedicated sources of funding, such as taxes, fees, or loan repayments, or public or private contributions by the Applicant. Lines of credit and loans received by the Local Housing Trust Fund are not eligible sources of Matching Funds.
- (b) An application for LHTF funds shall not be considered unless the application contains required documentation of the deposit in the Local Housing Trust Fund of the local Matching Funds, and the identity of the source of Matching Funds, or evidence of a legally binding commitment to deposit the required Matching Funds, and the identity of the source of Matching Funds.
- (c) Funds restricted for housing use by state or federal law (such as funds from the Home Investment Partnerships Program (“HOME”), the Community Development Block Grant Program (“CDBG”), redevelopment agency low- and moderate-income housing fund set-aside (“LMIHF”) funds, or state housing programs administered by the Department), shall not be considered Matching Funds. However, Permanent Local Housing Allocation (PLHA) Program funds may be considered Matching Funds for Regional Housing Trust Funds.
- (d) Matching Funds shall be On Deposit prior to disbursement of Program Funds.
- (e) Matching Funds must be utilized on a dollar-for-dollar basis for the same Eligible Project for which Program Funds are used, as required by HSC Section 50843.5(c).

Note: Authority cited: HSC Section 54014 subdivision(b). Reference: HSC Sections 50843.5 and 53545.9(c).

## **Section 105. Eligible uses of funds**

- (a) Program Funds shall be used by the Grantee to provide construction loans and/or deferred payment permanent financing loans at simple interest rates of no higher than 3 percent per annum, for payment of predevelopment costs, acquisition, construction, or rehabilitation of Eligible Projects.
- (b) Administrative expenses of up to 5 percent of Program Funds and up to 5 percent of Matching Funds are allowed.
- (c) At least 30 percent of the Program Funds, after deducting administrative expense, and the Matching Funds shall be expended on assistance to Extremely Low-Income Households. To comply with this requirement, dwelling units or shelter beds must be Affordable to, and restricted for, Extremely Low-Income Households with household income of no more than 30 percent of AMI.

- (d) No more than 20 percent of the Program Funds, after deducting administrative expense, and the Matching Funds shall be expended on assistance to Moderate-Income Households. To comply with this requirement, dwelling units must be Affordable to, and restricted for, Moderate-Income Households with household income of no more than 120 percent of AMI.
- (e) The remaining Program Funds and Matching Funds shall be expended on assistance to Lower-Income Households. To comply with this requirement, dwelling units must be Affordable to, and restricted for, Lower-Income Households with household income of no more than 80 percent of AMI.

Note: Authority cited: HSC Section 54014 subdivision (b). Reference: HSC Sections 50843.5 and 53545.9(c).

### **Section 106. Application process**

- (a) The Department shall periodically issue a NOFA that specifies, among other things, the amount of funds available, the terms and conditions of the award of Program Funds, and the application deadline.
- (b) For New Local Housing Trust Funds, the Department shall set aside a percentage of the funding made available by each NOFA.
- (c) Applications shall be on forms made available by the Department.
- (d) Applicants must meet the requirements of HSC Section 50843.5 and Section 102 of these Guidelines.
- (e) Only complete applications submitted on or before the application deadline stated in the NOFA shall be considered for funding. In order to be considered “complete”, an application must have all of the information requested and provide adequate documentation and information for the Department to determine the Local Housing Trust Fund's eligibility for funding pursuant to HSC Section 50843.5(b) and these Guidelines, and the eligibility of the Project pursuant to HSC Section 50843.5(d) and these Guidelines. The Applicant shall bear the burden of demonstrating compliance with these requirements. If the total amount of funding requested by all Applicants under a NOFA is less than the amount of funding available under the NOFA, the Department may allow an Applicant to submit additional or corrected information to amend an application and make it complete. Such amendments may not include a request for a higher funding amount.
- (f) In the event that the amount of funding requested in complete and eligible applications exceeds the funds available, applications shall be evaluated and funded using criteria published in the NOFA, as follows:

- (1) Non-Residential Matching Funds: The extent to which the Applicant provides Matching Funds from sources other than residential local impact fees or in lieu fees.
  - (2) Deeper Income Targeting: The extent to which the Applicant commits to expend less than 20 percent of its Program Funds and Matching Funds to serve Moderate-Income Households.
  - (3) Readiness: The extent to which the applicant has 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.
  - (4) Increasing the Supply of Lower-Income Rental Housing: The extent to which the Applicant commits to use Program Funds and Matching Funds for the new construction of rental housing developments Affordable and restricted to households with average incomes of no more than 60 percent of AMI.
  - (5) Community Need: The percentage of the following factor in the jurisdictions to be served will be compared to the percentage in jurisdictions to be served by other Applicants:
    - (A) Lower-Income Households paying more than 50 percent of their household income for rent or owner expenses.
  - (6) Regional Housing Trust Fund Applicants: Applicants that include six jurisdictions (in counties with total populations of 250,000 or less) or eight jurisdictions (in counties with more than 250,000), or that meet the minimum threshold (two jurisdictions with more than one million people, or three jurisdictions in counties with total populations of 250,000 or less, or four jurisdictions in counties with more than 250,000), and include more than 66 percent of the population of the county or counties.
  - (7) Performance: The extent to which Applicants exceed the minimum 40 percent commitment threshold stated in Section 102(d).
- (g) Tie Breaker, if needed:
- (1) 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.

Note: Authority cited: HSC Section 54014 subdivision (b). Reference: HSC Sections 50843.5 and 53545.9(c).

## Section 107. Protection of Program Funds

- (a) In order to protect the Program Funds awarded to a Grantee, the Grantee shall provide the Program Funds in the form of a loan evidenced by a promissory note, the repayment of which shall be secured either by a deed of trust recorded against the title to the real property, or a security interest in the manufactured home being assisted with Program Funds. The promissory note shall contain a special provision that repayment shall be made to the Department in the event that the Grantee is no longer in operation. For Emergency Shelter or Transitional Housing Projects, the loan may be forgivable upon satisfaction of the 15-year minimum regulatory period.
- (b) Multifamily rental projects assisted with Program Funds are required to have a recorded Regulatory Agreement setting forth requirements for household income levels and rent restrictions for not less than 55 years for all units assisted by Program Funds.
- (c) Where Program Funds are provided in the form of a construction loan, the Grantee and the housing developer shall enter into a development loan agreement setting forth the terms and conditions required to be met prior to closing escrow, which shall include, but not be limited to, requirements for escrow, title insurance, property insurance, compliance with environmental remediation requirements, and other borrower responsibilities.
- (d) The Grantee shall submit documentation of its loan guidelines and underwriting standards and procedures for review by the Department as part of its Program application.
- (e) The Department shall have the right to request copies of documentation of the activities of the Local Housing Trust Fund at any time prior to or after disbursement of Program Funds.
- (f) Where Program Funds are used for a Homeownership Project or units within a Homeownership Project, the Grantee shall record a deed restriction in compliance with Health and Safety Code Section 50843.5(d)(3), unless such a deed restriction would conflict with the requirements of law or another public funding source.
- (g) Where Program Funds are used to develop or rehabilitate an ADU or JADU apart from home buyer acquisition or rehabilitation of an owner-occupied dwelling, the Grantee shall record a deed restriction in compliance with Health and Safety Code Section 50843.5(d)(3) requiring that the ADU or JADU be restricted to occupancy by households with incomes of no more than 120 percent of AMI at an Affordable Rent for a minimum of 10 years.
- (h) Where Program Funds are used to develop or rehabilitate a structure as an Emergency Shelter or Transitional Housing, the Grantee shall record a

Regulatory Agreement with a minimum term of 15 years. Upon satisfactory completion of this regulatory period, the LHTF Program loan is forgivable.

