

# NOTICE OF FUNDING AVAILABILITY (NOFA) FAMILIES MOVING TO WORK (FMTW) PROGRAM

September 24, 1999

The California Department of Housing and Community Development (HCD) is pleased to announce the availability of \$5 million in funding for the Families Moving to Work Program (FMTW). FMTW loans are intended to assist with the development of assisted housing for CalWORKs recipients.

## Purpose

FMTW is a new program that aims to assist CalWORKs (welfare) recipients in becoming self-sufficient by providing limited term housing assistance combined with case management, employment services, child care and other supportive services. FMTW was authorized by legislation accompanying the recently enacted state budget. The statutes that govern FMTW are in the process of being amended through SB 1121 (Alarcon). This NOFA is predicated on enactment of SB 1121 in its current form. Should SB 1121 fail to become law in its current form, HCD reserves the right to cancel or amend this NOFA.

SB 1121 establishes FMTW (chapter 15, commencing with section 50880, of the Health and Safety Code) as a component of the new omnibus Multifamily Housing Program (MHP) found at chapter 6.7, commencing with section 50675, of the Health and Safety Code. This NOFA, and any fund commitments awarded hereunder, will be governed by the applicable provisions of both the FMTW and the MHP. Pursuant to Health and Safety Code section 50675.11 there will be no program regulations. In lieu thereof, this NOFA and its application forms will serve as guidelines for the commitment and use of funds as provided herein. Threshold requirements and rating and ranking criteria will be set forth in the application process document.

## Program Summary

FMTW provides deferred payment loans to developers of assisted housing. Loan proceeds may be used for the cost of developing housing units and child care, after school care, and social service facilities integrally linked to the housing units. They may also be used to fund reserves used to subsidize rents for CalWORKs recipients. FMTW is designed to work in conjunction with the Low Income Housing Tax Credit program, and with local housing finance programs. The loan limits are set with the expectation that the bulk of project development costs will be financed through other sources, and that the primary use of FMTW funds will be to write down rents in affordable housing projects already under development to levels that are within reach of CalWORKs recipients.

Upon move in, occupants of units assisted by FMTW must be CalWORKs recipients participating in welfare to work activities. Families may receive assistance under FMTW for only a limited period of time, as approved by the local welfare department, consistent with the local CalWORKs plan. When this period ends the FMTW rent subsidy must be terminated.

Under this NOFA, FMTW-assisted unit rents and tenant incomes will be restricted for 55 years from the date of initial occupancy. The requirement to house CalWORKs recipients ends when the development ceases to benefit from the FMTW assistance (e.g. when the rent subsidy funds are exhausted), but not sooner than 10 years from the date of initial occupancy. HCD may also modify the requirements of the program if CalWORKs is revised in a manner that threatens project feasibility. After the period during which occupancy must be limited to CalWORKs recipients, the FMTW-assisted units must be operated as affordable housing, following the income and rent restrictions applicable to units assisted by the Low Income Housing Tax Credit program (LIHTC).

### **Eligibility**

Eligible borrowing entities must be nonprofit corporations, cooperatives, local public agencies, limited partnerships in which the managing general partner is a nonprofit corporation, or combinations of these entities.

Eligible projects may involve either new construction or rehabilitation, and may be operated either as permanent housing (with limited term rental assistance provided through FMTW) or as transitional housing (where residents must move from their units at a certain point in time).

HCD encourages projects that are well along in the development process, and hence able to deliver housing quickly. However, projects are ineligible if they have completed construction or rehabilitation.

### **Eligible Uses of Funds**

FMTW funds may be used for:

1. Property acquisition, soft costs, refinancing of existing debt, off-site improvements, construction contract payments, and capitalized reserves, including reserves used for rent subsidies; and,
2. To defray development costs for FMTW-assisted housing units only (not other units) and development costs for child care, after school, and social service facilities integrally linked to the housing units; and,
3. As construction financing that rolls over into permanent financing, or as permanent financing only.

### Supportive Services

To enable FMTW-assisted households to successfully move from welfare to work, and to retain employment, project sponsors must provide or arrange for the provision of supportive services for residents occupying assisted units. These services must include child care and case management services available from the time of move-in until three months following termination of FMTW assistance, and that are directed at assisting residents to become economically self sufficient. Child care available to project residents must either be provided on-site or in close proximity to the project. Supportive services costs may be included in the project operating budget.

### Loan Terms and Limits

Loans will have 55-year terms. Principal and interest payments may be deferred for up to the term of the loan. Loan funds used for child care facilities are forgivable. The maximum per-project loan amount is \$1,000,000.