- (i) Program Funds shall be disbursed only in amounts necessary to fund Eligible Projects identified to receive a loan from the LHTF within a reasonable period of time, as determined by the Department.

Note: Authority cited: HSC Section 54014 subdivision (b). Reference: Sections 50843.5 and 53545.9(c), Health and Safety Code.

### **Section 108. Program Grantee responsibilities**

- (a) Grantees are responsible for administering and implementing the Eligible Projects as proposed in their application.
- (b) Grantees must continue the operation of the Local Housing Trust Fund for at least five years after the Program Funds award date.
- (c) Grantees shall have held, or shall hold, a public hearing to discuss and describe the Eligible Project(s) that will be funded. Nonprofit grantees shall hold one public meeting per year that is open to the public, and a public notice of the meeting shall be posted on the nonprofit's website at least 10 days prior to the meeting. This meeting shall be for the purpose of discussing the criteria that will be used to select projects to be funded.

Note: Authority cited: HSC Section 54014 subdivision (b). Reference: Sections 50843.5 and 53545.9(c), Health and Safety Code.

### **Section 109. Encumbrance deadline and application repayment**

- (a) Any Program Funds not encumbered by a Grantee by a loan commitment to the developer of an Eligible Project within 60 months of the date of the executed state Standard Agreement shall be disencumbered by the Department, and any Program Funds advanced to a Grantee shall promptly be returned to the Department.
- (b) Repayments, interest, and fees (except for rental project monitoring fees not exceeding the limits stated in Section 113(b) of the Portfolio Restructuring Guidelines), derived from loans of Program Funds received by a Grantee, shall be retained by the Grantee in the Local Housing Trust Fund to be used for the purposes set forth in these Guidelines.
- (c) If a Grantee ceases operations, or Ongoing Revenues cease less than five years from the date of the Program award, all unencumbered Program Funds shall be disencumbered by the Department, and any Program Funds advanced to a



Grantee shall promptly be returned to the Department, and all current and future loan repayments, interest and fees shall be remitted to the Department.

Note: Authority cited: HSC Section 54014 subdivision (b). Reference: Sections 50843.5 and 53545.9(c), Health and Safety Code.

### **Section 110. Legal documents**

Upon the award of Program Funds, the Department shall enter into a Standard Agreement with the Grantee constituting a conditional commitment of funds. The Standard Agreement shall require the Grantee to comply with the requirements and provisions of these Guidelines and HSC Section 50843.5 and shall, in addition, contain the following:

- (a) Encumbrance deadlines; project completion deadlines; and agreement termination date.
- (b) Grantee contract coordinator.
- (c) Disbursement conditions and documentation.
- (d) Remedies.
- (e) Insurance and inspection requirements.
- (f) Record retention and reporting requirements.
- (g) Prevailing wage requirements as applicable.

Note: Authority cited: HSC Section 54014 subdivision (b). Reference: Sections 50843.5 and 53545.9(c), Health and Safety Code.

### **Section 111. Cancellation and termination**

- (a) In the event that it is determined, at the sole discretion of the Department, that the Grantee is not meeting the terms and conditions of the Standard Agreement, the Department shall issue a notice to stop work. Immediately upon receiving the written notice to stop work, the Grantee shall cease all work under the Standard Agreement. The Department has the sole discretion to determine the Grantee's compliance with the terms and conditions after issuance of a stop work order, and to deliver a written notice to the Grantee to resume work under this Standard Agreement.
- (b) The Department shall terminate the Standard Agreement if the Grantee is not in compliance with these Guidelines or the terms and conditions of the Standard Agreement. At least 30 days prior to the effective date of the termination of the

Standard Agreement, the Department shall provide written notice to the Grantee of its intent to cancel the funding allocation. The notice shall specify the reason for early termination and may permit the Grantee or the Department to cure any deficiency(ies) prior to the early termination date. The Grantee will submit requested documents to the Department within 30 days of the early termination notice.

- (c) Failure to meet reporting requirements will result in notice to the Grantee that it must satisfactorily cure any deficiencies within three months of the notice, or it will be ineligible for any additional LHTF award.
- (d) The Department may, as it deems appropriate or necessary, request the repayment of funds from a Grantee, or pursue any other remedies available to it by law for failure to comply with these Guidelines and/or the terms and conditions of the Standard Agreement.

NOTE: Authority cited: HSC Section 54014 subdivision (b). Reference: HSC Sections 50843.5 and 53545.9(c).

## **Section 112. Reporting**

Not later than July 31 of each year a Grantee shall provide to the Department an annual report, in a format specified by the Department, including, but not limited to, the following information:

- (a) A narrative summary of the Local Housing Trust Fund activities including:
  - (1) Work undertaken or completed in the reporting period, including the number, type and unit count of Eligible Projects receiving Program Funds.
  - (2) Activities planned to be undertaken in the next reporting period.
  - (3) Description of problems encountered in Program implementation; and a description of the solution and when it will be implemented.
  - (4) Description of how problems may impact the ability to complete or fulfill obligations under the Standard Agreement.
- (b) Financial summary including:
  - (1) Amount of Program Funds (by Eligible Project and by activity type) available at the beginning of the reporting period, the amount drawn down to date, amount expended on Eligible Projects restricted to Extremely Low Income Households, amount expended on Eligible Projects restricted to Moderate-Income Households, and the remaining balance.

- (2) Documentation of Matching Funds, including the amount by source, expended on each Eligible Project during the reporting period.
  - (3) If requested by the Department, the Grantee shall obtain a report from a qualified, licensed third party that certifies to the amounts of disbursement and identifies the specific Eligible Projects for which the disbursements were made. Such a report is permitted to be a component of the 2 CFR Part 200.512 Single Audit report.
- (c) A spreadsheet listing Eligible Projects assisted during the reporting period by unit, including the project name, type of housing (such as multifamily rental housing, homeless shelter, homebuyer new construction project), number of units, income level restricted in each unit, bedroom count of each unit, and amount of Program Funds expended per unit.

Note: Authority cited: HSC Section 54014 subdivision (b). Reference: HSC Sections 50843.5 and 53545.9(c).

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

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Sacramento, CA 95833  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



March 7, 2023

**MEMORANDUM FOR:** ALL POTENTIAL APPLICANTS

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

A handwritten signature in blue ink that reads "Jennifer Seeger".

**SUBJECT:** **2023 Local Housing Trust Fund Program  
Notice of Funding Availability**

The California Department of Housing and Community Development (Department/HCD) is pleased to announce the release of this Notice of Funding Availability (NOFA) for approximately \$53 million in funds for the Local Housing Trust Fund (LHTF) Program. This funding provides Matching Grants to Local Housing Trust Funds established by cities and counties, Native American Tribes and incorporated 501(c)(3) nonprofit organizations.

Fifteen percent of the funds made available by this NOFA shall be reserved for Local or Regional Housing Trust Funds meeting the definition of "New Local Housing Trust Fund." In the event that there are insufficient applications from New Local Housing Trust Funds that pass threshold, the funds shall be used for applications from Existing Local Housing Trust Funds.

Program Funds awarded under this NOFA shall be used to provide construction loans and/or permanent financing loans at simple interest rates of no higher than 3 percent per annum, for payment of predevelopment costs, acquisition, construction, or rehabilitation, as well as to construct, convert, reconstruct, rehabilitate, and/or repair Accessory Dwelling Units (ADUs) or Junior Accessory Dwelling Units (JADUs).

Application materials must be submitted electronically to the Department's website. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <https://www.hcd.ca.gov/grants-and-funding/programs-active/local-housing-trust-fund>. The application submittal portal will be available beginning April 19, 2023. The Department no longer requires a hardcopy submittal of the Application Workbooks or supplemental documentation.

Applicants must upload all application materials to the Department's website. The application portal is open beginning on **April 19, 2023** through **4:00 p.m. May 17, 2023**. Please note that the on-line support and technical assistance closes at 3:30 p.m. Pacific Standard Time on May 17, 2023.

2023 LHTF NOFA

March 7, 2023

Page 2

To receive information on workshops and other updates, please subscribe to the LHTF Program [listserv](#). If you have any further questions, please contact [LHTF@hcd.ca.gov](mailto:LHTF@hcd.ca.gov).

Attachment

# 2023 Local Housing Trust Fund Program

## Notice of Funding Availability



**Gavin Newsom, Governor  
State of California**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

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

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**March 7, 2023**

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## **I. Overview**

### **A. Notice of Funding Availability**

The California Department of Housing and Community Development (HCD/Department) is announcing the availability of approximately \$53 million in funding for the Local Housing Trust Fund (LHTF) program. Funding for this Notice of Funding Availability (NOFA) is provided by the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1), adopted by voters on November 6, 2018.

Program Funds awarded under this NOFA shall be used to provide construction loans and/or permanent financing loans to pay for construction or rehabilitation of Affordable rental housing projects, Emergency Shelters, Permanent Supportive Housing, Transitional Housing and Affordable homebuyer/homeowner projects. Program Funds may also be used to assist income-eligible First-time Homebuyers to purchase homes and to rehabilitate houses owned by income-eligible occupants, as well as to construct, convert, reconstruct, rehabilitate and/or repair Accessory Dwelling Units (ADUs) or Junior Accessory Dwelling Units (JADUs).

### **B. Timeline**

NOFA Release	March 7, 2023
Application Due Date	May 17, 2023
Award Announcements	August 2023

### **C. Authorizing Legislation and Regulations (Regulatory Authority)**

Health and Safety Code (HSC) Section 50842.2 established the LHTF Matching Grants Program.

HSC Section 50843.5(a) authorized the Department to provide Matching Funds to Local Housing Trust Funds established by cities and counties, Native American Tribes, and/or incorporated 501(c)(3) nonprofit organizations.

Senate Bill 3 (SB 3) (Chapter 365, Statutes of 2017) authorized the Veterans and Affordable Housing Bond Act of 2018 and authorized the issuance of bonds in the amount of \$4 billion under the State General Obligation Bond Law. Specifically, SB 3 allows for the allocation of \$300 million of the Bond proceeds for the LHTF program.

SB 3 also allowed the Department to adopt Guidelines instead of regulations for the LHTF program, establishing requirements for administration of the program. The Department adopted Guidelines in April 2020.



Applications submitted under this NOFA are subject to the Guidelines, all applicable statutory requirements, and this NOFA. All section references in this NOFA refer to the Guidelines unless otherwise noted. The Guidelines and NOFA are available on the Department's website.

Capitalized terms not otherwise defined in this NOFA shall have the meanings set forth in Guidelines Section 101.

## **II. Program requirements**

The following is provided as a summary for the allocation of the LHTF Program Funds to Local Housing Trust Funds. This is not to be considered a complete representation of the eligibility, threshold, or other requirements, terms, and conditions.

### **A. Eligible Applicants**

An Applicant must be:

1. A city, county, or city and county that has created, funded, and operated an Existing Local Housing Trust Fund or that has created and funded a New Local Housing Trust Fund in compliance with Guidelines Sections 102(a)(1), 102(a)(2), and 102(a)(3).

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 must agree in its application to utilize Program Funds only for Eligible Projects located in cities or counties that at the time of application have met the requirements outlined in Guidelines Section 102(a)(4).

2. A charitable nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code that is an Existing Local Housing Trust Fund or a New Local Housing Trust Fund and which complies with Guidelines Section 102(b)(1), 102(b)(2) and 102(b)(3).
3. A Native American Tribe, or sect of Tribes, that has created, funded, and operated an Existing Local Housing Trust Fund, or that has created and funded a new Local Housing Trust Fund in compliance with Guidelines Section 102(c)(1), 102(c)(2), and 102(c)(3).

### **B. Eligible activities**

Pursuant to Guidelines, Section 105, the LHTF funds shall be allocated in compliance with all of the following:

1. To provide construction loans and/or permanent financing loans at simple interest rates of no higher than 3 percent per annum for payment of predevelopment costs, acquisition, construction, or rehabilitation associated with Affordable rental housing projects, Emergency Shelters, Transitional Housing, Permanent

Supportive Housing, homebuyer/homeowner projects to purchase for-sale housing units or to rehabilitate an owner-occupied dwelling. Funds may also be used for the construction, conversion, repair, and rehabilitation of Accessory Dwelling Units or Junior Accessory Dwelling Units.

2. Administrative expenses may not exceed 5 percent of Program Funds and Matching Funds.
3. A minimum of 30 percent of Program Funds and Matching Funds, after deducting administrative expense, shall be expended on assistance to Extremely Low-Income Households. To comply with this requirement, dwelling units or shelter beds must be Affordable to and restricted for Extremely Low-Income Households with household income of no more than 30 percent of Area Median Income (AMI).
4. No more than 20 percent of the Program Funds and Matching Funds, after deducting administrative expense, shall be expended on assistance to Moderate-Income Households. To comply with this requirement, dwelling units must be Affordable to and restricted for Moderate-Income Households with household income of no more than 120 percent of AMI.
5. The remaining Program Funds and Matching Funds shall be expended on assistance to Lower-Income Households. To comply with this requirement, dwelling units must be Affordable to and restricted for Lower-Income Households with household income of no more than 80 percent AMI.

**PLEASE NOTE: LHTF is NOT a reimbursement program.**

### **C. Funding Limits**

Pursuant to Guidelines, Section 103, the funding minimums and maximums apply as detailed below.

The minimum application request by an Applicant that is an Existing Local Housing Trust Fund shall be \$1 million.