Maximum per-unit loan amounts are as follows:

<u>Project Location</u>	<u>Per-Unit Loan Limit</u>
CalWORKs Region 1 Counties: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Ventura	\$35,000
CalWORKs Region 2 Counties: all not in Region 1	\$25,000

### Rent and Occupancy Limits

Units where rents and occupancy are restricted by FMTW are called assisted units, or FMTW-assisted units. Developments are not required to have any particular percentage of units designated as assisted units. For the full 55 year loan term, rent and income restrictions in FMTW-assisted units shall be set to match those required by the California Tax Credit Allocation Committee (TCAC) (with household incomes not to exceed 50% of AMI). For projects without tax credits, occupant income shall not exceed 50% of area median income, as calculated under the LIHTC program, and rents shall not exceed the LIHTC limit for households in this income bracket.

For a minimum of 10 years, the following additional requirements shall apply to FMTW-assisted units:

1. When they move in, households must be comprised of CalWORKs recipients who are participating in welfare-to-work activities and their families.
2. The assistance provided through FMTW shall terminate at a point in time approved by the local welfare department, consistent with the county CalWORKs plan. When assistance is terminated, either residents must move from their units or their rent subsidy must end.
3. In projects using FMTW funds to provide rent subsidies, these subsidies shall be in a fixed monthly amount, and not vary with household income. The amount of the subsidy must be sufficient to reduce first-year tenant contributions towards rent to amounts that do not exceed the maximums shown in the following chart.

<u>Project Location</u>	Number of Bedrooms	Maximum Tenant Contribution
CalWORKs Region 1 Counties: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Ventura	1	\$256
	2	\$313
	3	\$425
CalWORKs Region 2 Counties: all not in Region 1	1	\$241
	2	\$298
	3	\$404

Project sponsors may elect to provide subsidies that result in lower tenant contributions.

4. In transitional housing projects requiring residents to leave their units when they are no longer eligible for FMTW assistance, the maximum occupancy change shall be equal to the maximum tenant contributions toward rent, as described in the preceding paragraph.

HCD may modify the requirements applicable during the first 10+ years if CalWORKs is revised in such a fashion as to render projects infeasible.

#### **Miscellaneous Limitations and Requirements**

Developer fees shall not exceed the amounts allowed by the TCAC for tax credit projects. FMTW funds may not be used to increase the amount of the developer fee for a particular project beyond what it would be if FMTW funds were not available.

Distributions of operating income (including payment of asset / partnership management fees) may not exceed the lesser of 8% of gross rental income or \$50 per unit per month.

For projects involving existing buildings, HCD may require completion of a third-party physical needs assessment prior to loan closing.

Successful applicants shall enter into a Regulatory Agreement, Development Agreement, Promissory Note, Deed of Trust and other documents and instruments as required by HCD to ensure proper use of FMTW funds and to evidence and secure the FMTW loan.

To allow for evaluation of the FMTW program, successful applicants will be required to collect and report information on the status of their residents, beyond what is customary in most low income housing programs.

### Application Request

Applications must be on forms provided by HCD. A complete application must be received by the Department, no later than 5:P.M. on Monday, December 6, 1999. No facsimiles or late applications will be accepted. To receive an application kit, please contact Anne Gilroy at (916) 327-2886 or [agilroy@hcd.ca.gov](mailto:agilroy@hcd.ca.gov). Applications (one copy) must be delivered to one of the following addresses:

#### U.S. Mail

Anne Gilroy  
Department of Housing and Community  
Development  
Division of Community Affairs  
P.O. Box 952054  
Sacramento, CA 94252-2054

#### Private Carrier

Anne Gilroy  
Department of Housing and Community  
Development  
Division of Community Affairs  
1800 Third Street, Room 390  
Sacramento, CA 95814

Thank you for interest in the Families Moving To Work Program.

Sincerely,

Judy Nevis  
Acting Director

**TO: POTENTIAL APPLICANTS**  
**FROM: FAMILIES MOVING TO WORK PROGRAM**  
**RE: APPLICATION PROCESS**

**INTRODUCTION**

Families Moving to Work (FMTW) is a new program whose mission is to assist CalWORKs recipients in becoming self sufficient by providing limited term housing assistance combined with case management, employment services, child care and other supportive services. It was authorized by legislation accompanying the recently enacted State budget. SB 1121 establishes FMTW (Chapter 15, commencing with Section 50880, of the Health and Safety Code) as a component of the new omnibus Multifamily Housing Program (MHP) found at Chapter 6.7, commencing with Section 50675, of the Health and Safety Code. Any funded commitments awarded hereunder will be governed by the applicable provisions of the FMTW and the MHP. Pursuant to Health and Safety Code Section 50675.11. There will be no program regulations.