The minimum application request by an Applicant that is a New Local Housing Trust Fund, but which is not a Regional Housing Trust Fund, shall be \$500,000.

The minimum application request by an Applicant that is a New Local Housing Trust Fund, which is also a Regional Housing Trust Fund, and which is utilizing Permanent Local Housing Allocation Funds as Matching Funds, shall be \$750,000.

The maximum application request for all Applicants shall be \$5 million.

Fifteen percent of the funds made available by this NOFA shall be reserved for Local or Regional Housing Trust Funds meeting the definition of “new Local Housing Trust Fund.” In the event there are insufficient applications from New Local Housing Trust

Funds that pass threshold, the funds shall be used for applications from existing Local Housing Trust Funds.

#### **D. Matching funds requirements**

1. All Program Funds provided pursuant to this section shall be matched on a dollar-for-dollar basis with dedicated sources of funding, such as taxes, fees, or loan repayments, or public or private contributions by the Applicant. Lines of credit and loans received by the Local Housing Trust Fund are not eligible sources of Matching Funds.
2. An application for Program Funds shall not be considered unless the application contains required documentation of the deposit in the Local Housing Trust Fund account of the local Matching Funds, and the identity of the source of Matching Funds, or evidence of a Legally Binding Commitment to deposit the required Matching Funds, and the identity of the source of Matching Funds.
3. Funds restricted for housing use by state or federal law (such as funds from the Home Investment Partnerships Program, the Community Development Block Grant Program, redevelopment agency low- and moderate-income housing fund set-aside funds, or state housing programs administered by the Department), shall not be considered Matching Funds. However, Permanent Local Housing Allocation Program Funds may be considered Matching Funds for Regional Housing Trust Funds.
4. Matching Funds shall be On Deposit prior to disbursement of Program Funds.
5. Program Funds must be utilized on a dollar-for-dollar basis for the same Eligible Project for which local Matching Funds are used, as required by HSC Section 50843.5(c).

#### **E. Ongoing Revenues**

1. For an Existing Housing Trust Fund, a public or private source, or sources, of Ongoing Revenues totaling at least an average of \$100,000 per year for three years after the date of the Program award is required.
2. For a New Housing Trust Fund, public or private sources of Ongoing Revenues sufficient to pay for the Trust Fund's operating costs for a minimum of five years after the date of the Program award is required.
3. 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, and may not include loans or lines of credit.

## **F. Program administrative costs**

Pursuant to Guidelines, Section 105(b), a Local Housing Trust Fund that receives an award under this NOFA shall not use more than 5 percent of the allocation and not more than 5 percent of Matching Funds for administrative costs related to the execution of eligible activities.

## **G. Underwriting, administration, and reporting requirements**

A grantee of the LHTF Program must comply with the underwriting and loan requirements of Guidelines, Section 107, the administrative requirements of Sections 108 and 109 (b), and the reporting requirements of Section 112.

## **H. Application requirements**

### **1. Threshold**

Only complete applications on forms made available by the Department submitted on or before the application deadline stated in this NOFA shall be considered for funding. Applications must meet the requirements set forth in Guidelines, Sections 106(d) and 106(e).

An application must have all of the information requested and provide adequate documentation and information for the Department to determine the Local Housing Trust Fund's eligibility for funding pursuant to HSC, Section 50843.5(b), and the Guidelines, and the eligibility of the Project pursuant to HSC, Section 50843.5(d), and the Guidelines.

HSC, Section 50843.5(b) requires that Housing Trust Funds eligible for funding shall have the following characteristics:

- a.** Utilization of 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.
- b.** Receipt of ongoing revenues from dedicated sources of funding such as taxes, fees, loan repayments, or public or private contributions.

Previously awarded Applicants must have committed at least 40 percent of the previous award(s) to be eligible to submit an application for this NOFA.

Previously awarded Applicants must have submitted the most recently required LHTF Annual Report in order to be eligible to submit an application for this NOFA.

In addition, the following requirements must be met and demonstrated in each application:

- a. City or County Applicants must have a housing element that was adopted by the Applicant's governing body and subsequently determined by the Department to be in compliance with state Housing Element Law by the time awards are announced. If an Applicant is determined to be out of compliance at the time awards are announced, it will be ineligible to receive funding and the next highest scoring eligible application may be funded in its place.
- b. City or County Applicants must have submitted to the Department the Annual Progress Report on the Housing Element for the 2022 Calendar Year by the application deadline date.
- c. Nonprofit Charitable Organization Applicants shall in their application agree to utilize Program Funds only for Eligible Projects located in cities or counties that have, at the time of award, an adopted housing element determined by the Department to be in compliance with state Housing Element Law and which shall have submitted to the Department the Annual Progress Report on the Housing Element for the 2022 Calendar Year by the application deadline date.
- d. Native American Tribes or Tribes shall, in their application, agree to utilize Program Funds only for Eligible Projects either (A) located on Native American Lands or (B) in cities and counties that have, at the time of award, an adopted housing element determined by the Department to be in compliance with state Housing Element Law and which shall have submitted to the Department the Annual Progress Report on the housing element for the 2022 Calendar Year by the application deadline date.
- e. Only applications containing the required documentation of the deposit in the Local Housing Trust Fund of the local Matching Funds, and that identify the source(s) of Matching Funds, or provide evidence of a Legally Binding Commitment to deposit the required Matching Funds, and the identity of the source(s) of Matching Funds, shall be considered eligible.
- f. Only applications including the required application resolution shall be considered eligible. This includes "Attachment 1" to be completed as part of the resolution prior to approval by the governing body. The resolution and "Attachment 1" can be found on the [LHTF website](#).
- g. The Applicant shall submit documentation of its loan guidelines and underwriting standards and procedures for review by the Department as part of its Program application. Below are the factors that must be addressed in

underwriting standards that Applicants must submit to ensure project feasibility:

1. Required debt coverage ratio
2. Minimum projected operating expenses
3. Required replacement reserve
4. Required capitalized operating reserve
5. Requirements for positive cash flow
6. Required projected vacancy rate
7. Requirements for construction contingency if construction financing is being provided with LHTF funds
8. Requirements for senior lender loan types and junior lender loan types;
9. Simple interest rate no higher than 3 percent per annum
10. Leasehold security requirements

## 2. Rating and Ranking

In the event that the amount of funding requested in complete and eligible applications exceeds the funds available, applications shall be evaluated and funded using the following criteria:

Criterion	Max Pts.
<p><b>Non-Residential Matching Funds:</b> Extent to which the Applicant provides Matching Funds from sources other than residential Local Impact Fees or In Lieu Fees (Guidelines Section, 106(f)(1))</p> <ul style="list-style-type: none"> <li>- 0% – 25% from other sources ~ 5 points</li> <li>- 26% - 50% from other sources ~ 10 points</li> <li>- 51% or more from other sources ~ 15 points</li> </ul>	<b>15</b>
<p><b>Deeper Income Targeting:</b> Extent to which the Applicant commits to expend less than 20 percent of Program Funds and Matching Funds to serve Moderate-Income Households (Guidelines, Section 106(f)(2))</p> <ul style="list-style-type: none"> <li>- 11% - 18% funding for Moderate-Income Households ~ 5 points</li> <li>- 6% - 10% funding for Moderate-Income Households ~ 10 points</li> <li>- 1% - 5% funding for Moderate-Income Households ~ 15 points</li> <li>- 100% funding for Lower-Income Households ~ 20 points</li> </ul>	<b>20</b>
<p><b>Readiness:</b> Extent to which the Applicant has completed a first phase funding process for multifamily rental projects and announced on its website the status of each project, including those</p>	<b>15</b>