**PROGRAM OBJECTIVES**

FMTW was established to assist CalWORKs recipients by providing limited term housing assistance through deferred loan payments for developers. The loan proceeds may be used for developing housing units, child care, after school care and social services facilities integrally linked to the housing projects. FMTW is designed to work in conjunction with the Low Income Housing Tax Credit Program (LIHTC) and with local housing finance programs. The primary use of FMTW funds will be to write down rents in affordable housing projects to levels that are within reach of CalWORKs recipients.

**ELIGIBLE APPLICANTS**

An applicant must be a nonprofit corporation, cooperative, local public agency, limited partnership in which the managing general partner is a nonprofit corporation or combinations of these entities.

**ELIGIBLE PROJECTS**

An eligible project must involve construction or rehabilitation of a structure or structures that qualify, before or after the construction or rehabilitation as a “transitional housing development” as defined by Section 50675.2(d) and (h) of the Health and Safety Code.

## USE OF FUNDS

Eligible costs shall include the costs of developing dwelling units, transitional housing, child care, after school care and social services facilities integrally linked to the assisted dwelling units.

FMTW funds may be used for property acquisition, soft costs, refinancing or existing debt as provided in Section 50675.5 of the Health and Safety Code, new construction or rehabilitation, including conversion of nonresidential properties to residential use, property improvements to correct unsafe, unhealthy or unsanitary conditions, onsite and off site improvements, developer fees, reasonable consulting costs, initial operations costs for housing units and capitalized reserves for replacement and operations.

## DEFINITIONS AND ACRONYMS

The following is a partial list of applicable definitions:

- Affordable rent: shall be established by the department to be consistent with the rent limitations imposed by the Low Income Housing Tax Credit Program, as administered by the California Tax Credit Allocation Committee.
- Assisted unit: means a unit that is affordable to a lower income household as a result of a loan provided pursuant to this chapter. In order to ensure consistency with the Low Income Housing Tax Credit Program, occupancy of assisted units shall be limited to households whose income does not exceed the limits specified by the California Tax Credit Allocation Committee.
- Community housing development: means a development of 20 or more rental or cooperative units on one or more sites, that includes the following social and economic features:
  - (1) A job and economic development center,
  - (2) A child care center and play area adequate in size to serve the residents of the development and may also serve the children of nonresidents of the development,
  - (3) A community room, which may also be the child care center,
  - (4) Adequate laundry facilities, and
  - (5) Other features as appropriate.
- Congregate housing or congregate housing development: means a new or rehabilitated large multi-bedroom structure in which more than two families share common living areas and child care, cleaning, cooking and other household responsibilities.
- Cooperative housing corporation: a limited-equity housing cooperative as defined in Section 33007.5 of the Health and Safety Code.
- Local public entity: any city, county, redevelopment agency or public housing authority, including any state agency, public district or other political

subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons and households of low or moderate-income.

- Maintain affordable rent levels: means rents may be increased by the sponsor on an annual basis in the amount that would be allowed if the project was subject to the requirements of the Low Income Housing Tax Credit Program established pursuant to Section 42 of the Federal Internal Revenue Code.
- Nonprofit housing corporation: means the same as “Nonprofit Corporation” as defined in Section 50091 of the Health and Safety Code.
- Rental housing development: means a structure or a set of structures with common financing, ownership and management, and which collectively contains five or more dwelling units, including efficiency units. No more than one of the dwelling units may be occupied as a primary residence by a person or household who is the owner of the structure or structures.
- Rehabilitation: in addition to the meaning set forth in Section 50096, includes improvements and repairs made to a residential structure acquired for the purpose of preserving its affordability.
- Rent-up-costs: means costs incurred while a unit is on the housing market but not rented to its first tenant.
- Sponsor: means any nonprofit corporation, cooperative, or partnerships in which the managing general partner is an eligible nonprofit corporation, and also includes a limited partnership in which the sponsor or an affiliate of the sponsor is a general partner.
- Transitional housing and transitional housing development: means buildings configured as rental housing developments but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months.
- AMI: Area Median Income
- CalWORKs: California Work Opportunity and Responsibility to Kids
- FMTW: Families Moving to Work
- HCD: Housing and Community Development
- LIHTC: Low Income Housing Tax Credit
- MHP: Multifamily Housing Program
- NOFA: Notice of Funds Availability
- TCAC: Tax Credit Allocation Committee

### **ELIGIBILITY/THRESHOLD/COMPLETENESS REVIEW**

FMTW staff will review all applications to determine the completeness of the application, the eligibility of the applicant and the eligibility of the project. An application deemed to be incomplete, ineligible or not meeting the threshold requirements will be eliminated from further review. The applicant will be notified in writing of the Department’s determination. The eligibility, completeness and threshold review will be based on the minimum criteria set forth below:

**Application completeness:**

1. Application must be filled out completely and include all attachments.
2. Application must bear original signature of person authorizing submittal.
3. The certified resolution must authorize submittal of the application and have the appropriate original signatures.