<p>projects that were approved to submit a final application upon award of Program Funds by the Department (Guidelines, Section 106(f)(3))</p> <ul style="list-style-type: none"> <li>- A. Website posting of pipeline projects with status ~ 5 points, <b>PLUS EITHER</b> of the next two (2) factors: <ul style="list-style-type: none"> <li>- Projects included in item A. with first phase funding completed representing two (2) times the application request (e.g., if requesting \$5 million, pipeline projects must total at least \$10 million) ~ 5 points <b>OR</b></li> <li>- Projects included in item A. with first phase funding completed representing three (3) times the application request (e.g., if requesting \$5 million, pipeline projects must total at least \$15 million) ~ 10 points</li> </ul> </li> </ul> <p><b>Note: applications requesting funds solely for single family activities will receive zero points in the category.</b></p>	
<p><b>Increasing the Supply of Lower-Income Rental Housing:</b> Extent to which the Applicant commits to use Program Funds and Matching Funds for the new construction of rental housing developments Affordable and restricted to households with average incomes of no more than 60 percent of AMI (Guidelines, Section 106(f)(4))</p> <ul style="list-style-type: none"> <li>- - ≤50% funding for 60% AMI or less ~ 0 points</li> <li>- - 51% - 74% funding for 60% AMI or less ~ 10 points</li> <li>- - 75% - 99% funding for 60% AMI or less ~ 15 points</li> <li>- - 100% funding for 60% AMI or less ~ 20 points</li> <li>-</li> </ul>	<b>20</b>
<p><b>Community Need:</b> 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 (Guidelines, Section 106(f)(5))</p> <ul style="list-style-type: none"> <li>- 0% - 25% ~ 5 points</li> <li>- 26% - 44% ~ 10 points</li> <li>- 45% or higher ~ 15 points</li> <li>-</li> </ul> <p><b>Note: This section will be scored by HCD using CHAS data (Comprehensive Housing Affordability Strategy): <a href="https://www.huduser.gov/portal/datasets/cp.html#2006-2016-datacollapse">https://www.huduser.gov/portal/datasets/cp.html#2006-2016-datacollapse</a></b></p>	<b>15</b>
<p><b>Regional Housing Trust Fund Applicants:</b> Applicants which are a Regional Housing Trust Fund meeting the description herein get all points in this category. A Regional Housing Trust Fund, for the purposes of these points, is one that includes six jurisdictions (in counties with total populations of 250,000 or less), or eight jurisdictions (in counties with total populations more than 250,000), <b>or</b> that meet the minimum threshold (two jurisdictions with more than one million people, three jurisdictions in counties with total populations of 250,000 or less, or four jurisdictions in counties with total populations more than 250,000, <b>and</b> include more than 66 percent of the population of the county or counties (Guidelines, Section 106(f)(6))</p>	<b>5</b>

<b>Performance:</b> Extent to which Applicants exceed the minimum 40 percent commitment threshold stated in Guidelines, Section 102(d) OR New Applicants (no previous LHTF award) who have committed 40 percent or more of local Matching Funds	<b>10</b>
<b>Total maximum points</b>	<b>100</b>

*Please note: In future NOFAs, HCD may assess negative points for Applicants who received awards in prior years for applications in which they committed to Deeper Income Targeting and/or to Increase the Supply of Lower-Income Rental Housing but did not expend funds committed to these activities.*

### **3. 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 for which the Trust Fund has issued Letters of Intent to developers for construction or permanent financing.

### **I. State and federal requirements**

Climate Adaptation - Executive Order B-30-15 addressed the need for climate adaptation and ordered that:

1. All state agencies with jurisdiction over sources of greenhouse gas emissions shall implement measures, pursuant to statutory authority, to achieve reductions of greenhouse gas emissions to meet the 2030 and 2050 greenhouse gas emissions reductions targets.
2. State agencies shall take climate change into account in their planning and investment decisions and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives.
3. State agencies planning and investments shall be guided by the following principles:
  - Priority should be given to actions that both build climate preparedness and reduce greenhouse gas emissions;
  - Where possible, flexible and adaptive approaches should be taken to prepare for uncertain climate impacts;
  - Actions should protect the state's most vulnerable populations; and
  - Natural infrastructure solutions should be prioritized.

In response to the Governor's Executive Order, the Department strongly encourages Awardees to implement the LHTF-funded project in a manner that reduces greenhouse gas emissions and adapts to climate change. In addition, Awardees must obtain specific information from local governments indicating the progress made in planning to adapt to climate change.



### III. Application, submission, workshops, and appeals

#### A. Application forms

Applications must be on the Department's forms and cannot be altered or modified by the Applicant. Excel forms must be in Excel format, not a PDF document.

Applications that do not meet the program requirements outlined in this NOFA will not be eligible for funding. Application forms are available for download on the [LHTF webpage](#).

#### B. Application submission process

Application materials must be submitted electronically to the Department's website. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <https://www.hcd.ca.gov/grants-and-funding/programs-active/local-housing-trust-fund> The application instructions and submittal portal will be available beginning April 19, 2023. The Department no longer requires a hardcopy submittal of the Application Workbooks or supplemental documentation.

Applicants must upload all application materials to the Department's website. The application portal is open beginning on **April 19, 2023 through 4:00 p.m. Pacific Standard Time on May 17, 2023**. Please note that the on-line support and technical assistance closes at 3:30 p.m. Pacific Standard Time on May 17, 2023.

Personal deliveries will not be accepted. No facsimiles, incomplete applications, application revisions, or walk-in application packages will be accepted. Applications that do not meet the filing deadline requirements will not be eligible for funding.

#### C. Application workshops

The Department will conduct application webinars for the LHTF Program application submittal process. Applicants are strongly encouraged to attend an application workshop to gain information critical for preparing the application. LHTF Program workshop details and related Program information will be posted on the [LHTF webpage](#).

#### D. Appeals

##### 1. Basis of appeals

- a. Upon receipt of the Department's notice that an application has been determined to be incomplete, ineligible, fails threshold, or has a reduction to the initial point score, Applicants under this NOFA may appeal such decision(s) to the Branch Chief or their designee pursuant to this section.

- b. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's eligibility (e.g., eligibility, award).

Any request to appeal HCD's decision regarding an application shall be reviewed for compliance with the Guidelines and this NOFA. All decisions rendered shall be made by the Branch Chief or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of HCD.

- 2. The appeal process provided herein applies solely to decisions of the Department made pursuant to this LHTF Program NOFA. For greater specificity, Applicants may refer to the appeal procedure set forth in section "V. Appeals" in the Multifamily Finance Super Notice of Funding Availability dated March 30, 2022, Amended June 10, 2022, which is incorporated hereto by this reference, and which the Department shall, to the extent not contrary to this NOFA and feasible, substantially follow.