**Applicant eligibility:**

1. The applicant must be a local government entity, a nonprofit corporation, a limited-equity housing cooperative corporation, or may be a partnership among any of these entities.
2. All documents attesting to the applicant's legal status and financial status must be current. A *Certificate of Status* and *Statement of Officers* may be obtained by the applicant from the Office of the Secretary of State.

**Project eligibility:**

1. Eligible projects must involve construction or rehabilitation of a structure or structures that qualify, after the construction or rehabilitation, as a "transitional housing development".
2. HCD encourages projects that are well along in the development process and hence are able to deliver housing quickly. However, projects are not eligible for funding if they have completed construction or rehabilitation.

**Threshold Requirements:**

The housing must:

1. Be located on a main transportation system.
2. Have reasonable development and operating costs as compared to other similar projects in the local market area.
3. Be financially feasible.
4. Be on sites controlled by the applicant or an affiliate through a legally enforceable contract (purchase agreement, option agreement, disposition and development agreement, etc.) fee ownership or long term lease.

**LOAN TERMS AND LIMITS**

Loans will have 55-year terms. Principal and interest payments may be deferred for up to the term of the loan. Loan funds used for child care facilities are forgivable. The maximum per-project loan amount is \$1,000,000.

Maximum per-unit loan amounts are as follows:

<u>Project Location</u>	<u>Per-Unit Loan Limit</u>
CalWORKs Region 1 Counties: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Ventura	\$35,000
CalWORKs Region 2 Counties: all not in Region 1	\$25,000

If a rent subsidy reserve is established, HCD may elect to hold the reserved funds with annual advances made to the borrower.

**RENT AND OCCUPANCY LIMITS**

FMTW assisted units are those where rents and occupancy are restricted. Developments are not required to have any particular percentage of units designated as assisted units. For the full term of the 55 year loan, rent and income restrictions in the FMTW assisted units shall be set to match those required by TCAC (with household incomes not to exceed 50% of AMI). For projects without TCAC credits, occupancy household income shall not exceed 50% of the AMI as calculated under the LIHTC Program and rents shall not exceed the LIHTC limit for households in this income bracket.

The following additional requirements shall apply to FMTW assisted units for a minimum of 10 years:

1. To move into a FMTW assisted unit, households must be comprised of CalWORKs recipients who are participating in welfare-to-work activities and their families
2. The assistance provided through FMTW shall terminate at a point in time which has been set by the local welfare department is consistent with the county CalWORKs plan. When assistance is terminated the residents must move from their units or their rent subsidy must end.
3. In projects using FMTW funds to provide rent subsidies, the subsidies shall be a fixed monthly amount and not vary with household income. The amount of the subsidy must be sufficient to reduce first-year tenant contributions towards rent to an amount that does no exceed the maximums shown below:

<u>Project Location</u>	<u>Number of Bedrooms</u>	<u>Maximum Tenant Contribution</u>

CalWORKs Region 1 Counties: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Ventura	1	\$256	
	2	\$313	
	3	\$425	
CalWORKs Region 2 Counties: all not in Region 1	1	\$241	
	2	\$298	
	3	\$404	

Project sponsors may elect to provide subsidies that result in lower tenant contribution amounts.

4. In transitional housing projects requiring residents to leave their units when they are no longer eligible for FMTW assistance, the maximum occupancy change shall be equal to the maximum tenant contributions towards rents as described in this paragraph

If at any time during the first 10+ years, CalWORKs is revised, HCD may modify this applicable requirements.

### APPLICATION INSTRUCTIONS

The application must be filled out completely. Please respond to all guidelines by checking answer boxes where required, furnishing requested information and giving complete narrative answers where appropriate. If necessary insert additional pages in order to provide complete information. Some appendixes have been provided as a part of the application to assist applicant in the presentation of required information. Indicate "not applicable" in both the application and for exhibits where appropriate. If information is not available but is necessary to determine the eligibility of the applicant and/or the eligibility of the project, FMTW staff may reject the application as incomplete. A FMTW checklist is furnished as a part of this application. Applications must on forms approved by HCD. Be sure all exhibits are complete and included with the application. All exhibits must be tabbed and labeled as identified on the checklist.

Application will be accepted until 5:00 p.m. on December 6, 1999. Applications submitted via facsimile or received late will not be accepted. Applications received in the FMTW office by the deadline will be date stamped upon arrival and assigned a sequential application number by FMTW staff. Applications received after the deadline will be returned.

The package must include one original FMTW application and one complete copy of the application. Mail the package to:

Department of Housing and Community Development  
Families Moving to Work Program, MS 390-5

P.O.Box 952054  
Sacramento, CA 94252-3054

or deliver to:

Department of Housing and Community Development  
Families Moving to Work Program, MS 390-5  
1800 Third Street, Room 390  
Sacramento, CA 95814

### RATING AND RANKING OF APPLICATIONS

Applications that are determined to be eligible, complete and meeting all threshold requirements will be rated and ranked according to the criteria set forth below.

1. Capacity of the sponsor to combine housing and supportive services in an effective manner. Capacity will be evaluated based on the experience of the sponsor and their contracted agents in:
  - a. Developing, owning and operating service-enriched housing especially those serving CalWORKs recipients; and
  - b. Providing supportive services to CalWORKs recipients; and
  - c. Securing funds to cover supportive services costs.

**60 Points  
Maximum**
  
2. Program design quality which will be evaluated based on the adequacy of funding reliably available for:
  - a. Child care; and
  - b. Supportive services; and
  - c. Degree to which services are consistent with FMTW's goal of moving families towards self-sufficiency; and
  - d. reliability of the plan for providing affordable housing upon termination of FMTW assistance; and
  - e. All other indicators of program effectiveness.

**50 Points  
Maximum**

3. Project readiness, in accordance with the following: **30 Points Maximum**
- a. Construction has commenced.
  - b. All necessary development funding committed, all public approvals received (except building permits), drawings in post-schematic stage.
  - c. All necessary development funding committed (except for FMTW commitment).
4. Projects uniqueness or specific project types as follows: **30 Points Maximum**
- a. "Community housing development:" means a development of 20 or more rental or cooperative units on one or more sites, that includes (i) a jobs and economic development component; (ii) a child care center and play area adequate in size to serve the residents of the development and may also serve the children of non resident residents of the development; (iii) a community room, which may also be the child care center; (iv) adequate laundry facilities; and (v) other features as appropriate.
  - b. "Congregate housing" or "congregate housing development", means a new or rehabilitated large multi-bedroom structure in which more than two families share common living areas and child care, cleaning, cooking and other household responsibilities.
  - c. Other housing types with unique feature applicable to this program.
5. Geographic distribution. Applications for projects located in a region from which less than 20% of the total applications are received shall receive 30 points. Regions for purpose of this criterion are: **30 Points Maximum**
- a. Los Angeles county
  - b. Southern California outside of Los Angeles [the counties of San Luis Obispo, Kern, San Bernardino and everything to the south]
  - c. Central Valley and Mountains; and
  - d. San Francisco Bay area.

**Total Points Available 200**

## **RECOMMENDATIONS**

FMTW staff will prepare a report containing a project summary and a staff recommendation for all proposed projects determined to be eligible. The staff report will be presented to HCD's Local Assistance Loan and Grant Committee for review and funding recommendation. The applicant is invited to be present at the committee meeting with FMTW staff to discuss the proposed project. The committee's funding recommendations will be forwarded to the Director of the Department of Housing and Community Development for the final funding decision. If insufficient funding is available to meet the needs of all the applications deemed eligible for funding, funds will be awarded on the basis of the rating and ranking described above.

## **INFORMATION AND ASSISTANCE**

It is strongly recommended that care and prudence be exercised in the planning of proposed projects, selection of development team members in the preparation of this application and the attachments. An application that is deemed incomplete based on the above stated eligibility criteria shall be rejected. Staff is available to answer questions regarding the program or the completion of the application and attachments. Please call for assistance or additional information at (916) 445-0877.

Thank you for your interest in the Families Moving to Work Program.

California Department of Housing and Community Development  
Families Moving to Work (FMTW)\  
APPLICATION FORM

**SECTION I APPLICANT INFORMATION**

- A. Name of Applicant: \_\_\_\_\_
- B. Address: \_\_\_\_\_
- C. Chief Executive Name and Title: \_\_\_\_\_
- D. Contact Person Name and Title: \_\_\_\_\_
- E. Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_
- F. E-mail Address \_\_\_\_\_

**SECTION II PROJECT BACKGROUND**

- A. Project Name: \_\_\_\_\_
- B. Street Address: \_\_\_\_\_
- C. County: \_\_\_\_\_ Census Tract: \_\_\_\_\_
- D. State Legislators Representing Project Site:
- State Senator: \_\_\_\_\_ District No.: \_\_\_\_\_
- Assembly Member: \_\_\_\_\_ District No.: \_\_\_\_\_
- E. Total FMTW Program Funds Requested: \$ \_\_\_\_\_
- F. Total Project Costs: \$ \_\_\_\_\_
- G. Check All That Apply to the Project:
- new construction
- acquisition and rehabilitation
- meets definition of congregate housing in Application Process
- meets definition of community housing development in Application Process