### **3. Appeal process and deadlines**

- a. To file an appeal, Applicants must submit to the Branch Chief or their designee, by the deadline set forth below, a written appeal which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the Applicant must provide a detailed reference to the area or areas of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be considered if this information would result in a competitive advantage to an Applicant. Once the written appeal is submitted to the Department, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to the Department at [HOSN@hcd.ca.gov](mailto:HOSN@hcd.ca.gov) according to the deadline set forth in Department review letters.
- b. 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 letters, representing the Department's decision made in response to the application.

### **4. Decision**

Any request to amend the Department's decision regarding an application shall be reviewed for compliance with the Guidelines and this NOFA. All decisions rendered shall be made by the Director or their designee. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

### **E. Disclosure of application**

Information provided in the application will become a public record available for review by the public, pursuant to the California Public Records Act (Chapter 1473, Statutes of 1968). As such, any materials provided will be disclosable to any person

making a request under this Act. 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.

#### **IV. Award announcements and contracts**

##### **A. Award Announcements**

Awards will be announced in August 2023. Awards will be posted on the LHTF Program website.

##### **B. Contracts**

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

A condition of an award will be that a Standard Agreement must be executed by the Awardee within 30 days (contracting period) of the Awardee's receipt of the Standard Agreement(s). Failure to execute the Standard Agreement(s) within the Contracting Period may result in award cancellation. The Awardee(s) shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the Awardee(s) shall be prohibited.

#### **V. Other state requirements**

##### **A. Article XXXIV**

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

##### **B. Housing First practices**

Housing First is an evidence-based model designed to permanently house an individual and make available optional supportive services to help them remain stably housed. Housing First means that housing is made available with very low barriers to entry and Applicants are not rejected due to poor credit, financial history, lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of housing readiness. Supportive services providers shall also utilize Housing First principles and offer services as needed and/or requested on a voluntary basis. Housing shall not be contingent upon participation in services. Applicants will certify

and document adherence to Housing First practices in the application, property management plan, and supportive services plan. Adherence to Housing First practices shall be subject to periodic compliance monitoring.

### **C. Pet Friendly Housing Act of 2017**

Housing funded through the LHTF Program is subject to the Pet Friendly Housing Act of 2017 (HSC Section 50466). Each Awardee is required to submit a signed and dated certification that residents of the LHTF Program-funded housing development will be authorized to own or otherwise maintain one or more common household pets.

### **D. Prevailing wage law requirements**

LHTF Program Funds awarded under this NOFA are subject to state prevailing wage law, as set forth in Labor Code Section 1720 et seq., and require the payment of prevailing wages unless the project meets one of the exceptions of Labor Code, Section 1720 (c), as determined by the Department of Industrial Relations (DIR). The DIR can be contacted via its website at <https://www.dir.ca.gov/oprl/DPreWageDetermination.htm>. Applicants are urged to seek professional advice as to how to comply with state prevailing wage law.

### **E. Accessibility and Non-discrimination**

All projects or Programs shall adhere to the accessibility requirements set forth in California Building Code, Chapter 11A and 11B and the Americans with Disabilities Act, Title II. In addition, projects or Programs shall adhere to either the Uniform Federal Accessibility Standards, 24 Code of Federal Regulations (CFR) Part 8, or U.S. Department of Housing and Urban Development's (HUD) modified version of the 2010 American with Disabilities Act Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 F.R. 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project and be available in a sufficient range of sizes and amenities consistent with 24 CFR, Section 8.26.

Recipients shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any Program or activity funded in whole or in part with Program Funds made available pursuant to this NOFA.

Recipients shall comply with the requirements contained in the Americans with Disabilities Act, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, Government Code Section 11135, Section 504 of the Rehabilitation Act, and regulations promulgated pursuant to those statutes, including 24 CFR Part 100, 24 CFR Part 8, and 28 CFR Part 35, in all of the Sponsor's activities.

## **VI. Other terms and conditions**

### **A. Right to modify or suspend**

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

### **B. Conflicts**

In the event of any conflict between the terms of this NOFA 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 LHTF Program, and understand and agree that the Department shall not be responsible for any errors or omissions in the preparation of this NOFA.

# Local Housing Trust Fund (LHTF) Program Application

Rev. 2/2023

## 2023 Notice of Funding Availability



**State of California  
Governor Gavin Newsom**

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

**Gustavo Velasquez, Director  
Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 150, Sacramento, CA 95833  
[Website for Local Housing Trust Fund](#)  
Program Email: [LHTF@hcd.ca.gov](mailto:LHTF@hcd.ca.gov)

**NOFA Release: March 7, 2023**

**Project and Applicant Information**

Rev. 2/2023

§101(p) "Local Housing Trust Fund" definition

§101(dd) "Regional Housing Trust Fund" definition.

**§102 Eligible Applicants**

**Applicant Type:** (a) City and County

**Applicant Information**

Applicant Name:	Mayor's Office of Housing on behalf of City and County of San Francisco			Organization Type:	Local Public Entity
Address:	1 South Van Ness Ave, 5th floor	City:	San Francisco	County:	San Francisco
		State:	CA	Zip Code:	94103
Auth Rep Name:	Eric D. Shaw	Title:	Director	Auth Rep. Email:	eric.shaw@sfgov.org
				Phone:	(415) 701-5500
Address:	1 South Van Ness Ave, 5th floor	City:	San Francisco	State:	CA
Contact Name:	Mara Blitzer	Title:	Dir. of Special Projects	Contact Email:	mara.blitzer@sfgov.org
				Phone:	(628) 652-5820
Address:	1 South Van Ness Ave, 5th floor	City:	San Francisco	State:	CA
				Zip Code:	94103

**Trust Fund Information**

Full Trust Fund Name:	San Francisco Housing Trust Fund	Date Established:	7/24/12
Trust Fund Address:	1 South Van Ness Ave, 5th floor	City:	San Francisco
		State:	CA
		Zip Code:	94103
Trust Fund Type:	(a) Existing Local Housing Trust Fund (or Existing Regional Housing Trust Fund)		

**(a) The minimum application request shall be \$1 million with a max request of \$5 million.** Amount of LHTF Program Funds Requested: **\$5,000,000**

**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	TBD from pipeline	1/1/2024	Completed	6/1/2024	6/1/2024	\$5,000,000	\$5,000,000

**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 possess

<b>Eric D. Shaw</b>	<b>Director</b>	<b>5/10/2023</b>
Authorized Representative Printed Name	Title	Signature (Please Type Name)
		Date