### SECTION III APPLICANT BACKGROUND AND EXPERIENCE

#### A. The Applicant is a (check one)

- nonprofit corporation
- local public agency
- limited partnership with a nonprofit managing general partner
- other: \_\_\_\_\_

#### B. The ultimate project owner will be:

- a limited partnership
- the applicant
- other: \_\_\_\_\_

If the owner will be a limited partnership, who will be the general partner(s)?  
(Exhibit 1)

#### C. Organization Legal Status:

- 1) Resolution authorizing application. (Exhibit 2) (See Appendix "A" for sample)
- 2) Copy of Articles of Incorporation and Bylaws. (Exhibit 3)
- 3) List of Names of Governing Body and Corporate Officers. (Exhibits 4)
- 4) Tax Exempt (501(c)3) Status and Current (less than 1 year old) Secretary of State Certificate of Status. (Exhibit 5)
- 5) Most Recent Audited Financial Statement. (Exhibit 6)

#### D. Housing Development Experience

- 1) A description of your organization's history and experience. (Exhibit 7)
- 2) Briefly describe each program your agency is currently operation and/or implementing. (Exhibit 8)
- 3) List the geographic area(s) where your program(s) operate and include the number of units developed or under development in each area. (Exhibit 9)
- 4) List any program or financial assistance you have received from HCD during the past three years, to include dates and a contact person for each program. (Exhibit 10)
- 5) Please provide references from other funding sources with whom you have worked in the last three years. Include names, address and phone number for references. (Exhibit 11)

- E. Describe the contemplated project ownership structure, including any anticipated planned changes. If there are multiple partners of affiliate organizations, explain the role of each.** (e.g. "The land will be owned by the applicant and leased to a limited partnership, which will own the improvements. The limited partnership will have two general partners, one of which will be a single asset corporation controlled by the applicant and the other will be XYZ corporation. The XYZ corporation will be responsible for arranging the financing and managing the rehabilitation work. Upon rehabilitation completion, the XYZ corporation will withdraw from the partnership.") (Exhibit 12)
- F. Has the applicant or any affiliate been declared in default under any financing agreement in the past five years, been removed from any partnership, entered into a workout agreement with any funding source, been barred from participation in any public program, or been awarded negative points by the California Tax Credit Allocation Committee?**  
 Yes  No If yes, provide details. (Exhibit 13)

#### SECTION IV DEVELOPMENT TEAM AND PROPERTY MANAGEMENT

- A. Identify those that have been selected:**

Architect: \_\_\_\_\_  
 Financial Consultant: \_\_\_\_\_  
 Attorney: \_\_\_\_\_  
 Management Company: \_\_\_\_\_  
 Service Provider: \_\_\_\_\_  
 General Contractor: \_\_\_\_\_  
 Other: \_\_\_\_\_  
 (Exhibit 14)

#### SECTION V THE PROJECT

- A. Land Area:** \_\_\_\_\_
- B. Scattered Sites?**  Yes  No
- C. Briefly describe existing site improvements and how they will be modified by the project.** (Exhibit 15)

D. Does the project require a zoning change?  Yes  No:

- 1) A variance?  Yes  No:
- 2) A conditional use permit?  Yes  No:
- 3) Other land use approval?  Yes  No.
- 4) If any are answered yes, describe (Exhibit 16)

E. Status of architectural and engineering plans:

- schematics completed
- design development drawings in progress
- design development drawing completed
- working drawing in process
- working drawings completed
- other \_\_\_\_\_ (Exhibits 17 & 18)

F. Describe Project When Completed:

No. of Buildings: \_\_\_\_\_  
Stories: \_\_\_\_\_  
Total Gross SF Building Area: \_\_\_\_\_  
Residential Units SF: \_\_\_\_\_  
Common Areas SF: \_\_\_\_\_  
FMTW-Assisted Unit SF: \_\_\_\_\_  
Parking Structure SF: \_\_\_\_\_  
Total Parking Spaces: \_\_\_\_\_  
Spaces in Structures: \_\_\_\_\_  
Elevator?:  Yes  No  
Child Care Center?  Yes  No  
Social Services to be provided?  Yes  No  
Year Building Constructed: \_\_\_\_\_  
Handicapped Accessible Units: \_\_\_\_\_  
Describe any non-residential spaces to be located on the project site, including square footage: \_\_\_\_\_

G. For rehabilitation projects, list the number and size of housing units before and after rehabilitation:

Unit	No. Before Rehab	No. After Rehab
1-bedroom		
2-bedroom		
3-bedroom		
Other		

**H. Will the project require tenants to vacate their units for any period of time; result in rent increase; reduce the number of units; or otherwise trigger federal relocation requirements?**  Yes  No (If yes, describe the number of units affected; the specific nature of the impact and how the sponsor will meet their obligations under applicable federal relocation laws.) (Exhibit 19)

**I. FMTW funds will be used as follows:**

Development Costs \$ \_\_\_\_\_  
 Rent/Occupancy Charge Subsidy Reserve \$ \_\_\_\_\_  
 Total \$ \_\_\_\_\_

**J. Monthly rent/occupancy charges subsidies and first year rents (for rental projects only) for FMTW-Assisted units will be as follows:**

Unit Size	First Year Rents (Rental Projects Only)	Monthly Rent/Occupancy Charge Subsidy	First Year Tenant Contribution Towards Rent/Occupancy Charge
1-bedroom	\$	\$	\$
2-bedroom	\$	\$	\$
3-bedroom	\$	\$	\$
Other:	\$	\$	\$

**K. Describe any plans to limit occupancy of FMTW-Assisted units to a particular population** (e.g. to residents of a particular redevelopment area, or to those with a particular disability).(Exhibit 20)

**L. How long will FMTW assistance be available to individual resident households?**  
 (Specific time limits must be approved by the county welfare department, consistent with the county's welfare reform plan and the other services they provide.)  
 (Exhibit 21)

**M. When FMTW assistance is terminated, residents will:**  
 be required to move from their units (Exhibit 22)  
 be allowed to remain in their units, without a FMTW rent subsidy (Exhibit 23)

## FMTW CHECKLIST

Submit one copy of the application form, followed by all applicable exhibits in one or more three-ring binders. Please attach a tab to each exhibit with its corresponding number listed below. If items are not applicable please indicate by noting "not applicable or N/A" in exhibit area of checklist.

1. Borrowing entity organizational documents such as partnership agreement (ITEM III B)
2. Resolution authorizing this application.  
**Time-Saver:** resolution may authorize execution of the contract and other documents needed to process a loan. See Model Resolution, Appendix "A" (ITEM III C1)
3. Articles of Incorporation and By-Laws. For Public agencies, its enabling resolution or charter. (ITEM III C2)
4. Names of officers and board members of applicant's governing body. (ITEM III C3)
5. Current certification of 501 ( c ) 3 Status with Secretary of State that is less than one year old. (ITEM III C4)
6. Most recent audited financial report. (ITEM III C5)
7. Organization's history & experience. (ITEM III D1)
8. Narrative on organization's current programs. (ITEM III D2)
9. Geographic area(s) served. (ITEM III D3)
10. HCD financial assistance history. (ITEM III D4)
11. Funding source references. (ITEM III D5)
12. Identities of Interest Disclosure (Identify any persons or entities, including affiliated entities, that will provide goods or services to the project either (a) in more than one capacity or (b) that qualify as a "Related party" to any other person or entity that will provide goods or services to the project, using TCAC's definition of Related party.) (ITEM III E)
13. Explanation of any defaults , or of being barred from participation in any public program or been awarded negative points by California Tax Credit Allocation Committee in the last five years. (ITEM III F)
14. Resumes of experience for each development team member, the proposed property manager and major service providers. (ITEM IV A)

15. Narrative describing a) current use of site, b) use of all adjacent properties, c) location of shopping and services and d) available transportation. (ITEM V C)
16. Attach a letter from the local jurisdiction describing the project and indication whether a zoning change or other planning approval will be required, together with copies of any planning approvals or permits already received. (ITEM V D)
17. New construction and substantial rehabilitation projects require architectural plans. (Prepared on 8 ½" by 11" elevations, site plan and unit floor plans. (ITEM V E)
18. Detail proposed scope of work and construction contract if available. Submit a letter from the project architect describing the status of the plans and providing a schedule for their completion. Provide a Line Item estimate of construction costs. Indicate who prepared on what basis. (ITEM V E)
19. Will Federal relocation requirements be triggered? If yes, a) describe the number of units affected, b) the specific nature of the impact and c) how the sponsor will meet their obligations under applicable federal relocation laws. (ITEM V H)
20. Describe any plans to limit occupancy of FMTW-Assisted units to a particular population such as a particular redevelopment area or those with disabilities. (ITEM V K)
21. Letter from the local county welfare department indicating that they are familiar with the applicant's plans for operations of the project, including the time limits for provision of FMTW assistance and that these plans are consistent with county's welfare reform plan and with the services provided by the county's CalWORKs program. (ITEM V L)
22. If upon termination of FMTW assistance, residents will be displaced from their units, provide a) detailed plan of how residents will be placed in permanent housing, b) how this housing will be affordable and c) provide experience history of applicant in providing this type of placement or related functions. (ITEM V M)
23. If upon termination of FMTW assistance, residents will be allowed to remain in the units, a) provide a detailed plan for expeditious transfer of the FMTW subsidy to new residents. (include turnover rates in similar identified buildings, etc.) (ITEM V M)

Additionally, please attach copies of or provide additional information as requested below. If items are not applicable please indicate by noting "not applicable or N/A" or if data is not available briefly describe situation in exhibit area of checklist.