<u>§102 Eligible Applicants</u>					<u>§103 Funding Amount Minimums and Maximums</u>	
<b>Applicant Type:</b>	<b>(a) City and County</b>				<b>(a) Existing Local Housing Trust Fund (or Existing Regional Housing Trust Fund)</b>	
<b>Amount Requested:</b>					<b>\$5,000,000</b>	
<p>(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.</p> <p style="font-size: small;">- 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</p>					Legislation	
<p>(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.  <u>Please see requirements in Section 101(z).</u></p>					Yes: The existing HTF meets the Ongoing Revenues requirement averaging \$100k/year for a min. of 3yrs after Program award date	
<p>(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 §65585?</p>					Yes	
<p>(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?</p>					Yes	
<p>(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?</p>					N/A	
<u>§102(d): Previous Awardees</u>						
Enter the dollar amount of Program Funds that have been committed from all previous LHTF awards (leave blank if not previously awarded)					<b>Total Awarded</b>	<b>\$ 5,000,000</b>
					<b>Total Committed</b>	<b>\$ 5,000,000</b>
Matching Funds Committed						
New Applicants (no previous LHTF award) provide the amount of local Matching Funds that have been committed (leave blank if previously awarded)						
<u>§104 Matching Funds Requirements</u>						
Name of Matching Funds	Select Type of Matching Fund	Specify Source of Funds	Matching Fund Amount	Required Documentation for Matching Funds		
<i>Example:</i> Public Contribution	<i>Example:</i> Residential Local Impact Fee	<i>Example:</i> Residential local impact fees	\$3,000,000	Match_Fund_1	Uploaded to HCD?	
<i>Example:</i> Land Donation	<i>Example:</i> Public Contribution	<i>Example:</i> The public contribution will be from foreclosed land.	\$5,000,000	Match_Fund_2	Uploaded to HCD?	
Public Contribution	Residential Local Impact Fees	Impact Fees	\$5,000,000	Match_Fund_1	Proof of Deposit(s)	
<b>Total Matching Funds</b>			<b>\$5,000,000</b>			
<u>Ongoing Revenue</u>						
Name of Ongoing Revenue	Select Type of Ongoing Revenue	Specify Source of Funds	Annual average amount deposited into the HTF	Required documentation for Ongoing Revenue <b>NOTE: Executed documentation only; no drafts</b>		
<i>Example:</i> Loan Repayments	<i>Example:</i> Loan Repayments	<i>Example:</i> Developer Loan	\$50,000	Ongoing_Rev_1	Uploaded to HCD?	
<i>Example:</i> Taxes	<i>Example:</i> Taxes	<i>Example:</i> Residential local impact fees	\$40,000	Ongoing_Rev_2	Uploaded to HCD?	
<b>Total Ongoing Revenues</b>			<b>\$0</b>			
<u>§105 Eligible Uses of Funds</u>						
<p>105(a): How will Program Funds be used by the Grantee?            Note: Please reference the 2023 LHTF NOFA (II.G.2. Rating and Ranking) for details regarding scoring</p>						
<u>105(a)</u>	<u>105(b)</u>	<u>105(c)</u>	<u>105(d)</u>	<u>105(e)</u>	Total Program Funds accounted for:	
What is the simple interest rate for Program Funded Loan(s)	Will Program Funds be used toward administrative expenses? (5% Maximum)	Enter percentage of Program Funds designated to serving households no higher then 30% Area Median Income	Enter percentage of Program Funds designated to serving households no higher then 120% Area Median Income	Enter percentage of Program Funds designated to serving households no higher then 80% Area Median Income		
3%	No	30%	0%	70%	100%	



Minimum Amount of Matching Funds	\$1,500,000	\$0	\$3,500,000	
<a href="#">NOFA Section II(G)(1)(f) Loan Guidelines and Underwriting Standard and Procedures</a>				
Applicant has adopted the Uniform Multifamily Regulations (UMRs) as their loan guidelines, underwriting standards, and procedures. The UMRs can be found on our website at <a href="https://hcd.ca.gov/grants-funding/already-have-funding/uniform-multifamily-regulations/docs/uniform-multifamily-regulations-2017.pdf">https://hcd.ca.gov/grants-funding/already-have-funding/uniform-multifamily-regulations/docs/uniform-multifamily-regulations-2017.pdf</a>				No

**Certification & Legal Status**

**Legal Disclosure**

For purposes of the following questions, and with the exceptions noted below, the term "applicant" shall include the applicant and joint applicant, and any subsidiary of the applicant or joint applicant if the subsidiary is involved in (for example, as a guarantor) or will be benefited by the application or the project.

In addition to each of these entities themselves, the term "applicant" shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, directors, principals and senior executives of the entity if the entity is a corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company. For projects using tax-exempt bonds, it shall also include the individual who will be executing the bond purchase agreement.

The following questions must be responded to for each entity and person qualifying as an "applicant," or "joint applicant" as defined above.

**Explain all positive responses on a separate sheet and include with this questionnaire in the application.**

**Exceptions:** Public entity applicants without an ownership interest in the proposed project, including but not limited to cities, counties, and joint powers authorities with 100 or more members, are not required to respond to this questionnaire.

Members of the boards of directors of non-profit corporations, including officers of the boards, are also not required to respond. However, chief executive officers (Executive Directors, Chief Executive Officers, Presidents or their equivalent), and chief financial officers (Treasurers, Chief Financial Officers, or their equivalent) must respond.

**Civil Matters**

1. Has the applicant filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against it, defaulted on a loan or been foreclosed against in <i>past ten years</i> ?	No
2. Is the applicant currently a party to, or been notified that it may become a party to, any civil litigation that may materially and adversely affect (a) the financial condition of the applicant's business, or (b) the project that is the subject of the application?	No
3. Have there been any administrative or civil settlements, decisions, or judgments against the applicant within the past ten years that materially and adversely affected (a) the financial condition of the applicant's business, or (b) the project that is the subject of the application?	No
4. Is the applicant currently subject to, or been notified that it may become subject to, any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency?	No
5. In the past ten years, has the applicant been subject to any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency that resulted in a settlement, decision, or judgment?	No

**Criminal Matters**

6. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, felony charges against the applicant?	No
7. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, misdemeanor charges against the applicant for matters relating to the conduct of the applicant's business?	No
8. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, criminal charges (whether felony or misdemeanor) against the applicant for any financial or fraud related crime?	No
9. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, that could materially affect the financial condition of the applicant's business?	No
10. Within the past ten years, has the applicant been convicted of any felony?	No
11. Within the past ten years, has the applicant been convicted of any misdemeanor related to the conduct of the applicant's business?	No
12. Within the past ten years, has the applicant been convicted of any misdemeanor for any financial or fraud related crime?	No

**Please provide a letter of explanation if you responded "Yes" to any of the questions above.**

Eric D. Shaw	Director		5/10/23
Printed Name	Title of Signatory	Signature (Please Type Name)	Date