24. Evidence of site control to include complete fully signed documentation of site ownership or legally enforceable contract.
25. Current Title report, not older than 6 months old.
26. Letter to the local legislative body notifying them of the applicant's FMTW application.
27. Article XXXIV approval, if applicable or if project is exempt, explain why.
28. Real Property Appraisals or other available market studies.
29. Environmental (toxics) reports such as Phase I, Phase II, asbestos, lead paint, acoustical studies and any corrective measures underway or completed.
30. Based on your knowledge of the building please describe : a) physical condition, and b) the basis for this knowledge (who performed inspections of what type). Include any available consultant reports (Capital Needs Assessment, Physical Needs Assessments, Replacement Reserve Study, Structural, pest, roof, etc. Not applicable to new construction projects.
31. Describe the sources and uses of Development Funding by providing a separate schedule for the FMTW-assisted units. (Applicant may use the TCAC application format)
32. If there will be any "construction only loans" provide a separate construction period statement and show sources and use of funds with the breakout for FMTW-assisted units. (Applicant may use the TCAC application format)
33. Document and explain costs of site work, off-site improvements, local impact fees and any unusual development costs.
34. Describe all funding sources. (The TCAC application format may be used)
35. Provide information on rents and occupancy levels for three closely comparable unsubsidized developments. (TCAC's or CHFA's Comparable Market Rental Data forms format may be used)
36. Describe all planned rental or operating subsidies, including those for supportive services. Indicate the status of applications.
37. Attach all funding commitment letters that have been received, together with all attachments (or loan documents if generated).

38. Provide scheduled rents and other income for the first operating year. Identify the FMTW-assisted units.(TCAC application format may be used) (This item may be combined with exhibit number 34)
39. Provide a projection with the level of detail required by equity investors.
40. Attach a dated documentation from the local housing authority with utility assumptions circled.
41. Provide a line-item budget showing stabilized expenses. (HUD's or TCAC's line item format may be used)
42. Estimated timeline showing financing and project development milestones.
43. Describe experience of applicant and contract service providers in (a)developing, owning and operation service-enriched housing, especially for welfare recipients (b) providing supportive services to welfare recipients and ( c ) securing funds to cover services costs.
44. Detailed plan for providing affordable child care to occupants of FMTW-assisted units. If this plan relies on existing facilities, document the availability of sufficient openings in these facilities in close proximity to the project site. Include any agreements with providers.
45. Detailed plan for providing case management and other supportive services. Specify a) services to be provided, b) entities that will provide them, c) staffing levels associated with each, and d) how they will be funded. Include any agreements with providers.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF COMMUNITY AFFAIRS**



**Underwriting Section**

100 Third Street, Suite 390  
P.O. Box 952054  
Sacramento, CA 94252-2054  
(916)445-0877  
FAX (916) 445-0117

December 29, 1999

Dear Interested Party:

Thank you for your recent interest in the California Families Moving to Work (FMTW) Program. The final filing date for submittal of applications in response to the Department's Notice Of Funding Availability for FMTW was December 6, 1999. Although the Department received a fair number of applications we would have liked to have received more. The Department and program staff are committed to expanding housing opportunities for all low-income families and are interested in knowing what changes can the FMTW program staff make to improve the FMTW program. In order to help staff better meet the needs of the low-income population would you please complete the following questionnaire:

1. What was it about the program, application or process that caused you to decide to either submit, or not submit an application? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. If FMTW were an over-the-counter program, would the program better meet the needs of housing developers? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. What improvements would you suggest to make the FMTW Program better and to create more interest? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Would it be helpful (and why) if the FMTW staff conducted workshops? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Other comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Would you be willing to speak with staff if they have questions about your comments? \_\_\_\_\_  
If yes, please provide your name and a number where you can be reached:  
\_\_\_\_\_

Thank you for helping us evaluate the FMTW program. Please return you comments in the enclosed self-addressed stamped envelope. If you have any questions concerning this questionnaire; or, want additional information or clarification of program related matters please contact me at the above address; or, call me at (916) 324-3785.

Sincerely,

Raymond A. Bulford  
Manager, Underwriting