Application Score - 100 points max §106(f)											Rev. 2/2023	30
<b>(1) Non-Residential Matching Funds - 15 points max</b>												0
Matching Funds (sources other than residential Local Impact Fees or In Lieu Fees)			\$0	Total Matching Funds			\$5,000,000	% of Matching Funds			0.00%	
<b>(2) Deeper Income Targeting - 20 points max</b>												0
Does Applicant commit to expend no more than 18% of its Program Funds and Matching Funds on Moderate-Income (MI) households?			No	If yes, select MI exp. %		Program + Matching Funds - Admin Exp.		\$9,500,000	Max MI exp. (per commitment)		\$0	
<b>(3) Readiness - 15 points max</b>												0
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)?					Direct link (website address) to page showing project status:							
Project Name			Pre-approved Amount		Direct link to website							
Project Name			Pre-approved Amount		Direct link to website							
Project Name			Pre-approved Amount		Direct link to website							
Project Name			Pre-approved Amount		Direct link to website							
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Project Name			Pre-approved Amount		Direct link to website							
Project Name			Pre-approved Amount		Direct link to website							
Project Name			Pre-approved Amount		Direct link to website							
Total Amount of pre-approved First Phase Funding		\$0	Total Program Funds Requested		\$5,000,000	First Phase Funding vs. Requested (times)			0			
<b>(4) Increasing the Supply of Lower-Income (LI) Rental Housing - 20 points max</b>												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.		\$9,500,000	(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 Permanent OR Construction financing for 60% AMI or less	100%	(C) Amount Applicant commits based on (B) %		\$9,500,000
<b>(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-datacollapse</b>												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.												
<b>(6) Regional Housing Trust Fund Applicants - 5 points</b>												0
A Regional Housing Trust Fund meeting the description herein receive all points in this category: A Regional Housing Trust Fund is one that includes six jurisdictions (in counties with total populations of 250,000 or less) or eight jurisdictions (in counties with more than 250,000), or that meets the minimum threshold (two jurisdictions with more than one million people, or three jurisdictions in counties with total populations of 250,000 or less, or four jurisdictions in counties with more than 250,000), and includes more than 66% of the population of the county or counties.												
List the jurisdictions that your trust fund serves: City of, County of, or Town of				Of those served, which Jurisdictions will be served with this application.				Are you serving the unincorporated county only, or the entire county including all incorporated areas?				
List the appropriate representatives from the areas that the Applicant serves.												
Congressperson Name(s) (First and last name)		District #	State Senator Name(s) (First and last name)			District #	State Assembly Member Name(s) (First and last name)			District #		
<b>(7) Performance - Applicant has committed at least 40 percent of the Program Funds previously awarded to the Applicant - 10 points</b>												10
New Applicant (not previously awarded) has committed at least 40 percent of the local Matching Funds - 10 points												0
<b>Tie Breaker</b>												
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			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			
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Project Name			Funding Source			Commitment Amount			Loan Type			
Project Name			Funding Source			Commitment Amount			Loan Type			
						Commitment vs. Request	0%					

**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?
<b>§102(d) Eligible Applicants: Previous Awardees</b>			
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
<b>New Applicants (no previous LHTF award)</b>			
No	MF_Commitment	New Applicants only. Documentation evidencing the commitment of at least 40% of the local Matching Funds.	
<b>Application Information</b>			
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
Yes (if applicable)	OrgDoc1, OrgDoc2, etc.	§106(e) Organizational Documents (Articles of Incorporation, Bylaws, Amendments, Certificate of Good Standing, etc.)	Included
Yes (if applicable)	Org_Chart	§106(e) Organizational Chart	Included
Yes (if applicable)	Gov_TIN_Form	§106(e) Government Agency Taxpayer ID Form	Included
Yes (if applicable)	STD_204	§106(e) STD-204 Payee Data Record	Included
Yes (if applicable)	Sig_Block	<b>501(c)(3) nonprofit corporation only</b> §106(e) - Signature Block, upload as a Microsoft Word document	
Yes (if applicable)	Fin_Statements	<b>501(c)(3) nonprofit corporation only</b> §106(e) - Audited financial statements (2 years)	
Yes (if applicable)	501c3_Determination	<b>501(c)(3) nonprofit corporation only</b> §106(e) - IRS determination letter regarding 501(c)(3) status (this letter must address the name of the 501(c)(3), which must match the name of the HTF)	
Yes	App_Reso	§106(e) Application Resolution <b>Note: Only one Application Resolution may be submitted and must be from the Applicant. Additionally, Attachment 1 must be an attachment to the Resolution prior to approval by the governing body and must be included with your submission.</b>	Included
Yes	Guidelines_107d	§107(d) Loan guidelines and underwriting standards and procedures	Included
Yes (if applicable)	Cert_LOE	Letter of Explanation for any applicable items on "Certification & Legal" tab of the application	N/A
<b>Matching Funds and Ongoing Revenue</b>			
Yes	Match_Fund_1, Match_Fund_2, etc.	§104 Required Documentation for Matching Funds	Included
Yes (if applicable)	Binding_Agreement	§104(b) Fully executed <b>commitment letter</b> or a fully executed <b>contract</b> to provide <b>Matching Funds</b> , specifying the source(s) of the Matching Funds, the amount of Matching Funds from each source, the date upon which the funds will be deposited into the LHTF or RHTF account, and <b>remedies</b> for not depositing the Matching Funds on/by that date.	
Yes	Ongoing_Rev_1, Ongoing_Rev_2, etc.	§102(a),(b),(c) Required Documentation for Ongoing Revenues	
<b>§106 Application Scoring</b>			
No	Readiness_1, Readiness_2, etc.	§106(f)(3) Readiness List	Included
No	LOI_1, LOI_2, etc.	§106(g)(1) Letter(s) of Intent	

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.

**Application Development Team (ADT) Support Form**

Rev. 2/2023

Please complete the "yellow" cells in the form below and **email a copy to: LHTF@hcd.ca.gov and to AppSupport@hcd.ca.gov.**  
A member of the LHTF Team will respond to your request ASAP.

Full Name:		Date Requested:		Application Version Date:	
Organization:		Email:		Contact Phone:	

Justification:

Issue #	Program Name	Tab	Section	Cell#	Update/Comment	Urgency	ADT Status	Status Date
1	LHTF							
2	LHTF							
3	LHTF							
4	LHTF							
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25	LHTF							

**From:** [Conine-Nakano, Susanna \(MYR\)](#)  
**To:** [BOS Legislation, \(BOS\)](#); [Shaw, Eric \(MYR\)](#)  
**Cc:** [Paulino, Tom \(MYR\)](#); [Nickolopoulos, Sheila \(MYR\)](#); [Gotthelf, Felicia \(MYR\)](#); [Gluckstein, Lisa \(MYR\)](#); [Geithman, Kyra \(MYR\)](#); [Blitzer, Mara \(MYR\)](#)  
**Subject:** Mayor -- Resolution-- Local Housing Trust Fund Program  
**Date:** Tuesday, April 25, 2023 4:32:29 PM  
**Attachments:** [Mayor -- Resolution-- Local Housing Trust Fund Program.zip](#)

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Hello Clerks,

Attached for introduction to the Board of Supervisors is an Resolution authorizing the Mayor's Office of Housing and Community Development on behalf of the City and County of San Francisco to execute a grant application for a grant to fund affordable housing development under the California Department of Housing and Community Development's Local Housing Trust Fund Program.

We have not included the application in the introduction packet since it's still in process. You can reach out to Mara Blitzer if you have any questions regarding the application.

[@Shaw, Eric \(MYR\)](#), can you please reply-all to confirm your approval? Thanks!

Best,  
Susanna

Susanna Conine-Nakano  
Office of Mayor London N. Breed  
City & County of San Francisco  
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415-554-6147